

US-Bangla Airlines adds first Boeing 737-800 to fleet

STAR BUSINESS DESK

US-Bangla Airlines yesterday added a new Boeing 737-800 aircraft to its fleet.

The airline has decided to operate regular scheduled flights to Kolkata, Kuala Lumpur, Bangkok, Singapore, Muscat, Doha, Guangzhou and many more international destinations with the Boeing 737-800, the carrier said in a statement yesterday.

The airline now has four aircraft in its fleet with the inclusion of the new Boeing, according to the statement. "Our Boeing 737-800 aircraft has 158 revenue seats and three Dash8 Q400 aircraft have 76 seats."

To expand its operation into the globe, the management of US-Bangla will procure two more new Boeing 737-500 aircraft, the company said.

One of the aircraft will arrive in Bangladesh in the third week of October and the last in December, it said. Each aircraft will have four lavatories for the sake of the passengers' comfort, according to the statement.



Mohammed Abdullah Al Mamun, managing director of US-Bangla Airlines, poses with officials at an event to receive the carrier's new aircraft at Hazrat Shahjalal International Airport in Dhaka yesterday.

US-Bangla will be the first airline in Bangladesh to connect Paro in Bhutan with Dhaka in the near future, according to the statement. US-Bangla Airlines has always been focusing on improving the standard of service to an international

level, said Mohammed Abdullah Al Mamun, managing director of the carrier.

He spoke at an event to receive the Boeing aircraft at Hazrat Shahjalal International Airport in Dhaka yesterday.

"Our next goal is to stand as the best airline in Asia as we have already received the best airline title for the domestic operation, and this will surely increase the reputation of the aviation industry of Bangladesh."

"Today, the management of US-Bangla Airlines on behalf of all its directors and employees expresses gratitude to all its patrons, well wishers and in particular, all the government agencies, travel agents and representatives of the print and electronic media for their heartfelt support in making US-Bangla a success story."

The airline operated Dhaka-Kathmandu flights as its first international route within two years of the start of its operation, according to the statement.

The country's leading airline started its inaugural flight on Dhaka-Jessore route with the motto "fly fast-fly safe" on July 17 in 2014, it said.

US-Bangla has so far operated over 16,000 flights on domestic and Dhaka-Kathmandu routes.

The airline received the "Best Airline of the Year-2015" award for its operation in the domestic sector by The Bangladesh Monitor, a travel-based newspaper.

It also achieved the "Best Domestic Airline of the Year - 2014 and 2015" award from the Bangladesh Travellers Forum.

Brazil lawmakers approve 20-year public spending cap

AFP, Brasilia

Brazil's lower house on Monday approved a proposal to cap public spending increases for 20 years, a key component of new President Michel Temer's economic recovery program.

Temer, from the center-right PMDB party, has vowed far-reaching reforms to drag Brazil out of its worst recession in almost a century.

The spending cap, which requires a constitutional amendment to limit budget increases to the rate of inflation for the next 20 years, would mean freezes in health, education and other key areas.

The measure was approved by 366 deputies out of 480 present, well above the required three-fifths majority of 308 votes. One hundred and eleven lawmakers in the Chamber of Deputies voted against it.

The measure still requires another vote in the lower house before heading to the Senate for final approval, likely by the end of the year.

Leftist lawmakers had fought against the spending cap, arguing that it would dramatically worsen conditions for ordinary Brazilians, especially the poor.

Brazil has shifted to the right in the wake of August's impeachment of former president Dilma Rousseff, of the once-dominant leftist Workers' Party, and her replacement with Temer. The proposal's approval on its first vote was an important victory for Temer, who plans to enact labor law and pension reforms next year.

Temer has warned of state "bankruptcy" if the country does not impose painful reforms.

Brazil is in the grips of a painful recession, with its GDP contracting 3.8 percent in 2015 and likely to slip another 3 percent this year.

Unemployment has doubled in that time, hitting 12 million Brazilians, or more than 11 percent of the workforce.

No debt-for-equity cure for zombie firms, says China

AFP, Beijing

China's undead army of zombie corporations will not qualify for debt-for-equity swaps, the government said, as Beijing tries to curb the risks of ballooning corporate debt.

New guidelines posted on the website of the State Council, China's cabinet, sought to offer some clarity to long-discussed but hazy plans to reduce debt by letting lenders swap bad loans for shares in some debtor companies.

The policy will offer debt-to-equity swaps with market-determined values to help "high-quality" firms with long-term growth prospects overcome "temporary setbacks", said the document, while barring "zombie companies" and those with poor credit ratings.

It called for mergers and acquisitions

of debt-choked companies to improve competitiveness and reduce leverage.

China's Communist authorities have repeatedly pledged to give market forces a greater role in the world's second-largest economy, where growth is slowing and lumbering industrial firms, many of them state-owned, remain a drag.

The guidelines, posted Monday, came as analysts have sounded alarm bells over risks of a blowout in the economy, with total debt surging 465 percent over the past decade, and corporate debt leaping to 165 percent of GDP in 2015, according to Bloomberg News.

If corporate borrowing growth does not slow, the ratio of sour loans could triple to 17 percent by 2020, S&P Global Ratings said in a report Tuesday, adding: "We believe that the

current growth rate of China's debt is not sustainable for long."

Economists have warned that the ballooning borrowing risks sparking a financial crisis as bad loans and bond defaults increase. On Monday bankruptcy proceedings for the massive state-owned Dongbei Special Steel Group were approved, according to the official Xinhua news agency.

The 111-year-old company had defaulted on debt payments nine times in a row and now owed several billion yuan, it added.

Analysts with Nomura said they "expect more defaults and even bankruptcies further down the road", and warned that "a rising default rate is inevitable", driving the government to shoulder responsibility for bad company loans.



Saifuddin M Naser, managing director of National Finance Ltd, and ABM Siddique, president of Padakhep Manabik Unnayan Kendra, a non-governmental organisation, attend the signing of a Tk 20 crore financial agreement, at the head office of National Finance on October 5.

Ireland budget aims to 'Brexit-proof' economy

AFP, Dublin

Ireland's government on Tuesday outlined tax breaks for the tourism and farming sectors in a bid to offset the effects of the British pound's sharp devaluation and the expected impact of Brexit on the economy.

In a speech to parliament on Wednesday Finance Minister Michael Noonan said that while the ultimate fall-out from Britain's June 23 referendum was still unknown, Ireland would put on "economic shock-absorbers" to mitigate the inevitable damage.

"Whatever the final settlement, what we know with certainty is that Brexit has increased risk to the Irish economy," he told lawmakers.

"As well as introducing specific measures to assist particular sectors of the economy, we must also put in place safety nets to protect us against future economic shocks," he said.

Noonan said Ireland wanted to retain the current economic ties with Britain as much as possible and to avoid the necessity for a hard border with Northern Ireland which he said would disrupt the economy.

He outlined favourable tax treatment for several sectors, specifically tourism, food and agriculture, all of which are already coming under pressure because of the fall in the value of the pound of nearly 20 percent compared to the euro since the start of the year.

Ireland last week reduced its 2017 economic growth forecast to 3.5 percent after Britain, its biggest trading partner, voted to leave the EU.

Trade between the two countries is worth an estimated 1.2 billion euros (\$1.3 billion) a week.

Ireland is the UK's fifth largest export market and imports more from the UK than any other country.

In its 2017 budget Ireland will have 1.3 billion euros more to play with as a result of its ongoing recovery.

Following almost a decade of austerity, the government chose to allocate 1.0 billion euros to public spending and the remainder to tax relief.

As part of its strategy to "Brexit-proof" the economy, the government is not only aiming to reduce its budget deficit over the next two years but to turn this into surplus after 2018.

It plans to then set aside up to 1 billion euros a year in a "rainy day fund" to offset future downturns.

While national debt has fallen from 120 percent of gross domestic product (GDP) at the height of the economic crisis, the minister announced the government's intention to reduce it from 76 percent at the end of 2016 to 45 percent over the coming decade, well below the EU requirement of 60 percent.

"We must get away forever from the boom and bust cycles that have caused such grief in this country in the past," he said.

Family feud reignites at S Korea's Lotte Group

AFP, Seoul

The elder brother of South Korea's Lotte Group chairman has filed a lawsuit against his younger sibling for alleged accounting fraud, his spokesman said Tuesday, reigniting a bitter family feud over a stake in the business empire.

"We submitted a complaint to the prosecutors' office on September 30," Thomas Hong spokesman for Shin Dong-Joo, former vice president of Lotte Holdings, told AFP.

Hong said Shin accused Lotte chairman Shin Dong-Bin and two other officials of breaching accounting rules by omitting 370 billion won (US\$333 million) worth of losses on capital reduction posted by Lotte Shopping from May 2013 to

November 2015. Shin claimed that Lotte Shopping deliberately waited to announce the loss -- the first deficit posted by the firm since 2006 -- and that the net loss is larger than the reported amount.

In a regulatory filing in February this year, Lotte Shopping announced 346.1 billion won in net losses in 2015 due to a re-evaluation of its business rights in China.

An official at Lotte Group told Yonhap news agency that the company was unaware of the complaint and said it will take "necessary countermeasures" after reviewing the case.

The complaint was filed a day after a Seoul court dismissed an arrest warrant on Shin Dong-Bin, who had been under investigation on embezzlement charges.

Apparel factories grind to a halt for gas crisis

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If the situation prolongs, the knitters would face difficulties in timely shipment of apparel items as they will not get raw materials from the spinners, Chowdhury told The Daily Star by phone.

"I incurred \$3 million in losses over the last seven days due to the production suspension. The aggregated loss would be higher as almost all factories in these industrial belts have stopped production," he added.

Faruque Hassan, managing director of Giant Group at Shafipur, echoed the same, adding that the workers are sitting idle.

"I am running my knitwear factory with the raw materials that were previously stocked," said Momin Mondol, managing director of Mondol Group in Konabari

area in Gazipur district.

"Since I have to maintain a strict lead-time, I spoke to my buyers and they agreed to use fabrics from other factories and I am doing so now. But how long will I run my factory like this?"

Titas Gas Transmission and Distribution Company will start repairing the line very soon to bring back normalcy, said Mir Moshir Rahman, acting managing director of the state-owned company.

"We are in the process of nominating contractors to repair the pipeline. It will take two to three weeks to repair the line," Rahman told The Daily Star by phone.

Before the completion of the repairs, the industrial units will be provided with gas by suspending its supply to fertiliser companies, he said.

1cr unregistered SIMs blocked in crackdown

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Usually, the regulator publishes the monthly report within two weeks; this time, the report is taking longer as there is a huge fall in the numbers and several updates, said a BTRC official. The BTRC has placed the report before its chairman for his approval before making it public.

The decline in the official figure will definitely push back the country in terms of world rankings, BTRC officials said.

As of June, Bangladesh has the 10th largest number of mobile subscribers in the world. The country's mobile penetration rate of 84 percent and the mobile internet penetration of about 40 percent will nosedive because of the government move against unregistered SIMs, industry experts said.

Trade deficit widens 5pc as import rises

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During the July-August period, the overall surplus stood at \$1.19 billion, while it was \$1.26 billion in the same period last fiscal year. Since foreign direct investment and medium and long-term loans went up, the overall surplus ended up being more or less the same as last year's, the BB official said.

In the first two months of fiscal 2016-17, FDI rose 9.3 percent year-on-year to \$435 million. Medium- and long-term loans shot up 6.2 percent to \$257 million. On the other hand, loan repayment decreased 4.26 percent from a year earlier, which had a positive impact on the overall surplus.

Facebook has special plans

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However, if any user does not like to see any specific advertisements, they can report to Facebook and those will never be shown again. On the Bangladeshi market, his evaluation is that this market is ahead of other developing countries as it started digitisation with mobiles. But most developed countries are trying to do with desktop computers.

Here, most people have their own mobiles in their pockets and it gives the nation a huge power, added O'Hare.



Mustafa Kamal Mohiuddin, chairman of BDG-Magura Group, and Lv Zexiang, president of CGGC, a Chinese company, exchange the signed papers of a deal on strategic cooperation, at a programme at Beijing in China.

BDG-MAGURA GROUP

Deal to promote global standards of electrical products

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Sarsa, a specialised body of Saarc member states, was established to promote and take steps to harmonise national standards of the Saarc member states with a view to removing the technical barriers to trade and facilitating the flow of goods and services in the region.

The IEC, the international standards and conformity assessment body for all fields of electrotechnology, serves world markets and society through its standardisation and conformity assessment work for all electrical, electronic and

related technologies.

Sarsa said the main purpose of the cooperation agreement between the two organisations is to promote the development, use and adoption of international standards as well as the use of IEC conformity assessment systems to facilitate world trade.

Another objective is to accelerate the electro-technical standardisation process in the South Asia region, Sarsa said.

Both the organisations will consider the possibility of developing a joint activity programme through this agreement, it added.