

# Triune becomes partner of global PROI network

STAR BUSINESS DESK

PROI Worldwide has added the Triune Group, a full service integrated communications agency in the country, to its list of partners to boost its position in the Asia-Pacific region.

Since 1970, PROI Worldwide is the world's oldest and largest partnership of independently owned PR and marketing agencies by fee income, Triune said in a statement yesterday.

With more than 110 offices in 50 countries on six continents, PROI agencies are the leading independents in their markets from London, Paris, New York, Hong Kong, Frankfurt and Tokyo to Beijing, Brussels, Mumbai, Los Angeles and Sao Paulo, according to the statement.

"Bangladesh is a growing market and there are already synergies between our offices in India and Triune's offices in Dhaka," said Andreas Fischer Appelt, who is PROI Worldwide's global chairman and

managing director of Fischer Appelt, a leading German communications group.

Through Triune, Bangladeshi entrepreneurs will now be able to access integrated communications services globally, said Kazi Wahidul Alam, chairman and managing director of Triune Group.

"And PROI Worldwide's global clients can access our 32 years of proven experience providing communications services in Bangladesh."

Bangladesh is one of the vibrant and emerging markets in South Asia and the Triune Group specialises in aviation, tourism, hospitality, banking and finance, energy, education and healthcare, Alam said.

The firm's 50+ staff provides a range of communications services for a broad base of local, regional and international clients, he said.

"Strategic planning and understanding of our client's market is a critical component of our success."

# European factories buoyant but weak Asia adds to stimulus calls

REUTERS

Companies struggled in China and much of the rest of Asia in March, suggesting central banks may have to resort to more stimulus, just as factories in the euro zone begin to reap rewards from ultra-easy policy there.

Any indication of recovery will delight the European Central Bank which embarked on a quantitative easing programme in March, aiming to buy around 60 billion euros of bonds every month to drive up inflation and spur the recovery.

But three separate surveys of China's factory and services sectors released on Wednesday showed stubborn weakness in the world's second-biggest economy, putting the government's newly minted growth target of around 7 percent for the year at risk.

"The Chinese numbers don't look too bad but our guess is that the People's Bank of China will ease again. Another cut in interest rates might be on the cards," said Philip Shaw, chief economist at Investec.

"The recent numbers from the euro zone have suggested that the acuteness of the crisis has eased but there remains more work to be done."

Markit's final March manufacturing Purchasing Managers' Index (PMI) for the euro zone was at a ten-month high of 52.2, up from 51.0 in February and the 21st month in a row it has been above the 50 mark that separates growth from contraction.

Growing demand for exports helped drive the output index -- which feeds into a composite PMI due on Tuesday that is seen as good growth indicator -- to a ten-month high.

Speculation QE was coming from the ECB, and its eventual launch, has sent the euro down around 12 percent since January and factories have benefited as it has not only made exports cheaper but also meant competing imports were more expensive.

Bolstered by a similar pick-up in export orders and strong domestic demand, Britain's manufacturing industry grew at the fastest rate in eight months in March.

Stock markets and the dollar saw solid starts to the second quarter on Wednesday, following the upbeat European data.

Analysts predict a modest expansion in US manufacturing activity when figures are released later on Wednesday, taking the view that a recent slowdown was a blip related to harsh winter weather and keeping alive expectations the Federal Reserve will start to raise interest rates later this year.

# IFIC's new deputy managing director



Fariduddin Al Mahmud



Shah Md Moinuddin

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Fariduddin Al Mahmud and Shah Md Moinuddin have recently been made deputy managing directors of IFIC Bank.

Prior to the promotions, the two have been working as senior executive vice presidents of the bank, IFIC said in a statement yesterday.

Mahmud, a marketing major from Dhaka University, joined IFIC in 1984. He has experience in trade finance, credit administration, corporate banking and internal control and compliance, according to the statement.

Moinuddin, an accounting major from Dhaka University, has been associated with IFIC since 1986. He brings trade finance, credit and corporate banking experience to the new appointment.



CITY BANK

Ershad Hossain, managing director of City Bank Capital Resources, and Niaz Ahmed, chief executive of InGen Technology, attend the signing of an alternative investment agreement at the bank's office in Dhaka on Monday to support development of renewable energy projects across the country.

# S Korea inflation sinks to near 16yr low

AFP, Seoul

South Korea's inflation rate dipped further in March to the lowest level in nearly 16 years as falling oil prices stoked deflationary fears, state data showed Wednesday.

Consumer prices rose 0.4 percent in March from a year earlier -- compared to February's 0.5 percent, state-run Statistics Korea said.

Both were the lowest rate since July 1999 when inflation stood at 0.3 percent.

Core inflation, which excludes volatile oil and food prices, also decreased to 2.1 percent, compared to 2.3 percent in February.

An extended slump in global oil prices has

framed the downward inflationary trend in Asia's fourth-largest economy, where overall transport costs were down nearly 10 percent in March from a year earlier.

South Korea imports all of its energy needs from overseas.

Inflation has remained far below the Seoul central bank's target of 2.5 to 3.5 percent for nearly three years.

Its descent below the 1.0-percent mark last December has fuelled concerns of Japanese-style deflation.

The central Bank of Korea last month announced a surprise 25 basis point cut in the key interest rate in a move to fend off deflation and help boost sagging domestic demand.

# New top boss for Premier Leasing

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Mustafizur Rahman joined Premier Leasing and Finance as managing director on Sunday.

Rahman brings more than two and a half decades of industry experience to the role, and worked as managing director of International Leasing and Financial Services prior to taking this job, the company said in a statement yesterday.

Rahman began his career at IDLC Finance (erstwhile IDLC of Bangladesh) and has later worked with LankaBangla Finance (erstwhile Vanik Bangladesh), and Union Capital, it said.

He is an economics graduate from Dhaka University and later completed his MBA in finance from IBA.



# Russia steps in as job losses, closures ravage east Ukraine

AFP, Donetsk, Ukraine

The year-long conflict in east Ukraine has closed businesses across this industrial heartland, ramping up unemployment, crippling finances and leaving it ever more reliant on Moscow.

Fierce fighting between government forces and pro-Russian rebels has ravaged a region that once provided 25 percent of the nation's exports and has shorn Kiev of a vital source of foreign currency, seeing the Ukrainian economy contract sharply.

For people in rebel-held territory, the destruction of infrastructure and a cut-off of government support along with the legal limbo created by the separatist takeover have left once-flourishing cities in dire straits.

In total, medium and large businesses employed close to 350,000 people in Donetsk in the first half of 2014, according to the city's mayor Oleksandr Lukyanchenko, who fled to Kiev after rebels took the city almost a year ago.

"Half of them have now lost their jobs, and main source of income," he told AFP.

Brutal fighting around the rebel stronghold of Donetsk turned the once-gleaming international airport into a post-apocalyptic ruin, undermining the booming companies that helped make it one of Ukraine's richest cities.

The resulting plunge in income-tax revenue has drained the public coffers of the rebels' self-proclaimed statelet. A new tax department has done little to get business back on its feet.

"Many large companies have been

separated from their production capacity across the border of the Donetsk People's Republic (DNR)," explained Yuri Makogon, professor of economics at the University of Donetsk.

"So they are forced to accept double taxation, in Ukraine and the DNR."

In the face of falling business income, DNR leader Alexander Zakharchenko has stressed that coal, the traditional mainstay of the region's economy, must form the backbone of public finances. But the conflict has left Russia as the only viable trading partner.

"Exports from the Donbass region have always been divided into three: one third went to the east (80 percent of that to Russia), a third went towards the European Union and a third went to Southeast Asia and North America," said Makogon.

"Today, the DNR only has Russia because none of the countries of the EU, Asia or America recognise it, therefore cannot accept its goods."

In addition, Russia has alternative sources of cheap coal in the Far East and in Western Siberia.

Before the conflict, which has claimed more than 6,000 lives, "Donetsk spent between 640 and 670 million hryvnias (\$27.1-28.4 million, 25-26.2 million euros) annually on health," said former mayor Lukyanchenko.

It spent 540 and 560 million hryvnias on education, and between 45 and 48 million hryvnias on civil-servant salaries.

"Now, there is nowhere to find the money," added Lukyanchenko, arguing that Moscow must be plugging the gap.

# Govt to take \$44m loan from IDB for second submarine cable links

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Officials of Bangladesh Submarine Cable Company Ltd, the responsible body for installing the second submarine connection, said the investment they are undertaking with the loan will benefit the country much in future.

The installation is likely to be complete by 2016, they said. Its landing station in Bangladesh will be at Kuakata of Patuakhali district.

A joint venture of two companies -- Alcatel Lucent of France and NEC of Japan -- will build the second submarine cable line for the consortium, to whom BSCCL has already paid \$19.2 million from its own fund.

The Post and Telecommunication Division in its proposal said the reasons for getting a second submarine connection were: to provide back-up for ICT-related services like call centre and data entry; to

have an alternative if the SEA-ME-WE-4 submarine cable acts up; and greater internet penetration.

The second submarine cable will be of the latest 100G technology, said the proposal.

The countries participating in the submarine consortium are: Singapore, Thailand, Myanmar, Sri Lanka, India, Pakistan, Kenya, Oman, Saudi Arabia, Turkey, Egypt, France and other West European countries.

Also at yesterday's meeting, the committee approved Bangladesh Biman Airlines' proposal to get insurance from the international markets on competitive rates.

The committee also approved another proposal of the water resources ministry, in which the army will do the work of arresting erosion of the Meghna river in Laxmipur district at the negotiated price of Tk 179 crore.

# Trade bodies call for fair treatment from NBR

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"They also do not accept the report online. When employees are sent to the VAT office, they [the VAT officials] ask for owners instead. And when the owners come, the officials want to know how much money the owners will pay them," said Keron.

In reply, NBR Chairman Nojibur Rahman said his office will take action against the officials once it gets detailed information regarding the allegation.

"I will send e-mail to field officials so that they do not harass businesses," he said.

Akbaruddin Ahmad, president of Tour Operators of Bangladesh, said the tour

operators incurred massive losses because of political violence since 2013.

He sought duty-free import benefit for tourist buses and other vehicles and tax holiday for up to seven years for the sector to recover from the losses and grow. He also demanded a reduction in VAT.

The Bangladesh Photographic Association too appealed for VAT rate cuts.

Md Farid Uddin, member of Customs Policy of NBR, said the level of VAT compliance is generally very poor except for 12 to 13 sectors.

He said it is true that the 15 percent VAT is high, but the level of compliance has to be improved in order to reduce VAT rate.

# UK productivity worsens in last three months of 2014

REUTERS, London

British economic productivity fell in the last three months of 2014 and remains well below its level before the financial crisis hit in 2008, underscoring the challenge of making the country's recovery sustainable in the long term.

Output per hour worked dropped by 0.2 percent in the fourth quarter of 2014 compared with the previous three-month period, its first fall since mid-2013, the Office for National Statistics said.

British productivity has been very weak since the financial crisis as employment has grown far faster than output.

"The absence of productivity growth in the seven years since 2007 is unprecedented in the post-war period," the ONS said.

# Fast-track special zone for Japanese businesses

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The government plans to allocate lands at Nayanpur of Sripur in Gazipur for the zone, said an official of Bangladesh Economic Zones Authority, the body for implementation of the special economic zones, asking not to be named.

The government is also considering setting up the zone for the Japanese investors at Mirsarai or at Anwara in Chittagong, said Akhtaruzzaman, the immediate past president of the chamber. "As an alternative to Mirsarai, Japanese investors prefer the zone to be built in Narsingdi or at Chandina in Comilla rather than in the port city."

The proposal to set up an exclusive economic zone for Japanese investors strengthened further last September when both Bangladesh Prime Minister Sheikh Hasina and Japanese Prime Minister Shinzo Abe signed a joint statement in Dhaka for further economic cooperation between the two countries.

Both prime ministers agreed on further cooperation in transport network improvements, ensuring a stable power supply and development of economic zones and the private sector.

In his speech, Abe said economic cooperation will be pursued under the initiative of the Bay of Bengal Industrial Growth Belt, which is popularly known as the Big B initiative.

Japanese investment in Bangladesh has been increasing significantly since 2008, when the Japanese government had adopted the China plus one policy to reduce its overdependence on China for trade.

As part of the policy, Japanese investors have started relocating their investments from China to other countries, mainly Bangladesh, Myanmar, Thailand and Vietnam.

Currently, Japan's total investment in Bangladesh is nearly \$450 million, of which, 35 Japanese enterprises have investment worth \$291.05 million in the EPZs alone.

Investment proposals from Japan worth \$1.2 billion are pending with the Board of Investment in Bangladesh for a long time, according to Japan External Trade Organisation or JETRO. In May last year, Bangladesh Export Processing Zones Authority and JETRO signed an agreement to offer 40 industrial plots in export processing zones exclusively to Japanese entrepreneurs.

Japanese investors are interested in investing in sectors like automobiles, garments and fabrics, electronics and fast moving consumers goods. At present, 181 Japanese companies have operations in Bangladesh.

# CPA to allot a jetty exclusively to Singaporean feeder operator

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Terming the deal as 'discriminatory' to other feeder operators, Hadi Hossain Babul, former CPA member for planning, told The Daily Star that such approach from a state-owned port is not professional.

Berth Operators, Ship Handling Operators and Terminal Operators' Owners Association also sent a letter to the CPA chairman on March 30 terming the deal as detrimental to shipping business.

The association's chief Fazle Ekram Chowdhury said berth operators of other port jetties would lose business, as big vessels of the particular shipping liner

would berth only at the particular jetty.

CPA Chairman Rear Admiral Nizamuddin Ahmed said the deal would be effective only after all the five jetties of NCT are operational. Currently, two out of the five NCT jetties are operational and Saif Powertech is operating these two jetties for container handling.

Ahmed said though the jetty is allotted, vessels of other feeder operators would also be able to berth at that jetty if it remains vacant and the port authority would monitor it.

The port authority has the power to cancel the deal at any time, he said.



UNION CAPITAL

Chowdhury Tanzim Karim, chairman of Union Capital, attends the company's 17th annual general meeting at Spectra Convention Centre in Dhaka on Tuesday. Md Akter Hossain Sannamat, managing director, was also present.