

Shutdown slows Chittagong Port

DWAIPAYAN BARUA, Chittagong

THE ongoing shutdown took a toll on Chittagong Port, as the loading and delivery of goods slowed yesterday.

Trucks and vans were unable to operate due to the nationwide hartal called by Jamaat-e-Islami to protest the prosecution of its leaders.

A total of 1,624 twenty-foot equivalent units (TEUs) of export containers were loaded onto vessels in the last 24 hours, which was 2,644 TEUs on Sunday, according to data from the Chittagong Port Authority.

Delivery of goods from the port also suffered substantially; 202 TEUs of import containers were delivered from the port till 8am yesterday, which was 1,141 TEUs the previous day.

Such a slowdown was a result of failure to transport export containers from the different inland container depots to the port for the strike.

With security assistance from the police and Bangladesh Border Guards, some ICDs took an initiative to transport export containers overnight to the port.

Around 357 TEUs of export containers were transported from different ICDs, including KDS Logistics, BM Container and Portlink Logistics -- all located in Sitakunda -- from night time till early morning yesterday, officials said.

A total of 2,452 TEU containers were stranded at 16 different off-docks, they said.

Md Ruhul Amin Sikder, secretary of Bangladesh Inland Container Depot Association, said the CPA security department helped coordinate the transport.

CPA officials said 1,646 TEU import containers were unloaded from vessels in the port jetties, while 32,663 tonnes of goods were unloaded from different vessels at the outer anchorage till 8am yesterday.

The shutdown had a limited impact on activities inside the port as containers were handled at 24 vessels at different jetties and the outer anchorage, CPA Secretary Syed Farhad Uddin Ahmed said.

He, however, said the delivery of goods was hampered as trucks or vans could not enter the port.

He hoped the situation would improve after today's shutdown.

There were 21,528 TEUs at different jetties, which have a capacity to store 30,000 TEUs.

HSBC's annual net profit drops 16.5pc

AFP, London

A SIA-focused bank HSBC said Monday that net profits sank 16.5 percent to \$14.03 billion in 2012, hit by US money-laundering fines, mis-selling scandals, rising taxation and a huge accounting charge.

Profit after tax fell to the equivalent of 10.78 billion euros last year, compared with \$16.8 billion in 2011, London-headquartered HSBC said in a results statement. Pre-tax profits meanwhile slid six percent to \$20.65 billion.

HSBC's performance was hit by a \$1.9-billion fine to settle US allegations of money laundering that were said to have helped Mexican drug cartels, terrorists and Iran.

The bank had admitted in December to having "inadequate" controls in place and accepted responsibility for the group's past mistakes, as part of an agreement with several US authorities including the US Department of Justice.

HSBC's annual results were also dented by a vast \$5.2-billion charge against the value of its own debt. And it set aside another \$1.4 billion to cover compensation in Britain for mis-selling scandals.

However, the lender's capital position improved following a string of asset sales, including its stake in Chinese insurance giant Ping An. As a result, the bank pledged to pay out more in shareholder dividends this year.

And bad debts -- or consumer loans that have turned sour -- fell to \$8.31 billion from \$12.13 billion last time around.

Underlying profits, stripping out exceptional items, climbed by 18 percent to \$16.4 billion, with strong growth in Hong Kong and Asia and a sharp turnaround in Europe.

"HSBC made significant progress in 2012. First and foremost, we grew our business. We increased revenues, performed well in most faster-growing markets and enjoyed a record year in commercial banking," said chief executive Stuart Gulliver.

"We've made the business easier to



The HSBC headquarters are pictured in Hong Kong.

manage and control by disposing of non-core businesses and surpassed our sustainable savings target.

"We also agreed a settlement with the US and UK authorities in respect of our past anti-money laundering and sanctions failings."

HSBC also revealed that its cost-cutting programme had exceeded the group's target.

Two years ago, in 2011, the bank announced a large restructuring programme, including plans to save up to \$3.5 billion by 2013 and to axe 30,000 jobs globally.

However, it added Monday that it generated extra savings of \$2.0 billion, giving an annualised total of \$3.6 billion.

Gulliver will meanwhile receive a deferred annual bonus of just under \$2.0 million (\$3.0 million, 2.3 mil-

lion euros) as part of a total package worth £7.4 million. That compared with an overall figure of £8.0 million in 2011.

HSBC is Europe's biggest bank by assets, was founded in Hong Kong, and sees Asia as its main market despite being headquartered in London.

The group's share price sank 3.01 percent to 706.20 pence in morning trading on London's FTSE 100 index of leading companies, which was 0.47 percent lower.

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ference, which was attended by energy companies including event sponsors Total and Chevron.

As Western powers roll back sanctions against Myanmar in response to political reforms, world energy giants are hungrily eyeing the potentially oil-and-gas-rich nation tucked between fast-growing China and India.

But there are fears the country's energy bounty could again fall prey to the kind of corruption that characterised decades of army rule, which ended in 2011.

To meet the EITI's requirements, Myanmar must show its approach to natural resources will bring wider development to its people and be carried out sustainably and with all payments related to contracts published for scrutiny.

The reformist regime also plans greater openness in other sectors such as forestry, industry and mining, Aung Kyaw Htoo said at the

conference, which was attended by energy companies including event sponsors Total and Chevron.

The only two Western groups with a long-term presence in Myanmar, Total and Chevron entered before sanctions were imposed and then stood accused of serving the interests of the junta and closing their eyes to forced labour.

Foreign interest in the sector has been heightened by Myanmar's invitation in January for tenders for 18 onshore oil blocks, with a further 50 or so offshore blocks expected to be opened to offers in around April.

In opening remarks to the two-day conference in Yangon, Minister of Energy Than Htay vowed to ensure "that the people will directly benefit from the efficient management of our natural resources".

Myanmar vows new openness for oil industry

AFP, Yangon

YANMAR pledged a new era of transparency Monday in its oil and gas industry, as it courts foreign investors after decades of secretive rule by a junta accused of plundering natural resources.

Speaking at a conference attended by several major foreign oil firms in Yangon, energy ministry officials said international standards would be upheld in auctions for the rights to lucrative energy reserves.

"Transparency is the most important word," said the ministry's assistant director Aung Kyaw Htoo.

"That's why the government initiated the EITI process," he added, referring to the Extractive Industries Transparency Initiative, an international scheme to ensure

manding even higher prices.

The US market for premium cars was an estimated 1.7 million vehicles last year and was forecast to rise to 2.3 million in 2020, it said.

"China is a growing market. People's confidence in the future is very high," said Sha Sha, a partner at McKinsey and the main author of the report.

"Chinese people want to upgrade and have the aspiration to buy premium cars," she told AFP.

German automakers -- including Audi, BMW and Mercedes-Benz -- account for 80 percent of China's premium car market, McKinsey said, but added competition in the segment was increasing.

US auto giant General Motors launched a Cadillac brand luxury sedan, the XTS, in the country last week.

China is already the world's

biggest auto market, with sales rising 4.3 percent year-on-year in 2012 to 19.31 million vehicles.

But slowing domestic economic growth, limits on car numbers by some cities and a political row between China and Japan that hurt sales of Japanese-brand cars weighed on the market last year.

McKinsey said income growth, confidence in the Chinese economy, willingness to pay for luxury cars and a desire to reflect social status were among the factors supporting the premium market.

Households purchasing a second car or upgrading from basic transport were a new factor in the market, it said.

The fast rise of the newly affluent middle class and two-car families presents an intriguing opportunity for premium automakers," the report said.

GSR CONFERENCE

Sustainable growth takes centre stage



Hasan Mahmud, environment minister, and William Hanna, head of the EU delegation to Bangladesh, attend the Global Social Responsibility Conference recently at Radisson Blu Water Garden Hotel in Dhaka.

BGCCI

STAR BUSINESS DESK

THE government has already formulated a new policy document on sustainable growth and development, which will help the country use and preserve its natural resources in a sustainable way for its future generation, said Environment Minister Hasan Mahmud.

"We should join hands to promote sustainable growth and to protect our nature," Mahmud said at the recent Global Social Responsibility Conference.

Bangladesh German Chamber of Commerce and Industry (BGCCI) organised the event at Radisson Blu Water Garden Hotel in the capital.

More than 250 people from different private and public

organisations participated in the event of three sessions.

At the event, William Hanna, head of the EU delegation to Bangladesh, emphasised the role the European Union played in promoting corporate social responsibility (CSR).

"To promote CSR, we need to work together," he said.

It is important to create awareness and improve working conditions to achieve sustainable growth, said De Jong, ambassador of the Netherlands in Bangladesh.

Sustainable growth is the future business approach, which has already been applied by numerous Dutch as well as Bangladeshi firms, Jong said.

Sakhawat Abu Khair, BGCCI president, launched the conference.

ence that started with a discussion on "Green economy as a transitional pathway to achieve sustainable growth" followed by another discussion on "Innovation as its decisive tool".

Robert Juhkam, deputy director of UNDP, stressed the need for establishing a balance between the economy, green and human development.

"Economic growth should be balanced by the preservation of natural resources," Juhkam said.

The second session of the conference -- Social innovation and appropriate technology to address environmental challenges in Bangladesh -- was presented by Bas Mohrman, head of Water South Asia Sustainable Business Advisory of the International Finance Corporation.

Aman rice purchase deadline extended

SOHEL PARVEZ

THE government has extended the deadline for aman rice procurement by two weeks, after failing to buy the targeted 3 lakh tonnes by February 28, an official said yesterday.

The extension to March 15 comes as many millers failed to deliver the staple due to higher price, said Md Badrul Hasan, procurement director of Directorate General of Food.

"Many of our suppliers have informed us that they faced difficulties in getting rice as the market price is much higher than the government procurement rate," he said.

Over the past month, the wholesale price of rice rose 10.4 percent to Tk 27.5 a kg in Dhaka city, according to a report by the food planning and monitoring unit.

The recent shutdown owing to political turmoil also affected supplies, he said.

The DG Food set off on December 9 to purchase its targeted 3.0 lakh tonnes of aman rice at Tk 26 each kilogram through contracts with millers.

"We could not sign contracts to ensure supply of the remaining 20,000 tonnes," said Hasan, adding that he expects the procurement target to be met.

"We are getting the delivery -- it is a good sign."

KM Layek Ali, convener of Bangladesh Rice Mills Association, said they have sought for time extension from the government fearing many millers would fail to deliver on time.

"The majority of the 16,000 suppliers could not make the full supply against their contracts," he said, adding they wanted up to March 31 to make their delivery.

Many husking mill operators could not dry paddy properly because of the bad weather in January.

"At the same, prices began edging up. Many millers have to supply to the government by incurring losses because of the increased prices."

"We supplied to the government in the past months because we could purchase paddy at lower prices. Now that margin is no more," Ali added, while urging for support from the government due to the increased prices.

Millers failing to deliver against contracts will face penalty like fund forfeit or blacklisting, Hasan said.

China to surpass US as top luxury car market

AFP, Shanghai

CHINA will overtake the United States as the world's biggest luxury car market as early as 2016, as rising incomes and desire for status boost premium auto brands, a consultancy said Monday.

Global management consulting firm McKinsey & Company said China is already the second biggest market for "premium" cars after the United States, with sales of 1.25 million vehicles last year.

China's premium car sales could reach 2.25 million in 2016 and 3.0 million by 2020, it added in a report.

McKinsey defined the "premium" segment in China as cars costing from 200,000 yuan to 1.2 million yuan (\$32,000 to \$190,000), excluding "ultra-luxury" cars com-

manding even higher prices.

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