

China sets up industry group for internet finance

AFP, Shanghai
China's central bank said Friday that firms involved in internet finance had set up an industry association, as authorities try to get a handle on the rapidly growing but weakly regulated sector.

The group will seek to "self-regulate" the industry at a time of growing risk from internet financing, according to a transcript of a speech by a People's Bank of China (PBoC) official at the opening ceremony.

Its establishment followed revelations last month that a well-known peer-to-peer (P2P) lending firm called Ezubao had bilked 900,000 investors out of \$7.6 billion in what a company executive called a "Ponzi scheme".

The Shanghai-based industry association groups online payment providers, P2P lenders and other internet finance entities, PBoC deputy governor Pan Gongsheng said, according to the transcript posted on the central bank website. "We must fully understand that internet financing institutions lack familiarity with risk," Pan said.

He added many were unaware of the need to abide by regulations, protect consumer rights, oppose money laundering or combat financing for terrorism. "Industry self-regulation is beneficial and strongly supports administrative supervision," he said.

Members of the new industry group include major banks and financial firms, as well as P2P lenders and retailers with online sales, reports said, among them Bank of China and P2P giant Lufax, which is linked to financial Ping An Insurance Group.

China has nearly 2,600 platforms described as P2P businesses, according to industry website www.wdzj.com, with transactions valued at around \$150 billion last year.

Online and mobile payment services are dominated by e-commerce giant Alibaba, with nearly three-quarters of the market, followed by Tencent -- operator of the popular messaging app WeChat -- which has some 17 percent, according to Beijing-based BigData Research.

But Tencent is keen to expand in the area while US technology giant Apple recently entered the market by launching Apple Pay.

Nigeria indicts 300 firms over fake contracts

AFP, Abuja
Nigeria has indicted over 300 companies and prominent individuals, including serving and retired military officers, for defrauding the country of millions of dollars in fake contracts, the presidency said Thursday.

The contracts are linked to former national security adviser Sambo Dasuki, who served under former president Goodluck Jonathan from June 2012 until his sacking in July last year by current premier Muhammadu Buhari.

Buhari took office last May and has since launched a crackdown on endemic graft with some high-profile arrests made over the fictitious arms contracts to fight Boko Haram worth some \$2 billion and also linked to the former spy master.

A separate committee was set up to investigate other deals awarded by Dasuki, 60, between 2011 and 2015.

"Over seven billion naira (\$5 million) has been recovered so far from the indicted companies and individuals," the presidency said in a statement, adding that another 41 billion naira is due to be paid back soon.

"The committee further established that one of the indicted companies, Societe D'Equipment International was overpaid to the tune of 7.9 million euros and \$7.09 million," it said.

The statement said that contracts were awarded under Dasuki "without any contractual agreement or evidence of jobs executed".

"The committee further discovered that some companies failed to meet up their tax obligations for contracts executed," it added.

Businesses face £1,000 annual charge per non-EU skilled worker

BBC NEWS
Businesses will have to pay an annual charge of £1,000 for every skilled worker brought in from outside Europe.

The Home Office move, to be brought in by next April, follows a recommendation by the Migration Advisory Committee.

It is one of a number of reforms to Tier 2 - the official name for the main migration route for skilled workers coming to the UK from outside Europe.

The Confederation of British Industry (CBI) warned the charge could hold businesses back from accessing talent.

Immigration minister James Brokenshire said the committee, an independent public body which advises it on migration issues, strongly supported the charge to "incentivise employers to reduce their reliance on migrant workers and to invest in training and upskilling UK workers".

He added: "For too long we have had a shortage of workers in certain roles, and in the past it has been too easy for employers to recruit overseas."

Neil Carberry, CBI director for employ-

ment and skills policy, said: "Skilled migration is good for the UK, helping to fill skills gaps and supporting firms to trade globally."

"Businesses want to see the Tier 2 cap raised not further visa price increases, especially a skills charge, which will only hold them back from accessing the talent they need to grow."

The charge will be levied on Tier 2 employers at a rate of £1,000 per certificate of sponsorship per year, although a reduced rate of £364 will apply to "small and charitable" sponsors.

There will also be exemptions such as those in PhD-level occupations or switching from a Tier 4 student visa to a Tier 2 visa.

Under the new model the Tier 2 minimum salary will be raised to £30,000 for "experienced" workers.

Currently, those wanting to work in the UK must be offered a starting salary of £20,800 and this will remain the same, as will the annual limit for Tier 2 places of 20,700 a year.

In 2014, 151,000 skilled workers and their dependants arrived in the UK or were allowed to stay on.

US approves \$3.2b sale of Boeing P-8A patrol planes to UK

REUTERS, Washington
The US government has approved the sale of up to nine Boeing Co P-8A Poseidon maritime patrol planes to Britain in a deal valued at up to \$3.2 billion, the US Defense Department said Friday.

The Pentagon's Defense Security Cooperation Agency (DSCA), which oversees foreign arms sales, notified Congress about the potential sale on Thursday. Lawmakers now have 15 days to block the sale although such action is unlikely given close ties between the United States and the UK.

The proposed sale will enhance Britain's capabilities to provide national defense and contribute to NATO and coalition operations, DSCA said in a statement. It said the deal was a top priority for Britain.

Britain announced its intention to buy the submarine-hunting patrol planes in

November as part of a five-year plan that will increase spending by 12 billion pounds (\$16.96 billion) to 178 billion pounds (\$251.60 billion) over the next decade.

At the time, British Prime Minister David Cameron said the planes would help the UK protect its nuclear deterrent and fill a gap left by a much-criticized decision to scrap the Nimrod spy-plane program in 2010.

DSCA said Britain had retained core skills in maritime patrol and reconnaissance following the retirement of the Nimrod aircraft through personnel exchange programs that have left UK forces work on the US Navy P-8A aircraft.

Additional contractors on the deal include ViaSat Inc, Rockwell Collins Inc, Spirit Aerosystems Holdings Inc, Raytheon Co, Northrop Grumman Corp and Harris Corp and General Electric Co, the agency said.



Tourists interact with "Nao", a humanoid robot by Aldebaran Robotics that offers basic service information, in front of a branch of the Bank of Tokyo-Mitsubishi UFJ during a media preview at Narita International airport near Tokyo, Japan on Friday.

REUTERS

Taiwan's Acer sees profits tumble, announces reshuffle

AFP, Taipei
Taiwan's struggling personal computer maker Acer saw its 2015 earnings plunge by two-thirds as it announced a corporate reshuffle that separates off its new businesses, including cloud services and smart devices.

Full-year net profit came in at Tw\$603.7 million (\$18.5 million), down 66 percent from a year earlier, while revenue fell 20 percent to Tw\$263.78 billion, the company said Thursday.

Acer revealed in a separate statement that it would form a holding company to manage its new businesses from Friday, which it said would help speed up the "overall company transformation".

"The new structure will address the diverse development needs of IT hardware products versus cloud services, smart devices and e-businesses," Acer said.

It did not give any detail as to whether the reshuffle would mean job losses and the company was not immediately contactable Friday.

Acer -- once the world's second largest PC maker -- has struggled as demand tapered and competition increased from the likes of Apple.

Analysts say the hiving off of its new businesses will pave the way for any future sale of the company's divisions.

"By establishing an investment holding company, Acer will likely sell off or introduce new shareholders to any subsidiary company under the holding structure," Fubon analysts said in a note.

Analysts also say the reshuffle may be part of a succession plan by founder Stan Shih, who

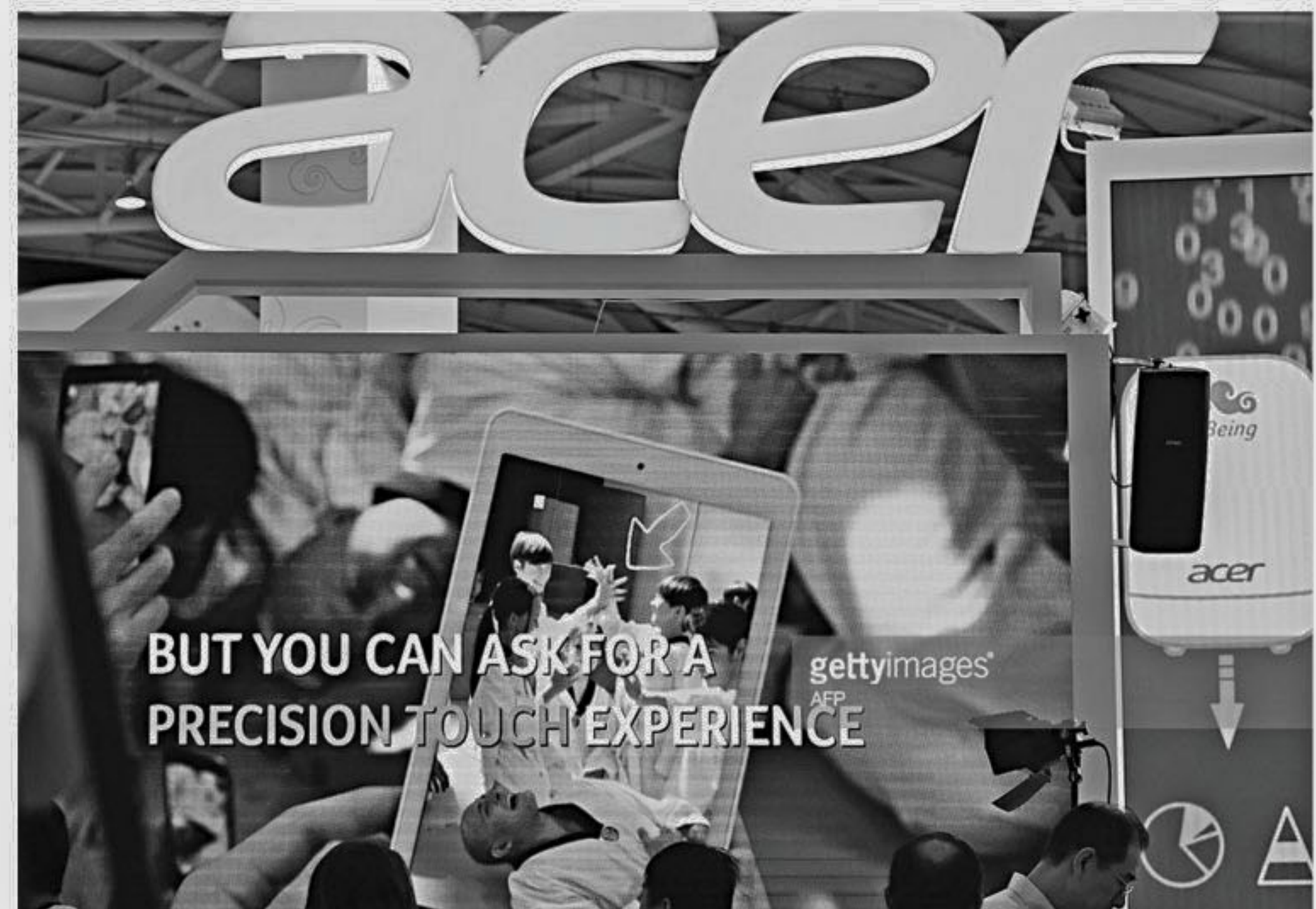
returned from retirement for a short stint to salvage the company after it sunk into deep losses.

His son Maverick Shih was appointed Thursday to co-head Acer's build-your-own-cloud (BYOC) service and smart device division.

Still, Fubon says a turnaround for Acer is not

happening any time soon as outlook for its core business of selling hardware continues to be bleak.

"None of this affects our negative view on the company's future, given the end of the PC and slowing smartphone growth, and the lack of any significant server business for Acer," it said.



Visitors walk past the Acer booth during the Computex trade show in Taipei.

AFP/FILE

Myanmar picks Vietnam's Viettel for fourth telecom license

AFP, Yangon
Myanmar is granting its fourth telecom licence to a consortium led by a Vietnamese mobile network operator and including a military-run company, as it looks to further open up its young but increasingly competitive telecoms market.

Hanoi-based Viettel will be the third foreign telco to enter the country, tying up with 11 local firms and an outfit owned by Myanmar's defence ministry, according to a government statement Friday.

The tender selection for the 15-year licence comes just days before an army-backed government is scheduled to cede power to the first civilian administration in decades, led by Aung San Suu Kyi's National League for Democracy (NLD).

The military's stake in the venture is likely to fuel running concern that the still-powerful institution is racing to secure its financial clout ahead of the presidential hand-off.

Though it is no longer ruling through an iron-fisted junta, Myanmar's military remains a mighty force in the impoverished country, with army-linked tycoons still pulling the purse strings in many lucrative industries.

Norway's Telenor and Qatar's Ooredoo were the first foreign firms to enter the telecoms market in 2014 after reformist ex-generals opened Myanmar's doors to outside competition.

Before that cell phones were a luxury few could afford, with a state-owned monopoly selling SIM cards for up to US\$1,500.

Today the country is teeming with smart phones, cheap SIMs and a lively web culture also made possible by a loosening of junta-era censorship laws.

According to government data, Myanmar's mobile penetration rate skyrocketed from 9.5 to 77.7 percent in just two years after the foreign firms joined, hailed as "a record speed in the history of mobile telecommunications".

The communications ministry said it hoped the latest competitor would bring more coverage to rural areas, where access remains a challenge due to long-running civil wars between minority ethnic rebels and the military.

The deal with Viettel -- which is run by the Vietnamese military and which will take a 49 percent stake in the joint venture -- is pending a final round of paperwork and negotiations. A licence is expected to be formally granted later this year.

Myanmar has emerged from nearly half a century of brutal junta rule with one of the fastest growing economies in the world, forecast to expand around 8 percent this year.

But the incoming government still faces significant hurdles, including endemic corruption, widespread poverty and decrepit infrastructure.

Vietnam's GDP growth slows in first quarter

AFP, Hanoi
Vietnam's economy slowed in the first quarter of 2016, official figures showed Friday, hampered by low oil prices and an ongoing drought that has hit the agricultural sector hard.

The dip followed last year's record GDP growth at 6.68 percent, a boom fuelled by a flurry of international interest in the communist country.

The first three months of 2016 saw GDP growth drop to 5.46 percent, down from 6.12 percent for the same period last year, according to data released by the General Statistics Office.

"Cold spells in the north, drought... had a major impact on domestic production, especially agriculture, industry and exports during the period," GSO director Nguyen Bich Lam told the official VietnamPlus news website.

Calls for SWIFT to set up local office grow louder

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"It is a good time for the BB to initiate setting up a SWIFT's central server here," said Kazi Saifuddin Munir, managing director of IT Consultants that run Q Cash, a payments switch with a network of 3,000 ATMs.

"The BB as the central bank can initiate the process," said Masodul Bari, head of IT of Al Arafah Bank.

Since SWIFT is the protocol messaging system of the real-time gross settlement, the BB can now go ahead and set up a server in the country, Munir said.

The move will not only reduce the costs for banks but also address the security concerns that arise from cross-border messaging, according to Bari.

But Syed Abu Naser Bukhtear Ahmed, a former banker, is sceptical of the benefits. "Maybe a central server will reduce costs, but there will be risks too. Who is going to maintain the server?"

Anis A Khan, managing director of Mutual Trust Bank and chairperson of SWIFT User and Member Group of Bangladesh, said being a member-owned cooperative and not for profit organisation, SWIFT operates on a unique model.

The Bangladesh market is still small, even though 52 banks are part of SWIFT, he said. "Our business volumes are low to justify having both an office and a server here."

SWIFT has a regional office in

Mumbai but no server there.

SWIFT servers are owned and managed by themselves in their own premises and this also ensures that no one can tamper with them in any way, he said.

But some bankers disagree with Khan on the volume of business, saying Bangladesh is the second largest garment exporter in the world after China.

"We imported over \$40 billion worth of goods and exported \$30 billion in fiscal 2014-15. The figure indicates how many LCs we open and how many transactions we make every day," said the head of a treasury division of a private bank, asking not to be named.

Food expo ends with calls to produce safe products

FROM PAGE B1
Conference & Exhibition Management Services Ltd in association with CEMS Bangladesh and Lifetouch Ideas and Development Ltd organised the show. Alam said Bangladesh has made strides in production of foods ranging from grains, vegetables, mango and potato.

Production and availability of farm produce will be higher if the growers can be educated and made aware of the best ways of crop and post harvest management, he said. About 30 percent of production is lost because of lack of knowledge of growers and traders on such management, he said.

As a result, the quality of farm produce deteriorates affecting export potential, he said. Agriculturists, other service providers and businessmen should come forward for safe production of crops, minimising post harvest loss, better processing of foods and supply chain management, said Alam.