

# UK jobs fall by most in over four years as election nears



A man walks past job advertisements on the window of a recruitment office in central London.

REUTERS, London

Britain's employers cut more jobs from July to September than in any quarter for four years, according to official data, which highlighted how the labour market is slowing as an election nears although the fall was smaller than economists forecast. Strong jobs growth has been a silver lining of the Brexit crisis for British workers as companies hired staff rather than make longer-

term commitments to investment.

The unemployment rate fell back to 3.8 percent, its lowest level since early 1975, the Office for National Statistics said.

But falls in the number of people in work, vacancies and the pace of wage growth added to signs of slowdown which prompted two Bank of England officials to vote for an interest rate cut last week. "Granted, the employment data can be volatile, and the recent drop is being driven by

part-time employment. But the drop ... could be an early sign of a sharp softening in labour demand, and a broader turning point in the labour market," HSBC economist Chris Hare said.

However Samuel Tombs, an economist at consultancy Pantheon Macroeconomics, said the softening appeared gradual enough for the Bank of England to steer clear of any rate cut for now.

Sterling rose slightly after the figures were published. The ONS said the number of people in employment fell by 58,000 to 32.753 million, less severe than the median forecast of a fall of 94,000 in a Reuters poll of economists.

But it represented the biggest decline since the three months to May 2015. Total and basic pay both rose by 3.6 percent, weaker than all forecasts, although still comfortably above inflation.

Britain's economy grew by a decade-low 1.0 percent in the 12 months to September, hit by US-China trade tensions and the approach of a now postponed Brexit deadline on Oct. 31. Prime Minister Boris Johnson, seeking to break the Brexit impasse, has called an election for Dec. 12.

But many employers say the uncertainty is likely to continue even if Johnson wins the election as he must hammer out a new European Union trade deal before a deadline at the end of 2020.

Labour leader Jeremy Corbyn says he will renegotiate the Brexit divorce deal and call a new referendum. The Brexit uncertainty has aggravated Britain's weak productivity record. Output per hour was flat in annual terms in the third quarter, an improvement from a 0.5 percent fall in the April-June period, the ONS said.

That measure of productivity has not grown since the second quarter of 2018, the longest such run in a decade.



EURO VIGIL

Ummey J Khan, chairperson of private security service provider Euro Vigil, and Reza Amin, CEO, cut a cake to celebrate the company's 10th founding anniversary at the Lakeshore hotel in Dhaka last week.

## NBR expects Tk 3,000cr from tax fair

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The number of tax return submission will increase to nearly 30 lakh at the end of the current fiscal year, from nearly 22 lakh the previous year.

The government has a target to raise the number of tax returns submission to one crore by 2021.

Bhuiyan said the tax administration has initiated a survey to identify people with taxable incomes, and more than 6 lakh taxpayers have been registered and they were given taxpayers identification number.

"Our teams are requesting them politely to submit returns. There is nothing to worry," he said, citing that some elected

representatives phoned him to inform that the survey has created some sort of fear in their areas.

In order to increase tax compliance and curb evasion, the revenue board plans to make it compulsory for businesses to prepare books of accounts by reputed chartered accounting firms.

While replying to a question on freezing bank accounts and searching of bank account information of former top leaders of the Jubo league, the youth wing of ruling Awami League, Bhuiyan said the NBR has got information in some accounts.

"This is inspiring for us as there is tax potential," he said.

## RMG exporters to go all out for fair prices

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The current BGMEA board has taken a number of steps to bring discipline in the sector such as putting in a request with the commerce ministry to initiate a national database project named 'National Base Capacity' to monitor product-wise capacity in the industry and regulate future investments. The over concentration on few products and markets is another problem for the sector, she said.

Almost 85 percent of the garment products from Bangladesh are headed to the EU and North America.

"Product diversification is also not happening at the desired pace," she added.

Ahsan H Mansur, executive director of the Policy Research Institute, also supported the

initiative of holding awareness programmes on the proposal to fix a base price.

"In many cases the suppliers might lose the profit, but in the long run they may make profit."

The awareness programmes among the end consumers are needed because they should know that the low prices make poverty permanent in many countries.

The suppliers should also form an association for launching such campaigns, he added. Syed M Tanvir, a director of Pacific Jeans, a leading denim jeans exporter, also welcomed the awareness programmes.

Mohammed Hatem, first vice-president of the BGMEA, said: "Sometimes, we are bound to sell our products below our production costs."

## Robi to shed jobs

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Robi is a joint venture between Malaysian Axiata, Indian Bharti Airtel and Japan's NTT DOCOMO. Axiata holds a 68.7 percent controlling stake, Bharti Airtel 25 percent, and DOCOMO 6.3 percent.

Market leader Grameenphone and third-largest player Banglalink have earlier reduced their headcount through voluntary retirement scheme several times.

Grameenphone once had about 5,000 employees but it was brought down to 1,800 by way of schemes and outsourcing.

Banglalink has brought down its headcount to 1,100 from 2,500.



NCC BANK

Md Nurun Newaz Salim, chairman of NCC Bank, opens the bank's 118th branch in Chapainawabganj last week. Mosleh Uddin Ahmed, CEO, was present.

## Nissan cuts profit forecast after 70pc quarterly plunge



REUTERS/FILE

People walk past a dealer shop of Nissan Motor Co in Tokyo.

REUTERS, Yokohama

Nissan Motor Co reported a 70 percent drop in quarterly profit on Tuesday and cut its full-year forecast to an 11-year low, hit by a strong yen and falling sales, and highlighting the turmoil at the Japanese automaker after the ouster of Carlos Ghosn.

The latest weak showing from Nissan, which also slashed its interim dividend by 65 percent after its worst second-quarter performance in 15 years, illustrates the scale of the work ahead for its new executive team, which is due to take over on Dec. 1.

Following the ouster of former chairman Ghosn almost a year ago, Nissan has been battered by falling profit, uncertainty over its future leadership and tensions with top shareholder Renault SA - whose shares fell 2 percent to their lowest since April 2013 after Nissan's downbeat guidance.

Nissan shares, down 19 percent this year, closed up 1 percent at 714.5 yen before the results announcement.

Operating profit at Japan's second-biggest automaker by sales came in at 30 billion yen (\$275 million) in July-September versus 101.2 billion yen a

year earlier.

That compared with a mean forecast of 47.48 billion yen from nine analyst estimates compiled by Refinitiv. Nissan announced an interim dividend of 10 yen per share, down from 28.50 yen a year ago.

The company's global vehicle sales fell 7.5 percent to 1.27 million in the quarter. Sales in China, its biggest market, fell 2.5 percent, while those in the United States fell 4.5 percent.

"Our sales in China outpaced the market, but sales in other key regions, including the US, Europe, and Japan underperformed," Stephen Ma, a corporate vice president who will become chief financial officer next month, told reporters.

Slowing demand for cars in the United States and China, the world's biggest auto markets, has led to cut-throat competition, and Nissan's slump in first-half sales has knocked operating profit off course from the automaker's full-year target.

"We are revisiting all our assumptions, and as you can see that is why we revised down our forecast for sales volume for the full year," Ma said.

Nissan slashed its full-year operating profit forecast by 35 percent to 150 billion yen, which would be its worst full-year performance in 11 years.

## Hyundai Dev wins bid for Asiana stake, to inject over \$1.7b

REUTERS, Seoul

South Korean builder Hyundai Development Co said on Tuesday its consortium has been picked as the preferred bidder for a controlling stake in Asiana Airlines and would inject over \$1.7 billion into the debt-ridden carrier.

The deal would draw a line under a tumultuous period for the country's No.2 carrier which is saddled with 9.6 trillion won (\$8.3 billion) debt, as it battles rising competition from budget airlines and falling tourism traffic to Japan.

Following the announcement, shares in Asiana finished up 13 percent at their highest level since May, valuing the group at around \$1.2 billion. Its budget carrier affiliate Air Busan jumped by 30 percent and logistics unit Asiana IDT rose 3.9 percent.

## FDI hits all time high

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A good number of businesses are now shifting their operations from China due to its ongoing trade tension with the US and the rising cost of production in the world's second-largest economy.

"The government should seize the opportunity by way of attracting the businesses to the country," Mansur said.

The economist, however, expressed his hope that the FDI would increase once the special economic zones start running in full swing. Bangladesh Bank calculates the FDI in three categories: equity, reinvestment of earnings, and intra-company loan.

The FDI posted a significant jump in equity capital, or new investment, climbing 94 percent year-on-year to \$1.19 billion.

Intra-company loans rose 87 percent to

\$1.33 billion and reinvestment of earnings by existing foreign companies grew 8.77 percent to \$1.36 billion.

The high volume of the FDI has given a positive indication to the country's business sector, said Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue.

But the unremarkable growth of the reinvested earnings has hinted that the existing foreign businesses are cautious towards expansion, he said. There are some complexities and fussy calculation to estimate intra-company loans, Moazzem said.

"The central bank should verify the figure of intra-company loans cautiously with the help of the Bangladesh Investment Development Authority. This will help figure out the actual number," he said.

## Review ban period for crab collection

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Thanking Care Bangladesh for supporting the research initiative, Mohammad Fayek Uzzaman, vice chancellor of Khulna University, said, "Opportunities to promote hatchery-produced crabs must be explored in light of the research to reduce pressure on wild crab stocks."

Sohel Ibn Ali, senior program manager of SDC, and Md Gias Uddin Talukder, senior team leader of the SDC-Shomoshti project, discussed the prospects and possibilities of the crab sector and the promotion of hatchery-produced crabs.

The seminar was chaired by Muhammad Abdur Rouf, head of the FMRT discipline under Khulna University.

## Japan wants incentives, long-term policies to raise investment

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According to the latest study of the Japan External Trade Organization, investment of Japanese companies in Bangladesh has been steadily increasing at a rate of 16-17 percent for the last couple of years with a majority showing growing interest in expansion.

The study shows that the number of Japanese companies grew from 183 in 2014 to 269 in 2018 with 70 percent expressing interest in expansion within a year and around 60 percent in the next two to three years.



COMMUNITY BANK

Ali Reza Iftekhar, CEO of Eastern Bank Ltd (EBL), and Masihul Huq Chowdhury, CEO of Community Bank Bangladesh, exchange documents after signing a deal at the former's head office in Dhaka recently. EBL, a principal member of Visa, will be offering Visa's associate membership to Community Bank.



JBCCI

Yuji Ando, president of the Japan-Bangladesh Chamber of Commerce and Industry, and the chamber's directors and former presidents meet newly appointed Japanese Ambassador to Bangladesh Naoki Ito at the embassy yesterday.