

Facebook to build housing in Silicon Valley for first time

REUTERS, San Francisco

The shortage of housing in California's Silicon Valley has gotten so severe that Facebook Inc has proposed taking homebuilding into its own hands for the first time with a plan to construct 1,500 units near its headquarters.

The growth of Facebook, Alphabet Inc's Google and other tech companies has strained neighbourhoods in the San Francisco Bay area that were not prepared for an influx of tens of thousands of workers during the past decade. Home prices and commute times have risen.

Tech companies have responded with measures such as internet-equipped buses for employees with long commutes. Facebook has offered at least \$10,000 in incentives to workers who move closer to its offices.

Those steps, though, have not reduced complaints that tech companies are making communities unaf-

fordable, and they have mostly failed to address the area's housing shortage.

"The problem with Silicon Valley is you don't have enough supply to keep up with the demand," said Sam Khater, deputy chief economist at real estate research firm CoreLogic.

With Facebook's construction plan, the company said it wanted to invest in Menlo Park, the city some 45 miles (72 km) south of San Francisco where it moved in 2011.

The company said it wants to build a "village" that will also have 1.75 million square feet of office space and 125,000 square feet of retail space.

"Part of our vision is to create a neighbourhood centre that provides long-needed community services," John Tenanes, Facebook's vice president for global facilities, said in a statement.

The 1,500 Facebook housing units would be open to anyone, not just employees, and 15 percent of them would be offered at below market rates, the company said.

Facebook said it expects the review process to take two years.

Alphabet has taken a smaller step, buying 300 modular apartment units for short-term employee housing, the Wall Street Journal reported last month.

Menlo Park Mayor Kirsten Keith said in an interview that there were concerns about whether the Facebook plan would increase traffic, a subject the city's planning department would study.

She said, though, that Facebook's plan fits with the city's own long-term plan for development, and that the city was excited about the additional housing.

Facebook's Tenanes said the density of the proposed development could also entice spending on transit projects.

"The region's failure to continue to invest in our transportation infrastructure alongside growth has led to congestion and delay," he said.

Eminent painter Hashem Khan and Eastern Bank Managing Director Ali Reza Iftekhar hand over the first prize to the winner of a photo contest, at Drik Gallery in Dhaka on Saturday. The bank arranged a three-day exhibition along with the contest for its employees as part of its employee engagement programme.

EBL



Cyber threat greater than expected: Germany

REUTERS, Hamburg

Germany's BSI federal cyber agency said the threat posed to German firms by recent cyber attacks launched via a Ukrainian auditing software was greater than expected, and some German firms had seen production halted for over a week.

Analyses by computer experts showed that waves of attacks had been launched via software updates of the M.E.Doc accounting software since

April, the BSI said in a statement.

That meant that companies that used the software might have been infected by the malicious software, even if there were no obvious signs of a breach, BSI said. Data backups carried out after April 13 should also be viewed as compromised.

"Some German firms have seen production and other critical processes laid still for over a week," BSI President Arne Schoenbohm said. "It has resulted in millions of euros of dam-

age, and this in a case where Germany got off lightly."

BSI last week said more than a dozen German companies had been affected by the virus which has been dubbed "NotPetya" by some experts, all via a subsidiary in Ukraine.

The Ukrainian software firm used to launch the global cyber attack this week said all computers sharing a network with its infected accounting software had been compromised by hackers.



BRAC BANK

Syed Abdul Momen, acting head of SME banking at Brac Bank, cuts a ribbon to open the bank's relocated Jatrabari SME Service Centre in the area's Shahid Faruq Road.



STANCHART

Second from right, Naser Ezaz Bijoy, managing director and country head of global banking at Standard Chartered Bangladesh, poses with the Power Deal of the Year award at Asset Triple A Asia Infrastructure Awards 2017 in Hong Kong for the bank's role in financing the Northwest Power 225MW Unit 3 CCPP project in Sirajganj. Extreme right, C Santiago, managing editor of the Asset Magazine, handed over the award.

Midland Bank re-appoints CEO

STAR BUSINESS DESK

Md Ahsan-uz Zaman has recently been re-appointed as the CEO of Midland Bank for another term of three years. Zaman joined the bank in 2014, the bank said in a press release yesterday.

Prior to the joining Midland, he also worked for JPMorgan Chase Bank, Morgan Stanley, BNP Paribas and ANZ Grindlays Bank.

He completed his MBA from the Institute of Business Administration under Dhaka University, according to the statement.



Banks opt for bonds to raise capital

FROM PAGE B1

City Bank recently announced its intent to issue subordinated bonds worth Tk 500 crore to meet capital requirements as per Basel III rules. The bank informed through a posting on the DSE website that each bond will be sold at Tk 1 crore through a private placement to investors.

"This process is cost effective and easier," said Mashrur Arefin, additional managing director and chief communication officer of City Bank.

If the bank issues rights shares or gives stock dividends, it will dilute shares and put a negative impact on dividend, he said. City is complaint with the existing capital requirement and is raising funds for business expansion.

A rights issue is an offer of new shares to existing shareholders in proportion to the shares they already own and usually at a discount to market price. "Bond is now a lucrative investment tool as the return is higher than FDR," said Kazi Masihur Rahman, managing director of Mercantile Bank, which is planning to raise capital by way of subordinated debt.

Banks will have to maintain capital at 12.50 percent of risk-weighted assets, according to Basel III framework. The BB has set the deadline of 2019 for meeting the required capital base. As of March, the banking sector's capital adequacy ratio is 10.68 percent, according to the central bank.

ADP spending lowest in eight years

FROM PAGE B1

Some even overshoot their allocation: the power division spent 101 percent, the post and telecommunications ministry 119 percent and the shipping ministry 106 percent.

But the health and railways ministries and the bridges division fell short of spending the money given to them.

The bridges division is implementing only three projects but these are large scale and important projects.

The revised allocation for the bridges division in the last fiscal year was Tk 6,583 crore. But it could spend only Tk 3,687 crore, which is 56 percent of the allocation.

One of the major projects under the division is the Padma bridge project. The original allocation for the project for the last fiscal year was Tk 6,026 crore but it was brought down to Tk 4,674 crore in the revised budget.

Still, the high priority project of the government could not reach the revised spending target, according to a planning ministry official.

"However, the physical progress of the project is good," said the official, seeking anonymity.

Another big work under the division is the Kamaphuli tunnel project being bankrolled by China.

The budget set aside Tk 2,000 crore for the project which was later slashed to Tk 1,421 crore in the revised one. But a big part of it could not be spent.

A loan agreement was signed with Chinese Exim Bank to mobilise funds for the project during the Chinese president's Dhaka visit in October last year. But the Chinese bank has not activated the loan yet, said the official.

The present government has taken an

initiative to rejuvenate the railway sector.

But the railway ministry could spend only 65 percent of the revised allocation. It spent Tk 6,067 crore against the allocation of Tk 9,278 crore.

A key project under the railway ministry is the Padma Bridge Rail Link project, which will run from Dhaka to Jessore.

In the last fiscal year, Tk 4,813 crore was allocated for the Tk 35,000 crore project.

China will finance the project but the finance ministry and the Chinese authorities are still exchanging letters on the terms and conditions.

The planning ministry official said the second phase of the project has not started in full swing.

The health ministry was able to use 80 percent of the revised allocation.

Some 93 percent of the government's own fund was spent in the last fiscal year, which was 94 percent in the previous year.

On the other hand, 78 percent of the foreign funds were utilised in 2016-17 in contrast to 89 percent a year earlier.

State-owned enterprises spent 100 percent of their allocation.

As seen in the past, the ministries and divisions go on a spending spree in the last month of the fiscal years so their full-year performance looks better -- an exercise that leads to misuse of money, according to economists. This continued in the last fiscal year as well, they said.

Between July last year and May this year, Tk 77,204 crore was spent, meaning an average monthly expenditure of Tk 7,018 crore in the first 11 months of the last FY. On the other hand, Tk 29,377 crore was spent alone in June, the last month of the fiscal year.



AUTOPLEX

Sahara Khatun, a lawmaker from Dhaka 18, opens Autoplex Complex, a commercial building, at Uttara Diabari in Dhaka on Friday. Subrata Das, chairman of Autoplex Complex, and Kazi Manzur Ahmed, managing director, were also present.

Concord Group has recently opened Lake City Restaurant and Party Centre, on 300 Feet road near Baridhara in Dhaka.

CONCORD

