

Apple's China problem highlights conundrum for tech sector

AFP, San Francisco

Apple's decision to bow to Chinese officials by removing apps to sidestep online censorship underscores the dilemma faced by US tech companies seeking to uphold principles while expanding their business.

The iPhone maker is the latest from Silicon Valley to face a conundrum in balancing their value for human rights and free expression against a government intent on controlling online content.

Apple this week acknowledged it had removed applications for so-called VPNs or virtual private networks, despite objections.

"We would rather not remove the apps, but like in other countries, we obey the laws where we do business," Apple chief Tim Cook said during an earnings call.

"We are hopeful that over time, the restrictions we are seeing are loosened, because innovation really requires freedom to collaborate and communicate, and I know that is a major focus there."

The prospect of Apple scoring a hit with a 10th-anniversary iPhone model in the months ahead appeared to outweigh backlash from online rights activists who criticized the world's most valuable technology company for not standing up for online freedom.

"There is a belief that millennials

really want companies to be more active in protecting people's rights and free speech," Silicon Valley analyst Rob Enderle of Enderle Group told AFP.

"There is obviously no connection between the rhetoric and buying behavior at this point."

Chinese internet users have for years sought to get around the so-called "Great Firewall" restrictions, including blocks on Facebook and Twitter, by using foreign VPN services.

"If other companies follow Apple's lead, it could soon be much harder for people in China to access information freely online," Amnesty International said in a blog post.

"Businesses have a responsibility to respect international human rights law... We would have expected a more robust stance from Apple, a company that prides itself on being a privacy champion."

Cook maintained that the App Store in China remained stocked with VPN apps, including creations from developers outside that country.

A commercial VPN securely relays internet communications through a private channel, hiding it from locals networks and, potentially, censors.

"This wasn't a choice they really wanted to make, and I'm not sure what they could have done about it," analyst Enderle said of Apple.

"They are not doing well in China, and ticking off the leaders would

certainly not help."

Apple and Chinese censors will ultimately "face a barrage of pressures" from each other and from technology users in China, US-based internet rights group Electronic Frontier Foundation (EFF) said in an online post.

"If Apple makes too great a stand against China's laws, it could be thrown out of the country," Eva Galperin and Amul Kalia of the EFF said in post.

"But if China pushes its censorship system too hard, it will have to face the growing frustrations of its own elite."

They reasoned that there was hope the crackdown on VPNs in China would recede when the political climate there improves.

There is a history of US internet stars being humbled in China.

Yahoo a decade ago wound up having to make amends after going along with Chinese officials demanding help some identifying pro-democracy advocates who used Yahoo online message boards.

Microsoft has been doing business in China for some 20 years, staying within guidelines set by the government.

Seven years ago, Google pulled its search engine out of mainland China in a rare stand against censors and for internet privacy.

"Google stood up and left, and now they aren't a power in China," Enderle said of the cost of the move.



Aziz al Masud, managing director of Partex Fashions Ltd, cuts a ribbon to open a showroom of "Red Origin", a fashion brand of Partex Group, at Jamuna Future Park in the capital. Rubel Aziz, managing director of Partex Beverage Ltd, was also present.

PARTEX

BMW urges foreign carmakers to pay into German transport fund

Reuters, Frankfurt

Foreign carmakers should contribute to a proposed German fund set up to improve urban transport infrastructure, BMW CEO Harald Krueger has said, just days after a deal was reached to cut pollution and avert a ban on diesel engines.

"It would send a good signal if they would participate," Krueger told the Frankfurter Allgemeine Sonntagszeitung (FAS).

Under an agreement reached on Wednesday, German carmakers and the government will contribute equally to a 500 million euro (\$589 million) fund aimed at helping local governments reduce pollution, including introducing systems to improve traffic flows and public transport.

Krueger said it remained to be seen how much BMW would pay and that it would depend on market share in Germany. Last year, BMW had a 9.2 percent share of Germany's car market, third behind Volkswagen's 19.6 percent and Daimler's 10.4 percent, according to vehicle authority KBA.

"So far we only have clear commitments from the three German manufacturers, the others have not commented so far," he said.

The agreement also includes the overhaul of engine software on 5.3 million diesel cars, aimed at repairing the industry's battered reputation.

Environment Minister Barbara Hendricks said physical changes to Euro-5 and Euro-6 models would also be considered by a national task force on diesel emissions.

"The topic is not off the table at all; we're only just getting started," she told FAS.

She said no solution could be ruled out completely, and warned German carmakers to "get off their high horse".

Krueger defended the measures - announced almost two years after Volkswagen admitted to cheating US diesel emissions tests - following criticism from environmentalists that the plans are insufficient.

Mosleh Uddin NCC Bank MD

STAR BUSINESS DESK

Mosleh Uddin Ahmed has recently been promoted as the managing director and CEO of NCC Bank.

He had been serving in the positions as current charge. He joined the bank as an additional managing director in 2015.

Before that, Ahmed was the additional managing director and head of business at Jamuna Bank. He also served City Bank as a senior executive vice president and area head of corporate division.

He graduated in electrical and electronic engineering from the Rajshahi University of Engineering and Technology.

He also obtained a Diploma in Information and Communication Technology from the Bangladesh University of Engineering and Technology and an MBA from Institute of Business Administration of Dhaka University.



Sandhani Life declares 12.5pc cash dividend

STAR BUSINESS DESK

The Trustee Board of Sandhani Life Unit Fund has approved 12.5 percent cash dividend for the year 2016-17, according to a statement.

The Unit Holders, whose names appeared in the registers of Sandhani Life Unit Fund on June 30, will be entitled to receive the dividend.

Sandhani Life Unit Fund is a private sector open-end fund registered with the Bangladesh Securities and Exchange Commission, commencing its operations in 2012. Alif Assets Management Ltd acts as the fund manager.

Sandhani Life Insurance Company is the sponsor and Bangladesh General Insurance Company is the trustee of the fund.



Md Mehmood Husain, CEO of NRB Bank, cuts a cake to celebrate the bank's fourth anniversary at a programme in Dhaka. Saaduddin Ahmed, deputy managing director, was also present.

NRB BANK

Toyota plans truck, possibly SUV production in Mexico after Trump threat

REUTERS, Mexico City

Toyota Motor Corp said on Friday it planned to build pickup trucks and possibly SUVs at a new plant in Mexico, a move that followed threats by US President Donald Trump to penalize the company if it built small cars south of the border.

Toyota initially planned to produce Corolla sedans at the plant it is building in the central state of Guanajuato but will now switch production of the small cars and a new Mazda SUV crossover to a new assembly plant planned for the United States.

Trump threatened in January to impose a hefty fee on the world's largest automaker if it built Corollas for the US market in Mexico.

Toyota de Mexico spokesman Luis Lozano said the global auto maker would study producing SUVs in Guanajuato, in addition to the Tacoma truck model.

"We're going to concentrate only on pickups at the beginning and are studying the potential for SUVs in the future," he said. Trucks and SUVs represented some 65 percent of the North American market, Lozano said.

The decision came as Toyota planned to take a 5 percent share of smaller Japanese rival Mazda Motor Corp as part of an alliance that will see the two build a \$1.6

billion US assembly plant and work together on electric vehicles.

A move to produce SUVs in Guanajuato would mark a continuation of a "burgeoning trend" of Mexican manufacturing meeting quality standards needed to produce more expensive vehicles, said Christopher Wilson of the Woodrow Wilson International Center.

"Instead of building lower value cars that generally offer smaller margins in Mexico and keeping high-value SUV and luxury model production in the US, they are moving in the opposite direction," said Wilson, deputy director of the think tank's Mexico institute.

"The moves by Toyota seem to be designed to reduce political pressure on the company from President Trump," he added.

Toyota's Lozano told a Mexico radio station later on Friday he expected the company's level of investment in the region to remain similar despite the shift in plans.

"The investment that we calculated when we announced the decision to make a plant for Corolla was for \$1 billion dollars," he said.

"At present, we don't have a final figure for what this change means for our assessments. Up to now, it seems it won't vary substantially," Lozano said.

General Motors recalling nearly 800,000 pickup trucks worldwide

REUTERS, Washington

General Motors Co is recalling nearly 800,000 Chevrolet Silverado 1500 and GMC Sierra 1500 pickup trucks worldwide that could lose power steering, according to documents made public Friday.

The largest US automaker said the 2014 model year trucks could suffer a temporary loss of electric power steering, especially during low-speed turning maneuvers, according to documents disclosed Friday by the National Highway Traffic Safety Administration.

The recall includes about 690,000 vehicles in the United States, 80,000 in Canada and around 25,000 in other markets. GM dealers will refash the vehicle's software to address the defect.

GM spokesman Tom Wilkinson did not have any details on whether crashes or injuries are connected to the recall.

Changes in bank law on cards

FROM PAGE B1

On the counter measures, he said the government can include more independent directors and shareholders other than sponsors in a bank's board.

There are 57 banks in the country, 39 of which are private banks. Many of the banks are run by family and governance has come under serious challenge in recent years.

Berkshire profit falls as underwriting loss offsets railroad gains

REUTERS

Warren Buffett's Berkshire Hathaway Inc on Friday reported a 15 percent drop in second-quarter profit, as lower investment gains and a loss from insurance underwriting offset improvement in its BNSF railroad business.

Operating profit also fell short of analyst forecasts, though Berkshire attributed much of the decline to currency fluctuations and its accounting for a major contract with the insurer American International Group Inc.

Net income for Omaha, Nebraska-based Berkshire fell to \$4.26 billion, or \$2,592 per Class A share, from \$5 billion, or \$3,042 per share, a year earlier.

Operating profit declined 11 percent to \$4.12 billion, or \$2,505 per Class A share, from \$4.61 billion, or \$2,803 per share.

Analysts on average expected operating profit of about \$2,791 per share, according to Thomson Reuters I/B/E/S.

Buffett believes operating income is a better gauge of how Berkshire and its more than 90 businesses are doing than net income, which fluctuates more because it incorporates investment and derivative gains, which fell 64 percent from a year earlier.

Book value per share, Buffett's preferred measure of growth, rose 2.7 percent from the end of March to \$182,816.

Singapore's Temasek looking at German acquisitions

REUTERS, Frankfurt

Singapore state investor Temasek, one of the world's biggest investors, wants to make acquisitions in Germany, a top executive of the group told a German weekly newspaper.

The sovereign wealth fund is being advised by Michael Diekmann, former CEO of insurer Allianz, and Franz Fehrenbach, supervisory board chairman at Bosch.

"We want to increasingly turn to Germany," Tan Chong Lee, head of Temasek Europe, told Welt am Sonntag. "We have already looked at companies in Berlin and Munich."

Lee said Temasek's focus was on industrials but also companies in the consumer, technology, agricultural, pharma, biotech and services sectors, either listed or unlisted.

"We are also open to taking over companies completely jointly with a private equity group," he said, noting Temasek was not planning to take an overly proactive role, instead aiming for minority stakes and leaving business to management.

"We don't want to restructure the companies or exchange management," he said.



RANCON

Mehnaz Kabir, group chief marketing and communications officer of Rancon Holdings Ltd, poses with an award as one of Asia's top 50 brand leaders at an event in Singapore for her contribution to brand building. The award was presented by a network for corporate professionals named CMO Asia that recognises experts for excellence in branding, marketing and other fields.

Fake handsets flood market

FROM PAGE B1

A top official of the Bangladesh Mobile Phone Importers Association (BMPIA) said they are assuming that more than 30 percent of the handsets in the market are brought into the country illegally, and those are sold through Facebook or other channels.

As this parallel marketplace grows in popularity, imports through the legal channel will definitely decline, he added.

Ashraf Haque, marketing director of Edison Group, the parent company of handset market leader Symphony, said they are concerned about this trend.

Last year, mobile handset imports through the legal channel stood at 3.1 crore pieces, up 11 percent year-on-year, according to BMPIA statistics. Of the volume, 82 lakh units were smartphones.

Bank Asia to disburse Western Union remittance

FROM PAGE B1

Bank Asia channeled \$418 million in remittance last year, which was 3 percent of the total remittance of \$12.6 billion flowing to the country in the year.

Bank Asia has a strong digital banking platform and a well-connected nationwide network while Western Union has rich experience of transferring remittance anywhere in the world, said Ali.

"The partnership will help deliver

remittance to people in any corner of the country in a more affordable, convenient and speedy manner. This move will also play a significant role in financial inclusion," he said.

Manju Rai, vice president of Western Union for Middle East, Africa, South Asia and South-East Asia, Naved Ashraf, senior country manager of the company, and Bank Asia senior executive vice presidents Junaid Masroor and Ziaul Hasan were present at the launching.