

Mergers, acquisitions market heats up in Europe

AFP, Paris

Europe's mergers and acquisitions market is rebounding after years in the doldrums, as improving market sentiment is prompting companies to spend piles of cash built up during the financial crisis.

A flurry of new deals have been announced in the past month alone, including Numericable's purchase of Vivendi's SFR mobile phone unit in France, the merger of Swiss cement group Holcim and French rival Lafarge and the tie-up of Sopra and Steria to create a new French technology services giant.

British companies have also been on the move, with mobile phone giant Vodafone launching a 7.2-billion-euro purchase of Spanish cable operator Ono and private equity firm CVC capital taking a controlling stake in Spanish olive oil producer Deoleo.

And German private equity group Triton bought French engineering giant Alstom's boiler and

heat transfer equipment unit for 730 million euros (\$1 billion).

"Activity has been gathering pace since the start of the year, globally, in Europe and now in France. The first quarter was very strong in terms of announcements," said Fabien Laurenceau, a strategist equity analysis at Aurel BGC.

Worldwide, the value of deals announced in the first three months of the year jumped 26 percent to \$637 billion compared to 2013, the best start to the year since 2007, according to data compiled by Bloomberg.

Two of the world's biggest investment banks -- Goldman Sachs and Morgan Stanley -- this week reported better-than-expected first-quarter results, buoyed by a rebound of profits in their M&A advisory arms.

The rise in deals has been driven, in part, by the huge war chest of ready money built up by companies during the global financial crisis which erupted in 2008.

Consultancy Deloitte in January estimated that the world's top 1,000 firms had accumulated about \$2.8 trillion of cash on their balance sheets as they waited out the storm in financial markets.

A KPMG survey of over 1,000 dealmakers earlier this year found that almost two-thirds were expecting to launch bids during 2014, mainly because of the size of their reserves.

Of that, 29 percent of respondents believe that western Europe will have the most active mergers and acquisitions market worldwide this year -- the same amount as in China.

"The European debt crisis is creating many opportunities," said KPMG managing director Phil Isom in the report.

Rising equity market valuations have also given bosses of stable companies more opportunities to take on debt and pounce on weaker rivals, according to Laurenceau.

"Already, the confidence of

senior business leaders shows that the major economic risks are behind us, that we are no longer in a period of intense stress. There's a feeling that things have started to improve in the past few months," he told AFP.

"A company needs a strong valuation itself to be able to pay off debt."

Conversely, historically low interest rates have also made consolidation seem more attractive at a time when the economic outlook in some sectors is still uncertain.

Difficult market conditions were key drivers in both Numericable's bid for SFR in the face of new competition from rival Free, and Lafarge's decision to merge with Holcim after several restructurings.

"One sees more large-scale operations because the environment isn't what it was, so (companies) are coming together to become stronger," said Isabelle



Visitors look at a Toyota Yaris on display at the Navana pavilion during the Nitol Niloy Motor Show that concluded at Bangabandhu Convention Centre in Dhaka yesterday.

Indenting agents hurt by importers trading without registration

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He said doing business has become difficult in the face of uneven competition caused by the open import policy, namely through Direct Proforma Invoice (DPI).
"The discrimination in the import business is gradually destroying the indenting business," he said. "We want a level playing field."

Import of goods through the DPI is also out of the country's tax net.

"As a result, the government is being deprived of huge revenue, while the DPI-issuing people are not accountable to anyone and are also out of the tax net," Haque said.

"The open import policy has created scope for under-invoicing."
Industry-people said compulsory registration would bring discipline in the import business and increase foreign currency earnings by the local indenting firms.

If registration from the central bank or from the trade bodies is made mandatory, Bangladesh Bank will also have information on the import business activities in the country.

Haque said 80 percent of trade was operated through indenting agents in the past, but the trend began to decline since 1986-87 when the policy to open letters of credit through the DPI was initiated.

NBR Chairman Ghulam Hussain said they informed the finance minister of the latest situation.

"The issues are included in the budget exercise. If any step is taken, it will be through the budget."

However, NBR officials said the issues related to the indenting business are technical and critical. Several ministries are also related to the issues and NBR has discussed the matter with them, the officials said.

Meanwhile, the NBR has waived a 15 percent VAT on indenting agents, who were demanding withdrawal of the VAT for a long time in a bid to encourage businesses to bring foreign currency through a formal channel into the country.

The VAT wing of the tax administrator issued a statutory regulatory order by waiving VAT on the foreign income of the indenting agents.

Earlier, the finance minister also asked the NBR to take steps to remove VAT on indenting agents'

WB to give budget support

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He said the country would not have much trouble implementing the reform programmes as it has been successfully running the IMF's Extended Credit Facility (ECF) loan programme.

Bangladesh Bank Governor Atiur Rahman, who was part of the discussions held in the US capital, told The Daily Star that the WB and IMF officials praised Bangladesh's implementation of the ECF programme.

"They are even considering making Bangladesh's implementation of ECF programme a showcase in Asia."

Apart from budget support the WB has also expressed interest in investing in the country's infrastructure sector, the BB governor said.

"The WB will take a new approach with



Rokia Afzal Rahman, president of Metropolitan Chamber of Commerce and Industry, leads a delegation of the chamber to meet Ghulam Hussain, chairman of the National Board of Revenue, to discuss budget proposals at the NBR office in Dhaka yesterday.

MCCI pushes for higher tax-free income ceiling

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Tourism has been the major source of earning foreign currency in many countries; Bangladesh has great prospect in this field, said the chamber.

"This needs investments. To attract investors, the tax exemption facility will

work as an incentive," it said.

MCCI also proposed reducing the tax payment from 10 percent to 5 percent in filing appeals before the tribunal, withdrawing the limit on overseas travelling expenses and simplifying the tax refund process.



Obaidul Quader, communications minister, and AAMS Arefin Siddique, vice chancellor of Dhaka university, pose at the launch of a rickshaw-plate (metal plate behind rickshaws) campaign against sexual harassment. The campaign by Brac's Mejin began at Central Shaheed Minar yesterday.



Participants of just concluded Dhaka Travel Mart-2014 receive certificates from Kazi Wahidul Alam, editor of The Bangladesh Monitor, and Akhteruzzaman Khan Kabir, chief executive officer of Bangladesh Tourism Board, at Sonargaon Hotel in Dhaka recently.

Rana Plaza survivors left in desperate straits

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Though the government, buyers and owners have made a lot of pledges, most of them remain unmet, said Farah Kabir, country director of ActionAid Bangladesh.

"We are working to give compensation to the workers," said Mojtaba Kazazi, executive commissioner of Rana Plaza arrangement coordination committee.

A total of 3,639 workers will get Tk 50,000 each

as primary compensation, he said. Of them, 580 workers already received compensation from Primark, a clothing brand, and the rest will get from the coordination committee.

Roy Ramesh Chandra, general secretary of IndustriALL Bangladesh Council, the Bangladesh chapter of IndustriALL Global Union, urged international brands, factory owners and the government to develop a trust fund to meet the immediate needs of the garment workers.

Govt may offer new licences for telecom transmission

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Asia Foundation and Bangladesh Association of Software and Information Services (BASIS) co-organised the policy dialogue, moderated by Professor Jamilur Reza Chowdhury, vice chancellor of University of Asia Pacific.

Representatives from internet exchanges, ICT firms and mobile operators and telecom-ICT experts were also present.

Sunil Kanti Bose, chairman of Bangladesh Telecommunication Regulatory Commission (BTRC), said the telecom transmission sector has been lagging, compared to other telecom entities, for the last seven years.

"The national transmission system should be robust for the development of the telecom and ICT sectors."

Currently there are two NTTN licensees but two more licences are urgently

required, he said.

Abu Saeed Khan, senior policy fellow at Colombo-based ICT think tank LIRNEasia, said, in 2008 the then BTRC offered the operators to share their infrastructure in a revolutionary move; but it killed the initiative in 2011.

Mobile operators Grameenphone, Banglalink and Citycell developed their countrywide optical fibre cable networks by spending \$400 million, but due to the change in regulation in 2011, they could not make use of the investment, he added.

In another development in the seminar, the telecom minister suggested that the state-run Bangladesh Telecommunications Company Ltd (BTCL) be run through a public-private partnership.

"I don't want BTCL to be kept under the control of the ministry. I cannot make it a holding company, as it is not profitable."



Quamruzzaman, chief operating officer of CX-1 of Partex Star Group, and Dewan Rashidul Hasan, head of admin and corporate affairs, inaugurate a new showroom of fashion and lifestyle brand Reluce at Jamuna Future Park shopping mall in Dhaka recently.

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DW & CE (Air) Kurmitola
Dhaka Cantonment

Notice No. 603/Part-20/65/E-6 Dated: 15 April 2014

Invitation for Tenders

Military Engineer Services

1.	Ministry/Division	Ministry of Defence.		
2.	Agency	Military Engineer Services.		
3.	Procuring entity name	DW & CE (Air) Kurmitola, Dhaka Cantt.		
4.	Tender name	Project Works under Works Programme of Bangladesh Air Force for the Financial Year 2013-2014 (As per SI No. 14).		
5.	Invitation for tender No.	603/Part-20/65/E-6 dated 15 April 2014.		
6.	Procurement method	Open Tendering Method (OTM).		
7.	Source of funds	Govt. of Bangladesh (GOB).		
8.	Tender publication date	21 April 2014.		
9.	Tender last selling date	05 May 2014 (during office hours).		
10.	Tender submission date and time	08 May 2014 at 12.00 hours.		
11.	Tender opening date and time	08 May 2014 at 12.30 hours.		
12.	Name & address of the office(s)			
i)	Name & address of the tenders selling, receiving and opening tender documents	DW & CE (Air) Kurmitola, Dhaka Cantt., Dhaka-1206.		
13.	Eligibility of tenderer	a. Lot No. 14 (a) MES Enlisted Contractors Class: 'D'. b. Contractors enlisted in other Govt. departments may also participate in tenders of all the works on receipt of security clearance from DGFI.		
14.	Description of works	Location	Price of tender document (non-refundable)	Amount of tender security (Taka) in the shape of Bank Draft/Pay Order in favour of DW & CE (Air) KTL
a.	Construction of Workshop/Equipment Shed for 9X K-8 Air Craft at BAF Base Bishreshtho MTR Jessore	BAF Base Bishreshtho MTR JSR	Tk. 2000/-	Tk. 1,87,000/-
15.	Contact details of official inviting tender	DW & CE (Air) Kurmitola, Dhaka Cantt., Dhaka-1206 Tel: 9836520.		
16.	Special instructions	a. Tenderer shall submit copy of letter of valid enlistment, security clearance, VAT, up-to-date trade license, income tax, bank statement & last 05 years working list with application on company letterhead when purchasing tender. b. Detailed requirements are mentioned in Tender Data Sheet of tender documents. c. The procuring entity reserves the right to accept or reject all tenders.		

ISPR/Air/2014/156 S M Khademul Islam

16/04/14 SE

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For DW & CE (Air) Kurmitola