

## StanChart automates LankaBangla Securities investor accounts

STAR BUSINESS DESK

Standard Chartered Bangladesh has recently inked an agreement with LankaBangla Securities to provide an end-to-end solution automating the latter's collections from investors and subsequent reconciliation process.

Each investor will get a unique virtual account to make payments, be it online, over the counter or through cash recycler machines or cheques, says a press release.

The digitalised collections are automatically fed into LankaBangla Securities' Enterprise Resource Planning system through its accounts held with Standard Chartered Bangladesh, enabling receiving prompt notifications, reducing operational risk and increasing data security.

"Standard Chartered Bank has been the forerunner of banking innovation in Bangladesh," said Alamgir Morshed, the bank's managing director and head of financial institutions.

"...our solutions like virtual accounts combined with H2H enable the digitisation of collection with automatic reconciliation for brokerage houses, financial institutions and corporates," he said.

"LankaBangla Securities...has always been the early adopter of different innovative and value added technologies...and provide investors with a smooth investment experience," said its CEO and director, Khondoker Saffat Reza.

REUTERS, Havana

Cuban entrepreneurs, running businesses ranging from selling dried fruit to repairing bikes and developing software, are scrambling to understand the opportunities and challenges ahead after a landmark change in the rules governing the Communist-run economy.

Earlier this month, the government released regulations about a reform that would allow small- and medium-sized ventures to formally incorporate as businesses and access state financing, ending decades of classifying them as 'self-employed'.

The measure is seen by many analysts as one of the most important reforms undertaken since all businesses - down to shoe-shine boys - were nationalized in 1968 by former leader Fidel Castro.

Omar Everleny, one of Cuba's best-known economists, described the reform as a very positive one, long-sought by many Cubans.

It does have important limits - for instance, people can own no more than one business and cannot contract foreign partners or carry out direct foreign trade.

"Given the economic situation and remaining restrictions, it will not mean a big economic improvement in the short term," cautioned Everleny.

For Nayvis Diaz, founder of Velo Cuba, a bicycle repair and rental company with 17 employees in Havana, it marks a significant change, however.

"What is important is we are now fully part of the economy and no longer marginalized," she said. "Many people with a lot of social and business responsibilities in the city, and many others in the private sector, were waiting for this."

The measure forms part of



Nayvis Diaz, founder of Velo Cuba, speaks to employees at her bicycle repair and rental company in Havana, Cuba on August 25.

a package of market-oriented reforms undertaken by Cuban President Miguel Diaz-Canel over the last year, as the coronavirus pandemic and tougher US

sanctions tipped the shaky economy into a tailspin and led to shortages of food, medicine and other basic goods. Cuba's economy contracted by

10.9 per cent in 2020 and shrank another 2 per cent this year through June, compared with the same period in 2020.

It remains reliant on tourism and imports.

The Fernandez brothers, who own Deshidratados Habana, Cuba's only company processing and selling dried fruits, were nevertheless enthusiastic.

"A bad economy can present opportunity," Oscar Fernandez said, standing amid makeshift ovens and other equipment in his basement. The company began when the pandemic forced their cafeteria to close, he explained.

Hundreds of small businesses have found niches in a state-dominated economy short on imagination and initiative: from gourmet restaurants and 3D-parts manufacture to software development, home delivery, landscaping and construction contracting.

## Indian Oil expands JV with Malaysia's Petronas to focus on LNG plants

REUTERS, New Delhi

Indian Oil Corp is expanding its joint venture with Malaysia's state-run Petronas to include building liquefied natural gas (LNG) terminals, fuel retailing and gas distribution, Chairman SM Vaidya said on Friday.

Liquefied petroleum gas (LPG) is imported by Indian Oil Corp under the IndianOil Petronas Pvt Ltd which is its equal joint venture with the Malaysian oil giant.

The state-run company is focusing on strengthening its grip on new cleaner energy (including Hydrogen) and hence

is keen on expanding its partnerships with the global oil firms.

"We are pursuing more such win-win associations with respective segment leaders to explore newer avenues of growth and gain competitive advantage in the future," Vaidya said at the annual shareholders meet.

Indian Oil Corp has announced an investment of 1 trillion Indian rupees (\$13.49 billion) in order to ramp up its refining capacity by 25 million tonnes every year in the next couple of years, Vaidya said.

He also added that the company is also looking forward to ramping up the yields of chemical products.



A Petronas logo at their office in Kuala Lumpur, Malaysia.

REUTERS/FILE

## Toyota halts all self-driving e-Palette vehicles

REUTERS

Toyota Motor said on Friday it had suspended all self-driving e-Palette transportation pods at the Tokyo Paralympic Games village, a day after one of the vehicles collided with and injured a visually impaired pedestrian.

In a YouTube video, Toyota Chief Executive Akio Toyoda apologized for the incident and said he offered to meet the person but was unable to do so.

"A vehicle is stronger than a person, so I was obviously worried about how they were," he said, answering questions about the incident.

Toyota said the accident showed the difficulty for the self-driving vehicle to operate in the special circumstances of the village during the Paralympics with people there who are visually impaired or have other disabilities.

"It shows that autonomous vehicles are not yet realistic for normal roads," he said.

The vehicle had stopped at a T junction and was about to turn under manual control of the operator, who was using the vehicle's joystick control, when the vehicle hit the athlete going at around 1 or 2 kilometres an hour, Toyota said.

He said Paralympic officials had told him that the athlete, who remained conscious, was taken to the athlete village medical centre for treatment and was able to walk back to their residence.

## A stellar month for stocks

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The index surged 370 points in August, which is the second highest monthly rise in the current year. Earlier, it skyrocketed 473 points in May, DSE data showed.

However, the index rose without witnessing any correction in the last five months, so investors should get ready for corrections, the broker said.

A merchant banker said there are many reasons for the rising stock market, such as low interest rate in banks, higher confidence on the present commission of the stock market regulator, and sustained lower price of stocks.

But despite all these factors, some companies are actually overvalued so investors need to be cautious, he said. For example, some insurance stocks and low paid-up capital-based companies are mostly overvalued in the market. "However, there are still some stocks where people can invest in," he added.

## Canada joins Mexico for consultation with US over USMCA auto content rules

REUTERS, Ottawa/Mexico City

Canada has joined Mexico in seeking formal consultation with the United States over the interpretation of content rules for automobiles set out in the North American trade pact, Mexico and Canada said on Friday.

Mexico requested a formal consultation on the interpretation and application of tough material rules for cars under the United States-Mexico-Canada Agreement (USMCA) on August 20, after disagreeing on the issue in a virtual meeting in May when it The differences cited the United States methods.

Canada and Mexico use more flexible interpretations.

Global Affairs Canada spokeswoman Patricia Skinner said, "We know how important the auto industry is to Canadian workers and the Canadian economy. Canada has advised the US and Mexico to engage in consultation as a third party. wants."

Skinner said Canada continues to work with the auto industry on this and other important issues.

Mexico's Economy Minister Tatiana Clouthier said, "We are pleased that Canada has decided to join the consultation request that we received on August 20 regarding the interpretation of the Rules of Origin by the United States at the USMCA for the automotive sector. requested." said on Twitter.

The USMCA, the successor to the North American Free Trade Agreement, requires 75 per cent of North American content for a vehicle to be from North America.

The same percentage will apply for essential parts from July 1, 2023, which is now 69 per cent, compared to 62.5 per cent under the previous trade agreement.

Mexico argues that once the required parts level reaches 75 per cent, it is considered 100 per cent and should be counted as the overall value of the automobile.



A car hauler transports newly assembled vehicles from the FCA Windsor Assembly plant in Windsor, Ontario, Canada.

REUTERS/FILE

## Protect consumer rights in digital industries: experts

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"Digital financial services are here to stay, we will not only live with it, we have to use it. So we need to learn it properly," he said.

Mansur suggested that the government should establish a separate wing for e-commerce and mobile financial services to oversee and resolve customer complaints.

"The overall digital consumer protection in the broader aspect has not been covered by the media to an extent for people to be aware about it," he added.

MA Razaque, research director at the PRI, presented a study at the event.

In it, he said digital footprints, or personal data, were left behind after every online transaction. This personal data is often used to provide personalised advertising but there is complexity, opacity, and uncertainty around this issue.

"Misleading, unethical or fraudulent commercial practices are also possible using personal data," Razaque said.

The leakage of such data could make consumers victims of crimes such as privacy infringement and identity theft.

The pace of technological changes is faster than the developments in legal provisions, he added.

Razaque went on to say that in 2020, Bangladesh was given an overall financial score of 42 by The Economist Intelligence Unit (EIU), and ranked 44th among 55 middle and low-income countries, which was very low.

In the consumer protection index, Bangladesh is ranked 48th among 55 countries.

He suggested providing a more comprehensive and robust consumer protection framework for the users of digital financial services.

He also recommended going

for capacity building of consumer rights groups, increasing consumer awareness, strengthening digital financial literacy of consumers, introducing effective digital financial literacy programmes, and user education at the sign-up stage.

"Data protection is one of the crucial matters in the digital age as the information of digital customers is being leaked in many cases," said Tanvir A Mishuk, founder and managing director of Nagad, a local digital financial service provider.

Some people get random phone calls from different numbers offering something to sell. This is because their data was leaked but it wasn't leaked by the organisation, rather it was an employee.

"At Nagad, we have the data of 5.4 crore crore people. So, it's our responsibility to protect the customers' information such as where they are eating and how they are spending money," Mishuk said.

"To do that, we keep it fully encrypted with a four-layer protection system and our employees don't have access to much of that data. So, it is not possible to download our data and sell it to others. I think every operator should emphasise on this," he added.

Many complaints are now coming against e-commerce platforms. Amidst the ongoing Covid-19 pandemic, there has been a boom in e-commerce and most of the irregularities have occurred during this period, according to Syed Yusuf Saadat, senior research associate at the Centre for Policy Dialogue.

"Although ensuring law and order and consumer protection in the e-commerce sector are crucial, we should not over regulate as it is a growing industry at a nascent stage," he said.

Many e-commerce companies are in this stage and are trying hard to ensure consumer rights.

"So, they should not suffer for those who came here with ulterior motives," Saadat added.

SM Nazer Hossain, vice president of the Consumers Association of Bangladesh, said consumers were the most vulnerable group as they have no voice and no participation and there was no one there to listen to them.

Even in formulating recent e-commerce guidelines, there were no participants representing consumers.

"Most of the policies are formulated now for providing privileges to the businesses," Hossain said, adding that 16 crore consumers were now suffering as a result.

The role of a regulatory authority is very important. Immense discrimination prevails both at the consumer and business-ends in Bangladesh, so fraudulent activities are on the rise.

Mahabubul Islam, head of Dutch-Bangla Bank's Rocket, and Farhana A Rahman, senior vice-president of the Bangladesh Association of Software and Information Services, also spoke at the event.

## BB extends relaxed loan classification policy

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since the first quarter of this year as the central bank withdrew a moratorium facility.

Borrowers enjoyed a yearlong moratorium facility throughout last year.

Non-performing loans stood at Tk 99,205 crore in June, up 11.80 per cent from six months earlier and 3.21 per cent year-on-year, showed data from the BB.

## Stimulus seekers complain of bribery

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In its latest survey released yesterday, Sanem said 79 per cent of the firms surveyed had not yet received any fund from the stimulus packages. Entrepreneurs who did avail loans continued to complain about lengthy procedures and difficulties in bank related services.

There is a dearth of monitoring and transparency in the process for disbursement of stimulus packages, he said while sharing the findings of the survey on "Covid-19 and Business Confidence in Bangladesh" at a media briefing.

Sanem said effective implementation of the stimulus packages was critical.

"An assessment is urgently required on the stimulus packages implemented so far. Stimulus packages need to be redesigned and expanded amid the current wave of Covid-19," said Raihan.

Sanem said businesses were more confident about recovery in the current July-September 2021 period than what they had felt in the preceding quarter owing to relaxation of the countrywide lockdown.

It said the business confidence index (BCI), measured on a scale of 0 to 100, improved to 49.74 in the July-September period of this year from 41.39 in the April-June period.

"The improvement is visible for all of the sub-components. This improvement in business confidence gives hope over the revival of the private sector," said Raihan.

Sanem said confidence levels regarding recovery were higher in food, restaurant, garments, textile, leather and pharmaceutical sectors than that in transport, light engineering, wholesale, retail, real estate and ICT sectors.

This was the fifth round of the survey, being conducted by the research organisation since July 2020 to track the situation of the economy and sentiment of businesses.

Sanem said the fourth round of the survey in April this year exposed a deterioration of business confidence followed by the second wave of Covid-19.

"This round of survey provides insights on the pulse of the economy as the economy transits through the second wave of the pandemic," it said.

Despite making improvements from the previous quarter, overall confidence among business is still below that of the July-September period of 2020, when the BCI was 51.06, which indicates that the recovery process for the economy was going slow.

"The recovery process has been disrupted and there is still uncertainty," said Raihan.

Sanem said 64 per cent of respondents termed the economy's recovery weak while 27 per cent considered it moderate, and only 9 per cent opined that the economy had been on the path towards a strong recovery.

Remittance inflow, export of goods and services, banks' credit to the private sector and vaccination programmes, among others, are the major factors that are contributing to the overall economic recovery, said the research organisation.

Sanem said over the past 15 months, there had been some visible recoveries in business activities. However, business activities deteriorated in the April-June 2021 quarter compared to that in the January-March 2021 quarter.

"It is alarming," said Sanem, adding that the situation was worse for micro,

small and medium, non-exporting and service sector firms alongside those located outside Dhaka.

"It shows the firms have fallen back again, and it might take longer to get back to the pre-pandemic situation," said the organisation.

The research organisation found that 67 per cent of the firms had been running by spending their savings as they had not received stimulus funds while some 20 per cent laid off employees to survive.

Some of the firms cut wages and salaries of employees to keep business afloat, said Raihan.

Regarding vaccination, the survey found some 60 per cent of respondents having received the jab.

It is a concern for the economy that the remaining 40 per cent has not been vaccinated yet, said Raihan.

Some 50 per cent of the surveyed owners of micro firms had been vaccinated, he said.

The survey found that only 25.5 per cent of employees of the surveyed firms had been vaccinated.

Some 75 per cent of employees were yet to come under the vaccination programme, which is also another major concern for business and economic recovery.

Most of the vaccination took place among Dhaka-based firm owners and export-oriented firm owners account for the highest percentage of those vaccinated, as per the survey.

Haphazard, unplanned and ineffective lockdowns are rather painful for the country. On one hand the firms are having to stay shut while on the other the lockdown has no effective outcomes.

So, area specific lockdowns are required in the future through the formulation of protocols, recommended Raihan.