

IDLC rights issue gets green light

STAR BUSINESS REPORT

Bangladesh Securities and Exchange Commission yesterday approved IDLC Finance's application to raise Tk 251.37 crore through rights issue.

The rights issue is an offer of new shares by a company to its existing shareholders in proportion to the shares they already own and usually at a discount to market price.

The non-bank financial institution, which was listed in 1992, will issue 12.57 crore rights shares of Tk 10 each that will also have a premium of Tk 10.

One rights share will be offered for existing two shares, the stockmarket regulator said in a statement.

The raised fund will be used for strengthening IDLC's capital so that it can scale up its SME, consumer and corporate lending. City Bank Capital Resources will be the issue manager.

IDLC's earnings per share stood at Tk 5.81 as per last year's audited financial

statement and the net asset value per share Tk 30.97.

On the Dhaka Stock Exchange yesterday, each IDLC share traded between Tk 58.8 and Tk 60.2 before closing at Tk 59.1.

Sponsors hold 59.66 percent stakes in IDLC, institutions 23.21 percent, foreign investors 4.78 percent and general public the remaining 12.35 percent, according to DSE data.

The BSEC also allowed Mutual Trust Bank to raise Tk 500 crore by issuing non-convertible subordinated bonds to meet its tier-II capital requirement. The bonds will have a maturity period of seven years.

The face value of the bond, which can be issued to only financial institutions and high net worth individual investors through private placement, will be Tk 1 crore per unit.

Also at yesterday's meeting, which was presided over by BSEC Chairman M Khairul Hossain, it was decided that stockbroker HAC Securities will be fined Tk 2 lakh for breaching securities rules.

VW aims to be global leader in electric cars by 2025: brand chief

AFP, Frankfurt Am Main

Volkswagen aims to be the world leader in electric cars by 2025, brand chief Herbert Diess said Tuesday, as the German car giant shifts its focus to clean-energy vehicles after the dieselgate emissions cheating scandal.

"By 2025 we plan to sell one million electric cars per year, and by then we also want to be the global market leader in electromobility," Diess said at a presentation of the brand's future plans.

"Going forward our electric cars will be the hallmark of Volkswagen," he told reporters at the VW group's Wolfsburg headquarters in northern Germany.

The switch to electric will be funded through new investments and economies of scale, Diess said, and is a crucial part of the troubled brand's efforts to reinvent itself.

Volkswagen on Friday already announced the biggest revamp in its history, saying that it would cut 30,000 jobs to save 3.7 billion euros (\$3.9 billion) a year by 2020, while ramping up investment in future technologies such as electric cars, self-driving cars and digitalisation.

"Our industry will undergo more fundamental change over the next 10 years than ever before," Diess said, predicting that "the breakthrough" of electric cars was just four or five years away and would be driven by environmental concerns. "For most customers the electric car will soon be the better alternative," he said.

The shake-up at Volkswagen's core brand comes as the group tries to recover from the biggest crisis in its history after it admitted last year to installing emissions cheating software in some 11 million diesel vehicles worldwide.

New managing director for Bangladesh Krishi Bank

STAR BUSINESS DESK

Muhammad Awal Khan has recently joined Bangladesh Krishi Bank as managing director.

Prior to joining Krishi Bank, Khan was the managing director of Rajshahi Krishi Unnayan Bank.

He starts his banking career at Bangladesh



Krishi Bank in 1982, the bank said in a statement yesterday.

He has also served Agrani Bank as deputy managing director and Sonali Bank as general manager, according to the statement.

He completed his postgraduation in finance from Dhaka University in 1979.

A British soft Brexit is best for Norway, trade minister says

REUTERS

Britain should stay as closely connected to Europe's common market as it can after it leaves the European Union, the trade minister of EU outsider Norway said on Tuesday.

"Britain is perhaps our most important economic partner. We want the future cooperation and trade conditions

to be as good as today," trade and industry minister Monica Maeland said in a statement.

"The best for Norway is a 'soft Brexit', which would keep Britain as closely tied to the common market as possible," she added.

While not an EU member, Norway is part of the union's common market through the European Economic Area treaty.



Volunteers pose after cleaning up the seashore of Saint Martin Island, as part of a global partnership of Coca-Cola Bangladesh and Ocean Conservancy's country coordinator Kewkradong Bangladesh.

Nissan sells autoparts firm stake in corporate shakeup

AFP, Tokyo

Nissan said Tuesday it is selling its stake in auto parts company Calsonic Kansei as the Japanese firm casts off non-core businesses to focus on electric vehicles and self-driving cars.

The automaker is giving off its 41 percent stake to US buyout firm KKR, which is buying Japan-based Calsonic in a deal valued at about \$4.5 billion.

KKR is paying 1,860 yen (\$17) per share for Calsonic, which makes vehicle interiors, climate control systems, compressors, exhaust systems and electronics.

That is a 28 percent premium on Calsonic's closing share price Tuesday.

Calsonic -- which has about 22,000 employees and 1.05 billion yen in annual sales -- also supplies other automakers including Renault, Isuzu, Daimler and General Motors.

Nissan has been moving to sell off lesser businesses as it turns its attention to developing technology including for cars and self-driving vehicles, which it sees as a key part of its future business.

The Japanese automaker is also eyeing a push into Southeast Asia after picking up a stake in Mitsubishi Motors.

Telecom users irked by 'poor' services

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In response, BTRC officials said they noted the complaints and a three-member panel headed by the regulator's Chairman Shahjahan Mahmood will take the necessary action.

Rubel Hossain, a user from old Dhaka, complained of poor network regardless of the carrier.

Abul Bashar, a businessman, said his SIMs remained barred despite clearing all dues on August 12. "I visited the Grameenphone customer care centre eight times with no satisfactory result."

Operators tend to block the attractive numbers and resell them, after a certain period of time, at higher prices to other customers, he alleged.

Bashar went on to advise the regulator to legally bind the operators into selling all their connections at regular prices.

Around 1,300 people signed up for the hearing, of which the BTRC invited 420. In the end, only around 200 attended the hearing held at the Institution of Engineers, Bangladesh.

Mahmood pledged to organise such a public hearing every six months to get customer feedback.

Fourth-generation services will shortly be rolled out in Bangladesh and the regulator will introduce mobile number portability in January, further helping the customers. "We are working to expand benefits for customers," he said.

Aminul Islam, a subscriber, called for suspension of the operators' special nighttime offers as the youth stay up to use them.

Monir Hossain, a student, said the BTRC should force operators to give one

GB pack for one month at only Tk 50.

"Operators giving gifts like T-shirts and caps should be stopped. We don't want gifts, we want service," said Wahid Zubair, another subscriber.

Khalid Bhuiyan, an entrepreneur, said the quality of service at the customer care centres has fallen.

Another customer said he sent more than 30 SMSs to Banglalink but failed to stop an offer from them.

Umme Kulsum, a student of Jahangirnagar University, said they cannot use Banglalink and Airtel connections when they are in their residential halls.

Rezaul Karim, a journalist, said in the last two years Robi has declared several places as free Wi-Fi spots but no connection was available. BTRC Vice-Chairman Md Ahsan Habib Khan, two commissioners Saleh Ahmad Hakim and Md Jahurul Haque were also present.

In the last six months, the BTRC received a total of 7,561 complaints, 2,187 of which were on the quality of service of the five mobile operators.

The BTRC is also receiving complaints through email and the mobile short code 2872.

Earlier, market leader Grameenphone organised two 'Meet the Customers' through Facebook to get feedback. However, the other operators never took such initiative.

Grameenphone officials said they had taken different measures and improved their quality after those two Facebook conferences. At present, there are 11.77 crore active SIMs in the market and more than 6.22 crore of them have active internet connections.

Govt approves three projects to upgrade power distribution

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The cabinet committee on economic affairs has primarily nominated a Chinese company for implementing the project.

Under the project, 100-kilometre 400kV new transmission lines, 330km new 230kV transmission lines, and 334km 132kV new transmission lines will be set up.

The existing 225km 132kV transmission lines will also be rehabilitated under the project. Besides, new power sub-stations will be set up and existing substations rehabilitated.

Under the two other projects, the power distribution system will be improved in eight divisions at a cost of Tk 6,481 crore. The ADB will provide Tk 3,914 crore.

The two projects will bring about 9.5 lakh new subscribers under the national grid network, according to a proposal of the planning ministry.

Some 11,965km 11kV or lower voltage lines will be set up. Besides, the capacity of about 39,000km existing lines will be enhanced.

Two of the projects will be implemented by 2019 and the other by 2021.

Ecneec also approved a Tk 367 crore project to construct 398 flats at 20 abandoned houses in Gulshan, Banani and Mohammadpur areas to solve the housing problem confronted by government employees.

The planning ministry said the flats will be ready by 2019. Only 9 percent or 13,052 of the 148,915 government officials posted in the capital have state-provided accommodation, according to statistics from the planning ministry.

The government wants to increase the number of its employees residing in state-owned houses to 18,276 by 2019. Even if the government reaches its target as per its plan, 87 percent of the government staff will still remain outside the purview of the facility, said a planning ministry official.

Ecneec has passed another project, involving Tk 200 crore, to improve the operation capacity of the police in Dhaka metropolitan area.

In total, Ecneec approved 10 projects at a cost of Tk 22,876 crore.

Hong Kong Disneyland gets Frozen in \$1.4b upgrade

AFP, Hong Kong

Hong Kong Disneyland announced Tuesday a \$1.4 billion expansion featuring popular characters from the "Frozen" and "Marvel" movies, despite competition from a massive Disney resort in Shanghai.

The upgrade at the world's smallest Disney resort comes after Shanghai's theme park opened in mid-June, pulling in nearly a million visitors within its first month of operation.

The Hong Kong expansion will start in 2018, ending in 2023, with new attractions opening almost every year during that period.

New attractions will also include a trans-

formed castle, the central landmark in all of Disney's six global resorts.

Animated mega-hit "Frozen" raked in nearly \$1.3 billion in global ticket sales, while Marvel has had a string of blockbuster successes based on its roster of superheroes including Iron Man and Captain America.

"This would attract more high-spending and overnight visitors from more diversified market sources," the city's commerce and economic development minister Gregory So said.

Hong Kong Disneyland has had three years of profitability since 2012, but attendance took a hit in 2015 after mass pro-democracy rallies rocked the city a year previously.

Cotton use to expand

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In 2015-16, Bangladesh consumed 6.1 million bales of cotton. The import will also increase by 1.6 percent to 6.3 million bales in 2016-17 from 6.1 million bales last year, according to data from USDA.

India has become the biggest supplier of cotton for Bangladesh for competitive prices, quality and geographical proximity, as the country imports 50 percent of its total annual demand of the fibre from India.

Bangladeshi apparel makers are bagging greater export orders from international retailers as China is no more a competitive place for them for higher costs of production.

"Cotton consumption and import in Bangladesh are related to the export of garment items. Since garment exports are increasing, cotton consumption and

imports will also increase," said Mahmud Hasan Khan, vice president of Bangladesh Garment Manufacturers and Exporters Association.

More than 80 percent of Bangladeshi apparel products are cotton-based, said Khan, who is also a cotton importer and spinner. The rest 20 percent include viscose, polyester and other materials. Currently, local spinners can supply nearly 90 percent of raw materials for the knitwear and 40 percent for the woven sector.

For 2016-17, global production and beginning stocks are high, the USDA said. Global trade and year-end stocks will also increase. Production and year-end stock of cotton increased in the US, although its consumption and exports remained unchanged in the country.



City Bank Chairman Mohammad Shobir and Vice Chairperson Tabassum Kaiser open a new Citygem Centre at Dhanmondi in Dhaka. Managing Director Sohail RK Hussain was also present.

CITY BANK



Abir Shawkat Haiat, chief operating officer of A-One Polymer Ltd, a concern of Anwar Group, opens a new depot of the company at Tikatuli in Dhaka on November 19.

ANWAR GROUP