

# India won't sacrifice economic strength amid US sanctions: minister

REUTERS, New York

India wants to comply with global sanctions, including US sanctions on Venezuela and Russia, but also needs to maintain its own strength and strategic interests, Finance Minister Nirmala Sitharaman said in an interview on Tuesday.

The United States in January imposed the toughest sanctions yet on Venezuela's oil industry. The move has scared away some global customers, but with few

nation after a four-month pause.

Sitharaman said the Indian government has expressed its view to the United States.

"In specific issues which are critical for India's strategic interests, we have explained to the United States that India is a strategic partner for the United States of America and you want a strategic partner to be strong and not weakened," she said.

"We value the strong partnership with the USA, but we should equally be allowed to be a strong economy."

pace since the 2008/09 financial crisis, the IMF said.

India's gross domestic product grew at its weakest pace since 2013 between April and June, stoking expectations of further stimulus. "Global headwinds ... are getting stronger by the day," Sitharaman said. Asked about further fiscal stimulus, she said: "I have not closed the door" on that.

New Delhi has been trying to boost domestic growth through an infrastructure package and a new loan programme organised with the banking sector that has doled out loans worth over 80,000 crore (8.7 billion pounds), she said.

The finance minister defended the government's controversial actions in Jammu and Kashmir in August. India stripped the Muslim-majority portion of the state, which is claimed by both India and Pakistan, of autonomy on Aug. 5. Since then the government has shut off phone networks, imposed curfew-like restrictions in some areas, and arrested thousands, including hundreds of local politicians.

The removal of the constitutional article that granted special status to Jammu and Kashmir will boost the region and the country's economic potential, she said.

Human rights groups say the crackdown is spreading fear among the local population. For decades before India's recent actions, women, scheduled castes, and nomadic tribes were denied human rights in Kashmir, Sitharaman said. "Where was the global community's human rights concern at that time?"

Consensus for revenue improved slightly



Farhana A Rahman, CEO and chairperson of UY Systems Ltd, and Mizanur Rahman, general manager for finance and admin of The Daily Star, exchange the signed document of an agreement at The Daily Star Centre in Dhaka on Monday. The English daily will purchase VAT management software from UY Systems.



India's Finance Minister Nirmala Sitharaman arrives to present the 2019 budget in Parliament, New Delhi.

alternative suppliers of heavy oil, Indian refiner Reliance Industries Ltd has been buying Venezuelan crude from Russian major Rosneft. The company is set to resume direct oil loadings in the South American

The International Monetary Fund earlier on Tuesday lowered its outlook for Indian growth in 2019, citing weaker-than-expected domestic demand. The US-China trade war will cut 2019 global growth to its slowest

## S Korea cuts interest rate again as Japan trade row rumbles

AFP, Seoul

South Korea's central bank on Wednesday cut its key interest rate to the lowest point in two years in an effort to prop up its slowing economy as it is hit by a trade spat with Japan.

The move comes as President Moon Jae-in battles to kickstart inflation -- after prices fell for the first time last month -- and boost the stuttering economy, with parliamentary elections due in six months.

It also makes the Bank of Korea the latest central bank to slash rates around the world as officials try to prop up their economies in the face of a global slowdown.

The rate cut comes as the World's 11th largest economy struggles from a prolonged trade row between the US and China as well as Seoul's standoff with Tokyo originating from historical dispute.

The two neighbours have been embroiled in a dispute since July, when Japan tightened export controls on three chemicals essential to key products of South Korean tech companies such as Samsung.

While both are key US allies in the region, relations between the two remain heavily affected by Japan's expansionism in the first half of the 20th century, including its colonisation of the peninsula.



Bank of Korea Governor Lee Ju-yeol speaks during a press conference at the central bank in Seoul yesterday.

The BoK lowered its key rate to 1.25 percent from 1.5 percent, citing contraction of global trade and "sluggishness in exports and facilities investment".

Borrowing costs are now level with their previous record low, which was seen between June 2016 and November 2017. The won fell 0.2 percent against the dollar in afternoon trade.

"As it is expected that domestic economic growth will be moderate and it is forecast that inflationary pressures on the demand side will remain at a low level, the Board will maintain its accommodative monetary policy stance," said the central bank in a statement.

Consumer price inflation is expected to hover around zero "for some time" before rising to the one percent range from next year, the central bank said, far short of its target of two percent.

Analysts warn that South Korea may be entering deflation territory after prices dropped 0.4 percent on-year in September, the first negative reading on record.

The BoK said economic growth is expected to "fall below" the 2.2 percent projection made in July -- the downgrade from an earlier projection of 2.5 percent.

GDP grew 2.7 percent in 2018, the weakest pace in six years.

## Chopper rentals fail to take off

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The permit must be in place two days' before flying.

"As a result, the corporate sector's interest in booking helicopters is waning. They go through uncertainty after placing a booking, so they are opting for choppers less and less," Bhuiyan added.

Md Khalid Hossain, member (operations and planning) of CAAB, said clearances from 2-3 intelligence agencies and police are needed along with documentation demonstrating safety of the site where the helicopter would be landing before they hand out permits.

"This takes time. And we have no option but to comply with the rules," he added.

As a result, it is not possible to get maximum utilisation of the fleet, said ASM Mustafizul Haque, chief operating officer of Bashundhara Airways, which introduced helicopter service four months ago.

## 5G internet by 2021: BTRC

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"5G is not only related to telecom services; it will help boost digitalisation and automation in every sector."

The government introduced 4G in 2018 and 3G in 2013. Currently, there are about six crore 3G users and about two crore 4G users in Bangladesh.

A lot of people also think that the service quality of 2G, 3G and even 4G is not satisfactory and wondered why 5G is necessary, the minister said.

"Here my answer is: there is no relation between 2G, 3G and 4G and 5G. 5G is a highway for industrialisation and if we are to take the lead in the fourth industrial revolution, we need to launch it," Jabbar said.

He said 5G is not all about mobile technology; rather, all the upcoming services on education, health, agriculture, and other sectors will be related with it.

"5G is not related with previous services. It is an ecosystem and we are one of the first countries which decided to accept it."

BTRC Chairman Md Jahurul Haque said in the 5G era, machines would communicate with machines and people would be behind them.

"The use of artificial intelligence has already started in Bangladesh and 5G will help run AI, Internet of Things and robotics easily to boost productivity," he said.

Abdus Salam, country manager of Ericsson Bangladesh, Jerry Wang Shiwu, chief technology officer of Huawei Technologies (Bangladesh) Limited, and Reduan Hasan Khan, a general manager of Grameenphone, gave presentations at the seminar.

In his presentation, Salam said the garment industry could be automated on the back of 5G and it would enhance productivity.

Shiwu said doctors were performing surgeries using 5G despite being 2,000 kilometres away from patients.

Telecom Secretary Ashoke Kumar Biswas and BTRC Commissioner Md Aminul Hassan also spoke.

There were 31 commercial 5G service launches in 17 countries by the end of the second quarter of 2019, less than a year since the first offering, according to research firm IHS Markit, reported Bloomberg on Tuesday.

## Bring more ease into doing business

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"Bangladesh has taken a series of initiatives to attract FDI, but the inflow remained below expectation. On the other hand, we are hearing news about the exit of long-established global companies from Bangladesh," Islam said.

For instance, he said, the French pharmaceutical giant Sanofi has already confirmed that it will leave Bangladesh soon, after 60 years of its operations.

British multinational pharmaceutical company GSK left the country last year.

Islam cited regulatory and bureaucratic tangles as challenges which are acting as barriers to attracting FDI.

Although Bangladesh has some good laws but at the implementation and policy levels, some show discriminatory attitudes to foreign investors, he said.

Inadequate road and communication systems, lack of human resource development, and poor public services need urgent attention, he said. The AmCham

president said the FDI is a key ingredient for sustainable economic growth of developing countries like Bangladesh.

"FDI is not just a source of financing that many countries need -- it goes far beyond that. It is considered as a vehicle for rapid and efficient cross-border transfer and adoption of the best practices ranging from technological, managerial, environmental and social standards," he added.

Speaking at the event, Md Sirazul Islam, executive chairman of Bangladesh Investment Development Authority (Bida), said they were working to ease doing business. He sought suggestions from AmCham members on how to make doing business easier.

He said infrastructure has already developed a lot in Bangladesh. The construction of the Bangabandhu Bridge has changed the whole northern region of the country. Similarly, the implementation of the Padma Bridge will improve the lives of the people in the southern districts.

## Stocks back in the red

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So, such companies fell mostly yesterday, he added. According to data of amarstock.com, a stock market data analyst, top negative index contributors of the market were Grameenphone, United Power Generation, British American Tobacco Bangladesh, Square Pharmaceuticals and Brac Bank.

The DSEX lost 22 points because of these five stocks. Turnover, another important indicator of the market, dropped 1 percent to Tk 324.57 crore.

Of the traded issues, 65 advanced, 259 declined, and 30 remained unchanged.

Bangladesh Shipping Corporation dominated the turnover chart with Tk 21.41

crore-worth shares followed by National Tubes, Summit Power, Grameenphone and Standard Ceramics.

First Finance was the day's best performer with a 9.67 percent gain while Khan Brothers PP Woven Bag Industries was the worst loser, shedding 8.79 percent.

Chittagong stocks also fell with the bourse's benchmark index, the CSCX, declining 54.37 points, or 0.61 percent, to finish the day at 8,845.17.

Losers beat gainers as 159 declined, 59 advanced and 29 finished unchanged on Chittagong Stock Exchange.

The port city bourse traded shares and mutual funds worth Tk 15.50 crore.



Syed Rafiqul Haq, deputy managing director and chief business officer of Mutual Trust Bank, opens a banking booth at Netaiganj in Narayanganj recently.

## No advance tax on MPs' duty-free cars

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The NBR slapped 5 percent advance tax on imports of all sort of goods, exempting certain areas, including export-oriented industries, capital machinery and spare parts and essential drugs, on June 13 this year.

It said importers would be able to adjust the advance tax with total VAT in their returns.

However, businesses from various sectors said such tax would push up operational costs of their businesses, particularly for domestic market-oriented industries.

The NBR official said withdrawal of the indirect tax would facilitate businesses and save time for both firms and revenue officials in filing for advance tax adjustments.