

International Business News

Car sales plunge in Britain as sector crashes globally

AFP, London

Sales of new cars in Britain fell almost a third last month, official figures showed Monday, in the latest sign of how the economic crisis is hammering the auto sector worldwide.

Industry body the Society of Motor Manufacturers and Traders (SMMT) said 313,912 new cars were registered in March, down 30.5 percent from last year. It was the 11th consecutive month of falls.

March is a key month for Britain's auto industry as that is when vehicles carrying the new year's registration plates first go on sale. Showrooms were hoping for a surge of buyers snapping up cars carrying an "09" plate in March.

"March new car registrations are a barometer of confidence in the economy, from businesses and consumers alike," SMMT chief Paul Everitt said in a statement.

"The fall in the market shows that the government needs to do more to boost confidence."

The news is the latest reminder of the problems facing the car industry worldwide.

In the US, General Motors -- which is living off government loans -- has acknowledged it may go bankrupt, while another historic marque, Chrysler, has also taken emergency state aid amid plunging sales.

Car sales in Japan hit a 38-year low in 2008, the industry said last week.

There have been job cuts in Britain -- Nissan axed 1,200 at its main British site in January -- while other firms like Jaguar Land Rover have introduced shorter hours and pay freezes.

Citigroup makes new executive changes

AFP, Washington

Citigroup, the government-rescued US banking giant, said Monday it had confirmed Mike Corbat as chief executive of Citi Holdings, a new unit holding relatively risky assets, as part of fresh executive changes.

It also said that Eric Aboaf, most recently chief financial officer of Citigroup's institutional clients group, had been appointed Citigroup treasurer.

Corbat, with the New York-based bank for more than 25 years, has served as interim chief executive since Citigroup announced a realignment into Citicorp and Citi Holdings in January.

He will work with newly appointed Citi Holdings chairman Gary Crittenden to "evaluate and set the strategic course" for businesses of the new unit, while "tightly managing risks and losses and maximizing the value of these assets," a company statement said.

Aboaf will "manage Citi's balance sheet and will be responsible for ensuring strong liquidity, asset and liability management and optimization of our capital structure," the company said in a separate statement.



Two women walk past a shop in a shopping mall in Hong Kong recently. Hong Kong could adopt a further economic stimulus package later in 2009 this year to counter the impact of the global financial downturn, chief executive Donald Tsang told Financial Times. Hong Kong slipped into recession in the third quarter of 2008, a sharp contrast to the China-inspired boom over the past four years.

HSBC to finance Shanghai Electric's overseas expansion

AFP, Shanghai

Banking giant HSBC said Monday it had signed a 250-million-dollar financial service agreement with Shanghai Electric Group to support the Chinese power equipment maker's global expansion.

Under the agreement, HSBC will provide Shanghai Electric and its units with a global facility limit of 250 million dollars to meet their financial needs, HSBC said in a statement.

The funds could be used for spot and forward foreign exchange deals, working capital, and import and export services, it said.

"The ongoing financial crisis poses challenges for corporates but also brings about opportunities. We are confident that we will sustain our growth amid the crisis," Xu Jianguo, chairman of Shanghai Electric Group said.

The agreement will "help enhance our risk management in our overseas expansion," he said in the statement.

Singapore vows to change tax laws to remove havens

AFP, Singapore

Singapore has vowed to amend its tax laws within the year after being named in a list of countries that have not yet fully implemented global standards aimed at eliminating tax havens.

The Organisation for Economic Co-operation and Development (OECD) last week said Singapore was one of the countries that had not yet carried out their commitments to respecting global standards on exchanging tax information.

Singapore "intends to implement the standard by effecting legislative amendments later this year," a finance ministry spokesperson said in reply to a query from AFP at the weekend.

The OECD, which groups the world's leading developed nations, listed 38 countries and territories that "have committed to the internationally agreed tax standard, but have not yet substantially implemented" the measures.

BANKING

Pubali's scorecard brightens

The first bank in Bangladesh to celebrate 50th anniversary

SAJJADUR RAHMAN

Celebrating the 50th anniversary of Pubali Bank Ltd is an ideal opportunity to recall the evolution of one of the most promising financial institutions in the country. Participating in Bangladesh's development and contributing to building the nation's economic and financial infrastructure, the bank cannot only look back with pride on its glorious past. It also continues to actively build on its past accomplishments and heritage by involving it in the country's development towards an even more promising future.

Some Bangalee entrepreneurs in 1959 set up the bank as Eastern Mercantile Bank Ltd to establish their rights to do business and get bank finances. It was renamed Pubali Bank after the Liberation War in 1971.

During the Pakistani regime, Bangalee businesses were not given credit by the then West Pakistani banks.

Of those courageous entrepreneurs, AK Khan, OR Nizam, MR Siddiqui, Khan Bahadur Mujibur Rahman, Mirza Mohammad Ali Ispahani, Habibur Rahman and Dr Na'imur Rahman were the notable sponsors of the bank.

"Eastern Mercantile Bank paved the way for the Bangalee entrepreneurs to do business at that time," said Monzurur Rahman, the longest-serving director of the bank.

As a young entrepreneur, Rahman became a director of the bank in 1967 and is on the bank board till date.

The bank played a courageous role during the Liberation War. It had stopped remitting money from East to West Pakistan at the call of Bangabandhu Sheikh Mujibur Rahman. During the war the Bangalees also deposited their money at the bank as a safe custody because the West Pakistanis ran all other banks.

The bank is going to celebrate 50 years in operations next month. No bank in Bangladesh has this rare milestone. Sonali, Janata, Agrani and Rupali banks were established in 1972 through amalgamation and nationalisation of the branches of different Pakistani banks located in the then East Pakistan. The first



Helal Ahmed Chowdhury, serving the bank for 32 years.

generation private banks, which are leading the industry, were established in 1983 and afterwards.

Now Pubali Bank has 371 branches countrywide and employs over 5,000 staff. No private bank can boast of such a wide network.

Pubali Bank's operating profit reached Tk 365 crore on December 31, 2008 from Tk 305 crore a year earlier, registering a 20 percent growth. Its total volume of loans and deposits also marked a significant rise last year. Its non-performing loan (NPL) came down to only 3.59 percent last year, which was over 14 percent in 2005.

The bank has dozens of deposit and loan products and provides remittance and other services, such as receiving different utility bills. It can remit money within 24 hours with its online services.

But the growth path was not so smooth. The bank faced a lot of upheavals -- from nationalisation to denationalisation and privatisation, and NPL to become a problem bank on the central bank's list.

After independence of Bangladesh, the bank was nationalised in 1972 in line with the government policy and renamed Pubali Bank from Eastern Mercantile Bank. Subsequently on the changed scenario the bank was corporatised in 1983 and became a private bank in 1985. The then government handed over all assets and liabilities of Pubali Bank to Pubali Bank Limited. Since then the bank has been rendering all sorts of commercial banking services as the largest bank in private sector through its branches across the country.

Just after one decade of privatisation, the bank got the problem bank status in May 1994 for its poor performances in different indicators. The Bangladesh Bank as the regulator appointed an observer in the bank to monitor its activities.

The bank took more than a decade to come out of the problem bank's list and the central bank finally withdrew its observer in November 2007.

About steady profits in the past several

years, Helal Ahmed Chowdhury, managing director of the bank, thinks strong monitoring and loan recovery as well as the management's commitment have helped salvage the bank and bring it to profitability.

"It was a tough task to come out of the legacy of nationalisation. Staffs were given training to change their mindset to compete with the private banks," said Chowdhury who has been serving the bank for 32 years.

He joined the bank in 1977 as a senior officer. After serving in various positions of the bank, Chowdhury succeeded veteran banker Ibrahim Khaled a couple of years ago as the managing director.

"I want to give credit to my predecessors who rendered their time and knowledge to improve the bank's position," the managing director said.

He also attributed the steady growth of the bank's overall business to the board's non-interference policy and good governance.

"Now the bank is emerging as a giant with its countrywide network and faster services. Numerous deposit and lending products with a quicker service are on offer," said Chowdhury.

Its deposit stood at Tk 7,306 crore in 2008 from Tk 5,802 crore a year earlier, marking a 26 percent rise.

The bank's credit also witnessed a 22.21 percent jump to Tk 6,178 crore last year from Tk 5,055 crore in 2007.

Import and export business also showed a significant growth. The bank dealt with Tk 5,949 crore and Tk 2,480 crore worth import and export orders respectively in 2008, while the figures were Tk 4,835 crore and Tk 1,991 crore a year ago.

The bank lends at 12.5 percent rate and there is no hidden cost, the managing director said.

He also disclosed this year's expansion plan, which includes opening of 15 new branches to take the number to 386.

Mentioning that the number of branches that have so far gone online is 10, Chowdhury said: "We have plan to raise such branches to 100 by the year-end."

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COLUMN

MAMUN RASHID

Nasty colleagues

Being a banker, economic analyst and most importantly, a dutiful citizen of this country, I share my thoughts and research with the public. I write about issues like infrastructure, remittance, the monetary policy and so on. Each time an article is published I receive a few e-mails from some of the readers.

However, recently I wrote a piece titled "Boss Matters", which discussed how a 'boss' in an organisation is an institution by himself and the profound impact the management style of the boss might have on the subordinates. The day after it was published, I opened my mailbox and saw 32 emails and over a period of one week, the numbers crossed more than 100. It seems that people can relate more with the softer issues impacting our day-to-day lives. The article you are reading now is another endeavour of mine (suggested by a lady reader of mine) to shed light on another issue that we are compelled to face every day dealing with nasty colleagues.

A nasty colleague could be anyone a domineering manager, a difficult peer or an unruly team member. They are people at work who make you feel inadequate, unworthy, or just plain miserable. It does not necessarily involve discrimination. It involves marginalisation, hitting below the belt and refusal to appreciate and nurture the talent of others.

If a colleague is not pleased with your performance, he or she can either choose to talk about it behind your back or hold an open and honest discussion with you. The latter will result in figuring out a constructive solution. Choosing the former makes a nasty colleague.

Sometimes a colleague may get envious of your success. And out of sheer resentment, that individual may start spreading word in the office grapevine that you owe your fast success to a "very special relationship with the boss". That is also a sign of a nasty colleague.

Another trait that makes one a nasty colleague is having no understanding of the work-life balance of others and being indifferent to fellow co-workers' personal issues. A manager who is apathetic and does not voluntarily

shoulder the sadness, frustration, bitterness, and anger that are endemic to the organisational life of fellow colleagues is quite an unpleasant person to work with indeed.

Colleagues who are difficult to work with sap both your morale and energy, and can make it difficult to do your own job to the best of your ability. Often, the difficult coworker is counterproductive and makes work strenuous for the entire team, causes delays or inefficiencies in the project, and may even cause some team members to leave the company altogether, not to talk about the ultimate impact of the franchise.

Difficult people exist at work as in all facets of life, and they come in every conceivable variety. Some talk constantly and never listen. Others must always have the last word. Some engage in nasty office gossip. Some coworkers fail to keep commitments. Others criticize anything that they did not create. Difficult coworkers compete with you for power, privilege and the spotlight, some go way too far in courting the boss's positive opinion to your diminishment. Some coworkers attempt to undermine you (like some family members in Bangladesh) and you constantly feel as if you need to watch your back.

When faced with such nasty colleagues, it is best to address the issue. Otherwise, necessary conflict simmers just below and often erupts counterproductively above the surface at work.

However, the question you should first ask yourself is -- "Are you the difficult one?"

The answer to this question requires a level of introspection, which is unaccustomed by many people. It is you who has to make the attitude adjustment. Many top career advisors note that many difficult people, who complain about their coworkers, actually cause many of their own problems.

The first step is therefore an honest self-appraisal of your own behaviour. If you plan on doing something about your nasty colleague, you are going to have to be specific about just what the problem is, and how it is hampering your efficiency. This means, identifying



the specific behavior you object to. This process may also help you determine just how serious the problem really is. The information will aid you in deciding on how to go about responding to the problem.

The next step is to have an open discussion with the nasty colleague. This part is the most challenging but sometimes a frank discussion can relieve an overall tense situation. The discussion should not aim at personal attacks but rather focus on figuring out a sensible and practical way out of the predicament. Even if the colleague recognises the flaws in his or her behaviour or attitude,

changing them is a long and gradual process. And it's unlikely that the person will fully acknowledge such problems. The best you can hope for is that the person understands how their behaviour is damaging to the team's goals and consciously attempts to change it.

Escalation to senior managers about the nasty colleague should be considered the very last resort.

Workplace specialists are increasingly discovering that for many workers, the "happiness factor" depends not on tangible rewards, such as a good salary and generous benefits, but on intangibles such as respect, care, trust, and fairness of fellow employees.

In our current market-based and knowledge-driven world, success is a function of great ideas, which of course springs from intelligent, energised, and emotionally involved people. But great ideas dry up when people are hurt or when they are focused on dysfunction within the organisation. It is therefore our moral obligation to be an ideal colleague to our coworkers and also try to resolve all issues with our nasty colleagues for the greater good of the organisation and the customers, for whom we work day and night.

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