

Japan shippers merge container units as downturn bites

Shares in three Japanese shipping firms soared Monday on news that they are merging container businesses with combined annual revenues of about \$19 billion to counter an industry downturn.

Kawasaki Kisen, Mitsui O.S.K. Lines and Nippon Yusen said they have agreed to set up a joint venture with the combined operations to start in April 2018.

Mitsui O.S.K. ended up 5.62 percent in Tokyo, having rocketed more than 15 percent in morning trade.

Nippon Yusen closed 6.43 percent higher while Kawasaki Kisen cast off most of its earlier gains to end 0.38

percent higher.

The new joint venture will create the world's sixth-biggest container shipping business, they said.

"The container shipping industry has struggled in recent years due to a decline in the container growth rate and the rapid influx of newly built vessels," hitting profitability, a joint statement said.

Kawasaki Kisen and Mitsui O.S.K. will each hold 31 percent of the new firm while Nippon Yusen will own a 38 percent stake, they said.

The move comes after South Korean shipping giant Hanjin announced plans to shutter its European business, fuelling fears it could be heading towards liquidation.

Hanjin -- the South's largest shipping company and once the world's seventh biggest -- is seeking bankruptcy protection at home and in the United States after creditors rejected a plan to deal with a \$5.37-billion debt load.

Its bankruptcy would be by far the largest in the history of container shipping, which is suffering its worst downturn in six decades owing to slumping global trade and a slowdown in China.

In response to the global downturn, industry consolidation last month saw France's CMA CGM purchase Singapore's Neptune Orient Lines while Germany's Hapag-Lloyd and United Arab Shipping merged in June.



Mahbubur Rahman, chairman of Bangladesh International Arbitration Centre (BIAC), and Pasit Asawawattanaporn, managing director of Thailand Arbitration Centre (THAC), signed a memorandum of understanding on behalf of their respective organisations at THAC office in Bangkok yesterday. The deal is intended to explore areas for cooperation in respect of the use of facilities and services of both the centres on alternative dispute resolution, jointly organising training and seminar, knowledge sharing and other relative issues. Rokia A Rahman, vice-president of the International Chamber of Commerce-Bangladesh, was also present.



Mohammed Mahtabur Rahman, chairman of NRB Bank, inaugurates the principal branch of the bank that has recently been shifted to Gulshan. The bank's Managing Director Md Mehmood Husain and other board members and officials were present at the function.

Eurozone GDP growth steady in Q3 as inflation picks up

Growth in the eurozone remained stable at 0.3 percent in the third quarter of 2016 as inflation rose to a 27-month high, official EU data showed on Monday.

The figures showed that the recovery in the 19-nation single currency area remained cautious amid fears about the fallout of Brexit and an emerging banking crisis.

Consumer prices, which entered deflationary territory last year, rose a higher-than-expected 0.5 percent, the highest since June 2014.

Analysts surveyed by Factset had forecast inflation of 0.4 percent for the period.

The growth figure was on par with analyst expectations and will feed worries that the European economy will fail to bring new jobs and significantly boost inflation.

The full 28 members of the European Union meanwhile showed growth of 0.4 percent in the third quarter, also on par with analyst predictions.

Robi's Bangladeshi CEO takes charge today

The announcement of Ahmed's appointment was made in July, when he was on a special assignment in Axiata Group.

He then returned to Robi's leadership team on September 1 in the capacity of deputy chief executive officer, as groundwork for his succession as the chief executive officer.

Earlier, Ahmed worked as the chief operating officer of Robi from April 2014 to March 2016.

He joined Robi in 2010 as the chief financial officer, the position which he held until 2014.

Prior to joining Robi, Ahmed spent 17 years with Unilever, where he held business and finance leadership positions, including the post of finance director in various operating companies like Unilever Pakistan, Unilever Arabia and Unilever Bangladesh.

An alumnus of Harvard Business School, Ahmed obtained his undergraduate and masters degrees in accounting from Dhaka University.

He is also a fellow member of Institute of Cost and Management Accountant of Bangladesh, FCMA & CGMA of Chartered Institute of Management Accountants (CIMA, UK).

Tax fair kicks off today

Last year, the number of service recipients at the fair surged to 7.57 lakh. Some 1.61 lakh returns were received at the show, up from 1.49 lakh the previous year.

The NBR said there will be a separate booth for every tax zone of Dhaka at the fair at Agargaon.

Dedicated booths will be at the event venue to provide services to physically challenged persons, elderly and women.

As in the past, taxpayers will also get assistance to prepare their income tax returns for 2016-17, pay tax through bank booths and submit returns.

The NBR said it has increased the number of booths this year to provide better services.

People will also get the scope to open taxpayer identification numbers at the fair.

At present, 12 lakh individuals file returns though more than 17 lakh people hold taxpayer identification numbers.

At the press meet, the tax authority also unveiled the names of the country's 100 top individual taxpayers in fiscal 2015-16. Md Kauch Mia topped the list.

The NBR also disclosed a list of top 100 women taxpayers for the year, where Khaza

Tajmahal came first.

Of the 100 highest taxpayers under 40 years of age, Kabir Hossain Shimul came on top.

The names of the highest taxpayers were published to encourage others to pay tax and become compliant, said Rahman, also a senior secretary at the finance ministry's internal resources division.

Rahman said the NBR will honour more taxpayers this year to inspire and motivate others to pay tax.

This year, 125 taxpayers will get the privilege cards in various categories, including women and fresh taxpayers.

Until last year, only the top 10 individual taxpayers and 10 companies were honoured with tax cards.

The cards will be handed out in the middle of November.

Rahman said the deadline for submission of income tax returns is November 30 this year and it will not be extended.

To facilitate taxpayers to submit returns, the NBR will observe a tax week from November 24 to November 30, he said.

Md Abdur Razzaque, member of tax administration and human resource management, also spoke.

Sony cuts profit view on battery business sale

Sony cut its annual profit forecast by a quarter on Monday, citing the sale of its battery business, as the electronics giant sheds businesses to bolster its bottom line.

The company now expects a net profit of 60 billion yen (\$572 million) in the fiscal year through March, down from an earlier 80 billion yen forecast, with revenue still expected to come in at 7.4 trillion yen. The firm reports its earnings on Tuesday.

It cited impairment charges and other costs linked to the 17.5 billion yen sale of its battery division to Apple supplier Murata Manufacturing.



Mamun-Ur-Rashid, managing director of Standard Bank, presides over the Town Hall Meeting 2016 of the bank at Sonargaon Hotel in Dhaka on Saturday. Kazi Akram Uddin Ahmed, chairman of the bank, was also present.

Qantas flags lower interim earnings

Australian carrier Qantas flagged Monday a hit to first half earnings with falling international airfares offsetting a decline in fuel prices.

The airline, which has turned itself around in recent years on the back of aggressive cost-cutting, said it expects underlying profit before tax to be between Aus\$800-850 million (US\$607-645 million) for the six months ending December 31. This compares to Aus\$921 million in the same period a year ago.

Big change in garment sector after Rana Plaza tragedy

Regarding some emerging garment manufacturing countries like Ethiopia and Myanmar, she said at present Ethiopia is exporting \$100 million worth of garment, which is "very small".

Some international retailers and garment makers are trying to set up factories in Ethiopia but that will take time. "So, Bangladesh is in the international retailers' map now and in the future."

She said Bangladesh has an edge over upstarts because of skilled workforce. "This is the biggest achievement of Bangladesh." At present, Bangladeshi products get duty-free access to the European Union. But the facility would come to an end in 2021, when the country would graduate to the middle-income bracket.

However, the EU will allow duty-free access to Bangladeshi products under the 'GSP Plus' scheme, but for that the country will have to comply with international standards for human rights, cut down corruption and improve its green credentials.

"If Bangladesh loses the GSP Plus, business would totally disappear," she said, citing the case of Sri Lanka, which lost its GSP Plus status 15-20 years ago and with it its garment trade. In case of Bangladesh, the GSP Plus status should be continued until 2025 or 2028 as by this time the industry would be mature enough, van der Pols said.

At present, the EU, the US and Canada are Bangladesh's main markets.

But van der Pols advised Bangladesh to explore the Asian markets as well -- particularly Japan, China and India -- where the per capita consumption of clothing is rising due to the burgeoning middle-class.

The size of India's apparel market is \$59 billion a year and it is expected to grow to a \$120 billion industry by 2030. China's domestic market size is \$270 billion a year, which will soar to \$600 billion by 2025.

"So, Bangladesh has a very good opportunity in regional garment business as well."

Duty-free access to UK to continue until Brexit: envoy

The UK is the second largest investor in Bangladesh, contributing 13 percent of total foreign direct investment to Bangladesh last year.

This year, some \$322 million flew in, with the highest contributions to the banking, textiles and food sectors. More than 200 UK companies in Bangladesh provide employment, transfer knowledge, run significant corporate social responsibility initiatives and are some of the highest contributors to tax revenue, she said. "We are the third largest market for Bangladeshi exports -- we take about 10 percent of the total figure -- overwhelmingly RMG products," Blake added.

Bangladesh's exports to the UK have been growing steadily, said FICCI President Rupali Chowdhury.

Last fiscal year, exports to the UK raked in a total of \$4.17 billion, up 17 percent year-on-year.



The ninth annual general meeting of United Power Generation and Distribution Company was held at Army Golf Club in Dhaka on Saturday. Md Abdul Mubeen, chairman of the company, presided over the meeting, where shareholders approved 125 percent total cash dividend or Tk 12.50 per share for 18 months period to June 30, 2016.