

Japan keen to invest in IT sector

STAR BUSINESS REPORT

Japan has expressed its interest to invest in Bangladesh's information communication technology sector, a move that will help propel its own traditional technology businesses in different parts of the world.

Shimpei Matsushita, Japan's state minister for internal affairs and ICT, has discussed the issue with Zunaid Ahmed Palak, Bangladesh's state minister for ICT, at a meeting on the sidelines of Japan's annual IT Week, currently being held in Tokyo.

"Within a short time, a big chunk of Japanese investment will land in the Bangladesh market," Naimuzzaman Mukta, people's perspective specialist of a2i programme under the Prime Minister's Office, said in a Facebook post.

Mukta along with top government officials, businesses and leaders of trade bodies related to ICT is now in Japan for the three-day event. Japan is a major importer of software from Bangladesh.

Palak yesterday opened the Bangladesh pavilion at the trade show, where 12 Bangladeshi ICT-related companies are exhibiting their products and solutions.

The Bangladesh pavilion is also demonstrating a mobile application, developed by local IT firm DataSoft, which is already being used for Japanese Nissan cars.

Qatar Airways postpones world's longest non-stop flight due to 'A350 delay'

REUTERS, Doha/Paris

Qatar Airways has delayed the launch of the world's longest scheduled direct flight -- from Doha to Auckland, New Zealand -- by two months because of the late delivery of Airbus A350s, an airline spokeswoman said on Tuesday. "I can confirm we are looking at February. It's due to aircraft availability, specifically the delay in delivery of A350s," she said.

The 17.5 hour, 9,031-mile service on Boeing 777 jets to New Zealand had been due to start on Dec. 3 this year. Those aircraft will now be needed as an A350 backstop elsewhere.

The delay adds pressure on Airbus after Qatar Airways raised questions over the A350's reliability last month, saying it had "issues" barely a year after entering service. The airline is the largest customer of the A350, a mid-sized carbon-composite jetliner designed to compete with the Boeing 787 Dreamliner and larger Boeing 777.

It has so far taken delivery of eight of the jets. "We are working closely with our customers to

deliver aircraft to their full satisfaction," an Airbus spokesman said.

"Next deliveries are imminent," he said, adding that its 2016 targets for the jet remained unchanged.

Qatar Airways said on Sunday it would reduce the frequency of several routes from Doha, including a newly announced weekly flight to Adelaide in Australia, because of hold-ups in the delivery of planes from Airbus.

Relations between Qatar Airways and the European supplier had already been shaken by the late delivery of smaller A320neo jetliners, blamed on problems at engine maker Pratt & Whitney and glitches with Airbus hydraulic systems.

The airline has a reputation for tough standards and has delayed taking delivery of Airbus and Boeing aircraft in the past.

Industry sources said the latest row appeared to revolve around production quality issues on at least one jet, including a problem with the aircraft's doors that was being worked on. One said A350 teething problems had dragged on for several months.



Rashed Khan Menon, civil aviation and tourism minister; MA Sabur, chairman of United Commercial Bank (UCB), and Air Vice Marshal Ehsanul Gani Choudhury, chairman of the Civil Aviation Authority, pose at a programme where the bank handed over 1,000 pieces of UCB branded-trolley to Hazrat Shahjalal International Airport in Dhaka.

Mitsubishi says cars sold overseas not affected by fuel-cheat scandal

AFP, Tokyo

Mitsubishi Motors said Wednesday that its years-long cheating on fuel-economy tests did not affect cars sold overseas, potentially limiting the scope of a scandal that has plunged the automaker into crisis.

The company also said it was probing nine more models sold only in Japan, but ruled out a bailout from its top shareholders.

Vehicles sold overseas "were tested

using methods appropriate to those markets", Mitsubishi chairman Osamu Masuko told reporters. "We believe the vehicles sold overseas are not affected."

The company was still investigating why cars sold in Japan were caught up in the scandal, he added.

However, it said "overly optimistic" fuel-economy targets could be to blame for some employees fudging the tests.

In some cases, cars appeared to be about 15 percent more fuel-efficient than they were in reality.

Mitsubishi is reeling after it admitted last month to the improper testing, and that unnamed staff manipulated data.

Despite fears about Mitsubishi's future, executives ruled out a bailout.

"As far as assistance is concerned, there have not been any concrete talks," Masuko said Wednesday, as the firm submitted a report on its internal investigation to the transport ministry.

"Our company's finances are relatively healthy. At this point, we think we can do this on our own."

Premier Leasing reelects chairman

STAR BUSINESS DESK

Md Anwarul Haque has been reelected as the chairman of Premier Leasing Securities, the company said in a statement yesterday.

A civil engineer, Haque is a sponsor director of Mercantile Bank, according to the statement.

He is also a sponsor director and chairman of Mercantile Bank Securities and managing director of Living Plus Ltd. He is also a sponsor of Premier Leasing and Finance and a former chairman of Global Insurance.



Md Anwarul Haque



ASM Shakil, director commercial of DHL Express Bangladesh, and Md Hashem Chowdhury, additional managing director of Mutual Trust Bank (MTB), exchange documents of a memorandum at the MTB's corporate head office in Gulshan, Dhaka. The bank and its customers will get air express solutions at attractive rates from DHL. Desmond Quiah, country manager of DHL Express Bangladesh, was also present.

Colombia's Santos says tax reform must and will pass this year

REUTERS, London

Colombian President Juan Manuel Santos said a tax reform bill, considered vital to help the country cope with plunging oil revenues, will be approved by Colombia's congress before the end of 2016 and would not be delayed by the country's peace process.

Speaking to investors in London, Santos said he hoped the government would soon conclude lengthy talks with leftist FARC rebels to end Latin America's longest war but said this would not detract from fiscal reform.

"This will be approved, this has to be approved before the end of the year for the reform to start producing its effects next

year," Santos said referring to the tax reforms. "There will be no problem."

Investors are keen for signs of progress on the reform without which the country could see a downgrade to its credit ratings. Standard & Poor's said in February it could cut Colombia's rating if there is no progress on the plan this year.

Santos said he had support for the tax overhaul plan from parties accounting for about 80 percent of Congress and he denied he was prioritising the peace process, which the government had hoped to conclude in March. "So some people are saying the president is playing politics, he wants the peace and he will sacrifice the fiscal reform."

Three customs houses to get container scanners

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The NBR said the installation of the container scanners will reduce the clearance time and facilitate trade.

"It will also ensure trade security and more importantly state security," said NBR Chairman Md Nojibur Rahman.

Commissioners of the customs houses said the installation of the scanners will allow them to examine and clear goods faster.

Hossain Ahmed, project director of the scheme to procure the container scanners, said each scanner will be able to scan 15-20 containers an hour. As a result, it will be possible to examine 200 containers a day, he said. He hopes the businesses will be

able to enjoy the benefits of the scanners within the three months.

Commissioner of Chittagong Customs House Hossain Ahmed said the scanners have a deterrent effect on the motive of false declaration.

They can also detect special nuclear materials and reduces congestion at port, he said, while citing the impact of installation of scanners at the Chittagong port.

Per person revenue productivity has increased due to use of scanner for inspection, according to Ahmed.

He suggested for more scanners particularly at the Chittagong port and deployment of more officials to facilitate trade faster.

Top court orders disaster fund for drought-hit India

AFP, New Delhi

India's top court criticised the government Wednesday for failing to set up a disaster fund to help drought-hit farmers and villagers suffering crop losses and severe water shortages.

India is in the grip of its worst water crisis in years, with the government saying about 330 million people, or a quarter of the population, are suffering from drought after two weak monsoons.

Acting on a petition, the Supreme Court issued a slew of orders to the government including creating a national plan to tackle the crisis, a mitigation fund and standard procedures for declaring areas drought-hit.

Justice Madan B Lokur also lashed out at the government over a lack of preparedness for the drought which has struck at least 10 states across the country.

"Evidently, anticipating a disaster such as a drought is not yet in the 'things to do' list of the Union of India and ad hoc measures and knee jerk reactions are the order of the day," Lokur said in a written judgement.

"We are also quite surprised that the National Disaster Mitigation Fund has not yet been set up even after 10 years of the enforcement of the DM (Disaster Management) Act," he also said.

Prime Minister Narendra Modi has met recently with at least three state chief ministers over the drought, as the government comes under intense pressure to ease the crisis.

Rural Development Minister Birender Singh told parliament on Tuesday that millions in government funds have been released to drought-hit regions, as temperatures soar across the country in the summer months.

Industry body ASSOCHAM estimated on Wednesday the crisis would cost the economy \$100 billion if it continued until the end of the year.

Poor rains have prompted extreme measures including water restrictions, armed guards at reservoirs and water trains sent to the worst-affected regions.

Farmer suicides are high and some have migrated to cities and towns to work as daily wage labourers to earn money. Villagers in remote areas are being forced to walk long distances to source drinking water as local wells dry up.

Officials have forecast an above-average monsoon this year, offering hope for the struggling agriculture sector that employs about 60 percent of the population.

Farmers across India rely on the monsoon -- a four-month rainy season which starts in June -- to cultivate crops.

Infrastructure deficit continues to choke economic growth: MCCI

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The investment-GDP ratio should be 30 percent to achieve 7 percent growth, the MCCI said referring to the seventh five-year plan. "All-out efforts will be needed to encourage investment, including foreign direct investment in the country."

Though the net FDI increased 27.19 percent to \$1.45 billion during the first eight months of this fiscal year, it is not enough for the country's development.

Many prospective foreign investors have adopted a 'go-slow' strategy in making fresh investments since 2013. They consider the underdeveloped infrastructure, shortage of power and energy, lack of consistency in policy matters, procedural bottlenecks and

lack of proper regulatory framework as major impediments to new investment.

They also identify scarcity of industrial land, administrative weakness of the Board of Investment, lack of coordination among the government agencies and political uncertainty as the major barriers to new investment.

"The government needs to address these impediments to attract more FDI in the country," the chamber said.

The chamber however found the overall economic situation positive as shown by steady improvements in the major economic indicators. "Although the progress made is below potential, the country experienced stable growth."

"Inflation was under control, exchange rate remained stable and foreign exchange reserves rose to a comfortable level. The downward trend in oil prices in the international market benefitted the economy."

The agriculture sector performed well, but continuous government support with inputs and finance will be needed to sustain the sector's growth, it said. "In particular, infrastructure deficit and gas and power supply problems were undermining the performance of all productive sectors of the economy," the chamber said.

The services and manufacturing sectors are also doing well, but they will need government support in different fields, it added.

The MCCI said the rate of inflation may fall further in April-May period due to the decline in commodity and fuel prices in the global markets. "But then it may go up because of increased demand during the month of Ramadan," it said.

The chamber also assumed that the current relatively calm political situation will continue in the last quarter of the running fiscal year. "Therefore, export, import, remittances, and foreign exchange reserve will increase."

On the capital market, it said the market passed a gloomy period as trading activities were dull almost throughout 2015 as well as the third quarter of the fiscal year.

"Various efforts taken by the govern-

ment and the regulators to shore up the market in the past five years since the 2011 debacle, virtually failed to bring any improvement in the capital market," it said.

Broad money recorded a higher growth of 13.11 percent at the end of February, compared to 12.8 percent a year ago. Domestic credit, on the other hand, recorded 11 percent growth at the end of February, which was 10.64 percent a year ago.

The MCCI said the government achieved commendable success in short-term actions for power sector crisis management, but the long-term goals for sustainable power and energy supply issues remain unresolved.

"Specialists and investors have been

systematically raising concerns for sustainable development of primary energy sources in the country and their focus is concentrated on local coal and gas developments."

The power supply situation, however, improved in the quarter under review, but the demand for power, too, shot up more than ever.

As of March, total generation was 6,427MW during peak hours and 6,417MW during evening peak hours. The maximum generation in 2016 was 8,348MW on April 9 and it was the maximum generation in the country's history.

The chamber said manufacturing activities showed signs of improvement, thanks to some improvements in the power situation.