

# France pledges billions in fight to halt start-up drain

AFP, Paris

How do you stop European tech firms from moving to the US once they start eyeing the big time? Part of the solution is finding them access to funding at home.

French President Emmanuel Macron has made the continent's latest move to muster help for homegrown start-ups, promising five billion euros (\$5.5 billion) of tech investments over the next three years. The funds, pledged by banks, insurers and other big investors, include two billion euros earmarked for "late stage" projects requiring significant amounts usually out of reach to burgeoning EU firms.

"The battle we're fighting is one of sovereignty," Macron told tech executives and venture capitalists at an Elysee Palace dinner on Tuesday.

"If we don't build our own champions in all new areas -- digital, artificial intelligence -- our choices... will be dictated by others," he said.

Officials across Europe fear being left behind as American giants, and more recently Chinese firms, increasingly dominate the cutting-edge technologies crucial to future economic growth.

Young European start-ups generally have plenty of access to



AFP

**French President Emmanuel Macron delivers a speech during the European startup ecosystem event 'France Digitale Day 2019' conference at the Elysee Palace in Paris on Tuesday.**

venture capital, with \$23 billion (20.8 billion euros) invested last year, according to the investment firm Atomico.

The problem is that after getting an idea off the ground, firms often struggle to find the larger amounts of money needed to propel a business into the big leagues.

"There aren't any large funds with the capacity for putting up 50, 100 or 200 million euros," Olivier Novasque of Sidetrade, a business

software editor, told AFP.

"But in the digital realm, you have to be thinking right away about conquering the world" and quickly scaling up operations before a rival does, said Novasque, a former vice president of the Tech in France trade body.

US laws also make it easier to give employees stock options, an attractive tool for young firms that are ramping up operations.

"Policies that currently govern

employee ownership across Europe are often archaic and highly ineffective. Some are so punishing that they put our startups at a major disadvantage to their peers in Silicon Valley and elsewhere," the Notoptional collective of tech entrepreneurs wrote in an open letter in January.

As a result, European firms often jump the Atlantic to tap into the much deeper American capital markets, where pension funds and other institutional investors are more willing to make big bets on tech.

In the first quarter of this year alone, nearly \$31 billion was poured into start-ups in the US, with so-called "mega rounds" of financings larger than \$100 million making up 29 percent of the total, according to TechCrunch.

In Europe, however, pension funds are barely present in the tech sector, with Atomico estimating they have invested just \$350 million a year in aggregate since 2013.

"That's less than 0.01 percent of total assets under management of European pension funds of around \$4 trillion," the firm wrote in its State of European Tech report in December.

"We can write checks of up to 45 million euros," said Jean-Marc Patouillaud of Partech Ventures, a major investor in French start-ups.

## India scraps import tax on open cell panels in boost for TV makers

REUTERS, New Delhi

India has scrapped a tax on imports of open cell TV panels, used to make television displays, in a move likely to boost television manufacturing in the country and counter incentives offered by nations such as Vietnam.

New Delhi had charged a 5 percent import tax on open cell TV panels, which was a factor in Samsung Electronics' decision last year to shut its TV production unit in India and move production to Vietnam.

Indian Prime Minister Narendra Modi's government is keen to position India as an attractive electronics manufacturing destination at a time when growth in India has slowed sharply, and Washington and Beijing are engaged in a drawn out trade war.

The dispute between the United States and China has led to higher tariffs on goods worth tens of billions of dollars and disrupted global supply chains, prompting companies to look at other countries to escape higher tariffs.

Amid suggestions that India is late to capitalise on the trade war, ministries have been asked to submit policies and incentive structures to the country's foreign investment promotion agency, Reuters has previously reported. Nine sectors including electronics, autos, pharmaceuticals and telecoms will be targeted.

The move to scrap the tax on open cell panels is a step in the right direction, said Vikas Agarwal, the India head of OnePlus, a Chinese firm known for high-end Android smartphones.

## Monno under BSEC scanner

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The paid-up capital of Monno Ceramic and Monno Jute is Tk 32 crore and Tk 2.07 crore respectively.

The BSEC yesterday also approved a proposal that seeks to issue floating rate subordinated bonds of Standard Bank worth Tk 500 crore.

The tenure of the fully redeemable non-convertible bonds will be of seven years. The fund will be raised to strengthen the bank's Tier 2 capital base. The offer price of the bonds will be Tk 1 crore per unit.

## Agrani Bank gets new DMD



STAR BUSINESS DESK

Nizam Uddin Chowdhury has recently joined Agrani Bank as the lender's deputy managing director.

He had previously been serving Sonali Bank as general manager, according to a statement.

He joined Sonali Bank as a financial analyst in 1984 and served in various capacities in the state-owned bank.

Chowdhury attained a master's degree in accounting from the University of Chittagong.



LANKABANGLA FINANCE

**Khwaja Shahriar, CEO of LankaBangla Finance Ltd, and Soumya Basu, director for business development at Visa South Asia, attend the launch of a contactless Europay, Mastercard and Visa-enabled LankaBangla Visa Platinum Credit Card at Hotel Sarina in Dhaka on Tuesday.**



ONE BANK

**Md Monzur Mofiz, additional managing director of One Bank, and Zabru SM Haque, CEO and director for medical services at Asgar Ali Hospital, exchange signed documents of a deal on Monday. The bank's debit, prepaid and credit cardholders will get discounts at the hospital.**

## Bangladesh leads world in green RMG production

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Samad spoke at an event on "green financing for sustainable growth" at the Amari hotel in Dhaka organised by the Nordic Chamber of Commerce and Industry in Bangladesh (NCCI).

Currently, the total number of LEED certified green garment factories in Bangladesh is 91, which is also the highest in the world, he said, adding that the number will cross 100 if the green structures of other sectors are considered. Only a year ago, Bangladesh had 67 LEED certified green garment factories, Samad said. The BGMEA vice-president also said some 500 local garment factories have been waiting to be certified by the USGBC soon.

However, the garment entrepreneurs are not getting the return from the investment in the green initiatives, he said.

Neither the buyers nor the government has been paying incentives for such a huge spending in green factories, he said. Mashur Rahman, economic affairs adviser to the prime minister, said the businesspeople who have been practising green garment production should be compensated by the consumers.

Everybody should ensure responsible business for sustainability in development, he said. Not only the environment, but also the sustainability of the way the business is conducted, the profit is made and the finance is used should be taken into account, Rahman said.

"In other words, I would say sustainability is what that I preserve today. But my investment today raises the value of investment tomorrow. So there has to be a continuous improvement in the quality of investment and quality of products and the technology is the key to that." Cecilia Ruthstrom-Ruin, head of the Department for Asia and the Pacific of Sweden's foreign affairs ministry, and Tareq Rahman, the NCCI president, also spoke at the event attended by diplomats, government high-ups, exporters, bankers, manufacturers and trade body leaders.

## CIP status for 182 exporters, businesspeople

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Bangladesh is the second largest garment exporter worldwide, has 8 percent market share in the global leather market and holds the third and fourth positions respectively in global fresh water fish and vegetable production, Fahim said.

Volume and value of shipments, tax payment and compliance records, initiatives aimed at saving the environment and corporate social responsibility are considered while selecting the CIPs.

They will enjoy some privileges from the government until the next winners are named.

The cardholders will be able to use the cards as the entry pass to enter the secretariat and will be invited to state and municipality-sponsored events, according to a gazette.

They will get priority while reserving seats for travelling via railways, airways and waterways. The foreign ministry will also write to embassies or high commissions for visa purposes if a CIP plans to travel abroad for business purposes.

The winners will be able to use the VIP lounges at the airports and their spouses and children will get priority in booking seats at public hospitals.

Commerce Secretary Md Jafar Uddin and FBCCI Director Priti Chakraborty also spoke.

## Facebook oversight board won't have mandate to change policy

REUTERS, Washington

Facebook Inc will allow a new outside oversight board to make final decisions on whether individual pieces of content can be displayed on the social media site, but the group won't be able to make policy changes, the company said on Tuesday.

The social media giant, which has about 2.4 billion monthly users, is moving to take down objectionable photos and videos after longstanding criticism for doing too little to combat hate speech, cyber bullying, and other content that violates the site's "community standards."

The board is meant as a type of appeals body through which users can challenge company decisions on controversial content.

"The board's decision will be binding, even if I or anyone at Facebook disagrees with it," Chief Executive Mark Zuckerberg said in a statement, referring to calls on specific content, such as photos and videos.

Facebook has created a charter for the group, now updated, after a global consultation process.

While the new board cannot make policy, the company will be required to respond publicly to any recommendations the board makes.



REUTERS/FILE

**Silhouettes of laptop users are seen next to a screen projection of Facebook logo in this picture illustration.**

"I was a little surprised and frankly a little disappointed in the fact that they seem to be viewing the scope of the board's 'binding' authority so narrowly," said Thomas Kadri, a resident fellow at Yale Law School's Information Society Project who was invited to one of Facebook's feedback sessions.

Facebook said it expects to announce some members by the end of the year and that the board should start hearing cases in early

2020.

Some initial members of the board, which will likely have between 11 and 40 members when fully staffed, will help select later ones. The public will also be able to put forward candidates for the board through a recommendations portal.

Both Facebook and its users will be able to submit cases and decisions will be made by panels of five members and then sent to the rest of the board.

## Kamal steps in as mediator

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Both operators vehemently dispute the amounts and are willing to fight the matter in court. Robi and Grameenphone filed two cases with a Dhaka court earlier on August 25 and 26 respectively seeking permanent injunctions against the telecom regulator's audit claims.

"We will try to find out a win-win solution," Kamal said. Until then, Grameenphone and Robi will withdraw their cases and the BTRC will withdraw their restrictions on the two operators, according to the finance minister.

The two operators, which have 12.36 crore, or 76 percent of total active mobile connections between them, have not been getting any approval from the BTRC since July 22 for new services and packages and cannot import equipment to maintain their network. Both operators have expressed satisfaction about the new development.

"We have come together to agree to find an amicable, transparent and fair resolution to the issues around the audit," said Foley, also the president of the Association of Mobile Telecom Operators of Bangladesh (AMTOB).

Some hard work remains ahead but the mobile operators are quite happy so far with the progress, he added.

Shahed Alam, Robi's chief corporate and regulatory officer, said they believe that the much-protracted impasse in the telecom sector will finally come to an end, much to the delight of the industry stakeholders.

"Even though the government, our customers and we had to go through a major setback due to this unnecessary and very much avoidable impasse, we are confident that we can recover all the losses with the immediate resumption of large-scale investment." "Digital Bangladesh demands that the telecom industry fires on all cylinders -- we are happy that industry's engine will start humming again," he added.

Earlier, both Grameenphone and Robi had demanded arbitration but the regulator denied them saying the telecom act does not allow it. The audit found the NBR is owed about Tk 4,500 crore but Bhuiyan yesterday said they are trying to settle the issue by way of alternative dispute resolution and the matter is in the court.

This leaves about Tk 8,500 crore owed to the BTRC and of the sum, late fees account for a major portion.

"So, they will have to work on it," Bhuiyan added.

## Private ICDs start charging higher rates

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BICDA's Khan said a committee of the CPA in a report in April 2016 revealed that the ICDs' operational and other costs had surged by 42 percent between 2010 and 2015, so the charges should have been increased by the same amount by then. But they had agreed to increase it by only 20 percent at that time upon insistence from the stakeholders and request from the CPA, he said.

The shipping ministry on April 1 formed an 11-member tariff committee headed by Abdu Sattar Sheikh, joint secretary of the shipping ministry. On April 21, the tariff committee constituted a 13-member committee headed by M Shafiq Bari, CPA member for harbour and marine, directing it to submit a report on the tariffs within 15 days, sources said.

The second committee has recently formed a sub-committee led by Ashraf Islam, assistant terminal manager of the CPA, to work on the issue.



COMMUNITY BANK

**Mansura Parvin, general manager for Credit Information Bureau (CIB) at Bangladesh Bank, and Masihul Huq Chowdhury, CEO of Community Bank, sign an agreement on Monday enabling the private bank to get online access to credit information of Bangladesh's borrowers.**