Entries open for Holcim awards

STAR BUSINESS DESK

International Holcim Awards is now open for entries, seeking projects and visions that contribute to a more sustainably built environment.

The fourth cycle of the sustainable construction competition offers a total of $2 million in prize money.

The Holcim Awards is one of the most significant competitions in its field in terms of reputation and international scope.

The competition seeks leading projects from industry professionals and bold ideas from the "Next Generation" that contribute to sustainability within architecture, building, civil engineering, landscape and urban design, as well as construction materials and technologies.

Entries must be submitted online at www.holcimawards.org by March 24, Holcim Foundation for Sustainable Construction said in a statement yesterday.

The Holcim Awards (main category) is open to architects, planners, engineers, project owners, builders and construction firms that showcase sustainable responses to technological, environmental, socioeconomic and cultural issues with contemporary building and construction.

Projects must have reached an advanced stage of design, have a high probability of execution and may not have started construction before July 1, according to the statement.

The competition also seeks visionary projects and bold ideas for the "Next Generation" (young professionals and students category).

All authors must be aged between 18 and 30 years of age: (date of birth between July 2, 1982 and March 24, 1996).

Organised by the Swiss-based Foundation, the competition is conducted in parallel in five regions of the world in 2013/14 followed by a global phase in 2015.

Regional winners will be announced at Holcim Awards ceremonies in late 2014 in Moscow (for region Europe), Toronto (North America), Medellín (Latin America), Beirut (Africa Middle East) and Jakarta (Asia Pacific).

Entries must be made in English using the web-based form to provide information on authors, a project summary and response to the "target issues" for sustainable construction, technical details, as well as project images or illustrations.

Internationally renowned architects and academics in juries, independent jury panels of experts will evaluate all entries against the five "target issues" which cover economic, social and environmental performance as well as contextual/aesthetic impact, and innovation/transferability.

The juries are headed by Jean-Philippe Vassal (for region Europe), Toshiko Mori (North America), Bruno Stagno (Latin America), Howayda Al-Harithy (Africa Middle East) and Rahul Mehrotra (Asia Pacific).

Hyundai growth forecast lowest since 2003

AFP, Seoul

Hyundai Motor Group said Thursday it expects sales to grow in 2014 at their slowest pace in more than a decade, as it is hit by global economic uncertainty.

The firm said that combined with its smaller affiliate Kia it sees sales of 7.86 million this year, up 3.9 percent from the 7.56 million in 2013. The growth figure is the weakest since 2003.

"Market competition is intensifying as the global economy enters the era of slow growth, and uncertainty increases as technological convergence sparks more changes in the industry," chairman Chung Mong-Koo said in his New Year message to employees. "We need to... dramatically expand investment in developing innovative technologies like environmentally friendly green cars or smart cars equipped with cutting-edge technologies," he said.

Hyundai Motor and Kia, which make up the world's fifth-largest automaking group, sold 7.12 million cars worldwide in 2012.

The company is set for a tough year as a weaker Japanese yen sparked by Tokyo's bid to support exports has offered price advantages to rivals such as Honda and Toyota. The yen tumbled against the dollar last year owing to an aggressive monetary easing programme by the Bank of Japan put in place as part of Prime Minister Shinzo Abe's drive to kickstart the world's third-largest economy.

At the same time the Korean won has steadily risen against greenback -- hitting its highest level for two years -- hurting the competitiveness of exporters such as Hyundai and Samsung, which compete against Japanese rivals in major global markets.

The won also on Thursday touched its highest level against yen since September 2008.

Hyundai shares dropped 5.07 percent to close at 224,500 won ($213) Thursday on disappointment over the low sales target.

BROTHERS FURNITURE

Habibur Rahman Sharkar, chairman of Brothers Furniture, launches a month-long business promotion campaign to welcome the new year at the firm's Baridhara showroom in Dhaka recently. Md Elias Sarkar, managing director, was also present.

Fiat strikes $4.35b deal to buy rest of Chrysler

REUTERS, Milan/Detroit

Italian carmaker Fiat SpA struck a $4.35 billion deal to gain full control of Chrysler Group LLC, ending more than a year of tense talks that have obstructed Chief Executive Sergio Marchionne's efforts to combine the two automakers' resources.

The agreement, announced on Wednesday, cements Marchionne's reputation as the industry's consummate dealmaker about a decade after he took the helm of Fiat as a car business newcomer, analysts and bankers said.

But it remains to be seen whether a merger will be enough to cut Fiat's losses in Europe. Marchionne's plan to shore up Fiat depends on the ability to share technology, cash and dealer networks with Chrysler, the No. 3 US automaker.

"This is an increasingly American company now, because in Europe, and especially in Italy, the business conditions remain difficult," said Andrea Giuricin, transport analyst at Milan's Bicocca University. "Fiat has already lost many of its market positions in Europe and it won't be easy to recover that."

Fiat will acquire the 41.46 percent stake in Chrysler it did not already own from a retiree healthcare trust affiliated with the United Auto Workers union. The trust, known as a voluntary employee beneficiary association or VEBA, will receive $3.65 billion in cash for the stake, $1.9 billion of which will come from Chrysler and $1.75 billion from Fiat. After the deal closes, Chrysler has committed to giving the UAW trust another $700 million over three years.

The deal is expected to close on or before Jan 20. Fiat said that because of how the deal is structured it will not need to make any capital increase through a rights issue.

The VEBA's payout is less rich than some analysts expected. The sale of the UAW trust's stake values the No. 3 US automaker at less than $9 billion. When factoring in the additional $700 million, Chrysler is worth $10.5 billion.

TRUST BANK

Ishtiaque Ahmed Chowdhury, managing director of Trust Bank, receives the 13th Rapport Award for Excellence in Human Resource Development from Akbar Ali Khan, a former adviser to caretaker government, at a programme recently.

HAMID FABRICS

AHM Mozammel Hoque, chairman of Hamid Fabrics Ltd, presides over the company's 19th annual general meeting in Dhaka on Tuesday. Abdullah Al Mahmud, managing director, was also present.

China loans Pakistan $6.5b for nuclear plants

AFP, Islamabad

China has agreed to lend Pakistan $6.5 billion to help build nuclear power stations including a 2,200-megawatt plant in Karachi, as Beijing increases its involvement in the cash-strapped country.

Prime Minister Nawaz Sharif announced the package at a briefing on Wednesday, saying it would help ensure an uninterrupted power supply.

The loans are to be provided by Chinese state-owned Exim Bank and will be repaid at a concessional rate over 20 years, according to reports.

A finance ministry spokesman confirmed the deal to AFP on Thursday.

It is the latest example of Chinese involvement in Pakistan, which is battling to get its shaky economy back on track and solve a chronic energy crisis that cripples industry.

Pakistan began building the 2,200-megawatt plant, set to be its largest nuclear power station, last month with Chinese technical assistance.

The country faces an electricity shortfall of around 4,000 megawatts in the sweltering summer, leading to lengthy blackouts that make ordinary people's lives a misery and have strangled economic growth.

Singapore GDP contracts in Q4

REUTERS, Singapore

Singapore's economy contracted more than expected in the fourth quarter as manufacturing activity weakened, data showed on Thursday, casting some doubt on market expectations for a slight pick-up in growth over 2014.

According to advance estimates from Singapore's Ministry of Trade and Industry, GDP contracted an annualised and seasonally adjusted 2.7 percent in the final quarter of 2013 from the July-September period.

That reversed a 2.2 percent expansion in the third quarter and was weaker than the median 1.6 percent contraction forecast in a Reuters survey.

"I think the weakness is in the manufacturing side. After...some hopes that the manufacturing recovery is finally showing up more visibly, it looks as if it's sputtering again," said Chua Hak Bin, head of emerging Asia economics for Bank of America Merrill Lynch.

"Overall the story is that growth is still largely led by a more steady services sector," he added.

The manufacturing sector contracted at an annualised rate of 4.0 percent in the fourth quarter from the previous quarter, while year-on-year manufacturing growth moderated to 3.5 percent compared to 5.3 percent in the third quarter.

The services sector contracted an annualised 1.7 percent quarter-on-quarter, but grew 5.5 percent year-on-year.

"To put this in perspective it follows a very strong second quarter and a positive third quarter," said Credit Suisse economist Michael Wan, who is forecasting growth in 2014 will be 4.0 percent, up on the 3.7 percent seen in 2013.

Wan expects the economy to be supported over coming months by an improvement in external trade, although some sectors, especially retail and hospitality will feel the pressure of tighter government controls on hiring foreign labour.

In the second quarter, Singapore's GDP had expanded by an annualised 17.1 percent quarter-on-quarter as manufacturing activity surged.

One question mark going forward is whether the manufacturing sector for Singapore is as leveraged to the global economy as it was in the past, said Chua at Bank of America Merrill Lynch.

"It looks as if the restructuring and the stricter foreign worker policy is dampening growth," Chua said, adding that Bank of America Merrill Lynch's forecast is for full-year growth in 2014 to slow to 3.2 percent, down from the 2013 growth of 3.7 percent.

Move to revive Commerce Bank by public money

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NCC started its journey as an investment company in 1985, but due to various irregularities it had to be shut down. Later in 1992, it was reopened as a full-fledged private commercial bank.

Despite struggling in its initial years, the bank has now established itself as one of the best performers.

As of September 2013, Commerce Bank's capital shortfall stood at Tk 248 crore. NCC, in contrast, does not have any capital shortfall; rather, it has a capital surplus of Tk 134 crore.

Commerce Bank's other indicators, too, are not reassuring. To carry out global business, banks must maintain a minimum capital, which is 10 percent of their risk-weighted assets.

At the end of September, Commerce Bank's capital adequacy ratio stood at 6.82 percent. Its default loan was more than 18 percent of its outstanding loans, the highest among the private banks, while its provision shortfall against default loans was Tk 101 crore.

As a remedy, Bangladesh Bank on several occasions advised the government to remove the special law to privatise the bank, but no government acted on the proposal.

Meanwhile, BASIC Bank, another government-run bank, is also on the same boat as the Commerce Bank.

Formed in 1992 from the local remnants of the Bank of Credit and Commerce International, BASIC Bank had been a sound institution, with no capital shortfall and negligible classified and default loans.

However, its performance also deteriorated recently, so much that it necessitated the appointment of an observer by the central bank.

Owing to various scams, BASIC Bank's capital shortfall at the end of September stood at Tk 597 crore and its capital adequacy ratio an alarming 3.79 percent.

The specialised bank has sought funds from the government to meet its capital shortfall, but a high official of the finance ministry's banking division said they have no plans to respond to the request.

India aims to throw open doors wider to foreign investors

AFP, New Delhi

India aims to throw open its doors wider to overseas investors, a minister said Wednesday, as it seeks to spur a slumping economy before the general election.

The government has already relaxed foreign direct investment (FDI) rules in such sectors as civil aviation, retail, telecommunications, defence and oil refineries to loosen shackles on the long-protected economy.

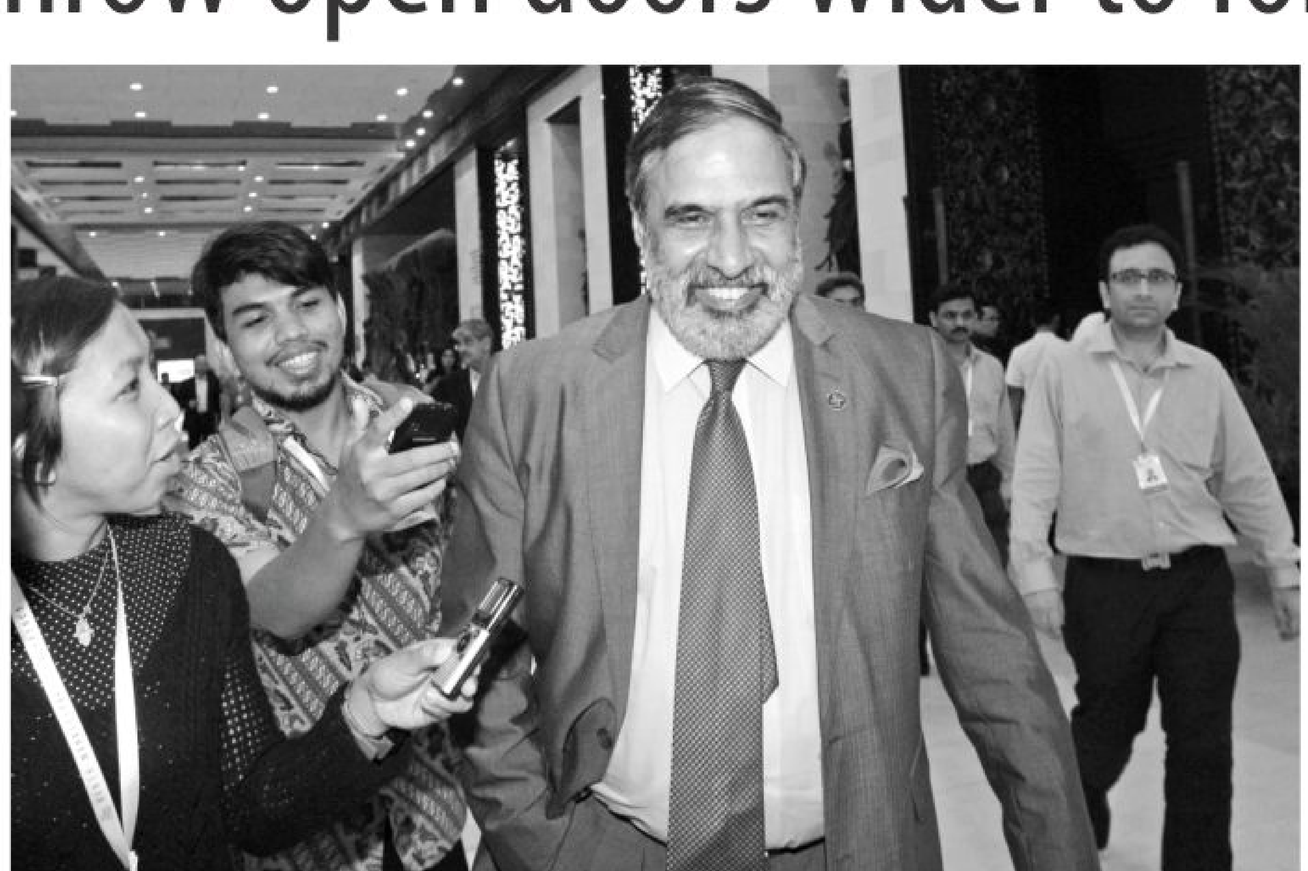
"The government will continue its endeavour for liberalising FDI policy further in the coming weeks... for attracting foreign investments," Indian Commerce Minister Anand Sharma said.

India is struggling to increase its attractiveness to overseas business to buttress a weak rupee and to support growth with the election due by May. But political opposition has made economic liberalisation a stop-start process.

Five percent annual growth—the slowest in a decade—a string of graft scandals, suffocating bureaucracy and project approval delays have soured the investor mood on Asia's third-largest economy.

But in a vote of confidence in India's long-term potential with its increasingly affluent consumers, FDI interest has shown signs of picking up lately.

Earlier this week the foreign investment regulator cleared plans by British retail giant Tesco and Vodafone, the world's largest mobile phone operator, to invest over $1.5 billion in India.



REUTERS/FILE

India's Commerce Minister Anand Sharma walks to a meeting at the ninth World Trade Organisation Ministerial Conference in Indonesia last month.

"The bold decisions of the government (to liberalise the economy) have resonated with the global community and we have seen results in the last few months," Sharma said in a New Year's Day message.

Officials say the government is now looking at relaxing a ban on FDI in the cash-hungry dilapidated railways, one of the world's largest networks, and improving lines to ports and industrial hubs that would boost productivity.

Still, an investment turnaround could be some way off. Between April and October of this financial year, FDI slid 15 percent to $12.6 billion from a year earlier, official data showed.

Meanwhile, foreign institutional investors pumped in around $20 billion into financial markets in 2013, down from $24 billion in 2012, according to a chamber of commerce study.

India's immediate economic prospects remain downbeat, analysts add. Ratings agency ICRA called the government's fiscal situation "gloomy" after New Delhi said it used up 94 percent of its borrowing limit by November.

ICRA said more spending cuts that could slow the economy further will be needed to meet the government's fiscal deficit target—the gap between spending and revenue—of 4.8 percent of gross domestic product for the financial year to March.

India's Finance Minister P Chidambaram insists the goal is a "red line" that will not be breached.

Underscoring the economy's fragility, output from eight key industries ranging from coal to steel, edged up by just 1.7 percent in November from a year earlier compared with 5.8 percent growth in the same month of 2012, data showed.

The ruling national Congress party, recently routed in four state polls, is desperate to make headway in breaking the economy out of its state of "stagflation—high inflation and weak growth—before the May vote.

"The new government will inherit an economic mess. It will have to set its fiscal house in order, keep its eye on inflation, rebuild confidence, push a new reforms agenda and get investment activity in the private sector on track," said Mint business newspaper in a front-page essay.

Competition launched for aspiring entrepreneurs

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Roadshows will be organised at 19 universities to make the target audience aware of the programme.

The businesses need to be innovative, have a sustainable business model and hold high potential of becoming profitable.

"Our mission is helping start-ups achieve sustainability," he said, adding that some young entrepreneurs have no knowledge of how to collect trade licence and tax identification number.

The programme entails a four-week 'capacity building' boot camp, at the end of which there would be a networking session with an expected 60 successful entrepreneurs, angel investors, marketers and technocrats.

Such open floor session will be a supreme opportunity for the participating teams to source required resources for their start-ups along with suggestion through networking, he said.

The Preneurs and The Edward M Kennedy Centre jointly launched the competition, to be financed by EMK Centre, at The Daily Star Centre.