

# Western allies agree 5G security guidelines

REUTERS, Prague  
Global security officials agreed a set of proposals on Friday for future 5G networks, highlighting concerns about equipment supplied by vendors that might be subject to state influence.

No suppliers were named, but the United States has been pressing allies to limit the role of Chinese telecom equipment makers such as Huawei Technologies over concerns their gear could be used by Beijing for spying. Huawei denies this.

"The overall risk of influence on a supplier by a third country should be taken into account," participants at the conference in the Czech capital said in a non-binding statement released on the last day of the two-day gathering.

Representatives from 30 European Union, NATO and countries such as the United States, Germany, Japan and Australia attended the meeting to hash out an outline of practices that could form a coordinated approach to shared security and policy measures.

Diplomatic sources said participating countries were not ready to sign any documents in Prague because they had not concluded debates about the issue at home but called for participants to seize on the momentum moving forward.



Telecommunications workers install a new 5G antenna system for AT&T's 5G wireless network in California.

"This would be a pity if this turns out to be a one-off event," Japan's ambassador for cyber policy Masato Ohtaka said.

Neither China nor Huawei were invited to the event, although participants said no country or company was being singled out.

Some western countries' concerns about Huawei center on China's 2017 National Intelligence Law, stating that Chinese "organizations and citizens shall, in accordance with the law, support, cooperate with, and collaborate in national intelligence work."

EU members have until the end of June to assess cybersecurity risks related to 5G, leading to a bloc-wide assessment by Oct. 1. Using this, EU countries would then have to agree measures to mitigate risks by the end of the year.

Huawei said it was ready to work with regulators and other stakeholders on creating effective rules.

"We are encouraged by the emphasis on the importance of research and development, open markets and competition, but would urge policymakers to avoid

measures that would increase bureaucracy and costs and limit the benefit that 5G can bring," it said in a statement.

"As the EU continues its deliberations, we firmly believe that any future security principles should be based on verifiable facts and technical data." The final document looked at the impact of 5G on policy, technology, economy and security, with general recommendations on how best to mitigate potential risks.

"All stakeholders including industry should work together to promote security and resilience of national critical infrastructure networks, systems and connected devices," the document said.

The security issue is crucial because of 5G's leading role in internet-connected products ranging from self-driving cars and smart cities to augmented reality and artificial intelligence. If underlying technology is vulnerable, it could allow hackers to exploit such products to spy or disrupt them.

Europe — where Austria, Belgium, Czech Republic, France, Germany, Greece, Hungary, Ireland, the Netherlands, Lithuania and Portugal are preparing to auction 5G licenses this year — has emerged as a battleground over Huawei's next-generation technology.

# Tesla boosts capital raise to \$2.7b

REUTERS  
Tesla Inc on Friday was set to raise up to \$2.7 billion in a record-setting capital raising for the electric carmaker, as investors scooped up a mix of new stock and convertible notes that will recharge the company's cash-depleted balance sheet.

The company said in a filing that it had increased its offer to 3.1 million shares, rising to 3.5 million including a tranche for underwriting banks, from an initially planned 2.7 million, priced at \$243 per share.

The filing also showed it would place convertible debt worth \$1.6 billion, up from an initial planned \$1.35 billion. That all pointed to buoyant interest in the offering and shares in the company rose 2.5 percent in morning trading.

The coupon for the debt offering, however, was set at 2.0 percent — the top of the indicated range — suggesting the company had ceded ground to investors to borrow so much.

The conversion premium at which the bonds can be exchanged for stock in the future, was also at the bottom of the initial range given by the company — another concession.

"Seeing the offering amount raised does not surprise me at all," Clement Thibault, senior analyst at global financial markets platform Investing.com.

"As far as Tesla is concerned, the more money in the bank, the better."

Tesla's launch of a capital raise was greeted with relief by Wall Street on Thursday after a tumultuous year which has seen analysts and investors cast doubt on its ability to produce, sell and deliver enough cars to make a sustainable profit.

The company faces expensive challenges, including launching production in China, overhauling its U.S. retail and service

operations and developing new models, including the high-volume Model Y SUV and a Semi commercial truck.

Many analysts had calculated that without new cash Tesla — which burned through \$1.5 billion in the first quarter and has seen demand for its cars soften — would not be able to carry out its plans.

The company said that after all costs had been deducted it could now get up to \$2.7 billion in new capital from the offer. That compared to the \$2.2 billion in cash reserves the company held at the end of March. Billionaire Musk, whose fortune centers around a 20 percent stake in the \$42-billion company, also doubled his initial commitment for buying shares and will now buy stock worth up to \$25 million, the company said.

"The fact that Musk could increase its share from \$10 million to \$25 million is in line with the usual marketing scheme," said Nord LB analyst Frank Schwöpe. "Musk always tries to surprise with promises that are often not kept."

Including the option for underwriters to buy 15 percent in each offering, Tesla will sell about \$860 million in new shares and \$1.84 billion in debt. Tesla had said on Thursday it would raise up to \$2.3 billion in new capital through shares and debt. That included an offering of 2.7 billion shares worth around \$650 million and \$1.35 billion in debt, before issues to underwriters.

Tesla's junk and convertible bonds opened roughly unchanged from Thursday's close, with the bonds of its SolarCity unit higher, according to Refinitiv data. The \$1.8 billion junk bond maturing in 2025, which rose 1.8% Thursday to a high of 87 cents on the dollar, was last at 86.5 cents.

# Inadequate bonded warehouse benefits cost \$8b in exports: IFC

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Administrative challenge of managing another 4,000 licensees in addition to existing 4,000 is also another factor, she said, while suggesting full automation of the bonded warehouse system so that the revenue authority can monitor properly.

At the event, National Board of Revenue Chairman Md Mosharraf Hossain Bhuiyan said his office considers providing bond facilities to products other than apparel for the sake of diversification of the export basket.

He, however, said bonded warehouse benefits are being abused and the NBR will take drastic action against the abusers.

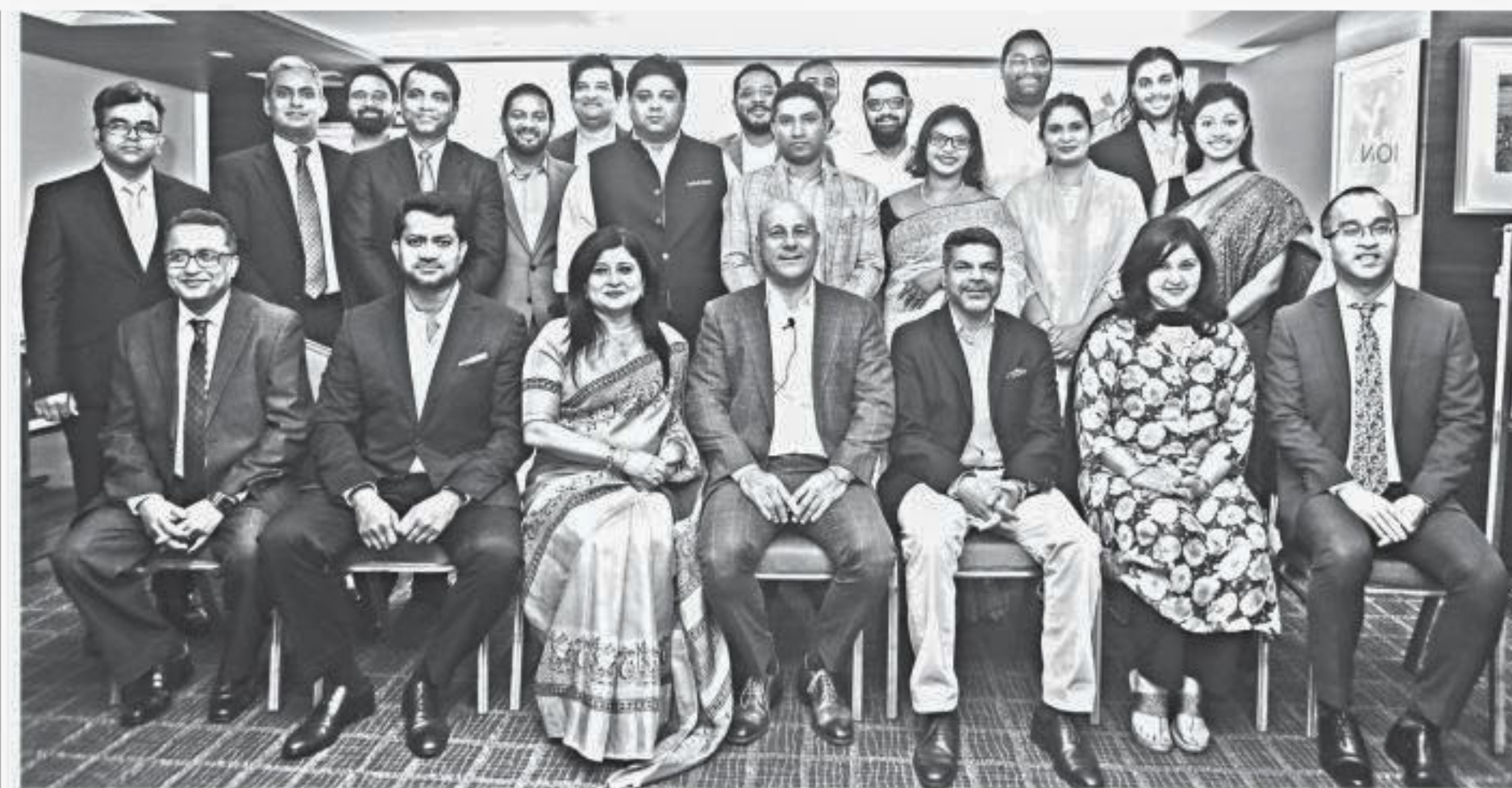
Customs Bond Commissionerates (CBC) in Dhaka and Chattogram took

steps against a total of 59 firms for abuse of the benefit in the last one and a half month, he said.

CBC Dhaka suspended 13 licences and directed 17 companies to explain their non-compliance. Ultimately, all the licences would be cancelled, Bhuiyan said.

The extent of abuse of bonded warehouse benefit will decline if the system is automated, said PRI Chairman Zaidi Sattar, while calling for the privilege be extended to non-apparel exporters too.

CBC Dhaka Joint Commissioner Md Mashiur Rahman, ERF Secretary SM Rashidul Islam and Vice President Shahnewaz Karim also spoke at the programme.



Alan Miltz, a global thought leader in financial analysis for business, banks and accountants, poses after presenting an exclusive learning session on profit, cash flow and business valuation organised by Entrepreneur Organization (EO) Bangladesh at City Bank Center in Dhaka recently. Farzana Chowdhury, president of EO Bangladesh, Hossain Khaled, founding president of EO Bangladesh, and Mashrur Arefin, CEO of City Bank, were present.

# India sees little scope for Jet Airways revival

Say govt officials

REUTERS, New Delhi  
The Indian government sees little hope of a bidder emerging for debt-laden Jet Airways Ltd, which halted operations last month, two senior finance ministry officials said.

Parties that had initially expressed interest in Jet, which is saddled with roughly \$1.2 billion of debt, have so far failed to come forward with firm bids to bail it out, increasing odds that it could soon face bankruptcy proceedings.

"There is little scope in the revival of Jet," said one official, adding that if a bidder emerged, the government was still willing to restore slots to the private airline that had been temporarily given to rivals.

The second official said it was only a matter of time before someone dragged the carrier to the National Company Law Tribunal — India's bankruptcy court — for recovery of dues.

# Three drug makers become NBR's trusted traders

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AEO is recognition for compliance of businesses and a quality mark that indicates the supply chain is secure. Firms having the AEO status get green channel to do overseas trade.

More than 75 countries have AEO programmes, according to the WCO.

The NBR took the initiative to introduce AEOs in 2014 and framed the associated rules in June last year.

The rules say that an AEO seeker should have a "satisfactory compliance record" and there should be proven record that the applicant was not involved in any wrongdoing in the previous three years.

NBR Chairman Md Mosharraf Hossain Bhuiyan and Federation of Bangladesh Chambers of Commerce and Industry President Md Shaful Islam Mohiuddin were present among others.

# Dhaka stocks post biggest single-day gain in 4 months

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A top official of a merchant bank said the turnover was mainly retail-based. He, however, hoped that institutional investors' participation will increase too.

Familytex (BD) was the top gainer adding 10 percent, while Standard Ceramic was the worst loser shedding 7.74 percent.

Bangladesh Shipping Corporation dominated the turnover chart with 39.48 lakh shares worth Tk 19.85 crore changing hands, followed by National Tubes, Fortune Shoes, Monno Ceramic and United Power Generation.

Chittagong stocks also rose with the bourse's benchmark index, CSCX, advancing 204.90 points, or 2.09 percent, to finish at 9,988.40.

Gainers beat losers as 217 securities advanced, 32 declined while 10 finished unchanged on the Chittagong Stock Exchange.

The port city bourse traded 1.02 crore shares and mutual fund units worth Tk 32.50 crore.

# Local firm offers blockchain solutions to UK fintech

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Emran Abdullah, head of business development of eGeneration, and Thaslima Begum, founder and chief executive officer of the trade finance platform, signed the agreement.

Earlier eGeneration developed technology solutions and implemented ICT projects of Denmark, Japan, the US, Canada, Saudi Arabia, Russia, Uganda and the Philippines whereas TEEK TAKA won last year's Islamic Development Bank's Fintech Challenge.

# US-CHINA TRADE DILEMMA

## How to hold Beijing's feet to the fire

AFP, Washington  
US and Chinese officials say a historic deal ending their ongoing trade war could be imminent, but a key question is how can Washington be sure Beijing will live up to its end of the bargain?

With up to 100 Chinese officials reportedly expected next week in Washington, with the possibility of unveiling a grand agreement after months of tensions, that question is hanging over the talks.

Beijing may make eye-popping offers to buy American energy and agriculture exports as a means of cutting the soaring US-China trade deficit (\$378.7 billion in 2018, including services trade), but all eyes will be on whether the agreement has any teeth.

US Vice President Mike Pence said Friday the enforcement mechanism would be key to the decision on whether to remove the punishing US

tariffs which now cover more than \$250 billion in Chinese imports.

"The reason enforcement has become central to this negotiation is the long history of China not living up to the spirit of the commitments it has made in the WTO and in bilateral negotiations with the US and other countries," Edward Alden, a trade expert at the Council on Foreign Relations, told AFP.

US President Donald Trump has repeatedly accused China of stealing from the United States by buying less from America than it sells.

But Trump also has demanded structural changes to the Chinese economy, including an end to forced transfer of American technology, theft of intellectual property and the massive role the Chinese government plays in markets and industry.

US Trade Representative Robert Lighthizer, who is leading the US delegation along with Treasury Secretary Steven Mnuchin, has

insisted Washington will not accept empty promises and will demand verification Beijing is keeping its word.

Reaching trade agreements with China can be especially challenging, given that its regulations are not transparent, Alden said.

"China can change its laws in ways that please the United States, but then use regulatory tools to thwart implementation."

To ensure strict compliance, US negotiators have proposed monthly, quarterly and semi-annual meetings, with the twice-yearly meetings to involving the most senior officials.

And should American businesses report violations of the agreement, Washington could begin a series of consultations with their Chinese counterparts, and then unilaterally impose new tariffs if no resolution is achieved, according to US media reports.



Masihul Huq Chowdhury, CEO of Community Bank Bangladesh, and Suketu Bharatia, senior project manager of Edgeerve Systems, exchange signed documents of a deal in presence of Mohammed Javed Patwary, inspector general of Bangladesh Police and chairman of the bank, at the former's head office in Dhaka recently for implementing a "Finacle Universal Business Solution", which would offer customers seamless banking experience.