

Facebook earns 51pc of ad revenue overseas

REUTERS, New York

Overseas markets bring in more advertising revenue than the United States for Facebook Inc, amounting to 51 percent of global ad sales in the first quarter, with growth in Asia the fastest in the world at 57 percent, company executives told Reuters.

While Facebook has reported regional growth in percentage terms, this is the first time it has detailed ad sales outside the United States and Canada as a percent of worldwide sales.

Like the advertisers it courts, the world's largest social media platform looks at international markets for growth.

"The next 1 billion consumers are going to come from these countries," said Carolyn Everson, vice president, global marketing solutions at Facebook.

Total advertising revenue for the quarter increased 46 percent to \$3.3 billion, the vast majority of Facebook's \$3.5 billion in quarterly revenue. Fifty-one percent of total ad revenue would be about \$1.7 billion for international markets.

International advertising revenue rose 36 percent from a year earlier, Facebook said. While Europe is growing slower than

the United States, the Asia Pacific region is ahead and a focus for Facebook.

By comparison, Google said that 57 percent of its revenue was from international markets in the first quarter, although it did not break out ad revenue specifically.

Mobile advertising represents more than 70 percent of Facebook's total ad revenue, and mobile is particularly strong and attractive to advertisers in emerging markets, Everson said.

Facebook is benefiting from exporters in China trying to reach people outside its country and from an influx of venture capital funding into India, giving start-ups funds for advertising.

Chinese businesses are getting more sophisticated about promoting their brands, said Dan Neary, vice president of Facebook's Asia Pacific region. "Increasingly manufacturers are becoming savvy marketers in their own right," he said.

While Facebook has offices in Hong Kong, Everson said there is "no news to share" on further expansion in China.

In India, e-commerce startups are exploding and many are using Facebook's advertising platform to reach new consumers, Neary said.

NCC Bank gets new DMD

STAR BUSINESS DESK

Md Fazlur Rahman has been promoted as deputy managing director of NCC Bank, the bank said in a statement yesterday.

Prior to the promotion, Rahman has been serving the bank as senior executive vice president.

He has also served the bank as head of SME and retail banking, credit card, credit administration and law and recovery division, the bank said. He began his career with Pubali Bank and also worked with National Bank and Exim Bank in the last three decades. Rahman holds a master degree in economics, according to the statement.



VAT on e-commerce opposed

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The proposal is unexpected from a government that has a goal to build a Digital Bangladesh, he added. Buyers will be discouraged from trying out online shopping if they are charged an additional 1.5 percent at the shopping malls and 4 percent for online shopping, Ahmed said.

Ahmed is, however, hopeful that the sector will generate thousands of jobs in the next couple of years, if the government does not create any new obstacles.

Over 500 websites along with around 2,000 Facebook pages are now delivering online shopping services, said industry insiders. Shameem Ahsan, president of Bangladesh Association of Software and Information Services, said each firm in the industry pays Tk 7,000 to Tk 10,000 as VAT on average a month.

Ahsan, also a newly elected director of the Federation of Bangladesh Chambers of Commerce and Industry and a co-founder of e-commerce venture Akhoni.com, said if the proposed VAT is implemented, none of the e-commerce initiatives will sustain as the amount of VAT payment will be doubled or tripled.

In Pakistan, e-commerce is growing at 30 percent a year while it is 28 percent in India; but in Bangladesh, the rate is less than 10 percent, Anower Hossain, an e-CAB leader.

In Bangladesh, e-commerce is not popular due to a lack of internet facilities, and the industry that is still premature will not flourish if such a high tax is imposed, Hossain said on Facebook. Mustafa Jabbar, former president of Bangladesh Computer Samity, agreed.

The young entrepreneurs need some incentives to prepare people fit for using digital services, but they are now being punished, he said. "The decision to impose VAT on online shopping will give people a wrong impression about Digital Bangladesh." A tax holiday for 5-10 years for e-commerce is a fair demand, Jabbar added.

NBR tightens rules for hospitals

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He also said the government should specify what services come under the free treatment bracket.

Mahbub, who is also the joint secretary general of Birdem, said 30 percent of the berths at the hospital are earmarked for the poor for free treatment.

At present, there are more than 8,000 registered private hospitals, clinics and diagnostic centres in the country, according to the Bangladesh Economic Review 2014, a publication of the finance ministry.



EMIRATES

Ida Bagus Ngurah Wijaya, chairman of Bali Tourism Board; I Gede Pitana, deputy minister for resource development of Indonesia's tourism ministry; Barry Brown, Emirates' divisional senior vice president for commercial operations east; and Satish Sethi, Emirates' country manager in Indonesia, attend a press conference held to mark the launch of the airline's daily nonstop service to Bali.



MTB

Quamrul Islam Chowdhury, deputy managing director of Mutual Trust Bank, and KDN Sampath, country manager of Ace Aviation Services, exchange documents of an agreement at a programme recently. MTB Privilege customers will enjoy customised tour packages to destinations such as Cambodia, Sri Lanka and the Maldives.



FSIBL

Syed Waseque Md Ali, managing director of First Security Islami Bank, opens a branch of the bank in Hamidpur on Wednesday. Yusuf Haroon Abedi, principal of the bank's training institute, was also present.

Revenue, investment targets not achievable

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The analysis said, of the eight key mega projects singled out for special monitoring by a committee led by Prime Minister Sheikh Hasina, the government expects only two -- the Padma bridge and the Rooppur nuclear power plant -- to be completed by the end of 2018-19.

"The final design and cost of the nuclear plant has yet to be finalised and reports suggest it could cost more than three times the

government's initial estimates of about \$3 billion."

"Similarly, work on the slew of major coal-fired plants listed in the budget has also proved slow, bogged down by land acquisition and land infilling delays, and many remain years away from commissioning."

It also said the government's confrontational stance against the opposition underscores the high risk that further political violence will curtail investment and hamper



NILOY MOTORS

Amir Hossain Amu, industries minister, and Abdul Matlub Ahmad, chairman of Nitel Niloy Group, attend the launch of Hero Xtreme Sports Motorcycle by Niloy Motors, at International Convention City in Bashundhara, Dhaka recently.



PEOPLES INSURANCE

Mohamed Ali Hossain, chairman of Peoples Insurance, presides over the 30th annual general meeting of the company at Ladies' Club in Dhaka recently. Peoples Insurance declared 13 percent cash dividends for 2014. MH Khaled, chief executive, was also present.



SIBL

Md Abdur Rahman, chairman of the board audit committee of Social Islami Bank, opens the bank's 105th branch in Borobazar, Kishoreganj. Directors Md Abdur Razzaque and Md Abul Basher Bhuiyan were also present.

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