

# MIDAS' Francophonie award celebrated

STAR BUSINESS REPORT

Ambassadors, presidents of chambers representing French-speaking countries, businesspeople and high-ups of the MIDAS yesterday celebrated the MIDAS becoming the first recipient of a "2019 Francophonie Week Business Award" for its outstanding contribution to the creation of female entrepreneurs.

The MIDAS, which pioneered in nurturing women entrepreneurship in Bangladesh since 1982, received the award on March 20.

Razia Sultana Rini, owner of Bornali Fashion House in Pabna, also received the award for her endeavour in becoming a successful entrepreneur.

Three chambers formed separately with French-speaking countries Canada, France and Switzerland in Bangladesh presented the awards.

The three organised the celebration at the Four Points by



Anjan Chowdhury, sixth from right, chairman of the MIDAS; Rokia Afzal Rahman, seventh from right, a director, and Benoit Préfontaine, fifth from right, Canadian high commissioner to Bangladesh, attend a celebration at the Four Points by Sheraton Dhaka on Wednesday on the MIDAS becoming the first recipient of "2019 Francophonie Week Business Award".

Sheraton Hotel in Dhaka, says a statement from the Canada and Industry (CanCham). MIDAS Chairman Anjan Chowdhury and Director Rokia

Afzal Rahman and CanCham President Masud Rahman spoke on the occasion.

# British expertise can help Bangladesh ensure smooth economic graduation

Experts say at BBG's meeting

DIPLOMATIC CORRESPONDENT

Bangladesh's graduation to a mid-income country opens up opportunities for UK businesses to partner Bangladeshi firms to achieve the improvements that are needed, experts said yesterday.

British experience, expertise and international connections can help sustain Bangladesh's impressive social and economic development by providing jobs and skills training for its workers, they said at a meeting organised by the British Business Group (BBG).

The BBG also discussed how trade could help the south Asian country achieve that goal.

How the Bangladesh government is planning for the momentous move from the least developed country to a middle income nation in 2021 was also highlighted in the meeting.

The breakfast meeting was co-hosted by British High Commissioner in Dhaka

Robert Chatterton Dickson and Chairman of BBG Francois de Maricourt.

Planning Minister MA Mannan addressed the meeting as the chief speaker held at the residence of the British envoy.

The event was also attended by the members of the BBG and Bangladesh High Commissioner to the UK Saida Muna Tasneem.

The minister said: "The government's door is open to business. It wants to hear from firms where the bottlenecks are. It wants a business environment fit for the 21st Century."

Continued infrastructure investment is important to ensure that the country is ready to meet the challenges to achieve a middle income country status, said Maricourt, also the CEO of HSBC Bangladesh.

"British business, particularly its financial and professional services sector, was particularly well placed to contribute to Bangladesh's development."

# Facebook beats profit estimates

Sets aside \$3b for privacy penalty

REUTERS

Facebook Inc on Wednesday blew past Wall Street profit estimates in the first quarter and set aside \$3 billion to cover a settlement with US regulators, calming investors who had worried about the outcome of a months-long federal probe.

Shares of the world's biggest online social network jumped more than 10 percent to \$200.50 in after-hours trade. They have now regained much of the ground lost last year amid slowing growth and costs associated with the company's privacy scandals.

billion. "This is a strong report suggesting that advertisers still see value in Facebook's platform, as they did before the controversies and scandals erupted," said Haris Anwar, senior analyst at financial markets platform Investing.com.

Monthly and daily users of the main Facebook app were both up 8 percent compared to last year, to 2.4 billion and 1.6 billion, respectively, in line with forecasts.

Total expenses in the first quarter were \$11.8 billion, including the

has been investigating revelations that Facebook inappropriately shared information belonging to 87 million of its users with the now-defunct British political consulting firm Cambridge Analytica. The probe has focused on whether the sharing of data and other disputes violated a 2011 agreement with the FTC to safeguard user privacy.

A settlement of between \$3 billion and \$5 billion would be the largest civil penalty ever paid to the agency, said David Vladeck, a former FTC official who is now a professor at Georgetown Law School.

"Everyone expected there would be a substantial civil penalty in this case," said Vladeck. "There's no question that Facebook is going to have to settle this matter. Investors want this behind them."

Even once the FTC probe is resolved, other challenges remain. The number of Facebook users barely budged in the United States, Canada and Europe, indicating saturation in the company's most lucrative markets. Its largest and fastest-growing user base is now in Asia, where monthly active users jumped 12.4 percent from last year. The region represents nearly half of all Facebook users, but brought in less than a fifth of the company's revenue.

That shift in geography, along with slow advertiser adoption of new services like Stories, resulted in a 4 percent decline in the average price per ad in the first quarter.

Facebook plans to shift focus toward private communications, integrating its messaging services across Facebook, Instagram and WhatsApp, but has not yet articulated how it will adapt its advertising-driven business model.

The company launched a sales system last month that enables users to purchase products directly on Instagram and is testing a WhatsApp payments system in India that it plans to roll out to other countries, Chief Executive Mark Zuckerberg said.

# Govt to focus on financial sector reform

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"Ensuring discipline in banks and the capital market is a major challenge for our economy today," said Bangladesh Pratidin Editor Naem Nizam at the event.

Responding to the concerns, Kamal said the government plans to take several measures. One of the plans is formulation of an insolvency law so that defaulters can get rid of from the trap of classified loans, he said.

Kamal said stock markets were one of the key drivers of an economy. Indicating that a vested group was manipulating the market, he said steps were being taken to address the problem.

"We do not want to be blamed repeatedly [for the downturn in stock prices]," he said.

At the discussion, the editors presented problems faced by the print and electronic media.

Matiur Rahman, editor and publisher of Bangla daily Prothom Alo, said the newspaper industry was facing problems worldwide, including

in Bangladesh.

Readership is declining while revenue from advertisements is falling. There is also no scope to generate revenue online. On the other hand, operational costs of newspapers are rising for soaring import cost of newsprint and electricity bills, he added.

Rahman said the landed cost to import newsprint goes up to 31 percent, of which VAT was 15 percent.

He said the VAT on newsprint was lifted for newspapers in a 1991 law but the indirect tax was later slapped back on.

Rahman urged the government to withdraw the VAT on newsprint.

The veteran journalist said despite the fact that it has become sick, the newspaper industry faces 35 percent corporate tax, whereas the apparel industry, the biggest export earning sector, enjoys various benefits and its corporate tax rate is 10-12 percent.

Rahman demanded that the corporate tax on newspapers be 10-12 percent. He also appealed for a

reduction in tax deducted at source to 2 percent from the present 9 percent.

Kamal promised to give some relief to the newspaper industry. "I will do at least something for the newspaper industry," he said.

Daily Manabzamin Chief Editor Matiur Rahman Chowdhury said many people were facing troubles in getting savings certificates for investment. He demanded that the government clear ambiguity in this regard.

Kamal said there would be no change in interest rate on savings certificate. But the government will bring some changes so that none can take undue advantage.

Bishwo Shahitto Kendro Founder and Chief Executive Abdullah Abu Sayeed, Prime Minister's Adviser on Media Affairs Iqbal Sobhan Chowdhury, former adviser to a caretaker government Rasheda K Choudhury, Financial Express Editor Shah Husain Imam, and Sushashoner Jonno Nagorik Secretary Badiul Alam Majumdar also spoke.



Facebook CEO Mark Zuckerberg

The settlement accrual, which Facebook set at \$3 billion but said could rise as high as \$5 billion, cut the company's net income in the first quarter to \$2.43 billion, or 85 cents per share.

Excluding the charge, Facebook would have earned \$1.89 a share, up from \$1.69 in the year-ago quarter and easily beating analysts' average estimate of \$1.63 per share, according to IBES data from Refinitiv.

Total first-quarter revenue rose 26 percent to \$15.1 billion from \$12.0 billion last year, again beating analysts' average estimate of \$15.0

settlement accrual, up 80 percent compared with a year ago as the company hired content moderators and invested in new security controls to make its social networks safer.

Executives said in a conference call with investors that they expected expenses to grow 47 to 55 percent this year, updating their earlier forecast of an increase of 40 to 50 percent.

The first-quarter operating margin fell to 22 percent from 46 percent a year ago, but would have been a comfortable 42 percent without the one-time expense.

The US Federal Trade Commission



AKM Shaheed Reza, chairman of Mercantile Bank, opens the bank's 139th branch at Arambagh in Dhaka yesterday.

# Ghoshn granted \$4.5m bail BGMEA rejects TIB report

REUTERS, Tokyo

Former Nissan Chairman Carlos Ghosn was set to walk out of a Japanese jail for a second time since his arrest last year on financial misconduct charges, after posting \$4.5 million bail on Thursday and agreeing to curbs on contacting his wife.

A Tokyo court set a new condition for bail that Ghosn cannot meet or otherwise communicate with his wife Carole without prior permission, according to his defense lawyer. Carole was questioned following Ghosn's re-arrest earlier this month on aggravated breach of trust charges.

Prosecutors have appealed the bail decision, but if it is rejected, the once-feted executive will be free to leave the detention center where he has been in custody since April 4 to prepare for his criminal trial

expected later this year.

Along with restricted access to his wife, Ghosn's movements and communications will be closely monitored and restricted to prevent his fleeing the country and tampering with evidence, the Tokyo District court said.

Ghosn has been charged with enriching himself at a cost of \$5 million to Nissan, temporarily transferring personal financial losses to his employer's books and understating his salary during his time at the helm of Japan's No. 2 automaker.

He has denied all charges against him. The court said in a statement that it had approved a bail request from Ghosn's defense team and set bail at 500 million yen (\$4.5 million), roughly half his previous bail of 1 billion yen.

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"We would appreciate if the TIB clarifies the methodology of its calculation," the BGMEA said in a statement on Wednesday.

On Tuesday, the TIB said it also found that factory owners have raised the production target by 30 percent to 36 percent with the hike of the wage, which came into effect in December last year.

As a result, workers are under pressure to fulfill the time-bound production target and they even sometimes could not go to toilets as they have to fulfill the target.

It said nearly 4 lakh workers lost jobs because of the inspection of

the factories by the Accord and the Alliance. However, all the workers were not paid compensation.

In response, the BGMEA said production efficiency is a continuous process.

"We have to bear in mind that we are operating in a global market where economic competitiveness matters most. Whereas China, Vietnam and Turkey's efficiency are 65 percent 55 percent and 70 percent respectively, we are at 40-45 percent only."

"To the best of our knowledge there was no correlation with the increase in the minimum wage and efficiency as considered by the Minimum Wage Board."

However, in order to sustain the competitiveness of the industry, wages should always be linked to skills in future. "The BGMEA will strongly recommend wage - skill matrix so that workers get paid according to their skills."

The BGMEA statement said workers go to toilets during working hours.

Workers working overtime without additional payment are not also properly substantiated by the TIB, the association said.

"Similarly, the issue of unpaid or unmet compensation is not substantiated and detailed data are sought from the TIB on these matters."

"In the light of the misinterpretation and misrepresentation of the facts, the BGMEA could formally like to sit and collaborate with the TIB to assess the actual situation based on a substantial sample size."

The trade body said the publication of such reports just a day before the Rana Plaza anniversary is not appreciated.

"Ours is an industry where the exports alone are more than \$30 billion. Striking improvements in safety and workers' rights have occurred over the past years. To condemn the whole industry based on a study with a sample size of 80 respondents is indeed unjust."



Mustafizur Rahman, project director of Access to Information (a2i), and Ilmul Haque Sajib, chief operations officer of Sheba.xyz, attend a deal signing ceremony at the ICT Tower in Dhaka on Wednesday. The government services will now be available on the Sheba.xyz platform through Union Digital Centres across the country.



Masud Khan, chairman of GlaxoSmithKline Bangladesh (GSK), presides over the company's 46th annual general meeting at Radisson Blu Chattogram Bay View yesterday. The company approved final cash dividend of 530 percent for 2018. Prashant Pandey, managing director, was present.