

Airline fares set to fall in 2015, IATA predicts

BBC NEWS

Average return fares for air passengers will be 5.1 percent lower next year compared with 2014, the International Air Transport Association (IATA) has said.

Airlines are expected to trim fares thanks to higher profits as a result of cheaper fuel and faster global growth.

IATA now expects the global airline industry to report a record \$25bn (£15.9bn) profit next year.

The body also increased its profit forecast for 2014 to \$19.9bn, up from its earlier prediction of \$18bn.

IATA'S 2015 forecast equates to an average 3.2 percent profit margin for airlines.

"The industry outlook is improving. The global economy continues to recover and the fall in oil prices should strengthen the upturn next year," said IATA director general Tony Tyler.

The last time the industry reported a profit margin close to IATA'S prediction for next year was in 2010, when it reached 3.1 percent.

However, Tyler said the 3.2



International Air Transport Association Director General Tony Tyler gestures during his speech in Geneva on Wednesday.

percent margin did not leave much room for deterioration before profits were hit, pointing out that political unrest, conflicts and some weak regional economies all posed a risk.

IATA'S forecast also differed dramatically according to region, with North American airlines

expected to see profit margins of 6 percent next year, by far the strongest performance globally.

In contrast, European airlines are only expected to see profit margins of 1.8 percent, which IATA blamed on "high regulatory costs, infrastructure inefficiency and onerous taxation".

The recent fall in the oil price is set to provide a welcome boost to airline's profits through cheaper fuel prices.

Brent crude oil has fallen more than 40 percent since June, and on Wednesday slipped below \$66 a barrel, just above a five-year low.

IATA said it expected airlines to spend \$192bn on fuel next year, down from an expected \$204bn this year.

However, Tyler told the BBC that the airlines were unlikely to be seeing the benefits yet.

"Airlines fuel prices are based on previous months oil price so they're probably not seeing results from the falling oil price just yet. It's also varied because some [airlines] are thoroughly hedged [against the oil price] and some won't be."

IATA also said it expected global economic growth to be 3.2 percent next year, up from 2.6 percent in 2014 - marking the first time it has exceeded 3 percent since 2010.

The industry body represents 250 airlines, accounting for 84 percent of global air traffic.



Sony Computer Entertainment's PlayStation 4 20th anniversary edition video game console is displayed at Sony's showroom in Tokyo on December 4. Sony Corp will sell its PlayStation 4 in China for 2,899 yuan (\$468) starting from January 11, a company executive said on Thursday. This marks PlayStation's official entry into China, the world's third-largest gaming market, after Beijing lifted a 14-year ban on foreign gaming consoles earlier this year.

Amazon job posts hint at global ambitions for same-day delivery

REUTERS, San Francisco

Amazon.com Inc is considering expanding its same-day delivery program globally, recent job listings show, underlining the importance of fast shipping to its ability to compete with the instant gratification offered by brick-and-mortar stores.

The No. 1 US online retailer is also looking to add a same-day delivery option on all items sold by third-party merchants on its site, a move that some logistics experts said may help offset the high costs of speedy, last-mile delivery.

The company's global ambitions for same-day delivery were echoed in at least seven listings for senior product and marketing jobs based at the company's headquarters in Seattle, including three posted online this week.

"Our long-term vision is that customers can order and receive a seller's product the same day anywhere in the world," according to one job listing posted in late October.

It is not clear when Amazon hopes to meet its goals and how it would extend same-day delivery to more third-party sellers, who account for 40 percent of items sold on Amazon's website and pay fees between 8

percent and 20 percent in most categories. An Amazon spokesman declined to comment.

Amazon offers same-day delivery in just over a dozen US cities, charging \$5.99 for members of its Prime program while non-members pay \$8.99. In October, the company launched a same-day delivery service in the United Kingdom with newspaper delivery company Connect Group PLC.

A senior product manager role advertised on Tuesday called for a candidate to shape the future of same-day delivery and "drive large worldwide projects with huge customer-facing and financial impact."

Offering fast shipping is a key piece of Amazon's strategy to compete with brick-and-mortar stores. But the effort is costly - during the first nine months of 2014, Amazon's shipping costs were more than double its shipping revenue.

Some rivals, including eBay Inc, have pared back their same-day projects citing still-unproven consumer demand. Amazon also faces competition from Google Inc, which expanded its same-day delivery service this year, as well as on-demand delivery startups such as Postmates and Instacart.



Farzana Chowdhury, director of GD Assist, and Amir Firdaus, senior general manager for Malaysia operations at Pantai Holdings, sign a deal in Kuala Lumpur recently. GD Assist, a subsidiary of Green Delta Insurance, will work as Pantai Gleneagles' agent in Bangladesh as a part of promoting Malaysian healthcare.

Zara-owner Inditex's profit flat as new stores open

AFP, Madrid

Spanish clothes giant Inditex, owner of the Zara fashion brand, on Thursday reported almost flat nine-month net profit as the opening of new stores and exchange rates weighed on its earnings.

The giant textile firm, based in northwestern Spain, said its net profits inched up 0.78 percent to 1.69 billion euros (\$2.09 billion) in the nine months from February, when the company starts its financial year. Sales rose 6.6 percent to 12.7 billion euros, the company said in a statement.

Adjusting for exchange rate fluctuations, Inditex said in-store and online sales surged by 10.5 percent, a sign that its revenues and profit are being squeezed by weakening currencies in some of its markets outside of the euro zone.

It's time to make garment business more sustainable

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Allowing trade unionism in the garment sector after amending the labour law and the registration of 236 trade unions in the last year and half are major steps for the sector, he said.

A panel, comprising three secretaries from the foreign, commerce and labour and employment ministries and five diplomats, has been formed to take the sector forward to sustainability, Schmid said.

Under the social compliance issues, GIZ has trained 200 advisers and trainers in 700 factories to train garment workers on fire safety issues since 2010, he added.

The advisers and trainers have been training the mid-level managers and workers to keep the doors open during production hours, he said. In case of fire, they have also been trained to use fire extinguishers and keep the corridors free from stockpiles to help workers navigate freely, he added.

"We are not an auditing firm; we are training mid-level managers and workers on these issues, mainly to save lives."

After the industrial disasters, many factory owners contacted GIZ for such training programmes for their people, he said.

The factory owners sought GIZ's help to make the workplace safe for the workers before arrival of the inspection engineers of the Accord and Alliance, he said.

The two foreign agencies completed their preliminary inspection of nearly 1,700 factories in September. In the next four years, they will run follow-up activities, where they will mainly monitor improvements to safety conditions.

GIZ developed a business model last year in collaboration with Swedish retail giant IKEA to install effluent treatment plants (ETPs) in factories, he said.

Under the model, a professional team of German engineers have been developing ETPs in some factories for waste water treatment to curb environment pollution, he added.

"The factory owners and IKEA will share the ETP installation costs equally."

He said the sludge extracted from the ETPs will be sent to the Lafarge Surma Cement factory at Sunamganj to be grinded with cement materials, as the sludge is harmful to soil health, if left out on the fields.

The fire and building safety initiatives in the factories improved

a lot, he said. "Now many factories have fire exists."

"I personally visited some factories in Narayanganj and saw how 2,000 workers were evacuated from a factory within 10 minutes."

So far, Bangladesh has achieved a lot; but there is room for further improvements, he said.

Schmid said workers should be trained on enhancing productivity, which is the key to success in the competitive global garment market.

Bangladeshi workers have one of the lowest productivity rates among its competitors, he said. Factory owners should also launch lean production systems to cut the cost of production, he added.

Bangladesh should aggressively explore new export destinations, like Japan, India, Russia, South Africa, Brazil, Chile and Mexico, he said.

A few years ago, GIZ took a Bangladeshi team for the first time to Latin American countries to explore new markets, which is helping the country enjoy duty benefits in many places.

For example, Chile has agreed to give such benefits to Bangladeshi goods from January, Schmid said.

Similarly, Japan and Russia are

promising markets for Bangladesh, as exports are maintaining high growth in the two countries in the last few years, he said.

Moreover, Bangladesh should go for producing value added high-end garment items, he said.

The garment workers' living conditions must be improved, and the government should restrict the house owners from taking away a major portion of the workers' salaries at the end of a month, he said.

The government should also introduce mini fire fighting brigades that can enter factories located in narrow alleys; in most incidents, fire fighters always get delayed in reaching the spot due to the small and narrow roads, Schmid added.

He said GIZ will launch such mini-brigades under a pilot project at DBL Group next March.

The government should also launch health insurance for the workers and an adequate number of labour courts to settle disputes, he said.

"Everything is going in the right direction in Bangladesh and I am hopeful that it is possible to achieve the target of exporting apparel items worth \$50 billion by 2021."

HSBC dismisses London forex chief

AFP, London

HSBC has dismissed its London-based European head of currency trading, a source close to the matter said Wednesday, one month after the bank was fined for foreign exchange market rigging.

Stuart Scott, HSBC's head of currency trading for Europe, Middle East and Africa, was dismissed on Tuesday, the source confirmed.

A company spokesperson declined to comment when contacted by AFP.

In November, six US and European banks -- including HSBC -- were fined a total of \$4.2 billion (3.39 billion euros) by regulators for attempting to rig forex markets.

HSBC itself was fined a total of \$618 million by British and US regulators.

The hefty fines followed a worldwide probe into the scandal over the \$5.3 trillion per day forex market, around 40 percent of which takes place in the British capital.

Britain's HSBC and Royal Bank of Scotland (RBS), US peers Citigroup and JPMorgan Chase, and Swiss lender UBS were all fined by Britain's Financial Conduct Authority (FCA) and the US Commodity Futures Trading Commission (CFTC).

The FCA found that, between January 1, 2008, and October 15, 2013, "ineffective controls" at the five banks allowed their G10 forex traders to put their banks' interests ahead of those of their clients, other market participants and the wider UK financial system.

British rival Barclays -- at the heart of the 2012 Libor rate-rigging affair -- was not included in the settlements and remains under investigation.

The Swiss Financial Market Supervisory Authority (FINMA) also announced a settlement of 134 million Swiss francs (\$139 million) with UBS for the rigging misconduct.

In addition, the US Office of the Comptroller of the Currency fined JPMorgan, Citigroup and Bank of America \$950 million.

Current account deficit widens 3.5 times in Oct

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As import rose after about two and a half years, the central bank has once again started selling dollars to the forex market, a reverse of its recent trend of buying greenbacks.

BB started selling greenbacks on November 24 and as of December 4, \$228 million has been sold. The central bank did not sell any dollar this week as the supply was found to be adequate.

Kazi Saidur Rahman, a general manager of BB, said both exports and remittance increased in November, which resulted in a smooth supply of dollar in the interbank forex market.

In November, remittance grew 10.12 percent and exports 9.27 percent.

The transaction volume in the interbank forex market stood at \$161 million yesterday.

With the increase in demand for dollars, the exchange rate, which has been on a constant decline, has been rising too. Each dollar sold for Tk 77.85 in the interbank forex market on Wednesday, compared to Tk 77.69 on November 30.

SHASHA DENIMS LIMITED
IPO Subscription
For Resident Bangladeshi
Opening Date: 14/12/2014 Closing Date: 21/12/2014
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BANGLADESH INFRASTRUCTURE FINANCE FUND LIMITED (BIFFL)
AN ADVERTISEMENT FOR THE KEY POSITION OF
CHIEF EXECUTIVE OFFICER (CEO)

Bangladesh Infrastructure Finance Fund Limited (BIFFL) is a public limited company under the Finance Division, MoF which envisages to attract private investments from local and foreign investors and to invest in companies that are implementing infrastructure projects in Bangladesh. The Government of the People's Republic of Bangladesh has already provided BDT 16 Billion (USD 220 mill) to this company as initial equity capital and has taken 100% ownership of the company. But it is expected that the company will go for equity offering to the local and foreign private investors; and in this process the company will arrive at a unique ownership mix between the Government and the private investors. Currently, the Board of Directors of the company is formed with the members from the public sector.

BIFFL looks forward to appoint its CEO who will work in structuring the company with proper staffs, logistics, operational guidelines etc; and then he/she will move on running the company with full functional capacity. CEO will lead the team of executives of the company and will be responsible for the day-to-day business of the company. The CEO is expected to work with fund manager(s), investors, business entities, finance specialists, engineers, accountants, lawyers, environmental and social experts, various Government agencies, etc. and will directly report to the Board of the company.

Expected Qualifications of the Applicant:

The applicant should-

- ideally have a post graduate degree in Finance, Economics, Engineering or related subjects from a widely well-known reputed university;
- have at least 12 years of work experience in banking profession / financial institutions;
- ideally have successful track record of overseeing planning, financing, implementation, monitoring and evaluation of large physical infrastructure projects;
- ideally have successful track record of transacting infrastructure financing deals in multiple sectors;
- ideally have successful track record of working on large infrastructure projects involving international private sector sponsors and lenders and possess proven experience in negotiating the commercial and financial terms of PPP contracts in the infrastructure sector;
- have experience of carrying out due diligence assessments in relation to PPP transaction;
- have experience of carrying out post deal asset management activities to manage risk exposure to signed PPP transactions;
- have experience of developing post deal reporting and monitoring systems
- have the qualities of high integrity, efficiency, excellent negotiation skills, keen interest and experience in economic development and financing/banking related works.

Contract Terms and Remuneration:

- The CEO will be engaged initially on a fixed three year contract which is renewable.
- Remuneration will be determined in commensurate with similar assignments in the private sector. This will be negotiated with the short-listed candidate(s) at the time of personal interview(s).

Interested persons are requested to forward their CV to the following e-mail or address on or before **January 15 (Thursday), 2015.**

NB: BIFFL is an equal opportunity employer. Non resident Bangladeshis are also encouraged to apply.

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