

## LankaBangla Finance declares 15pc dividends

STAR BUSINESS DESK

LankaBangla Finance Ltd (LBFL) has recently announced 15 percent dividend -- 7.5 percent cash and 7.5 percent bonus share -- for its shareholders for 2017. The announcement came at a meeting of the board of directors, the non-bank financial institution said in a statement yesterday. Profit after tax has increased 142 percent and now stands at Tk 192.63 crore, which was Tk 79.56 crore the previous year. Earnings per share rose from Tk 2.50 last year to Tk 5.97. Expressing his satisfaction at the overall commercial success, Khwaja Shahriar, managing director and CEO, said, "The financial index...is the outcome of its strategy of previous years and its overall robust structural reformation and also a solid ecosystem inside the company." "Skill, honesty, dedication and mostly sincere approach to its customer care service have worked as the driving force behind their success," he said.

## Uber loss leapt in 2017 as final quarter showed hope

AFP, San Francisco

Ride-share titan Uber on Tuesday revealed that its losses last year swelled despite signs in the final three months that it was stemming the red ink. Figures reported by The Information and confirmed by AFP showed that Uber's losses in 2017 grew to \$4.5 billion from the \$2.8 billion the San Francisco-based firm lost a year earlier. However, Uber lost \$1.1 billion in the final quarter of 2017 as compared with \$1.46 billion in the preceding quarter as revenue rose. Net revenue grew to \$2.22 billion from \$1.38 billion in the same quarter-over-quarter comparison. Uber remains a private company, but routinely discloses some earnings information. Freshly ensconced chief executive Dara Khosrowshahi is steering the high-value startup to a stock market debut next year. Khosrowshahi began reigning in costs after he took over as Uber chief late last year, replacing ousted co-founder Travis Kalanick. Waymo and Uber last week announced a settlement in a block-

buster lawsuit over allegedly stolen trade secrets from the former Google self-driving car project. The surprise agreement ended an image-bruising trial between the two Silicon Valley rivals competing in a race to develop autonomous cars, after four days of testimony before a federal judge in San Francisco. A source familiar with the confidential deal said Uber agreed to a financial settlement giving the Alphabet unit 0.34 percent of Uber shares -- which would be some \$244 million based on Uber's valuation of \$72 billion. Uber also agreed not to use any of Waymo's technology for autonomous driving as part of the settlement, which was approved by Judge William Alsup as he dismissed the case. SoftBank recently took a 15 percent stake in Uber by acquiring shares from early investors at a discounted price, according to a source familiar with the terms of the deal. The investment was part of an effort by Uber to move past a series of scandals and missteps and reform its board structure as it gears up for a 2019 public share offering.



Mohammed Solaiman, vice chancellor of the University of Information Technology and Science, and M Khorshed Anwar, head of business, retail banking at Eastern Bank, attend a deal signing ceremony in Dhaka yesterday. The university's students now can pay tuition fees through EBL DROPBOX.

## Four operators get govt nod for 4G services

FROM PAGE B1 In addition, it will pay \$35 million as technological neutrality fee, said a senior official of the operator. Both Banglalink and GP will pay the rest 40 percent of the spectrum charge in instalments within next four years. On February 5, Robi, the second-largest operator, paid \$43.4 million as the technological neutrality fee. Tech neutrality allows operators to offer any service in any band efficiently. As a result, it will help the operators cut the cost of doing business. The tech neutrality charge for Teletalk has been set at \$36 million, but the state-owned operator has not taken any decision to this effect. "As Teletalk is the state-owned operator we have nothing to decide about it. We are waiting for a response from the government to know about its decision on Teletalk's fees and charges," said Mahmood. Teletalk took 3G spectrum five years ago at a price of Tk 1,625 crore, but the state venture has not paid the money yet. The BTRC chairman said the launch of the 4G service is the government's priority. After the service is inaugurated, the regulator would move on to other issues such as quality of services provided by the operators.

## Another 300MW on way from India

FROM PAGE B1 He also exhorted NTPC to become India's power sector multinational by setting up power plants in other countries and become world's largest power producer. Singh said there was huge opportunity to export cheap power to neighbouring countries which will be beneficial for the entire region, according to a statement issued by the power ministry on Tuesday.

## Govt moves to plug capital deficit of banks

FROM PAGE B1 As of December 31 last year, the capital deficit reached Tk 20,000 crore from Tk 15,914 crore in September 2017. Sonali Bank witnessed the highest increase in deficit reaching Tk 5,693 crore in December against Tk 3,140 crore a quarter ago. In the last one decade, the government provided more than Tk 10,000 from the exchequer to the state-run banks to meet their capital deficit. Still, their capital deficit is on the rise. The government has allocated Tk 2,000 crore to the banks in the budget for the current fiscal year, but the amount seems to be insignificant. In the meeting, the banking division wanted to know why the state banks could not mobilise the capital they need and the banks cited several reasons. The lenders said they provide various services such as payment for the pension scheme and social safety net programmes as per the government wish, but they do not get any fees or commissions in return. According to the banks, if they could get the service charge, they would be able to get rid of the capital deficit effortlessly. On February 3, Sonali Bank Managing Director Obayed Ullah Al Masud told the bank's annual meeting that the bank had to shell out Tk 200 crore from its coffers every year to provide various services to the government without any charge. He said the bank provided 37 services to the public for free and 14 services at a low cost. On behalf of the government, the bank repays the public for the savings

certificates, for which the bank has to set aside Tk 4,000 crore, said Masud. Although the government reimburses the money, sometimes it takes a long time, he added. Sonali Bank also lends money to state agencies such as Bangladesh Petroleum Corporation and Bangladesh Jute Mills Association and the government repays the sum through bonds at 5 to 7 percent interest rate with a maturity period of 20 to 30 years. This results in a loss of Tk 1,000 crore a year, said Masud. Yesterday's meeting decided that the state-owned banks would send a proposal to the BB as to what amount would be charged for the services. The central bank will assess the proposal and send a recommendation to the government. The meeting was told if the banks' income rises in this way they would not have to seek money for meeting capital deficit. This would also stop criticism from the media and the civil society organisations when the banks get a budgetary allocation. Bangladesh Krishi Bank and RAKUB said they give loans to the customers at an interest rate that is lower than their cost of fund. As a result, they count losses each year. The lenders requested the government to take necessary measures to solve the problem. The banking division told the meeting that the banks' capital deficit also increases because of the rise in default loans. It asked the state lenders to take steps to reduce bad loans.

## Katalyst project benefits farmers

FROM PAGE B1 Katalyst has been implemented by Swisscontact, a Switzerland-based NGO, under the auspices of the ministry of commerce throughout its three phases. Attending as chief guest, Shubhashish Bose, secretary to the ministry, said Katalyst's activities were highly appreciated as it worked in the interest of the country. He urged Katalyst to come up with a new project as farmers have learnt a lot. Rene Holenstein, Swiss ambassador to Bangladesh, said Katalyst's initiative of knowledge sharing was timely as its experience would help Bangladesh systematically develop the market system. The current phase of Katalyst is funded by the Swiss Agency for Development and Cooperation, the Department for International Development (DFID) and the Danish International Development Agency. Among others, Jane Edmondson, DFID country representative, and Manish Pandey, regional director of Swisscontact, addressed the event.

## Govt eases conditions of trade unionism

FROM PAGE B1 But in case of a factory with a lot of workers, say 50,000 or more, the required rate might not be applicable; instead, a threshold of workers would be fixed as a benchmark, the state minister said. Haque declined to make an elaborate comment on the amendment of the labour law of the EPZ, saying the EPZs are controlled by the Prime Minister's Office. "However, I can say that the EPZ labour law would also be amended as per the commitment of the government to the ILO," he said. More than 700 trade unions are active in the garment factories, much higher than the 120 unions that were active in the sector before the Rana Plaza building collapse, which killed 1,138 workers and injured 2,500. The state minister said the government would form two more labour courts -- one in Sylhet and another in Rangpur - so that the workers in the regions can have their cases resolved quickly. Currently, the workers of Sylhet region need to go to Chittagong and those from Rangpur division to either Rajshahi or Bogra to have their cases settled quickly and at less expense. There are three labour courts in Dhaka. However, there is no such court in labour-intensive areas such as Gazipur, Narsingdi, and Narayanganj. The government plans decentralisation to set up the courts in nearby districts, said Haque. The EU delegation members declined to talk to the press.

## Uber launches service for longer trips inside Dhaka

FROM PAGE B1 When the limits are exceeded in both cases, Tk 22 will be charged for every km while Tk 4 for every minute. The total fare will be calculated at the end of the trip. "We are always thinking of innovative ways to enhance the experience for our riders and driver partners," said Arpit Mundra, general manager of Uber Dhaka.



Laura Gok, chairperson of Turkey-Bangladesh Business Council, meets Md Shafiul Islam, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), at the latter's office in Dhaka yesterday. Islam emphasised joint ventures in RMG, leather, IT, agro-based industries and other potential sectors.

## No reason to reject China consortium's proposal: BSEC chief

FROM PAGE B1 A consortium of Shanghai Stock Exchange (SSE) and the Shenzhen Stock Exchange (SZSE) proposed to purchase 45 crore shares of the DSE for Tk 22 each as the strategic partner of the premier bourse. It also offered technical support worth \$37 million (about Tk 300 crore). In exchange, it sought for a seat at the DSE board and assured that it will not ask for any return on its investment for 10 years. In contrast, a consortium led by NSE offered to purchase the same number of shares but for Tk 15 each. It

also offered technical support but it did not give a monetary value. In exchange, it wanted two seats at the DSE board. Though there has been no political pressure yet to select one offer over the other, the government will be consulted before making the final call, he said. "We can take any internal decision alone but when the matter is about external agreement we must take the government's decision." Hossain went on to assure the DSE members that the regulator will do everything at the interest of capital

market and stakeholders. "It is a great opportunity for us that foreign investors are interested in investing in our stock exchange." Hossain spoke to The Daily Star on a workshop titled "Alternative Investment in Bangladesh: A New Avenue of Investment". The workshop was jointly organised by Maslin Capital, a venture capital firm, and Capital Market Journalists Forum at Hotel La Vinci in Dhaka. Wali-ul-Marooof Matin, founder and managing director of Maslin Capital, and Mahmoodul Hoque, a director of the BSEC, conducted the workshop.

## Bank savers can smile again

FROM PAGE B1 Another side-effect of the banks' desperate hunt for deposits is that the non-bank financial institutions, which are reliant on banks for funds, are in a severe liquidity crisis. Some of the NBFIs are offering 10 percent or more to attract deposits and yet they are not succeeding due to their image crisis. "Savers are happy as they are being benefitted from the latest rate hike," said Khalilur Rahman, managing

director of National Housing and Finance. "There is no new deposit in the market," said Abdul Halim Chowdhury, managing director of Pubali Bank, the largest private bank in terms of branch network. Basically, banks are prowling to take away other banks' depositors by offering hefty return. "I was compelled to hike the rate to 8 percent. Otherwise, deposits from my bank will go to other banks," he added. Shafiqul Alam, managing director of

Jamuna Bank, however, does not envisage the pensioners rushing to cash in their savings certificates to deposit the sum in banks. "Savings certificates are a good avenue -- they give 11 percent plus return, which is much higher than what the banks offer." But the problem of savings scheme is that it is a long-term investment and beneficiaries cannot encash it as per their wish, he said. "A cut in interest rate on saving tools will help banks get deposits."



Uzma Chowdhury, director for corporate finance at Pran-RFL Group, and SM Mainuddin Chowdhury, additional managing director of Southeast Bank, exchange signed documents of a deal on "Nationwide Distributors Payment Collection" on Sunday.



Md Manirul Islam, managing director of Pioneer Insurance Company Ltd, and Shadiqul Mostuk, assistant director for sales at Pacific Motors Ltd, attend a deal signing ceremony at the latter's office in Dhaka on Tuesday. The companies will encourage customers to avail each other's products.