



Jens Becker

Grameenphone gets new CFO

STAR BUSINESS DESK

Grameenphone has appointed Jens Becker as its new chief financial officer (CFO), effective from August 15.

He is replacing Karl Erik Broten, the telecom company said in a statement yesterday.

Prior to the appointment, Becker had been serving as CFO of T-Mobile in Poland. He was also the CFO at T-Online International AG.

Becker has over 20 years of experience in Deutsche Telekom Group with leadership positions in Germany and Poland and responsibility for controlling T-Mobile's subsidiaries in France and Spain.

"I am proud to be appointed as CFO of the largest telecom operator of the country that is providing telecommunications and digital services to over 74 million people," said Becker.

"I am thrilled for the journey ahead as the market is about to experience the fourth industrial revolution," he added.

Becker, a German national, holds a master's degree in geography coupled with economics and business administration from the Free University of Berlin.

"Jens has over a decade's experience as a Telecom CFO with a leading multinational operator and is a valuable addition to our team," said Michael Foley, CEO of Grameenphone.

Gold subdued as investors await FOMC minutes

REUTERS

Gold prices eased on Wednesday to hover around the \$1,500 level as investors turned cautious ahead of minutes from the US Federal Reserve's last meeting, which is expected to shed more light on interest rate cuts.

Spot gold was down 0.5 percent at \$1,499.18 per ounce by 0948 GMT, with analysts also attributing the dip to profit-taking following the metal's recent strong run, which saw it gain more than \$80 this month.

US gold futures slipped 0.4 percent to \$1,509.70.

"The market is nervous while it waits for further cues on the outcome of the Fed meeting minutes" said Jigar Trivedi, a commodities analyst at Mumbai-based Anand Rathi Shares & Stock Brokers.

However, "fundamentals for gold remain positive as central bankers have increased their gold reserves amid geopolitical tension, trade spats and signals of stimulus."

Minutes from the Federal Open Market Committee's most recent meeting in July - when the US central bank cut interest rates for the first time in a decade - are due on Wednesday.

Traders are also awaiting the central bank's annual Jackson Hole seminar later this week with major focus on a scheduled speech by Fed Chair Jerome Powell.

Powell's comments are of particular interest after last week's inversion of the US yield curve - widely regarded as a recession signal - boosted expectations the Fed would lower interest rates at its September policy meeting.

Lower interest rates decrease the opportunity cost of holding non-yielding bullion and weigh on the dollar, making gold cheaper for investors holding other currencies.

"Gold is declining below \$1,500, confirming



REUTERS/FILE

Gold bullion is displayed at Hatton Garden Metals precious metal dealers in London.

the consolidation phase that has taken place in the last few days," ActivTrades analyst Carlo Alberto De Casa said in a note

"Despite this, the main trend remains bullish, with further rallies that seems likely in the medium term, while in the short term the scenario is lateral, with prices that could draw a lateral range between \$1,475 and \$1,530."

On the trade front, US President Donald Trump said on Tuesday he had to confront China over trade even if it caused short-term harm to the US economy.

The escalation in the trade war between the

world's biggest economies and an increasingly dovish shift in policy by central banks have contributed to a more than 6 percent rise in gold this month.

Indicative of sentiment, holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.2 percent to 845.17 tonnes on Tuesday from Monday.

Among other precious metals, silver eased 0.2 percent to \$17.09 per ounce, while platinum dropped 1 percent to \$840.07.

Palladium edged 0.1 percent lower to \$1,489.76 per ounce.

Alliance Sandhani declares 8pc cash dividend

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Alliance Sandhani Life Unit Fund has recently declared 8 percent cash dividend per unit for unitholders for 2018-19.

The decision comes at a meeting of the company's trustee committee, according to a statement.

Alliance Capital Asset Management Ltd is the fund's asset manager, Bangladesh General Insurance Company the trustee, Sandhani Life Insurance Company sponsor and Brac Bank custodian.

The unitholders, whose names appeared in the fund's register on June 30, will be entitled to receive the dividend.



STANCHART

Deepal Abeywickrema, managing director of Nestlé Bangladesh, and Naser Ezaz Bijoy, CEO of Standard Chartered Bangladesh, exchange the signed documents of a deal at the bank's head office in the capital's Gulshan recently to partner in the bank's Distributor Finance Programme which provides access to finance and payment platforms to clients and supply chains.

Defaulter Root Group to get fresh loans from Janata

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Curiously, a BB assessment opposed the decision given the track record of Root subsidiary Gram Bangla Fertiliser and Agro Industries.

In 2011, Gram Bangla refused to pay \$60,660 to an Indian bank to adjust its debt for import payments. The Indian high commission also requested Janata to take an initiative to pay back the fund, but Root held firm.

Meanwhile, Root applied to the High Court to get the default status lifted from the BB's credit information bureau (CIB).

The court on April 24 asked the group to give 5 percent down payment against its outstanding loans to get a clean CIB report for four weeks. But Root failed to deposit the amount on time.

It applied to the HC again and was once again instructed to deposit the amount, which it is yet to do.

Janata though bypassed the court order

and allowed Root to reschedule its loans with only 3 percent down payment. Not only that, it concealed the HC order for 5 percent down payment in its letter to the central bank.

After being informed of the matter, the central bank on July 29 asked the bank to explain why it hid the HC instruction. The bank was also asked to submit a probe report about the accusation of fund diversion by Root.

On August 18, the bank admitted that the group diverted a large amount of fund violating the rules and regulations.

For instance, Ranka Denim Textile Mills, a subsidiary of Root, had not settled the import liabilities of Tk 379 crore from its export earnings. Rather, it paid Tk 218 crore to adjust its sister companies' bank loans.

Besides, it misused Tk 136 crore of the export earnings by diverting the fund, according to the letter sent to the BB.

The group, however, will provide the rest

of the 2 percent down payment within the next two months, the bank said.

"There is no scope to give NOC to Root right now as the bank admitted that it had diverted funds. Besides, the Bangladesh Financial Intelligence Unit is now investigating the matter," said the BB assessment paper.

According to the central bank's draft decision, the rescheduling facility will be annulled if the BFIU find Root's involvement in any form of money laundering.

"The central bank is yet to give any clearance to my companies to reschedule the loans," said Mohammed Razzakul Hossen Tutul, managing director of Root Group.

He declined to give further comments. Md Abdus Salam Azad, managing director of Janata Bank, could not be reached for comment.

Md Serajul Islam, an executive director and spokesperson of the central bank, said the BB would take a decision as per the

court order.

Asked whether the HC had instructed the BB to reschedule the loans by taking 5 percent down payment, he declined to give an answer.

Earlier in 2013, the central bank carried out an inspection at Ramna corporate branch of Janata Bank and found Ranka Sohul Composite Textile Mills, a subsidiary of Root, to be involved in money laundering.

The company had exported goods to a company in Turkey but none of the payment for the shipment came to Bangladesh. It later showed it had realised \$6.71 lakh, but the amount actually came from Dubai and Singapore.

"Janata should not be allowed to reschedule the default loans because of its alleged involvement in financial corruption - such a move will send a wrong signal to the financial sector," said Khondker Ibrahim Khaled, a former deputy governor of the central bank.

Leather goods exports rebound

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The LWG certification is awarded to companies based on the points presented on factors such as solid waste management, treatment and less usage of water, chemical use and labour welfare, explained Md Shaheen Ahmed, chairman of the Bangladesh Tanners' Association.

Out of 100 points, 85 brings gold certification, 75 silver and 65 bronze, he said.

Once the Savar estate becomes fully operational, including the CETP and dumping grounds, within the next one year, at least 65 points can be gained, allowing local tanners to get better prices, he added.

The absence of the certification is causing finished leather exporters to depend on a few Chinese companies not affiliated with the LWG, said Mohiuddin Ahmed Mahin, president of the Bangladesh Finished Leather, Leather Goods and Footwear Exporters Association.

Higher the prices they are getting are 25 percent lower, he said, adding that the authorities assured them that the CETP would become operational by December.

Ahmed was not that optimistic with July's export growth, saying that getting the real scenario requires observing at least four months. He said only 20 out of 120 manufacturers have been performing strong.

Local tanners annually produce around 350 million square feet of leather, of which only 30 million square feet are consumed by local manufacturers, he said. Four million square feet of high-valued leather were imported for high-end products.

Who's tracking you? Facebook users to get more control over data

REUTERS

Facebook Inc said on Tuesday it was tweaking its policies to allow users to see and control the data that the social network gathers from their browsing habits on other websites and apps.

The company defines the data, for example when a clothing website shares information with Facebook on browsing activity of a user, as "Off-Facebook Activity".

Facebook said in a blog post here that the tool is being rolled out in Ireland, South Korea and Spain and would be available to users across the globe in the coming months, adding that it expects the move to have some impact on its business.

"We believe this Off-Facebook Activity information has been pretty valuable to Facebook, enabling it to offer advertisers the ability to reach consumers that have already shown some interest in their products or services," Atlantic Equities analyst James Cordwell said.

The latest action comes as the company faces severe criticism from lawmakers and regulators over its privacy practices. Last month, Facebook agreed to a record-setting \$5 billion privacy settlement with the U.S. Federal Trade Commission.

The company earns money from advertisements and offers tools to advertisers

to target potential customers. Any change in lowering the effectiveness of ad targeting hurts the company's revenue. In the quarter ended June 30, Facebook made nearly \$17 billion from ad sales.

The social network said if a user clears their Off-Facebook Activity, it would remove the

user's information from the data that apps and websites choose to send.

"The question remains as to how many consumers will actually bother to use this functionality, especially given it will require navigating into the app's Settings area," Cordwell said.



REUTERS/FILE

Silhouettes of mobile users are seen next to a screen projection of the Facebook logo in this picture illustration.

DSE turnover up 15pc backed by nine stocks

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Among the major sectors, fuel and power increased 0.67 percent and textile 0.33 percent while general insurance fell 0.37 percent, pharmaceuticals 0.3 percent, and banks 0.28 percent.

RAK Ceramics was the day's best performer with a 10 percent gain while Emerald Oil was the biggest loser, shedding 6 percent.

Losers outnumbered gainers by 1,974 to 123 while 37 securities remained unchanged.

The key index of the port city bourse also rose by 3.4 points, finishing the day at 9,699.45.

Chittagong Stock Exchange traded 93.78 crore shares and mutual fund units worth Tk 21.21 crore.

India calls for fast-tracking project implementation

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India has extended approval for coverage to four projects involving about \$1.51 billion. The majority of the remaining projects are under the detailed project report preparation (DPP) stage. According to the India-Bangladesh bilateral review meeting in the first week of July, several projects under the second LoC and the third LoC are in the stage of DPP, which may be expedited.

For large, complex and high-value projects, the provision of a project monitoring committee may be ensured for better supervision and implementation, the minutes of the meeting said. India has also requested Bangladesh to adhere to the recommended timeframe for tendering process and evaluation of proposal and bids.

Total commitments for various development projects under the first three LoCs amount to \$7.36 billion. The agreement for the fourth LoC of \$500 million has been signed recently for defence purchase, taking the credit commitment to \$7.86 billion.

Summit to raise Tk 100cr through Mudaraba bond

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Earlier in April this year, country's second largest mobile operator Robi applied to the telecom regulator to raise Tk 400 crore from the local market by issuing a Shariah-based security bond. The face value of each certificate was Tk 1 lakh and the BTRC was positive about the fundraising.

In 2015, Banglalink sold \$300 million five-year notes - with an aim to boost its business.