

Mercantile Bank honours 11 individuals, entities

STAR BUSINESS REPORT

Seven eminent personalities, three organisations and a village were honoured with Mercantile Bank Annual Awards yesterday.

The bank honoured them in recognition of their outstanding contribution to different fields in the country.

The bank organised the event as part of an effort to celebrate its 18th founding anniversary.

Commerce Minister Tofail Ahmed handed over the crests, gold medals and cheques among the winners as the chief guest, at a programme at International Convention City Bashundhara in Dhaka.

Cultural Minister Asaduzzaman Noor and Bangladesh Bank Governor Fazle Kabir attended the event as special guests.

The bank honoured Mofidul Hoque in freedom fighter and liberation war-based research category and poet Asad Chowdhury in Bangla language and literature category.

Chhayanaunt was awarded in the culture category, Syed Anwar



MERCANTILE BANK

Award recipients and dignitaries pose at Mercantile Bank Annual Awards at International Convention City Bashundhara in Dhaka yesterday. The bank organised the event to celebrate its 18th founding anniversary.

Husain in education category, Samanta Lal Sen for healthcare and Iqbal Sobhan Chowdhury for journalism.

Debapriya Bhattacharya was honoured in the economics and economics based research category while Salahuddin Alamgir was awarded in the commerce and industry category.

Bangladesh Atomic Energy Commission received the award in science and technology category and Shuchona Foundation for social development.

Kolshindur village received the award in sports category for football.

Shahidul Ahsan, chairman of Mercantile Bank, presided over the

programme while Kazi Masihur Rahman, CEO, delivered welcome speech.

Sponsors, shareholders, additional managing directors, deputy managing directors, senior executives of the bank and valued customers along with personnel from press and electronic media were also present.

Samsung plans \$18.6b South Korea investment to widen chip lead

REUTERS, Seoul

Samsung Electronics Co Ltd said on Tuesday it will invest at least \$18.6 billion in South Korea to extend its lead in memory chips and next-generation smartphone displays, in a plan that promises to create almost half a million jobs.

The investment underscores Samsung's determination to widen its lead in memory chips, which are expected to propel Asia's third most-valuable company to record profit this year. It routinely invests more than \$10 billion in chips annually, helping it stay ahead of competitors such as cross-town rival SK Hynix Inc and Japan's Toshiba Corp.

The announcement follows repeated calls from new South Korean President Moon Jae-in for big businesses to invest more domestically as part of a wider job-creation agenda. Samsung said its plan could open up to 440,000 roles by 2021.

The huge investment is also likely to alleviate shareholder fears of major decisions being delayed in the absence of Vice Chairman Jay Y. Lee. The leader of Samsung Group is on trial charged with bribing former president Park Geun-hye for political favors.

"Samsung is being more aggressive in domestic investments because of the current (political) climate," said Park Ju-gun, head of corporate analysis firm CEO Score.

The firm also needs to show initiative domestically after announcing a \$380 million plant in the United States, Park said.

Memory makers are widely expected to

post record profits in 2017 as prices rise in response to demand for more features in smartphones and servers, as well as a persistent supply shortage which analysts and industry sources said is more acute for NAND chips due to increasing adoption of high-end storage products.

Samsung, SK Hynix and Toshiba have committed billions of dollars to boost NAND output in recent years, yet shortages are expected to persist at least through 2017 as new facilities will not make meaningful supply contributions until next year.

Under its latest spending plan, Samsung will put 14.4 trillion won into its new NAND factory in Pyeongtaek by 2021. It will invest 6 trillion won in a new semiconductor production line in Hwaseong, but did not elaborate on timing or product.

Some analysts said additional capacity across the industry could cause slight oversupply in early 2018, but that prices are unlikely to drop because demand is so strong.

"There's no chance of major oversupply issues, and I think Samsung is investing so much because it's convinced that won't happen," said Shinhan Investment analyst Choi Do-yeon.

Samsung also said it will add a production line to its NAND plant in Xi'an, China, though it has not yet set an investment amount or time frame.

Some South Korean companies in China have seen sales decline or have had to reduce operations since Beijing objected to Seoul's deployment of a US anti-missile defense system in March.



Md Sazzadul Hassan, managing director of Syngenta Bangladesh Ltd, and Md Robed Amin, general secretary of Toxicology Society of Bangladesh, shake hands after signing a deal at Syngenta's head office in the capital on Sunday, for collaborative research and training on handling pesticide poisoning.

SYNGENTA



NITOL-NILOY GROUP

Md Abul Kalam Azad, chief coordinator for sustainable development goals affairs at the Prime Minister's Office; Abdul Matlub Ahmad, chairman of Nitol-Niloy Group, and Paban Chowdhury, executive chairman of Bangladesh Economic Zones Authority, attend a ceremony at Sonargaon Hotel in Dhaka on Monday. Nitol-Niloy Group received pre-qualification licence for Kishoreganj Economic Zone. Story on B1

Denmark to decide on EU's banking union membership after Brexit

REUTERS, Copenhagen

Denmark is set to decide on its participation in the EU's banking union, it said on Tuesday, which could lead to closer ties with the bloc following Copenhagen's expanding role as a financial center and Britain's decision to quit the bloc.

Danish lawmakers concluded in 2015 that it would be in the country's interests to participate in the banking union, designed to integrate the industry more closely within a single bloc-wide regulatory and supervisory framework.

But the Danes postponed making a decision then, pending clarification of certain matters.

Brexit and increased focus on Denmark as a financial center made it relevant for the country to now launch a review leading to a final decision by autumn 2019, after Britain's EU exit has been formalized, Business Minister Brian Mikkelsen said in a statement.

"We have to look at the consequences of Britain leaving the EU ... It means that we lack an important partner because the financial sector will be weakened by us not standing side by side," Mikkelsen told broadcaster TV2.

Participation in the banking union would mean closer integration for a country that has been an EU member since 1973 but holds opt-outs from EU policies

on security, police and the euro.

He added that a majority in parliament and the Danish banks were positive toward Denmark joining the banking union and said a referendum would not be needed.

Nordea, the Nordic region's biggest bank, has said it could move its headquarters to either Denmark or Finland from Sweden if the government further tightens some of the toughest capital requirements in Europe, but has yet to make a decision.

The review would include unresolved issues in relation to supervision of Danish mortgage credit institutions.

Denmark has said it wants to keep a tacit exemption that allows its banks to count mortgage-backed bonds - a market worth about 2.8 trillion Danish crowns (\$428 billion) - as highly liquid assets should it join the banking union.

The banking union project suffered a setback last month when Rome closed down two Veneto banks by means of a deal that could cost the Italian state up to 17 billion euros - breaking a principle agreed by European leaders that investors should shoulder the cost of bank failures.

The banking union covers all countries in the euro zone, but European Union countries outside the currency area such as Denmark can also join.

Microsoft plans layoffs in sales force shake-up

AFP, San Francisco

Microsoft is planning layoffs as it refocuses its sales force on making the software colossus a pivotal part of businesses relying on cloud computing, according to media reports.

While many reports forecast the changes would result in thousands of job cuts, Microsoft on Monday only confirmed to AFP that changes were on the way.

"Microsoft is implementing changes to better serve our customers and partners," a Microsoft spokesperson told AFP.

Tech news website GeekWire published what it indicated were excerpts from the Microsoft memo, which referred to an enormous business opportunity helping its customers with "digital transformations."

Chief Executive Satya Nadella has sought to reduce the tech giant's focus on software, shifting to cloud computing and business services.

"From large multinationals to small and medium businesses to non-profits all over the world, organizations are using Microsoft's cloud platforms to power their digital transformation," Nadella said when the company reported its earnings for the first three months of this year.

Microsoft reported revenue gains in cloud and business service operations,

which offset a drop in "personal computing," which includes the Windows operating system that once made up its core business.

Microsoft said revenue from its "Intelligent Cloud" rose 11 percent from a year earlier to \$6.8 billion.

Microsoft said its Office commercial products and cloud services revenue increased seven percent.

Office consumer products and cloud services revenue rose 15 percent, as the number of Office 365 consumer subscribers increased to 26.2 million.

Microsoft is to release its earnings for the recently-ended quarter on July 20.

Microsoft's cloud platform, called Azure, faces competition from technology powerhouses Amazon and Google.

Each of the companies has also been investing in artificial intelligence which can make services hosted in the internet cloud more intuitive and insightful when it comes to handling data or catering to needs of users.

Redmond, Washington-based Microsoft has announced thousands of jobs cuts in recent years, the most severe being 18,000 positions eliminated in 2014 related from its acquisition of Nokia and failed efforts in the smartphone market.

The technology giant cut 7,800 jobs in 2015, and 4,700 last year.

Indian diesel imports intensify, may be curbed by monsoon

REUTERS, Singapore

India's diesel imports have intensified with a state-owned refiner entering the spot market on Tuesday to seek its seventh cargo of the fuel for July, trade sources said. But imports could slow as monsoon season starts in India, they added.

The Hindustan Petroleum Corp (HPCL) is seeking 60,000 tonnes of 40ppm sulphur gasoil for delivery into Vizag over July 20-25 in a tender that closes on July 5.

This is the state-owned company's seventh cargo requirement for July, though it was not clear if all previous tenders have been awarded.

The HPCL-Mittal Energy Ltd (HREL) was expected to start up its 230,000 barrels per day Bathinda refinery in Punjab after it shut for planned maintenance in late April, but the refinery is still not back in operation, an industry source said, though this could not immediately be confirmed.

Regulator to offer 3 licences to run mobile towers

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Mobile phone operators and other telecom operators are setting up their own towers to expand network. Under the current system, all the operators are building infrastructure in a single place, leading to huge investment on their part as well as squeeze of valuable land.

Edotco, a Malaysian tower management company, is already running tower business in Bangladesh with a no-objection certificate. It manages about 9,000 towers.

Edotco is a sister concern of Malaysian telecom giant Axiata Group. Robi, the second-largest mobile phone operator of Bangladesh, owns about 20 percent shares in Edotco.

According to the proposed guideline, Robi will have to shed its shares in Edotco if the latter wins a licence.

Mobile phone operators Banglalink and Grameenphone have showed interest to separate their network infrastructure from core telecom business. They have applied to the regulator seeking permission to set up subsidiaries to manage towers.

A senior official of Banglalink said they are planning to sell all their towers and invest the proceeds to upgrade the network. Banglalink has 8,000 base transceiver stations.

Kishoreganj economic zone gets initial approval

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Azad hoped that KEZ would play an extraordinary role in fostering economic development in the industrially neglected Haor areas.

The zone will also create jobs, attract local and foreign investment and boost economic growth, said the statement.

The economic zone is connected with gas and electricity networks and is close to Gochihata rail station on the Bhairab-Kishoreganj rail route. Besides, the zone will house water treatment and waste treatment plants, and fire fighting arrangements, said Paban Chowdhury.

Banks weighed down by bad loans, lack of quality manpower

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Dhaka Bank is also planning to introduce agent banking to take its service to remote areas. "We have applied for permission for agent banking."

It is also expanding its SME loan portfolio to diversify the business. The SME growth was 10 percent when Rahman joined with the bank and now it increased to 16 percent.

"We have plan to take the SME loan growth to above 20 percent within the next one or two years."

The interest rate on SME loans is high as the business is risky, he said.

"The SME entrepreneurs cannot recover their business even if they are affected just once."

Moreover, they do not have adequate collateral and business experience.

"It's not just Bangladesh, the interest rate on SME loans is high worldwide," he added.



JAMUNA BANK FOUNDATION

Nur Mohammed, chairman of Jamuna Bank Foundation, and Shafiqul Alam, managing director of Jamuna Bank, attend a tree plantation programme at Kashinathpur union of Santhia upazila in Pabna. The foundation distributed 700 plants among the local people.