

# Angola hits troubled times after heady post-war boom

AFP, Luanda

After the end of Angola's long civil war in 2002, the capital Luanda became an unlikely African version of Dubai as oil money poured in and a clutch of skyscrapers sprang up along the coast.

But many new office blocks now stand empty or unfinished as the country suffers the painful aftermath of a boom that came crashing down with the fall in oil prices two years ago.

Last month, after the local kwanza currency plunged in value, Luanda lost its top spot as the world's most expensive city for expats as rated by Mercer's annual survey.

The city still sits at number two, just below Hong Kong, thanks to the pumped-up price of everything from imported bottled water and restaurant seafood to renting modern apartments.

At the upmarket Candando supermarket in Talatona district, customers like

Katia Carreta say the economy's rollercoaster ride has left even wealthier families uncertain of whether they have a future in the country.

"Prices are far too high for the current level of wages," Carreta, 46, an Angolan whose husband works for a construction company, told AFP as she pushed her trolley out of the store.

"Things simply cost too much for the lifestyle that we were hoping to have," said the mother of four.

Candando -- slogan: "Everything will be better" -- is a large, chic supermarket with brightly-lit aisles, fresh food displays, a coffee shop and prices to match. But its target audience is under strain.

Even after the fall of the kwanza, six eggs cost the equivalent of \$3.50, as does a packet of imported cheese, while a large bag of rice or three salmon steaks cost \$30.

Away from newly-developed Talatona, many of Luanda's residents still live in slums, with tin shacks spreading to the horizon.

# Unilever Bangladesh's ad wins global award

STAR BUSINESS DESK

An advertisement of Unilever Bangladesh has topped the list of Unruly—a leading platform for social media advertising—from Asia Pacific for June 2016.

Redwan Rony directed the television commercial, Knorr Spirit of Ramadan, Unilever Bangladesh said in a statement yesterday. This is the first time for any Bangladeshi video to top the Unruly's list, according to the statement.

"The advertisement seems very well planned and scripted in a way to uplift the message of Ramadan through emotional appeal," Unilever said.

With more than 564K shares, the video also topped the most shared ads' list, leaving behind all other recent advertisements of Asia. An ad of Samsung Indonesia achieved the second position while another ad of Samsung Mobile Philippines got the fifth position.

# Texworld begins in Paris on Sep 12

STAR BUSINESS REPORT

The 39th edition of Texworld, a globally renowned fashion exhibition, will start in Paris on September 12.

Sixteen Bangladeshi fabric and garment companies will participate in the four-day show, organiser of the fair, Messefrankfurt, said in a statement.

Bangladesh will have a national pavilion hired by the Export Promotion Bureau at the show.

The Bangladeshi companies are Akij Textile Mills, Monno Fabrics, Denim Expert, Anthony Young Garments, Centex Textile and Apparels, Century Apparels, Chorka Textile, DK Knitwear, JM Knitwear, Jericho Imex Ltd, MK Sweaters Ltd, Nazia Apparels, Needle Fashion, Sinha Knit Industries, and Unitex Attires.

The show is very important for the exhibitors, as global brands generally look for new collections of clothes for winter and summer in September, according to the statement. The fair will display a global range of fashion products from other major manufacturing countries such as China, South Korea, India, Indonesia, Taiwan, Thailand, Turkey and Pakistan.

# Monetary policy to focus on growth momentum

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In the present context, giving much emphasis on inflation is not necessary, he said.

"A good number of challenges are being observed in the global economy. What will be the exchange rate of pound and euro? What impact will it have on the country's exports? Plus, the international commodity price is showing some upward trend."

The new monetary policy should keep an eye on the issues, he added. "Private sector credit growth will have to be stimulated to meet the investment projection made in the current budget. Besides, the inflation is low now," said Mustafizur Rahman, executive director of the Centre for Policy Dialogue. A good number of incentives have been given in this year's fiscal policy to boost investment, which now needs to be stimulated by the monetary policy. "In that case, Bangladesh Bank may take some expansionary policy. For this, there is scope to lower the interest rate on loans further."

Rahman also said the monetary policy must look to shrink the spread (the difference between deposit and lending rates), by lowering the lending rate instead of slashing the deposit rate.

"The real interest rate on savings is already showing a negative trend," he said, adding that the returns to savings instrument and special deposits should be such that the real income of the savers does not decrease.

Rahman also said that central bank must not disregard the quality loans in its aim to increase credit growth. "The increase in non-performing loans shows that low quality loans are being disbursed," he added.

Husain called for reforms to reduce the non-performing loans in the forthcoming monetary policy. "They are a high priority at this stage. Monetary policy is not just about setting the monetary programme targets -- it is also expected to provide directions about reforms in financial regulation."

Further recapitalisation of state-owned banks need to be linked with governance reforms to support strong commercially oriented business strategies and keeping separate the ownership and management, he said.

Better regulatory coordination between the BB and the Banking and Financial Institutions Division on the issues will be critical.

# BASIC Bank still in financial pain

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At the end of December last year, the state-run bank required upwards of Tk 1,127 crore to fulfil the Basel III requirement. But the bank's capital was in the negative to the tune of over Tk 851 crore.

On the other hand, the required CAR of the bank has to be minimum 10 percent of its risk weighted assets, but its position is negative by 7.55 percent. The bank's CAR has been in the negative since December 31, 2013. The government provided over Tk 1,200 crore to help the bank meet its capital deficit last fiscal year.

# IMF backs reforms in Philippines after Bangladesh Bank heist

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The BSP has also revoked the licences of Philrem Services, Peso Remittance Express Inc, and Werquick Inc for various violations in connection with the \$81 million bank heist.

BSP Governor Amando Tetangco Jr said both the IMF and the central bank's monetary board are one in pushing amendments to the anti-money laundering law to include casinos, real estate brokers and art dealers.

"That is actually a reiteration of what was discussed before -- that we support the amendment of the anti-money laundering law, to include casinos as covered institutions under the AMLA."

Tetangco Jr said the Department of Finance had already forwarded to the Congress the proposed amendments to the AMLA and the Bank Deposit Secrecy Law for tax evasion purposes.



NCC Bank  
SM Abu Mohsin, chairman of NCC Bank, and Golam Hafiz Ahmed, managing director, attend the bank's half yearly business conference of branch managers and executives in Dhaka on Saturday.

# US-Bangla Airlines celebrates 2 years of operation

STAR BUSINESS DESK

Leading private carrier US-Bangla Airlines celebrated its two years of operation in Bangladesh yesterday.

The airline started its operation with its maiden flight from Dhaka to Jessore and operated over 14,000 flights in the past two years with a slogan "Fly Fast-Fly Safe".

The airline is working to expand its operation in international sectors, said Mohammed Abdullah Al Mamun, managing director of US-Bangla Airlines. "We are absolutely bound to satisfy our passengers

and we hope we will be able to do it."

The management of the airlines has decided to procure three Boeing 737-800s and one DASH 8-Q400 aircraft with an aim to enhance domestic, regional and international flight network.

In the past two years, US-Bangla received the most prestigious award—Best Airline of the Year-2015—in domestic sector by Bangladesh Monitor.

The Travelers Forum also awarded the carrier with Best Domestic Airline of Year awards for 2014 and 2015, the airline said in a statement yesterday.



SHAHJALAL ISLAMI BANK  
Md Towhidur Rahman, chairman of Shahjalal Islami Bank, and Farman R Chowdhury, managing director, attend the bank's half-yearly managers' conference 2016 at a city hotel on Saturday.



SYNGENTA BANGLADESH  
Mohammad Iqbal, chairman of Syngenta Bangladesh, receives a cheque from Sazzadul Hassan, managing director, at the company's 16th annual general meeting at its corporate office in Dhaka yesterday. The company declared 10 percent cash dividends for 2015.

# ADB gives \$275m to help upgrade Dhaka's water supply

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The new project is targeting 24-hour piped water supplies to an additional 6.5 million people in the new district metered areas by 2022. Nonrevenue water losses will be cut to below 10 percent from the current approximate rate of around 30 percent.

A range of actions will be taken to boost the capacity of the staff to manage and operate the network effectively. Training will be provided to about 700 staff members, with 30 percent of them being women.

Assistance will also be given to help Dhaka WASA prepare an operational and

financial improvement plan and to increase public awareness of water conservation.

Dhaka's demand for water is projected to rise to around 2,616 million litres a day in 2020, from 2,144 million litres a day in 2015.

Although the supply authority is taking steps to expand capacity with the ADB's help, it will not be enough to meet projected needs without a substantial cut in ongoing losses, according to the ADB.

Climate change, including rising sea levels that could increase salinisation of ground and surface water, is also expected to reduce available potable water.



RAHIMAFROOZ  
Officials of Rahimafrooz Accumulators Ltd and Terra Motors of Japan attend a press conference organised by Terra-Rahimafrooz Ltd, at Best Western La Vinci Hotel in Dhaka on Saturday. The company launched batteries for electric vehicles, locally known as easy bikes.

# Cafe attack dents country's image

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Nearly a hundred restaurants and cafes opened in and around Gulshan and Banani in the last couple of years as the inflow of foreigners has been increasing due to higher international trade and diplomatic engagements, he said.

Tourism and hotel business will also suffer for the attack, as many European travellers will shy away from Bangladesh for security reasons, Mustafa said.

Italy is Bangladesh's sixth largest single country export destination after the US, Germany, the UK, Spain and France.

Bangladesh exported goods worth \$1.39 billion to Italy in fiscal 2015-16, with 0.24 percent growth year-on-year.

Bangladesh mainly exports apparel items, home textiles, agro-processed food items, frozen foods, leather and leather goods, footwear, raw jute and jute goods and bicycles to Italy.

Apart from business, the Italian people have been trusted friends of Bangladesh for a long time now. Some of the Italian victims were involved in social activities as well.

Mustafa mentioned the names of two Italian victims during the interview -- Nadia Benedetti and Claudia Maria D'Antona, two garment traders.

"I did not know them personally, but I heard they had a good reputation in business and social activities."

Claudia was passionate about social services for the poor slum dwellers in Dhaka, he said.

IBCCI was established in 2007 with a view to increasing business relations between the two countries. However, many Italians and Bangladeshis are not members of the chamber, although they have business between the two countries, said Mustafa.

As a result, many are not known by the chamber leaders, although they represent their own countries and enterprises, he added.

A few thousand Italian citizens live in Bangladesh as they are engaged in different business activities, or are here as experts and employed in different government projects.

The attack tarnished Bangladesh's image in Italy, even for the thousands of Bangladeshis currently living in the European country.

"We, from the chamber, have contacted different government bodies and agencies both in Italy and Bangladesh to work and continue normal business relations between the two countries," he said.

But the chamber will not be capable of changing things so rapidly, he said. The IBCCI may send trade delegations to Italy to hold talks with different trade bodies and government agencies for continuing normal business relations in the near future.

Mustafa, who used to export fishes to Italy, said Bangladesh should keep in mind that Italy is a promising market as demand for Bangladeshi garment items is high among their Italian customers.

So, reviving the country's image should be the first priority for long term business ties between the two countries, he said.

Bangladesh also imports a lot of capital machinery, especially for the textile and garment sector, from Italy, Mustafa said.



MARCEL  
Amin Khan, brand ambassador of Marcel, inaugurates a showroom of the company at a programme at Lalmoan Model High School in Bhola on Friday.



STANDARD BANK  
Md Motaleb Hossain, deputy managing director of Standard Bank, opens the bank's sixth outlet at a programme at Hasimpur Moulvibazar in Narsingdi.