

Xiaomi starts delivering EVs

REUTERS, Beijing

Chinese smartphone maker Xiaomi on Wednesday said it has received more than 100,000 orders for its first car - a sporty electric vehicle called the SU7 - as it began deliveries.

"Xiaomi's car officially debuts, the real revolution in smart cars has officially begun, and China will surely give birth to a great company like Tesla," CEO and founder Lei Jun said at a ceremony in Beijing marking the first deliveries.

The first deliveries come from a limited batch of 5,000 cars that Xiaomi had already produced - called the "Founder's Edition," equipped with additional accessories for early buyers.

Following last week's launch of the SU7 - short for Speed Ultra 7 - Xiaomi advised buyers of its sedan that they could face wait times of four to seven months, a sign of robust demand.

Xiaomi's shares surged as much as 16 percent on Tuesday as the SU7 drew strong interest, though a brokerage forecast the firm would lose nearly \$10,000 per car this year. Its shares traded more than 3 percent lower Wednesday morning, against a 1.1 percent fall in the broader Hang Seng Index.

At Tuesday's highest, the company had a valuation of \$55 billion at a share price of HK\$17.34 - higher than that of traditional US automakers General Motors and Ford at \$52 billion and \$53 billion, respectively. Xiaomi's SU7 enters a crowded China EV market with an attention-grabbing price tag - under \$30,000 for the base model, cheaper than Tesla's Model 3 in China.

Banglalink users to get affordable 4G smartphones thru bKash



Erik Aas, chief executive officer of Banglalink, Ali Ahmed, chief commercial officer of bKash, and Md Arup Haider, head of retail banking of City Bank, inaugurate a service for their customers to make smartphones affordable, at the mobile phone operator's head office in Dhaka recently.

PHOTO: BKASH

STAR BUSINESS DESK

Banglalink has joined hands with bKash and City Bank to offer the "Pay Later" service to their customers in order to make smartphones more affordable.

Under this agreement, customers will be able to avail City Bank's loan-based collateral free "Pay Later" option through the bKash app to purchase smartphones from Banglalink centres and its smartphone partner brand outlets with bKash merchant accounts.

Erik Aas, chief executive officer of Banglalink, Ali Ahmed, chief commercial officer of bKash, and Md Arup Haider, head of retail banking of City Bank, inaugurated the service at the

mobile operator's head office in Dhaka recently, read a press release.

The new partnership will enable customers to transition from 3G or 2G devices to a 4G smartphone.

Eligible customers will receive a loan of up to Tk 30,000 at zero percent interest, provided it is repaid within 7 days. Customers will also be able to buy smartphones in three to six-month instalments with 9 percent interest per annum.

"We have launched a very important initiative in the building Bangladesh towards digital transformation. With the simple steps, Banglalink customers will find smartphone purchase very affordable," said Aas.

"bKash will continue to work with Banglalink and all partners to ensure

digital inclusion for customers by introducing innovative products that can cater to the needs of a vast customer base," said Ahmed.

Haider tipped the "Pay Later" service as a perfect example of innovation executed together with multiple partners in the ecosystem and said it will add significant value to customers' lives.

"Today, the robust technology and framework built by bKash and City Bank has taken banking services like loans and savings to a larger number of customers," he added.

Among others, Upanga Dutta, chief commercial officer of Banglalink, and senior officials from the three organisations were also present.

Shanta Life Insurance gets new CEO

STAR BUSINESS DESK

Shanta Life Insurance has appointed Nafis Akhter Ahmed as its chief executive officer (CEO) for the first time.

Ahmed served MetLife Bangladesh as chief corporate business officer prior to assuming the new role.

He has been in the insurance sector for more than 22 years, serving in various segments such as sales management, business development, distribution, corporate sales, market expansion, and strategic planning.

Commenting on his appointment, Ahmed said: "It is an honour to be appointed CEO of Shanta Life Insurance. The economic landscape offers promising opportunities, and I am confident that our company is well-positioned to make meaningful contributions."

Ahmed added: "I extend my gratitude to our future clients, prospective staff, regulatory authorities, and the communities we aim to serve. We are committed to delivering exceptional financial products and services as we build trust and establish ourselves in the market."

He also has deep relationships within the corporate sector, having worked closely with the Insurance Development and Regulatory Authority (IDRA) in Bangladesh.

Khondoker Monir Uddin, chairman of Shanta Life Insurance, said: "Nafis is a strong leader with a deep understanding of the insurance sector in Bangladesh and the needs of clients. Over the past two decades, he has made significant contributions in various roles across different parts of our country."



Edison Tech, Dongguan Tailg Trading ink deal on EVs

STAR BUSINESS DESK

Edison Technologies, a subsidiary of Edison Group, has signed a partnership agreement with Dongguan Tailg Trading Company Limited to launch electric vehicles (EVs) in Bangladesh.

Aminur Rashid, chairman of Edison Group, and Yingsheng Chen, president of Dongguan Tailg Trading Company, inked the deal in Dhaka recently, said a press release.

Under this agreement, Tailg Trading Company will provide expertise and support in launching electric vehicles tailored to meet the needs of the Bangladesh market.

"As a pioneering force in Bangladesh's technological landscape, Edison Group is committed to driving innovation and sustainability," said Rashid.

"Our partnership with Dongguan Tailg Trading Company Ltd signifies our dedication

to revolutionising the automotive industry in Bangladesh by introducing eco-friendly transportation options," he added.

"We are thrilled to collaborate with Edison Technologies Ltd to bring EVs to Bangladesh," said Chen.

"With our combined expertise and resources, we are confident in our ability to provide innovative and sustainable mobility solutions that will positively impact the lives of Bangladesh's citizens," he added.

Ashraf Haque, executive director of Edison Group, Rezaul Hasan, head of EV business, Jahangir Alam, head of after-sales service, and Tareq Mozumder, head of marketing, were present.

Among others, Qinshi Wu, head of marketing of Dongguan Tailg Trading Company, Ma Jin, country manager, and Duan Fen, business analyst, were also present.



Aminur Rashid, chairman of Edison Group, and Yingsheng Chen, president of Dongguan Tailg Trading Company, pose for photographs after signing an agreement on electric vehicles in Dhaka recently.

PHOTO: EDISON GROUP

Opec+ may not change output policy

REUTERS, London

An Opec+ ministerial panel is unlikely to recommend any oil output policy changes at a meeting later on Wednesday, three Opec+ sources told Reuters, following the producers' earlier decision to extend voluntary oil output cuts until June.

The Organization of the Petroleum Exporting Countries and allies led by Russia, known as Opec+, is scheduled to hold an online joint ministerial monitoring committee meeting (JMCM) at 1100 GMT to review the market and members' implementation of output cuts.

Oil has rallied this year, driven by tighter supply, attacks on Russian energy infrastructure and war in the Middle East. Brent crude traded above \$89 a barrel on Wednesday, up from \$77 at the end of 2023.

Two of the three sources, who asked not to be named because they were not authorised to speak publicly, said they expected a straightforward meeting. Five other sources on Tuesday had a similar view.

Sri Lanka recovering but poverty enduring: World Bank



Foreign tourists visit the ancient rock fortress in Sigiriya, Sri Lanka. The island nation was hammered by its worst-ever economic crisis in 2022, when it ran out of foreign exchange.

PHOTO: AFP/FILE

AFP, Colombo

Crisis-hit Sri Lanka will return to growth this year, the World Bank said Tuesday, but around a quarter of the country's citizens will remain living in poverty.

The Indian Ocean island nation was hammered by its worst-ever economic crisis in 2022, when it ran out of foreign exchange and protests over the resulting shortages of food, fuel and pharmaceuticals forced its president to resign.

Sri Lanka's economy shrank by 7.3 percent that year, followed by another contraction of 2.3 percent in 2023. But in a new report the World Bank said Sri Lanka's GDP was expected to stabilise this year, projecting growth of 2.2 percent.

Even so, the bank warned that the recovery would make little difference for many of those who were still suffering from the crisis.

More than 5.5 million Sri Lankans - or a quarter of the country's population of the 22 million - were living below the poverty line of \$3.65 a day, the World Bank said.

That compared to 11.3 percent in 2019,

before the crisis hit.

"The modest economic recovery will be insufficient to reverse welfare losses experienced during the crisis," the bank said, estimated poverty would stay above 22 percent until 2026.

Utility price rises and government revenue measures meant household budgets would "remain stressed", it added.

The bank warned that Sri Lanka must carry out a "deep debt restructuring" and restore its access to international financial markets, blocked since it defaulted on its \$46 billion foreign debt in April 2022.

Colombo secured a \$2.9 billion IMF bailout in early 2023 after sharply raising taxes and cutting energy subsidies.

The government has secured financial assurances from its bilateral creditors, including China, the biggest official lender to the island, but formal debt deals are yet to be signed.

Sri Lanka's inflation slowed to 0.9 percent in March, a huge drop from the peak of nearly 70 percent in September 2022.

High inflation likely pushed

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The report adds that the ratio of the poor population is expected to decline from the next fiscal year.

"Elevated inflation will put pressure on consumption, while forex rationing will constrain private investment," the report said.

Inflation remained elevated in the first half of FY24, declining marginally to 9.7 percent in February 2024, driven by rising food and electricity prices. It averaged 9.02 percent in FY23 and is forecast to be 9.6 percent in the current financial year.

However, the multilateral lender predicts that inequality will remain stagnant.

The WB's estimate of extreme poverty closely aligns with the figure of the Bangladesh Bureau of Statistics (BBS), which states that the ratio of the extremely poor is 5.6 percent.

The state-run statistical agency's estimate of moderately poor people was 18.7 percent in 2022.

In Bangladesh, economic conditions deteriorated in FY23 as inflation accelerated and the balance of payments deficit widened, driven by a financial

account deficit.

Foreign currency exchange rationing restricted imports, leading to electricity blackouts. Rising financial sector vulnerabilities have dampened growth prospects.

The global lender reported that unemployment was low in 2022 at 3.6 percent in Bangladesh, and the female labour force participation rate at 42.7 percent was almost half that of males.

However, job quality deteriorated between 2016 and 2022 as the percentage of employees earning more than \$3.65 a day fell from 77.9 percent

to 50.2 percent.

The WB said that estimated real GDP growth slowed in the first half of FY24 as private consumption and investment growth stagnated.

"On the supply side, industrial growth moderated as energy shortages and import restrictions offset steady external demand for RMG. The services sector slowed as domestic purchasing power declined, while agricultural growth remained modest."

"This has impacted labour income, especially for vulnerable populations working in services and agriculture."

WB criticises tax provision

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There is a concern among taxpayers that disclosure of the actual assets in the tax returns can result in tax-related harassment, it said.

"Honest taxpayers get frustrated when they are subjected to additional investigation, while evaders are not brought under scrutiny," it said.

"Moreover, taxpayers get demoralised with recurring opportunities to legalise undisclosed money," said the WB, adding that the NBR and the Anti-Corruption Commission were not allowed to raise any questions on such declarations.

"Such policies create a moral

hazard problem and widen the trust deficit," it added.

A one-off decision to earn revenues through such measures can be beneficial in bringing some undisclosed assets under the system, it said.

However, continuation of such policies demotivates honest and regular taxpayers and encourages tax evaders to continue their misdeeds by creating an expectation that they will be able to legalise their wealth, said the WB.

Illicit capital flows through various means have been depriving the government of revenues, said the multilateral lender.

"Illicit capital flows to offshore

accounts have been on the rise," it said, citing a State of the Tax Justice Report 2020 by Tax Justice Network.

The report estimated offshore financial wealth of Bangladeshis at 0.7 percent of the gross domestic product (GDP).

The tax and revenue losses, which include losses from corporate abuse and offshore tax evasion, are estimated at over \$700 million or 2.2 percent of FY20 revenue, the WB said.

"This is high compared to some of Bangladesh's peer countries."

The WB said Bangladesh currently ranks 54 among 133 countries in the Financial Secrecy Index, which measures how

intensely a country's tax and financial systems serve as a tool for individuals to hide their finances from the rule of law.

"Most of the money laundering in Bangladesh occurs through trade misinvoicing," it said referring to the Global Financial Integrity Report 2021.

The report estimates that as much as \$3.6 billion per year was laundered from Bangladesh through trade misinvoicing on an average between 2009 and 2018.

"Bangladesh ranked 44th globally and 3rd in South Asia in terms of illicit outflows of money through trade misinvoicing," said the WB.

No cheers for restaurant owners

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Nurul Afsar, a managing partner of Broccoli Restaurant at Sonargaon Janapath Road in the capital's Uttara, said sales decreased by 30 percent this Ramadan compared to last Ramadan.

"Eid is ahead, so even if sales are low, the staff will have to be

paid salaries and bonuses. If a staff member leaves the job, it is very difficult to find a capable new hand. That also has to be kept in mind," he added.

In this situation, the restaurant has taken a bank loan of Tk 50 lakh recently to pay salaries and begin renovation works.

"After the Bailey Road incident,

customers have become much more aware about fire safety measures. That's why we need investment now," he added.

Imran Hassan, secretary general of the BROA, said restaurant owners had sent workers on temporary leave at a higher rate at the beginning of Ramadan given the current

situation.

"Some members are taking loans to overcome this situation and meet their expenses," he added.

Some owners have laid off nearly 20 percent of their workforce, he said, adding that they were desperately looking for a way out of the mire.