

# Idea and innovation key to success

*Bank Asia MD Arfan tells Daffodil International University students*

STAR BUSINESS REPORT

Generating ideas and having a keen mind for innovation are key for a fledgling entrepreneur to attain success, said Md Arfan Ali, president and managing director of Bank Asia.

“If you have an exceptional idea, don’t worry about funding or investment. Banks and financial institutions will find you for their own sake,” he said.

He was delivering a lecture to a group of students of Daffodil International University on entrepreneurial role of an executive organised by the university in Dhaka yesterday.

Ali said technology has completely changed modern banking system. Now mobile banking, online banking, app-based banking, and agent banking were being carried out with the help of technology, he said.

“In future, there will be no physical form of money. Introduction of technology like fintech and blockchain will replace traditional banking and banking transactions will be easier and wide-ranging,” he said.

He urged students to innovate and develop mobile and online payment platforms like Alipay and WeChat Pay.

“Such innovation not only serve the country but also uphold the image of the country on global stage. On the other hand, if we can’t have secured and modern payment platform, we have to rely on foreign conglomerates,” he said.

Ali said, “We have to put emphasis on developing our villages if we want to sustain our economic development.”

In 1986 the economy of Bangladesh and South Korea were the same. Now South Korea is a first-world country while Bangladesh only a developing country. South Korea could attain this tremendous success only through the development of their villages, he said.



**Md Arfan Ali, president and managing director of Bank Asia, presents a lecture on “Entrepreneurial Role of an Executive” at Daffodil International University in Dhaka yesterday.**

“Every student should visit his village regularly and think about the development of it,” he said.

Every citizen of Bangladesh will have a bank account within 10 to 15 years. And every village will have a bank booth or bank branch, said Ali who pioneered and championed agent banking operations in Bangladesh with a view to serving the unbanked and underserved population by providing banking and financial services.

He also urged students to master artificial intelligence as it was becoming the most important thing in achieving goals successfully.

“If you can’t be a leader in artificial intelligence, we will be subjugated by the country which has the best ability in artificial intelligence,” he said.

Md Sabur Khan, chairman of the board of trustees at Daffodil International University, delivered the welcome speech at the programme. Yousuf M Islam, vice chancellor, was present.

## B-R Powergen gets nod to borrow from abroad

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The standing committee on hard term loan yesterday approved the proposal from B-R Powergen to borrow from a German bank on the condition that the power plant would get listed as it starts generation.

The approval came at a meeting chaired by Finance Minister AHM Mustafa Kamal.

“I hope public companies will get listed on the capital market one by one like B-R Powergen,” Kamal said.

The loan amount is 93 million euros and the interest rate would be 6 month EURBOR + 0.8 percent. Loan repayment will start in fiscal 2023-24 and the amount must be paid off over a 15-year period, which includes one year’s grace period.

The 150 megawatt diesel-based power plant will be set up at Sreepur of Gazipur.

## Rolls-Royce expresses optimism over Brexit plans

AFP, London

UK engine-maker Rolls-Royce on Tuesday expressed confidence over plans for Britain’s departure from the European Union, but revealed that the pound’s Brexit-fuelled slump has left it languishing in the red.

There is an increased chance that Britain will crash out of the EU in October with no trade deal in place under new Prime Minister Boris Johnson, meaning it would default to the World Trade Organization (WTO) tariff system.

Chief Executive Warren East, speaking to BBC radio, said Rolls-Royce was well positioned because it already traded under WTO rules.

“We would obviously prefer a deal because that is probably the best chance of providing certainty for business, but we’ve always been prepared for contingency -- prepared for a no-deal of some kind,” East added.

“We’re not a ‘just-in-time’ business like some other businesses, so we are actually in a much stronger position than others.

## One Bank re-elects chairman



STAR BUSINESS DESK

Sayeed H Chowdhury has recently been re-elected chairman of One Bank for a one-year term from August 1.

The board of director of the bank also re-elected Asoke Das Gupta as its vice chairman and Zahur Ullah as chairman of the executive committee.

Chowdhury is the founder chairman and CEO of conglomerate HRC, a member of the British Institute of Management and chairman of Media New Age Ltd and Information Services Network Ltd.

He is also the honorary adviser of Bangladesh Ocean Going Shipowners’ Association and chairman of the editorial board of daily Jaijaidin.

## BTRC to go tough against GP, Robi

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Earlier in a commission meeting on July 25, the telecom watchdog made the decision to seek approval from the government in this regard referring to the telecom act’s section 46.

As per that section, the telecom regulator can cancel the licence and appoint an administrator if their response is not satisfactory.

A senior official of the BTRC said they will issue the letter to the two operators, which have more than 12 crore active mobile connections between them, soon after getting the approval from the government.

Both the mobile operators declined to comment on the matter.

However, senior officials of the two operators said upon condition of anonymity there are clear procedures to recovery any public money from any entity and the telecom regulator is not following that.

“We want to see an amicable solution and here the government can play an important role,” said TIM Nurul Kabir, a former secretary general of the Association of Mobile Telecom Operators of Bangladesh (AMTOB).

Kabir said they are going through the differences between the operators and the

regulator.

Operators said they will try to convince the authorities to follow the procedure and move for arbitration.

A senior executive of a mobile operator said they may even consider moving to the international court to get a solution on the issue and that would be a disaster for industry and the country.

“The telecom regulator is not following proper laws and is even not considering the consequence of this to the country’s position in the international arena. They are only trying use their power to gain the money in an unlawful way,” said the senior executive, requesting anonymity.

Earlier on July 4, the BTRC had slashed Grameenphone’s bandwidth by 30 percent and Robi’s by 15 percent for non-payment of the dues -- enough to slow down their internet speed and raise the call drop frequency.

But the block on bandwidth was lifted on July 17 considering the inconvenience it was causing to subscribers and on July 22 BTRC decided not to give any kind of approval to Grameenphone and Robi to roll out new package or service or import network equipment -- to pile on the pressure on the operators to clear their dues.



BRAC BANK

**Tareq Refat Ullah Khan, head of corporate banking at Brac Bank, and Khokan Chandra Das, chief financial officer at Renata Ltd, exchange the signed documents of an agreement at the latter’s corporate office in Dhaka on August 5 for providing cash management solutions to Renata.**

## Primark cuts ties with some factories

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The key issues are that Primark wants withdrawal of cases filed against the workers and clearing all legal dues, explained a senior official of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) asking not to be named.

Online magazine Just-Style in a recent report said of the 427 workers whose jobs were terminated, 382 were facing legal charges filed by the factory owners.

The official, however, could not state the exact number of factories involved in the suspension.

“...impact (of the suspension) is possibly not huge. Primark has many vendors in Bangladesh. Reported deviations are not huge at all. Deviations should not determine a brand’s sourcing pattern or trend,” the official added.

“Primark does not own any factories. In fact, 98 percent of the factories making products for

Primark also manufacture for other brands. We are very selective about who we work with,” said the retailer in its code of conduct statement.

“To make it onto Primark’s approved factory list, each factory is vetted to internationally-recognised standards set out in the Primark Code of Conduct and must commit to meeting the Code as a condition of doing business with us.”

“There is no forced or compulsory labour in any form, including bonded, trafficked, or prison labour. Workers are not required to lodge ‘deposits’ or their identity papers with their employer and are free to leave their employer after reasonable notice.”

“Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively. The employer adopts an open attitude towards the activities of trade unions and their organisational activities.”

“Workers representatives are not

discriminated against and have access to carry out their representative functions in the workplace.”

“Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.”

Primark annually purchases nearly \$1 billion worth of garment items from Bangladesh. One of its sources was New Wave Bottoms, a factory housed inside Rana Plaza which collapsed in April 2013 killing over 1,135 workers.

Nazma Akter, president of Sammitilo Garment Sramik Federation said Primark’s move would not have any big impact on Bangladesh’s garment business.

Primark may place the withdrawn work orders to other local garment factories, meaning they were not shifting the orders to other countries, she said.

## CPD to form citizens’ commission on banking

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“The proposed Citizens’ Review Commission on Banking seeks to establish transparency regarding data and information on the sector, identify the root causes of the malaise, and, suggest remedial measures for the policymakers.”

Professor Rehman Sobhan, chairman of CPD, presided over the meeting attended by trustees M Syeduzzaman, formerfinance minister, Syed Manzur Elahi, chairman of Apex Group; Rasheda K Choudhury, executive director of CAMPE; Shahdeen Malik, eminent jurist; Debapriya Bhattacharya and Mustafizur Rahman, distinguished fellows of CPD; Fahmida Khatun, executive director and member-secretary of CPD’s BoT.

## Find out reasons behind rod, cement price hike

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Prices of cement have increased by up to Tk 40 each bag on average, said Md Noor Uddin Ahmed, proprietor of M/S Goodness Supply Company at East Tejguri Bazar, Tejgaon in Dhaka.

Rod and cement makers earlier said their cost of production would increase due to the tax and value-added tax measures on the import of raw materials by the National Board of Revenue (NBR) from fiscal 2019-20 and the gas price hike last month.

Bangladesh annually consumes 50-55 lakh tonnes of steel and the demand for the construction material is increasing, spurred by public infrastructure development and private construction.

The annual demand for cement is 3.5 crore tonnes and the demand for the input is also rising, according to industry operators.

## Rawhide prices unchanged this Eid

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Munshi also said the supply of sacrifice animals is adequate.

A statement from the commerce ministry said the demand for sacrificial animals in the country is 70 lakh.

However, the supply of such animals is 1.18 crore across the country.

## Former Fed chiefs back bank’s independence after Trump criticism

AFP, Washington

Four former US Federal Reserve chairs published an essay on Monday advocating for the independence of the institution, which has been the target of recent criticism by President Donald Trump.

Writing in The Wall Street Journal, the four living former Fed chiefs, Paul Volcker, Alan Greenspan, Ben Bernanke and Janet Yellen, defended the central bank and its current chair Jerome Powell from Trump’s public criticism.

“We are united in the conviction that the Fed and its chair must be permitted to act independently and in the best interests of the economy, free of short-term political pressures and, in particular, without the threat of removal or demotion of Fed leaders for political reasons,” they wrote.

The essay never named the president directly, despite his long history of antagonism towards both

Powell and the bank.

Last December, he criticized the Fed for raising rates despite signs of a weakening global economy.

He has repeatedly berated

the Fed for failing to provide additional juice to the American economy, asserting that if the central bank followed his advice, economic growth would climb

substantially from its current rate of two percent, and the stock market would rise 10,000 points.

Economist have cast doubt on Trump’s claims, though many agree with the president’s contention that last year’s rate hike was the wrong move.

Fed officials have since backtracked and the bank lowered rates on Wednesday for the first time since the Great Recession more than a decade ago.

Yet the move didn’t satisfy Trump, who on Twitter said it fell short of the “aggressive rate-cutting cycle” he wanted.

“As usual, Powell let us down,” he tweeted after the cut.

The former Fed chiefs acknowledged in their essay that they and their institution had made mistakes, but believed “those decisions were better for being the product of nonpartisan, nonpolitical assessments based on analysis of the longer-run economic interests of US citizens.”



REUTERS/FILE

**A police officer keeps watch in front of the US Federal Reserve building in Washington**

## Lack of feasibility studies delays ADP

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He will visit the projects’ site to get a first-hand account of the implementation work.

The meeting reviewed ADP implementation of last fiscal year.

Of the 58 ministries and divisions, 32 ministries used up 90 to 100 percent of their ADP allocation, 19 managed 70 to 89 percent, three 50 to 69 percent and four less than 50 percent.

Besides, the line ministries could not spend Tk 9,966 crore, of which Tk 4,934 crore was of the government’s own fund.

The report said 10 ministries and divisions could not even spend Tk 100 crore. However, many ministries were not allocated funds due to scarcity of resources though they had the capability to use them.

## Australia parks rates, warns on trade fights

AFP, Sydney

Australia’s central bank on Tuesday backed away from a third consecutive interest rate cut, but warned of “increased uncertainty” from global trade disputes.

The Reserve Bank of Australia chief Philip Lowe said the board had “decided to leave the cash rate unchanged at 1.00 percent” but said further cuts could come.

The bank had cut rates by a quarter-point in June and again in July, amid concerns about the slowing economy.

Lowe said “low-income growth and declining housing prices” continued to be a drag on consumer spending.

There was also a veiled warning about the spiralling US-China trade dispute amid an otherwise “reasonable” global outlook.

“Increased uncertainty generated by the trade and technology disputes is affecting investment and means that the risks to the global economy remain tilted to the downside,” Lowe said.