



MD Rezaul Haque, a freedom fighter and chairman of Social Islami Bank, and Ihsanul Aziz, managing director and CEO (current charge), attend the two-day annual business conference of the bank for 2017, at the Westin Dhaka hotel on January 13.

India's top court queries land use in special economic zones

REUTERS, New Delhi/Mumbai

India's Supreme Court has asked seven states why land bought for industry is lying idle, raising questions about the benefit of special economic zones amid rising conflict over land.

The zones have provoked controversy in India, which needs to create new economic opportunities for its fast-growing population. Hoping to imitate China's manufacturing success, India introduced the so-called SEZ Act in 2005, issuing hundreds of approvals. Now the results are coming under scrutiny.

This week, the top court sent notices to seven Indian states, giving them a month to respond to a petition by an advocacy group which says about 80 percent of land bought for SEZs in the past five years was unused - much of it agricultural land.

"We have issued notices to seven states on the plea of the petitioner," a bench headed by Chief Justice JS Khehar said.

Special economic zones (SEZs) offering tax incentives to companies have cropped up

around the world in recent years, but the World Bank says they have had mixed success in boosting export earnings or economic growth.

In India, of the almost 5,000 hectares (12,355 acres) of land acquired for SEZs in the last five years, only 362 hectares have been used for their intended purpose, according to SEZ Farmers' Protection Welfare Association, which filed the petition. "Farmers have been devastated by the loss of their land," said lawyer Colin Gonsalves, who is representing the group.

"Not only have they lost their land, they have also been denied alternate jobs as the promised industrialisation didn't take place," he told the Thomson Reuters Foundation.

Gonsalves said the Supreme Court also sent a notice to the country's industry ministry.

"When we receive the notice, we will respond accordingly," said TV Ravi, a director with the industry ministry.

"We are not considering any changes to the policy as of now. If investors don't come, then we may rethink it," he said.

Conflicts over land have risen in India as

demand grows for infrastructure projects to drive growth and boost development for its 1.3 billion citizens.

Farmers reluctant to give up land have clashed with state authorities, stalling major projects and putting billions of dollars of investment at risk, according to research published in November.

A 2013 report by the Indian government's auditor showed that only 62 percent of land for SEZs was used for its intended purpose of boosting manufacturing, exports and jobs. They generated less than 8 percent of jobs forecast, it said.

The report also found that in several SEZs, land has been denotified and sold to private developers for higher prices.

"There are a number of irregularities around SEZs, which have become speculative real estate deals for developers," said E.A.S. Sarma, a land rights campaigner who has studied SEZs in the southern state of Andhra Pradesh.

"We need a review of all SEZs - if the land is not being used, it should be returned to its original owners," he said.

EU, US strike deal to boost transatlantic insurance market

REUTERS

The European Union and the United States agreed on Friday to reduce legal and capital barriers to boost the \$3 billion transatlantic insurance and reinsurance market.

The accord has been under negotiation for more than a year and follows an agreement last year on derivatives.

US and EU representatives said in a joint statement they had reached a deal "that will ensure ongoing robust insurance consumer protection and provide enhanced regulatory certainty for insurers and reinsurers operating in both the US and the EU."

Under the deal, EU and US authorities will lift requirements for reinsurers to hold more capital against risks if they operate from the other side of the Atlantic, eliminating one key hurdle for cross-border expansion.

Insurers will also benefit from lower supervisory requirements, a move expected to reduce costs.

"This is a major deal that is set to benefit

insurers, reinsurers and policy holders on both sides of the Atlantic," said the EU financial services commissioner, Valdis Dombrovskis.

The deal paves the way for EU companies to increase their market share in the United States and for US companies to sell their policies more easily in the 28 European Union countries.

The deal needs approval from the European Parliament and US Congress.

Two powerful Democrats on US congressional committees said in statements on Friday that they will review the agreement to make certain that it leads to more balanced treatment of US insurance companies.

"I look forward to closely studying the agreement and consulting with stakeholders to ensure that the agreement successfully addresses EU discrimination against the US insurance and reinsurance industries," said Representative Richard Neal of Massachusetts, the most powerful Democrat on the US House Ways and Means committee.



A worker adjusts European Union and US flags at the start of the second round of EU-US trade negotiations for Transatlantic Trade and Investment Partnership at the EU Commission headquarters in Brussels.

US retail sales rise as wholesale inflation slows in December

AFP, Washington

US retail sales rebounded in the final month of 2016, but driven almost entirely by autos, while wholesale inflation slowed slightly in the world's largest economy, the government reported Friday.

Consumers spent the most since April for light trucks and cars, the Commerce Department report showed, but spending on anything besides autos was nearly flat.

The figures also pointed to a continuation of consumer trends in shopping, with online businesses seeing rising sales, while department stores moved fewer goods off the shelves.

On a seasonally adjusted basis, sales in retail and food services rose 0.6 percent in December to \$469.1 billion, far faster than the 0.2 percent rise in November, but slightly below an analyst consensus forecast.

December sales were 4.1 percent higher than the same month in 2015, and sales for the whole year, were up 3.3 percent over 2015.

Motor vehicles and parts dealers saw the strongest monthly gains, with sales jumping 2.4 percent, the fastest monthly gain in eight months.

But excluding autos, retail sales grew at a far more tepid pace of 0.2 percent.

Non-store retailers -- such as online marketplaces and mail-order vendors -- saw gains of 1.3 percent but department stores went in the opposite direction, falling 0.6 percent in December.

Restaurants and bars also had a slump with business falling 0.8 percent, the biggest drop since January 2016.

In a separate report, the National Retail

Federation said holiday retail sales in November and December rose four percent over the same period in 2015 to \$658.3 billion, with "non-store" sales rising nearly 13 percent.

NRF President Matthew Shay said the numbers showed the current economic recovery was gaining pace and that "consumers feel good about the future."

An index of consumer sentiment published Friday by the University of Michigan fell slightly for January to a preliminary estimate of 98.1 after surging in December.

Ian Shepherdson of Pantheon Macroeconomics said the retail sales numbers from the end of the year could be subject to large revisions but questioned recent strong consumer confidence numbers.

"This might be nothing more than a question of lags but we wonder if the consumer confidence surveys do a relatively poor job of capturing the response to the election of young people, especially minorities, who voted heavily for Clinton," he wrote in a research note.

"It's hard to explain why headline confidence has jumped so much given that (President-elect Donald) Trump lost the popular vote by" three million ballots.

Meanwhile, the Producer Price Index, which measures prices from the seller's perspective, rose 0.3 percent in December, after a 0.4 percent rise in November, the Labor Department reported.

Excluding the more volatile categories of food and fuel, prices were up only 0.2 percent.

PPI for 2016 rose 1.6 percent over the prior year, the largest 12-month increase recorded since September 2014.

2016 a poor year for French cinema abroad

AFP, Paris

International cinemagoers lost their taste for French films last year, especially in Asia, French cinema promoter Unifrance said Friday.

In 2016, French-made films sold 34 million tickets abroad, a fall of 70 percent compared to 111.4 million in 2015, a bumper year, it said. It was also the first time in 10 years that the annual figure was less than 50 million tickets.

The fall was in part due to the stellar success of French films in 2015.

The 2015 crop included the English-language blockbuster "Taken 3", produced by Luc Besson's Europacorp company, and the animated version of Antoine de Saint-Exupery's novella, "Le Petit Prince".

In 2016, French movies also lacked a hit comedy as well as a stand-out "film d'auteur" -- the arthouse movies that traditionally are a French strength.

"The 2016 figures aren't good," admitted Isabelle Giordano, chief executive of Unifrance. "It makes us realise that we can't always rely on Luc Besson and that we should push all producers who want to produce internationally."

The fall in interest abroad was most marked in Asia. The Chinese audience plummeted by over 93 percent. There was a 61-percent fall in anglophone North America, down to 6.3 million tickets sold.

The biggest overseas market for French films remains Western Europe. Even there the 16.9 million cinemagoers last year represented a 39 percent fall from the 2015 figures.

French cinema has higher hopes for this year with Besson riding to the rescue with the sci-fi action movie "Valerian and the City of a Thousand Planets," due in the summer.

Sony Entertainment CEO exiting for a top role at Snap

REUTERS, Los Angeles

Sony Entertainment Chief Executive Michael Lynton will step down to become chairman of the board of messaging app owner Snap Inc, a move that puts an experienced Hollywood executive in a prominent role as the technology company prepares for an initial public offering.

Lynton will give up his current position at Sony's movie and television unit on February 2 but remain as co-CEO for six months to help find a successor, Japanese conglomerate Sony Corp said in a statement on Friday.

Snap, the owner of the popular Snapchat app, is expected to go public early this year, vying for a \$25 billion valuation. Lynton was an early investor in the company co-founded by 26-year-old CEO Evan Spiegel, and has served on its board for nearly four years.

The Venice, California-based company has made a push into news and entertainment content, a strategy that heightened competition with social networks such as Facebook Inc and Twitter Inc. In 2015, it began sharing video and articles from TV networks such as CNN and ESPN on a feature called Snapchat Discover.

It also signed deals in 2016 with media companies such as Walt Disney Co and Comcast Corp's NBCUniversal to have them produce original shows for Snapchat.

Lynton, in a 13-year career at Sony, oversaw hit movies including the "The Social Network" and James Bond film "Skyfall," but the studio has lagged behind competitors in box office share and big hits over the past year.

The TV studio under Lynton also produced successful shows such as "Breaking Bad" and "The Blacklist."

Lynton's tenure at Sony Entertainment was also marked by a devastating computer hack in 2014 that exposed a trove of embarrassing e-mails and employee data. The cyber attack, which the United States blamed on North Korea, crippled the studio for months and prompted an executive shuffle.

Sony Chief Executive Kazuo Hirai will take on a larger role at the entertainment division, adding the position of co-CEO and chairman of the unit, the company said. The Tokyo-based Hirai will add a second office in Culver City, California, where the film studio is based.

"As we look ahead, we see our entertainment businesses as essential parts of Sony," Hirai said. In November, Sony Chief Financial Officer Kenichiro Yoshida said a turnaround of the movie division was "progressing, but it takes time for the benefit to be realized."

Nintendo disappoints with \$299 price for new Switch console

REUTERS

Nintendo Co Ltd on Friday priced its first console in about four years above market expectations, disappointing investors and clouding its prospects of winning back gamers who have shifted from consoles to smartphones.

The Japanese firm said it will launch the Switch, a hybrid home console and handheld device, on March 3. It will be priced \$299.99 in the United States, the same as Nintendo's current Wii U console, whereas in Japan, it will cost about 20 percent over its predecessor at 29,980 yen.

Nintendo, which began by making playing cards in the late 19th century, is counting on the Switch to revive its earnings which rely heavily on console sales.

But the pricing left Nintendo shares ending at a two month low after falling as much as 6.3 percent. That compared with a 0.8 percent gain in the benchmark Nikkei 225 share price index.

"Pricing at around 25,000 yen would have been received well but the pricing is on the high side," said Fumio Matsumoto, senior fund manager at Dalton Capital in Japan.

"The machine can be used both as a home console and handheld device so the higher price is understandable to some extent, but there aren't really enough software titles to justify that start price," he said.

Nintendo's Wii console, which debuted in 2006, captured casual gamers with popular fitness and sports features, propelling the firm's profit to record highs.

But the succeeding Wii U flopped due to a dearth of popular game titles and a consumer migration to smartphone games, pushing the company into a loss for three consecutive years through March 2014.

The company finally entered mobile gaming last year by bringing its Super Mario Bros franchise to Apple Inc's iPhones, but it still sees console gaming as central to its business.

Analysts said the Switch is likely to

offer a richer game lineup than its predecessor as the new console is powered by processor chips based on game developer-friendly architecture by designer ARM.

Nintendo said more than 50 game software makers are developing 80 titles for the Switch. Of those, eight will be available at the time of launch in Japan, including "The Legend of Zelda: Breath of the Wild."

But some industry watchers are cautious about potential difficulties for developers.

"It is a console with a complicated controller setup and that means game makers have to create titles to fit with that, which is a problem," said Kenji Ono, an independent gaming journalist.

"Also it is unclear how it connects with online gaming and there was no announcement of how it links up with (smartphone games) Pokemon Go or Super Mario Run." Nintendo previously said it expects to ship 2 million Switch consoles by the end of March.



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