

BASIS seeks nomination for ICT awards



Syed Almas Kabir, president of the Bangladesh Association of Software and Information Services, attends the launch of the BASIS National ICT Awards 2019 on its Dhaka premises yesterday.

STAR BUSINESS REPORT

The Bangladesh Association of Software and Information Services (BASIS) yesterday said it will award 105 individuals and companies in 35 categories at its flagship ICT awards this year.

The association invited applications from individuals and firms for the third edition of the "BASIS National

ICT Awards 2019" at a press conference at its office in Dhaka.

The winners will also be nominated for the Asia Pacific ICT Alliance Awards, which will be held in Ha Long Bay in Vietnam in November.

BASIS President Syed Almas Kabir said it would recognise innovative and prospective ICT projects.

Didarul Alam, convener of the award committee, said the objective

of the event is to honour outstanding achievements of individuals, students, entrepreneurs, SMEs and organisations operating in Bangladesh.

The BASIS will receive nominations till July 18.

Farhana A Rahman, senior vice-president of the BASIS, and Shueb Ahmed Masud and Mushfiqur Rahman, both vice-presidents, were also present at the briefing.

India inflation likely rose in June, but below RBI target

REUTERS, Bengaluru

India's retail inflation likely reached an eight-month high in June on rising food prices, but stayed under the Reserve Bank of India's medium-term target of 4 percent for an eleventh straight month, a Reuters poll predicted.

Another reading below the inflation target will likely support the RBI's decision last month to cut interest rates to boost economic growth that slowed to more than a four-year low in the January-March quarter.

According to the median consensus of 40 economists polled by Reuters between July 4-7, retail inflation rose at an annual rate of 3.20 percent in June, up from 3.05 percent in May.

Forecasts ranged between 2.90 percent and 3.84 percent.

Food prices which account for nearly half of the inflation basket have been rising since early this year, a dramatic shift from their deflationary path in late 2018.

If the consensus forecast is realised, retail inflation will have been below the RBI's medium-term target of 4 percent since July last year.

"A good part of the inflation should be a lift up from food inflation. The pickup remained barely subdued in the grander scheme of things," said Vishnu Varathan, an economist at Mizuho Bank.

"It has not really picked up in a way that's going to shake up markets

or raise huge concerns for the RBI at this juncture," he added.

Some economists expect the central bank will cut rates in August for the fourth consecutive time since February to enhance liquidity after the government's annual budget last week lacked any direct steps to boost the economy.

The fiscal deficit target for this financial year was reduced to 3.3

percent from 3.4 percent, and domestic borrowing was estimated at 7.1 trillion rupees.

"(If) you are planning to spend more than what you have been indicating, that could potentially swell the deficit above the target," said Prakash Sakpal, Asia economist at ING.

"If that is the case, that is going to be potentially inflationary," he added.



Vendors wait for customers at their respective shops at a retail market in Kolkata, India.

Airbus, Boeing indicate they may pull out of Canada fighter jet race

REUTERS, Ottawa

Airbus SE and Boeing Co may pull out of a bidding process to supply Canada with new fighter jets because they say the contest is unfairly tilted toward Lockheed Martin Corp, two sources with direct knowledge of the situation said on Monday.

The three companies competing with Lockheed Martin's F-35 jet have already complained about the way the contest is being run, and expressed concern some of the specifications clearly favour the US firm, industry sources have said in recent weeks.

Next week the government is due to release the so-called request for proposals - the final list of requirements - for the 88 new planes it wants to buy. The contract is worth between C\$15 billion (\$11.5 billion) and C\$19 billion and the planes are due to be delivered between 2025 and the early 2030s.

Boeing and Airbus have now formally written to Ottawa expressing concerns about the

current requirements, said two sources familiar with the matter who declined to be identified given the sensitivity of the situation. The fourth bidder is Sweden's Saab AB.

Pat Finn, the defense ministry's top official in charge of procurement, confirmed one of the four companies had sent a formal letter but gave no details. The final request for proposals is due out on July 17 and modifications are still being considered, he said.

"We continue to engage all four of them," he said in a telephone interview. "We have had some comments (such as) 'If changes are not made in such a place then we would frankly consider possibly not bidding.'"

"We are looking at those very seriously. I can't say that we will make every change, but as far as we know we continue to have four bidders in the race."

Airbus declined to comment. Boeing did not respond to a request for comment.

Canada has been trying unsuccessfully for almost a decade to buy replacements for its aging

F-18 fighters. In May, Ottawa changed the rules to allow Lockheed Martin to submit a bid, prompting Boeing to take the unusual step of announcing publicly it was surprised.

"Anyone who is not Lockheed Martin has expressed a very strong view," said one of the sources.



A real-size mock of F-35 fighter jet is displayed at Japan International Aerospace Exhibition in Tokyo, Japan.

Money flows into Asian equities in June on trade optimism

REUTERS

Foreign investors turned net buyers of Asian stocks in June as optimism ahead of a meeting between US President Donald Trump and his Chinese counterpart Xi Jinping, along with expectations of US interest rate cuts bolstered sentiment.

Overseas investors purchased a net \$4.2 billion worth of equities in June, data from stock exchanges in South Korea, Taiwan, India, Thailand, Philippines, Indonesia, and Vietnam showed.

The leaders of the United States and China agreed late last month to restart trade talks after Trump offered concessions including no new tariffs and an easing of restrictions on tech company Huawei in order to reduce tensions with Beijing.

A collapse in trade talks had prompted sharp foreign outflows from Asian equities in May.

"The US-China trade truce at the G20 meeting will likely support further inflows over the weeks ahead but this will have to be balanced against the impact of slowing growth and elevated equity valuations in some countries (India, Indonesia)," noted Mitul Kotecha, a senior emerging markets strategist at TD Securities.

"On balance, we expect portfolio inflows to Asia to continue to strengthen but to

remain discriminatory."

In June, Thai equities attracted \$1.5 billion worth of foreign money as the country's political uncertainty ended after General Prayuth Chan-ocha secured a needed majority in the parliament.

Sino-US trade optimism helped Taiwan and South Korea to secure higher inflows last month, as the two countries have extensive ties with tech companies in China and are part of their supply chains.

However, India received just \$374 million worth of inflows, the lowest in five months, as concerns over sluggish consumption and slowing growth overtook last month's national election euphoria.

So far in July, foreign investors have sold a net \$451 million in Indian equities. In its annual budget on Friday, the government proposed to increase listed companies' minimum public shareholding and raise the income tax surcharge on foreign portfolio investors.

June inflows into Asia was also helped by expectations that the US Federal Reserve would aggressively cut interest rates soon to boost the economy.

However, a recent rebound in US job growth has reduced the likelihood the Fed will slash rates at its next meeting later this month, pressuring equity markets globally.

Vietnam a step closer to beating Bangladesh in apparel exports

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In 2018, Bangladesh exported \$19.32 billion worth of garment items to the EU, up 11.17 percent year-on-year. Vietnam's exports that year stood at \$3.92 billion with an annual growth of 9.74 percent, according to data from the BGMEA.

With its 4 percent share Vietnam is currently is the sixth largest apparel exporting nation to the EU, whereas Bangladesh is the second with its share of 19 percent.

"This wide gap is under threat," the BGMEA president added.

Md Shafiqul Islam, additional secretary to the commerce ministry, echoed the same.

He, however, dismissed the need for signing an FTA with the EU in the near future.

"Bangladesh does not need to sign FTA with the EU as we will continue to enjoy duty benefit until 2027," he added.

Very few take up offer to whiten money

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This provision is different from the amnesty given to holders of undisclosed money.

"Amnesty is given to those whose sources of income is non-transparent," he added.

This year, the government has granted the opportunity to legalise black money without question on investment in economic zones and hi-tech parks.

A person will have to pay only 10 percent on the sums of his/her undisclosed money invested in the industrial enclave, according to the tax measures passed in the parliament last month for fiscal 2019-20.

This provision may encourage tax evasion and creation of black money as the amount of tax would be one-third the official tax rate, Hussain said.

If a person shows Tk 1.0 crore as income, he/she will have to pay Tk 30 lakh based on the regular rate.

By initially not declaring the income and disclosing it later under this facility, the same person would be paying only 10 percent tax by showing investment in economic zones or hi-tech parks.

Apple's services revenue, China to power third quarter: analyst

REUTERS

Apple Inc will likely see a surge in services revenue in the third quarter, charged by app store developer revenue and renewed growth in China, critical areas for the future as the iPhone maker faces a maturing smartphone market, Evercore ISI said on Tuesday.

Rosenblatt Securities on Monday downgraded Apple shares to "sell" from "neutral", citing the probability of disappointing new iPhone sales.

With Apple focusing more on the services business, Evercore said it expects total App Store developer revenue to grow 18 percent to about

\$9 billion in the third quarter. Apple is due to report results on July 30.

"We think there is likely upside ahead when it comes to services revenues in the June-quarter, driven by a sizable acceleration in China-centric markets," analyst Amit Daryanani said in a note.

China is a key market for Apple as well as a major production center for its devices. The company earned nearly 18 percent of its total revenue from Greater China in the quarter ended March.

"The reacceleration of growth in China is encouraging, while most other growth trends held stable," Daryanani said.

China and services revenue will be key areas as the company shifts its strategy from focusing on hardware sales.

App Store is a key driver of Apple's services segment, which brought in \$37.1 billion in revenue last year. The company had earlier this year attempted to reintroduce itself as an entertainment and financial services company with new launches, including a TV streaming service.

Meanwhile, JP Morgan turned positive on its volume outlook for iPhone shipments in 2020 in a note on Monday. The brokerage raised its price target on the stock to \$239 from \$233.



Ariful Haque Chowdhury, mayor of Sylhet City Corporation; Syed Tariquzzaman, an executive director of Bangladesh Bank; Haseen Ahmed, president of Sylhet Club; Mohammad Hafiz Ahmed, manager of Osmani International Airport; Md Hedayetullah, chairman of Mutual Trust Bank, and Anis A Khan, CEO, launch the MTB-Sylhet Club Visa Signature credit card at a hotel in Sylhet recently.

General shareholders may lose Tk 193cr

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The PLFS sometimes failed to pay the wages to its employees because of the severe liquidity crunch, some officials informed The Daily Star.

The NBFIs has failed to repay the depositors' money despite maturity of the funds, found the central bank report. Default loans and net losses have recently escalated as well.

The PLFS had concealed all its bad loans, so when those came to light the NAV per share sank, said Mizanur Rahman, professor of the Department of Accounting & Information Systems at the University of Dhaka.

Subsequently, he urged the government to hook those responsible for the hopeless situation of the NBFIs.

"Now, the big question is whether the depositors will get a portion of their money back or not," said AF Nesaruddin, president of the Institute of Chartered Accountants of Bangladesh.

Sami Huda, managing director of the PLFS, told The Daily Star on Monday that the central bank was yet to take a call on the NBFIs liquidation.

"A special team of the Bangladesh Bank is auditing us for the last few days. A final decision will come after this audit report," he added.

Annual inflation remains within target

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Inflation has been on a downward trajectory since fiscal 2013-14. Starting with 7.35 percent, it fell to 5.44 percent in fiscal 2016-17 but slightly increased to 5.78 percent the following year.

Satisfactory domestic production, favourable environment, low budget deficit and prudent monetary policy coupled with low fuel and commodity prices in the international markets contributed to the slide in overall inflation, according to government documents.

The government has targeted a 5.5 percent inflation rate in the current fiscal year.