S Korea puts pressure on Samsung over complex ownership structure

REUTERS, Seoul

South Korean regulators turned up the heat on Samsung Group over its complex ownership structure, with the country's antitrust chief saying on Thursday the arrangement for control at the nation's top conglomerate was "not sustainable".

Samsung Group is controlled through a web of circular shareholdings between companies such as Samsung C&T, Samsung Life Insurance, and Samsung Electronics.

Critics have said the structure has enabled the family of Samsung heir Jay Y. Lee to retain control of the companies in the conglomerate, especially crown jewel Samsung Electronics, with minimum investments.

"The clear fact is, the current ownership and control structure of Samsung Group, which goes from Vice Chairman Jay Y. Lee to Samsung C&T to Samsung Life Insurance to Samsung Electronics, is not sustainable," Kim Sang-jo, chairman of the

Korea Fair Trade Commission, told reporters on the sidelines of a meeting with business

among Korea's powerful family-controlled conglomerates, or chaebols, who have faced growing calls for reform from the government and investors.

Kim is popularly known as the "chaebol sniper" for his shareholder activist campaigns before joining the Commission. He has often criticized chaebols for their complicated crossshareholding structures that he has said are aimed at cementing family control.

In 2016, as part of an activist group, Kim had suggested Samsung Group could resolve its complex structure by first setting up a financial holding company centred around Samsung Life Insurance, and by then forming a holding company centred around Samsung Electronics.

Kim said on Thursday he is urging Jay Y. Lee to make a decision concerning the ownership structure, adding that Samsung Electronics Vice Chairman Yoon Boo-keun, who attended the meeting, had told him it will be considered.

A Samsung Electronics spokesman did not have an immediate comment.

Samsung Group has come for criticism earlier too, most notably from US activist hedge fund Circular shareholdings have been common tion in 2016 that Samsung Electronics split itself according to Thomson Reuters data.

Samsung Electronics rejected that proposal but accepted part of the fund's proposals by announcing plans to cancel its existing treasury shares worth over \$35 billion by 2018.

Others have also questioned the group's ownership structure recently.

The country's top financial regulator said on Wednesday that Samsung Life Insurance must consider ways to lessen the risk of having too much of its assets concentrated in one place, including selling some or all of Samsung Life's stake in Samsung Electronics.

"Lessening the risk of concentrated assets is key to securing financial stability, which is what we are interested in," said Choi Jong-ku, Chairman of the Financial Services Commission.

"If there are any concerns about retaining management control (of Samsung Electronics), we are saying, look for ways to keep it while lessening the risk."

Samsung Life Insurance is at the heart of a cross-shareholding structure in which it owns about 8 percent of Samsung Electronics, which Elliott Management, which proposed as a solu- has a market value of about \$340 billion,

ZTE teeters as US ban hits operations

Chinese telecom giant ZTE faces a grim future after ceasing major operations due to a US ban on American sales of critical technology to the company, raising the stakes in a trade spat between the world's two largest economies.

The firm's fate has added a new source of tension to trade talks between the two countries after Chinese officials raised objections to the US ban during negotiations with their American counterparts in Beijing last week.

ZTE's fibre-optic networks depend on US components and its cheap smartphones sold en masse abroad are powered by US chips and the Android operating system.

Without access to such technology, the company has been forced to partially shut down. "Major operating activities of the company have ceased," ZTE said in a filing Wednesday.

Its dimming prospects could further sour discussions just as China's top economic official, Vice Premier Liu He, heads to Washington for another round of negotiations next week.

clear signal to China through its attack on punishment of employees involved in the ZTE: compromise, make compromises" on sanctions skirting.

trade, said Cheng Xiaohe, an international relations professor at Renmin University.

"Otherwise, we will kill you."

The Baily Star

He added that the US is also investigating another Chinese tech giant, Huawei.

A telecom components buyer specialising in ZTE products said he had seen the effects of the production halt ripple into the market, with prices for available ZTE goods jumping 50 percent or more.

"They've stopped production of all products that have chips in them," said Zhao, the buyer, who declined to give his full name, adding that if production completely stopped for a year, "all ZTE's gear will become scrap." Beijing has closely followed the developments around ZTE, a company with 80,000 employees headquartered in southern China.

The ban on US sales to the firm arose from its skirting of US export controls by selling to banned countries like North Korea and Iran with employees documenting how to evade American oversight.

Those actions led to a \$1.2 billion fine last year, with the current export ban imposed in April after ZTE allegedly failed "The Trump administration has sent a to live up to its agreement, lying about the

Apple scraps \$1b Irish data centre over planning delays

REUTERS, Dublin

Apple ditched plans to build an 850 million euro (\$1 billion) data centre in Ireland because of delays in the approval process that have stalled the project for more than three years, the iPhone maker said on Thursday.

Apple announced plans in February 2015 to build the facility in the rural western town of Athenry to take advantage of green energy sources nearby, but a series of planning appeals, chiefly from two individuals, delayed its approval.

October that the data centre could

proceed, dismissing the appellants people. who then took their case to the country's Supreme Court.

"Despite our best efforts, delays in the approval process have forced us to make other plans and we will not be able to move forward with the data centre," Apple said in a statement ahead of the Supreme Court heading on Thursday.

"While disappointing, this setback will not dampen our enthusiasm for future projects in Ireland as our business continues to grow," the company said, citing plans to expand its Ireland's High Court ruled in European headquarters in County Cork where it employs over 6,000

Ireland relies on foreign multinational companies like Apple for the creation of one in every 10 jobs across the economy and sees major investments such as data centres as a means of securing their presence in the country.

The government is in the process of amending its planning laws to include data centres as strategic infrastructure, thus allowing them to get through the planning process much more quickly.

A similar Apple centre announced at the same time in Denmark was due to begin operations last year and Apple announced in July that it would build its second EU data centre there.



Mosleh Uddin Ahmed, CEO of NCC Bank, and Syed Waseque Md Ali, managing director of First Security Islami Bank Ltd, which owns First Security Islami Exchange Italy SRL, attend the signing of a deal at the former's head office in Dhaka on Wednesday. Remittance sent through the exchange house can now be collected from NCC Bank branches and its associate non-governmental organisations and sub-agents.

Suzuki Motor ramps up R&D spend

REUTERS, Tokyo

Suzuki Motor Corp on Thursday said it would earmark record investment this year for research and development into technologies such as electric vehicles (EVs) as it defends it dominance in its biggest market, India.

Higher R&D costs and a stronger yen

will push operating profit down 9.1 percent in the current financial year at Japan's

up spending even as profit sags, at a time when industry focus is on electrification and automation amid demand for vehicles powered by cleaner technologies.

Govt rushes to amend labour law

Current account deficit hits record high

the central banker.

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widening deficit.

Foreign Secretary Md Shahidul Haque chaired the session that was attended by: secretaries of the ministries of law, commerce and labour.

Representatives from the Bangladesh Employers Association, the FBCCI, the BGMEA, the BKMEA, the embassies of United States, Japan, European Union, and the high commissions of Britain and Canada, were also present.

Haque said the international community has demanded that the percentage of workers' consent needed to form a trade union be brought down from 30 percent to 10 percent, but the government after extensive discussion has decided to make it 20 percent.

"This will definitely ease the formation of trade unions."

The higher cost of production will also

fuel inflation, which, in turn, will have an

adverse impact on the spending capacity

A good flow of remittance can stem the

In July-March of 2017-18, remittance

posted 16.42 percent growth from a year

earlier, but it is not sufficient considering

of consumers, the central banker said.

fourth-biggest automaker, offsetting record global vehicle sales. Suzuki joins Japanese peers in ramping

On development partners' longstanding demand for trade unions in EPZs, he

said the Bangladesh Export Processing Zone Labour Act 2014 was prepared by a special committee formed by the Prime Minister's Office allowing workers' welfare associations and not trade unions.

Special legislation on unionisation has prohibited the formation of unions in the country's eight EPZs, which are exempt from the application of the Bangladesh's National Labour Act and the Factories Act.

Instead, the government enacted the EPZ Workers' Association and Industrial Relations Act in 2004 (amended in 2009) that allows limited freedom of association in the EPZs. A 2010 amendment renamed the 'Workers Associations' as 'Workers' Welfare Societies'.

the large import payments, according to

percent year-on-year to \$13.20 billion in

the first nine months of the fiscal year,

according to data from the BB. The govern-

ment should take immediate measures to

boost the export earnings in order to nar-

account, another BB official said.

row both the trade deficit and the current

The trade deficit widened by 87.55

Accord to stay on for 6 more months

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The Accord continues to be a unique opportunity for factory management, workers and their trade unions, global brands and global unions to combine their forces and thus remedy the systemic problem of building and fire safety deficits that has plagued the Bangladeshi garment industry, said Jenny Holdcroft, assistant general secretary to the IndustriALL Global Union.

"At the same time, we recognise that the remediation work has not been completed.

Life-threatening safety hazards such as inadequate fire exits, fire alarms and fire protection systems are still present in hundreds of factories, she said.

"Fire and building safety involves not just the renovations to make factories safe, but also ongoing vigilance to keep them safe." As of today, there is not yet a fully resourced national

regulatory body in place to take over this work, she added. Siddiqur Rahman, president of the BGMEA, acknowl-

edged the vital role the Accord had played in improving the sector's workplace safety. "Now we can say proudly that Bangladesh's garment factories are safer than any other country. We gained a lot of experience from the inspection and remediation

Mannan alleges plotters eyeing his BIFC shares

works," he added.

The vested quarter is now trying to turn the BIFC into a bankrupt financial institution in order to embezzle the value of the shares, he claimed.

He said to have proposed that the central bank governor recover the loans with just the cost of fund instead of imposing high interest.

"The governor verbally accepted the proposal. But it is regrettable that any effective measure is yet to take effect," said Mannan.



STANDARD BANK

Visa perks up card service

The cards provide customers with improved convenience as the speed of transactions is significantly faster and offer increased protection from card fraud than traditional cards.

"Such payment solution will add value to card service." Also in Visa's plans is QR code payment, which allows customers to make payments with one's smartphone without the need to carry cash.

The QR code stores one's bank information in a pixellated format in one's phone, which can be flashed in front of the QR code scanner of the vendor and the transaction would be complete. The technology is already available in Bangladesh by way of Bank Asia, United Commercial Bank's Upay, pay365 and iPay.

Visa will take adequate security measures before introducing the new features to enthuse trust in the solutions among clients, Ramachandran said.

Currently, only 5 percent of the total consumer spending occurs through the digital channels. "So there is a large room to move the digital payment products." Digital payment is growing slowly in

Bangladesh due to a lack of acceptance of the payment solutions among customers, he said. "The government needs to build awareness

about digital payment as it will reduce currency costs." The cash currency cost is 2 to 3 percent of the total GDP of the country, he added.

Visa is currently associated with 47 banks in Bangladesh.



Ministry/division

tender

GD-1250

Address and contact details of

official inviting tender

Bangladesh College of Physicians & Surgeons (BCPS)

67, Shaheed Tajuddin Ahmed Sarani, Mohakhali, Dhaka

Invitation for Tender

Ministry of Health and Family Welfare.

Date: 06/05/2018

2.	Agency	Bangladesh College of Physicians and Surgeons (BCPS).
3.	Procuring entity name	Honorary Secretary, BCPS, Mohakhali, Dhaka-1212.
4.	Invitation for/tender package name	Supply of Uterine Pelvic Model, Half Body Model and Baby Resuscitation Model with 01 year complete warranty.
5.	Tender Ref. No. & date	BCPS/MAN/913/2018/14644 Date: 06/05/2018
6.	Procurement method	Open Tendering Method (as per PPR-8).
7.	Budget and source of funds	BCPS Own Fund Package name BCPS-MAN-11/2018.
8.	Tender publication date	06/05/2018
9.	Tender last selling date	29/05/2018 at 3:00pm.
10.	Tender last submission /dropping/closing date and time	30/05/2018 at 12:00 noon.
11.	Selling and receiving/dropping tender documents	 a) Office of the Honorary Secretary, BCPS, Mohakhali, Dhaka. b) Accounts Section of DGHS, Mohakhali, Dhaka.
12.	Tender opening date, time and place	30/05/2018 at 1:30pm, Office of the Honorary Secretary, BCPS Mohakhali, Dhaka. In presence of tenderer if any.
13.	Place, date and time of pre- tender/pre-bid meeting	Place: Office of the Honorary Secretary, BCPS, Mohakhali, Dhaka. Date: 16/05/2018, Time at 01:30pm.
14.	Eligibility of tenderers	The tenderer shall have experience in supply of similar goods of the subject in single contract more than 10 lac during the last 03 (three) years. The average annual turnover of the tenderer should be more than 20 lac during the last five years. The minimum amount of credit line/credit facility/liquid assets shall be Tk-20 lac.
15.	Brief description of goods and related services	Stated in tender document/as per TDS. The items will be accepted after considering suppliers sample.
16.	Guarantee/warranty & after sales service	The items will be standard quality product and should be in good condition during use. Payment will be made as per quoted rate after supply of the items and submission of bill.
17.	Price of tender documents Taka	Taka 750/- (seven hundred & fifty) only in cash (non-refundable).
18.	The tender security & completion time	Tender security amounts in Bangladeshi Taka will be 2.5% of the total quoted price. Completion time in weeks: 06 weeks.
19.	Name & designation of inviting	Prof. Md Abdul Jalil Chowdhury, Honorary Secretary, Bangladesh

www.bcpsbd.org, Email: bcps@bcps-bd.org The procuring entity reserves the right to accept or reject all tenders without assigning any reason.

College of Physicians and Surgeons (BCPS)

Bangladesh College of Physicians and Surgeons (BCPS), 67,

Shaheed Tajuddin Ahmed Sarani, Mohakhali, Dhaka-1212. Phone

No. 9845005-6, 9856616-7 Fax No. 9848928, Web:

Prof. Md. Abdul Jalil Chowdhury Honorary Secretary, BCPS Mohakhali, Dhaka-1212

Kazi Akram Uddin Ahmed, chairman of Standard Bank, presides over the bank's 19th annual general meeting at Police Convention Hall in Dhaka yesterday. The bank approved 10 percent stock dividend for 2017.