

Turkey economy shrinks for first time since 2009

AFP, Ankara

The Turkish economy shrank by nearly two percent in the third quarter as consumer spending and exports plunged, data showed Monday, the first year-on-year contraction in 27 quarters since 2009.

The Turkish Statistics Office said gross domestic product (GDP) fell 1.8 percent compared with the same period in 2015 causing an immediate fall in the lira.

The contraction follows weaker consumer spending which the office said decreased by 3.2 percent in the last quarter while exports of goods and services fell by 7.0 percent.

The release is one of the strongest signs yet that political instability in the aftermath of the July 15 coup bid is affecting consumer confidence.

This is the first set of numbers after the office said last week it would change the way it calculates GDP figures in line with European Union Regulations (ESA 2010).

Thus the base year used is now changed from 1998 to 2009 and the changes mean

in nominal terms, Turkey's GDP is now larger by 20 percent, Ozgur Altug at BGC Partners said in a note.

The last time Turkey recorded negative growth was in 2009 when the country entered recession.

Monday's figures also come as the country's tourism industry is under severe strain after multiple terror attacks blamed on Islamic State jihadists and Kurdish militants and the July 15 failed coup.

In the latest attack on Saturday, twin bombings ripped through Istanbul, killing 38 people, mostly police and were later claimed by the Kurdistan Freedom Falcons (TAK), seen as a radical offshoot of the outlawed Kurdistan Workers' Party (PKK).

After the release, the lira hit 3.53 against the US dollar at one point after trading earlier at 3.48 as bad figures and continued chaos inside the country wreak havoc on the Turkish currency.

By 1030 GMT, the lira was at 3.52 against the greenback, which is likely to increase pressure on the central bank after it raised interest rates for the first time in three years last month.

China launches WTO dispute resolution case against US, EU

REUTERS

China said on Monday it had launched a dispute resolution case at the World Trade Organisation over the surrogate country approach used by the United States and European Union to calculate anti-dumping measures against Chinese exports.

When China joined the WTO in 2001, it agreed to let WTO members treat it as a non-market economy when assessing dumping duties for 15 years.

That gave trade partners the advantage of using a third country's prices to gauge whether China was selling its goods below market value.

But that clause expired on Dec 11, and China has demanded that countries abide by the agreement.



Third from right, Md Shahriar Alam, state minister for foreign affairs, attends a programme of the 32nd Charter Day of the South Asian Association for Regional Cooperation in Dhaka on Sunday.

New chairman for GSP Finance

STAR BUSINESS DESK

Moin U Haider and Saber Hossain Chowdhury, both directors of GSP Finance, were unanimously elected as the chairman and vice-chairman of the non-bank financial institution respectively, the company said in a statement.

They were elected at a meeting of the board of directors last week, according to the statement.

The board also unanimously elected ATM Shamsul Huda, an independent director of the company and former chief election commissioner, as vice-chairman.



Moin U Haider



Saber Hossain Chowdhury



Mohammed Jahangir Alam, managing director of GPH Ispat, Ashequr Rahman, head of transmissions solution of Siemens Bangladesh, and Abesom George, senior executive of Siemens India, attend a deal signing ceremony in Dhaka yesterday. Siemens will help the steel manufacturer install a power substation to supply uninterrupted electricity to its steel mills in Sitakunda, Chittagong.

Ambuj Deo Singh, general manager of Coca-Cola India, Shadab Khan, managing director of Coca-Cola Bangladesh, Tapas Kumar Mondal, MD of International Beverages Pvt Ltd, and Gazi M Shamsuddin, chief operating officer at Abdul Monem Ltd, launch Coca-Cola's Kinley drinking water brand in Bangladesh yesterday. Story on B1



Growth in global coal demand to slow over next five years: IEA

REUTERS, London

Growth in global coal demand will slow over the next five years due to lower consumption in China and the United States and as renewable energy sources gain ground, the International Energy Agency (IEA) said on Monday.

The IEA said last year that the world's top coal consumer, China, could be facing peak coal demand for the first time due to measures to cap coal use to tackle air pollution and curb excess supply.

"In China, coal demand is in structural and slow decline driven by a new economic growth model and diversification of coal," the Paris-based IEA said in its medium-term coal market report.

Even though China's consumption is likely to have peaked, the country will still be the largest coal user over the next

five years.

Its coal demand should decrease slightly to 2.816 billion tonnes of coal equivalent by 2021, compared to 2.896 billion tonnes of coal equivalent in 2014.

Globally, the IEA expects coal demand to total 5.636 billion tonnes by 2021, compared to 5.400 billion tonnes last year, when coal demand dropped for the first time this century.

This equates to 0.6 percent average annual growth from 2015 to 2021, below the 2.5 percent average yearly growth over the past decade.

"Because of the implications for air quality and carbon emissions, coal has come under fire in recent years, but it is too early to say that this is the end for coal," said Keisuke Sadamori, director of the IEA's energy markets and security directorate.

EU, ILO announce €20m project for skills

FROM PAGE B1

"The ILO has been playing an important role in different sectors of Bangladesh over the years and now the moment has come to build the national skills development system," said Guy Ryder, director general of the ILO.

The Skills 21 Project will build on the past achievements and ultimately provide greater access to quality vocational training for men and women alike.

"A modern and inclusive skills system will provide a solid base for the future development of Bangladesh."

The ambition of the project is to strengthen the institutions of vocational education in Bangladesh with the view to building a qualification of framework and engaging the private sector actively, Ryder added.

"This initiative will support the government's commitments toward inclusive economic growth and full and productive employment for all," said Nurul Islam Nahid, education minister.

A skilled and productive workforce will make a major contribution toward Bangladesh's goal of becoming a middle-income country by 2021.

The project will help in creating an effective, demand-driven skills system that will meet the needs and aspirations of Bangladeshis, especially the two million who enter the workforce every year, Nahid added.

The EU earlier ran a programme to reform the country's technical vocational education and training system.

The programme, which ended in December last year, successfully established the foundation for the new, demand-driven, competency-based system for skills development in Bangladesh, the ILO said in a statement.

Md Sohorab Hossain, education secretary, signed the partnership agreement on behalf of the Bangladesh government, and Mayaudon and Ryder on behalf of the EU and ILO respectively.

PPP opens path for skills development: economist

FROM PAGE B1

Almost 2 million people are entering the job market every year, but the fact is that many of them are not skilled, said Moinuddin Ahmed, first vice-president of Bangladesh Garment Manufacturers and Exporters Association.

The main reason is that there is a missing link between the industry demand and the country's educational system, he said, citing the case of the garment sector in 2014.

The sector was searching for about 70,000 textile engineers in 2014 but managed to get about 5,000 in the end.

"We need to identify the reasons for the huge gap between the demand and supply."

Conventional education for medicine and engineering is still popular in the country.

"But we need to popularise the vocational and technical education, which is popular in many developed countries. We have to convert our population into a skilled labour force," Ahmed said.

Employers usually do not want to recruit those who do not have prior experience, said Benjir Ahmed, president of the

Bangladesh Association of International Recruiting Agencies. "It's a major problem and it has to be addressed."

The country's educational system is based on certificates and not on acquiring a certain level of technical ability. "The whole educational system should be reorganised so that everyone can get a job," he added.

Ejaj Ahmed, founder president of the Bangladesh Youth Leadership Centre, stressed family-level awareness and motivation for adopting vocational or technical education. "Why would everyone have to study on MBA?" he questioned.

Anir Chowdhury, policy advisor of a2i programme, presented a keynote paper on apprenticeship development in Bangladesh,

while Eva Majurin, enterprise specialist of ILO Decent Work Team for South Asia, and Francis De Silva, senior specialist of Bangladesh Skills for Employment and Productivity Project of ILO Bangladesh, presented two papers on youth entrepreneurship.

Arif Dowla, managing director of ACI, moderated the session.

Graduates dominate decent jobs

FROM PAGE B1

A decent job is permanent with written contract, 'decent' working hour and earnings along with essential institutional features like leave, pension and termination notice.

The study also said electricity shortage is seen as the main detriment to the business

environment while the lack of skilled employees is seen as the second worst detriment to the business environment.

The findings of the study were presented at a seminar on 'skills for decent employment -- an effective means of social transformation' at the Dhaka Skills Summit at Sonargaon Hotel in Dhaka.

Tax receipts rise 18pc on political calm

FROM PAGE B1

"We also expect good growth in direct tax collection," he said, citing increasing registration for electronically generated taxpayer identification numbers and the launch of online filing of returns. Despite improvement in collection, Mansur said the overall collection target is unlikely to be achieved. It is overambitious, he added.

The government set a Tk 203,152 crore

tax collection target for NBR this fiscal year ending in June next year, which was 31 percent higher than the total tax receipts of Tk 155,518 crore in fiscal 2015-16.

Overall collection until October was one-fourth of the total target. But Rahman said he and his colleagues are hopeful of hitting the target by the end of the year.

"We will be achieving our target at the end of the day."

The collection target for NBR this fiscal year ending in June next year, which was 31 percent higher than the total tax receipts of Tk 155,518 crore in fiscal 2015-16.

Md Sohorab Hossain, education secretary, signed the partnership agreement on behalf of the Bangladesh government, and Mayaudon and Ryder on behalf of the EU and ILO respectively.

The EU earlier ran a programme to reform the country's technical vocational education and training system.

The programme, which ended in December last year, successfully established the foundation for the new, demand-driven, competency-based system for skills development in Bangladesh, the ILO said in a statement.

Robi CEO Mahtab Uddin Ahmed speaks to thank stakeholders for supporting its merger with Airtel at a corporate event at the Westin hotel in Dhaka on Saturday.

ROBI



Apex Footwear Ltd opened three new stores in Paltan, Farmgate and Pallabi in the capital on Sunday. Syed Gias Hussain, additional managing director of the company, and Rajan Pillai, chief operating officer, were present at the opening ceremony.

APEX