Chittagong boutiques all set for Eid

Shahenoor Akther Urmi, *Chittagong*

NAME the latest trend going for salwar kameez, sari and panjabi -- and you are likely to find them in the boutiques in Chittagong. They are trying to attract as many Eid shoppers as possible.

To avoid the mad dash that invariably occurs closer to Eid, many have started with their Eid shopping from the first day of Ramadan.

"Considering the weather, I have kept a soft palette for my Eid collection," said Shahtaz Munmun, owner of Munmun's, a boutique that sells women's clothes.

"I have noticed the trend among the fashionable young girls is for umbrella-shaped long kameez with churidar salwar, so I liberally utilised this style," said Munmun, adding that her pieces can easily be afforded by middle-income families.

Rowshan's, a popular boutique in Chittagong, too, is offering salwar kameezes in basic colours, but with intricate embroideries and appliqué.

"We also have embroidered saris, in cotton, muslin, sopura and andi silk," said Rowshan Ara, owner of the boutique.

Pinon is hoping to attract a good number of customers with its weather-appropriate pieces.

"I designed salwar kameezes and saris in light fabrics like chiffon, Tangail cotton and silk for Eid," said Mohassana Kuraishy Mita, Pinon's owner.

The boutique Anindy, however, is bucking the trend and is going for bright colours.

"Our saris are in bright colours, with different handwork like embroidery," said Lutfa Sunjeda, the boutique's owner, adding that she is trying to offer as much variety as possible to her patrons.

As Eid falls during the rainy season, Mirron's is concentrating on monsoon colours like blue, olive green, purple for its saris and salwar kameezes, in breathable fabrics like muslin and cotton.

"I got orders for dresses two months before Eid," said Mirron's proprietor Moazzem Hossain Miron.

ANURUP KANTI DAS

Shoppers crowd Shoilpik, a boutique, in the port city of Chittagong as Eid sales gather momentum.

Shoilpik, a men's boutique, is hoping to attract people of all ages with its western-influenced panjabis and fotuas.

"Sales have not taken off in full flight, but we are expecting it to by next week," said the boutique's owner Mohammed Elias, who is hopeful of doing good business this Eid.

With so much variety on offer, the customers are wont to shop around.

"I am looking for a semi-long fashionable panjabi to wear on the Eid morning," said Ashraful Rozen, a university student, who came to shop at Shoilpik.

I Fashion, a men's wear boutique, opened a new showroom just before Ramadan to seize in the Eid shoppers.

Shahed Salim, owner of the house, said the response has so far been encouraging, but is hopeful of higher footprints in the coming weeks.

Children's boutique Arion Fashion is not to be left behind in this shopping frenzy.

Amina Rahman, the boutique owner, said she is catering to the demand for western designs.

"I designed the dresses based on natural sceneries with emphasis on yellow, green, pink and purple colours," she added.

Other well-known boutiques like Dream Fashion, Linax Boutique, Craft Castle and Meah Bibi, too, are ready to charm the Eid shoppers with their offerings.

It is not all optimism though; the boutiques are nervous too. The stagnating earnings of the middle-class and the escalating price of materials mean that there is genuine possibility of not hitting the Eid sales targets.

Creaky Indian infrastructure in the spotlight

AFP, *New Delhi*

INDIA'S worst power grid failure in more than a decade and a deadly train fire on Monday highlighted the crumbling infrastructure holding back Asia's third-largest economy, according to experts.

The outage, blamed by the government on system overload, knocked out power across a vast swathe of northern India, leaving people sweltering without fans, creating massive traffic jams and halting trains.

The blackout came as 32 sleeping passengers died in India's southern Andhra Pradesh state when a fire tore through a train coach -- the latest such incident to strike India's accident-prone century-old rail network.

India achieved near double-digit growth over much of the last decade despite its often crumbling roads and investment-starved railways, ports and electricity networks.

But its development and record on lifting its hundreds of millions of poor out of penury could be even better if the government was able to make the investments called for by the business community, experts say.

There is added urgency too, after India's economy grew at its slowest quarterly rate in nine years, they add.

"Infrastructure has always been the soft spot of the Indian economy -- there has not been enough investment, which has lowered the potential growth rate," Dariusz Kowalczyk, senior economist at Credit Agricole, told AFP.

The government is aiming to double infrastructure spending to $1 trillion on infrastructure during its latest five-year economic plan to 2017.

Prime Minister Manmohan Singh, in a bid last month to overcome accusations of government policy paralysis, laid out an ambitious plan to fast-track big ticket projects.

In the power sector, the government is aiming for $400 billion of private and public investment over the next five years, but its track record is abysmal.

India has undershot every electricity goal it has set for itself in its economic plans for the past six decades -- and in the last three plans has missed capacity addition targets by 50 percent, according to the government Planning Commission.

"The entire power situation at present is headed for disaster," said D.S. Rawat, secretary general of Indian business lobby Assocham.

In fact, India's track record on delivering infrastructure projects in various sectors from ports to highways on time and on budget shows more misses than hits with such problems as land acquisition and red tape holding up work.

Recently, a flagship rail link to New Delhi's new airport has been put out of service because of faults detected on the line.

HSBC takes $2b hit for US, UK flaws

Reuters, *London*

HSBC's boss said on Monday revelations of lax anti-money laundering controls had been "shameful and embarrassing" for Europe's biggest bank, and may force it to pay out well over $2 billion for those flaws and in compensation for UK mis-selling.

HSBC set aside $700 million to cover fines and other costs for an anti-money laundering scandal, after a US Senate report criticised it this month for letting clients shift funds from dangerous and secretive countries, notably Mexico.

The ultimate cost could be "significantly higher", the bank's Chief Executive Stuart Gulliver said.

"What happened in Mexico and the US is shameful, it's embarrassing, it's very painful for all of us in the firm," Gulliver told reporters on a conference call.

"We need to execute on the compliance changes and then prove ourselves worthy and rebuild this over a number of years. There are no quick and easy fixes," he said.

The Senate report criticised a "pervasively polluted" culture at the bank and said HSBC's Mexican operations had moved $7 billion into its US operations between 2007 and 2008.

The provision ate into first-half underlying profits, which fell 3 percent from a year earlier to $10.6 billion, excluding gains from assets sales and losses on the value of its own debt.

HSBC also set aside another $1.3 billion to compensate British customers for mis-selling loan insurance to individuals and interest rate hedging products to small businesses.

It is also one of more than a dozen banks under scrutiny in a global interest rate-rigging scandal that has rocked the sector and further damaged the reputation of bankers following criticism of their culture and standards.

"It's very unfortunate and deeply concerning that even the banks considered more secure such as HSBC are so seriously at risk," said a top 30 investor in HSBC.

"And the news is still coming out -- we have yet to see the impact, if any, of the Libor investigation and HSBC's role in that. It's hard to see how much more bad news the markets can take," said the investor, who asked not to be named.

AFP

A woman leaves an ATM of an HSBC branch in Hong Kong. HSBC said it took a provision of $700 million to cover fines for failing to apply anti-money laundering rules but warned the overall cost could be significantly higher.

Shares in HSBC were up 0.9 percent to 535.8 pence at 1230 GMT, lagging a 2 percent rise in Europe's bank index.

US and British authorities fined fellow UK-based bank Barclays $453 million for manipulating Libor, a benchmark interest rate based on how much banks charge to lend to each other. More banks are expected to be drawn into the investigation into banks submitting false rates from which Libor is calculated daily.

Thomson Reuters Corp is the British Bankers' Association's official agent for the daily calculation and publishing of Libor.

Gulliver said that as a contributor to Libor and its euro zone equivalent Euribor, HSBC was cooperating with regulators with their investigation. However, it was far too early to say what the outcome would be or to estimate the potential cost for the bank.

HSBC said it was in talks to settle the investigation into its US anti-money laundering compliance with the US Department of Justice and other regulators. "It may take several more months to come to fruition," Gulliver said.

He is mid-way through a deep overhaul to cut costs, sell or shrink unprofitable businesses, and to direct investment to faster growing Asian markets. That has seen the bank cut 27,000 jobs since the start of 2011.

It also includes centralising control functions over a bank that was unwieldy. Gulliver said he was aware of the investigation into its US compliance problems in 2010, before he took over, and that shaped some of his restructuring.

"The firm clearly lost its way in this regard and it's right that we apologise," he said. "Colleagues internally have been aware that this is the backdrop of why we had to change the firm."

HSBC said it had increased its spending on compliance to more than $400 million last year, more than double its $200 million in 2010.

Behind the problems the bank had shown "a pretty good set of numbers" and quick execution on his strategy, said Gulliver.

The bank reported a statutory pretax profit of $12.7 billion for the six months to the end of June, up 11 percent on the year and above an average analyst forecast of $12.5 billion, according to a poll by the company.

Its investment bank's profit rose 5 percent on the year to $5 billion, faring better than rivals in a tough market where activity has been hit by the euro zone crisis.