

## Banglalion's new COO



**Shafiqul Islam**  
STAR BUSINESS DESK

Shafiqul Islam has recently been appointed the chief operating officer of Banglalion, the broadband wireless internet service provider said in a statement yesterday.

Islam has 16 years of experience with different companies in the telecom industry and served as the chief technology officer of Augere Wireless Broadband Bangladesh (Qubee) and GrameenPhone prior to joining Banglalion.

Internet has to be reliable and fast for effective competition on the international level and Banglalion is working to ensure that in Bangladesh, Islam said.

"We are confident that Islam has the right qualifications for strengthening Banglalion's position," said Abdul Mannan, chairman of Banglalion Communications Ltd.

# HSBC warns of choppy markets

Europe's biggest bank reports 9pc increase in annual profits

REUTERS, London

HSBC missed market expectations with a 9 percent increase in annual profit and warned of greater volatility in emerging markets this year, sending shares in Europe's biggest bank to a 15-month low.

HSBC, which is based in London but made two thirds of last year's profit in Asia, has axed more than 40,000 jobs and sold or closed 60 businesses over the past three years to cut costs, but has not yet reached its cost efficiency and profitability targets.

"Having made good headway in pulling out of low-quality businesses, they are now facing the headwinds of emerging markets," said Chris Wheeler, an analyst at Mediobanca. "It's not a disaster, but they are paddling hard to make any progress."

HSBC said it increased its bonus pool for staff by 6 percent to \$3.9 billion last year, and lifted Gulliver's pay, including salary and bonuses, to \$8 million from \$7.5 million.

The increase comes despite pressure on banks to rein in big bonuses that many blame for fuelling the risk-taking that led to the 2008/2009 financial crisis.

HSBC said it would start paying 665 top staff a new quarterly allowance - either in cash or deferred shares - effectively increasing the amount of their fixed pay to meet a new EU law capping bonuses at 200 percent of salary.

Gulliver said major shareholders supported the plan, but that the EU rules had made pay structures more complex and he hoped the UK government will be successful with a legal challenge to the move.

"We had a compensation plan here that the shareholders liked but sadly because of the EU directive we've had to change. This isn't something we would have wanted to do... It's much more complicated," Gulliver told reporters on a conference call.

Under the new structure, senior bankers will be guaranteed more pay, but the maximum they can get will be reduced. Gulliver will be guaranteed \$4.2 million, up from \$2.5 million before, and can earn up to \$11.4 million, down from \$13.8 million.

Gulliver is under pressure to show how HSBC can replace income lost from the sale of US businesses and a stake in a Chinese insurer, and worries that Asia's economic growth is slowing.

He predicted China's economy would grow by 7.4 percent this year, Britain's should expand by 2.6 percent, the United States by 2.5 percent and western Europe 1.2 percent.

HSBC reported 2013 pretax profit of \$22.6 billion, up from \$20.6 billion in 2012 but below the average forecast of \$24.3 billion in a Thomson Reuters poll.

Shutting businesses hit the bank's revenues, which fell 5 percent. Stripping out the impact of dispos-

als, underlying revenue was \$63.3 billion, up from \$61.6 billion.

HSBC said it continued to build up capital, while it remained unclear how much it would need to hold under global and UK rules. It will pay a final 2013 dividend of 19 cents per share, up on 2012 but less than expected by analysts.

The bank's common equity ratio improved to 10.9 percent at the end of December from 9.5 percent a year earlier. But it said changes by the UK regulator would knock up to 0.35 of a percentage point off that ratio this quarter.

HSBC has said it could buy back shares to use excess capital, but Gulliver said that would not happen this year.

HSBC's investment bank reported a flat fourth quarter, with pretax profit of \$1.9 billion, as a drop in revenue from its rates business was offset by a strong quarter in equities.

Gulliver said he had now cut \$4.9 billion in costs on an annualised basis, and the bank was aiming for \$2-3 billion more a year by the end of 2016.

The bank's cost efficiency ratio of 59.6 percent and its return on equity ratio of 9.2 percent were both below the target ranges of mid-50s and 12-15 percent that the bank has set itself for the next three years.

It set aside another \$395 million in the fourth quarter to compensate UK customers mis-sold loan insurance or companies mis-sold interest rate hedging products, and it also paid \$321



**Humaira Azam, deputy managing director of Bank Asia, poses with the recipients of Bank Asia Higher Studies Scholarship at a programme in Konabari on Saturday.**

## GME Group introduces Fuji's new medical imager

STAR BUSINESS DESK

GME Group has recently introduced its newest line of imaging products from the Japanese brand Fujifilm, the FCR Prima T2 Series and the Sonosite Colour Doppler, the company said in a statement yesterday.

Chowdhury Hasan Mahmud, managing director of GME Group, introduced the new product during the celebrations to mark the installation of the 2000th FCR and Imager at a local hotel Dhaka on Saturday.

The new model has doubled the capacity of its predecessor, handling more than 73 X-rays in

an hour and can also take Dental OPG X-Ray.

Special discount on the new model is being offered till March 31, according to the statement.

GME has been introducing new FCR machines at reasonable prices every year to update the medical imaging sector in Bangladesh and has introduced the new model in that regard, said Mahmud.

GME was the first to introduce digital X-Ray CR system in Bangladesh medical imaging sector 12 years ago.

Farhana Monem, chairman of the GME Group; Mostafizur Rahman, managing director of Popular Group, and Asia Pacific representatives of Fujifilm were also present.

## REQUEST FOR PROPOSAL (RFP) FOR COMPREHENSIVE MARKET SURVEY

**RFP Ref. No.: LRPS/2014/9110561**

The UNICEF-Bangladesh wishes to procure services for conducting a comprehensive Market Survey for its Suppliers and Service Providers.

Interested agencies having a strong record and credibility in conducting Market Surveys of similar scope and complexity, are invited to contact UNICEF at 'supplybangladesh@unicef.org' for detailed solicitation documents by mentioning the abovementioned RFP reference number and providing their physical address, email, telephone (Landline & Mobile), contact person for sending the bid documents (RFP) at no cost (without any charge/fees).

All supporting documents related to this Request for Proposal MUST be in English language.

Proposals MUST be received latest by **11:00 am local time on 09 March 2014**. Proposals received after the stipulated date and time will be invalidated.

## Five clothing brands roll out cash for Rana Plaza victims

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"We haven't been able to say that before. What we had before was the blame game."

Much of the finger-pointing has centred on the question of what responsibility global brands should bear for accidents that occur in the factories that produce their garments. Some brands have been concerned that agreeing to participate in a compensation fund for Rana Plaza victims could be interpreted as an admission of guilt and become a vulnerability if litigation arises.

Rees said the Donors Trust Fund was designed so that donations are voluntary and do not imply any legal responsibility for the accident. Moreover, the fund is open to any company, organisation or individual, meaning that brands not linked to the Rana Plaza factories can also contribute. Donations can be public or anonymous. It was not yet clear how much money the five companies had contributed. This week, the fund is expected to make public how much money has been collected and to then keep a running tally.

Among those five companies, Mango, a Spanish brand, had initially signalled that it would not pay compensation. In the months after the accident, company executives argued that Mango had placed only a sample order with a factory inside Rana Plaza, and that work on the order had not yet begun, thus absolving the brand of responsibility.

In December, The New York Times reported that work had already begun on the Mango order, citing interviews with factory supervisors and workers. "There was urgency among the bosses," said one of the workers, Mohammed Mosharuf Hossain. "The managers told us to finish the Mango products urgently. They said if we could finish this work quickly, we might get more orders from Mango."

In an interview on Friday, a representative for Mango confirmed that the company would contribute to help the victims but characterised the fund as having a "charitable background" and said the money should not be considered compensation. Nor had the company changed its position on its relationship to the factories in Rana Plaza, the representative said.

"We reassert and reaffirm our initial position," the representative said.

Zeldenrust applauded Mango and the others that had agreed to pay into the fund but said more brands also must contribute to reach \$40 million, the estimated amount deemed necessary to provide full compensation.

She said two other retailers, Primark and Bonmarché, had signalled their intent to contribute, and Primark has already spent more than \$3 million for short-term assistance to victims. But Zeldenrust argued that many others, including those not linked directly to Rana Plaza, must pitch in. "It is a \$48

## Increased loan recovery, relaxed rules cut defaults

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Chowdhury also said lower down-payment for loan rescheduling helped the banks increase cash recovery.

Rahman of Janata Bank however said the bank's loan recovery also increased last quarter, which also helped curtail the default loan portfolio by 45.58 percent to Tk 2,605 crore.

The bank recovered Tk 2,713 crore last year, compared to Tk 561 crore in 2012. Janata's cash recovery shot up 186 percent to Tk 705 crore in 2013 from the previous year. It rescheduled loans of Tk 1,063 crore, wrote off Tk 890 crore and waived interest worth Tk 45 crore in 2013, which was Tk 70 crore, Tk 209 crore and Tk 36 crore respectively in the preceding year.

Sonali Bank too saw a big fall in its classified loans last quarter. In 2013, Sonali's total recovery increased 511 percent to Tk 5,176 crore. The bank's cash recovery alone was Tk 1,464 crore, 272 percent higher than in 2012.

The bank showed recovery of Tk 3,712 crore through loan rescheduling, writing off loan and interest waiver which was only Tk 452 crore in 2012.

Sonali Bank managing director Pradip Kumar Dutta said the bank conducted a special recovery drive in 2013 which helped increase their loan recovery.

In case of foreign banks, the scenario however was different. Except the National Bank of Pakistan, the default loans of most of the foreign banks shot up. The default loan of Standard Chartered, the largest foreign bank, increased 35.2 percent last quarter to Tk 568 crore.



**Shafiul Islam Kamal, chairman of Navana Group, and JA Naser, head of operations of Navana Batteries, attend the annual dealers conference of Navava Batteries at Ruposhi Bangla Hotel in Dhaka on Saturday.**

## Thumbs-up to factory inspection standards

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The survey identified top three challenges for the country's garment factories: untrained management and supervisors, wrong attitude of management and untrained workers.

The respondents suggested providing training to managers and workers and increasing external monitoring to help the sector that hit the spotlight following the twin industrial disasters of Tazreen fire and Rana Plaza collapse.

Meanwhile, organisers of the two-day exposition said the event has shone a spotlight on the need and opportunity to dramatically improve the safety of factory workers.

More than 2,600 participants and exhibitors representing 800 Bangladeshi factories and 40 engineering, technology and materials companies joined the fair, organised by the Alliance for Bangladesh Worker Safety, with support from Accord on Fire and Building Safety, Bangladesh Garment Manufacturers and Exporters Association, C&A Foundation and the International Finance Corporation.

Exhibitors from Bangladesh, India, the Middle East, China, the United States and

Europe shared the latest in safety materials available to fortify factory enhancements.

BGMEA President Atiqul Islam said the garment sector is a vital source of economic security and upward mobility for millions of Bangladeshis.

"However, its measure of success must include its ability to provide safe conditions for workers—and it is our hope that the exposition will help achieve that."

Rabin of the Alliance said: "Protecting the safety of factory workers means we all have a role to play."

In response to queries from reporters that some retailers are withdrawing orders from suppliers which use shared buildings as factories, Rob Wayss, executive director of the Bangladesh operations of the Accord, said: "We are receiving some information suggesting some brands are leaving factories—we will look into the issue."

He added that the Accord members cannot reduce order volumes in the next two years and leave the country for the next five years.

He also said the Accord, like the Alliance, would hire both foreign and Bangladeshi engineers to conduct the inspection in an effort to appease the garment factory owners who are opposed to the idea of using only

## Mobile Congress kicks off in Barcelona

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The GSMA is a world-class thought-leadership conference featuring visionary keynotes and panel discussions, with 1,700 exhibitors showcasing cutting-edge products and technologies.

Mobile companies, vendors and other businesses across the globe are attending the event, which will help them in networking in the coming days, Anne Bouverot, GSMA director general, said in the opening event.

Ahmad Abdulkarim Julfar, chief executive of Etisalat, a UAE-based telecom services provider, said voice calls make up just half of total internet surfing in his country's operation.

"Within our network currently, voice service is in the fifth position, while internet dominates services."

He shared data that showed a subscriber

who has a smartphone used data 25 minutes roughly a day, while its only 12 minutes for voice use.

Daniel Hajji, chief executive of America Movil, a leading mobile operator in Latin America, said 90 percent of their revenue still comes from the voice call. The four-day congress will include a number of sessions with the participation of global technology leaders and regulators.

Different teams of delegates from Bangladesh, including the government, regulator and the mobile operators, are also participating in the top technology fair.

A team from the Ministry of Post, Telecommunication and ICT led by Minister Abdul Latif Siddique is taking part in the show. Other team members are Md Abubakar Siddique, telecom secretary; Md Nazrul Islam Khan, ICT secretary, and Sunil

## ANNOUNCEMENT

### NOTICE FOR LOTTERY OF ALLOTMENT OF SHARES (IPO)

This is to inform all concerned that the lottery for allotment of Initial Public Offering (IPO) shares of **Matin Spinning Mills Limited** will be held on Thursday February 27, 2014 at 10:00 a.m. in the Seminar Hall of **The Institution of Engineers Bangladesh (IEB)**, Ramna, Dhaka-1000.

All concerned are earnestly requested to attend the event.

Sd/-  
Managing Director



**Matin Spinning Mills Limited**

BGMEA Complex (12th Floor), 23/1 Panthapath Link Road, Kawran Bazar, Dhaka 1215.  
Tel: 8140207-12, Fax: 8140214, Website: www.matinspinning.com

## INVITATION TO BID (ITB) ANNOUNCEMENT

**Bid Ref. No. LITB-2014-9110196:  
Stationery Supplies**

UNICEF-Bangladesh wishes to procure assorted stationery supplies for its office consumption and assisted programme activities in the country.

Interested and recognized stationery manufacturers, importers and appointed local dealers are invited to contact UNICEF at "supplybangladesh@unicef.org" for detailed solicitation documents by mentioning the abovementioned bid reference number and providing their physical address, email, telephone (Landline & Mobile), contact person for sending the bid documents at no cost (without any charge/fees).

All supporting documents related to this bid MUST be in English language.

Bid offers MUST be received latest by **11:00 am local time on 11 March 2014**. Bids received after the stipulated date and time will be invalidated.