



PHOTO: SAURAV HOSSAIN SIAM

These photos lay bare the carnage unleashed on a production unit of Gazi Tyres, a concern of Gazi Group, in Narayanganj. The unit, owned by a former Awami League minister, is one of nearly three dozen establishments that were vandalised and set ablaze last month, breeding fears of similar attacks in the minds of businesspeople.

## Apple in talks to invest in OpenAI

AFP, Washington

iPhone juggernaut Apple is in talks to invest in OpenAI, the creator of ChatGPT and the biggest name in generative artificial intelligence, a news report said Thursday.

According to the Wall Street Journal, the company founded by Steve Jobs is at the funding table as OpenAI raises more money to help meet the heavy costs of building new technology.

Reports said that OpenAI is in talks to reach a valuation of \$100 billion in the funding round led by venture capital firm Thrive Capital, which will pump in one billion dollars.

For months, news reports have said OpenAI has been in talks to raise the capital that would make it one of the most valuable tech companies in the world. Microsoft, which is OpenAI's biggest investor and takes home half of the startup's profits, is also part of the new funding round.

The entry of Apple into OpenAI's ownership, if confirmed, would come as the company is set to announce its new iPhones on September 9 that are expected to optimize AI innovations.

# Entrepreneurs show interest to insure factories against attacks

SUKANTA HALDER

Businesspeople in Bangladesh are becoming interested in sabotage and terrorism insurance following incidents of arson, looting and vandalism at several industrial establishments across the country, according to various insurers.

Sabotage and terrorism insurance provides coverage against financial losses resulting from politically motivated violence as well as acts of terrorism or sabotage.

A number of factories, such as the Gazi Tyres unit in Rupganj upazila of Narayanganj, have come under repeated attack since the Awami League government was ousted by a mass uprising on August 5, with many claiming that such episodes are politically motivated.

The insurers said that as the country has never faced this kind of situation, businesspeople were uninterested in sabotage and terrorism insurance in the past.

An official of the Bangladesh Insurance Association (BIA) informed that all of the industrial units damaged so far were only covered by fire insurance.

So, when the primary insurers issued claims to their reinsurance providers, it turned out that they were not entitled to the full benefit because fire insurance does not cover acts of sabotage or terrorism.

Reinsurance refers to insurance purchased by primary insurers from another insurance company to transfer some of the insured risk to the reinsurer, according to Investopedia.

AKM Monirul Hoque, chairman of Nitol

Insurance Company Limited, said the recent incidents have led to a surge in interest in sabotage and terrorism insurance.

"Unlike before, many businesspeople are now inquiring about this product," he said.

Hoque also said they have asked reinsurers to at least pay some compensation against their claims considering the current situation.

"Although both primary insurers and reinsurers are looking to do business at the end of the day, I will try to pay as much of the claims as possible from my end," he added.

**The insurers said that as the country has never faced this kind of situation, businesspeople were uninterested in sabotage and terrorism insurance in the past**

Repeated acts of violence at numerous factories since early last month have created deep concerns among entrepreneurs and cast the livelihoods of thousands of workers at these units into uncertainty.

As of August 27, incidents of arson, looting and vandalism were reported at nearly three dozen industrial units across the country, according to reports by correspondents of The Daily Star.

Most of the targeted establishments are owned by people who are politically affiliated with the former government, which saw its 15-year reign ended when Sheikh Hasina resigned from her post as

prime minister before fleeing the country on August 5.

The rampant acts of violence, facilitated by a complete breakdown of law and order following the mass uprising, were termed unprecedented by business leaders.

Hasan Tarek, chief executive officer of Continental Insurance Limited, said their field officers have been getting many inquiries from businesspeople.

Citing how the recent violence has created concerns about such incidents occurring in the future, he said it is a good thing that businesspeople are now thinking about mitigating such risks through insurance.

Khaled Mamun, chief executive officer of Reliance Insurance Limited, said several companies had expressed interest in buying sabotage and terrorism insurance ahead of August 5.

"But it was not right to seek insurance only after realising what lay ahead," he said, adding that the interest in sabotage and terrorism insurance had waned since August 15.

Furthermore, Mamun said businesspeople should be aware of potential risks in order to secure the right insurance on time.

"Besides, many businesspeople think buying insurance means they are just giving away money for nothing in return. But that is not the case," he added.

Nitol Insurance's Hoque, who is also vice president of the BIA, said they are working on deciding what the premium rate for sabotage and terrorism insurance should be.

"Hopefully, we will be able to fix it within the next couple of weeks," he added.

## Can we recover our stolen assets?

MAMUN RASHID

Until mid-2010 I was not aware that the immediate past prime minister had a special assistant for stolen asset recovery. Though at the very outset, his terms of reference were not clear, he was somehow successful in recovering some assets from Singapore after a lengthy legal process, where the siphoned asset could be detected and proved in the court of law that it belonged to the country's poor people. Singapore is known to be a safe haven for global wealth based on strict customer confidentiality maintenance, and hence without the help from the court nothing could be done.

According to various reports, close to \$150 billion was siphoned off Bangladesh during last 15 years. There are a number of international laws and conventions that can be used to claim laundered money. These agreements provide a framework for cooperation between countries in combating money laundering, terrorist financing, and other financial crimes. Chapter V of the UN Convention against Corruption provides a framework for the return of stolen assets, requiring state parties to take measures to restrain, seize, confiscate, and return the proceeds of corruption.

Bangladesh can seek assistance of the UN, World Bank and Interpol. The United Nations Office on Drugs and Crime (UNODC) and the World Bank have a joint Stolen Asset Recovery Initiative (STAR) to support international efforts to end siphoning of assets. Since its establishment in 2007, StAR has assisted over 35 countries in drafting legal frameworks, setting up the institutional structure, and building the skills necessary to trace and return stolen assets.

Interpol assists countries to recover and return assets obtained corruptly, they work closely with a number of national, regional and international bodies such as the International Anti-Corruption Coordination Centre, which brings together specialist law enforcement officers from multiple agencies around the world to tackle allegations of corruption and help bring the corrupt to justice.

The recovery and return of criminal assets comprise a complex process. It depends on the type of corruption, how the recovery effort is initiated and by whom. It also depends on whether a criminal conviction exists in the state of origin, whether criminal or civil process is used or both; as well as which legal mechanisms to restrain assets are available in the destination state. Whether the state harmed by corruption has requested a return of their stolen assets is extremely important. However, the most critical factor is political will.

Bangladesh itself has the Money Laundering Prevention Act, which criminalises laundering and authorises the confiscation of laundered assets, and it also signed mutual legal assistance treaties (MLATs) with other countries. Sadly, Bangladesh has never effectively used any of the tools. It is yet to sign MLATs with popular money laundering destinations – Australia, Canada, Cyprus and Switzerland.

Now there is an opportunity for the country to recover its stolen asset. Professor Yunus must use his international standing and goodwill to request the United Nations, Interpol and destination countries to assist Bangladesh in this regard.

Apart from initiating MLATs with missing popular destinations, we should become a party to the OECD's Convention on Mutual Administrative Assistance in Tax Matters and "Common Reporting Standard". This will allow us to obtain the bank accounts and other financial information of Bangladeshis living in the signatory countries.

The writer is the chairman of Financial Excellence Ltd

## Sri Lanka inflation drops to lowest point since crisis

AFP, Colombo

Crisis-hit Sri Lanka's annual inflation dipped sharply to 0.5 percent in August, the lowest year-on-year rate since the country declared bankruptcy in April 2022, official data showed Friday.

August inflation was down from 2.4 percent in July and 4 percent the same time last year.

The reading came three weeks ahead of Sri Lanka's first election since the unprecedented economic crisis that sparked months of food, fuel and pharmaceutical shortages.

The resulting civil unrest forced then-president Gotabaya Rajapaksa to briefly flee the country and resign from abroad.

At the time, inflation peaked at nearly 70 percent.

The Census and Statistics Department said the current decline was attributable to reductions in electricity and water tariffs, fuel prices and housing costs.

The Central Bank of Sri Lanka expects overall inflation in 2024 to remain well below five percent.

Opposition parties have vowed to renegotiate the terms of an IMF bailout secured by President Ranil Wickremesinghe in early 2023 in the wake of the crisis.

The bailout has led to painful austerity measures, including higher taxes.

The IMF has said it is willing to listen to alternative proposals from rival political parties, but stressed that the benchmarks set in the agreement must be met.

## India growth slows to 6.7% on lower consumer spending

AFP, Mumbai

India's economic growth slowed to 6.7 percent on-year in the April-June quarter, official data showed Friday, as lower government outlays and lacklustre consumer spending weighed on the world's fifth-largest economy.

Friday's reading still places the world's most populous country among the fastest-growing major economies globally.

But the figure is unwelcome news for Prime Minister Narendra Modi, whose party suffered the surprise loss of its parliamentary majority after elections in June. It may also put pressure on the Reserve Bank of India to cut interest rates after holding them steady at 6.50 percent for more than 18 months.

Year-on-year gross domestic product grew at its slowest pace in five quarters and came in below the Indian central bank's estimate of 7.1 percent.

The Indian economy had expanded to 7.8 percent on-year in the previous March quarter. Experts say the pace of growth slowed in part due to sluggish government capital expenditure.

Businesses have also blamed protracted summer heatwaves in parts of the country for hampering store footfalls and urban

consumption. Rating agency ICRA said half of the economic indicators it tracks saw a "deterioration" in the June quarter, partly blaming the hot weather for "dampening" mobility and travel.

"These include air cargo traffic, rail

freight, consumption of petrol and diesel... (and) domestic airlines' passenger traffic," ICRA said in a note this month.

Modi's Bharatiya Janata Party (BJP) failed to secure an outright mandate in this year's general elections, leaving it reliant on



People buy fruits from vendors at a market in Srinagar, India. The year-on-year gross domestic product grew at its slowest pace in five quarters and came below the Indian central bank's estimate of 7.1 percent.

PHOTO: AFP/FILE