

Business leaders urge swift response to Brexit worries

AFP, Aix-en-Provence, France

Financial movers and shakers gathered in France on Saturday urged a clear and timely political response to lift the uncertainty caused by Britain's shock vote to leave the European Union.

A raft of top business leaders and intellectuals have gathered in the southern French city of Aix-en-Provence for a three-day meeting to discuss how to react to the fallout from last week's "Brexit" vote.

Participants swiftly agreed on at least one thing -- nobody is quite sure what is going to happen next, the underlying source of their worries.

Britain has not yet begun the process of disengaging itself from the European Union, with arguments raging after the country was split 52 percent to 48 percent in the referendum.

Renault-Nissan automaker giant head Carlos Ghosn said the loss of Britain in itself from the EU bloc was not so much the problem as that the uncertainties such a move would provoke.

"Worried? Yes," said Ghosn. "Not because of Brexit but worried by the uncertainty that has engendered."

For Ghosn, "companies, good or bad, are capable of adapting to everything, all kinds of situations."

But with Britain's new status regarding the European Union not clear he said firms would have to live with uncertainty. "We are going to navigate as we go along," said Ghosn, not least regarding the post-Brexit future of Nissan's factory employing 8,000 in the north east of England.

Oil giant Total's CEO Patrick Pouyanne said for his part that Brexit would "not have a direct impact" as likely sterling weakness could bring down production costs for the group's North Sea operations.

"On the other hand, Brexit will have European growth impacts on the macro-economic front and that could cause damage," Pouyanne said.

"There is an element of more uncertainty, instability, in a world which is already facing up



A woman with a painted face poses for a photograph during a 'March for Europe' demonstration against Britain's decision to leave the European Union, in central London on Saturday.

to a range of geopolitical difficulties, with Daesh (Islamic State), Ukraine, a swathe of financial crises and now Brexit."

US ratings agency SP Global Ratings cut its rating for the EU by one notch last Thursday citing the uncertainty created by the Brexit vote.

"The only message I would like to transmit is we have to act fast," said Pouyanne or risk allowing uncertainty to "destroy confidence" in the whole bloc.

Politicians indicated they understand that message and its urgency.

"The first thing to do is lift the uncertainty as soon as possible so that economic actors are able to take decisions quickly, including decisions pertaining to investment and development," French Minister of Finance Michel Sapin said Friday.

"Today," Sapin added, I feel economic actors are demanding political decisions -- perhaps a revamping of politics?"

Paris is looking to use Brexit as a chance to bolster the attractiveness of France and Prime Minister Manuel Valls gave an interview to Saturday's Le Parisien in which he set out France's stall to that end.

"We are working on means of reinforcing our attractiveness. I am thinking notably of tax policy or the status of expatriates. So I say to large international companies -- Welcome to Paris! Come and invest in France," said Valls.

"We are the number one financial market place in the eurozone in terms of direct and indirect employment with 1.2 million jobs," Muriel Penicaud, director general of Business France, a public body tasked with showing off France's plus points to the business world, told AFP.

The group has just published a paper highlighting reasons to do business in Paris, insisting the capital offers "a robust stock market regulatory and financial system."

China to create new methods to evaluate new economy: official

REUTERS

China is studying new methodologies to assess the economic contribution from industries seen as part of the "new economy", ranging from biotech firms to online retailers, a deputy head of China's statistics bureau said in a speech published on Sunday. The rise of some new and high-growth industries has brought challenges to evaluating a country's economic growth.

Xu Xianchuan said free services provided by internet companies had contributed to the country's gross domestic product, in comments carried on the Shanghai Securities Journal website. Such services were underestimated, leading to lower official GDP numbers, he added.

Xu's comments come as China is due to release second-quarter GDP figures on July 15. The veracity of China's statistics is frequently called into question by investors. The government has set a growth target of 6.5-7 percent for 2016, though some analysts believe real growth levels are already much weaker.

Iran salary scandal takes down development fund bosses

AFP, Tehran

The entire management of Iran's development fund was forced to resign on Saturday as part of a mounting scandal over lavish executive salaries, the ISNA news agency reported.

Iran has been gripped by the scandal ever since the pay slips of executives at several public companies were leaked two months ago, showing salaries more than 100 times that of their average workers.

It has provided ammunition for hard-line opponents of moderate President Hassan Rouhani less than a year before he faces re-election.

Seyed Safdar Hosseini, a former reformist minister who was hand-picked by Rouhani to head the development fund, had been particularly targeted by Iran's conservative media.

His leaked payslip showed he was paid 580 million rials (\$17,000) per month.

Hosseini resigned along with the rest of the development fund's management, which oversees investment in infrastructure. Media reports said he had agreed to repay some \$140,000 to the state.

Hosseini was labour and economy minister under reformist president Mohammad Khatami, who was in power from 1997 to 2005, and his daughter was elected to parliament in this year's legislative elections.

The news came just two days after Economy Minister Ali Tayebnia sacked the directors of four banks "for receiving unconventional salaries and loans".

The conservative media have also accused Hossein Fereydoun, the president's brother and special advisor, of influencing the appointment of the head of Refah bank, who was among those fired on Thursday after it emerged he earned some \$60,000 a month.

Britain's upstart banks face a bumpy ride in Brexit fallout

REUTERS, London

Facing the prospect of their first UK recession, Britain's small specialist lenders could struggle to cope with a downturn, especially in the small and medium-sized business sector that is their lifeblood.

The promises of the so-called challenger banks, many just a few years old, to improve customer choice and challenge the dominance of big High Street lenders are looking shaky after Britain voted to leave the European Union, some investors and analysts say.

Challenger banks' ability to take business from lenders HSBC, Lloyds Banking Group, Barclays and Royal Bank of Scotland relies on healthy bank funding markets and a buoyant UK economy with rising demand for loans.

But as economists slash UK growth forecasts and borrowers and home buyers run for cover, those three factors could be under threat.

The UK could go into recession in the coming year, according to economists and strategists polled by Reuters. Britain last had a recession in 2008-2009, following the financial crisis.

"The outlook for the important small-to-medium enterprise sector looks likely to be hardest hit and a credit cycle inevitable. We think it's

logical that banks have sold off so dramatically," Matthew Beesley, head of global equities at Henderson Global Investors told Reuters.

Marcus Stuttard, head of the London Stock Exchange's AIM board which provides funding for small businesses, told a government committee it was likely "companies will delay making investing decisions and therefore requesting finance" until Britain's economic future looked more secure.

Financial sector shares fell sharply after the referendum result last Friday. Among challenger banks, shares of Aldermore, OneSavings Bank, Shawbrook and Virgin Money have fallen an average 37 percent. Britain's four largest banks fell an average of 21 percent in the same period.

The stock price falls of larger rivals, with millions of customers and more dependable revenues from Britain and elsewhere, also offer investors opportunities to buy blue chip stock at rock bottom valuations, detracting from the upstart banks.

"The scale of the share price movements in smaller banks looks alarming, they look like what you associate with liquidity crises or capital shortfalls yet those two concerns are not present," said Ian Gordon, an analyst at Investec.

Analysts say banks now are much better capitalised than they were before the 2008 financial crisis, meaning the focus is more on the implications of a Brexit for the UK economy.

CHALLENGES, OPPORTUNITIES Some smaller lenders acknowledge the challenges arising from Britain leaving the EU, but also put a brave face on their prospects, seeing opportunities at home.

"The challenger banks are almost exclusively UK only and are therefore insulated from the distractions that will inflict those operating cross border," Secure Trust Bank Chief Executive Paul Lynam said.

"Some banks may temper their lending appetite whilst they wait for clarity to emerge but in the long run Brexit presents more opportunity than threats to the smaller banks," he said.

Rishi Khosla, chief executive of OakNorth Bank, a specialist in loans of between 1 million pounds and 15 million pounds (\$1.3-\$19.9 million), said two lending opportunities from rivals had come his way since Friday after nervous blue-chip peers pulled out of the deals.

The unlisted bank, which began taking deposits in September and has 160 million pounds in loans, has also seen deposits rise by 20 percent in the days following the

vote as savers spread their money around more banks for safety, Khosla said.

Virgin Money, one of the largest and most diversified of the challengers, said it felt well placed to manage the uncertainty, pointing to its low-risk lending approach.

The Newcastle-based bank, which provides mortgages, credit cards, current accounts, currency services and pensions to over 3 million customers, said it was "business as usual" last Friday. Its shares have fallen 29 percent since last Thursday's referendum.

The finance ministry's recent introduction of an 8 percent surcharge on bank profits over 25 million pounds is also likely to compound the outlook for challengers.

The surcharge, which replaced a 0.21 percent levy on bank balance sheets deemed to present material risk to economic stability, could make it harder for small banks to reward investors, attract talent and recycle capital into new lending.

"After Brexit, a UK recession is guaranteed but a bad loan won't materialise for around 18 months," Xavier VanHove, portfolio manager at THS Partners said. "For me, challenger banks are no-go areas because I really don't know how bad things could turn."

UK to face inflation, recession risks due to Brexit: ECB


REUTERS

Britain will face two key challenges, inflation and recession, after Britons voted to leave the European Union, or Brexit, European Central Bank Governing Council member Francois Villeroy de Galhau said on Sunday.

"In the short term there is a difficult challenge for the British economic and monetary policy between two contradictory challenges:

there is the challenge of inflation, with the effects on inflation of the fall of the pound, which is down 11 percent since Brexit," Villeroy told a business conference in Aix-en-Provence in southern France.

"And then there is recession challenge with the tendency to see less growth due to the uncertainty impact on investments. And it is always very complicated for monetary and economic policy to be caught in this dilemma."



Rajdhani Unnayan Kartripakkha
RAJUK Bhaban, Dhaka-1000
www.rajukdhaka.gov.bd

Invitation for Tenders

| | | | | | |
|----|--|--|---|--|-----------------------------|
| 1 | Ministry/division | Ministry of Housing and Public Works. | | | |
| 2 | Agency | Rajdhani Unnayan Kartripakkha (RAJUK). | | | |
| 3 | Procuring entity name | Chief Engineer (Implementation), RAJUK. | | | |
| 4 | Procuring entity district | Dhaka. | | | |
| 5 | Invitation for | Tender for works. | | | |
| 6 | Invitation Reference No. | RAJUK/Purbachal/IFT No-04/2015-16 | | | |
| 7 | Date | 28-06-2016 (Tender Notice Issue date). | | | |
| 8 | Procurement method | Open Tendering Method (OTM). | | | |
| 9 | Budget and source of funds | Development Budget, RAJUK's own fund. | | | |
| 10 | Project name | Purbachal New Town Project, RAJUK. | | | |
| 11 | Tender package No. | RDC-20, Lot-02; RDC-21, Lot-01; | | | |
| 12 | Tender package name | Construction of Internal Roads & Surface Drain at different sectors of Purbachal New Town Project. | | | |
| 13 | Tender publication date | 04-07-2016 | | | |
| 14 | Tender last selling date | 03-08-2016 during bank office hours. | | | |
| 15 | Tender closing date and time | 04-08-2016, 12:00 noon. | | | |
| 16 | Tender opening date and time | 04-08-2016, 02:30pm. | | | |
| 17 | Name & address of the office(s) | | | | |
| | -Selling tender document | Manager, Janata/Sonali/Agrani Bank, RAJUK Bhaban Branch, Dhaka. | | | |
| | -Receiving tender document | Office of the a) Chief Engineer (Implementation), RAJUK (4 th Floor), RAJUK Bhaban, Dhaka-1000. b) Chief Engineer (Project & Design), RAJUK, RAJUK Annex Bhaban (4 th Floor), Dhaka-1000. c) Project Director, Purbachal New Town Project, RAJUK Annex Building (7 th Floor), Dhaka-1000. d) Divisional Commissioner, Dhaka, Commissioner Bhaban, Segunbagicha, Dhaka. e) Commissioner, Dhaka Metropolitan Police, DMP Headquarters, Ramna, Dhaka. | | | |
| | -Opening tender document | Office of the Chief Engineer (Project & Design), RAJUK, RAJUK Annex Bhaban (4 th Floor), Dhaka-1000. | | | |
| 18 | Eligibility of tenderer: | Tenderer should be competent in terms of legal, financial and technical capacity. Tenderer must fulfill the requirements as set forth in the Tender Data Sheet (TDS) of the tender document and the undermentioned requirements. (a) General experience: Minimum 15 (fifteen) years experience in Civil Construction work. (b) Similar work experience: Internal road including surface drain construction work of following minimum cost in single contract within last 10 (ten) years. | | | |
| | RDC-20, Lot-02; | Tk. 8.00 (eight) crore. | | | |
| | RDC-21, Lot-01; | Tk. 25.00 (twenty-five) crore. | | | |
| | (c) Annual turnover: Last five years (financial year 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015) average construction turnover should be required minimum amount | | | | |
| | RDC-20, Lot-02; | Tk. 16.00 (sixteen) crore. | | | |
| | RDC-21, Lot-01; | Tk. 32.00 (thirty-two) crore. | | | |
| | (d) Liquid asset: Should be required minimum amount | | | | |
| | RDC-20, Lot-02; | Tk. 4.00 (four) crore. | | | |
| | RDC-21, Lot-01; | Tk. 8.00 (eight) crore. | | | |
| | (e) Furnishing of any false, forged and misleading documents by tenderer shall result in rejection of his/her tender, may lead to forfeiture of tender security and action may be taken against tenderer as per PPR & PPA. | | | | |
| 19 | Brief description of works | Construction of internal road & surface drain includes Earth work, Box cutting, ISG, Sub-base, Aggregate Base Course, DBS, Seal Coat, Brick work etc for different sectors of Purbachal New Town Project. | | | |
| 20 | Price of the tender document | Tk 5,000/- (Taka five thousand) only (non-refundable) for each set tender document. | | | |
| 21 | Identification of work | | | | |
| | Package No. | Lot No. | Name and location of the work | Tender security amount | Work completion time |
| | RDC-20 | Lot-02 | Construction of internal roads including surface drain of Sector No-20 (part) of Purbachal New Town Project | Tk. 36.00 (thirty-six) lac only | 12 (twelve) months |
| | BRC-21 | Lot-01 | Construction of internal roads including surface drain of Sector No-21 (part) of Purbachal New Town Project | Tk. 120.00 (one hundred twenty) lac only | 18 (eighteen) months |
| 22 | Name of the official inviting tender | A. S. M. Raihanul Ferdous. | | | |
| 23 | Designation of the official inviting tender | Chief Engineer (Implementation), RAJUK. | | | |
| 24 | Address of the official inviting tender | 4 th Floor, RAJUK Bhaban, Dhaka-1000. | | | |
| 25 | Contact details | Project Director, Purbachal New Town Project, RAJUK Annex Building (7 th Floor), Dhaka-1000. Phone: 9554969. | | | |
| 26 | The procuring entity reserves the right to accept or reject any or all tenders without assigning any reason. | | | | |

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