

Iran eyes \$185b oil and gas projects after sanctions

REUTERS, Vienna

Iran on Thursday outlined plans to rebuild its main industries and trade relationships following a nuclear agreement with world powers, saying it was targeting oil and gas projects worth \$185 billion by 2020.

Iran's Minister of Industry, Mines and Trade Mohammad Reza Nematzadeh said the Islamic Republic would focus on its oil and gas, metals and car industries with an eye to exporting to Europe after sanctions have been lifted, rather than simply importing Western technology.

"We are looking for a two-way trade as well as cooperation in development, design and engineering," Nematzadeh told a conference in Vienna. "We are no longer interested in a unidirectional importation of goods and machinery from Europe," he said.

The United Nations Security Council on Monday endorsed a deal to end years of economic

sanctions on Iran in return for curbs on its nuclear programme.

Sanctions are unlikely to be removed until next year, as the deal requires approval by the US Congress. Nuclear inspectors must also confirm that Iran is complying with the deal.

While the Iranian and U.S. presidents have been promoting the accord, hardliners in Tehran and Washington have spoken out strongly against it.

Many European companies have already shown interest in reestablishing business in Iran, with Germany sending its economy minister Sigmar Gabriel on the first top level government visit to Tehran in 13 years together with a delegation of leading business figures.

Iran's deputy oil minister for commerce and international affairs, Hossein Zamaninia, said Tehran had identified nearly 50 oil and gas projects worth \$185 billion that it hoped to sign by 2020. Opec-member Iran has the world's largest

gas reserves and is fourth on the global list of top oil reserves holders.

In preparation for negotiations with possible foreign partners, Zamaninia said Iran had defined a new model contract which it calls its integrated petroleum contract (IPC).

"This model contract addresses some of the deficiencies of the old buyback contract and it further aligns the short- and long-term interests of parties involved," he said.

He said the deals would last 20-25 years - much longer than the previously less popular buybacks, which effectively were fee paying deals with global oil majors such as France's Total for services they performed on Iranian oil fields.

He said Iran would introduce the projects it has identified and the new contract model within 2-3 months.

Deputy Economy Minister Mohammad Khazaei said Iran had already completed negotiations with some European companies wanting to invest in the country.

"We are recently witnessing the

return of European investors to the country. Some of these negotiations have concluded, and we have approved and granted them the foreign investment licences and protections," Khazaei told the conference.

"Even in the past couple of weeks we have approved more than \$2 billion of projects in Iran by European companies," he said, without naming the firms or providing further details.

Most European oil majors and oil service companies have so far expressed caution about the prospects of a windfall of deals in Iran, saying their compliance departments will want to first see sanctions being fully removed before any meaningful work can start on projects.

Beyond oil, Nematzadeh said Iran was looking to move away from state ownership in many sectors, creating joint ventures for auto parts manufacturers with the aim to produce 3 million vehicles by 2025, of which a third would be exported.



Iftekhar Hossain, product manager of Microsoft Bangladesh, hands over 100 handsets to Shawkat Md Ali Miah, deputy general manager for marketing at Grameenphone, as donation to GP's 'Deyar Khushi' initiative, recently. GP collects used handsets from customers and corporate entities to distribute those among disadvantaged people with free internet for one year in partnership with Brac.

Swan Garments seeks further loans to clear workers' dues

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She also said she will speak to the officials of the company for resumption of operations.

The owner will have to pay the workers' dues since April this year though, said Ahmed, also the inspector general of the Department of Inspection for Factories and Establishments.

If the workers want to leave their jobs, the

owner will have to pay their dues according to the prevalent labour laws, he said. "But we do not want any of the workers to lose their jobs. Rather, we want operations to resume."

Regarding the sale of four bighas of land owned by Swan Garments, Ahmed said nobody has responded to the advertisement yet, even though it was published a few days ago.



BRAC BANK

Mamur Ahmed, head of retail sales, remittance and payroll at Brac Bank, and Ahmed Cassim, chief commercial officer of South Africa-based Hello Paisa (Pty) Ltd, pose at the signing of a remittance agreement in Pretoria recently. Hello Paisa customers can now make instant bank transfers into accounts at Brac Bank.

Microsoft's hardware strategy under scrutiny after record loss

REUTERS

Sales of Microsoft Corp's Surface tablets and Xbox gaming consoles are soaring.

But they contribute less than a 10th of the company's revenue and, analysts say, they're probably barely profitable - if they are profitable at all.

So are the businesses worth it? Not unless they start to generate significant profits soon, some analysts say.

"Unless Microsoft can get to hardware break-even within two years or demonstrate sufficient offsetting value elsewhere in the portfolio, we think the company should exit the hardware business," RBC Capital Markets analysts said in a client note.

Exiting hardware could add up to \$4 per share to Microsoft's market value, they said.

Microsoft, which is shuttering its Nokia phone business, said on Tuesday it would pump the ensuing savings into its fast-growing cloud business, Windows 10 and its hardware division, which includes tablets, Xbox and smartphones.

Analysts agree that investing in cloud and Windows 10 makes strategic sense, but some say the rationale behind pouring more money into hardware is less clear.

"Hardware remains a more commoditized piece across tech," said FBR Capital Markets analyst Daniel Ives, who thinks all of Microsoft's resources should be going into software.

"Hardware is not what got Microsoft here - software did."

Microsoft's shares fell as much as 4 percent on Wednesday, a day after the company reported a record quarterly loss due to the \$7.5 billion writedown of its Nokia phone business.

Even so, Chief Executive Satya Nadella said he remained committed to making phones to attract Windows users.

Microsoft doesn't break out operating margins for its hardware business, but Jefferies & Co analyst John DiFucci told Reuters he believed the Xbox business was at best break-even and that Surface was unprofitable on an operating basis.

"We believe redeploying funds into ... hardware is a mistake given

that business's lack of margin and strategic importance to Microsoft," he said.

Including the impact of a strong dollar, revenue from Microsoft's computing and gaming hardware business rose 44 percent in the fourth quarter ended June 30 - half the increase achieved in the company's cloud business.

Still, Bernstein analyst Mark Moerdler said he didn't expect Microsoft to drop either Surface or Xbox.

"Investors will be fine with both if they are break-even or going to be there shortly," he said in an email.

Moerdler said Microsoft likely would increasingly make gaming available on Windows as a way to attract users to Windows devices.

Venture funding for startups still surging

AFP, Washington

Investors pumped some \$32.5 billion into more than 1,800 venture-backed companies around the world in the past quarter, amid feverish interest in tech startups, a survey showed Thursday.

The report by the research firm CB Insights and the consultancy KPMG suggests the boom in funding for tech firms -- the vast majority of the startups -- shows no signs of abating.

The report said venture investors are hunting for "disruptive technologies and applications" along with new "on-demand" startups -- delivering goods and services ranging from groceries to house cleaning.

"This trend, which escalated with Uber and Airbnb, is now expanding into new verticals and well beyond North America," the report said.

North American firms got the lion's share with some \$19 billion spread over 1,100 deals, the report showed. Asia garnered some \$10.1 billion, outpacing Europe's \$3.2 billion in the April-June period.

The deals have also been getting "fatter" according to the survey, with the average investment for "late-stage" firms at \$74 million, and more than 30 investments of over \$100 million. The number of billion-dollar startups or "unicorns" also grew in the quarter, with 24 of these created in the quarter.

Internet and mobile communications startups accounted for 65 percent of all deals in the quarter, and other software firms took in five percent. Other key sectors were health care and consumer products and services.

KPMG's Arik Speier said the boom is being fueled by consumer demands for new services from smartphones.

"The consumer wants everything to be instant these days," he said.

"If you tap your phone you want the transaction done. I am a true believer in on-demand companies that deal with supply and demand and create the platform that connects the two sides of the equation. This momentum will likely continue and expand."

Brian Hughes at KPMG said the availability of private venture capital is helping many startups remain private instead of seeking a stock market listing.

"If you told a company that they could raise almost the same amount of money at the same valuation in a private financing versus a public one there is no question that companies would often choose to stay private longer," Hughes said.

"Staying private gives the company more latitude to do what they need to do to grow their business for the long term."

The high-value startups which are still private include Uber, worth more than \$40 billion, Airbnb (\$25 billion) and Snapchat (\$15 billion). Non-US firms among the unicorns include China's Xiaomi (\$46 billion) and drone maker DJI (\$10 billion).

Over the first six months of 2015, venture funding amounted to \$59.8 billion, poised to overtake the \$88.3 billion in 2014, according to the report.

"While many analysts are predicting a slight decrease in venture capital investment in the months ahead, we believe the strength of such fundamental growth drivers have created strong conditions for

Wal-Mart buys out China e-commerce firm Yihaodian in online push

REUTERS, Shanghai

Wal-Mart Stores Inc has taken full ownership of Chinese e-commerce firm Yihaodian.com, buying out the 49 percent stake that it did not already own to accelerate its push online, the U.S. retail giant said on Thursday.

The investment will help Wal-Mart target China's fast-growing online market at a time when largely brick and mortar retailers are feeling the pinch of competition from online rivals and a slowing of the world's second-largest economy.

Wal-Mart's move also comes after China said last month it will allow full foreign ownership of some e-

commerce businesses, with the goal of encouraging foreign investment and the development and competitiveness of the sector.

"[Yihaodian's] local experience, combined with Walmart's global sourcing and our strong local retail presence and supply chain will allow us to deliver low prices on the products customers need in new and exciting ways," Neil Ashe, head of Wal-Mart's e-commerce division, said in a statement.

Wal-Mart, the world's largest retailer, added the purchase of the stake would help accelerate its e-commerce business in China and boost coordination between its physical and online stores. It did not disclose the price paid for the stake, which was bought from former executives and financial services group Ping An.

Biman hires Mega Maldives to tackle hajj pressure

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Presently, Biman flies passengers and cargo to 18 international destinations in Asia and Europe with its 12 aircraft.

But the flag carrier is stretched to its limits during hajj period.

Around 100,000 people will perform hajj from Bangladesh this year and Biman will carry half of the total pilgrims and Saudi Airlines the rest.

But Biman's fleet is not enough to deal with the pressure.

Hajj flights to carry Bangladeshi pilgrims to Saudi Arabia will begin on August 16 and continue to September 18. The return hajj flights will begin on September 27 and continue until October 28.

In 2014, Biman did not lease any aircraft to run hajj flights as their experi-

ence in the previous year was bitter.

An aircraft Biman had leased to carry pilgrims in 2013 could not fly for not having clearances from the Saudi Arabian civil aviation authority. The disruption of flight schedule had caused immense sufferings to the pilgrims.

But this time, they are being extra cautious so that the sufferings are not repeated, said Biman officials.

Eight international airlines responded to Biman Bangladesh Airlines' tender seeking aircraft during hajj time this year. Mega Maldives won the bidding.

Founded in 2009 as a US-Maldives joint venture, Mega Maldives now serves as the international airline of the island nation. Almost 10 percent of the total tourists arrive in the Maldives on Mega.

GM earnings surge on solid sales in US, China

AFP, New York

General Motors reported Thursday that earnings quadrupled due to solid sales in the US and China even as revenues were dented by the strong dollar.

Earnings for the second quarter were \$1.1 billion, up from \$278 million last year.

Revenue dipped 3.7 percent to \$38.18 billion. GM attributed the drop to the strong dollar.

Operating earnings in North America were roughly double that of last year at \$2.8 billion, while earnings in GM International Operations, which includes China, rose 10.8 percent to \$349 million.

GM had a smaller operating loss in Europe than last year, but a bigger one in South America.

"The first two quarters of the year were strong as we fully capitalized on a robust North American industry and maintained our strength in China, despite the challenging conditions in that market," said chief executive Mary Barra.

GM's earnings were negatively affected by charges totaling \$1.1 billion. These items included a \$600 million charge for a currency devaluation in Venezuela and \$400 million writedown on assets, primarily in Thailand.

The company also spent an additional \$100 million in compensation for victims of accidents due to its ignition switch scandal. However, the year-ago period included \$1.2 billion in recall-related costs following a major scandal over the defective ignition switches.

BB forms \$500m fund to spur investment

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Market analysis and discussions with stakeholders indicated that one of the major impediments to expansion of long-term financing is the absence of supply of such financing.

For instance, last year, only 30-35 of the 6,000 such firms managed dollar-based long-term financing, the lender said.

While those firms were large in size, the multilateral lender is looking to reach out to mid-sized firms through the programme.

McDonald's earnings drop

AFP, New York

McDonald's reported lower quarterly earnings Thursday behind a drop in comparable sales and declining traffic in all major segments.

Earnings for the second quarter fell 13.3 percent to \$1.2 billion.

Revenues dropped 9.5 percent to \$6.50 billion. Earnings translated into \$1.26 per share, two cents above analyst expectations.

Comparable restaurant sales decreased globally 0.7 percent, with the chain's home market of the US declining 2.0 percent and the Asia Pacific/Middle East/Africa region falling 4.5 percent.

However, comparable sales in Europe

rose 1.2 percent, driven by strong results in Britain and Germany.

Chief executive Steve Easterbrook, who was promoted to the top job earlier this year in response to slumping sales, said the company is making progress on a turnaround plan.

"While our second quarter results were disappointing, we are seeing early signs of momentum. Looking ahead to third quarter, we expect positive global comparable sales," he said.

"I am confident that we will create the transformation necessary for McDonald's to become a modern, progressive burger company delivering a contemporary restaurant experience."



MIDLAND BANK

Abdul Matlub Ahmad, president of the Federation of Bangladesh Chambers of Commerce and Industry and chairman of Nitol-Niloy Group, and Md Ahsan-uz Zaman, managing director of Midland Bank, pose during a view exchange meeting at FBCCI office in Dhaka recently.

Tk 17,000cr changed hands during Eid

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He said the real transaction would be much higher as people pay bills and buy things using credit and debit cards, and money change hands several times. The governor also said the upcoming monetary policy would take steps so the ongoing stable economic situation continues.

It aims to keep inflation in check, put emphasis on boosting economic growth and expand financial inclusion, he said.

Rahman said the increased supervision of the central bank in recent times has started to pay dividends, as financial scams are hardly taking place in the banking sector nowadays. The central bank has engaged a deputy general manager or joint director for each of the country's banks to keep a close eye on the lenders.

"When the central bank officials think that something is wrong with a bank, a team is sent to look into the issue. If we find any wrongdoing we take actions," he said, giving an