

India's poor fight desperate battle to find work as slowdown bites

AFP, New Delhi

The hunt for work becomes more desperate every day on Delhi's street corner labour markets as India's economic slowdown bites deeper, piling pressure on Prime Minister Narendra Modi just half a year into his second term.

With the central bank cutting interest rates five times this year -- but on Thursday unable to lower them any further because of high inflation -- patience was running thin at the "labour Chowk", or market, in the packed, narrow streets of Old Delhi.

Among the hundreds of painters, electricians, carpenters and plumbers who anxiously gather at dawn each day, 55-year-old painter Tehseen has been a regular for three decades. But he is despondent.

His monthly income has slumped from about \$350 to \$140 in the past three years. He is at least still earning. The unemployment rate, currently about 8.5 percent, has hit a four-decade high in the past two years.

Tehseen blames government efforts to eradicate the tax-avoiding "unofficial economy". A government survey this year estimated that more than 90 percent of the workforce are "unofficial".

Modi stunned the country in November 2016 by cancelling more than 80 percent of the bank notes in circulation, and the introduction a year later of a nationwide goods and services tax dealt a new blow to business confidence.

Last week, official figures showed the economy grew just 4.5 percent in the second quarter, the slowest rate in six years. Modi's rightwing government is struggling to convince the public that it has the answers to the slowdown.

"Companies have suffered since the note ban," said Tehseen.

"They do not want to think about getting their



Daily wage labourers wait for work on a street in New Delhi yesterday.

offices renovated when they have no business. We have to bear the brunt now," Raju, a labour market carpenter for 20 years, said he now goes for days on end without a job offer.

"The work and the money are 50 percent down on what I used to get," he said.

And lower wages means a harder time to get a meal on the table.

At the Old Delhi food market, Zarina Begum said she sometimes goes home with her bags empty. "The vegetables are just too expensive," said the 50-year-old housewife.

On bad days her children get a meal of pulses, or chickpea flour with oil. Raj Kumar used to sell a meal of lentils and vegetables in his nearby restaurant for the equivalent of 56 US cents. But increased costs means he now asks 70 cents

and sales have taken a hit.

"I had to increase prices to keep up with expenses. But people just don't have the money," he said. Sandip Jain, a 45-year-old stone mason, said people might have a good opinion of Modi but they are disappointed with his handling of the economy.

"Every businessman is in trouble and is worried. Those who ended their day with an income of 700 rupees (10 dollars) are now down to 270," he said.

Finance minister Nirmala Sitharaman has announced reforms, including easing restrictions on foreign investment and cutting corporate taxes. But that does little to boost public confidence in a country where hundreds of millions live barely on poverty wages.

Opec considers deeper output cuts as global growth slows

AFP, Vienna

Faced with slowing global economic growth and abundant reserves putting pressure on oil prices, the Opec group and its partners could seek to deepen output cuts when they meet in Vienna on Thursday and Friday.

The cuts of 1.2 million barrels per day from October 2018 levels were originally fixed in December last year and were already extended at Opec's last meeting in July.

Some observers expected the cuts to remain in place possibly until the end of 2020. But Iraqi oil minister Thamer Ghabban on his arrival Tuesday in Vienna

suggested some members would push for output to be slashed by an additional 400,000 barrels per day.

However, he added that any cut was "very much subject to the member countries". In comments reported by Bloomberg on Wednesday, Ghabban was in favour of extending the current deal to the end of next year.

Meanwhile, Ghabban's Saudi counterpart, Prince Abdulaziz bin Salman -- half-brother of the kingdom's powerful Crown Prince Mohammed bin Salman -- remained tight-lipped on his arrival in Vienna on Wednesday.

Internet service providers seek 5G licence

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Members of the ISPAB will form a consortium and plan to run the business across the country.

"If we get the licence, our 5G business will be viable," Hakim said.

If the association is awarded the licence, the mass people will get the service easily and at lower cost. They will also ensure the redundancy to critical services and infrastructures as well, according to the association's letter. According to Hakim, the government should fix a special spectrum band at a cheaper price in order to offer low-cost services.

"If we get the licence, it will create huge business scope for mobile phone operators and there will not be any conflict with them," Hakim said.

BTRC Chairman Md Jahurul Haque said if the technical evaluation committee thinks that ISPABs can run the service efficiently, the commission would have no problem in awarding the licence to them.

The guideline will be ready by the first quarter of 2020 and the commission will allocate the licences to mobile phone operators by the fourth quarter, said a

senior official of the regulator and also a member of the committee.

According to the draft guideline, the BTRC plans to roll out 5G service by 2021 and cover the entire country (up to upazila level, growth centres and railway stations) by 2026.

The BTRC team is considering to introduce 5G in 2.6 and 3.5 Gigahertz band spectrums. In July last year, the government tested 5G, becoming the first country to do so in South Asia.

Haque said in the 5G era, machines would communicate with machines and people would be behind them. The use of artificial intelligence (AI) has already started in Bangladesh and 5G will help run AI, Internet of Things and robotics easily to boost productivity.

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

The ISPAB has applied for a nationwide telecommunication transmission network licence to provide fibre optic cable connection to telecom operators. The BTRC has assessed the proposal.



Bank Asia 20th Anniversary

BANK ASIA

Muhammad Samad, pro-vice chancellor of the University of Dhaka, and Md Arfan Ali, president and managing director of Bank Asia, pose with winners of an "Inter-University Debate Competition-2019" organised by the bank as part of its 20th anniversary celebration at the business studies faculty on Wednesday. A team of the university became champions while one of Jagannath University the runner-up.



MASTERCARD

Syed Mohammad Kamal, country manager for Bangladesh at Mastercard, launches a "Magical Barcelona" campaign at a hotel in Dhaka recently. An all-expense paid four-days-three-nights trip for two to Barcelona will be provided on purchases with Mastercard credit, debit or prepaid cards between December 1 and January 31 next year.

Huawei cancels new phone launch in Taiwan after China row

AFP, Taipei

Tech giant Huawei has cancelled the launch of a flagship phone and watch in Taiwan after Taipei imposed a temporary ban on some of its products for listing the island as part of China.

On its official Taiwan Facebook page Wednesday Chinese company Huawei said the launch of its Mate 30 Pro smartphone and its GT 2 digital watch had been cancelled due to "supply issues" without elaborating further.

"We thank all users who participated in the pre-order event of the products ... and express deep regret for causing you inconvenience," the statement said, adding that users would be refunded.

The cancellations came after Taiwan last month suspended sales of three Huawei models that listed the self-ruled, democratic island as "Taiwan, China" for timezones and contacts.

On Thursday Taiwan's National Communications Commission (NCC) said the temporary ban of Huawei's P30, P30 pro and Nova 5T models was still effective as the company had yet to change the wording.

How Taiwan is described is a hugely sensitive political issue.

Beijing considers Taiwan as part of its territory and has vowed to seize it by force if necessary, even though the two sides have been governed separately for the last seven decades.

In recent years international brands have routinely found themselves bowing to Beijing's stance on Taiwan -- a much smaller market compared to the lucrative mainland.

Authentic data key to fair competition: analysts

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He said ensuring fair competition is also needed to protect small businesses. In Bangladesh, cottage industries employ 54 percent of the workforce followed by micro and small businesses 29 percent.

Medium and large industries account for 17 percent of total employment, he said.

"In case of Bangladesh, the smaller market players are contributing a lot," he said.

Rahman said financial inclusion was vital to eradicate poverty.

"You have good finance, bad finance and ugly finance. None other than Bangladesh can say how various types of finance are taking place," he said, adding, "You need to make it serve citizens; the SMEs, not just a banker, or the wealthy or the chosen few and that would be good finance."

He recommended assessment of challenges in ensuring fair competition, raising of awareness among stakeholders and emphasis on consumer welfare.

Rahman also suggested condemning collusive practices and coordination among regulators to take timely decisions.

AK Enamul Haque, professor of the

economics department of East West University, said the role of competition commission was important to facilitate entry of innovators and new entrepreneurs.

There are instances that existing large players cut prices of products and services to prevent entry of new entrepreneurs, he said.

Haque said many trade associations act in favour of restrictive practices. It is not possible to hire a bus on the Dhaka-Cox's Bazar route other than those plying on that route regularly, he said.

This sort of exclusive arrangement should be stopped, he said.

Nazneen Ahmed, senior research fellow of the Bangladesh Institute of Development Studies (BIDS), said management of market related data, collected and generated by various government agencies, should be improved and the BCC should be given access to that.

She, citing the onion price spiral in the last couple months and her study findings on the onion market, said there was no syndicate in onion and rice markets.

Mostafa Abid Khan, a member of Bangladesh Tariff Commission, also spoke among others.

FBCCI president castigates Kamal for high lending rates

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The business community is facing deep trouble in running their operations due to the high bank interest rates, the highest in the world, added Commerce Minister Tipu Munshi.

"People cannot run their businesses with high interest at 12 and 14 percent," he told the launch of the fair organised by the Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA) at International Convention City Bashundhara.

"If interest rate does not come down to a single digit, then NPLs (non-performing loans) will go up," said Munshi.

The minister mentioned that the difference between deposit and lending rates in the country was very high compared to those in other parts of the world.

"There is a maximum difference of three to four percentage points elsewhere in the world," he said.

The banking sector enjoys a lot of benefits from the government but they are not reducing the bank loan interest rate, added Munshi.

The minister emphasised the need to bring down the interest rate of bank loans to a single digit for businesses to gain a

boost.

He also said the country's ceramic sector had potential similar to the readymade garment sector as manufacturers were producing world-class ceramics.

Presiding over the event, Md Shirajul Islam Mollah, president of the BCMEA, demanded increasing incentive on ceramic exports from the current 10 percent to 25 percent.

"We do not require bonded warehouse facility as the industry requires a lot of raw materials and storing it in warehouses would require huge amounts of space," he said.

Irfan Uddin, general secretary of the BCMEA, said local manufacturers cater to 85 percent of the country's demand while only 15 percent high-end ceramic products were imported from Japan, China and Taiwan.

Over 120 participants along with 300 international delegates are taking part in the exhibition with ceramics and allied products of 150 brands, including 98 foreign companies from 20 countries, including host Bangladesh.

According to Uddin, the country's ceramics sector invested Tk 8,500 crore and created 5 lakh direct and indirect jobs.



POWERPAC HOLDINGS

Ron Haque Sikder, managing director of PowerPac Holdings, and Zhang Hongming, vice president of China Energy Company Ltd, attend a \$3.6 billion deal signing ceremony in China on Wednesday for the development work and finance arrangement for a "Central Business District" in the capital's Purbachal of a consortium of PowerPac and Japanese construction firm Kajima Corporation.

Stocks keep falling

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Intech Ltd was the day's best performer with 10 percent gain, while Familytex was the worst loser, shedding 11 percent.

Chattogram stocks also fell with the bourse's benchmark index, CSCX, decreasing 54.20 points, or 0.62 percent, to finish the day at 8,622.71.

Losers beat gainers as 82 advanced, 141 declined and 26 finished unchanged on the Chittagong Stock Exchange.

The port city bourse traded shares and mutual fund worth Tk 25.06 crore.

Exports fall 10pc in November

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Rubana said since Bangladesh is operating mostly in the lower-tier of the retail market segment, it is time for the industry to re-think the business model toward diversification from basic to mid- and high-price segment and from cotton to non-cotton items, especially dresses for ladies and girls.

MA Jabbar, managing director of DBL Group, one of the top garment exporters, said a silent recession is going on globally. As a result, people are adopting some austerity measures.

He said Bangladesh's apparel exporters receive lower prices from international retailers and brands. Moreover, Bangladesh is less competitive than Vietnam because of long lead time.

Jabbar said Bangladesh was supposed to receive more work orders due to the US-

China trade war. However, as Bangladesh does not produce high-end products, Vietnam is emerging as the beneficiary of the war.

Frozen and live fish exports declined by 7.62 percent to \$235.11 million between July and November, while export receipts from agricultural products slipped 2.69 percent to \$446.32 million and leather and leather goods exports gave up 10.03 percent to \$391.09 million.

The export of cement, specialised textiles, home textile, and terry towel also declined.

Some sectors, however, performed well during the period. Of them, the shipment of jute and jute goods was up 15.16 percent to \$404.79 million.

Bicycle exports went up by 9.81 percent to \$36.70 million, the EPB data showed.