

StanChart reports profit of \$409m

AFP, Hong Kong

Asia-focused bank Standard Chartered on Friday announced it swung back to profitability, after it was able dampen the effect of bad loans.

Chief executive Bill Winters described the results as "good progress", but said the figures were still not up to scratch.

"Our financial returns are not yet where they need to be and do not reflect the Group's earnings potential. "Having worked hard to secure our foundations we are now focused on realising that potential," said Winters, who has been in the job for a year-and-a-half.

He replaced former CEO Peter Sands after shareholder calls for a boardroom cull following profit warnings.

Pre-tax profits were back in the black at \$409 million, compared to the previous year's loss of \$1.52 billion, the London-based company said in a filing to the Hong Kong stock exchange.

The bank's underlying loan impairment was brought down by 40 percent at \$2.382 billion, compared to the year before.

But operating profit, which excludes one-time items, was at \$1.09 billion, missing the average of 13 analysts' estimates polled by Bloomberg, who had predicted \$1.42 billion.

The company also still saw a net loss of \$247 million, an improvement from last year's net loss of \$2.19 billion.

The bank's London shares fell 4.6 percent in Friday morning trade on the London Stock Exchange after the results were published.

Its 2015 results saw its first annual loss since 1989, after it battled global financial turmoil that sent stocks and commodities plunging.

Standard Chartered in late 2015 announced it was re-focusing on "affluent retail clients" rather than corporate and institutional banking businesses and would exit or restructure \$100 billion of assets.

It also said in 2015 it would cut 15,000 jobs around the world.

Winters, in Friday's statement, also vowed to improve conduct at the bank, which has faced multiple investigations.

"We have sharpened our focus on all aspects of conduct, not simply on combating financial crime," Winters said.

Hong Kong's stock market regulator filed a lawsuit against the bank over "market misconduct" for a 2009 initial public offering on the city's bourse in January.

In August 2014, the bank was hit by US regulators with a \$300 million fine and restrictions on its dollar-clearing business for failing to detect possible money-laundering.

It paid \$667 million in 2012 to settle charges it violated US sanctions by handling thousands of money transactions involving Iran, Myanmar, Libya and Sudan.



NCC BANK

Golam Hafiz Ahmed, managing director of NCC Bank, and Md Abdur Rouf, managing director of Karmasangsthan Bank, attend the signing of a deal at a programme on Thursday. Karmasangsthan Bank will disburse inward remittance through its 233 branches across the country collected from different parts of the world by NCC Bank.

Phone firms turn to artificial intelligence at top mobile fair

AFP, Madrid

Phone makers will seek to seduce new buyers with artificial intelligence functions and other innovations at the world's biggest mobile fair starting Monday in Spain.

Along with launches of new smartphones from major players like Huawei and LG, two former giants -- Nokia and BlackBerry -- will attempt to make a comeback with new devices.

Nokia is reportedly set to reveal several new devices at the four-day Mobile World Congress in Barcelona in north-eastern Spain, including an updated version of its iconic 3310 phone.

BlackBerry will debut a new high-end device rumoured to be called the Mercury. Like Nokia, its new phones will be made under licence by a Chinese manufacturer. "Don't expect innovation on smartphones' hardware, but instead a focus on emerging technologies" like virtual reality and artificial intelligence (AI), said Forrester analyst Thomas Husson.

Samsung Electronics, which had to discontinue its Galaxy Note 7 smartphone last year after several cases of the devices exploding, will not unveil any new phones at the congress.

The delay in putting out a new phone comes as its parent firm, South Korean conglomerate Samsung Group, is caught up in a corruption scandal that saw its chief arrested last week.

Samsung is the world's biggest seller of smartphones but saw its share of the world's market shrink by two full percentage points to 20.5 percent, according to the Gartner consultancy.

It faces growing competition from Chinese phone makers on one side and on the other from US titan Apple, which released its iPhone 7 in September.

Strong sales of the iPhone 7 helped Apple to post record revenues of \$78.4 billion (82.6 billion euros) in the final quarter of 2016 although it also lost market share last year.

Apple, the world's second biggest seller of smartphones, does not present at the show in Barcelona.

With Samsung not unveiling a new phone, the rest of the industry will have a rare opportunity to grab the spotlight in Barcelona.

The congress comes as smartphone sales in developed markets, mainly Western Europe and North America, are poised to peak this year, according to research firm CCS Insight.

"Unless we see a major new disruption similar to the one prompted by the iPhone's arrival in 2007, we expect smartphone sales in Western Europe and North America to slowly decline after 2017," said CCS analyst Jasdeep Badyal.

CCS predicts the global phone market will reach 2.35 billion units in 2019, up from 1.96 billion in 2014.

With smartphone market saturated in key markets, the battle for profits is shifting away from the handset to other connected devices, analyst say.

Several new wearable products are expected to be unveiled in Barcelona as well as 360-degree cameras and connected objects, from appliances to cars.

"We are searching for a new wave that will fuel growth," said Yves Gassot, the general director of IDATE, a European think tank on the digital economy.

Tech firms and experts in Barcelona will also mull what leaps forward in wireless coverage and technology are needed to create a new "5G" generation of super-fast wireless connections.



NRB BANK

Md Mehmood Hossain, managing director of NRB Bank; Md Shafiqul Islam, managing director of SME Foundation, and Nasima Begum, executive director of Jute Diversification Promotion Centre, sign a tripartite deal at a programme. The bank will provide funds to the centre's affiliated entrepreneurs without collateral at 9 percent interest, which will be pre-financed by the foundation.

Analysts call for decent working conditions

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Bangladesh's garment industry received more attention after Rana Plaza disaster, she said.

A number of measures have been taken to improve the working conditions and workplace safety in the sector, she added.

"With higher compliance related expenditures, the cost of doing business goes up," she said.

"We are talking about ethical buying but it is not under the purview of many profit-making brands. Brands and retailers look for Southeast Asia and Sub-Saharan region for lower price."

She stressed the need for efficiency improvement and shared responsibilities of all stakeholders. Nazma Akter, executive director of AWAJ Foundation, a labour rights body, said workers get only \$0.7 for a t-shirt sold at \$20 abroad.

Multinational companies get \$17 and the rest goes to the suppliers and others, she said. "Nothing is cheap. Someone has to pay and that is our workers." She demanded decent working conditions and living wages for workers.

Akter said Bangladesh is the second biggest apparel supplier in the world but workers get the lowest wage that is less than that of Myanmar.

"We must work together and respect each other. We need to respect trade unionism and the management must respect trade unions."

Ambassador of the Netherlands Leoni Margaretha Cuelenaere said the workers should be able to make their complaints without risking their job.

"They should be free to organise themselves and exercise their rights. This is a precondition for a healthy working environment," she said, adding that the tripartite agreement was an important step.

"Now it is up to the implementation and I know Bangladesh can do it." State Minister for Foreign Affairs Md Shahriar Alam also spoke.

Pre-budget discussions begin today

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"In certain cases, you cannot go by the suggestions. You have to exercise your own experience, knowledge or any other research, if any."

Citing from his own experience as a finance adviser, Islam said those who produce biscuits demand imposition of high duties on the import of biscuits in the pre-budget discussion to protect the local industry.

But if a 300 percent duty is imposed as proposed, the price of biscuits will increase and the burden will fall on the consumers; there is no logic behind imposing high duties to protect a very old industry, he added.

There are some positives to hosting a pre-budget discussion, as a finance minister is not always aware of all issues -- it can help them know the various issues and determine priority, said Islam.

A ministry official said Muhith is giving more emphasis on the next budget to accommodate all his plans, as it will be completed before the next national election.

Earlier this month, he gave an indication that the next budget may be Tk 420,000 crore, which is 23 percent higher than the current budget.

However, as per the medium-term budgetary framework, the size of the next budget would be around Tk 390,000 crore.

It would set another record if it crosses the Tk 400,000 crore mark. When this government assumed power in 2009, it set a record of setting the first budget worth over Tk 100,000 crore. The size of the budget was Tk 110,524 crore in fiscal 2009-10.

The size of the current budget is Tk 340,605 crore, but it may be downsized to less than Tk 310,000 crore in the revised budget, said an official.

The planning ministry is going to amend the annual development programme (ADP) for the current fiscal year within a couple of days. The size of the ADP will be Tk 110,700 crore.

It is likely to be cut by Tk 6,500 crore, said a planning ministry official.

Remediation costs a factory Tk 4.9cr: Survey

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The report found most factories faced multiple challenges in implementing the remediation recommendations.

Shortage of funds needed to implement the remediation was reported by 30 percent of the factories, followed by disruption of production by 27 percent factories, according to the report.

Interestingly, financial challenges were not limited to only small factories as a couple of large factories in terms of revenue also pointed to the same issue. However, the survey found that factories in the highest revenue category were relatively compliant already and they had to spend less on compliance.

Of the factories surveyed, 77 percent reported that they have the capacity to sustain the improvement process on their own. But these are the factories that are large and have higher turnover.

The factories that reported their inability to sustain the initiative were inspected for two years on average.

"It is evident that there is a genuine interest and a momentum to improve the safety of factories by the owners," said the report.

Therefore, it is time to reward good practices and remediation efforts which lead to better and fair products, according to the report.

The report said factories with limited capacity and income need additional assistance to meet the basic compliance requirements and upgrade their factories.

The factories that said they are able to sustain the improvement process supply to big brands, such as H&M and VF Corporation.

Some 44 percent of the factories have reported to be a supplier to H&M, followed by 19 percent to Walmart and Primark and 16 percent VF Corporation.

Overall 52 percent factories reported to have had assurances of more orders from buyers. But only 36 percent have seen an increase in the order while 48 are optimistic that the work order will go up.

The factories inspected by the mostly European brands-led effort Accord and the North American brands-led initiative Alliance received reports known as a Corrective Action Plan. Preliminary inspection identified 85 percent of factories have problems in areas of fire detection and protection.

Wholesale prices of edible oil fall in Khatunganj

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According to the Malaysian news portal The Star Online, prices of Malaysian crude palm oil hit a two-week low on February 13. On the day, the benchmark palm oil futures for April delivery on the Bursa Malaysia Derivatives Exchange fell 1.2 percent at \$682.71 a tonne at the close of trade, according to The Star Online.

On February 17, Malaysian crude palm oil price dropped to its lowest in three months at \$642.33, on expectation of rising production and slow export demand, the news portal reported. Most of the Bangladeshi importers fear incurring losses as the products were bought earlier at higher rates, Ahmed said.

The unstable geo political situation of the globe has caused the price fall, he said. Md Ibrahim, proprietor of M Hossain & Brothers, a wholesaler, said the price fall has prompted him to sell out his products at reduced rates now.

Yesterday, the retailers in the city's kitchen market were found selling palm oil at Tk 78 a litre and soybean at Tk 95 a litre, which were almost the same three weeks ago, businesses said. Md Alam, a retailer at Karnaphuli CDA Market, said he is selling oil from his stock.

Retailers finally take part in apparel summit

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Bernicat said they will be looking for whether the workers and unionists have been dropped from the charges. "Some union leaders who were charged had nothing to do with the strike in Ashulia itself," Bernicat said at the summit.

In the tripartite agreement, there is a promise of ongoing mechanism for resolving the problem.

"We need a neutral mechanism where all the parties can sit down and work out the crisis," she said. This is the condition of the promise; if it happens then it is good, she said.

Commerce Minister Tofail Ahmed said retailers and international communities do not talk about raising the prices of garment items. They only talk about trade unionism, he said.

PM urges brands to help overhaul garment units

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Highlighting the government's steps in developing the sector, Hasina said a number of measures have been taken at the international level to make the sector safe.

"Under the initiative, 3,869 factories have been inspected. Among those, faults have been found in only 39 factories and they were closed down. The remaining factories are being renovated to improve their safety," she said.

The premier also stressed diversifying products and expanding markets to boost export earnings.

"Alongside, we have to learn how to add value to our products. Our export list is not long, rather it is heavily apparel-dependent. Again, our export is also limited to North America and West Europe," she said, adding that such a situation in the export market is not healthy.

Hasina said there are many opportunities to diversify the export basket and expand the export market. "I would like to draw the attention of our exporters in this regard. The government will extend all out support to boost export earnings."

Finance Minister AMA Muhith, Commerce Minister Tofail Ahmed, Foreign Minister AH Mahmood Ali, State Minister for Labour and Employment Mujibul Haque Chunnun and European Union Ambassador to Bangladesh Pierre Mayaudon also spoke.

BGMEA President Siddiquir Rahman delivered the welcome address, while BGMEA First Vice President Mainuddin Ahmed gave the vote of thanks.

The premier said nearly 80 percent of Bangladesh's export income comes from the garment sector. "It employs more than 4 million workers, of whom, 80 percent are women. Indirectly, nearly 40 million people are dependent on this sector," she said.

The premier said after the Rana Plaza accident, building a risk-free and compliant apparel sector had become a great challenge for the government. "We have overcome the challenge with the help of all."



MIDLAND BANK

Md Ahsan-Uz Zaman, managing director of Midland Bank, hands over loan to one of the 46 entrepreneurs under milk production and artificial insemination programme of Bangladesh Bank's re-financing scheme. Midland disbursed Tk 55.50 lakh.