

Mexico economy grows in 2016 but Trump jitters hit

AFP, Mexico City

Mexico enjoyed solid economic growth last year before uncertainty struck over the impact of US President Donald Trump's trade policies, official data showed Wednesday.

The 2.3-percent growth in 2016 was in line with expectations but slightly less than the previous year's 2.5-percent expansion, the National Statistics Institute said.

The institute's data showed that in the fourth quarter, growth in Latin America's second-biggest economy slowed to 0.7 percent from 1.0 percent the previous quarter. That coincided with Trump's election victory in November. Trump has vowed to crack down on US companies producing in Mexico, in a bid to see jobs shifted back to the United States.

He has called for renegotiations this

year of the North Atlantic Free Trade Agreement with Mexico and Canada.

Increasing barriers to US trade with Mexico could hit the Latin American country hard since it sends 80 percent of its exports to the United States.

Mexican economist Jonathan Heath told AFP that consumer and business confidence indicators had reached record lows.

"These data are telling us that the possibility is increasing that the economy may enter recession in the first half of this year," he said.

"In the second half we could recover, but that will depend on the negotiations."

The Bank of Mexico revised downwards its 2017 growth forecast from between 2.0 and 3.0 percent to between 1.5 and 2.5 percent after Trump's victory in November.

AK Khan to develop solar power plants with Norway's Scatec

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The power purchase agreement with the government is one of the main issues for establishing solar-based power plants. Another is availability of land.

"Land is a challenge and an opportunity," he added.

Headquartered in Oslo, Scatec Solar is an integrated independent solar power producer. It builds, owns, operates and maintains solar power plants.

Already, it has an installation track

record of close to 600MW. Currently, it is producing electricity from 322MW of solar power plants in the Czech Republic, South Africa, Rwanda, Honduras and Jordan, said the statement.

Founded in 1945, AK Khan & Company Ltd has a track of forming joint ventures with foreign companies.

The company has played a pioneering and leadership role by establishing financial institutions, deep sea fishing and telecommunication, said the press release.



Board members of Micro Industries Development Assistance and Services (MIDAS) Rokia A Rahman, Mahabbat Jan Chowdhury, Shaikh A Halim, Bazlur Rahman Khan, Sabina Alam and Managing Director ASM Mashi-ur-Rahman welcome new chairman of MIDAS Parveen Mahmud, at a board meeting on February 20.

Hotel Agrabad's CEO receives lifetime achievement award

STAR BUSINESS DESK

HM Hakim Ali, CEO of Hotel Agrabad in Chittagong, has recently been honoured with a lifetime achievement award for his contribution to the tourism and hospitality sector.

The Department of Tourism and Hospitality Management of Dhaka University handed over the award to Ali, the hotel said in a statement yesterday.

President of South Asia Tourism



Federation and Bangladesh International Hotel Association, Ali received another lifetime achievement award for the same reason from The Bangladesh Monitor, a fortnightly magazine on tourism.

Civil Aviation and Tourism Minister Rashed Khan Menon handed over the award to Ali at a programme at the Westin Dhaka hotel. Kazi Wahidul Alam, editor of The Bangladesh Monitor, was also present.

New additional managing director for UCB

STAR BUSINESS DESK

Md Tariqul Azam has recently been promoted to additional managing director of United Commercial Bank (UCB).

He has been serving the bank as chief risk officer since 2012, the bank said in a statement yesterday.

After completing MBA in finance from the Institute of Business Administration under Dhaka University in 1979, Azam started his banking career as a senior officer of Sonali Bank in 1980.

He joined UCB as a member of the senior management team in 2006, according to the statement.



ANWAR GROUP

Group Managing Director of Anwar Group Manwar Hossain receives a bouquet of flowers after being elected as the new chairman of Bangladesh Auto Re-Rolling and Steel Mills Association, at an annual general meeting of the association.

Robi counts losses in 2016 after four years of profits

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However, at the end of 2015 the two operators' active customer base stood at 3.83 crore, meaning a decline of 11.75 percent, according to the Bangladesh Telecommunication Regulatory Commission.

"Year 2016 started with a challenging environment arising from biometric SIM re-registration compliance imposed by the regulator. Impact of this regulation slowed down new activation and subscriber growth had been stagnant," Robi said.

"The stagnant situation got exacerbated while the regulator decided to deactivate unregistered SIMs," it added.

The BTRC said the merger procedure has not been completed yet as there are some conditions that remain to be fulfilled.

"Without settling the fees and charges

and spectrum issues, from our perspective we can't say the merger is completed," said Md Jahurul Haque, legal and licensing commissioner of the BTRC. "There are huge issues left and those must be resolved to declare the merger complete," he added.

The operator contributed Tk 2,110 crore to the government exchequer during the year, which is 40.1 percent of its total revenue. Since inception in 1997, Robi has paid more than Tk 17,880 crore to the national exchequer.

The operator distributed Tk 290 crore as dividends to its shareholders.

"We are now creating the number one network which will deliver the widest mobile network coverage and superior mobile services experience to our subscribers," Ahmed added.

WTO countries set out to cut trade barriers

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"Second, it means we can now start implementing the agreement, helping to cut trade costs around the world. It also means we can kick start technical assistance work to help poorer countries with implementation." This would boost global trade by up to 1 trillion dollars each year, with the biggest gains being felt in the poorest countries. The impact will be bigger than the elimination of all existing tariffs around the world, Azevedo said.

A TFA facility was created at the request of developing and least-developed countries to help ensure that they receive the assistance needed to reap the full benefits of the TFA. Developed countries have committed to immediately implement the TFA, which sets out a broad series of trade facilitation reforms, the WTO said. Earlier, the WTO adopted the TFA in its ninth ministerial conference at Bali in Indonesia in December 2013 to simplify trade rules and reduce the cost of doing business worldwide.

Export, remittance to rise: MCCI

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Manufacturing activities showed signs of improvement, thanks to a peaceful political scene in the country, said the business body. The manufacturing sub-sector grew 11.69 percent in FY16, 1.38 percentage points higher than 10.31 percent in the previous fiscal year. The large and medium scale industries sub-sector performed much better than the small scale industries.

The services sector performed better, compared to the previous fiscal year. Despite a sluggish investment situation, growth of the services sector increased by 0.45 percentage points to 6.25 percent in FY16 from 5.8 percent in FY15.

However, the chamber body said to achieve the target of becoming a middle-income country by 2021, the government will need to increase the rate of economic growth, accelerate exports, attract more investment and improve the overall infrastructure.

The government will have to improve the country's road and rail infrastructure, develop port facilities, increase power and gas production, and remove other infrastructure bottlenecks to achieve higher growth.

At the same time, impediments such as the delay in execution of development projects, lack of skilled manpower and absence of decentralised government administration must be removed to restore the confidence of the country's business and investor community.

Dhaka's economic activities unplanned: analysts

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"Dhaka is a country within a country and it is estimated that about 40 percent of the total urban population lives here," said Khan.

Khan urged the government to take the right policy to decentralise Dhaka to reduce congestion.

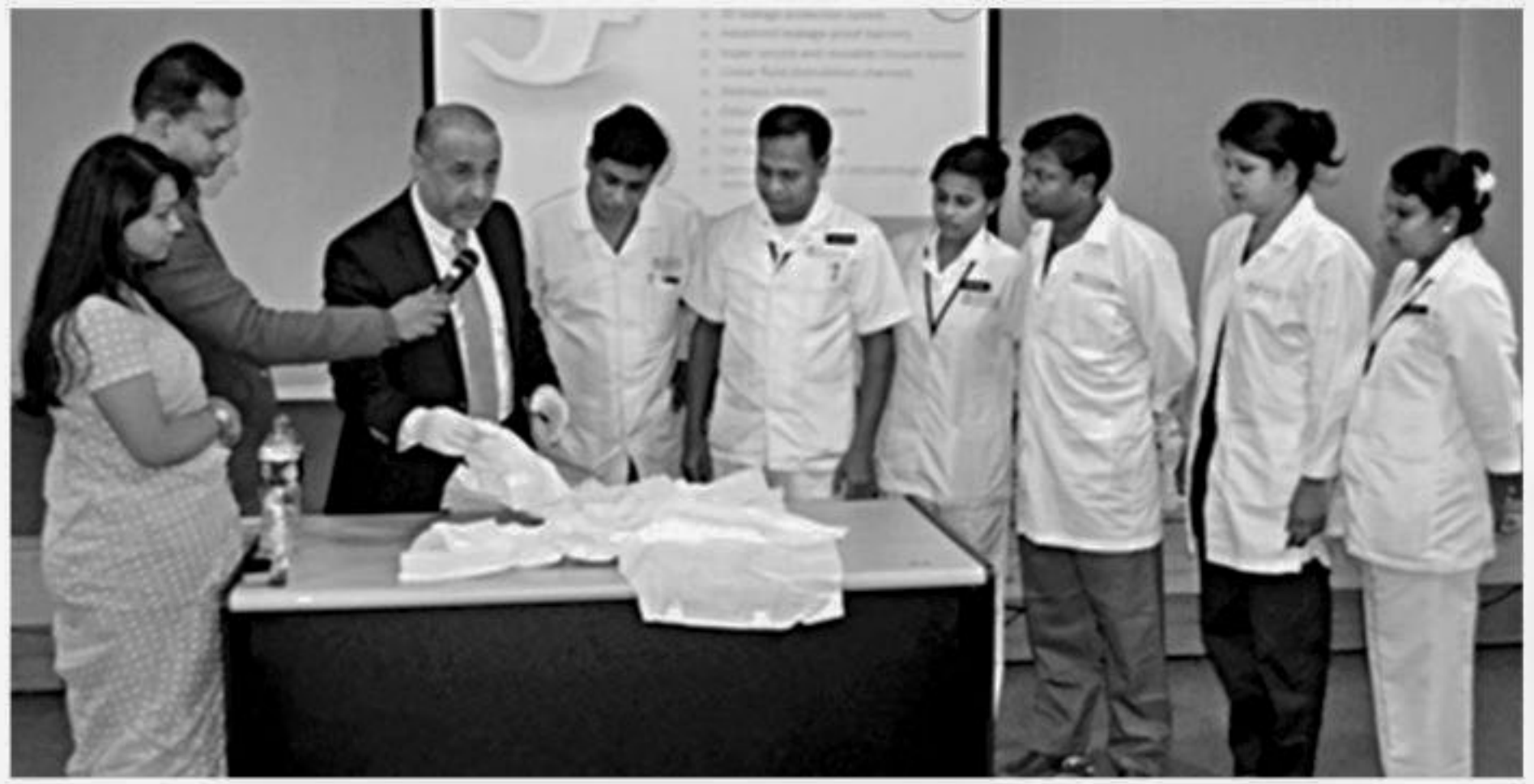
"We need to take dual strategies -- one is for Dhaka and the other for sub-urban areas across the country, to attain sustainable growth," said Rahman of PPRC.

Both will have to be prioritised equally as without the revival of the suburbs, it will be impossible to reach the goal of becoming a middle income country, he added.

He also stressed the need for connecting Dhaka with the south, north and east of the country to decentralise the business activities.

"Dhaka is the economic hub of the country but we are looking at only the modern areas like Gulshan and Banani. Old Dhaka is an important part as well." He called upon policymakers to focus on old Dhaka to facilitate the SME businesses.

Martin Rama, chief economist of World Bank South Asia, emphasised sanitation, electrification and infrastructure development of the city.



FAIR FOOD & LIFESTYLE

JM Taslim Kabir, head of marketing at Fair Food and Lifestyle, a concern of Fair Distributions Ltd, and Oguzhan Mete, country sales manager of Hayat Kimya, attend a programme at Square Hospitals in Dhaka to highlight the products of Fair Food.

Govt steps in as top retailers boycott apparel summit

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Furthermore, the police recently closed down several trade union offices, the statement said.

While most of the detainees were recently released on bail, in response to international pressure, they continue to face criminal charges that carry the potential of long jail sentences and must make frequent court appearances, in some cases nine times per month.

"It underscores growing international concern over the deterioration of labour rights in the Bangladesh garment industry."

Md Ibrahim, one of the arrested union leaders, told CCC: "There appears to be a concerted effort by part of the industry and the government to suppress any activity that seeks to enable workers to enjoy their rights. This has a chilling effect on all organising."

With the boycott of the summit, leading brands are sending a clear message to the BGMEA and the Bangladesh authorities, the three rights group said.

"Unless all detainees are released, unsubstantiated charges are dropped, and other acts of intimidation and

harassment of trade unions are stopped, they cannot credibly participate in a summit on "sustainable growth" of the industry."

Against this backdrop, Mujibul Haque Chunnun, state minister for labour and employment, at an emergency press conference yesterday, said the government will help the detainees get bails.

More than 30 leaders and workers have already been granted bails, he said, adding that four are yet to get bails.

All closed offices of registered trade unions in Ashulia will be allowed to reopen from Saturday, the minister said.

Moreover, the government will also facilitate the terminated or suspended workers to rejoin their previous jobs or realise their dues and job benefits from factories.

"The government has been taking steps so that the retailers and brands join the summit -- we are hopeful that they will change their decision."

The BGMEA has been contacting the government and some other rights groups so that the companies participate in the summit, he added.



SEVEN RINGS CEMENT

CEO and Director of Seven Rings Cement S Raihan Ahmed attends the annual sales conference of the company. Chief Marketing Officer Asadul Haque Sufyani was also present.



BRITISH COUNCIL

Kabir Bin Anwar, director general (admin) of the Prime Minister's Office, attends the third Social Enterprise Forum at the main office of British Council on Fuller Road in Dhaka on February 22. British Council in collaboration with the Access to Information Programme of the PMO organised the event.