Now or never for Lagos tourism sector

AFP, *Lagos*

Traffic jams may clog the city and the beaches look like garbage dumps, but for the Lagos state government developing tourism is now a do or die matter.

Nigeria has survived almost exclusively on oil revenues for decades, but the plunge in crude prices since mid-2014 along with militant attacks on oil infrastructure have driven the continent's economic giant into a recession.

"We must find alternatives," Lagos state tourism minister, Folorunsho Folarin-Coker, told AFP. "Encouraging tourism is a matter of life or death now."

Lagos, Nigeria's financial hub, is arguably the best placed to respond positively to the economic crisis.

The city has the most solid economic foundation, accounting for 25 percent of the country's gross domestic product and 65 percent of commercial activities, according to Lagos state ministry of Commerce and Industry.

Despite a suffocating dollar shortage that has made imports more expensive for businesses, those in the metropolis of 20 million say the city is ready for reform.

"Recreation and tourism are the fastest ways to revive the economy. The money they generate drives straight into the community," Coker said.

"A concert can support vendors of suya (grilled meat) in the street, sound engineers, promote an artist," he said, imagining Lagos nightlife as the new "Ibiza of Africa".

According to the World Travel and Tourism Council (WTTC), tourism accounted for only 1.7 percent of Nigeria's gross domestic product in 2014.

That number could be much higher. The tourism sector is "neglected", said the Oxford Business Group consultancy, which believes it could reach nearly five percent of the economy this year if managed properly.

The city authorities have a steep climb facing them.

The Lonely Planet travel guide describes Lagos as having "wall-to-wall people, bumper-to-bumper cars, noise and pollution beyond belief, an intimidating crime rate ... and absurd traffic jams."

Coker admits there are challenges, but says that he isn't necessarily aiming to turn Lagos into Miami overnight.

First he has to convince people from Nigeria that Lagos is a worthwhile option for a vacation.

"Today we must build the foundations for local tourism. Tourism is a middle-class thing, and we have an emerging middle-class," he explained.

Having enough hotel rooms is part of the problem. In 2014, Coker estimated the city was short 8,000 hotel rooms.

AFP/FILE

People play giant chess game in the Lekki Conservation Centre in Lagos.

Major international brands including Radisson Blu and Intercontinental have recently established themselves in the rich neighbourhoods of the city, but there is a major need for rooms catering to the middle-class.

Raphael Chiadikobi worked 18 years in banking before entering the hospitality industry.

His first 3-star hotel, Imax Guesthouse, opened last month in the bustling port neighbourhood of Apapa.

"Every country has petrol now. We have now to think out of the box," Chiadikobi said.

"The hotel industry has a lot of potential. But we have no electricity, no good roads", he said, "Nigeria is a place where a businessman has to provide everything for himself."

This desire to build up an industry from scratch is what pushed Emeka Okocha to launch "Nothing to do in Lagos", a mobile application that lists activities and entertainment for 20,000 subscribers.

"People complain that there is nothing to do but it's unfair," the young entrepreneur said.

His site lists upcoming movie nights, concerts, sporting events and even picnics.

"There is no park in Lagos, no reliable road map and don't even count on Google to find anything. But thanks to word of mouth, we find amazing places."

In some ways, the country's economic crisis may help push Lagos into realising its tourism potential -- starting with the locals.

"With the fall of the naira, Nigerians can no longer travel, and the economic crisis is making people stay and spend their money here," Okocha said. "The crisis forces us to be more creative."

Zimbabwe public workers reject govt job cuts plan

REUTERS, *Harare*

Zimbabwe's main public service union on Friday rejected a government plan to cut 25,000 jobs and suspend annual bonuses, saying it would hurt workers already struggling to make ends meet.

The Apex Council, a grouping of all state sector unions, demanded talks with the government over the plan that Finance Minister Patrick Chinamasa has said is essential to ensure the southern African country can keep paying its staff.

"We believe these measures are ill-conceived and can only further entrench the doom and gloom that has become the lot of the average civil servant," said Cecelia Alexander, head of the Apex Council which called a two-day walkout in July by teachers, doctors and nurses over pay delays, part of the biggest strike in Zimbabwe in 10 years.

In a budget statement on Thursday, Chinamasa said state sector wages took up 97 percent of revenues collected between January and June, a situation that could destabilise the economy. It also meant the government risked being unable to pay salaries, Chinamasa said, proposing the suspension of annual bonuses for state employees this year and next to save $180 million annually.

Last year, Chinamasa made similar proposals but was forced to back down by President Robert Mugabe who told him to find the money elsewhere.

Under Chinamasa's plan, the civil service would shed 25,000 jobs, reducing the workforce to 273,000 by the end of 2017. Salaries for ministers and senior officials would be cut by up to 20 percent and Zimbabwe would close some embassies abroad.

Unable to get funds from international lenders, Zimbabwe is in its worst financial crisis since adopting the U.S. dollar in 2009. Economic difficulties have fueled political tensions, with anti-government protests over cash shortages and unemployment.

On Friday, Harare police fired teargas to break up a march by a dozen social media activists from #Tajamuka protesting against a police ban on demonstrations, witnesses said. Tajamuka is slang for 'defiance' in Zimbabwe's Shona language.

Separately, Mugabe told a central committee meeting of his ruling ZANU-PF party that the opposition was trying to fuel a popular uprising and that the government would take "very strong" action against public violence.

"Let these opposition parties and all those groups be warned that our patience has limits and will certainly run out," he said in front of reporters at the start of the meeting, before blaming Zimbabwe's economic woes on Western sanctions.

EU/IMF rift on Greek debt is hurting country: Tsipras

REUTERS

A rift between the International Monetary Fund and the European Union on how to address Greece's debt crisis is damaging for the country, Prime Minister Alexis Tsipras said on Sunday. "I would say that what is creating conditions of delay in regaining trust of markets and investors ... is the constant clash and disagreement between the IMF and European institutions," Tsipras told a news conference in the northern city of Thessaloniki.

The IMF has yet to decide whether to participate in a third international bailout Greece signed up to in mid-2015, saying it is not convinced its debt is sustainable. The country's current debt to GDP ratio exceeds 170 percent of national output, the highest in the euro zone.

Tsipras said disagreements between the EU and the IMF was preventing timely participation of the country in the quantitative easing program of the European Central Bank.

Inspect NRB Commercial Bank, court asks BB

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He said the court order came after the central bank failed to investigate the allegations.

A BB official, however, said they are yet to get the court order and declined to comment further.

On May 26, AM Saidur Rahman, the nominated director of AM Tushar Iqbal Rahman on the board of NRB Commercial Bank, lodged complaints with the central bank against the irregularities. "I don't know anything about the court order," Ali, the chairman, told The Daily Star yesterday.

Ali also said he has no idea about the allegations.

EU orders rethink of mobile 'free roaming' plan

AFP, *Brussels*

European Commission head Jean-Claude Juncker on Friday ordered officials to draw up new plans for the EU's landmark free mobile phone roaming policy after it ran into fierce criticism.

The Commission announced the original "free roaming" plans with huge fanfare in early 2015, but when it unveiled the details this week consumer groups were outraged by a limit to just 90 days of free roaming per year.

"In light of the initial feedback received, President Juncker has instructed the services to withdraw that text and to work on a new proposal," said a Commission statement.

"As we have promised, roaming charges will disappear. Nothing changes there," it said, downplaying the importance of the apparent U-turn on one of the Commission's most high profile priorities.

"The draft in question was about the modalities, and it was only a draft by the services," it said.

Consumer groups had assumed the Commission's pledge to end mobile roaming charges -- charges when people use their phone outside their home country -- meant exactly that, without conditions or caveats.

As a result, they responded angrily to the 90-day "fair use" limit, charging that Brussels had caved in to the powerful telecoms companies for whom roaming charges have long been a lucrative source of extra income.

Commission spokesman Alexander Winterstein insisted Friday that the decision was perfectly routine, that Juncker had not been fully aware of all the details and when he had seen them and the reaction, had asked officials to try again.

The overall roaming plan was a "major success" and the review concerned the "modalities" only, not the objective, Winterstein told a press briefing.

"It was simply not good enough for our president (Juncker) therefore he instructed us to work harder, try harder and come back with something better," he added.

The spokesman declined to give any details about what might be included in the new draft, stressing instead that the Commission was absolutely committed to ending roaming charges by June 2017 as planned.

The decision may prove embarrassing for Juncker as he prepares his annual State of the Union address to Parliament next week when he will try to rally support for the EU project in the wake of Britain's shock vote to quit the bloc.

The Commission had made the end of roaming charges a top priority, promising to remedy a constant cause of complaint from consumers returning home from holiday to find they have run up huge bills after using their mobile phones abroad.

EU Commissioner for the Digital Single Market Andrus Ansip described the end of roaming fees "as one of the best achievements of the European Union in the last few years."

As for the 90-day limit, that was needed to "strike the right balance" between consumers and companies so as to ensure continued investment, Ansip said when announcing the plans Wednesday.

Manfred Weber, head of the European People's Party, the largest in the European Parliament and the one to which Juncker belongs, welcomed the decision and claimed it resulted from EPP pressure.

"The pressure from the EPP group bears fruit. We are fighting for the end of roaming fees for consumers in 2017 and not for solutions with backdoors," Weber said in a statement.

"This is what we have promised to the people and we keep this promise. We expect that the Commission will give a strong signal for that next week," he added.

But the telecoms industry defended the Commission's original 90-day proposal as right.

"We believe that the fair use clause is essential to the proper functioning of European telecom markets," the European Telecommunications Network Operators' Association said in a statement.

"The fair use clause constitutes a safeguard to avoid abuses, which is also in the interest of consumers."

bKash pays Tk 139cr for using mobile networks in three years

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Bangladesh Bank reported that more than a dozen MFS providers transacted around Tk 700 crore a day as of June 2016.

Commenting on bKash's information, an official of a telecom company said it means that if Tk 100 is collected as revenue from the customers for their service, the mobile operators received only Tk 7. If bKash shares Tk 139 crore, it means it earned Tk 1,985.71 crore, using the mobile networks and bearing no cost on it.

The Association of Mobile Telecom Operators of Bangladesh or AMTOB submitted a proposal to Bangladesh Telecommunication Regulatory Commission, saying 86 percent of USSD traffic and 100 percent of SMS are free of charge as MFS operators are not taking any fees on most services.

"There is a chunk of transactions where bKash does not charge customers, but those transactions are using operators' USSD resources," said a top official of a mobile operator.

AMTOB said it resulted in a cumulative industry revenue loss of Tk 44.9 crore in the fourth quarter of 2015 alone. They also asked the telecom regulator to fix Tk 1.5 for every USSD session and Tk 0.20 for an SMS.

Mobile operators also share 5.5 percent of it with the government and 1 percent for SOF contribution, which means the government is also losing revenue from this segment.

On the other hand, MFS operators said if USSD charges increase, it will impact the customers and they will have to pay more.

The telecom regulator recently held a meeting with all the stakeholders on fixing the USSD charges.

The objective of launching mobile money services back in 2011 was to create financial access for the poor and unbanked via mobile phones.

Islami Bank recasts itself to stay on as leader

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Syed Ahsanul Alam, who has vast professional experience in business, banking and investment, insurance and public enterprises, has been made the chairman of the bank's executive committee.

Helal Ahmed Chowdhury, a career banker who was the managing director of Pubali Bank, the largest private bank in terms of branch network, for nine years, has been made an independent director and chairman of the audit committee.

Humayun Kabir, a former president of the Institute of Chartered Accountants Bangladesh, and Zillur Rahman, a former deputy managing director of Janata and Rupali banks, are the other new entrants to the Islami Bank board.

The three other independent directors who have been included in the board from other fields are much respected in their professions.

They are: Abdul Mabud, a former additional inspector general of police; Shamim Mohammad Afzal, director general of Islamic Foundation; and Borhan Uddin Ahmed, a former district and sessions judge.

In addition, four shareholder directors came into the board this year as representatives of different companies.

They are: Maj Gen (Retd) Abdul Matin; Qazi Shahidul Alam, a professor in orthopaedic surgery; Syful Islam, a former president of Institute of Chartered Accountants of Bangladesh; and Joynal Abedin, deputy managing director of Bangladesh Krishi Bank and Rupali Bank.

Bank of England to hold fire after August's Brexit bazooka

REUTERS, *London*

The Bank of England holds a monetary policy meeting on Thursday as more hard economic numbers trickle in following June's Brexit shock, while US data and a speech by policymaker Lael Brainard will give Fed-watchers food for thought.

Data and surveys in the coming week will also give a steer on price and industry trends in the euro zone after the European Central Bank disappointed market expectations that it would announce an extension of its asset purchase programme.

Speaking to lawmakers on Sept 7, Governor Mark Carney defended the BoE's big August stimulus package but said initial damage to the economy from Britain's June 23 vote to leave the European Union looked less severe than the Bank had forecast.

While some critics of the BoE have suggested August's decision to cut interest rates to a record low 0.25 percent, restart asset purchases and ease lending by giving cheap loans to banks was too aggressive, the Bank is expected to cut rates again later this year but leave policy unchanged this month.

"We see next Thursday as being too soon for further action and expect the BoE to maintain Bank Rate at 0.25 percent and the level of QE (asset purchases) at 435 billion pounds ($578.5 billion)," Investec economists said.

"Our central case continues to be for another 15 basis point cut in Bank Rate to 0.10 percent at the November meeting."

Official figures, including inflation on Tuesday, unemployment on Wednesday and retail sales on Thursday, should give a clearer picture of how companies and consumers are responding to the Brexit vote after purchasing manager surveys showed activity bouncing back last month.

Economists polled by Reuters forecast consumer prices will be 0.7 percent higher in August compared with a year ago, edging up from 0.6 percent in July, which was the biggest annual rise since the end of 2014.