

Banglalink eyes profit this year

ABDULLAH MAMUN

BANGLALINK, the second largest mobile operator, aims to log profit this year -- for the first time in its history, its chief executive said.

"The company has managed to ensure healthy growth by reducing costs. If this situation continues, the company will become profitable this year," Ziad Shatara said.

Banglalink is providing good quality services and thus retaining customers -- only around 20 percent customers leave the operator a year, which he termed a healthy trend.

The operator has more than 3.09 crore subscribers. Grameenphone remains the top operator with more than 5 crore subscribers.

Banglalink entered the market late, which is a reason why the company is yet to become a profitable entity. High investment and stiff competition in the market are the other reasons, its officials said.

Banglalink recently celebrated its 10th founding anniversary. The operator was named Banglalink when Egyptian company Orascom bought almost all shares of local company Sheba Telecom in 2005. In 2010, Amsterdam-based VimpelCom took over Orascom after a merger.

In order to provide better services, the operator recently modernised its 2G network by swapping equipment, Shatara said. The operator, which has 3G coverage in all 64 districts, invested Tk 17,220.6 crore till September 30, 2014.

Banglalink purchased 5 megahertz spectrum in the 2,100 frequency band in 2013 for 3G services, which is enough to provide quality services for at least one more year, he added.



Ziad Shatara

The government is going to release additional 3G spectrum in the 2,100 MHz band and 2G spectrum in the 1,800 MHz band through an auction this year.

Shatara said the operator does not need additional 2G spectrum, but if the government allows operators to use 2G spectrum for 3G or 4G services, "the company will have a different approach."

But before that, the government has to resolve all disputes, especially the ones involving SIM replacement tax, telecom policy, and amendment to the telecom law, he added.

"Investment is an issue of the shareholders and depends on the government's spectrum roadmap," he said, adding: "We need to know which band is going to be allocated to mobile operators and which to other operators, before taking any investment decision."

The telecom regulator -- Bangladesh Telecommunication

Regulatory Commission -- is working to launch mobile number portability (MNP), which will allow users to switch between operators, keeping the same number.

"MNP is something that we would love to provide. But it won't be possible if the Tk 300 SIM tax is not withdrawn."

If a customer purchases a SIM and shifts to another operator, it will be a huge loss for the primary operator, he said.

On the current political situation, Shatara said it is affecting the company, just like other sectors. Due to shutdowns and blockade, 3G expansion or network rollout is being hampered, he said.

"When a problem arises at a site, company's people face problems commuting to those sites to resolve it," he said. Mobile phone usage comes down during shutdowns or blockade, which takes a toll on revenue, he added.

Google faces Russia Android probe after Yandex protest

BBC NEWS

GOOGLE faces the prospect of a fresh competition investigation after Russia's biggest search engine filed a complaint with the authorities.

Yandex alleges that its rival has an unfair advantage because it insists device-makers set Google as the default search setting if they want to pre-install its Play store.

Google Play is promoted as the safest and best-stocked marketplace for apps and other media for Android devices.

Google has yet to respond. The BBC understands the US company has yet to see the complaint filed with the Russian Federal Antimonopoly Service (FAS).

However, Google may try to defend itself by noting that manufacturers are free to install rival services if they choose not to pre-load its other software.

It is also likely to argue that customers can carry out searches via other software - including Yandex's search app - after buying an Android handset or tablet.

In the past, Microsoft and others have made similar complaints about Android to the European Commission, claiming that the operating system acts as a Trojan horse for Google's services.

Last year, the commission said it would "probably" launch a formal investigation into the claims if it did not get an "adequate" response from Google.

EU anti-trust watchdogs are already carrying out a separate investigation into Google's search and advertising business.

Yandex said that it had decided to act after three electronics companies - Prestigio, Fly and Explay - contacted it between last November and



BBC

Yandex says its share of searches via Android phones has fallen because of Google's restrictions.

Last month to say they were "no longer able" to pre-install Yandex's services on their Android devices because of Google's restrictions.

It said these included a take-it-or-leave-it rule, under which the manufacturers were forced to choose between installing the complete set of Google Mobile Services apps - including Google Play, Gmail, YouTube, Google Translate and Google Drive - and setting Google as the automatic search service, or opting out altogether.

The Moscow-based company added that Google was "increasingly" prohibiting device-makers from pre-installing competitors' services.

A spokesman for Yandex acknowledged that it was possible for customers to subsequently download its own app. But he noted that, unlike in Apple's iOS operating system, users could not later reset the default search service from being Google in

their settings menu.

The spokesman also told the BBC that Yandex's share of searches carried out via Android devices in Russia had fallen - down from 52 percent in February last year to 44 percent now - despite rising on iOS over the same period.

"We believe that device manufacturers should have a choice as to which search provider to set as the default or which services to have preinstalled on the device," added Yandex's PR director, Ochir Mandzhikov.

"This is why we are talking about the need to unbundle Google's Android operating system from Google Search and its other end-user services."

Regulators at the FAS said they intended to respond to Yandex's complaint within a month.

"After the review, a decision will be made on launching a case or rejection," they said in a statement.

Controlling shareholders sell \$300m stake in Hero MotoCorp

REUTERS, Mumbai

THE largest investor in Hero MotoCorp Ltd sold \$300 million worth of shares in India's biggest maker of motorcycles and scooters on Wednesday, freeing up cash to invest in new sectors.

Brij Mohan Lal, who owns shares through several entities, sold nearly 7 million shares, or a 3.5 percent stake, through multiple open market transactions, cutting his share to just over 36 percent from 39.92 percent.

"(Brij Mohan Lal-led parent Hero Group) will use the sale proceeds to fund new growth avenues available through the

government's "Make in India" initiative," Hero said in a statement. Analysts expect the funds to be used for expansion into the power and real estate sectors.

The shares were sold in a price range of 2,663.95 rupees to 2,677.65, according to Thomson Reuters data and a source directly involved in the process.

According to the offer's term sheet, the shares had been offered in an indicative price band of 2,664 rupees to 2,720 rupees, a discount of as much as 5 percent from its Monday's closing price of 2,805 rupees.

Hero's shares fell over 5 percent ahead of the transaction, after Reuters reported the planned sale. Kotak Mahindra Capital was the main arranger for the deal.



REUTERS/FILE

Customers look at a Hero MotoCorp Karizma motorbike at a Hero MotoCorp showroom in the western Indian city of Ahmedabad.

Swiss raid HSBC in money laundering probe

AFP, Geneva

SWISS authorities yesterday raided the offices of British banking giant HSBC's Swiss unit as part of a money laundering probe into the bank that has been accused of helping clients to dodge millions of dollars in taxes.

The investigation comes just days after HSBC Switzerland found itself at the centre of a global scandal following publication of secret documents claiming it assisted many of its wealthy clientele in thwarting the taxman.

"A search is currently under way in the bank's offices," Geneva's top prosecutors said in a statement.

The search and money laundering investigation were launched "following the recent revelations related to HSBC Private Bank (Switzerland)," they added.

The cache of files, made public in the so-called SwissLeaks case, claimed HSBC's Swiss private banking arm helped clients in more than 200 countries evade taxes on accounts containing \$119 billion (104 billion euros).

The files provided details on over 100,000 HSBC clients, including people targeted by US sanctions, suspected arms dealers and drug traffickers.

A wide range of celebrities, politicians and business leaders were also named in the files, although their inclusion does not



REUTERS

A Swiss international aircraft flies past the HSBC headquarters building in the Canary Wharf financial district in east London.

necessarily imply wrongdoing.

The documents, which were originally stolen by former HSBC IT worker Herve Falciani in 2007, alleged that billions of dollars transited through the bank as customers from around the world tried to dodge the taxman in their home countries or laundered dodgy proceeds through offshore shell corporations.

According to Swiss law, a bank can be held responsible for "aggravated money laundering" if it does not take all the necessary measures to ensure such infractions do not take place within its institution.

Geneva cantonal prosecutor general Olivier Jornot and another

top prosecutor, Yves Bertossa, were heading the search and probe against HSBC.

They said the probe initially only targeted the bank itself, but warned that "depending on the evolution, the investigation might be broadened to include physical persons suspected of committing or participating in acts of money laundering."

Anyone found guilty of such crimes could face up to five years behind bars as well as large fines, Geneva judicial authorities told AFP.

Following the SwissLeaks revelations, HSBC's Swiss banking arm insisted it has undergone a "radical transformation" since the

period referred to in the files.

HSBC now has "strong compliance controls in place", Franco Morra, the head of HSBC's Swiss unit, told AFP in an email, adding that the revelations are "a reminder that the old business model of Swiss private banking is no longer acceptable".

The SwissLeaks documents were obtained by French newspaper Le Monde and shared via the International Consortium of Investigative Journalists with more than 45 media organisations worldwide.

As soon as the documents were made public on February 9, calls arose for a Swiss probe against HSBC Switzerland, which is already facing prosecution in the United States, France, Argentina, Spain and Belgium. Switzerland had so far only launched an investigation against Falciani.

Falciani himself said last week that the media reports on the documents' contents were based on just a fraction of the files he handed over to French authorities.

"This is only the tip of the iceberg," the 43-year-old Franco-Italian told France's Le Parisien newspaper.

Dubbed the "Snowden of tax evasion" and "the man who terrifies the rich", Falciani remains wanted on data theft charges, but France and Spain have offered him protection by refusing to extradite him to Switzerland.

Sony sees 25-fold profit jump by 2018

REUTERS, Tokyo

SONY Corp aims to boost operating profit 25-fold within three years by growing its camera sensors and PlayStation units, its chief executive said, outlining a strategy that could see the company exit the cut-throat TV and smartphone sectors.

CEO Kazuo Hirai said on Wednesday the Japanese consumer electronics firm would no longer pursue sales growth in areas such as smartphones where it has suffered competition from cheaper Asian

rivals as well as industry leaders like Apple Inc and Samsung Electronics.

Sony would instead focus its spending on more profitable businesses such as camera sensors, videogames and entertainment as it seeks to return to growth after forecasting for this financial year its sixth net loss in seven years.

"The strategy starting from the next business year will be about generating profit and investing for growth," Hirai told a briefing, adding that Sony's units would be given greater autonomy to make their own

business decisions.

Asked about the TV and mobile phone units, Hirai said he would not "rule out considering an exit strategy", Sony's clearest statement to date about the possibility of selling or finding partners for these struggling units.

Sony is in the midst of a restructuring that has so far seen it sell off its personal computer division and spin off the TV business. It has also axed thousands of jobs.

Sony shares have risen more than 80 percent over the past year as investors applauded the restructur-

ing, which accelerated since Hirai appointed Kenichiro Yoshida as his chief strategy officer in late 2013.

Hirai said Sony would target return on equity of more than 10 percent by the end of March 2018, adopting a yardstick Prime Minister Shinzo Abe has been promoting as a way to attract foreign investors.

He also said Sony aimed to post an operating profit of at least 500 billion yen (\$4.2 billion) for 2017/18, a jump from the 20 billion yen forecast for the year ending March 31.

Rolls-Royce to launch its first SUV

AFP, London

GERMAN-OWNED luxury carmaker Rolls-Royce on Wednesday unveiled plans to launch its own sports utility vehicle, mirroring recent moves by fellow upmarket rivals Bentley and Jaguar.

The British brand, which is owned by Germany's BMW, revealed in an open letter from Rolls-Royce chairman Peter Schwarzenbauer and chief executive Torsten Mueller-Oetvoes

that it was in the process of developing its first-ever 4x4 car.

"Today we confirm that we are developing an all-new Rolls-Royce with exceptional presence, elegance and purpose ... A car that offers the luxury of a Rolls-Royce in a vehicle that can cross any terrain," the letter read.

The automaker added that the new model would be "a high-bodied car, with an all-new aluminum architecture", but gave no indication of price or when production would begin.