

# Paramount makes EU deal to end geo-blocking of films

AFP, Brussels  
The European Commission on Tuesday accepted a proposal by iconic Hollywood studio Paramount to end geographic blocking of its films in licence deals with TV channels.

The deal is a small step towards the EU's dream of building a digital single market, in which the European Union's 500 million people will no longer be blocked from subscribing to TV channels such as Sky or Canal Plus from abroad.

The EU last year accused six top Hollywood studios and Britain's Sky TV of breaching antitrust laws by using movie licences to block access to pay TV content in other countries in Europe.

Paramount, which is currently up for sale by Viacom, agreed to end the practice in a side deal with the Commission, the EU's executive arm, a statement said.

One of Hollywood's mythic movie studios, Paramount is behind the multi-billion-dollar Star Trek and Indiana Jones franchises as well as classics like The Godfather movies or the Ten Commandments.

The case is being closely watched by the film industry as it calls into question the wide use of such contracts in which Hollywood studios sell their content individually to national markets.

Filmmakers and actors in Europe furiously defend this status quo, which also helps finance and defend national film industries

against what is seen as Hollywood's domination of the European film industry.

The end of national markets would undermine "this successful and fragile eco-system," said a letter from the International Federation of Film Producers' Associations to Commission head Jean-Claude Juncker.

Its demise would "threaten cultural diversity and sustainable jobs for talent, crew and all other workers in our industries," said the letter, which was dated July 11.

The Commission said its investigation continues regarding the five other studios -- Disney, NBCUniversal, Sony, Twentieth Century Fox and Warner Bros, as well as Sky UK.

# Italy nets 759m euros in air traffic sale

AFP, Milan

The Italian government on Tuesday sold part of air traffic service company ENAV on the stock exchange, netting 759 million euros (\$836 million).

Investor demand for the 42.5 percent of the state-owned company was around eight times the amount of shares on offer, allowing the finance ministry to fix the sales price at 3.30 euros per share, towards the upper end of the initial range of 2.90 to 3.50 euros, the stock exchange said.

"The ENAV listing was a great success," said Italian stock exchange chief Raffaele Jeuralmi in a statement.

The flotation price values ENAV as a whole at 1.79 billion euros.

ENAV runs the control towers of 43 airports and four area control centres, handling 1.8 million flights per year and employing 4,200 people.



Md Abdul Halim Chowdhury, managing director of Pubali Bank, opens the bank's 445th branch at Medical Moor in Rangpur.

# Canon slashes profit forecast on strong yen

AFP, Tokyo

Canon chopped its annual profit forecast Tuesday as the camera and copier maker warned that a sharp rise in the yen was taking a bite out of its bottom line.

The company said it now expected weaker sales and a net profit of 180 billion yen (\$1.7 billion) this year, down 10 percent from a previous forecast that had also been downgraded due to slowing growth in China and a pickup in Japan's currency.

Canon's latest six months-to-June net

profit fell 20 percent to 81.4 billion yen, while operating profit dropped nearly 37 percent from a year ago.

Sales fell almost 10 percent to 1.66 trillion yen for the half-year period, it said.

Canon cut its full-year target owing to the "prolonged economic slowdown in developing countries, along with the negative impact of the revised foreign exchange rate assumptions on sales and gross profit".

The yen -- traditionally seen as a safe-haven currency -- rose sharply at the start of the year as fears over global growth hampered financial markets.



HN Ashequr Rahman, chairman of Meghna Bank, and Mohammed Nurul Amin, managing director, attend the bank's half-yearly conference of executives and managers in Dhaka on Sunday.



Ahsan-uz Zaman, managing director of Midland Bank, attends the bank's half yearly branch business review meeting 2016 at the bank's head office in Dhaka on July 22.

# McDonald's franchise spinoffs tamp down earnings

AFP, New York

McDonald's "All-Day Breakfast" fueled firm sales gains in the second quarter despite weak growth across the fast food industry, the company reported Tuesday.

But net earnings continued to suffer from the costs of selling off company-owned restaurants to franchisees in a multi-year strategy to trim overhead costs.

Net income for the quarter to June 30 fell 9.1 percent from a year ago to \$1.09 billion, as a solid reduction in operating expenses failed to offset a 3.6 percent fall in revenues.

The company, which is in the middle of an effort to sell off 4,000 company-owned stores to franchise operators, said that comparable sales globally rose 3.1 percent, helped by menu changes.

But bottom-line results, in which earnings per share fell only one cent to \$1.25 owing to a significant share buyback operation, reflected a \$230 million charge from refranchising operations and tepid growth across markets.

"We're making steady progress on transforming our business to satisfy the needs of our customers around the world, despite a challenging environment in several key markets," said chief executive Steve Easterbrook, who was promoted to revive the flagging fast food chain in March 2015. "I am confident in our system's ability to stay the course and execute our turnaround plan to achieve our goals," he said.

# Singer opens refrigerator plant in Savar

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"The new manufacturing initiatives underway have tremendous potential for the future. We will continue investing considerably in advertising as the year progresses," he added.

Turnover of the listed firm increased 42.3 percent to Tk 270 crore in the second quarter, according to the statement.

Its gross margin also rose to 27.9 percent in the quarter, from 25 percent in the same quarter last year.

The margins increased despite the attractive prices and promotions on offer to customers, driven by efficient purchasing and lower buying prices.

The company also focused on managing its operating expenses, which came down to 15.7 percent of turnover, down from 17.4 percent a year ago.

Singer was listed on the stockmarket in 1983. Each share of the company traded between Tk 156.6 and Tk 162 on the Dhaka Stock Exchange yesterday before closing at Tk 157.3.

Sponsors own a 72.77 percent stake in Singer, institutional investors 6.25 percent and the general public 20.98 percent.

# BPO summit kicks off in Dhaka tomorrow

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BPO services cost 30 percent to 40 percent less in Bangladesh compared to the neighbouring countries, said Ahmadul Hoq Bobby, president of BACCO.

Organisers are expecting 10,000 visitors at the event and they will also offer jobs to 200 graduates. The summit will present success stories and show how this sector can impact the economy, Bobby said.

"We want this sector to be a source of employment for the youth."

Around 88 outsourcing companies are currently working in the capital while another six are running outside Dhaka, said BACCO leaders.

ICT Secretary Shyam Sunder Sikder was also present.

# BB installs a more secure SWIFT system after cyber theft

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On the repatriation of the stolen reserve money that ended up in the Philippines, the BB chief said the central bank firmly believes that the whole amount could be brought back.

Six hearings were held in the country's Senate on the issue.

During the hearings a Filipino businessman confessed that he possessed \$15.25 million of the stolen money. The money is now lying as a deposit with the Philippines Anti-Money Laundering Council (AMLC).

The amount could be brought back after the completion of the due process in the court of the Philippines, Kabir said, adding that the Bangladesh side has already completed the legal process.

The governor also said the AMLC and the Philippines central bank have provided much help in returning the stolen funds to Bangladesh.

Some portion of the \$81 million that entered the Filipino banking system through the cyber theft has been with the casinos in the Southeast Asian country, he said. The AMLC has forfeiture case against the stolen amount and money will be repatriated.

Julia Bacay-Abad, executive director of AMLC, said last week that a lower court in Manila already granted its petition for the civil forfeiture filed in May,

reported the Philippine Star.

She said the forfeiture order covers the funds amounting to about \$15 million turned over by casino junket operator Kim Wong to the AMLC in April and May.

During one of the hearings at the Senate, Abad said the AMLC is still looking for around \$21 million as it already accounted for about \$60 million.

These included the \$15 million turned over by Wong, the \$28 million with Solaire Casino and the \$17 million allegedly with Philrem Services Corp.

Kabir also said the Philippines central bank has conducted an investigation into the Rizal Commercial Banking Corporation (RCBC) through which the stolen money was transferred.

The BB governor said he had talks with the Filipino counterpart last week, who informed him that the process is at the last stage.

"If RCBC can be held liable successfully, we will get back the whole amount of the money," Kabir added. At home, the Criminal Investigation Department of the police is conducting an investigation into the hacking. A government probe committee has also completed an investigation and submitted its report.

Besides, US cyber security firm FireEye has also conducted an investigation and submitted its findings to the government.

# BB forecasts higher economic growth, lower inflation

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As a result, the rate of reduction of interest rate, as demanded by the business community, is slow.

"But only proper risk management and timely loan repayment can cut the nonperforming loans and thus the interest rate."

The ongoing remedial efforts will be intensified during fiscal 2016-17 in the backdrop of a pick-up in lending activities, according to the MPS.

The BB has kept policy interest rates unchanged, with the repo rate held at 6.75 percent and the reverse repo rate at 4.75 percent.

The repo rate is the rate at which the central bank lends money to commercial banks, while the reverse repo rate is the rate at which the central bank borrows money from commercial banks.

Both rates help the central bank control money supply, thus keeping inflation under control.

Kabir also said the MPS aims to keep the consumer price index at tolerable level while achieving GDP and employment growth in line with the government.

The low-interest-rate option of foreign borrowing by industrial undertakings exerted downward pressure on domestic lending rates as well deposit rates.

About anomalies in the banking sector, there is some systemic

incongruity, which also existed in the past.

"We are taking steps on the issue. We have taken steps a few days ago," Kabir said, without elaboration.

Late last month, the central bank fired Syed Abdul Hamid, managing director of Agrani Bank, for violating rules and irregularities.

"If we get evidence and documents, we will take any issue seriously. There is no doubt about that because it is part of governance," Kabir said.

BB Deputy Governor Abu Hena Mohd Razee Hassan said the recent rise of militant activities in Bangladesh is part of a global problem.

"No central bank in the world formulates its monetary policy keeping this [the extremism] in mind. We hope the militant attacks would not affect Bangladesh's economy and also would not stand in the way of implementing the monetary policy."

Hassan said the country's law-enforcement agencies are working against the violent activities of the militant groups.

"The central bank has directed all banks so that the militants can't use the banking channel to fund their destructive activities," he said, adding that banks are looking at the banking record of

the people whose names were published in the media as suspected militants.

By October all banks would submit reports to the central bank on the militants' banking records, he added.

SK Sur Chowdhury, another deputy governor, said the central bank has taken up a liberalised policy in consumer loans in order to prop up sectors such as housing. "This may boost credit growth as there is no liquidity crunch at banks," he added.

BB Chief Economist Biru Paksha Paul said in the last one year credit growth went up but not inflation.

"Even if the credit growth accelerates in the coming months, inflation will remain downward because of favourable conditions."

The MPS said providing electricity, gas and infrastructure to businesses is the priority to ensure slightly upward growth in a sustained fashion.

Faster implementation of the annual development programme will be helpful in promoting the revenue and growth potentials.

Allah Malik Kazemi, change management adviser of the BB; Faisal Ahmed, senior economic adviser; and Md Akhtaruzzaman, economic adviser, were also present.



Farasath Ali, chairman of NRB Commercial Bank, opens the bank's 45th branch at Ashulia in Dhaka. Dewan Mujibur Rahman, managing director, was also present.



MS Ahsan, chairman of Mercantile Bank, attends the distribution of cheques and certificates of Mercantile Bank Abdul Jalil Education Scholarship among the meritorious students of Rajshahi and Rangpur division, at a programme in Bogra on Saturday.