

# Lenovo's Motorola buy strengthens Apple rivals

AFP, San Francisco

Google's sale of faded mobile phone star Motorola Mobility to Chinese computer titan Lenovo promises to strengthen Apple's rivals at home and abroad, according to analysts.

The US Internet goliath on Wednesday agreed to sell Motorola to Lenovo for \$2.91 billion, after a lackluster two-year effort to turn around the smartphone maker it bought for \$12.5 billion.

What might appear on the surface to be a money-losing blunder by Google could actually play out as a shrewd maneuver tightening bonds with allies who make Android-powered smartphones and providing Lenovo ammunition to challenge iPhones and iPads in China and other coveted markets.

The Motorola buy provides Lenovo footholds in smartphone and tablet markets where it is eager to gain traction while acting as a peace offering to Samsung and other partners that make devices powered by Google-backed Android software.

"It is win-win," said analyst Tim Bajarin of Creative Strategies in Silicon Valley. "Google keeps the patents and the research group, and they keep partners off their back, while Lenovo gets what they need to get into the US smartphone market."

The sale of Motorola to Lenovo was announced just days after Samsung inked a long-term cross-licence deal with Google to help the South Korean technology firm stave off patent disputes.

Google is keeping the patent portfolio believed to have been its original target in the acquisition.



REUTERS

The Flextronics plant that will be building the new Motorola smartphone Moto X is pictured in Fort Worth, Texas.

Samsung stands to benefit from protection offered by Motorola patents, which analysts believe turned out to be much less valuable than Google thought.

Almost all of Samsung's smartphones and tablet computers are powered by the Google's Android software, and Google's entry into the handset arena with the purchase of Motorola drove a wedge between the partners.

"The combination of a Samsung-Google peace pact and Motorola going to Lenovo means that Samsung has pledged allegiance to Google's Android," Forrester analyst

Frank Gillett told AFP.

"From Apple's point of view, this means Samsung will remain strong but tight with Google, and the aspiration of Lenovo to become like Samsung and to be even stronger in emerging markets starting with its position in China."

Silicon Valley analyst Rob Enderle of Enderle Group suspects that Google would welcome Lenovo's mobile gadgets business growing big enough to offset the dominant position achieved by Samsung when it comes to Android smartphones and tablets.

"Google was not happy with Samsung owning the Android market," Enderle said.

Lenovo also appears bent on casting actor Ashton Kutcher, who played Steve Jobs on screen, in the role of a company pitchman molded after the public persona of Apple's iconic co-founder.

"Lenovo is going to try to turn Ashton Kutcher into a Steve Jobs-type guy, and it is going to be fun to watch," Enderle predicted.

Hollywood actor Kutcher donned a "Lenovo product engineer" badge for a presentation late last year in Los Angeles unveiling a Yoga Tablet.

"Lenovo has the expertise and track record to scale Motorola Mobility into a major player within the Android ecosystem," Google chief executive Larry Page said in a statement.

Lenovo chairman and chief executive Yang Yuanqing said the acquisition "will immediately make Lenovo a strong global competitor in smartphones."

While Google will be taking a loss on the sale, it did spin off the Motorola Home division for \$2.3 billion in 2012 and sold off some of its manufacturing facilities.

"Google got what they wanted and needed from Moto -- they got patents, engineering talent and mobile market device insight," said technology analyst Jack Gold.

"They don't need to be in the device business... This is a win for Google and a win for Lenovo in my opinion."

But analyst Ramon Llamas at research firm IDC said the deal still leaves a hole of about \$7 billion for Google.

"Are the patents worth \$7 billion? I don't know but that is a big question," Llamas told AFP.

## Bangladesh, India revive talks on transshipment

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The commerce minister also spoke of the other regional cooperation between Bangladesh, India, China and Myanmar (BCIM), which is now at the final stages of negotiations.

Bangladesh will benefit more from the regional arrangement, now that the country is targeting diversification of both markets and products, he said.

Regarding the withdrawal of the ban on hilsa exports from Bangladesh to India, Ahmed said India has requested the government several times but the matter is yet to be decided.

But a secretary level meeting between Bangladesh and India will take place soon to discuss the removal of tariff and non-tariff barriers, he added.

One of the barriers to trade between the two countries was the Indian traders' reluctance to accept certificates by the Bangladesh Standards and Testing Institutions.

But Ahmed said India has agreed in principle to fund for the upgrading of BSTI and accept the certificates.

"But, we need to improve the infrastructures for increasing trade between the two countries," he said.

In fiscal 2012-13, Bangladesh exported goods worth \$560 million to India, up 13.5 percent year-on-year.

Garment products account for 80 percent of the total exports to India, whose domestic apparel market worth \$35 billion has emerged as a lucrative destination of late.

Saran said connectivity between India and Bangladesh is gradually improving by way of water, trade and power. "We can also broaden the connectivity further by forming the BCIM."

If Indian investment in Bangladesh increases further, so will exports, Saran added.

India's exports to Bangladesh is more than \$5 billion annually through formal channels, but another \$4 billion worth of goods is sent to Bangladesh by Indian traders through informal channels a year.

## Govt to make law to control import of infected fish

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It also suggests the government form a quarantine committee and appoint fish quarantine officials.

The fisheries department will also mark any water body or pond as a controlled area if it finds that the water body is infected, according to the draft law.

Azad said the draft law that is now seeking feedback from stakeholders will be finalised soon and sent to the law ministry.

AKM Nowsad Alam, a professor of Bangladesh Agricultural University's department of fisheries technology, welcomed the initiative.

"It is a good step though a lot of damages have already been done in the absence of such a law."



BEXIMCO

Marc Schneider, group president of lifestyle company Phillips-Van Heusen (PVH), visits the Beximco Industrial Park at Sarabo of Kashimpur in Gazipur recently. ASF Rahman, Beximco group chairman, was also present.

## Fashion can be cheap and ethical: H&M

REUTERS, Stockholm

Hennes & Mauritz, the world's second-biggest fashion retailer, believes there is no conflict between its mission to sell more budget clothes and a drive to improve the environment and working conditions at its suppliers.

"We want to make sustainable fashion more democratic," Helena Helmersson, H&M's head of sustainability, told Reuters.

"We don't aim for sustainability to be a luxury thing."

The Swedish company is one of the biggest buyers of garments from Bangladesh, where the collapse of the Rana Plaza factory last April killed more than 1,100 people, drawing global attention to the poor conditions in which many in Asia work.

H&M customers, many of them idealistic youngsters, are becoming more critical of the use of cheap labour, with the company sinking last year to second-to-last place in a perceived sustainability ranking in its biggest market Germany.

"What hurts H&M is an assumption that they must be exploiting their workers because they produce cheap clothes," said Joachim Schoepfer, head of corporate reputation for the Serviceplan agency, which conducts an annual survey

on companies' image in Germany.

Low-cost production in places like Bangladesh and China has helped H&M build a global empire with more than 3,000 stores in 53 countries, and it faces growing competition from even cheaper rivals such as Britain's Primark and US chain Forever 21.

"There is a misconception that lower prices in the stores mean bad working conditions or less pay," said Helmersson, a 40-year-old Swede who has worked at H&M for 17 years.

H&M has been lobbying Bangladesh and Cambodia to raise the minimum wage and in November laid out a plan to pay a fair "living wage" to some 850,000 textile workers by 2018, saying governments were acting too slowly.

Helmersson said working more sustainably should also help long-term profitability, by, for example, cutting water use to grow cotton, improving energy efficiency or using fewer chemicals.

H&M, which did not source from Rana Plaza but buys about 80 percent of its stock from Asian suppliers, was the first company to sign a Europe-led pact to improve safety at Bangladesh garment factories after the collapse.

Helmersson said it had also been active on such issues before the disaster.

## Monetary policy balanced: FBCCI

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"As a result, there has been additional liquidity in the banking system. If this money is not invested, it may flow to the unproductive sector, which will harm the banking system."

The 16.5 percent growth target in the private sector credit in the new policy would boost the credit flow and encourage entrepreneurs and investors, the FBCCI

## NBR seeks tax proposals for budget preparation

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Meanwhile, the Federation of Bangladesh Chambers of Commerce has also issued a notice to all its members to send their proposals for the upcoming national budget.

The FBCCI members were requested to provide the proposals by February 20, so that the trade body can prepare and hand a comprehensive proposal to the government on behalf of the private sector.

With a tax collection target of Tk 136,090 crore, the national budget for the current fiscal year was set at Tk 222,491 crore.

The NBR collected Tk 50,338 crore in taxes in the first half of the current fiscal year, up from Tk 44,864 crore in the

## Xpress Money teams up with Bank Asia

STAR BUSINESS DESK

Xpress Money announced a strategic extension of its services with Bank Asia to offer "Any bank account credit" service for its Bangladeshi customers.

The service will provide beneficiaries an access to their funds sent to any branch of any scheduled or specialised bank in Bangladesh within 48 hours from the time the remitter completes the transaction.

The service does not levy any back-end charges to customers.

The service is routed through Bangladesh Electronic Funds Transfer Network (BEFTN), a payment solution provided by the central bank, Bank Asia said in a statement recently.

"We are pleased to introduce the "Any bank account credit" service with Bank Asia that would enhance the direct account credit service in Bangladesh," said Shamim Iftakhar, country manager for Bangladesh of Xpress Money.

"This unique service will boost the savings culture amongst Bangladeshis as the remittances are directly credited to their savings account with any bank in Bangladesh."

"Bangladesh being a critical market for Xpress Money, it is essential that we strategically expand our services to attract both white-collared and blue-collared expats."

Xpress Money is the first amongst the international money transfer operators to introduce this service in Bangladesh, according to the statement.

Xpress Money offers a bunch of services to address varied customer demands in both develop and developing remittance markets.



DHAKA BANK

ATM Hayatuzzaman Khan, sponsor shareholder of Dhaka Bank, inaugurates the bank's 72nd branch at Araihaaz in Narayanganj yesterday. Abdul Hai Sarker, chairman, was also present.

## Banks struggle as loan appetite diminishes

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Bakht also said the bank management has been asked to quickly process the good loan proposals.

In the first quarter of the fiscal year, industrial term loan disbursement dropped 8.64 percent year-on-year, while trade financing 12.9 percent, according to central bank statistics.

Meanwhile, the monetary policy statement for the second half of the fiscal year released on Monday said the credit decline is partly due to sluggish investment demand in the lead-up to national elections, tighter lending practice by banks as well as the fact that there are two new channels through which entrepreneurs can excess overseas lenders who offer lower cost financing.

One existing channel is borrowing by companies for term-credit purposes, with most having a maturity beyond five years—around \$534 million was approved in first six months of the fiscal year, which was \$1.82 billion last fiscal year and \$1 billion in fiscal 2011-12.

In addition, private capital flows to local companies have also grown due to the addition of short-term foreign currency loans for working capital purposes in the form of 'buyers credit' and 'discounted export bills'.

Lending rates have fallen faster than deposit rates, Bangladesh Bank said in its monetary policy statement. Domestic lending rates have fallen due to lower costs of funds for banks, lower demand for credit as well as due to increasing competition from overseas lenders whose lending rates are in single digits, it added.



PUBALI BANK

Hafiz Ahmed Mazumder, chairman of Pubali Bank, hands over 1,000 blankets to Abdus Salam, chairman of the relief committee of Anjuman Mufidul Islam, for distribution among the cold-hit poor of the country recently.



JAMUNA BANK

Kanutosh Majumder, chairman of Jamuna Bank, attends the bank's annual business conference 2014 at a local hotel in Dhaka recently. Nur Mohammed, chairman of Jamuna Bank Foundation, was also present.



EBL

Ali Reza Iftakhar, managing director of Eastern Bank, hands over a consignment of 2,000 blankets to Benazir Ahmed, Dhaka Metropolitan Police commissioner, for distribution among the cold-hit people of the country at the DMP headquarters in Dhaka on Wednesday.