

US grants Huawei another 90 days to buy from American suppliers

REUTERS, Washington

US Commerce Secretary Wilbur Ross said on Monday the US government will extend a reprieve given to Huawei Technologies that permits the Chinese firm to buy supplies from US companies so that it can service existing customers, even as nearly 50 of its units were being added to a US economic blacklist.

The department said in a statement the 90-day extension “is intended to afford consumers across America the necessary time to transition away from Huawei equipment, given the persistent national security and foreign policy threat.”

“As we continue to urge consumers to transition away from Huawei’s products, we recognize that more time is necessary to prevent any disruption,” Ross said in a statement, confirming an expected decision first reported on Friday by Reuters.

He also said he was adding 46 Huawei affiliates to the so-called “Entity List” - a list of companies effectively banned from doing businesses with US customers - raising the total number to more



REUTERS/FILE

The Logo of Huawei is seen at its showroom in Shenzhen, China.

than 100 Huawei entities that are covered by the restrictions.

The list includes Huawei affiliates in Argentina, Australia, Belarus, China, Costa Rica, France, India, Italy, Mexico and numerous other countries.

Ross said the extension was to aid US customers, many of which operate networks in rural America. “We’re giving them a little more

time to wean themselves off,” Ross told Fox Business Network earlier.

Shortly after blacklisting the company in May, the Commerce Department initially allowed Huawei to purchase some American-made goods in a move aimed at minimizing disruption for its customers.

Huawei did not immediately comment on Monday.

The extension, through Nov. 18, renews an agreement continuing the Chinese company’s ability to maintain existing telecommunications networks and provide software updates to Huawei handsets.

The Commerce Department said on Monday it is now requiring the exporter, re-exporter, or transferor to obtain a certification statement from any Huawei entity prior to using the temporary general license.

Asked what will happen in November to US companies, Ross said: “Everybody has had plenty of notice of it, there have been plenty of discussions with the president.”

When the Commerce Department blocked Huawei from buying US goods earlier this year, it was seen as a major escalation in the Sino-US trade war.

The US government blacklisted Huawei, alleging the Chinese company is involved in activities contrary to national security or foreign policy interests.

As an example, the blacklisting order cited a pending federal criminal case concerning allegations Huawei violated US sanctions against Iran. Huawei has pleaded not guilty in the case.

OPPO wins 2019’s best phone manufacturer award

STAR BUSINESS DESK

Smartphone brand OPPO has recently been recognised as “Best Phone Manufacturer of 2019” while its Reno 5G smartphone “Best Phone Design for 2019” by WhistleOut Awards.

WhistleOut is a search engine while the award attempts to recognise and highlight achievements in telecommunications, says a statement.

A team of experienced editorial experts judges price, performance, battery, screen, camera, design and overall user experience of smartphones and picks the best smartphones and manufacturers of the year, it adds.

“OPPO has matured immensely over the last 12 months. The company isn’t trying to be anyone else, instead carving out its own identity as both a smartphone manufacturer and innovator. OPPO doesn’t just follow trends, it sets them,” said Alex Choros, managing editor at WhistleOut.

Damon Yang, managing director of OPPO Bangladesh, said, “The recent award wins show just how far OPPO has come for smartphone users around the world, thanks to its focus on smartphone innovation and design.”

“We’re extremely proud to have won these two awards from WhistleOut. It just goes to show our focus on redefining smartphone design and pushing the boundaries of what is possible is really resonating with smartphone consumers,” he added.

“To be the best phone manufacturer of the year is an amazing result and is a testament to the entire team in developing some of the best phones on the market today,” he said.

Bangladesh General Insurance reappoints MD



STAR BUSINESS DESK

Ahmed Saifuddin Chowdhury has recently been reappointed managing director and CEO of Bangladesh General Insurance Company Ltd for a third consecutive three-year term.

He joined the company in 1986 and was posted to its Chattogram office as the overall in-charge, says a press release.

Chowdhury also served the company as additional managing director (operation) while simultaneously preforming the responsibilities of company secretary.

Uber appoints new UK boss as London licence renewal nears

REUTERS, London

Uber appointed a new boss for Britain and Ireland on Monday just over a month before its licence expires in London, one of its most important global markets where the regulator has previously stripped it of its right to operate.

Transport for London (TfL) rejected the Silicon Valley company’s licence renewal request in 2017 due to failings it said it found in its approach to reporting serious criminal offences and driver background checks, prompting court action.

A British judge in 2018 then granted Uber a probationary 15-month licence which expires on Sept. 25.

Melinda Roylett, former head of Europe at digital payment company Square, begins her new role at Uber on Monday, replacing Tom Elvidge, who moved to co-working space company WeWork earlier this year.

“I am excited to be joining the company as we look to build out even more ways to get the UK moving, support licensed drivers and help make our cities cleaner,” she said.



DHAKA BANK

Syed Mahbubur Rahman, CEO of Dhaka Bank, and Kamal Quadir, CEO of bKash, exchange the signed documents of a deal at the Amari Dhaka hotel recently for providing ‘automated payment services’ to the mobile financial service provider.

RBI weighs linking some new bank loans to policy rate

REUTERS, Mumbai

The Reserve Bank of India (RBI) is looking to get banks to link some new loans to its key policy rate or other external benchmarks, Governor Shaktikanta Das said on Monday, as he pushes them to cut rates faster to stimulate a flagging economy.

Since February, the RBI has cut the repo rate by 110 basis points (bps), but most Indian banks - which rely on an opaque rate-setting mechanism, have not come close to following suit.

The State Bank of India (SBI), the largest lender by assets, has cut its benchmark lending rate by 30 bps.

Commercial banks cite high deposit rates for their inability to cut loan ones. Marginal reductions restrict how much borrowers benefit from the repo cuts.

“Today, the economy requires a certain amount of push not just from the monetary policy but also from its transmission,” Das said. “I think the time has now come to formalise this linking of new loans to external benchmarks like the repo rate.”

“We’d kept the external benchmarks in abeyance earlier because we wanted to see how the market evolves,” the governor told a banking conference in Mumbai. SBI, the largest lender by assets, earlier this year linked its savings bank deposits and short-term loans to the repo rate, becoming the first Indian bank to do so.

“I expect more initiatives and this process to become faster,” Das said, adding that the RBI has been in talks with banks ensure “faster and greater” adjustment of rates.



RBI Governor Shaktikanta Das

Factories employing robots to boost output

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Like RFL, ACI is also using robotics. The company uses six industrial robots to make tubes and plastic printing, said FH Ansarey, managing director and chief executive officer of ACI Agribusinesses.

The use of industrial robots cuts down production cost and time, increases safety and allows better space utilisation. In Bangladesh, the usage of industrial robot is increasing rapidly, especially in the automobile sector.

“These robots are arc welding-based and are mainly used for metal welding of motorcycle parts,” Ansarey said, adding that ACI Motors plans to use robots for welding in motorcycle manufacturing plants.

ACI is the distributor of Yamaha bikes in Bangladesh. Ansarey said welding and polishing are dangerous tasks and have safety hazards.

The use of robots in these area will improve the quality of work and workplace safety and be economical.

“There are practical applications of robots in highly hazardous works in Bangladesh,” he said, adding that ACI signed an agreement with a Danish robot maker to import and sell the technology here.

Concerns of Labour displacement The increased use of robotics has created concerns as well as expectations of higher productivity and increased efficiency.

Robots will do their jobs but alternative jobs have to be created if there is any displacement, said Shahidullah Chowdhury, president of the Trade Union Centre.

New and advanced technologies are necessary for the economic development of the country.

“But that should be introduced by taking workers on board. Workers should be given advanced training

so that they adopt and use the technologies,” he added.

Labour use in particular jobs is declining in factories that are using modern technology, said Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue.

Robots take up jobs that are repetitive in nature, he said, citing the example of the use of machines in sweater factories and a slump in demand for labours.

The number of low-skilled jobs is falling and female labourers in garment industry are being displaced to some extent.

It is a reality: Will create new jobs RFL’s Paul said local firms will have to adopt advanced technology to reduce production cost to compete with Chinese and Vietnamese firms in the global market.

The man-machine ratio is very critical in the production process, where machines are very expensive. Otherwise, productivity of machines goes down significantly if the task is done by unskilled worker.

“We will gradually increase the use of robots in different critical areas,” he said.

He, however, said a lot of labour-intensive jobs are moving from China to Bangladesh due to higher labour cost there.

“We can employ our workers in those areas. Where our global competitors are using technology we have to follow the trend to enhance competitive edge so that we can compete.”

“We cannot avoid any global trend. We have to adopt it positively and find out ways to utilise our workforce in a cost-effective way for optimum benefit,” said Paul.

As the use of machines improves competitiveness and factories attract more orders owing to increased

confidence of buyers, industries expand, creating increased demand for labour, said CPD’s Moazzem.

Even after that, the demand for labour will fall.

But, there are certain labour-intensive jobs where the technology is yet to be fully ready.

“Overall, the net effect until now is positive,” Moazzem said, while suggesting the government intensively monitor technology-worker trade-off and take policy decisions.

Automation can be an opportunity if the workforce is prepared with IT, engineering knowledge and skills to use new technology.

“So far, we have attained economic growth and industrial progress by using natural workforce having low skill, low academic base and low know-how.”

The path of future industrialisation should be planned by creating more targeted, skilled-induced and skilled labour force, he added.

Shamsul Alam, senior secretary and member of the General Economics Division of the Planning Commission, said it will enhance the productivity of inputs in use.

“For the time being, it appears that it will be labour-displacing. But it will create more jobs than labour displaced in the long run,” he said.

Everywhere in the world, new technology is replacing old ones.

“Apparently, that was a shock to the existing labour force. But at the end of the day, that creates more resources, more productivity and more jobs,” Prof Alam said.

“So, it is a very good and positive sign because we are going to be an industrialised country. In that context, it is quite encouraging.”

Priority would be given on job creation in the Eighth Five Year Plan of the government, he said.

Novartis to answer US Senate demand for data manipulation details

REUTERS, Zurich

Novartis plans to answer a US senator who demanded details about data manipulation related to its gene therapy Zolgensma, amid scrutiny of the Swiss drugmaker’s decision to delay informing regulators until after the treatment’s approval.

“We are planning to respond but we haven’t submitted yet,” a spokesman said on Monday.

US Senate Finance Committee Chairman Chuck Grassley has asked the Basel-based company to give details on data manipulation on its \$2.1 million gene therapy to treat spinal muscular atrophy by Aug. 23.

Novartis, which won approval for Zolgensma in May — more than a month before it told the Food and Drug Administration of the alleged data fraud — has terminated several scientists amid an internal investigation.

JPMorgan to brief clients on volatility in equity markets

REUTERS

JPMorgan Chase & Co plans to host a conference call for clients on Tuesday to address recent market moves, after last week’s inversion of the US Treasury yield curve and a sharp sell-off on global stock markets.

“In the wake of a rather violent decline in yields, inversion of the curve, and volatility in equity markets, we consider the role of poor liquidity and systematic flows in exacerbating these market moves,” an invitation from JPMorgan Cross-Asset & Derivatives Strategy said.

Trade deficit shrinks on low imports

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“The government should revise both trade and export policies for the sake of the economy,” he added.

The lower trade gap has also helped lessen the deficit in the current account, but the sum is still sizable: it decreased 45 percent year-on-year to \$5.25 billion last fiscal year.

“The current account enjoyed a surplus for a long period just three years ago. The deficit means the country managed the situation by way of taking loans from foreign sources,” Taslim said, adding that the situation is still manageable.

But in the long run, dark clouds will gather if the trend continues in the years ahead, he added.

Ridesharing VAT 5pc of company’s cut of fare

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The NBR levied the indirect tax last year amid surging popularity of ridesharing services on traffic-ridden roads lacking adequate transport facilities and having CNG-run auto-rickshaws whose drivers demand fares on a whim.

With Pathao and US-based Uber first to arrive in 2016, there are currently some 20 ridesharing service providers such as Shohoz and Obhai in Dhaka, Chattogram and Sylhet providing about 40,000 rides daily.

Fund dearth nips dreams in bud

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He said the foundation is exception in this case as it provides training and ensures funds for trainees. “We also connect trainees with the market so that their efforts become successful.”

The foundation can lend Tk 10 lakh to an entrepreneur and in special cases it may go up to Tk 20 lakh.

The foundation has Tk 200 crore in endowment fund, which is deposited with a number of banks. The state-run agency gives loans from the interest income of the deposits.

The Asian Development Bank (ADB) has also taken an initiative in association with the Palli Karma-Sahayak Foundation

(PKSF) to meet the funding needs of women micro-entrepreneurs.

Manmohan Parkash, country director of the Manila-based lender, said training and finance are required for creating micro-entrepreneurs.

“Access to finance at an affordable rate is critical for the people, especially for rural women. So, we have taken a programme with the PKSF to provide microfinance to them,” he told The Daily Star in an interview recently.

He said women do not get bank loans easily as they have no credit rating, so, it is very difficult for them to start a business.

“Entrepreneurs should get priority as they create jobs for others,” Parkash said.

BoE’s Carney says negative rates not an option for UK

REUTERS, London

Bank of England Governor Mark Carney said he did not think negative interest rates were an option for the British economy at the moment, in comments published on Monday. “At this stage we do not see negative rates as an option here. I am not criticising others that have used them, but we don’t see it as an option,” Carney told website Central Banking.

Carney also called on France and Germany to take action to ensure that uncleared derivative contracts can function smoothly after Brexit, due to take place on Oct. 31. Central Banking said it interviewed Carney on Aug. 1, the date he gave a news conference after the BoE published its latest Inflation Report.

Make SEZ deals public

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The government should make public the local impact for establishing of the industries, Iftekharuzzaman said.

“We are especially concerned that in a country of land scarcity the government has taken initiatives to establish economic zones using arable land without objective assessment of the impact.”

It is also not clear what would be the long-term impact for establishing the industries and how the country would be benefited from the units, he said.

“So, we are urging the government to make public the information soon,” the statement also said.

If the government signs agreements with the countries for setting up the

zones without any assessment, it should stop those deals. The government should take a decision only after assessing the environmental and economic impact on the local people, he said.

Iftekharuzzaman also said it is a matter of concern that the government has awarded the development works of the Indian economic zone at Mirsarai in Chittagong to Indian Adani Group.

The group has been bitterly criticised for its environment-damaging coal project in Queensland of Australia.

“The people of this country have the right to know how much Bangladesh would be benefited with the development of the economic zones by such a controversial company.”