

Ad industry can help brands become more relevant

Senior official of Grey Global Group says digital and mobile ads are shaping the print in Bangladesh

SHUVASHISH ROY

ADVERTISEMENT is like a kaleidoscope of a nation to the world on how people communicate with each other. Optimism and the pride of being a Bangladeshi are reflected in advertising here, said Per Pedersen, deputy worldwide chief creative officer of Grey Global Group.

In a recent visit to Dhaka, Pedersen spent time with Grey Dhaka to rediscover Bangladesh by understanding and creating contents and ideas that the people of the country can relate to.

Much of advertising here is influenced by the West, which he does not think is a good idea. To connect people, one needs to understand the heart and soul of Bangladesh, he told The Daily Star in an interview.

Creativity will ultimately play an important role in making progress and putting on important subjects for discussion that will eventually lead the spirit of a country, Pedersen said.

He mentioned a new term -- Solvertising -- as part of brand relevancy where people can solve things with ideas by creating creative awareness.

The creative industry needs to get much further by creating real differences and helping brands become relevant in a world that is extremely transparent, he said.

"If you go to North America, people are sub-divided and there are actually very few things that connect people. But in Bangladesh, people talk about the same things, which is an opportunity for advertisers to create a conversation."

The Cannes Lions Titanium award winner said Bangladesh lacks brands having an international footprint, while Japanese and Korean agencies are getting benefits because their brands are now global.

Considering ideas as the core of successful products of a business for creating value, Pedersen thinks creativity and business never conflict. For years, he has been preaching to turn consumers and clients into copilots because best advertising happens in collaboration.

At Grey, they are connecting other offices at micro levels to share ideas as part of cross-pollination. He thinks companies that deal with creativity can never isolate themselves.

There is still a huge opportunity as no media ever dies; it only changes its role from time to time, said Pedersen regarding the future of press ads.

Speaking from 25 years of experience, he said newspapers are now giving the opportunity to advertisers to use multiple platforms, where print advertisement is part of a bigger thing only. It is when print, digital and newscast are going to work together, the new world of media will give a credible experience, he added.

He urges the creative people of Bangladesh to create



Per Pedersen

good print ads that people will put up on a wall as part of an artistic experience. The official also suggests young advertisers in Bangladesh should keep in mind that the minute there is one master in one media, another pops up and this is the beauty of it.

Digital and mobile advertisements are shaping the print in Bangladesh as 3G is available and everybody can access anything, anytime no matter where they are, Pedersen said.

Mobile advertising in most markets, including Bangladesh, is still undiscovered, he said. It exists mostly in the format of apps or banner ads, but creative use of mobile marketing in most markets is yet to be explored, he added.

Ideas will not only change but also save the world.

In countries like China, India and Bangladesh, he thinks ideas can give a break to the nations by solving the real issues.

The interviewer is strategic project planner of Business Development at The Daily Star.

Standard & Poor's raises Greece's credit rating

AFP, Paris

Standard & Poor's on Tuesday raised Greece's credit rating by two notches to CCC+ after the debt-laden country began paying billions of euros to its creditors and reopened its banks.

While rating remains in junk territory after the rise from CCC-, S&P said the scenario of Athens defaulting on its debts was no longer inevitable in the coming year and thus the chances of Greece having to pull out of the euro were reduced, though still "high".

The announcement came after the International Monetary Fund confirmed that Greece is no longer in default on its loans after remitting about two billion euros to make up for missed loan repayments.

The payment was made possible by a 7.16-billion-euro emergency bridge loan granted to Greece on Friday by the EU so it could pay both the IMF and an additional 4.2 billion euros due to the European Central Bank on Monday.

The ratings agency said the forecast was "stable," meaning no more changes are expected imminently.

"We are raising our long-term rating on Greece to 'CCC+' from 'CCC-' based on our view that its default on its stock of commercial debt is no longer inevitable in the next six to 12 months," Standard and Poor's said.

On July 13, Greece reached a third bailout deal with its eurozone partners after Athens agreed to the kind of tough reforms he previously eschewed in return for a three-year bailout worth up to 86 billion euros.



REUTERS

Greek Prime Minister Alexis Tsipras, right, meets with head of the Greek bank association Louka Katseli, centre, and members of the association's board at his office at the Maximos Mansion in this handout photo released by the Greek Prime Minister's Office in Athens yesterday.

Greece to vote on second bailout bill in test for Tsipras

AFP, Athens

Prime Minister Alexis Tsipras faced a new test of his authority in parliament Wednesday, where MPs were to vote on a second batch of reforms to help unlock a bailout for Greece's stricken economy.

The embattled premier last week faced a revolt by a fifth of the lawmakers in his radical-left Syriza party over changes to taxes, pensions and labour rules demanded by EU-IMF creditors.

Tsipras had to rely on opposition MPs to approve the law, a key condition for opening talks on a three-year bailout worth up to 86 billion euros (\$93 billion).

The second bill is less controversial. MPs were to vote on measures including an EU directive that guarantees bank deposits up to 100,000 euros (\$108,000) and civil justice reforms designed to speed up legal proceedings and reduce their cost.

Analysts say the debate will show whether Tsipras can avoid another deep split within Syriza and head off the risk of early elections after only six months in power.

The prime minister received a boost Tuesday when Standard & Poor's raised its credit rating on Greece by two notches to CCC+ from CCC-, still in junk territory but a step in the right direction.

S&P said the scenario of Athens defaulting on its debts was no longer

inevitable in the coming year.

As a result, the risk of Greece pulling out of the euro was reduced but still "high," it said.

A "Grexit" may still be on the table as even with a bailout the Greek economy "looks set to remain in a deep and prolonged recession," said Jonathan Loynes, chief European economist at research firm Capital Economics.

"Overall, we expect the Greek economy to contract by about 3 percent this year and possibly much more, with little improvement in 2016," he said.

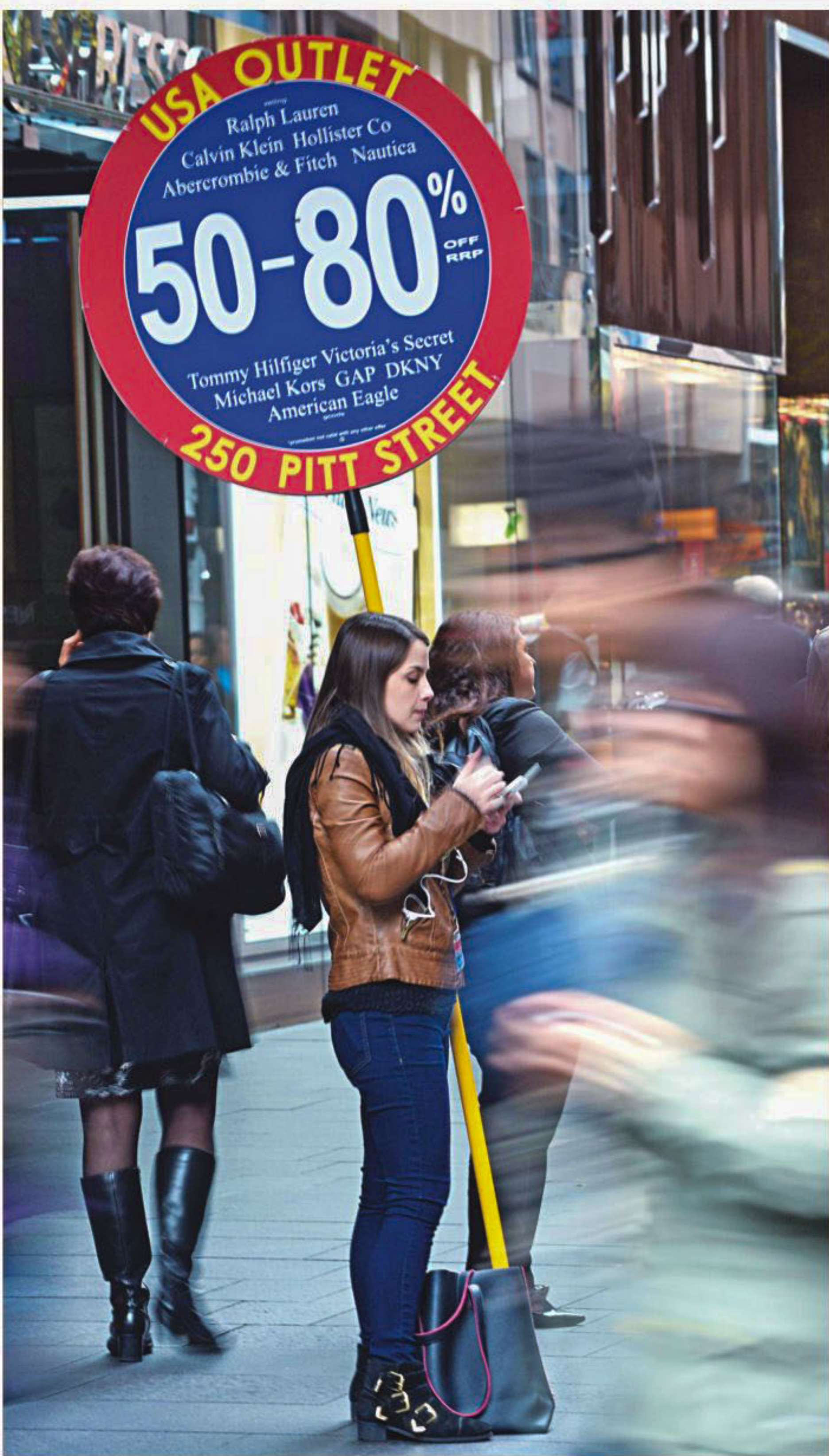
"Against that background, the new bailout is likely to unravel quickly and a Greek exit from the currency union remains more likely than not."

For Tsipras, who campaigned on an anti-austerity platform, the bailout deal was one he said he had to swallow as there was "no alternative solution".

"I am aware of the responsibility I have taken in making a difficult compromise," he told colleagues at a meeting on Tuesday.

He reshuffled his cabinet just before the weekend, making nine changes, after the party rebellion.

Vassiliki Georgiadis, a political science professor at Athens' Panteion University, said the split was between hard-left MPs - "some of whom have spoken of a Greek exit from the eurozone as the only solution" -- and those more sympathetic to Tsipras's arguments.



AFP

A woman holds up a sign advertising goods for sale on a street in Sydney yesterday. Australian consumer prices rose 0.7 percent in the three months to June, data showed, but annual inflation was soft, giving the central bank leeway to cut interest rates.

FedEx orders 50 Boeing freighters at \$9.97b

REUTERS, Singapore

FEDEx Corp, the world's largest cargo firm, has signed a deal to buy 50 additional Boeing 767-300 freighters in the biggest order ever for the plane, allowing the aircraft maker to extend its production line well into the next decade.

The deal, announced in a statement by the US cargo operator, includes options for another 50 767Fs and is worth \$9.97 billion at list prices. Customers typically receive an undisclosed discount off the list prices.

FedEx said the aircraft will be delivered by Boeing for its FedEx Express arm over the fiscal years 2018-2023. The latest deal brings FedEx's firm orders for 767Fs to 106 and extends the company's drive to modernize its fleet.

"Acquiring additional 767F aircraft...will enable us to reduce structural costs, improve our fuel efficiency and enhance the reliability of our global network," David J. Bronczek, president and chief executive officer of FedEx Express, said in the statement.

The air cargo business has remained soft compared to the general aviation business since the 2008 global financial crisis. Weak demand, overcapacity and competition from the belly space of passenger planes has driven down yields and reduced the need for dedicated freighters.

Boeing, however, has forecast that global air



REUTERS/FILE

A FedEx Express airplane is pictured during its approach to Los Angeles International Airport in California on February 11.

freight traffic will still grow at an annual rate of 4.7 percent, doubling cargo traffic over the next 20 years.

FedEx had a fleet of 641 freighter aircraft as of May 31, according to data on its website. In addition to the 767F orders, it has also committed to 18 Boeing 777 freighters.

On Tuesday, Boeing said that Taiwan's EVA

Air had finalised an order for five 777 freighters worth \$1.5 billion. "We appreciate the confidence that FedEx has shown in the 767," a Boeing spokesman said in a statement.

The 767Fs will replace a number of older freighters, including Boeing MD10s and MD11s as well as Airbus Group A300-600s and A310s, which FedEx plans to retire in the coming years.

After Toshiba scandal, foreign investors want tougher Japan governance steps

REUTERS, Hong Kong

Japan needs bolder measures such as harsher criminal sanctions for fraud and whistleblower protections to improve corporate transparency and prevent a repeat of the accounting scandal seen at Toshiba Corp, foreign investors and governance experts said.

Toshiba's chief executive Hisao Tanaka and a string of other senior officials resigned on Tuesday after an independent inquiry found he had been aware the company had inflated its profits by \$1.2 billion over several years.

The scandal is a major setback for the government of Prime Minister Shinzo Abe, who has made improving corporate governance a central theme in his bid to reinvigorate Japan's economy and entice more foreign capital.

"This is a negative headline in what's been 18 months of positive momentum in Japan," said Singapore-based David Smith, head of corporate governance at Aberdeen Asset Management, which owns Japan stocks. An Aberdeen affiliate had a very small equity holding in Toshiba as of end-May, Reuters data shows.

"This is a black mark for corporate Japan in the face of positive news and strong markets. The government may want to act tough," said Smith, who helps manage about \$115 billion in Asia.

Japan's listed companies have long had tense relations with their foreign shareholders, who have frequently blamed long-term insiders' dominance of corporate boards for low returns and weak oversight.

In response to this criticism, the Abe government last month introduced new rules requiring

listed company boards to appoint at least two outside independent directors, but investors said this did not go far enough - Toshiba already had four independent directors as part of its 16-person board.

"The Toshiba scandal further underlines the need for board training as well as a robust whistleblower protection system," said Seth Fischer, chief investment officer at Hong Kong-based hedge fund Oasis Management and a corporate governance activist who successfully pushed for reforms at Nintendo Co Ltd.