

Swiss franc surge rocks currency brokers, burns banks

AFP, London

The surprise surge in the Swiss franc left currency brokers and banks worldwide licking their wounds on Friday, with at least two brokers declaring insolvency and others warning of heavy losses.

Switzerland's central bank shocked foreign exchange (forex) and other financial markets on Thursday when it scrapped its three-year bid to stop the franc from strengthening.

Within minutes the franc surged by 30 percent, later settling to a 15 percent gain against the euro.

The shockwaves were felt in currency markets across the globe and some brokers could not withstand the jolt.

In London currency broker Alpari UK -- sponsor of English Premier League football team West Ham United -- declared insolvency after clients' losses linked to the sharp rise in the franc were passed on to the company.

That followed a similar announcement by Global Brokers NZ in New Zealand declaring "a total loss of operating capital".

And in New York leading forex broker FXCM was forced to seek a \$300 million rescue from Leucadia National Corp after clients left it with losses of up to \$225 million (194 million euros).

Major players were hum-



People queue to change their Swiss francs at a currency exchange office in Geneva, Switzerland on Thursday.

bled by the brutally quick turn of fortune. "The recent move on the Swiss franc caused by the Swiss National Bank's unexpected policy reversal of capping the Swiss franc against the euro has resulted in exceptional volatility and extreme lack of liquidity," Alpari UK said in a shock statement.

"This has resulted in the majority of clients sustaining losses which has exceeded their account equity. Where a client cannot cover this loss, it is passed on to us.

"This has forced Alpari (UK) Limited to confirm today... that it has entered into insolvency."

In Auckland, Global

Brokers NZ announced it was closing after it sustained losses that meant it could no longer meet New Zealand regulators' minimum capital requirements.

In that sense, FXCM was lucky to find a savior. Leucadia, parent of investment bank Jefferies Group, injected the funds via a two-year loan that will cost FXCM a hefty 10 percent annual coupon.

"We could not be more grateful to Leucadia and its team for their rapid and effective response and to our regulators, who have been willing to work with us through this challenging process," said Drew Niv, FXCM chief executive.

"Leucadia's support and this financing are by far the best alternative for FXCM, our customers, our shareholders, and all other relevant constituencies."

In London, IG Group said that its losses arising from the matter would total up to £30 million (39 million euros, \$46 million), but stressed its "extremely robust financial position".

Rival City Index meanwhile reassured clients that it had not suffered "any material impact".

And in New York shares of Interactive Brokers lost 6.65 percent in early trade Friday after having warned that some clients had reported

losses totalling around \$120 million.

The Swiss central bank had been defending a floor of 1.20 francs to the euro for three years in an effort to protect Switzerland's vital export and tourism industries.

Many investors had been buying Swiss francs as a safe haven currency, pushing its value up and hurting the country's international competitiveness.

But with the European Central Bank expected to flood the market with euros next week, the Swiss central bank would have faced more pressure to defend the floor.

After dropping as low as 0.8517 francs against the euro, it has stabilised around the level of parity.

The Swiss surprise also wrong-footed a number of big banks.

British bank Barclays lost "tens of millions" of dollars, according to a source who requested anonymity.

The bank, whose shares slumped 1.6 percent, declined to comment on its losses tied to the Swiss franc.

Deutsche Bank lost on the order of \$150 million, according to a report by the Wall Street Journal. The German bank declined to comment when contacted by AFP.

Bloomberg meanwhile reported that Citigroup lost more than \$150 million on the Swiss move.



A young boy holds a Pope Francis doll outside the presidential Malacanang Palace in Manila on Friday during a welcoming ceremony for Pope Francis.

Big business cashes in on Brand Pope in Philippines

AFP, Manila

Pope Francis says he has come to the Philippines to help the poor, but the country's biggest businesses and multinationals are also cashing in with a not-so-subtle hijacking of his image.

The pontiff is the most trusted figure for many in the Philippines, where 80 percent of the nation's 100 million people are Catholic, and this week's trip has generated a marketing frenzy for "Brand Pope".

Images of a smiling Francis are splashed on towering billboards and full-page newspaper advertisements, stamped with logos of McDonald's, Pepsi, Hyundai and myriad big local companies.

Gerald Bautista, a marketing strategist for 20 years who runs his own consulting firm in Manila, said putting the pope and a brand together has a hypnotic effect on consumers in the Philippines.

"He has no negative attributes, (and) gives 100 percent benefits in terms of credibility and integrity," Bautista told AFP. "They (consumers) would subliminally think that the brand is good. Subliminally, it influences their choice when they go to a supermarket."

Local luxury department store Rustan's rolled out a two-page spread on the day of his arrival Thursday, with its logo on the shoulder of the 78-year-old pontiff.

A yellow ribbon, a symbol of allegiance

to President Benigno Aquino and his late mother Corazon, who was an icon of democracy in the country, was also pinned on the pope's collar.

The yellow ribbon appeared to be digitally manipulated, with a presidential spokeswoman telling AFP she was not aware the pope had worn the pin.

Next to the pope were photos of a spread of ornate jewellery with the pontiff's image for sale, including a champagne pearl bracelet.

The ad also reminded readers that a former ambassador to the Vatican owned Rustan's, masquerading its promotion as a "welcome" message to the pope.

The Catholic Bishops Conference of the Philippines, which is organising the pope's five-day trip, said it was unfazed with the pope's image being used for commerce.

Asked if it was proper to profit from the pope's image, conference spokesman Bishop Mylo Vergara said the decision to do so was "really up to" the businesses involved.

The conference has in fact signed on some of the Philippines' biggest companies as official sponsors for the tour, allowing them to place their brands on welcome banners erected throughout Manila.

Francis would frown upon blatant usage of his likeness to sell products, according to Andrea Tornielli, coordinator for the Vatican Insider website in Rome.

 Khulna Water Supply & Sewerage Authority (KWASA) 1062/1 Ka, Khan-A-Sabur Road, Khulna-9100 Invitation for Tender (OTM)											
Memo No. 46.206.007.03.069.005.2015.73	Date: 15/01/2015										
Government of the People's Republic of Bangladesh											
1 Ministry/Division	Ministry of Local Govt & Rural Development/Local Govt Division.										
2 Agency	Khulna Water Supply & Sewerage Authority (KWASA).										
3 Procuring entity name	Managing Director, Khulna WASA.										
4 Procuring entity district	Khulna.										
5 Invitation for	Supply of 5000 Nos. Water Flow Meter for Khulna WASA.										
6 Invitation Ref. No. & date	46.206.007.03.069.005.2015.73 Date: 15/01/2015.										
7 Procurement method	Open Tendering Method (OTM).										
8 Budget and source of funds	Government of Bangladesh (GoB).										
9 Project name	উৎপাদক নলকূপ স্থাপন ও পানি সরবরাহ নেটওয়ার্ক উন্নয়ন (Installation of Production Tube-well & Development of Water Supply Network).										
10 Tender package No.	KWASA-G-WM-01.										
11 Tender package name	Supply of 5000 Nos. Water Flow Meter for Khulna WASA.										
12 Tender publication date	22/01/2015 or before.										
13 Last date & time of selling tender document	25/02/2015 up to 5:00pm.										
14 Last date & time of tender submission	26/02/2015 up to 1:00pm.										
15 Tender opening date and time	26/02/2015 at 3:00pm.										
16 Name of the office for opening the tenders	Office room of Deputy Managing Director (Engg), KWASA, Khulna.										
17 Name & address of the offices for selling & receiving the tender documents	<table border="0"> <tr> <td>A. KWASA Office</td> <td>B. Other offices</td> </tr> <tr> <td>Deputy Managing Director (Engg), KWASA, Khulna.</td> <td>1) Police Commissioner, Metropolitan Police (KMP), Khulna.</td> </tr> <tr> <td></td> <td>2) Deputy Commissioner, Khulna.</td> </tr> <tr> <td></td> <td>3) Executive Engineer, DPHE, Khulna.</td> </tr> <tr> <td></td> <td>4) Budget Officer, Khulna City Corporation, Khulna.</td> </tr> </table>	A. KWASA Office	B. Other offices	Deputy Managing Director (Engg), KWASA, Khulna.	1) Police Commissioner, Metropolitan Police (KMP), Khulna.		2) Deputy Commissioner, Khulna.		3) Executive Engineer, DPHE, Khulna.		4) Budget Officer, Khulna City Corporation, Khulna.
A. KWASA Office	B. Other offices										
Deputy Managing Director (Engg), KWASA, Khulna.	1) Police Commissioner, Metropolitan Police (KMP), Khulna.										
	2) Deputy Commissioner, Khulna.										
	3) Executive Engineer, DPHE, Khulna.										
	4) Budget Officer, Khulna City Corporation, Khulna.										
18 Date & time of pre-tender meeting	11/02/2015 at 11:00am, Office room of Deputy Managing Director (Engg), KWASA.										
INFORMATION FOR TENDERER											
19 Eligibility of tenderer	The tenderer(s) who have the following main capabilities: 1. The minimum number of years of general experience of the tenderer shall be 10 (ten) years. 2. Specific supply of water flow meter completed under one single contract will be minimum 3000 Nos. over a period of last 7 (seven) years in government/semi-government organisation. 3. A satisfactory completion of similar works at least BDT 15 (fifteen) million under one single contract over a period of last 5 (five) years. 4. The required total construction turnover shall be greater than BDT 30 (thirty) million over the last 5 (five) years. 5. The minimum amount of liquid assets or working capital or credit facilities of the tenderer shall be BDT 15 (fifteen) million. 6. ISO 9001, ISO 14001 and MID/AWWA or equivalent certificate of proposed Water Meter of the manufacturer must be attached. 7. Authorisation/dealership/sole agent/distributor certificate of the manufacturer must be attached. 8. Tenderer must have to submit 1 (one) sample for each dia of water meter i.e. 20mm, 25mm, 40mm, 50mm (total four Nos.) sample along with the tender document. 9. Up-to-date trade licence, VAT registration certificate, tax clearance certificate & nationality certificate should be attached. Failure to submit any one document mentioned above in the tender document will cause of rejection or non-responsive of the tender.										
BRIEF DESCRIPTION OF WORKS											
20 Tender package No.	Name of the work	Price of the tender document (BDT)	Amount of tender security (in BDT)	Time for completion of the work (in days)							
KWASA-G-WM-01	Supply of 5000 Nos. Water Flow Meter for Khulna WASA	8,000.00	3,75,000.00	90 days							
PROCURING ENTITY DETAILS											
21 Name of official inviting tender	Engr. M.D. Kamal Uddin Ahmed.										
22 Designation of official inviting tender	Deputy Managing Director (Engg).										
23 Address of official inviting tender	Khulna Water Supply & Sewerage Authority (KWASA), 1062/1 Ka, Khan-A-Sabur Road, Khulna-9100.										
24 Contact details of official inviting tender	Telephone: +88-041-810608, Facsimile No. +88-041-720857.										
25 The procuring entity reserves the right to accept or reject any or all tenders without assigning any reason.											
Engr. M.D. Kamal Uddin Ahmed Deputy Managing Director (Engg) Khulna WASA, Khulna Tel: 041-810608											

India builds solar plants atop canals to save land, water

REUTERS, Vadodara

As India moves to ramp up investment in solar power, it is exploring innovative places to install solar plants, including across the top of canals.

Last weekend, UN Secretary General Ban Ki-moon inaugurated a new "canal-top" solar energy plant in Vadodara district in India's western state of Gujarat.

"I saw more than glittering panels - I saw the future of India and the future of our world," said Ban. "I saw India's bright creativity, ingenuity and cutting-edge technology."

Experts identify two major advantages in building solar plants atop canals: efficient and cheap land use, and reduced water evaporation from the channels underneath.

Earlier this month, India showed it is serious about expanding energy production from renewable sources. Prime Minister Narendra Modi upped the country's investment target for solar alone to \$100 billion, saying India would scale up solar power to over 10 percent of its total energy mix by 2022.

As part of that effort, the Ministry of New and Renewable Energy plans to create 100 megawatts (MW) of capacity from grid-connected solar photovoltaic (PV) power plants built on top of canals and on their banks by the end of the government's latest Five Year Plan in 2017.

The ministry will subsidise 30 percent of estimated expenditure of \$154 million to construct facilities to meet the canal-top goal.

The 10 MW plant on the outskirts of Vadodara city, which began generating power in November, is built across 3.6 km of irrigation canal, and has 33,800 solar panels mounted on steel scaffolding.

Connected to the state grid, its output is intended mainly to meet demand from irrigation pumping stations. On a sunny day, the plant generates 50,000 units of electricity (1 unit equals 1 hour of 1,000-watt usage), and is scheduled to produce 16.2 million units in its first year, declining 1 percent annually as the panels degrade.

A quarter of the PV panels for the plant were procured from India, with the rest imported from China.

Completed in under six months, the plant's \$18.3 million cost - includ-



A private security guard walks between rows of photovoltaic solar panels inside a solar power plant at Raisan village near Gandhinagar, in Gujarat.

ing 25 years of operation and maintenance - is recoverable in 13 years, according to Umesh Chandra Jain, chief engineer with Sardar Sarovar Narmada Nigam Ltd (SSNNL), the Gujarat government agency that administers this facility and another smaller one.

The cost of producing 1 unit of electricity at the plant is 6.5 rupees (\$0.105). SSNNL is entitled to use the same amount of power it feeds into the grid without paying the standard price of Rs7.5 to Rs8 per unit, Jain said.

Engineer Navin Reddy with Hyderabad-based Megha Engineering & Infrastructures Limited (MEIL), which constructed the plant, said canal-top plants are more expensive to maintain.

But the company incorporated side bars on the scaffolding and walkways between the panels so they can be reached easily for cleaning.

The 10 MW plant follows another smaller plant in Gujarat, commissioned in April 2012, 45 km from the state capital Ahmedabad. Set up along a 750-metre stretch of canal, the 1 MW plant has so far generated 4.35 million units of electricity.

The plants are part of the Sardar Sarovar project, a hydropower and irrigation scheme that aims to water 1.8 million hectares (4.45 million acres) of land in Gujarat and Rajasthan through 75,000 km of canal yet to be completed.

Both the solar power plants are built on branches of the main canal, though which irrigation water runs from a dam on the Narmada River.

According to SSNNL, the 10 MW plant has saved on 16 hectares of land, and will potentially prevent 90 million litres of water from evaporating each year.

In general, Jain noted that lower temperatures due to the water body below the canal-top plants boost panel efficiency by around 7 percent.

But the higher construction cost of these plants - because of the use of more structural steel - is a disadvantage, said Anand Upadhyay, associate fellow with The Energy and Resources Institute (TERI) in Delhi.

The 1 MW canal-top plant cost \$2.8 million, according to SSNNL, whereas a 1 MW land-based solar plant costs \$2.3 million.

Another problem is that PV panels are usually mounted facing southwards for optimal performance, but a canal might curve and change direction. Using only north-south stretches of water could limit the scale of canal-top plants, Upadhyay said.

Long-term exposure to environmental stresses and ingress of water into the panels could reduce their performance, he added.

Further concerns centre on the potential environmental impacts of canal-top plants on their surroundings, as the risks remain unclear.