

## Oil prices edge up

REUTERS

Oil prices ticked up on Thursday as optimism built that potential US interest rate cuts will boost economic activity and fuel consumption, but concerns over slower global demand curbed gains.

Brent crude futures were up 51 cents, or 0.6 percent, at \$80.27 a barrel at 1107 GMT, recovering some of the previous day's losses. US West Texas Intermediate crude futures were up 47 cents, or 0.6 percent, at \$77.45 per barrel. Both benchmarks fell more than 1 percent on Wednesday after US crude inventories rose unexpectedly.

US consumer prices rose moderately in July and the annual increase in inflation slowed to below 3 percent for the first time in nearly 3-1/2 years, reinforcing expectations the Federal Reserve will cut interest rates next month.

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**Crude oil prices inched higher due to increased risks of a flare-up in confrontations in the Middle East, said an analyst**

Azar, market analyst at brokerage XTB.

"Optimism that potential US interest rate cuts could spur economic growth and increase fuel consumption has also supported oil prices."

Investor worries over Iran's potential response to the killing of the leader of the Palestinian militant group Hamas last month supported prices. Three senior Iranian officials have said that only a ceasefire deal in Gaza would hold Iran back from direct retaliation against Israel for the assassination.

"Geopolitical risk continues to hang over the oil market. It is still unclear how and if Iran will retaliate against Israel," ING analysts said in a client note.

However, oil inventory gains raised concerns of weaker demand, analysts at ANZ said in a client note. US crude oil stockpiles rose by 1.4 million barrels in the week ended Aug. 9, compared with estimates for a 2.2 million barrel draw, building for the first time since late June.

China's factory output growth slowed in July while refinery output fell for a fourth month, underscoring the country's spotty economic recovery, also limiting the market's upside.



People use their mobile phones while sitting outside closed shops in Dhaka. Sufficient spectrum is essential for ensuring better mobile network performance as it determines the capacity, speed and coverage operators can provide.

PHOTO: AFP/FILE

## Beneficiaries in a crisis

MAHTAB UDDIN AHMED

On a hot, scorching day Asif's office air conditioner broke down, with workers doing little and complaining more. Seizing the opportunity, Asif relocated his team to a nearby ice cream parlour. Amid scoops and banter, the team bonded and surprisingly got a lot done. The ice cream shop owner appreciated the extra business, and Asif secured a discount for the group. Meanwhile, the air conditioner was fixed, and everyone returned to the office the next day. But "ice cream meetings" became a regular treat, demonstrating how crises can lead to boon opportunities.

During my tenure as CEO of Robi, the business faced numerous crises, including SIM verification readiness issues and the challenges from the pandemic. One motivational mantra I used for my team was to look for opportunities in each crisis. Initially, the impact was small, but it became a driving force over time. After that, the team consistently delivered exceptional performance during my five years as CEO.

My positive experience during crises stemmed from working for a financially strong company. However, financially weaker businesses often collapse during a crisis due to limited manoeuvring capacity. Historically, the rich-poor gap widens during a crisis, favouring the rich and bankrupting the poor. During the Great Depression, the rich bought assets cheaply while many faced hardships. The 2008 financial crisis and the pandemic saw tech giants and large institutions profit while average citizens suffered. The 1990s Russian and European debt crises also favoured the wealthy through bailouts, exacerbating economic inequalities.

Bangladesh's student-led movement was a call for transformative change. While the country transitions through a wave of change, it is also facing a major national crisis. Cronies and passive supporters of the fallen autocratic regime have suddenly surfaced under a new red banner chanting their support for the revolutionary students when, only a few days ago, they were mourning only the loss of state property and not the deaths of unarmed students! These turncoats that include politicians, bureaucrats, and businessmen—are now out to capitalise on the crisis for their own personal benefits.

But is the hard-fought victory of the student movement enough to achieve a corruption free, democratic nation envisioned by the students? Unfortunately, the evil forces are still lurking. With their amassed financial and social clout, these opportunists from major political parties are once again raising their ugly heads to undermine the system, threatening to perpetuate the cycle of corruption.

Transforming Bangladesh requires institutional reforms, transparency, and empowering civil society. We need an independent anti-corruption commission to investigate and prosecute without political interference. Public service appointments should be merit-based and free of nepotism. Judicial independence ought to be restored with transparent appointments and tenure protections for judges. Eliminating outdated laws and judicial practices along with corrupt judicial loopholes is crucial.

Regulatory bodies must be empowered with resources and independence to promote transparency through public disclosures, e-governance, and citizen oversight. Press freedom must be protected at all costs and bolster civil society watchdogs. Nationwide campaigns promoting accountability and civic participation must be ongoing.

Economic policies must be inclusive to reduce inequality, support SMEs, and create job opportunities for youth and marginalized communities. Implementing international standards of governance, transparency, and anti-corruption measures is imperative, partnering with global organisations for assistance, if necessary. Property rights must be ensured through stable regulations to build investor confidence while maintaining transparency. Improving forex reserves is one of the top priorities, not to mention controlling inflation, fixing the banking system, disciplining the capital market, and attracting foreign investment for sustainable growth. It is crucial to ensure reforms benefit the poor, and the wealthy contribute by investing and employing and not getting away by evading taxes.

The story of crisis management at the ice cream parlour illustrates how flexibility and creative problem-solving can turn challenges into opportunities. As we stand on the threshold of a new Bangladesh, we can all collaborate to work for a more resilient and dynamic economy that will open new opportunities for all, remove frustrations and disillusionment of the youth, create opportunities and benefits for ordinary citizens, and lastly, embrace the wave of positivity for a more prosperous Bangladesh.

The author is founder and managing director of BuildCon Consultancies Ltd.

# GP, Robi get 20MHz of spectrum each to improve service

MAHMUDUL HASAN

Grameenphone and Robi, the top two mobile network operators in Bangladesh, have each secured a spectrum allocation of 20 megahertz (MHz) to boost the quality of their services.

Bangladesh Telecommunication Regulatory Commission (BTRC) recently approved the operators' request in this regard, deciding they will pay Tk 1,160 crore under a 15-year contract.

The spectrum will be allocated from the 2.6 gigahertz (GHz) band suitable for 5G and 4G services.

Spectrum refers to the range of electromagnetic radio frequencies used to transmit data over air.

Sufficient spectrum is essential for ensuring better mobile network performance as it determines the capacity, speed and coverage operators can provide.

Also, increasing the operators' spectrum will facilitate higher data transfer rates, thereby reducing network congestion and improving the overall connectivity.

Grameenphone and Robi will each pay for their fresh allocations through 10 equal annual instalments.

This decision comes more than two years after Robi and Grameenphone each purchased 60 MHz from the 2.6 GHz band at an auction on March 31, 2022.

At the time, Banglalink acquired 40 MHz from the 2,300 MHz band for Tk 2,241 crore while state-run Teletalk secured 30 MHz from the same band for Tk 1,681 crore.

Shahed Alam, chief corporate and

regulatory officer of Robi Axiata PLC, expressed gratitude to the BTRC for providing spectrum from the 2.6 GHz band.

"Sufficient spectrum is key for serving customers with quality services, but it involves massive investment from operators," he said.

On the other hand, Alam urged the BTRC to resolve the lack of availability in number series, which is critical for adding new subscribers.

**Increasing the operators' spectrum will facilitate higher data transfer rates, thereby reducing network congestion and improving the overall connectivity**

"If this problem persists, making huge investment in acquiring spectrum will add to the financial struggles of the company," he said.

"So, we sincerely hope the BTRC will resolve this soon so we can truly create an inclusive network for all citizens of the country by acquiring new spectrum," Alam added.

As per BTRC documents, 160 MHz of spectrum from the 2.6 GHz band had been allocated for operators in Bangladesh.

And while Grameenphone and Robi each got 60 MHz at the auction, the remaining 40 MHz of spectrum was allocated for Internet Exchange Limited (IEL), a broadband wireless access provider.

But the BTRC then cancelled IEL's

allocation in July 2022 and decided that it will go to mobile operators.

USD DILEMMA CAUSES DELAY

So, with 40 MHz to sell in hand, the BTRC received applications for an allocation from both Robi and Grameenphone soon after announcing the decision.

However, the recurring rise in US dollar rates had become a point of contention.

This is because during the auction, the price per MHz was set at \$6.5 million, or Tk 56.03 crore as per the exchange rate at the time.

But the price per MHz ballooned to Tk 71.5 crore after the US dollar price rose, causing a dispute over determining the currency to be used for purchasing the spectrum.

Against this backdrop, the BTRC sent separate letters seeking the operators' views in this regard.

The operators, both in writing and verbally, responded that it would create obstacles in expanding their networks if the spectrum price is determined based on the current US dollar rate.

"Since the economic capacity of all operators is not the same, the costly spectrum will compromise the level playing field," Robi said in a letter.

Robi and Grameenphone had both proposed that spectrum from the 2.6 GHz band should cost Tk 58 crore per MHz.

And after obtaining approval from the state minister for ICT, the telecom regulator decided to allocate 20 MHz to each operator at their proposed price, according to official documents of the agreement.



## Japan's economy rebounds in Q2

AFP, Tokyo

Japan's economy has rebounded, government data showed Thursday, in welcome news for its next prime minister following Fumio Kishida's decision to quit.

The 0.8-percent expansion in the second quarter came after the world number four economy slumped by 0.6 percent in the first three months of the year.

The rise, supported by increased activity and increased capital and public investment, beat market expectations that output would grow 0.6 percent.

Hiroyuki Ueno, chief strategist at SuMi Trust, pointed to improving consumer sentiment thanks to higher wages and a recovery in auto production after several scandals.

Toyota subsidiary Daihatsu in particular halted production for months from late 2023 after admitting it had engaged in safety test irregularities for years.

Moody's economist Stefan Angrick cautioned that it would be "premature to conclude that Japan's economy is out of the woods."

"(The) headwinds facing the economy are substantial. Exports are struggling, and household finances are stretched," he said.

On Wednesday Kishida said he would step down next month after almost three years in office after dropping out of the race to retain the leadership of his party.

His poll ratings sagged badly because of price rises that have eaten into Japanese incomes and a slew of scandals.

The yen also fell sharply and the economy struggled to gain traction despite major stimulus efforts including tax cuts.

Kishida could in theory have governed until 2025 but analysts said he threw in the towel after losing support within the Liberal Democratic Party (LDP), which has ruled Japan almost without a break for decades.

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# China's underwhelming data dampens hope of economic recovery

AFP, Beijing

Chinese industrial production growth slowed in July while unemployment rose, official data showed Thursday, highlighting an uneven recovery in the world's second-largest economy despite recent government measures to try to stimulate expansion.

More than a year and a half after the lifting of stringent Covid-19 measures, the much-anticipated post-pandemic recovery has been brief and less robust than expected, while a property crisis and high unemployment have weighed on investor confidence.

Chinese leaders have called for "eliminating risks" in the economy following a key political meeting in July and introduced 20 measures earlier this month aimed at boosting consumption.

Still, industrial production growth weakened in July, with the month's 5.1 percent expansion inching down from 5.3 percent in June, according to the National Bureau of Statistics (NBS) -- its weakest growth since March.

It also fell short of the 5.2 percent increase that analysts surveyed by Bloomberg had predicted. Meanwhile, the unemployment rate rose to 5.2 percent in July, from 5 percent in June.

However, the NBS figures paint an incomplete picture of China's overall employment situation, as they only take urban areas into account.

The unemployment rate for people

aged 16 to 24 was 13.2 percent in June, according to a new calculation that now excludes students. July's figures have not yet been released.

It had skyrocketed to a record 21.3

percent last year, before authorities suspended the publication of figures for several months, citing a need to review methodology.

July data released over the past week "paints a bleak picture of the Chinese economy", said economist Larry Hu from Macquarie Group.

The data suggests that growth "edged down slightly" at the start of the third quarter, Capital Economics' Julian Evans-Pritchard said in a note.

But "the pace of decline appears to have eased and a cyclical turning point could be near", he added.

Retail sales -- a key indicator of consumer spending -- grew 2.7 percent year-on-year, climbing from June's 2.0 percent increase, and narrowly beating the 2.6 percent forecast in the Bloomberg survey.

Some sectors like the services industry in China have seen some recovery, driven largely by domestic tourism.

But significant hurdles remain for other sectors including the real estate industry, which long accounted for more than a quarter of China's GDP.

This sector has been under pressure with many housing developers on the brink of bankruptcy, discouraging Chinese from investing in property.



An employee works on a washing machine production line at a factory for Chinese company Haier in Qingdao, in eastern China's Shandong province. China's industrial production growth weakened in July, with the month's 5.1 percent expansion inching down from 5.3 percent in June.

PHOTO: AFP/FILE

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