

India clampdown hits Kashmir's Silicon Valley

AFP, Srinagar, India

The coffee machines have been cold, computer screens blank and work stations empty for two months in Kashmir's Silicon Valley as an Indian communications blockade on the troubled region takes a growing toll on business.

The dozen software development companies in the Rangreth industrial estate on the edge of Srinagar bring tens of millions of dollars of crucial revenue into the region each year.

But the cutting of internet and mobile phone links on August 5, when the New Delhi government ended Kashmir's semi-autonomous status, has crippled business. Rangreth has become a ghost town, a symbol of suffering across the region.

The government said the

crackdown, backed by the presence of hundreds of thousands of security forces, was needed to head off trouble by Pakistan-backed militants in the Muslim-majority territory.

Pakistan also claims Kashmir which the two neighbours divided when they became independent in 1947 and have squabbled over ever since.

Markets, banks, schools, clothes stores and the fledgling hi-tech industry have all been closed. Many locals say the shutdown is in protest at the government action. Authorities blame militant threats.

Rangreth's warehouse-style halls, normally packed with young T-shirted programmers, are empty.

"It's a devastating blow to the software business in Kashmir. Internet is like oxygen to our business and it has been taken away," the owner of

one company with clients all over the world told AFP on condition of anonymity. The businessman said clients' patience was running out. "We're likely to lose them."

Jahangir Rasool, chief executive of internet provider STC, said he was detained by police for six days for keeping lines open for a few hours to help another company in his building that has clients in the United States.

Rasool said his firm and others have the firewalls and protocols to block social media or "political propaganda" on the internet. But he said Indian authorities would not listen.

"They sent police and intelligence agencies to inspect our systems. We told them that the IT sector will collapse (without the internet). They said: 'Let it. We are not taking any risks,'" declared the director of another company with clients in the Middle East.

Authorities have unblocked most landlines. But apart from 6,000 mobiles used by police and government officials, most of Kashmir's 880,000 mobile connections and internet services remain suspended.

State governor Satya Pal Malik in August said the lines were mainly useful as a "weapon" for "terrorists and Pakistanis for mobilisation and indoctrination".

Some IT companies have already laid off workers, many are preparing to move their business away from Kashmir.

Rasool at STC said his company had lost more than \$2.8 million in business since August 5 and has laid off two thirds of its 370 employees.

"We can't function in a total blackout," said STC's finance chief Abid Bhat who compared the shutdown to being "blind".



A woman walks along with horses on the banks of the Dal Lake after a rainfall during a lockdown in Srinagar on October 4.

AFP

Antitrust probers in Congress ask Spotify to detail alleged Apple abuses

REUTERS

US lawmakers have requested information from Apple critic Spotify as part of an antitrust probe, according to two sources briefed on the investigation into allegations the iPhone maker engages in anti-competitive behavior to support its own apps.

The US House of Representatives Judiciary Committee reached out to the music streaming service with broad requests for information, according to one source, who added the request to the company was narrowed in follow up telephone calls.

Spotify Technology SA filed an antitrust complaint against Apple in the European Union in March, but the contact with the committee marks its first known participation in congressional inquiries into the iPhone maker, whose Apple Music streaming service is Spotify's biggest rival. Spotify and other developers have alleged that Apple engages in anticompetitive behavior by imposing rules that hamper distribution via its App Store, the only way for third-party developers to reach more than 900 million iPhone users.

At the same time, Apple sometimes copies the features of their apps for its own offerings, developers have said. Multiple apps in the App Store offered female cycle tracking before Apple added the same feature to its own health tracking app this fall, for example.

Apple has said it acts in the best interests of its users and treats all developers equally. It has denied Spotify's claims and says its streaming music rival is seeking to pay it nothing and play by a different set of rules than the millions of other apps on its App Store.

Spotify has been pressing for antitrust action against Apple for several years.

Its representatives have met with Justice Department officials, as well as members of the FTC's Technology Task Force, a group of some 17

attorneys that was set up in February to focus on online platforms and other Internet competition issues, according to one source.

App developers also complain that Apple's Siri, which responds to verbal commands and can control Apple's own apps, has long had limited functionality with the vast majority of non-Apple apps, including Spotify.

Apple announced an update to its software in June that would allow Siri to access Spotify and other music services. Beyond Spotify, the congressional probe has tapped many companies for details on the four big tech firms.

In addition to the Judiciary Committee probe, the big tech companies face a plethora of other

antitrust investigations.

The Justice Department is probing Alphabet's Google, Facebook and Apple while the Federal Trade Commission is investigating Facebook and Amazon.com. Groups of state attorneys general have also been formed to probe Google and Facebook.

Spotify has complained also about the 30 percent fee that Apple charges outside app developers who sell so-called digital goods such as music or e-books on the App Store, using Apple's in-app billing system. Apple bars app makers for collecting payment any other way on the App Store or showing users links or buttons to other ways to pay.



A screen displays the company logo and trading info for Spotify on the floor at the New York Stock Exchange.

REUTERS/FILE

NBR seeks funds to buy 14 container scanners

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Washington-based think-tank Global Financial Integrity earlier this year said \$5.9 billion flew out of Bangladesh in 2015 through mis-invoicing in trade with advanced countries. Introduction of more scanners will ease the pressure on physical examination and cut clearance time for containers, Khan said. The scanning machines could be made ready to use at custom houses by the next fiscal year, he said.

The NBR has sought Tk 632 crore from the finance division to buy the scanners. The finance minister has already given his consent to the plan of scanner purchase.

The revenue authority will float tender in this regard soon, according to NBR officials.

Currently, custom houses physically examine 10-15 percent of the imported consignments.

The value of export and import shipments hit \$100 billion last fiscal year which made their way to final destinations through six customs houses and 40 customs stations, according to official data.

Six scanners are used at six out of 12 gates of the Chattogram port, which handled 98 percent of the total of 2.86 million containers last fiscal year.

One scanner is deployed at the inland container depot of Kamalapur in Dhaka, one at Mongla seaport and two in Benapole land port, the biggest land port that handles bulk of the trade with India.

Finance Minister AHM Mustafa Kamal on several occasions has said that all the export and import consignments would be scanned before giving clearance for their release.

Jobike enters DU

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staff members will be eligible, said Reza, also a former product operations manager at Alibaba Group, the world's largest online trading company.

Registered users can easily move from Nilkhet to Nimtoli, Palashi and Shaheed Minar to Shabbagh using the service.

There will be touchpoints in front of student dormitories, academic buildings and administrative buildings where Jobike's representatives will also help the interested users.

Users will have to go through a registration process to obtain a registration number and after being registered, they will have to download the app of the company to start using bicycles.

The app will display nearby docks with available bikes. After entering payment information, a QR code will be provided, which needs to be scanned to unlock bikes from the dock.

For the DU, Jobike is

planning to bring down the charge from the existing Tk 3 for five minutes, which is Tk 1 per minute in the other areas the service is currently available.

Users can top up balance on their mobile phones in the company's payment system for using it for riding.

The Dhaka University Central Students' Union (Ducs) has lent its support to launch the service.

Shams E Noman, students' transport affairs secretary of the union, said when travelling short distances students have to spend more in rickshaw fares which is a burden on them.

"So, we have given importance to it. Besides, the service of Jobike is cost-efficient and eco-friendly. Riding bicycles is good for health as well," he said.

The service was first launched in Cox's Bazar in January 2018 and was later introduced at Jahangirnagar University, Chittagong University, the

Shahjalal University of Science and Technology in Sylhet, and Mirpur DOHS.

However, the service at the CU and the JU was postponed after a few months after some of the company's bicycles were vandalised.

The company is now going to relaunch the service in the CU under a franchise model where the owner will look after the bicycles.

Reza said it is getting huge amount of response from the users in the Mirpur DOHS, where the service was introduced in January.

The company is working to roll out the service in Bashundhara residential area, Gulshan, Baridhara, Uttara, and Dhanmondi.

The startup's plan is to make two-wheelers one of the main modes of transport in the congested city, Dhaka.

"This will help in building clean and smart cities in Bangladesh," Reza said.



BKASH

Officials of bKash and 10 ready-made garment companies attend a deal signing ceremony at a hotel in Dhaka yesterday for salaries of around 1 lakh workers to be paid through the mobile financial service. The companies are New Asia Group, Shonest Group, Evince Group, New Age Group, Debonair Group, Tamishna Group, Mahdeen Group, Vision Group, Shangu Group and Best Shirts Ltd.

US agency reviews whether 2,000 Teslas should have been recalled

REUTERS, Washington

US regulators said on Friday they were reviewing whether Tesla Inc should have recalled 2,000 of its electric cars in May instead of issuing a software upgrade to fix a potential defect that could have resulted in battery fires.

The US National Highway Traffic Safety Administration (NHTSA) said it opened a review to evaluate claims made in a petition about Tesla's handling of the software upgrade in Model S and Model X vehicles from the 2012-2019 model years. The agency said the petition's claims cover about 2,000 Tesla vehicles.

Tesla, headed by billionaire tech entrepreneur Elon Musk, has also been sued over updates to its battery-charging software, and this week faced complaints involving vehicles that crashed in parking lots while using a

self-driving feature.

The 2,000 vehicles covered by the petition to the NHTSA received a battery management software upgrade in May in response to a potential flaw that could trigger non-crash-related fires. The petition was filed Sept. 17 by the offices of California lawyer Edward C. Chen on behalf of Tesla owners.

It said the software update was believed to have reduced the driving range of the affected vehicles by 25 miles or more per charge.

Chen said Friday that he strongly believes "and various reliable sources have indicated that this number is much larger than 2,000."

The company did not immediately respond to requests for comment.

Tesla shares closed down 0.7 percent at \$231.43 on Friday.

In August, a proposed class-action lawsuit filed in California on behalf

of a Tesla owner by Chen claimed that Tesla knew some vehicle batteries were defective and "pushed out software updates despite knowing that the class vehicles would suffer from loss in range and performance."

The suit alleges Tesla's aim was "to avoid providing warranty battery replacements to rightful customers."

Tesla told Reuters in August that "a very small percentage of owners of older Model S and Model X vehicles may have noticed a small reduction in range when charging to a maximum state of charge following a software update designed to improve battery longevity."

The lawsuit alleges Tesla placed a software-induced limitation on battery charging and other changes that make batteries charge more slowly. It also cites more than a dozen reports of Tesla's vehicles catching fire over the past six years.

China's yuan to slip to new decade lows as trade war drags on

REUTERS, Bengaluru

The Chinese yuan will slip by year-end to deeper lows last hit against the US dollar during the 2008 global financial crisis as the authorities nudge the partly managed currency down while the US-China trade war rumbles on, a Reuters poll showed.

With global uncertainties aplenty and a US election year approaching, any possible resolution to the trade war at next week's talks will be hampered by signs of a weakened yuan. Chinese markets are closed until Oct. 7 for public holidays.

To counter losses from the trade war and regain export competitiveness, the People's Bank of China has consistently set the yuan's mid-point rate above the key 7 per dollar rate, allowing it to fall about 2 percent after Washington labelled it a currency manipulator in August.

The Sept. 24-Oct. 3 poll of over 60 foreign exchange strategists showed the yuan will be about 1 percent weaker at a more than decade-low of 7.20 against the dollar by end-2019. It closed Monday at 7.15. The currency is forecast to hover around the same rate by March 2020 and then appreciate to 7.16 per dollar by this time next year.

"The yuan is being held up by string, bogies and glue. The trade war is going to get worse," said Michael Every, head of financial markets research, Asia-Pacific at Rabobank, who was the most pessimistic forecaster for the 12-month horizon at 7.75, not seen since early 2007. "There will be more downward pressure on the yuan and when that happens. It is bad news for all emerging market currencies."

Analysts were divided on expected moves in US-China trade relations, with over 60 percent anticipating further deterioration or a continuation of the status quo and the rest forecast an improvement.

Forecasts for where the yuan will trade in a year were divided too, with 31 of 60 respondents expecting it to weaken further and 29 respondents seeing the yuan gaining from here. "I think that there might be some signs in the shorter term to say that things will be the same or perhaps the trade tone improves or perhaps there is a minor deal," said Martin Rasmussen, China economist at Capital Economics.

"But some of the core issues at the centre of the trade war such as industrial policy, intellectual property theft and so on - we do not think that China will be willing to compromise a lot."

More VAT software makers being listed

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listed must have a sound idea on the type of software required.

BASIS President Syed Almas Kabir said they appreciated the new VAT law for the scope it gave to local software companies for expanding business.

He said the type of software defined by the NBR also enables VAT payment to government coffers while helping

businesses to easily determine accurate prices, including VAT for every transaction, of finished products.

BASIS Senior Vice-President Farhana A Rahman, Vice-President (administration) Shoen Ahmed Masud, Vice-President (Finance) Mushfiqur Rahman, BASIS Standing Committee (local market) Chairman Mostafizur Rahaman Sohel were present.

Listed MNCs thrive on superior skills

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In contrast, the local companies manufacture many products and they are involved in the backward linkage too, he said, adding such a production model also creates difference in their earnings.

By and large, locals are fond of buying land, whereas multinationals run their businesses on rented properties and effective branding, which make a big difference in their profits.

Furthermore, local companies invest to increase production capacity more than their needs, so their depreciation cost and interest burden rises, added Khan, who was previously the CEO of Crown Cement Group.

The multinational companies plan very well when they start a business and they execute their plan to the point, so their business turns into a highly profitable one, said Md Moniruzzaman, managing director of IDLC Investments, which invests in stocks of multinational companies.

"They run their business by taking inputs from research. Sometimes,

they bring in many changes in their business on the basis of research."

They are very good at expense management too, so they can make profit with comparatively lower costs, he added.

The multinationals benefit from their global research and development, which enables them to offer differentiated high-quality products often at a premium price, said Nakibur Rahman, executive director of DBL Group.

They can also draw in from their central resources, which reduces their expenditure on functional areas like marketing, finance and human resources.

Ethics are strongly upheld by the multinationals, so their officials know they will be punished if they do any wrong, which ultimately lowers their informal cost.

The multinationals have created a system and process, which happen to be tried and tested and world-class.

"But the locals are doing everything on an ad hoc basis," said Rahman, who was previously the managing director of GSK Bangladesh.