

Dhaka motor show wraps up

STAR BUSINESS REPORT

The 12th Dhaka Motor Show, which provided vendors in the automotive sector a platform to display their products and services, ended yesterday.

The three-day event ran parallel to the 3rd Bike Show, 2nd Auto Parts Show and 1st Commercial Automotive Show at the International Convention City Bashundhara in the capital.

The Motor Show provides a significant platform for vendors in the automotive sector to display their wares and attract customers with discounts, elaborate stall setups and various other activities.

Local companies such as Navana, dealer of Toyota, Nitol-Niloy Group, dealer of Tata, Meghna Group, dealer of KIA, DHS Motors, dealer of Honda, and state-owned Pragoti Industries took part.

Japanese manufacturer Suzuki along with a host of Indian and Chinese companies took part in the bike show.

The commercial automotive section of the fair featured large trucks and bus chassis made by companies such as Hyundai and Tata, and provided a platform for dealers in the country, according to organiser CEMS Global.

The event attracted a large number of visitors.

Google ad boycott could aim ire at ad-serving software

AFP, San Francisco

Google's money-making foundation is strong enough to endure a current boycott by advertisers, but the movement could rattle the practice of software "programmed" ad placement, analysts said on Thursday.

The internet giant's core business of serving up advertising along with online search results appeared to be safe from the boycott, motivated by companies seeking assurances that their marketing messages won't be displayed along with hateful or outright terrorist content, particularly videos on Google-operated YouTube.

The "backlash" could broaden into a rebellion against the market practice of software programming ad placements, slowing not only Google's

revenue but also that of other internet firms, according to Jackdaw chief analyst Jan Dawson.

"I would think Google (and parent company Alphabet) would be extremely lucky to emerge from all this with minimal financial impact," he said in a blog post.

"I think it's far more likely it sees both a short-term dent in its revenues and profits from the spreading boycotts and possibly a longer-term impact as brands reconsider their commitments to programmatic advertising in general."

California-based Google, which has seen a slew of companies withdraw ads fearing placement alongside extremist content, said this week it is introducing new tools to give firms greater control.

"We know advertisers don't want

their ads next to content that doesn't align with their values," Google's chief business officer Philipp Schindler said in a blog post.

"We're taking a tougher stance on hateful, offensive and derogatory content."

The boycott began last week after the Times newspaper of London found BBC programs were promoted alongside videos posted by American white supremacist and former Ku Klux Klan member David Duke as well as Wagdi Ghoneim, an Islamist preacher banned from Britain for inciting hatred.

The analysis found more than 200 anti-Semitic videos, and that Google had failed to remove six of them within the 24-hour period mandated by the European Union after it anonymously signaled their presence.



Officials of Dhaka Ice-cream Industries Ltd award the winners of a campaign—Polar Cone Scooty Foorti—of the company at a programme. The month-long campaign started on February 1.

POLAR

Smartphone maker Samsung backs away from planned split

AFP, Seoul

The world's biggest smartphone maker Samsung, assailed by a shambolic recall and embroiled in South Korea's wide-ranging corruption scandal, on Friday backed away from a planned corporate restructuring.

Following the embarrassing recall of the Galaxy Note 7 smartphone and under pressure from activist shareholders to improve corporate governance, Samsung Electronics said last year that it was considering splitting the company in two.

Its vice-chairman Lee Jae-Yong, heir to the parent Samsung group, has since been arrested and indicted for bribery, along with four other senior executives, in connection with the graft scandal that saw ex-president Park Geun-Hye impeached.

But at the Samsung Electronics annual general meeting in Seoul, board chairman Kwon Oh-Hyun said the firm had reviewed legal and tax issues around proposed division into a holding company and an operating unit, and identified "some negative effects".

He did not elaborate, but told shareholders: "At this moment, it seems difficult to carry it out."

Shares in Samsung Electronics -- the group's flagship subsidiary -- sank 1.4 percent in morning trade, having hit record highs this year on expectations of higher profits.

Samsung SDS and Samsung C&T were down more than six percent.

Various Samsung units have cross-

shareholdings in other parts of the group, a byzantine structure that enables the Lee family to control the business empire, which has revenues equivalent to a fifth of South Korea's GDP.

A promised new governance committee, made up of independent outside directors, will still be set up by the end of April, Kwon said.

But Samsung Electronics had so far been unable to recruit "foreign directors who have experience as chief executive officers of global companies" to join it, he said "due to uncertainties in the internal and external environment surrounding the company". Vice-chairman Lee has effectively been at the helm of the Samsung group since his father suffered a heart attack in 2014.

His indictment sent shockwaves through the company and triggered the announcement of a major reform of its top-down management style.

The corruption scandal centres on the former president's secret confidante Choi Soon-Sil, who is accused of using her ties with the head of state to force local firms to "donate" nearly \$70 million to non-profit foundations, which Choi allegedly used for personal gain.

Samsung was the single biggest donor to the foundations and is also accused of separately giving millions of euros to Choi to bankroll her daughter's equestrian training in Germany.

In total it handed over nearly \$40 million. One of the favours Lee allegedly sought from Park was state approval for a controversial merger of two Samsung units in 2015, seen as a

key step to ensure a smooth transfer of power to him.

The deal was opposed by many shareholders who said it had wilfully undervalued one of the firms. But it eventually went through after the national pension fund -- a major Samsung shareholder -- approved it.

Samsung has insisted the payments were charitable contributions it was obliged to make under pressure from officials, and not bribes.

But Kwon apologised at the meeting, saying: "We're sorry that we have created a stir in society."

The firm would review all its charitable donations, he said. "We've come to realise that our donations could be used for other purposes than we had intended."

Campaigners say that the controversy could complicate Samsung's proposed corporate split, as it has cast a renewed light on the cosy ties traditionally enjoyed by the government and family-controlled conglomerates known as "chaebols" that dominate the economy.

Groups including Samsung have increasingly become objects of public scorn as criticisms mount over their management practices, including rapid promotions for family members -- some of whose antics have battered the firms' images.

Millions of South Koreans who took part in weekly street rallies demanding Park's removal also called for the arrest of the tycoons involved in the scandal, among them the leaders of Hyundai, SK and Lotte.



Zainul Haque Sikder, chairman of National Bank, and Monowara Sikder, a director, attend a programme to celebrate the 34th anniversary of the bank on March 23.

NATIONAL BANK

DSE declares 10pc cash dividend

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The bourse's audited financial statement and the report of the board of directors were also unanimously approved by the shareholders at the AGM.

As the bourse's net income declined, its earnings-per share also slid to Tk 0.66 last fiscal year from Tk 0.75 a year ago.

Two newly elected shareholder directors were also included in the board of directors at the AGM. The new directors, who were elected on March 21, are -- Hanif Bhuiyan, managing director of Rapid Securities, and Sharif Aatur Rahman, managing director of SAR Securities.

Former DSE President and incumbent Director Rakibur Rahman, former DSE

President Ahsanul Islam, DSE Brokers' Association of Bangladesh President Ahmad Rashid and DSE Managing Director KAM Majedur Rahman also spoke. The DSE has become a profit-oriented company owned by shareholders after demutualisation in 2013.

The demutualisation scheme was approved by Bangladesh Securities and Exchange Commission in 2013, and the law on the issue was passed in 2012, to bring transparency to the stockmarket.

Demutualisation is a way to separate the bourses' management from ownership. Prior to demutualisation, Bangladesh's stock exchanges were non-profit cooperatives, owned by the exchange members, who were usually stockbrokers.

Stocks pass breezy week on dividend declarations

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Royal Capital in its weekly market review said the market behaved positively due to a buying approach of the investors.

A total of 188.37 crore shares and mutual fund units changed hands on the DSE, generating a turnover of Tk 5,693.44 crore last week. The daily average turnover was Tk 1,138.68 crore. Losers, however, beat gainers as 183 declined, 128 advanced and 21 issues remained unchanged out of the 332 securities that traded on the premier bourse last week.

The City Bank dominated the week's top turnover chart with 5.05 crore shares worth Tk 193.25 crore changing hands, followed by AB Bank, Beximco,

LankaBangla Finance, RSRM, IFIC Bank, National Bank, Beximco Pharma, Islami Bank and Bangladesh Building Systems.

AB Bank was the week's top gainer, posting a rise of 15.09 percent, while Reliance Insurance was the worst loser, slumping 13.88 percent.

Among the major sectors, non-banking financial institutions rose 4.88 percent in market capitalisation, followed by banks that increased 2.71 percent and telecommunications 0.11 percent.

Conversely, fuel and power took the highest hit as the sector lost 1.92 percent in market capitalisation, followed by engineering that declined 1.7 percent and food and allied 1.64 percent.

Import of soymeal, key feed ingredient, on the decline

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Another crushing plant is being set up by Globe Pharmaceutical Group of Companies to extract edible oil and oilcake, according to its Chief Finance Officer Shaker Shamim.

With the entry of the new player, the country's oilseed crushing capacity will rise to more than 8,000 tonnes a day, which will help the burgeoning feed industry get higher supply of oilcake, said stakeholders.

Soybean meal consumption by the feed industry would rise to 12.50 lakh tonnes at the end of the fiscal year, according to the USDA. It is expected to grow 8 percent to 13.5 lakh tonnes in fiscal 2017-18.

Some 100 fully automated feed mills and 45 small and medium feed mills produce 72.6 lakh tonnes of feed for the livestock sector, including poultry, cattle and aquaculture, it said. At present, the total number of poultry farms stands at 65,000-70,000 and is growing at 15 percent a year.

There are about 20 lakh aquaculture farms and the area under production is increasing at 5.7 percent a year. "The investment in the poultry sector is increasing as the sector ramps up to reach capacities needed to drive exports," the USDA said.

The tariff hike in the current fiscal year favoured the crushing of whole beans in Bangladesh. "The tariff on soymeal will likely lead to the establishment of three more crushing plants soon."

The US agency said the Bangladesh government has an open trade policy for soybean and soybean oil. "This duty-free policy for soybeans is intended to support the local crushing industry to ensure a local supply of soymeal at a lower price."

But since the duty on soymeal has stifled imports, feed millers are seeing increased costs for soymeal as a result of collusion and price-fixing among the leading domestic seed crushing plants, the USDA added.

The feed industry requires nearly 16 lakh tonnes of oilcake or soybean meal a year, said Moshir Rahman, president of Feed Industries Association Bangladesh.

The establishment of seed crushing plants has reduced imports of soybean meal but feed millers still have to meet nearly half of their requirements through imports.

More seed crushing mills should benefit the local feed mills but the prices should be competitive, Rahman said, citing that prices of soybean meals rose couple of days before the government hiked duty on the feed ingredient to 10 percent for fiscal 2016-17.

As a result of the duty hike, the import cost for each kilogram of soymeal is Tk 4 higher than the prices of soymeal offered by local seed crushers.

But, the imported soymeal provides 6 percentage point higher protein than the locally crushed one, he added.

BTRC set to assess mobile operators' service quality

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BTRC officials said they will be able to get the real picture as a result and take action accordingly. The telecom watchdog is yet to take a decision on whether it would run the tests along with Anite or leave the task entirely on the Finnish company's shoulders.

Once the quality assessment drives take off, the telecom regulator will move to amend the service quality guideline to better define what constitutes the acceptable level of service, Mahmood said.

"It was a long pending decision, but this time we are serious. When we start to get this information, operators will certainly try to improve their service quality and that is our main goal," he added.

But the mobile operators demanded that they should be consulted before the parameters are set for what constitutes acceptable service quality.

As part of its efforts to improve the service quality, the telecom regulator organised a public hearing in November last year; similar programmes will be arranged in Chittagong and Rajshahi as well, according to the BTRC chairman.

The BTRC also introduced a system to receive feedback from customers on the five operators' service quality. A total of 7,561 complaints were received between May and October last year.

In a recent development, afflicted customers have started lodging complaints with the Directorate of National Consumer Rights Protection. So far, the organisation fined the top three mobile operators in three separate cases.

EU threatens to scrap trade benefits over labour rights

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In addition, the EU continues to regularly receive reports of harassment, initialisations and repression of trade unions and workers wishing to unionise as well as restrictions on trade union activities and even arrest for activities such as holding trading seminar or strikes.

These reports seem to indicate a further decline in the respects of fundamental labour rights of workers, the letter said.

"It is of the utmost importance that Bangladesh addresses this situation with concrete and time bound actions in particular by implementing the recommendations of the ILO committee on the application of standards as a matter of urgency."

The EU in the letter said it wants the government to make amendments to the

2013 Labour Act to address the issues pertaining to freedom of association and collective bargaining. It also called for full freedom of association for workers in the export processing zones, and allowing the workers' organisations to associate with their counterparts from outside the EPZs.

The EU also suggested immediate investigation into the acts of anti-union discrimination and reinstatement of the illegally dismissed. In 2015, Bangladesh was by far the largest exporter to the EU under the EBA scheme. The country accounted for 65.7 percent of the EBA exports.

Last fiscal year, Bangladesh's exports to the EU stood at \$18.68 billion, which is 54.57 percent of the total exports in the 12-month period, according to data from the Export Promotion Bureau.

RN Paul, managing director of RFL; Prodig Poddar, executive director of Vision Electronics; Zahid Hassan, brand ambassador of Vision, and Moushumi, an actor, attend the dealers' conference of Vision Electronics, at RFL Industrial Park in Gazipur yesterday.

VISION ELECTRONICS

