

Success of Ticfa hinges on GSP restoration: Tofail

STAR BUSINESS REPORT

The Trade and Investment Cooperation Framework Agreement (Ticfa) with the United States would not be effective if Bangladesh does not get back the generalised system of preferences (GSP) in the US market, Commerce Minister Tofail Ahmed said yesterday.

Nothing but politics is responsible for not getting back the GSP although Bangladesh has met all the conditions, Ahmed told parliament while replying to queries of lawmakers.

"We've met all the 17 conditions and there is no logical reason why the trade benefit is not being restored," he said.

The minister said the US representatives in recent meetings admitted that Bangladesh has made tremendous improvements in ensuring worker safety.

"They said Bangladesh has to do more but did not mention in which areas we should work. We don't know what improvement we have to make."

In June 2013, the US suspended the GSP for Bangladesh bringing back tariff on some of Bangladesh's exports to the US markets under the programme.

More Toyota plants to go offline on parts shortage

AFP, Tokyo

Toyota said Wednesday that all its domestic parts plants would shut for a full day next week, expanding a production suspension that is set to be its longest since the March 2011 earthquake and tsunami disaster.

Toyota said earlier this week that it would temporarily stop vehicle production in Japan due to a components shortage following an explosion at a supplier.

The world's top automaker said the assembly lines would stop for six days from February 8 due to a lack of components from affiliate Aichi Steel.

Overseas production would not be suspended.

Additionally, Toyota said Wednesday in a statement that production at its "directly owned and operated" plants in Japan that make parts and components would also stop on February 8 for one day.

The six-day domestic production

suspension would be the longest for Toyota since one of 10 days following the March 2011 earthquake and tsunami, said company spokesman Nicholas Maxfield.

Toyota publishes its nine-month financial results this week. It did not say if the temporary production shutdown would affect results in the current quarter.

Aichi Steel, which produces speciality steel products among other items, was hit by an explosion on January 8 which badly damaged parts of its production site.

It expects to return to full operation in March.

Toyota said Monday that it does not disclose its daily production plans, but the firm has said it produced 14,000 units a day in 2015.

The company, which surpassed Volkswagen in 2015 to keep the title of world's top-selling automaker, produced more than four million cars in Japan last year and over 10 million worldwide.



Safiu Alam Khan Chowdhury, additional managing director of Pubali Bank, attends the first managers' conference of the bank for its Noakhali region operations. M Shah Nawaz Chowdhury, general manager, was also present.

MasterCard expands financial literacy project

FROM PAGE B1

"In Asia Pacific, MasterCard aims to provide entrepreneurial opportunities to more than 400,000 women and girls by 2020," said Porush Singh, division president for South Asia and country corporate officer of MasterCard.

"We are proud to have more than a quarter of that goal coming from the work with our partners in Bangladesh."

"The training will equip participants with

the knowledge and skills to create their own opportunities and pursue their dreams, resulting in long-term benefits, not just for themselves, but also their families and society at large."

Vikas Varma, executive director for South Asia at MasterCard; Syed Mohammad Kamal, MasterCard's country manager for Bangladesh, and Zakir Hossain, executive director of BURO Bangladesh, were also present.



Sonia Bashir Kabir, managing director of Microsoft Bangladesh; Md Humayun Khalid, education secretary, and Md Alamgir, director general of the primary education directorate, pose at the signing of a deal, at the secretariat in Dhaka yesterday. The organisations will work on a number of initiatives to support development of skills and increase employability.

Porush Singh, country corporate officer for India and division president for South Asia at MasterCard; Vikas Varma, executive director for South Asia; Syed Mohammad Kamal, country manager for Bangladesh; and Ali Reza Iftikhar, managing director of Eastern Bank, attend the launch of EBL Commercial Payment Solutions powered by MasterCard at the Westin hotel in Dhaka yesterday.



Scam-hit Sonali, BASIC face long road to recovery

FROM PAGE B1

"How much more oil can be added to an already well-oiled head?"

Besides, it is easier to realise loans from SMEs. "You cannot bring the corporate houses under your control; rather, they control you," he added.

Abdus Salam, managing director of Janata, said the bank's rate of default loans is much lower than the other state banks'.

During the course of 2015, Janata also brought down the number of loss-making branches to 34 from 60.

Janata Bank Chairman Shaikh Md Wahid-uz-Zaman presided over the annual conference.

Iranian businesses keen to invest in Bangladesh

FROM PAGE B1

The delegates expressed interest to establish a Bangladesh-Iran joint committee to facilitate Iranian investment in infrastructure and sea port development as well as increase existing trade with Bangladesh.

They also urged the Bangladesh business community to invest in Iran, the FBCCI said in a statement.

Mahbubul Alam, acting FBCCI president, called upon Iranian businesses to invest in transportation, petrochemicals, infrastructure, leather, agriculture and tourism sectors of Bangladesh.

Mowdoody said the proposed joint committee will find out potential sectors for business and will provide necessary guideline.

The bilateral trade balance between the two countries, which stood at \$67.63 million in fiscal 2014-15, is in favour of Bangladesh.

Bangladesh exported goods worth \$59.80 million to Iran and imported goods of \$7.43 million during the period.

Late arrival: Renault has mountain to climb in China

AFP, Wuhan, China

With China's growth slowing, ruthless competition and virtually no brand recognition, French carmaker Renault is banking on SUVs and a Transformers actress as it confronts an uphill struggle to break into the world's biggest car market.

Europe's third largest carmaker acknowledged it was coming late to the party when it opened its first factory in China this week -- years after Japanese behemoth Toyota and US giant General Motors.

"It's a tricky situation for Renault," Jia Xinguang, chief analyst at China Automotive Industry Consulting, told AFP. "About five or six years ago the Chinese market was very lively but conditions are worse and the competition is cut-throat."

"Another thing is that the Renault brand isn't well-known."

Having shifted only 15,000 vehicles in China last year -- a tiny fraction of the 24 million that hit the roads -- the company knows it has its work cut to become a household name.

"There might be a lack of awareness. The Chinese may have heard people talking about it (Renault), but they don't know anything about it, there aren't that many of them on the road and they don't know anyone in their circle who drives one," said

Jacques Daniel, CEO of its \$1.2 billion joint venture with Chinese manufacturer Dongfeng.

Renault's involvement with Formula 1 races in Shanghai has helped increase brand recognition in China, although pronunciation of the company name in Mandarin is "Lei nuo".

With so many roadblocks ahead of it Renault is pinning its hopes on two things: the Chinese thirst for SUVs, one of the fastest growing sectors in the auto market, and the pulling power of a Chinese megastar.

The SUV sector has experienced explosive growth in China, expanding by around 53 percent last year to account for almost a third of the auto market.

"We're arriving late but with the right product," says Daniel.

The right product, according to Renault, is a SUV called the Kadjar that goes on sale in the country next month -- which will initially be the factory's sole product.

Renault officials say their existing partnership with Japan's Nissan will help with production speed and costs as the factory has been "copied and pasted" from Nissan plants, using similar equipment and machinery, and the Kadjar itself is based on Nissan's Qashqai, enabling the two firms to share the same suppliers.

"It's easier to build your brand by

showcasing one product to begin with, then two. Imported vehicles are not that competitive and your influence is very limited," says Renault CEO Carlos Ghosn -- who also heads Nissan.

The French firm has also beefed its showroom network, and intends to offer a broader range once Chinese sales increase.

But China's auto market, although vast, is suffering.

Total sales rose 4.7 percent in 2015 -- seven percent for passenger cars -- but the growth was markedly lower than for previous years.

Most of all the automaker wants to rev up its China sales with the help of a Chinese megastar actress and fashion symbol.

Fan Bingbing has only had minor roles in Hollywood films, such as X-Men: Days of Future Past, Transformers: Age of Extinction, and the mainland-only version of Iron Man 3, but she is a huge star in China.

As such she has become go-to Chinese celebrity ambassador for foreign firms seeking a stronger foothold in the world's second-largest economy, and has represented Louis Vuitton, Cartier and rival car firm Mercedes-Benz.

Fan earned \$21 million in 2015, according to Forbes magazine, putting her ahead of US actresses Jennifer Aniston and Angelina Jolie.

Lenovo posts first revenue fall for 6yrs

AFP, Hong Kong

Chinese technology giant Lenovo on Wednesday posted its first revenue decline for six years due to slowing growth in the smartphone market and falling PC sales, sending its shares plummeting.

Lenovo said revenue for the October-December quarter declined eight percent year-on-year to \$12.9 billion.

Its shares had fallen 10.19 percent at the close in Hong Kong, while the overall Hang Seng Index dropped 2.34 percent.

"The biggest problem is that their handsets are still not a profitable business," said financial analyst Francis Lun, referring to Lenovo's multi-billion dollar purchase of Motorola.

"Lenovo planned to turn around Motorola within one or two years but so far it hasn't happened and I think the handset business is too competitive," Lun, CEO of Geo Securities, told AFP.

Revenue for the company's PC business was down 12 percent for the quarter and revenue for its mobile sector was down four percent compared to the same period in 2014.

But the firm posted a surprise gain in net profit for the third quarter.

Lenovo said net profit for the three months ended December 31 was \$300 million, a 19 percent increase year-on-year. Analysts polled by Bloomberg had predicted a decline in profit to \$242.5 million.

Lenovo announced plans to slash costs by \$1.35 billion and cut 3,200 staff from its non-manufacturing workforce when it announced first-quarter results last August.

"The competitive cost structure across all of its businesses... positions the group well to sustain its growth even in the current challenging market environment," it said in a statement to the Hong Kong Stock Exchange Wednesday.

Lenovo added that it was on track to achieve \$650 million in total savings for the second half of its fiscal year.

The Beijing-based company bought Motorola from Google for \$2.9 billion in October 2014, soon after its purchase of IBM's low-end server business, as part of a strategy of broadening the business beyond PCs.

It has been hit by a decline in global demand for PCs, which account for around a third of its revenue, despite efforts to diversify into other sectors including smartphones.

Alliance urges factories to speed up remediation

FROM PAGE B1

In June 2015, a remediation verification visit indicated that Matrix had completed 25 percent of its required repairs, with an additional 62 percent of repairs in progress.

Yet to be completed was installation of the fire doors, automatic sprinklers and fire detection systems, the lack of which allowed the fire to spread. The Alliance is currently conducting a follow-up inspection to gauge additional progress.

"While there were no casualties and only minor injuries in the fire, this incident underscores the importance of our ongoing work."



Shaibal Ghosh, chief executive of Partex Star Group, opens the Partex Furniture showroom at Savar, Anandapur. Dipak Ranjan Dutta, chief operating officer of Partex Furniture, was also present.



Md Hsan-uz Zaman, managing director of Midland Bank, opens the bank's motor vehicle taxes and fees collection booth on BRTA premises in Bogra. Kazi Md Mursalin, assistant director of Bangladesh Road Transport Authority, was also present.