

Forty local companies to attend Texworld Paris

STAR BUSINESS REPORT

Forty Bangladeshi textile and garment companies will participate at Texworld Paris on February 11-14 next year. Noman Group has been chosen as an elite exhibitor and given space in the premium area of the show, said a statement from Messe Frankfurt, the organising company.

Companies from other countries such as India, Pakistan, China, Myanmar, Nepal and Cambodia will also take part.

"With such a wide range of countries, the show is the most important event for sourcing apparel items. Buyers come to the show expecting a wide variety of prices and quality," the statement said.

Texworld Paris hosts more than 1,000 exhibitors and offers a rich variety of products to professional buyers from all over the world.

It is particularly the best place to meet buyers from all over Europe, including the UK, the Netherlands, Germany and Turkey.

The Export Promotion Bureau (EPB) of Bangladesh will take part in the show with a limited number of booths. The EPB is providing discounts, with a garment booth costing Tk 3,00,000 and a fabric booth Tk 4,75,000.

French designer Eymeric Francois along with Texworld consultants Louis Gerin and Gregory Lamaud will organise a Bangladesh Fashion Show in Paris during the event.

Gerin and Lamaud have been working with Texworld for over 10 years and have been awarded the prestigious Golden Needle Award from ESMOD International, Paris.

Apparel Sourcing Paris, the number one European trade fair for worldwide apparel sourcing, will also take place at the same time and location.

Video games could be next for Snapchat, China's Tencent says

REUTERS, San Francisco/Hong Kong

Chinese gaming and social media company Tencent Holdings Ltd on Thursday flagged video games and ad sales as areas where it thinks it could help Snapchat owner Snap Inc after acquiring a 12 percent stake in the U.S. firm.

Snap disclosed in a U.S. regulatory filing on Wednesday that Tencent recently bought 145.8 million of its shares on the open market, fueling investor speculation about how the two companies might work together.

The U.S. social media company has struggled since its March initial public offering to meet analyst expectations for user growth, and it is locked in fierce competition for users and ad dollars with Facebook Inc.

In describing its stake, Tencent, the world's largest gaming company by revenue, implied a close relationship with Snap that could go beyond passive investing and involve assisting the U.S. company with strategy.

Investors treated Tencent's new stake as an investment rather than a step toward an acquisition, while analysts viewed the move as potentially more beneficial for the Chinese company than for Snap.

Shares in Snap fell 4.3 percent on

Thursday to \$12.35, adding to a 14.6 percent loss in the previous session. Snap went public at \$17 a share.

Morgan Stanley analysts late on Wednesday cut their rating on the stock to "underweight" because of competition from Facebook's Instagram, which has introduced features that mimic Snapchat's disappearing messages. A separate Morgan Stanley division was lead underwriter for Snap's IPO.

Tencent's shares do not have voting power and the company will not have a board seat. Snap said in its filing on Wednesday that Tencent notified it of the share purchases this month.

"The investment enables Tencent to explore cooperation opportunities with the company on mobile games publishing and newsfeed as well as to share its financial returns from the growth of its businesses and monetization in the future," Tencent said in an emailed statement. It also referred to the potential for newsfeed ads.

It was not immediately clear if Snap has the same plan. The California-based company declined to comment beyond its filing, in which it said it was inspired by Tencent's creativity and entrepreneurial spirit and grateful to continue a

productive relationship.

Snapchat does not have a Facebook-style newsfeed, but said on Tuesday that it was planning a redesign that could include such a feature.

Last year, PepsiCo Inc's Gatorade ran an interactive video game ad on Snapchat featuring tennis star Serena Williams. Beyond that and a few similar examples, the app has not offered mobile games.

Analysts said Tencent has benefited from its social media apps for the phenomenal popularity of its smartphone games such as Honour of Kings, and will need the help of local networks to fuel overseas growth.

Honour of Kings, based on Chinese historical characters, is the top-grossing mobile game in the world. It became so popular that Tencent in July curbed play time amid reports of addiction among children.

Tencent also owns Riot Games, developer of League of Legends, which is the most popular computer game in the United States and Europe according to research firm Newzoo.

Like other U.S. social networks, Snapchat is banned in China, although videos originating there are visible on the network presumably because of technological workarounds.

StanChart top official in town

STAR BUSINESS DESK

Anna Marrs, regional chief executive officer of Standard Chartered Bank for Asean and South Asia, has arrived in Dhaka for an official visit.

During the visit, she will meet with some of the bank's key stakeholders, regulators and clients, the bank said in a statement.

Her visit comes following recent changes in the bank's senior management, with Naser Ezaz Bijoy being appointed as the CEO of Standard Chartered Bangladesh.

Bijoy replaced Abrar A Anwar, who took charge of the bank's operations in Malaysia.

"Anna's visit reiterates the Group's strong commitment to drive commerce and prosperity in Bangladesh and aid the development of the nation's financial sector," said Bijoy in the statement.

"As the oldest financial institution in the country, with a heritage of over 112 years and deep local knowledge, we remain firmly committed to being a partner in progress to our nation."

Marrs is also the CEO of Standard Chartered's commercial and private banking business globally.

She joined Standard Chartered as group head of strategy and corporate development in January 2012. In her role as the head of strategy, Marrs led reviews of the bank's businesses globally, with notable projects focusing on Nigeria, China and India.

Prior to joining Standard Chartered, Marrs was a partner in McKinsey & Company's banking practice. She started her career at DE Shaw, a New York-based investment firm.

Marrs holds an MBA from London Business School and an undergraduate degree from Northwestern University in Chicago.



Anna Marrs



Matiur Rahman, chairman and managing director of the Uttara Group of Companies, poses for a photograph at Uttara Motors' "Dealers Business Meet 2017" in Dhaka on Thursday.

Banglalink's revenue falls 4.57pc in Q3

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Banglalink's gross income decreased and customer base shrank, meaning its average revenue per user declined 8.6 percent year-on-year to Tk 121.

The operator lost 38 lakh connections during last year's SIM re-verification process. As a result, its earnings dropped, said a senior official of the operator.

The report also said Banglalink is exploring alternatives to improve its capital structure ahead of 4G spectrum auction likely to take place in the first half next year, as the operator would have to spend heavily to buy spectrum and roll out 4G service.

Veon, a multinational telecom company headquartered in Amsterdam, said it is evaluating all options to improve Banglalink's capital structures.

"The proceeds from any such activity may be used for refinancing of existing debt and general corporate purposes (including capital expenditures)," said the financial

statement without giving any specifics.

Jean-Yves Charlier, chief executive officer of Veon, had told reporters in Dhaka in July that Banglalink is ready to sell all of its 9,000 towers to third parties in order to pool resources to invest to improve network quality.

The intention was made clear after Bangladesh Telecommunication Regulatory Commission decided to award three licences to manage mobile towers and separate telecom business from operators' network infrastructure.

Banglalink is keen to invest \$1 billion over the next three years to improve its service quality as well as support the government's Digital Bangladesh vision.

Since inception, the country's third largest mobile operator by subscriber base has invested over \$2.51 billion in Bangladesh and contributed \$2.4 billion to the national exchequer.

The operator's 3G coverage reached 70 percent population.

Sri Lanka new emission checks to hit tuk-tuk imports

AFP, Colombo

Sri Lanka will adopt tougher vehicle emission standards early next year, the finance minister said Friday, a move that will effectively halt the import of tuk-tuks from neighbouring India.

From January, the South Asian country will follow the environmentally-friendly Euro 4 emissions standard as adopted by European nations, Mangala Samaraweera said.

The new norms will have a huge impact on the import of tuk-tuks -- a favourite mode of transport in Sri Lanka, with 1.5 million already in the country.

Almost all come from India and are considered major pollutants.

The government had said in October it planned to restrict imports of the ubiquitous three-wheel taxis in a bid to reduce road accidents and congestion.

The announcement also comes as Sri Lanka moves to phase out fossil fuel vehicles by 2040, replacing all state-owned vehicles with electric or hybrid models by 2025.

"We are moving towards environmentally-friendly vehicles and we will insist on the new standards for all new imports into the country from the new year," Samaraweera told reporters in Colombo.

He added that the government would slash import taxes on three-wheelers that are electric-powered to help owners replace the current gasoline fleet.

The government will also arrange cheap credit for electric taxis and buses.

GE cutting staff ahead of new CEO's Monday overhaul

REUTERS, New York

General Electric Co is laying off sales staff and other employees in its software division, according to people familiar with the matter, ahead of new Chief Executive John Flannery's expected announcement on Monday of a plan to slash costs and jettison units in an effort to improve the company's profits.

The layoffs at GE Digital, based in San Ramon, California, affect about 100 sales people in the Americas, including those who sell GE's Predix industrial-internet software, according to two sources.

The software, central to GE's strategy under former Chief Executive Jeff Immelt, has been beset with technical problems, prompting GE to shift strategy.

The 125-year-old conglomerate is considering job reductions across all of its diverse businesses, the sources said. Struggling units such as GE Power are facing significant staff cuts, while aviation and healthcare businesses

could see lesser reductions, the sources said.

Reuters reported in August that Flannery intended to reduce corporate staff at its Boston headquarters significantly, a process that has begun, according to sources. The company has also slowed construction of its headquarters.

It is not clear how many more jobs Flannery now plans to cut, or how quickly. With 295,000 employees, even a 10 percent overall reduction would eliminate nearly 30,000 jobs.

At the digital business, which has about 13,000 people including legacy information technology staff, GE is not only cutting sales staff. It is also reducing the number of developers who create the software, according to the two sources, speaking on condition of anonymity.

Digital sales staff were given notice in recent days and told they could apply for about 19 remaining jobs in the division or other jobs at GE, the sources said.

GE declined to comment on specific

staff reductions, but highlighted its plan to cut \$3 billion in costs by the end of 2018. "Those actions include but are not limited to, employee reductions which have been well underway for many months," spokeswoman Jennifer Erickson said.

GE shares closed up 2.5 percent at \$20.49.

Analysts have slashed estimates for GE's 2018 earnings and expect a major restructuring plan on Monday as GE tries to pull out of a 16-year stock slump.

GE is likely to get much smaller and more focused, Jeff Sprague, an analyst at Vertical Research Partners, wrote on Friday. "It is also conceivable that looking out a few years, GE ceases to exist as we know it," he said, referring to a potential break-up.

"Staffing has to go down meaningfully," said a large Boston-based fund manager who invests in GE. The company spent billions on restructuring the last few years but without growth in operating profit, he added.

Govt moves to boost remittance inflow

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The other proposals include opening booths and help desks at airports such that remitters can deposit their hard-earned money securely just after arriving in Bangladesh.

The large network of post office and non-governmental organisations should be used to disburse remittance to the beneficiaries, the committee suggested. Another proposal is the introduction of a remittance card that would carry privileges such as priority services from high commissions and embassies, hospitals and schools.

The number of amenities would increase progressively with the amount of remittance sent home.

The government should also hold talks with the host countries such that the migrant workers can send any income earned outside of their employment contracts through the banking channel.

The finance ministry has forwarded the report to the BB and the ministry of expatriates' welfare and overseas employment on October 4 asking them to take the required measures.

The BB issued letters to all banks on October 4 instructing them to implement the recommendations.

Migrant workers sent home \$1.16 billion last month, up 14.85 percent from a year earlier and 35.83 percent from the previous month.

Remittance inflow in fiscal 2016-17 was \$12.77 billion, down 14.47 percent year-on-year.

NBR plans to lower flat registration cost

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The ownership of such flats should be changed hands with only 3 percent tax like the used cars, Alamin said.

He said the registration cost is the highest in Bangladesh among the Saarc countries.

The NBR is now giving emphasis on the housing sector to remove the barriers the realtors have long been facing at the time of selling flats, he said.

Currently, buyers have to spend 15.5 percent of a flat's cost for registration, which includes 4 percent gain tax, 3 percent stamp fee, 2 percent registration fee, 2 percent local government fee and 4.5 percent VAT.

Flat sales have decreased by 60 percent in recent times due to high registration costs while the rate of launching new projects has declined by 75 percent,

Alamin said.

The association also proposed a cut in the existing 35 percent corporate tax for developer companies to help them raise their paid-up capital, he said.

The REHAB has recently increased the paid-up capital ceiling to Tk 1 crore from Tk 10 lakh for a developer to get a membership of the association, Alamin said.

The higher paid-up capital will increase investment in the sector, he said.

The finance minister has asked the revenue authority to work on how to reduce the flat registration cost, said Jahangir Hossain, a member of the NBR.

A panel has also been formed to work on it, he said.

Currently, REHAB members are building around 15,000 to 17,000 flats every year, according to the organisation.

Azharul Islam, chairman of Uttara Bank, attends the fourth zonal heads' conference-2017 of the bank at its head office in Dhaka yesterday. Mohammed Rabiul Hossain, CEO, was also present.

UTTARA BANK

