

Cloud business boosts Microsoft's quarterly revenue, shares rise

REUTERS
Sharp growth in its commercial cloud computing business helped lift Microsoft Corp's quarterly revenue above Wall Street's expectations, sending the technology company's shares up more than 4 percent in after-hours trading.

The new and growing cloud business - essentially selling computing services and storage in its data centers to corporate customers - is one of the priorities for Chief Executive Satya Nadella, who took the helm of the world's largest software company in early 2014.

Nadella has refocused the company on cloud and mobile in the face of stagnation in its traditional PC-based Windows business.

"Only two companies are setting the tone of enterprise computing, Microsoft Azure and Amazon AWS," said Trip Chowdhry, managing director of Global Equities Research, referring to Amazon.com Inc's web services unit.

"These are the only two initiators in the whole enterprise space that are going to see growth in excess of 80 per-

cent year-over-year for at least two or three years."

Microsoft's revenue in what it calls its "intelligent cloud" businesses, which includes the Azure cloud platform and server software, rose 7 percent to \$6.7 billion.

Revenue for Azure - which customers can use to host their website, apps or data - grew 102 percent, but Microsoft did not say what the actual revenue figure was.

That makes an annual "run rate" of \$12.1 billion for cloud-related revenue, up sharply from over \$8 billion a year ago. Microsoft calculates run rate by multiplying revenue in the final month of the quarter for its cloud businesses by 12.

Despite the surge in revenue, Microsoft is still struggling to increase profit in the capital-intensive cloud business. It said operating profit in its intelligent cloud businesses fell 17 percent to \$2.19 billion in the quarter.

Microsoft said the drop was mainly due to higher research, development, sales and marketing costs, as it makes investments and acquisitions to "drive cloud sales capacity and innovation."

Salman F Rahman reelected as IFIC Bank chairman



Salman F Rahman

STAR BUSINESS DESK

Salman F Rahman has recently been reelected as the chairman of IFIC Bank.

Upon completion of his first term in the board of the bank, he was reelected as a director of the bank in its 39th annual general meeting held on July 14.

He is the vice chairman of Beximco Group, IFIC Bank said in a statement yesterday.

He was also the president of the Federation of Bangladesh Chambers of Commerce and Industry, the apex trade body of businesses in the country.



Monzur Hossain, chairman of Rupali Bank, and M Farid Uddin, managing director, attend the bank's 30th annual general meeting at the Institution of Diploma Engineers, Bangladesh.

Oil prices edge up from two-month lows

AFP, Singapore

Oil prices rose on bargain-buying in Asia on Wednesday after hitting two-month lows but gains were hobbled by concerns about an oversupply and weak demand after the IMF lowered its global economic growth forecasts.

Investors are playing a holding game ahead of the release later in the day of official US stockpile figures, which will provide a better handle on the outlook in the world's top oil consumer.

"For now, it looks like a battle between buyers and sellers to see who can get a better deal out of this," CMC

Markets trader Alex Wijaya told AFP.

Supply disruptions that lifted prices from near 13-year lows in February have eased and the situation in Turkey is stabilising after the weekend's failed coup attempt, turning attention back to the supply issue.

At around 0645 GMT, US benchmark West Texas Intermediate rose six cents, or 0.06 percent, to \$44.71 and Brent added 11 cents, or 0.24 percent, to \$46.77.

WTI fell three percent in the previous two days, while Brent lost two percent in the same period.

On Tuesday the IMF cut its growth estimate for the world economy by 0.1 percentage points for both this

year and next, citing the effects of Britain's shock decision to leave the European Union.

CMC Markets client services executive Alex Furber said oil was also taking a hit from renewed strength in the dollar, which makes the commodity more expensive for anyone holding weaker currencies.

He added that he saw the dollar rising further.

The greenback has picked up in the past two weeks on growing speculation the Federal Reserve will lift interest rates before the end of the year following a string of upbeat data, including a forecast-busting reading on jobs creation.



Md Abdul Hamid Miah, managing director of Union Bank, opens the bank's Nawabpur Road branch at a ceremony.



MJ Azim, managing director of Pragati Life Insurance Ltd, and Berhanu Moreda, acting country director of CARE Bangladesh, attend a deal signing ceremony at Pragati Insurance building in Dhaka to jointly introduce a micro health insurance pilot scheme for the rural households.

US moves to seize \$1b in assets of Malaysian 1MDB fund

AFP, Washington

In a stunning blow to Malaysia's political establishment, the US Justice Department said Wednesday it was moving to seize more than \$1 billion in assets allegedly tied to corruption at a state-owned investment fund.

In court papers filed in California, federal prosecutors listed the Hollywood financial crime caper "The Wolf of Wall Street" and nearly twenty other assets to be seized, including lavish real estate from Beverly Hills to a penthouse in New York's Time Warner Center to London's high-end Belgravia neighborhood.

Also included were artworks by the painters Monet and Van Gogh as well as a Bombardier Global 5000 business jet.

All were the tainted proceeds of the misappropriation of billions of dollars from the scandal-tarred 1Malaysia Development Berhad investment fund.

The development was likely to prove particularly embarrassing for Malaysian Prime Minister Najib Razak, who, in his concurrent position as finance minister, controlled the company until its dissolution in May.

The Wall Street Journal reported last year that investigators had tied nearly \$700 million to Najib's personal bank accounts. Najib had previously denied wrongdoing.

Subsequent reports said the money originated from 1MDB and may have exceeded \$1 billion, which 1MDB denies.

Japanese gamers upset as hopes of Pokemon GO launch dashed

REUTERS, Tokyo

Gamers in Japan, home of Nintendo Co's Pokemon, waited in vain on Wednesday for the launch of its smash-hit mobile game amid reports that the developers behind it had hit the brakes, concerned that overwhelming demand would overload server capacity.

Nintendo's shares suffered a rare bad day since Pokemon GO took the world by storm, tumbling 13 percent on the disappointment. Even so, the stock has gained 86 percent since its U.S. launch earlier this month, adding \$17 billion to its market capitalisation.

"Isn't Japan the home of Pokemon? I beg them to hurry up!", said Toshihide Onchi, a 40-year-old system engineer who took part in the trial of the game's beta version.

Late on Tuesday, technology news site TechCrunch and other media outlets reported the launch would take place the following day. TechCrunch later reported a postponement, but said the rollout for one of the world's most critical gaming markets was still imminent.

A spokeswoman for Pokemon Company, which created the game along with Nintendo and Google-spinoff Niantic, declined to comment on the report, reiterating that nothing had been decided over the Japan launch date. Nintendo referred any queries regarding Pokemon GO to Pokemon Company.

Investors and analysts are betting the success of game, available officially in 35 countries and played in many more, will be transformational for Nintendo. While Pokemon GO will not prove a major direct boost, it could prompt Nintendo to cash in more effectively on an extensive cupboard of characters. Until Pokemon GO, the company had focused on more profitable consoles and snubbed mobile games.

Niantic CEO John Hanke told Reuters on Friday the developers were being extra-cautious in Japan, given the level of expectation and sheer number of players.

"The technical challenge for us is having enough server capacity on the back end to handle that number of users," he said.

Pokemon GO, which marries a classic 20-year-old franchise with augmented reality, is on its way to becoming the first mobile game to break the \$4 billion-per-year barrier, beating Candy Crush Saga, according to Macquarie Research.

Others too have benefited from the craze. Shares of Japan's McDonald's Holdings Co ended up 9.8 percent after the TechCrunch report said the fast-food chain operator would become the game's first sponsor.

TechCrunch said the sponsorship would see McDonald's 3,000-plus fast food restaurants across Japan become "gyms", or battlegrounds, for Pokemon collectors. The chain already gives away Pokemon-themed toys with its Happy Meals. McDonald's Japan declined to comment.

Cash crunch hits mass weddings in northern Nigeria

AFP, Kano, Nigeria

Low global oil prices have hurt Nigeria's economy, taking it to the brink of recession. But the resulting cash crunch has also had a more unexpected effect - on mass weddings.

More than 10,000 women have registered for the state-sponsored programme in Kano, said Abba Sufi, director-general of the northern city's "morality police", the Hisbah.

"At the moment we have over 10,000 women who have registered for the mass wedding programme and are waiting to be introduced to prospective suitors when the project resumes," he told AFP.

"The women include divorcees and girls of marriage age registered in person and via social media platforms we operate."

The matchmaking programme began in 2012 to help divorcees remarry in Kano state, which has the highest divorce rate in Nigeria. Under the scheme, the state government pays the bride price and provides furniture and household utensils for the newlyweds.

A total of 1,111 couples tied the knot in an elaborate event at Kano's main mosque in December 2013. At the time, the Hisbah said it had arranged 4,461 marriages since the programme began.

Nigeria, one of Africa's main oil producers, depends on the sale of crude for 70 percent of government revenue but income has been slashed since prices plunged around the world two years ago.

State governments have struggled to pay public sector wages; the naira has weak-

ened, causing a shortage of foreign exchange, hitting investment and key imports of goods, fuel and food.

At the same time, inflation has soared to nearly 11-year highs, with predictions of more devaluation to come and further rises in the cost of living.

"The cash crunch has compelled us to halt the programme, which has resulted in a huge backlog of women intent on getting the right husbands to marry through the matchmaking process," said Sufi.

Hajara Umar, a divorced mother of three children, said she registered to find a husband two years ago but has been frustrated because of the lack of funding.

"We are calling on the authorities to resume the mass wedding. We are not asking for too much, just the basic things we need to start a new married life," she said.

Widespread poverty has been blamed for the rising number of divorcees in Kano city and the surrounding state, as well as the decline in traditional marriage ceremonies between men and women.

Kano's economy declined sharply in the 1980s because of electricity shortages, which forced up production costs, high bank lending rates and competition from cheap foreign imports.

More than 400 of Kano city's 500 textile factories were forced to close, leaving thousands jobless and creating the highest unemployment of rate of any of Nigeria's 36 states.

The economic decline has had a direct impact on families, leading to divorces in a mainly Muslim society where polygamy is prevalent.

GP ready to offer 4G services

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On the call drop issue he said Grameenphone's service quality is better compared to the operators in developed countries. "We are performing much better across all the parameters of the International Telecommunication Union," he added.

The operator is now working in the areas where its service quality is not up to the mark. "Now our focus will be on improving service quality, especially in big cities like Dhaka."

On the recent terror attack in Dhaka, he said it has led to a tragic situation, but will not affect their investment in the country.

"I am not much concerned about the issue."

However, they have taken extra steps to ensure security of their network and base stations, according to Sethi. "We are closely working with all the government agencies."

About taxation he said tax is increasing every year for the telecom sector. Tax rose 5-6 percent last fiscal year, which put pressure on end-users, he added.



Md Nazmus Salehin, managing director of Standard Bank Ltd, and Arif Khan, managing director of IDLC Finance Ltd, attend a deal signing ceremony. The bank signed a term sheet with IDLC for the issuance of Standard Bank coupon bearing non-convertible subordinated debt of Tk 4,000 million under Tier-II capital in compliance with BASEL-III. IDLC Finance will act as a lead arranger.

Italian govt doesn't recognise Italy-Bangladesh chamber: envoy

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When asked to comment on the reaction of the ambassador, Mustafa said the chamber was licensed by the commerce ministry in 2007 and registered with the Office of the Registrar of Joint Stock Companies and Firms.

The chamber also received a letter from the then Italian ambassador in 2006 saying he had "no objection" to the formation of the trade body, Mustafa said.

In response, Palma said the letter was given 10 years ago and it was not renewed since then.

Mustafa, however, agreed with Palma that the chamber has no Italian businessman as its member now. "The current members of the chamber are the Bangladeshi businessmen who have trade relations with Italy," he said.

Time to tighten cyber security

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US Ambassador in Dhaka Marcia Bernicat said it is a timely subject to discuss how to safeguard Bangladesh's digital platform.

Catherine R Seagraves, science, technology and health officer of the US Embassy in Dhaka, said there has to be a single contact point so the victims of cyber attacks can immediately notify the authorities about the issue.

Md Mujibur Rahman, a member of AmCham, said there is room for improvement and capacity building.

AmCham President M Nurul Islam said ensuring safety over digital sphere is extremely important for Bangladesh as well as the world.

"In the past, digital safety was just a part of our business. Now it has become parts of our all systems and governance."

Home boss pledges security to garment retailers

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Abdus Salam, director general of Industrial Police, said the industrial police will also give security to the retailers if they are informed in advance.

Siddiqur Rahman, president of BGMEA, said the government has taken a lot of security measures after the Gulshan attacks.

If any buyer does not want to visit Bangladesh, he can hold meetings with the garment makers in any third country, he said.

At the meeting, Rob Wayss, executive director of Accord, said more than 200 member companies of the Accord will continue sourcing garment items from Bangladesh despite the Gulshan attack.