

Samsung scion joins board as profits plunge on Note 7 crisis

AFP, Seoul

Samsung heir apparent J.Y. Lee took a major step towards control of the family-run conglomerate on Thursday, joining the board as the company reported a 30 percent profit plunge following a highly damaging recall crisis.

The move is being seen as a coronation of sorts of the 48-year-old Lee, who is already vice chairman of Samsung Electronics and has seen his influence grow since his father, Samsung patriarch Lee Kun-hee, suffered a heart attack and was hospitalised in 2014.

"Mr. Lee's election to the board will allow him to more actively participate in and take formal responsibility for the company's important decision making, contributing to creating long-term, sustainable value for all of our stakeholders," board chairman Kwon Oh-Hyun said.

The nomination was approved by an extraordinary meeting of Samsung shareholders which also focused on the recall fiasco surrounding the flagship Galaxy Note 7 smartphone that has hammered the reputation of the world's largest smartphone maker.

The meeting began just hours after Samsung announced a third quarter operating profit of 5.2 trillion won (\$4.6 billion) -- down from 7.3 trillion won a year ago.

The profit slump was in line with a revised earnings estimate issued by Samsung two weeks earlier after it killed off its Note 7 smartphone due to devices overheating and bursting into flames.

The decision to discontinue production of a model aimed at competing with arch-rival Apple's iPhone was a devastating move for a company that prides itself on the quality production of cutting-edge technology.

Scraping the Note 7 saw earnings of the company's core mobile business drop off a cliff, with the mobile division's operating profit for the third quarter down almost 98 percent from the previous quarter at just 100 billion won.

In an earnings statement, Samsung said its mobile unit would focus on "expanding sales of new flagship products ... as well as regaining consumers' confidence."

The impact of the Note 7 debacle on the electronics giant's brand name is still being calculated, with Samsung

itself having predicted another \$3 billion-plus in lost profits over the next two quarters.

"The mobile business hit bottom, but it should pull off a partial recovery in the fourth quarter where we will be looking for an operating profit of roughly 2.0 trillion won," said Greg Roh, an analyst at HMC Investment Securities.

"But we'll have to wait until the second quarter of next year for a full recovery with the launch of the Galaxy 8 smartphone in March," Roh said.

"Samsung has lost consumer confidence, but I think it still has at least one more chance. Rather than rushing to release the next product, it should conduct a thorough inspection and explain the results of its investigation into the Note 7," he added.

As an illustration of the loss of prestige suffered by a company used to being treated as corporate royalty in South Korea, thousands of domestic Note 7 customers are expected to join a class action lawsuit seeking compensation over the recall fiasco.

And one South Korean investment advisory firm went so far as to recommend shareholders vote on Thursday against J.Y. Lee's nomination to the board.



Syed Waseque Md Ali, managing director of First Security Islami Bank Ltd, cuts a cake to mark the 17th founding anniversary of the bank at their head office in Dhaka on Tuesday.

Nokia reduces losses as merger with rival proceeds

AFP, Helsinki

Finnish telecom equipment giant Nokia said Thursday it has managed to reduce losses but remained in the red in the third quarter after acquiring its former rival, French-American Alcatel-Lucent.

The world's former number one in handsets, which turned into a telecom equipment maker, reported a net loss of 125 million euros (\$135 million) in the third quarter after a 665-million-euro loss in the previous quarter (\$725 million).

Thanks to the Alcatel-Lucent acquisition, the company's net sales grew by nearly 94 percent to 5.89 billion euros

from 3.04 billion for Nokia alone a year before (to \$6.43 billion from \$3.32 billion).

Nokia's chief executive Rajeev Suri described the results as solid "despite market conditions that are softer than expected".

While the global slowdown in the construction of new telecom networks continues to put pressure on the company, Suri expressed satisfaction with an "excellent quarter" from the Fixed Networks business and from Nokia Technologies business unit which benefited from a recent licensing agreement with South Korean Samsung.

"The results also reflect another

excellent quarter from Fixed Networks, which improved both net sales and profitability from one year ago," Suri said in a statement.

The company also announced that one of its long-time key members of the board, chief financial officer Timo Ihamuotila, would leave the company to take up a similar position at the Swiss-Swedish engineering giant ABB in Switzerland.

Ihamuotila was the only Finn on the board of the company based in Espoo, Finland, and he will be succeeded by another Finn Kristian Pullola, who up until now served as a corporate controller at Nokia.



Officials of MMDS and CMPL pose with Nokia 216 model during the launch of the handset in Bangladesh market.

Mashrur Arefin, additional managing director of City Bank, and Iqbal Ahmed, chief strategy officer of Palace Luxury Resort, exchange documents after signing an agreement. Palace will use City Bank's internet payment gateway in their website to accept online booking and payments from any local or international debit and credit cards issued by American Express, VISA or MasterCard.

CITY BANK



US investment in Bangladesh on the rise: Bernicat

FROM PAGE B1

"The US is a nation that truly values informational transparency, and for that reason, the annual investment climate statements also include market challenges like inadequate infrastructure, governmental and bureaucratic delays and concerns over workers' rights and safety."

Bernicat said the World Bank's Doing Business ranking, which was unveiled this week, also highlighted the continued challenges and brought focus on areas that need to be addressed.

She advised all concerned to review the current investment climate statement and to continue to provide feedback to her and the embassy on how to make the reports more accurate in future.

The investment climate statement is one of the many methods that the US use to communicate its public and private sector priorities to the Bangladesh government.

Bangladesh is set to discuss bilateral trade issues with the US in the third Trade and Investment Cooperation Forum Agreement meeting, due to be held in the US next month, she said.

While speaking on the topic of overcoming challenges for foreign investment, Kazi M Aminul Islam, executive chairman of the newly formed Bangladesh Investment Development Authority, laid out the government's initiatives for attracting FDI.

He said a process is underway for using public sector land asset for private sector development.

For instance, properties vested with the BIDA will be in a land pool that can be used by the private sector players.

The government will soon make the 'one-stop service' fully functional and in so doing will resolve the bottlenecks caused by service delivery agencies.

Besides, BIDA is engaged with the WB to work out extensive regulatory reforms for promotion of investment and trade, Islam added.

AmCham President Nurul Islam also spoke.

Belgium reaches consensus on EU-Canada free trade deal: PM

AFP, Brussels

Belgian political leaders have reached a consensus in support of the landmark EU-Canada trade deal, Prime Minister Charles Michel said Thursday, raising hopes it can be signed soon.

"An agreement" has been found, Michel said after the latest round of marathon negotiations aimed at winning over holdouts in Belgium's French-speaking communities who have held up the deal for the entire European Union.

Confirmation came swiftly from Paul Magnette, the chief of government of the southern French-speaking Wallonia and the leading holdout to the deal.

"We have finally found an agreement among the Belgians that will now be submitted to European institutions and our European partners," Magnette said.

"Wallonia is extremely happy that our demands were heard," he added.

Angering Canada and European Union leaders who had conducted

negotiations for seven years, Belgium had effectively blocked the deal, which must be endorsed by all 28 EU member states.

The intra-Belgian agreement was not reached in time for Canadian Prime Minister Justin Trudeau to come to Brussels later Thursday for a signing ceremony as European sources said the summit had been cancelled.

There was no immediate announcement of a new date for signing the Comprehensive Economic Trade Agreement (CETA).

Chinese ride-share king Didi Chuxing could go global

AFP, Laguna Beach, US

Fresh from forcing Uber to back down in China, ride-sharing king Didi Chuxing plans to put what it knows to work in other parts of the world.

"We aspire to be a global company; we think it's our mission," Didi Chuxing president Jean Liu said at a WSJD Live global technology

conference that ended Wednesday in Laguna Beach, California. "We feel the expertise and knowledge we build in China can benefit other markets."

Didi would like to collaborate with local ride-sharing companies where possible, but will consider launching its own operations in places where such services do not exist, she said.

Liu maintained that Didi has good partnerships with Lyft and Uber in the US market. Didi, which claims almost 90 percent of the China ride-hailing market, announced the tie-up with Uber nearly three months ago, ending a ferocious battle for market share that saw it and Uber spending billions of dollars on subsidies for drivers and passengers.

Public sector companies' financial authority clipped

FROM PAGE B1

The finance division will later review the recommendations of the committee and issue an order on the financial authority of the companies, said a planning ministry official.

At present, there are nine companies in the public sector. These are: Coal Power Generation, North West Power Generation, Electric Generation Co of Bangladesh, Ashuganj Power Station, Power Grid Co of Bangladesh, West Zone Power Distribution, Dhaka Power Distribution, Dhaka Electric Supply and Bangladesh Telecommunication Co.

The companies are running a total of 35 projects under the annual development programme.

Under these projects, Tk 7,175 crore was allocated in fiscal 2015-16.



Ishtiaque Ahmed Chowdhury, managing director and CEO of Trust Bank Ltd, and MA Rashid, managing director of Barnali Fabrics Ltd, exchange documents after signing an agreement. Employees of Barnali Fabrics will get payroll account facility with the bank.

TRUST BANK

Online tax filing goes live in two zones

FROM PAGE B1

They will get confirmation of their tax returns electronically, which can be printed for record-keeping.

They will get tax payment certificates electronically, said NBR Member Kalipada Halder, the project director for the e-tax filing system.

They will also be able to view their profile as taxpayers and their filing history.

To assist taxpayers in returns filing, there will be support and service centre, according to Halder.

The automation will also enable taxmen to easily monitor the trend of tax return submission and tax payments.

Taxmen at any field office will be able to see the number of tax return submitted after the deadline for return submission, according to the NBR.

Also, tax files for audit will be selected automatically based on the criteria set by the NBR, Halder said.

Taxpayers will be able to submit challans as proof of their tax payment and submit their returns.

Mannan said the system will be more effective when taxpayers will be able to pay tax electronically and get respite from visiting banks to pay tax.

NBR Chairman Rahman said they are working to ensure electronic tax payment.

To automate the whole tax administration and tax system, the NBR took the e-filing of tax returns initiative in 2011 at a cost of Tk 78.98 crore.

Of the amount, Tk 12.98 crore came from government funds and the rest from the Asian Development Bank.

The tax authority has already brought its tax offices under one network as part of its automation process.

It has also set up a data centre along with a data recovery centre at the Bangladesh Computer Council.

The deadline for individuals to submit income tax returns is November 30, which is now called the Tax Day.

Taxpayers will have to pay a penalty if they do not submit returns on or before the deadline, the NBR said.

Taxmen said they have already accommodated the current fiscal year's income tax-related changes in the e-filing software.

The tax authority said the online return filing system will be rolled out to mark the beginning of the weeklong tax fair on November 1.

The annual show, which started on a popular note in 2010, will take place at the under-construction headquarters of the NBR at Agargaon in Dhaka.

Address challenges of malnutrition: WFP official

FROM PAGE B1

WFP assisted 56,000 people in Southern Bangladesh with emergency food assistance following the effects of Cyclone Roanu.

WFP Bangladesh, with assistance from a consultant deployed by the WFP Washington DC Office, has started preparing a proposal to support the government in scaling up the national school feeding programme.

The current phase of McGovern Dole funding for school feeding will end in August 2017.