

PwC posts record revenues

FINANCIAL TIMES
PwC posted record revenues of \$38bn in the latest financial year on the back of growth in its advisory and audit divisions, although the firm narrowly failed to regain the title of the world's largest accountancy firm from Deloitte.

Like its rivals, PwC has reduced its reliance on audit fees over the past decade by pushing into other more lucrative areas, such as consulting and tax advice.

The 7 per cent increase in revenues in the year to the end of June was boosted by growth of the advisory division, which provides companies with consulting and strategic advice. Revenues in the advisory arm rose 8 per cent, while those in assurance — where the majority of audit work takes place — increased 6 per cent.

However, PwC's revenues fell just shy of those posted by Big Four rival Deloitte, which last year overtook PwC as the world's largest accountancy. Deloitte has so far maintained its lead after reporting annual revenues of \$39bn last month.

PwC chairman Bob Moritz said competition with his larger rival was not a concern. "I am not interested in being the biggest, I would rather be the best," he said. "We watch them, but we don't chase them."

He added: "I am happy with the results

— they are balanced across where we were trying to focus. There is room for improvement, but it was a really difficult market place in terms of economics, politics and everything else."

Mr Moritz said the audit division — which last year picked up several large clients including Allianz, Rolls-Royce and Deutsche Bahn — would remain an integral part of its business.

He said: "We want to be a main player in the assurance business. There is a limit to what we can win in audit share, but there are audit opportunities. As long as we stay within that balance of 25-30 per cent market share of audits, I feel good about where we are."

PwC also disclosed for the first time on Thursday the results of its internal review of the audits it carries out for companies. The accounting firm said that 93 per cent of audits were compliant with its expectations in 2016, and that a similar level of audits were compliant in the two preceding years.

The UK's accounting watchdog similarly said in June that of the 27 PwC audits it reviewed over the previous year, 93 per cent were considered "good".

PwC's workforce grew 6 per cent in the 12 months to the end of June to 236,235 staff. This included a record 59,252 new hires at the firm, with the largest headcount increases in Asia and Eastern Europe.

Novoair cuts airfare on five routes

STAR BUSINESS REPORT

Private airline Novoair yesterday reduced airfares on five domestic routes—Chittagong, Cox's Bazar, Jessore, Saidpur and Sylhet—to attract more domestic travellers.

The lowest one-way fare on Dhaka-Chittagong route is Tk 2,500, Cox's Bazar Tk 3,900, Jessore Tk 2,700, Saidpur Tk 2,700 and Sylhet Tk 2,700, the carrier said in a statement.

The airline started its operation in 2013. Currently, it operates five flights to Chittagong, three flights to Jessore and Saidpur, two flights to Cox's Bazar, one flight to Sylhet and Kolkata every day.

NBR releases result of income tax practitioners registration

STAR BUSINESS REPORT

Some 8,149 out of the 15,990 examinees have passed in the written test for Income Tax Practitioners Registration-2017, the National Board of Revenue said yesterday.

The tax administrator also withheld results of 11 candidates. The results could be found on the NBR website.

The NBR urged candidates to dial 48314059 during office hours, if anyone has any query regarding result.

The tax administration will later announce the schedule for viva voce.



Sohail RK Hussain, CEO of City Bank, and Vittorio Di Bello, regional industry head for Asia at IFC, sign the papers of an advisory agreement at a programme, to facilitate transformation across City Bank's SME and retail business functions.

Ken Hu, new CEO of Huawei

STAR BUSINESS DESK

Ken Hu started working as rotating and acting CEO of Huawei for six months with effect from October 1.

Rotating CEOs are responsible for the company's operations and convening and chairing meetings of the board of directors' executive committee and the company's executive management team.

Ken (Houkun) Hu is the deputy chairman of Huawei's board of directors and rotating CEO and member of



Ken Hu

the executive management team.

With nearly 30 years of experience in the telecom sector, Hu chairs Huawei's human resources committee where he is responsible for leadership and organisational development.

Hu joined Huawei in 1990. He also served the company as chief strategy and marketing officer, chief sales and service officer, president of global sales, regional president of Huawei Latin America and president of Huawei's Chinese market.

VAT law might have two rates

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Implementing the new VAT law by fiscal 2017-18 was one of the conditions for the IMF's \$1 billion Extended Credit Facility.

"I told them that the prime minister has decided to defer the implementation of the VAT law. Since the election is coming, now is not a good time for implementation."

But in 2020, the new VAT law will be implemented by the next government.

"In the primary stage, we were committed to implementing one rate and that would be 15 percent. But now, there are a few items on which VAT is 15 percent but the rates are 3 percent, 4 percent, 5 percent, 6 percent and 7.5 percent for most of the products," Muhiith said.

The latest development comes days after businesses and economists suggested that the revenue authority engage local research firms to carry out an independent study on the new VAT law's impact on various trade and industrial sectors when it comes into effect.

"We want an independent study to know the impact. It should not favour the business community. It should not favour non-compliant firms," said Md Shafiqul Islam Mohiuddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, at a meeting recently.



MHM Fairoz, CEO of Singer Bangladesh, opens Singer Fun Fair, a furniture and kitchen appliance expo, at the MA Aziz Stadium in Chittagong yesterday.

Digital payments to help save Dhaka \$1.5b a year: study

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By reducing reliance on cash, the study estimated the immediate and long-term benefits for three main groups -- consumers, businesses and governments.

According to the study, these benefits could add up to combined direct net benefits of around \$470 billion across the 100 cities.

The study found that consumers across the 100 cities could achieve nearly \$28 billion per year in estimated direct net benefits.

This impact would be derived from factors, including up to 3.2 billion hours in time savings conducting banking, retail and transit transactions, in addition to a reduction in cash-related crime.

Also, businesses across the 100 cities could achieve more than \$312 billion per year in estimated direct benefits.

This impact would be derived from factors, including up to 3.1 billion hours in time savings processing incoming and outgoing payments and increased sales revenues stemming from extended online and in-store customer bases.

The study also found that accepting cash and cheques costs businesses 7.1 cents of every dollar received compared to 5 cents of every dollar collected from digital sources.

Governments across the 100 cities could achieve nearly \$130 billion per year in estimated direct benefits.

This impact would be derived from factors, including increased tax revenues and economic growth, cost savings from administrative efficiencies and lower criminal justice costs due to reduced cash-related crime.

"The use of digital technologies -- from smart phones and wearables to artificial intelligence and driverless cars -- is rapidly transforming how city dwellers shop, travel, and live," said Lou Celi, head of Roubini Thought Lab.

"Without a firm foundation in electronic payments, cities will not be able to fully capture their digital future, according to our analysis."

The report made 61 recommendations for the policymakers to help their cities become more efficient through greater adoption of digital payments.

Recommendations include undertaking financial literacy programmes to help move the unbanked into the banking system, implementing incentives to stimulate innovation focused on scaling new payment technologies, implementing secure open-loop payment systems across all transportation networks and more.

Industrial park for pharma ingredients finally taking shape

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The cost has increased for incorporation of the construction of a 2,000-metre pipe to discharge treated water to Meghna River and a road, Bashed said, adding that they have sought an extension for the project's completion by another two years.

The industrial park is now expected to be complete in June 2020.

As of now, land acquisition and development, construction of other roads and power substation have been completed. "Now we have to ensure gas connection."

The establishment of the transmission line is delayed as Titas is demanding Tk 5.5 crore to set up connection, whereas Tk 3.5 crore is earmarked for the purpose. All companies save for one has made advance payment for leasing the plots for 99 years.

The government is offering each acre of land for Tk 2.9 crore and entrepreneurs will have to pay the total in instalments over a ten-year period at 10 percent interest, he added.

The drug makers who have got plots will get 180 days to submit their factory layout plans, which the BSCIC will have to approve in one month.

"Then the construction works will begin," he said, adding that 22,000 new jobs would be created through establishment of plants at the enclave. "This will reduce API imports," Bashed added.

Several local firms such as Globe, Beximco, Square and Eskayef Bangladesh manufacture some APIs, and their produc-

tion will increase gradually.

Yet domestic production is not enough to meet the demands of the pharmaceuticals industry, which manufactures about 8,000 generic drugs.

And more than 90 percent of the Tk 4,700 crore worth of raw materials are imported every year, according to a recent study by LR Global, an asset management firm.

As a result, the industry is vulnerable to external shocks, the report said, adding that local companies would be able to source at least half of their raw materials once the activities of the park start.

The park can open up the international API market to Bangladesh, said the report, which forecasts that Bangladesh's pharmaceutical sector can grow at 15 percent for the next five years riding on the expanded domestic market as well as new export frontiers.

Greater affluence among the poorest socio-economic group and a shift in disease profile are expected to drive the growth of healthcare expenditure in Bangladesh, it said, citing the rise of non-communicable diseases and a gradual move from acute to chronic diseases.

Presently, Bangladesh's pharmaceutical industry meets 98 percent of the local demand and exports to 151 countries.

In fiscal 2015-16, total drug sales stood at Tk 15,600 crore, according to the report.

Pharmaceutical export rose 9 percent year-on-year to \$89 million in fiscal 2016-17, according to the Export Promotion Bureau.

Indo-Bangla secretary level meet held

OUR CORRESPONDENT, Benapole

A secretary-level meeting of various ministries of Bangladesh and India took place at Benapole customs house yesterday.

BR Sharma, chairman of the Land Port Authority of India, chaired the meeting. Tapan Kumar Chakravorty, chairman of the Bangladesh Land Port Authority, was present among a host of senior government officials.

The Bangladesh and Indian delegates visited both Benapole and Petapole land ports and several departments after the meeting.

Mofizur Rahman Sazan, president of Benapole Customs Clearing & Forwarding Agents Association, said the delegates discussed bilateral issues, including expansion of trade between the two countries.

The Indian delegates also expressed willingness to help Bangladesh develop Benapole land port, he added.

Three-fourth bankers favour merger of banks: BIMB study

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Moreover, the new amendment to the Banking Companies Act to allow four members from a single family to become directors of the board will bring disaster for the sector.

He called upon bankers to raise their voice against the amendment that the cabinet has already approved.

SK Sur Chowdhury, deputy governor of the BB, said the central bank is ready to allow merger if banks want and a guideline has been formulated to this effect.

Toufic Ahmad Choudhury, director-general of the BIMB, said the banking sector needs an exit policy.

BIMB Supernumerary professors Helal Ahmed Chowdhury and Yasin Ali also spoke.

Textile chemical sector catches eye of foreign firms

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The demand for chemicals in Bangladesh has been increasing rapidly because of the growing denim industry, he said, adding that Bangladesh's performance in the denim segment is so strong that it overtook even China in the EU market.

At present, there are 425 spinning, 790 weaving and 250 dyeing mills that have about Tk 50,000 crore of investment tied up, according to data from Bangladesh Textile Mills Association. With the existing capacity, the primary textile sector can supply 90 percent of the raw materials for knitwear and 40 percent for woven sector. The rest of the demand is met through imports from China, India and Pakistan.

Pran bags \$5m spot orders at German food fair

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Rahman said the Anuga Fair brings traders and buyers from every corner of the globe under one umbrella.

This is the 14th time Pran took part in the fair. The main purpose is to expand Pran's export market, said Rahman.

At the fair, the food processor added Columbia to its list of export destinations.

Pran now exports products to 134 countries and it sent abroad products worth \$231 million in 2016-17.



Kazi Md Safayet Kabir, executive vice president of NRBC Bank, and Syed Sabbir Ahmed, executive director of Al Haramain Hospital, attend an agreement signing ceremony on Wednesday. Visa cardholders of the bank will get discounts on different medical tests at the hospital.



AKM Zayed, chief marketing officer of Anwar Group, and Brig Gen Md Abdul Hamid, deputy managing director of Bangladesh Machine Tools Factory (BMTF), attend an agreement signing programme. BMTF will use Anwar Cement as raw material of their construction products.