

Emirates appoints new sales manager



STAR BUSINESS DESK

Emirates has recently appointed Mohammed Mohijur Rahman Javed as the new sales manager for its operations in Bangladesh. Obtaining a masters' degree in management from Bangladesh National University, he started his career as a sales executive in a local travel agency in 1994. He worked at leading travel agencies and reputed foreign airlines in various capacities at home and abroad for over 20 years and was last working as a sales manager for a leading foreign airline.

China's tech giants reach global elite with gamers, shoppers

AFP, Beijing

Powered by Chinese smartphone users splurging billions on mobile games and online shopping, China's tech giants Tencent and Alibaba are racing up the elite league of the world's most valuable companies.

Hong Kong-listed Tencent, famous for its games and WeChat messaging service, became the first Asian firm to break into the \$500 billion league last week -- briefly overtaking Facebook as the world's fifth biggest company in terms of market value.

Alibaba is just a few billion shy of joining its Chinese competitor at the top table of public listings -- and is already there when taking into account its private affiliates.

While the top five -- Apple, Google's parent company Alphabet, Microsoft, Amazon and Facebook -- thrive across the world, the two Chinese firms have made their fortunes by cornering China's own vast market of 750 million internet users.

Tencent and Alibaba do have a major advantage over American rivals because China severely restricts access to its internet, with Facebook and Google kept outside the "Great Firewall".

But they have also deftly tapped into smartphone technology to woo China's large, adaptable population.

"Chinese consumers' acceptance of new

technology is faster than nearly anywhere," said Zhao Chen, a managing partner at the China office of tech accelerator Plug and Play.

"Even my grandpa, who is 88 years old, uses WeChat and WeChat payment."

Tencent boasts nearly one billion monthly active users of WeChat, known as a "super app" for its combination of instant messaging, social media, mobile payment options, games and publishing.

Half of WeChat users spend more than 90 minutes a day on the app.

In smartphone games alone, the company's revenues surged by 84 percent in the third quarter, driven by the success of the "Honour of Kings" title.

Alibaba, meanwhile, has dominated the e-commerce market, with Chinese consumers flocking to its shopping platforms to buy everything from laundry detergent to Boeing 747s.

The firm created an annual sales promotion held during China's "Singles Day", with consumers spending a record \$25 billion on November 11 -- 40 percent up from last year.

Both companies have benefited from China's rapid smartphone adoption, with cheap phones flooding the market and bringing millions online for the first time.

"This is basically a story of the mobile

internet," said Shameen Prashantham, an associate professor at China Europe International Business School, of the tech giants' growth.

"This country leapfrogged the (personal computer) stage straight onto the smartphone stage."

Today, there are more than one billion smartphones running in China, according to iResearch. Both Tencent and Alibaba earn most of their revenue from mobile.

They have also developed mobile payment applications -- WePay and Alipay -- that are driving hundreds of millions of Chinese to pay for everything from groceries and eating out to water bills.

People simply aim their smartphone cameras at a "QR code", similar to a barcode, and click.

For merchants, the transaction fees cost just a fraction of swiping a credit card in most countries, and can be completed on the go.

This has also unlocked new business models, like for companies who offer sharing services, which now range from bikes to basketballs.

Although Alibaba and Tencent have grown in a protected corner of the internet, they have developed unique ways to rake in cash.

While Amazon takes a cut from the sale of goods like traditional retail, Alibaba takes a different approach.

The company earns most of its money from charging merchants to advertise on its Tmall and Taobao platforms.

"If you don't buy ads, you won't have any business," said Liu Song, owner of the Sweet Lisa Flagship Store, which sells women's dresses, rompers, and skirts on Alibaba's Tmall store.

Liu frequently buys those keywords on Alibaba's platform, paying anywhere from eight to 18 cents when shoppers click into his online store.

Unlike Facebook, Tencent earns most of its money from selling virtual items to its millions of users rather than selling their eyeballs to advertisers.

WeChat users pay for emoticons they send to friends; players of its slash-and-burn hit game "Honour of Kings" purchase new outfits for their characters for 30 yuan (\$5) up.

Recently, Tencent has begun to sell some advertising and analysts believe this could be its next big growth driver.

The world beyond China also offers opportunity, though neither Tencent or Alibaba can yet challenge their American rivals on the global stage.

Should US tech giants fret?

"Not really," investor Zhao said. "But they should be alert that Chinese companies are coming up with new business models that really work."

Gas exporters call for 'fair price' at Bolivia summit

AFP, Bolivia

Gas exporting countries, grappling with collapsed global markets, on Friday called for a "fair price" for the commodity after a summit in Bolivia.

The Gas Exporting Countries Forum seeks a "fair price for natural gas," taking into account its environmental benefits and energy efficiency, a declaration said.

The price of natural gas is linked to that of petroleum and its derivatives, and is down roughly 50 percent from peaks of three years ago -- partly from rising shale gas production in the United States, which does not belong to the Forum.

Bolivian President Evo Morales, one of the last Latin American leftist leaders, said producers should combat "those who want to appropriate our resources through abusive price manipulation."



MIDLAND BANK

Md Ahsan-uz Zaman, CEO of Midland Bank, and Sk Farid Ahmed, managing director of Silkways Card and Printing Ltd, the authorised agent in Bangladesh to manufacture and personalise Visa cards, exchange documents after signing a deal at the bank's head office in Dhaka yesterday. Silkways will manufacture and personalise Visa cards for the bank.



ONE PHARMA

KSM Mostafizur Rahman, managing director of One Pharma Ltd, attends the "Beginning of 3rd Year of Journey and Achievers' Celebration Programme" organised by the company at Bangabandhu International Conference Centre in Dhaka on Friday.

Next budget to be of Tk 468,000cr

FROM PAGE B1

"The next budget will be simple but it will not be uninspiring. I think we will win the next elections and the budget will be prepared accordingly."

The current budget of Tk 400,266 crore could be revised down by 7.31 percent to Tk 371,000 crore later in the year, according to the finance minister.

On the basis of the preliminary budget figure, the finance division will hold meetings with ministries and divisions before coming up with a final figure.

Muhith said this year's budget implementation has been progressing very well.

"In the last fiscal year, the ADP [annual development programme] implementation was not good enough. However, this time the ADP implementation rate is much better than last year's. Revenue earning has been good so far."

Muhith said the government had targeted to raise the number of taxpayers to 25 lakh this fiscal year.

But, it has already surpassed 32 lakh. "A big part of the number is young taxpayers."

Muhith said the planning minister has informed him that the GDP growth target of 7.4 percent set for the current fiscal year would be crossed.

The growth will surpass the target despite crop losses, according to the finance minister.

Muhith plans to allocate funds for the Rohingyas, who had fled violence in Myanmar, in the next budget as the government has to meet their daily needs.

The process to repatriate the Rohingyas is expected to start within a couple of months.

But Muhith said some of them might choose not to go back.

Small businesses getting into the tax optimisation game

AFP, Paris

Tax optimisation is no longer a matter just for the multinationals. A number of market players are now tailoring strategies originally drawn up for the corporate whales to the minnows, or small businesses and independent entrepreneurs.

Whether the businesses are active in imports and exports, or in services, recent scandals involving document leaks, such as the so-called "Paradise Papers" earlier this month, show that a wider variety of companies are trying to lower their tax bills.

"When people talk about tax evasion, they think about multinationals. But the problem affects smaller companies, too," said Oxfam France spokeswoman Manon Aubry, noting that owners of several small and medium-sized firms have also been caught up in scandals recently.

While tax evasion is illegal, there are a number of strategies that experts have devised for firms to structure their business operations to avoid tax.

Called tax planning, tax avoidance, or tax optimisation, these strategies stay within the letter of the law, if not the spirit. Nevertheless, they are spreading.

"These are practices that are going mainstream," said Christian Chavagneux, an editorialist at the French magazine, Economic Alternatives, who has written a book on tax havens.

He dubbed it "the democratisation of

fiscal optimisation," noting that the majority of the firms caught up in the Luxleaks scandal in 2014 were medium-sized.

Nevertheless, given the opacity of the practice, it can be difficult to measure exactly how widespread it has become.

Jean-Eudes du Mesnil du Buisson, head of the French confederation of small and medium-sized businesses, CPME, said there was "no doubt some small and medium-sized businesses involved, but it is far from being a common practice."

By contrast, Paul Duvaux, a Paris-based tax lawyer, said he has seen "frequent use" of these tax schemes by owners of small businesses.

"Multinationals don't have anything on small businesses," he said. "These are legal practices. They only have to use the tools available to them."

Manon Aubry of Oxfam France said that, in reality, the use of such schemes was somewhere between commonplace and niche.

"For multinationals, what is at stake financially is much greater. But the cost of access to these schemes is sufficiently low to make them interesting to small and medium-sized businesses, as well," she said.

Aubry pointed to a number of firms offering tax optimisation services that advertise on the internet, including helping businesses create subsidiaries in Luxembourg, or a European headquarters in Ireland, or creating offshore companies.

IT to beat apparel in exports by 2030: Palak

FROM PAGE B1

Replying to a question, he said all the earnings of some Bangladeshi ICT companies were not coming into the country as there were a lot of challenges in the process.

"We are trying to overcome all the challenges of the industry and address the issues as well."

Palak said he was personally sitting with some big companies working in different countries and asking them to bring in all of their earnings.

The government's ICT division recently appointed US-based global management consulting firm Boston Consulting Group to bring 50 leading ICT companies to Bangladesh in the next two years.

Palak did not say anything about the expense of the project. "Our target is to create scope for work," he said.

The minister said Bangladesh achieved "50 percent digitisation" so far and the next three to four years would be very crucial. He said the government targets to increase internet penetration rate to 100 percent by 2021 from the current 40 percent.

Secretary to the ICT Division Subir Kishore Choudhury, TRNB President Rased Mehedi and General Secretary Shamim Ahamed also spoke.

Dollar continues to get dearer

FROM PAGE B1

The import of food grains, capital machinery and industrial raw materials continues to rise, the BB official added.

"The current account balance posted a huge deficit in the first quarter of the fiscal year. This reflects the existing foreign currency shortage," said Rahman.

Between the months of July and September, the current account deficit stood at \$1.79 billion, in contrast to \$539 million in the surplus a year earlier, according to data from the central bank. During the period, the trade deficit widened to \$3.65 billion from \$1.56 billion a year earlier.



SUMMIT GROUP

Mohammad Latif Khan, vice chairman of Summit Group, poses with officials of Bangladesh Independent Power Producers Association at the latter's second annual general meeting at Four Points by Sheraton in the capital's Gulshan. Khan has been elected president of the association for the next two years.



PUBALI BANK

Mirza Azam, state minister for textiles and jute, and Md Abdul Halim Chowdhury, CEO of Pubali Bank, open the bank's 458th branch at Melandah Bazar in Jamalpur.