



Prime Minister Sheikh Hasina hands over a national export trophy (gold) to Monno Ceramic Industries Ltd Chairman Afroza Khan Rita at Bangabandhu International Conference Center in Dhaka on Sunday for its performance in 2016-17. The commerce ministry and the Export Promotion Bureau organised the event.

# South Korean inflation hits record low, fans case for more rate cuts

REUTERS, Seoul

South Korea's consumer inflation faltered to its slowest on record in August while second quarter economic growth was revised down on weaker exports, firming up the case for central bank rate cuts as early as next month.

While policymakers were swift to talk down the risks of deflation, heightened expectations of more central bank easing pushed bond prices higher.

The consumer price index was unchanged in August from a year earlier, Statistics Korea data showed, missing the 0.2 percent rise tipped in a Reuters survey and marking the weakest pace since the country began releasing inflation data in 1965.

Weighing on inflation were weaker consumer demand and declining farm prices as improved weather helped boosted production.

Separately, the Bank of Korea (BOK) revised down economic growth

for the June quarter to 1.0 percent on-quarter from a 1.1 percent gain reported earlier, citing weaker exports than estimated earlier.

The weak data dominated discussion at a rare joint meeting between the BOK and finance ministry.

"The BOK shares the same opinion with the finance ministry that we are not in a situation to worry about deflation," BOK Senior Deputy Governor Yoon Myun-shik said at the meeting, adding inflation would pick up soon.

Despite this assurance, treasury bond prices rose broadly with the benchmark 10-year yield shedding 1.5 basis points to 1.285 percent as of 0228 GMT, far below the central bank's policy rate of 1.50 percent.

"I don't think the inflation would sharply pick up in the short-run as the BOK predicts," Kim Yu-mi, economist at Kiwoom Securities said, adding deflation remains a real prospect.

Farm products prices plunged 11.4 percent year-on-year as weather

improved while core inflation excluding volatile food and energy prices was 0.8 percent.

South Korea's inflation has been extremely weak by historical standards and a long way off the central bank's 2 percent target as consumers and companies tighten their spending.

Economists expect South Korea's economic growth to tumble to as low as 1.4 percent this year from 2.7 percent last year, marking one of the worst years in five decades. Tuesday's figures follow grim trade data for August, which showed the exports tumbled for a ninth consecutive month.

Last week, the BOK held benchmark rates steady at 1.50 percent but kept the door open for what would be the second rate cut this year after July's surprise cut, the first in three years.

The government last week drafted the most aggressive budget plan since the global financial crisis to fend off growing domestic and external economic risks.

# ADN Telecom's IPO gets go-ahead

STAR BUSINESS REPORT

The stock market watchdog yesterday approved an initial public offering (IPO) of ADN Telecom and an impact fund.

ADN will raise Tk 57 crore through the IPO, Bangladesh Securities and Exchange Commission said in a statement.

Eligible institutional investors set the price of each ADN share under the book building method at Tk 30 for themselves and at Tk 27 for general investors (public).

With the IPO proceeds, the telecom company will build up infrastructure and a data center, repay bank loans and bear the IPO expenses.

The Tk 83 crore impact fund—Build Bangladesh Social Entrepreneurs Fund—would have a tenure of 10 years.

Its proceeds will be used in agriculture, food processing, healthcare, IT and technology, education, engineering and tourism sectors.

Impact funds refers to investments which are made into companies, organisations and funds with the intention of generating a measurable, beneficial social or environmental impact alongside a financial return.

# Gold steady on trade war, Brexit jitters; dollar limits upside

REUTERS

Gold prices held steady on Tuesday as uncertainties surrounding US-China trade relations and Britain's departure from the European Union offset pressure from a stronger dollar.

Spot gold was up 0.1 percent at \$1,532.48 per ounce at 0945 GMT, but still not far off its more than six-year high of \$1,554.56. US gold futures were up 0.8 percent at \$1,541.40.

"We are having a battle right now against multiple layers of uncertainties in the market and a strong dollar," Saxo Bank commodity strategist Ole Hansen said.

"The trade talks between US and China are going nowhere. The political debacle in the UK with Brexit, where we are potentially facing another vote before the day is over, is adding enough underlying support to gold to offset

the strength in dollar."

The dollar climbed to a more than two-year high against other major currencies, making dollar-denominated gold costlier for investors holding other currencies.

On the trade front, China has lodged a complaint at the World Trade Organization over US import duties, trashing the latest tariff actions as violating the consensus reached by leaders of both countries at a meeting in Osaka.

In Britain, lawmakers will decide on Tuesday whether to move towards a snap election when they vote on the first stage of their plan to block Prime Minister Boris Johnson from pursuing a no-deal Brexit.

But analysts said that fears of a deceleration in global economic growth, negative yielding debts around the world and hopes for interest rate cuts by global central banks also provided support for gold.



A saleswoman displays a gold necklace inside a showroom in Kolkata.

"Given this week's economic calendar is jam-packed with crucial economic releases that will shape monetary policy expectations for the

September 18 Federal Open Market Committee meeting, gold traders are trading very delicately waiting for more convincing US economic

signals," VM Markets Managing Partner Stephen Innes said in a note.

Investors are awaiting the US manufacturing survey by the Institute for Supply Management (ISM), due at 1400 GMT, for some forward guidance on US economic conditions.

Federal fund futures implied traders saw a 91 percent chance of a 25 basis point rate cut by the US Federal Reserve this month.

"Rate cut will happen almost no matter what kind of economic data we're going to be presented with from now on until the Fed meeting but any acceleration to the weaker side could increase the expectations of how big the cut would be," Saxo Bank's Hansen said.

Silver rose 0.2 percent to \$18.48 per ounce. Platinum was up 0.9 percent at \$938.34 per ounce, while palladium gained 0.3 percent to \$1,535.79.



Syed Mohammad Kamal, country manager for Bangladesh at Mastercard, and Khwaja Shahriar, CEO of LankaBangla Finance, attend the launch of Europay, Mastercard and Visa-enabled LankaBangla Contactless Mastercard (titanium, gold and classic) in Dhaka yesterday. The card allows payments through a tap at a card reader or point of sale terminal.

# Deadline extended for rescheduling loans

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The High Court issued a status quo, putting the effectiveness of the notice on hold until June 23, barring rescheduling of default loans under the policy.

However, the Supreme Court on July 8 issued a stay on the High Court order for two months. The BB will allow defaulters to reschedule their classified loans until the fresh date, a central bank official said.

# Huawei to spend \$300m a year in funding for universities

REUTERS, Hong Kong/Chengdu, China

Huawei plans to spend more than \$300 million a year in research funding for universities, a senior company executive said on Tuesday, even as the Chinese firm fights a US trade ban from that has hurt its business and academia tie-ups.

William Xu, president of the telecom equipment maker's institute of strategic research, made the comments at a company event in the southwestern Chinese city of Chengdu. Huawei Technologies Co Ltd has

been fighting a trade ban from Washington that has hurt its business since May and could cut off its access to essential US suppliers.

The Massachusetts Institute of Technology in the US cut ties with Huawei earlier this year after US authorities started investigating the firm for alleged sanctions violations while Britain's Oxford University stopped accepting funding from Huawei. Xu said it was only a few institutions which had suspended their ties with the firm and that Huawei would allocate funding to institutions where the company was still welcomed.

# Massive policy reforms a must to attract foreign investors

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The agency is providing 22 services out of its 150 services to be provided to foreign investors through one stop services.

"Another 28 services will be added by this month and 100 by June 2020," Islam said.

As per its strategic plan, the Bida is imparting training to youth to create new entrepreneurs. It plans to create 24,000 young entrepreneurs.

About the need for new

entrepreneurs, Islam said knowledge and innovation-based startups and entrepreneurship will lead the business in the coming days.

He also emphasised more engagement of the country's economy with the global economy and building business relationship globally.

Bangladesh received \$6.6 billion in foreign direct investment in the last three years and \$11.73 billion between 2009 and 2016, according to Islam.

During the three-year period, the

Bida allowed 937 foreign companies to open offices in Bangladesh and issued 8,319 work permits.

Globally renowned investors such as Mitsubishi Motors, Suzuki, Toyota, Honda, Sumitomo, Reliance, Adani, Hitachi and JTI have either invested in the country or are set to invest.

Foreign investors are giving priority to telecom, banking, power, energy, food processing, trading and agriculture sectors for their investment, Islam said.

# RMG Sustainability Council to be formed by Nov 25

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The legally binding platform had a five-year tenure, which was extended several times upon its request to courts. As per a court order, it is scheduled to leave the country in May next year.

All parties agreed that the RSC will be formed in a legal way.

"The parties discussed a wide range of issues to ensure a smooth transition of the Accord and its functions (related to inspections, remediation, training and safety complaints mechanism) to the RSC by end of May 2020," said Edward David Southall, head

of global sourcing of LC Waikiki, on behalf of brands.

"The RSC is an unprecedented national initiative, uniting industry, brands and trade unions to ensure a sustainable solution, based on a unified compliance standard, to carry forward the significant accomplishments made on workplace safety in Bangladesh," said Southall.

The RSC will also work for building industrial relations, skills development and maintaining environmental standards, he added.

"The parties agreed on the importance of jointly developing the

Memorandum & Articles of RSC and a 'Transition Agreement', drafts of which will be prepared following an agreed timetable," Southall said in a joint statement.

"The BGMEA and the Accord look forward to continuing the constructive discussions that took place over the last two days and commit to work together to ensure that RMG factories in Bangladesh are made safe and stay safe," he also said.

Huq said the draft of the RSC would be prepared by next month. "We did not face any conflict when all parties agreed to form the RSC," she said.

# BTRC starts work on 5G guideline

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From the operators' side there is no business case for 5G, Mahtab Uddin Ahmed, managing director of Robi, said at a seminar during the BASIC SoftExpo earlier in February.

"We are in a very critical position in 4G as only 20 percent are using this fastest data network," he said, adding that 5G will not work under the current fibre network.

As of June, there are 1.91 crore 4G connections and 6.17 crore 3G users, according to the BTRC. The government have put 5G in their election manifesto and they want to launch it within next two-three years, said Mustafa Jabbar, post and telecom minister.

"Already different countries have started to move to 5G and within the next few years this will be the prime service," Jabbar told The Daily Star.

However, in a report styled 'The Mobile Economy Asia Pacific 2019' the GSMA said 5G can be launched in Bangladesh by 2025.

Pakistan, Myanmar and Thailand will also move for 5G along with Bangladesh in 2025, but neighbouring India and Sri Lanka will adopt 5G by 2020.

Earlier in July last year, Bangladesh became the first country in South Asia to conduct a 5G test run. Download speeds of up to 4.17 Gbps were experienced then.

Already, the BTRC has taken steps to free up spectrum on the 3.5 gigahertz band, which are currently being used by some internet service providers, said a member of the guideline forming committee.

It also has plans to free up spectrum of 2.6 gigahertz that the WiMax operators were using. The Bangladesh Mobile Phone Consumer Association in a statement yesterday said the government should not move for 5G as the operators have failed to deliver even 3G service across the country.

"This will be cheating with users if the government pushes the mobile operators towards 5G. We think the ecosystem is not ready yet and the operators too do not have any preparation," it added.

Ericsson, which has so far rolled out 18 5G networks across the globe, said the technology will change the whole digital ecosystem. 5G will help power a huge rise in Internet of Things technology, providing the infrastructure needed to carry huge amounts of data.

# More FDI needed to achieve SDGs

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"Given the fragility of investment in many developing economies, meeting these daunting targets requires stable and steady flows of investment finance," the ICCB said in its news bulletin for April-June.

The United Nations Economic and Social Commission for Asia and the Pacific has estimated that financing SDGs would require an additional investment of \$1.5 trillion per year, or an average of 5 percent of GDP in the Asia-Pacific region. For the LDCs in the region, the challenge is even bigger as they each require 16 percent of the GDP to finance the SDGs.

"This clearly suggests that in addition to national efforts, the region needs to strengthen its regional cooperation to facilitate the achievement of the SDGs through adequate financial resource mobilisation among all countries in the region," the chamber said.

"Financing SDGs would also need unprecedented coordination and cooperation between the public and private sectors, facilitated by multilateral development banks."



Mohammed Shawkat Jamil, managing director of United Commercial Bank; ATM Tahmiduzzaman, head of mobile financial services; Habibur Rahman, deputy inspector general of police for Dhaka range, and Mohammad Harun Or Rashid, Narayanganj superintendent of police, attend a deal signing ceremony in the district recently. Traffic fines in Narayanganj can now be paid through UCash.

# Confidence buys 51pc stakes in Zodiac

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The company's earnings per share fell 12.18 percent year-on-year to Tk 4.47 in nine months to March 2019.

Its net asset value per share was Tk 66.71 as on March 31 this year and Tk 76 on June 30 last year.