

## In US-China tech war, investors bet on China's localisation push

REUTERS, Shanghai

As the US-China "tech war" widens, investors are betting on China's efforts to replace US technologies with indigenous applications to run networks in the state sector.

In recent months, local governments and state firms such as China Telecom have announced plans and procurements aimed at fostering a home-grown tech ecosystem to displace gear from the likes of Intel, Microsoft, Oracle and IBM.

An index tracking Chinese IT stocks has jumped nearly 30% this year, doubling blue-chip gains.

"We're seeing more US actions against China, and the future tends to be 'one world, two systems,'" said Wu Kan, portfolio manager at Soochow Securities Co, who has invested in local tech leaders including China National Software & Service Co Ltd, China Greatwall Technology Group and Beijing Kingsoft Office Software.

Any segment that faces

decoupling risks represents big investment opportunities."

Some market watchers warn valuations of China tech stocks are getting frothy at roughly 60 times trailing earnings, noting Chinese firms could take years to catch-up to established global players. But Wu said price levels are justified by growth potential and direct government backing.

The Trump administration has recently strengthened restrictions on China's Huawei Technologies and sanctioned China-owned apps TikTok and WeChat. Washington also rolled out a "Clean Network" initiative to exclude Chinese tech firms perceived as threatening national security.

Under US pressure, Chinese vendors are poised to gain local market share, said Jie Lu, Robeco's China research head. "China will ramp up the investment and R&D intensity for critical industries such as semiconductors," Lu said.

Dongxing Securities predicted that a retooling would create a 1 trillion yuan (\$144.46 billion)



REUTERS/FILE

Chinese and U.S. flags flutter near The Bund, before U.S. trade delegation meet their Chinese counterparts for talks in Shanghai, China.

opportunity over the next three years for local vendors.

Local governments are rushing to form industry federations to promote the use of Huawei's Kunpeng processing technologies.

Last week, China Unicom's Wuchang subsidiary struck

said it would procure up to 56,314 servers in 2020, one-fifth of them using Kunpeng and Hygon Dhyana chips, which rival US brands Intel and AMD in a move seen as a gesture of Beijing's localisation push.

"China must promote domestic replacement to avoid being strangled, even as its current technology lags far," Zhang Chi, chairman of Xin Ding Capital said during an investor roadshow for Haigon Information Technology, maker of Hygon Dhyana chips.

Some 95% of Chinese servers use CPUs from Intel. It would be disaster, Zhang said, "if one day, Trump bans Intel from selling CPUs to China." Zhang expects Chinese government agencies to replace all computers using US chips in the next five years, echoing views of many analysts.

National Software & Service, which makes operating systems that compete with Windows and middleware that aims to rival IBM and Oracle, expects revenue this year to jump 70% to 10 billion yuan.

## 10 more economic zones get the nod

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Other governing body members connected from the Prime Minister's Office and the Cabinet Division.

Meanwhile, Bangladesh Economic Zones Investors Association (Bezia) has sought intervention from the Prime Minister's Office (PMO) to address some hurdles to investment in the country's economic zones.

Potential investors were recently blindsided by the implementation of a 15 per cent value-added tax (VAT) imposed on land lease at economic zones.

Besides, investors are unable to attain bank loans against land taken on the rent due to unfavourable conditions of leasing policies, Bezia said in a statement.

"Our confidence and expectations were shattered when we unexpectedly received letters from the Bangladesh Economic Zones Authority (BEZA) on the VAT issue," read the statement.

This will increase their outlay, they added.

"Furthermore, we are keen to enjoy a tax holiday as provided for industrial units regardless of what they produce within the economic zones."

Bezia also said investors were facing indefinite delays in the handing over processes for leased lands at economic zones and were also in uncertainty about whether the infrastructure and facilities would be made available there as promised by Beza.

This includes the construction of port facilities at Bangabandhu Sheikh Mujib Shilpa Nagar in Mirsarai, Chattogram, a project which has already far exceeded its completion deadline.

While investors had been exempted from VAT charges and were given a tax holiday for a certain period, the National Board of Revenue recently issued a notice declaring that the 15 per cent VAT would be imposed on land leasing from now on, according to Bezia.

The platform also said banks were uninterested in providing loans for investment in economic zones using leasing agreements as collateral since the potential borrowers did not own the land.

## Inflation drops again

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An increase in the price of non-food items in urban areas led to an increase in the non-food inflation, he said.

"The decrease in food inflation may be reflecting the improved functioning of the supply chain with the reopening of the economy. Demand pressure on food items may also have eased following Eid."

Despite the decrease, food inflation is still high at 5.7 per cent year-on-year.

Rice prices increased in August. Ensuring an adequate supply of essential food items in the local markets will be critical for bringing food inflation down further to ease the sufferings of the poor and vulnerable population, the economist said.

Increase in non-food inflation in urban areas was driven by an increase in transport, pharmaceuticals and furniture, furnishing and household equipment. These resulted from both increases in cost and demand.

"The biggest concern is the acceleration in prices of pharmaceutical products. Inflation in this category is in double digits since April," Hussain said.

This needs to be looked into in greater detail because it is adding salt to the injuries caused by the health crisis.

The latter may have increased demand for pharmaceuticals, but the government did reduce duties on imported inputs.

"Local market prices are not reflecting these reductions," Hussain added.

Inflation ended the just-concluded fiscal year at 5.65 per cent, slightly overshooting the government's target of 5.5 per cent, owing to the dragging supply chain disruption caused by the pandemic-induced shutdown.

Food inflation was 5.56 per cent and non-food inflation 5.85 per cent.

Inflation target for this fiscal year is 5.4 per cent.

## Bangladesh getting connected with Vietnam through sea route for the first time

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Currently, it takes around a month to reach export cargoes from Chattogram to the US. They are routed through Singapore; there is no direct feeder service between Chattogram and Vietnam.

Five feeder vessels would be deployed for the new weekly service, said FAMFA Chairman Islam, adding that they were launching the shipping service to cater to the increasing trade between China and Bangladesh.

Currently, there are three feeder services between Chattogram and China. With the new service, businesses will be able to transport their export and import cargoes on this route at a competitive rate.

CNC Line recently stated in its website that as an express service from China to Bangladesh, the BBX 2 promises shippers one of the best transit times in the market.

Nasir Uddin Chowdhury, chairman of the standing committee on port and shipping of the Bangladesh Garment Manufacturers and Exporters Association, hopes the new service would open up a new avenue for transshipping in the country's export cargo since the exporters had so far been dependent mostly on Singapore.

## UK online job adverts slip back in mid-August

REUTERS, London

The number of online job adverts posted by employers in Britain - a measure of how quickly the labour market might recover from its coronavirus slump - has fallen back slightly, the country's statistics office said on Thursday.

Between Aug. 7 and 14, the total volume of online job adverts decreased to 58% from 62% of its 2019 average, partly offsetting a large increase in the previous week, the Office for National Statistics said.

The figures used job adverts provided by Adzuna, an online job search engine, the ONS said.

Britain, like many other economies, is facing the prospect of a sharp rise in unemployment as the government phases out its emergency job subsidy scheme, which is due to close at the end of October.

The ONS said 12% of the workforce was on furlough, based on a survey it conducted between July 27 and Aug. 9, little changed from the previous two-week period.

It also said the number of people going shopping continued to rise slightly in the latest week. Overall footfall was 68% of its level the same day a year ago, the highest since the week beginning March 16, just before the lockdown fully started.

<p><b>Government of the People's Republic of Bangladesh</b>            Ministry of Local Government, Rural Development and Cooperatives            Local Government Division (LGD)            Income Support Program for the Poorest (ISPP)-JAWTNO Project            Level 8, DPHE Bhaban            14, Shaheed Captain Mansur Ali Sarani            Kakrail, Dhaka-1000</p>		
<p><b>Request for Expression of Interest for 3 (Three) Different Positions</b></p>		
1	Ministry/Division	Ministry of Local Government, Rural Development and Cooperatives.
2	Agency	Local Government Division.
3	Name of procuring entity	Income Support Program for the Poorest (ISPP)-JAWTNO Project.
4	Title of Service	(i) Payment Specialist (ii) System Engineer and (iii) Procurement Associate.
5	Procuring entity district	Dhaka.
6	Expression of Interest for Selection of	Individual Consultant- Time based.
7	EOI Ref. No.	ISPP/PMU-89/Individual Consultant/2020/
8	Date	18 August, 2020
<p><b>KEY INFORMATION</b></p>		
9	Procurement sub-method	Selection of Individual Consultants (SIC).
<p><b>FUNDING INFORMATION</b></p>		
10	Budget and source of funds	Development Budget – Aid Grants/Credit.
11	Development partner	IDA/World Bank.
<p><b>PARTICULAR INFORMATION</b></p>		
12	Project/program code	224041200
13	Project/program name	Income Support Program for the Poorest (ISPP)-JAWTNO Project.
14	EOI closing date and time	17 September, 2020 – 3:00pm.
<p><b>INFORMATION FOR APPLICANT</b></p>		
15	Brief description of the assignments	<p><b>Payment Specialist:</b></p> <ul style="list-style-type: none"> <li>Work closely with the Project Director and Deputy Project Director/Focal Point in the design or update of Operational Procedures for the Cash Transfer Program;</li> <li>Review the quality of implementation to ensure consistency with program Guidelines and World Bank requirements;</li> <li>Work closely with field-level offices to ensure smooth implementation process is in place at all times including facilitation flow of information to and from the fields;</li> <li>Provide comprehensive technical assistance in and the implementation of the payment system through Bangladesh Post Office and/or other payment service providers;</li> <li>Train field-level functionaries and other stakeholders on their roles and responsibilities in strengthening the payment system;</li> <li>Monitor implementation of payment system and support FM Specialists with account reconciliation;</li> <li>Work with MIS Specialists on MIS to facilitate integration of indicators relating to the payments module;</li> <li>Facilitate and coordinate tasks with other PMU personnel including the Financial Management Specialists, Procurement Specialist and Training Specialist;</li> <li>Support the overall program monitoring and evaluation process with particular focus on payment related grievances and redress;</li> <li>Coordinate with Bangladesh Post Office for timely transferring of money to the Beneficiaries' Virtual Accounts and arrange money withdrawal camps;</li> <li>Communicate with Directorate General of Health Services or the similar governmental agencies and BRAC on operational issues like providing services for ANC, GMP and CNCD by Community Clinics and CFs;</li> <li>Check and verify the MIS-generated Beneficiary List is in compliance with the attendances through MIS as well as manual ANC, GMP and CNCD services;</li> <li>Prepare and submit regular progress reports to the Project Director, and</li> <li>Any other tasks assigned by the Project Director.</li> </ul> <p><b>(ii) System Engineer:</b></p> <ul style="list-style-type: none"> <li>Work closely with the Project Director, Deputy Project Director, MIS Specialist and other PMU team members and others as asked for by PD;</li> <li>Ensure that <ul style="list-style-type: none"> <li>✓ Infrastructure for rollout is defined and Procurement carried out as per schedule;</li> <li>✓ Service level agreements for infrastructure procurement are defined to ensure upkeep and maintenance;</li> <li>✓ Adequate training and capacity building of the personnel at the project office as well as in the field is carried out either internally or outsourced;</li> <li>✓ Help Desk and other support requirements are set up to ensure smooth rollout.</li> </ul> </li> <li>Maintain <ul style="list-style-type: none"> <li>✓ Inventory of infrastructure procured by PMU (whether available centrally or used in the field)</li> <li>✓ Follow up for regular data and other information from the stakeholders as required for MIS.</li> </ul> </li> <li>Work with World Bank consultants to review, analyze, validate and suggest changes, if required, to the technology solution suggested by the selected vendor;</li> </ul>
16	Qualification, experience, resources & delivery capacity required	<p><b>(i) Payment Specialist:</b></p> <p><b>Qualification and Experiences</b></p> <ul style="list-style-type: none"> <li>Master's Degree in Finance, Business, Engineering or Social Sciences, with at least eight (8) years' of experience in social protection programs or related fields;</li> <li>Previous operational experience in payment systems;</li> <li>Understanding and experience in public sector and/or non-government sector and/or financial sector reporting systems;</li> <li>Experience of working in donor-funded projects and of working in partnership with local, international NGOs and donors is preferred</li> <li>Excellent networking skills;</li> <li>Strong communication skills and proficiency in computer applications;</li> <li>Report writing and oral presentation abilities;</li> <li>Fluency in both spoken and written English and Bangla.</li> <li>Ability of typing both in English and Bangla.</li> </ul> <p><b>(ii) System Engineer:</b></p> <p><b>Qualification and Experiences</b></p> <ul style="list-style-type: none"> <li>At least a B.Sc. in Software/Hardware Engineering</li> <li>At least five (5) years of experience in systems management</li> <li>Knowledge of IT hardware and equipment maintenance requirements. Good working knowledge of Biometrics, smart cards and related technologies is desirable.</li> <li>Excellent spoken and written Bengali and English skills</li> <li>Ability of typing both in English and Bangla.</li> </ul> <p><b>(iii) Procurement Associate:</b></p> <p><b>Qualification</b></p> <ul style="list-style-type: none"> <li>At least Bachelor's Degree in Business Administration, Commerce, Finance, Accounting, Arts, Law or Procurement etc.</li> <li>Candidates having professional qualifications in procurement, purchase, and/or supply chain management will be given preference.</li> </ul> <p><b>Experiences:</b></p> <ul style="list-style-type: none"> <li>At least 5 (five) years' work experience in procurement in government/semi-government institutions, or with international donors/agencies, implementing development projects; or having other responsibilities with substantial procurement contents (i.e. preparation of bidding documents and Requests for Proposals (RFP); understanding of principles underlying procurement practices; analytical capability in identifying and resolving procurement issues; etc.).</li> </ul>
17	Indicative starting and completion date (Duration of service)	Oct 01, 2020 to June 15, 2022.
<p><b>PROCURING ENTITY DETAILS</b></p>		
18	Name of the official inviting EOI	Shaikh Md. Kabedul Islam.
19	Designation of the official inviting EOI	Project Director (Additional Secretary).
20	Address of the official inviting EOI	Level 8, DPHE Bhaban, 14, Shaheed Captain Mansur Ali Sarani, Kakrail, Dhaka-1000.
21	Contact details of the official inviting EOI	Level 8, DPHE Bhaban, 14, Shaheed Captain Mansur Ali Sarani, Kakrail, Dhaka 1000. Phone: 88-02-65130514 E-mail: pd.ispp.lgd@gmail.com
22	Two copies of Expression of Interest (EOI)/application along with copies of certificates of all academic/professional qualifications, copies of experience certificates and a passport size photograph of the applicants in a sealed envelope shall be submitted to the Office of the Project Director at the address given above within the closing date and time specified above. On the top of the sealed envelope the applicant shall write the name of the post. The procuring entity reserves the right to accept or reject all EOIs without assigning any cause or reason.	