

# Invest more in infrastructure for sustainable growth

Regional chief of Standard Chartered talks to The Daily Star

SARWAR A CHOWDHURY

BAKING is showing signs of resilience over the years, overcoming natural disasters and conflict, but the country still needs to focus on infrastructure development to continue the economic growth in the long term, said a regional chief of Standard Chartered.

"Bangladesh strikes me as a country of immense opportunity... It is possible to achieve 8 percent or more economic growth," said Anna Marrs, regional chief executive officer for Asean and South Asia at Standard Chartered.

The environment prevailing in the country has both pros and cons, she said in an interview with The Daily Star during her maiden visit to Bangladesh last week.

"If you look 30 years back, there were disasters and conflict, but you have made the climate fit."

The key thing is to focus on infrastructure development, and Standard Chartered will continue providing support in infrastructure financing, she said.

Abrar A Anwar, chief executive of Standard Chartered Bangladesh, said: "If you look at the future growth opportunities here, infrastructure is big scope. And we are playing a leading role in raising millions of dollars for this country."

Standard Chartered Bangladesh is a committed partner in progress for the nation, as it handled almost 13 percent of all trade, directly and indirectly, in 2016, he added.

Over the last three and a half years, he



Anna Marrs

said, the bank has raised \$4 billion for power, energy, telecommunication, infrastructure, aviation and the export-oriented industries.

"It's a very exciting time for the country. But it's time to accelerate some of the investment in infrastructure. The investment to GDP ratio should be increased to 35 percent from 30 percent at present."

Marrs said the bank is eager to make sure that the Bangladeshi companies grow.

Standard Chartered always tries to link its clients in the global network who need foreign exchange, and also helps the clients, particularly who try to invest here in

Bangladesh, she added.

As Bangladesh is a growth story in Asia and South Asia, the Bangladesh market is very important for Standard Chartered, which has a banking history of 111 years.

It is one of those markets where all the products of Standard Chartered have a presence, starting from retail, commercial banking, transaction banking, internet banking, credit cards and debit cards.

Bangladesh is a very special place; it is one of the growth markets in the regions, said Marrs, who is also the chief executive for commercial and private banking of Standard Chartered globally.

"We have been investing behind the business to serve our clients better. We are investing behind the products - we launched two new cards in the last six months. We are investing behind technology - exciting technology to be launched next month. And we are investing behind our branch network," said Marrs, who joined Standard Chartered as group head of strategy and corporate development in January 2012.

Though the bank's branch network is concentrated in Dhaka, Chittagong and the export processing zones, it is working with other partners, such as development organisations in Bangladesh and other local banks, to bring more people under the banking system.

Discussing financial inclusion, Abrar said the bank is engaged in agriculture, SME and other sectors through its partners.

If it is about opening many small accounts, the bank is not doing that, he said. "We cannot do everything. We are focusing on what we can do best - like raising funds for large infrastructure projects that others cannot do."

Standard Chartered was the first international bank to extend credit lines to independent Bangladesh, opening the first external letter of credit (LC) in the country in 1972.

It was also the first bank to launch ATM, debit and credit cards, international debit card, Shariah-compliant credit card, 24-hour contact centre and the first state-of-the-art online banking platform in the country.

## Intel to buy driverless technology firm Mobileye for \$15.3b

REUTERS, Jerusalem

US chip giant Intel has agreed to buy Israeli driverless technology firm Mobileye for \$15.3 billion, the largest ever acquisition of an Israeli high-tech company.

The \$63.54 per share cash deal is the world's biggest purchase of a company solely focused on the autonomous driving sector. Mobileye accounts for 70 percent of the global market for advanced driver-assistance and anti-collision systems.

Intel said it expected the transaction to close within the next nine months and to immediately boost its non-GAAP earnings per share as well as its free cash flow. The two companies are already collaborating with German automaker BMW on a project to put a fleet of around 40 self-driving test vehicles on the road in the second half of this year.

For a decade, Mobileye has relied on Franco-Italian chipmaker STMicroelectronics to produce chips which the Israeli company sells to many of the world's top automakers for its current, third-generation of driver-assistance systems.

However, while it was working with BMW, Mobileye also teamed up with Intel for its fifth-generation of chips that aim to be used in fully autonomous vehicles and are scheduled to be delivered around 2021.

Founded in 1999, Mobileye made its mission to reduce vehicle injuries and fatalities. After receiving an investment of \$130 million from Goldman Sachs in 2007, it listed on the New York Stock Exchange in 2014. It has a market value of \$10.6 billion.

Last October, Qualcomm announced a \$47 billion deal to acquire NXP, the largest automotive chip supplier, putting pressure on other chipmakers seeking to make inroads into the market for autonomous driving components, including Intel, Mobileye and rival NVIDIA.

The Qualcomm-NXP deal, which will create the industry's largest portfolio of sensors, networking and other elements vital to autonomous driving, is expected to close later in 2017, subject to regulatory and shareholder approvals.

Mobileye, which employs around 600 people, had adjusted net income of \$173.3 million in 2016.

## Commonwealth eyes post-Brexit trade boost

AFP, London

WITH Britain on the brink of triggering its EU exit talks, the country and its historic trading partners in the Commonwealth are sizing up an opportunity to boost business.

Members in the 52-state organisation, which was born out of the British empire, feel the time is right to exploit their common bonds of language and law to a much greater degree.

Britain is gearing up to strike its own trade deals outside of the European single market and is looking to its former global network, in what sceptical London officials quoted in UK newspapers are calling "Empire 2.0".

The Commonwealth can help strengthen the prosperity and security of the UK and other members "as we look to create a truly global Britain", Prime Minister Theresa May said in a statement to mark Commonwealth Day on Monday.

Ahead of the celebrations, the body held its first trade ministers' meeting since 2005, with more than 35 gathering in London.

"A number of countries have come to us as a result of their concern in relation to the impact that Brexit might have on their economic position," Commonwealth Secretary-General Patricia Scotland said afterwards.



A man dressed as a crocodile walks past a sign about Brexit in West Belfast, Northern Ireland, on March 2.

"The challenge that we face globally -- the slowdown and the protectionism -- is a real one. Therefore the Commonwealth as a family has an opportunity to exploit... the de facto Commonwealth advantage."

The trade ministers' meeting heard how business between Commonwealth members stands at around £600 billion (\$730 billion, 684 billion euros), equivalent to 15 percent of global trade even though member states account for a third of the global population.

The gathering looked at overcoming challenges to trade competitiveness and practical steps to

get more commerce flowing.

"I think it's the right time for a new Commonwealth trading bloc," Sri Lanka's international trade minister Malik Samarawickrama told AFP.

The Commonwealth Enterprise and Investment Council's chairman Jonathan Marland said: "All the UK's trading arrangements are now up for grabs. So what easier and better place to trade than with countries who have shared associations for many years?"

When Britain joined the European Economic Community (EEC) in 1973, it sidelined its historic trading links with its former empire, causing much hurt

in some countries. Though Britain is "pushing at an open door", with Commonwealth trade, it must "approach it with a degree of humility", Marland said.

Malta is uniquely placed to read the shifting sands, chairing both the Commonwealth and the EU Council presidency.

"Brexit has had an effect and this is felt very handsomely," said the Mediterranean island's economy minister Christian Cordona. "However, it gives also a lot of opportunities that didn't exist before," he said.

The Overseas Development Institute (ODI) think tank, along with Britain's All-Party Parliamentary Group on Trade Out of Poverty, produced a 10-point plan of possible measures to increase Commonwealth business.

Their recommendations included a Commonwealth trade-mark, promoting green growth through trade and improving trade governance.

But ODI senior research fellow Maximiliano Mendez-Parra said the intra-Commonwealth trade growth should not be overstated since Africa sees China as its key partner.

"Probably there will be an increase in intra-Commonwealth trade, but it won't go back to the trade of 60 or 70 years ago," he told AFP.

## HSBC appoints new chairman in management overhaul

AFP, Hong Kong

BANKING giant HSBC announced the appointment of a new chairman Monday as part of a management overhaul that will also see it choose a new chief executive, following a massive drop in profits in 2016.

British businessman Mark Tucker, currently group chief executive and president of insurance group AIA, will take over from Douglas Flint in October.

He will lead the hunt for a new CEO to replace Stuart Gulliver who is set to retire in 2018, the bank said in a statement to the Hong Kong stock exchange.

The changes come after HSBC profits were dealt a hammer blow last year, with the bank attributing the decline to protectionist fears under Donald Trump and uncertainties caused by Brexit when it announced its 2016 results last month.

That sent new shivers through markets already spooked by concerns over political stability in Europe, Brexit and US trade policies.

Shares in HSBC ended up 2.14 percent at HK\$64.35.

HSBC praised Tucker's "long track record of successful leadership of complex financial services businesses in both Asia and the UK" in its statement.

Before he took the helm at AIA, Tucker was head of insurer Prudential.

Gulliver and Flint have led HSBC since 2010 in what has been a difficult period for the bank.

The duo were grilled by British lawmakers in 2015 and apologised for "unacceptable" failings at HSBC's Swiss division following allegations the unit helped rich clients hide billions of dol-



Mark Tucker

lars from the taxman.

HSBC was one of six major US and European banks that were fined a total of \$4.2 billion by global regulators in a November 2014 crackdown for attempted manipulation of the foreign exchange market.

It was also fined \$1.92 billion by US prosecutors in 2012 to settle allegations that it failed to enforce anti-money laundering rules exposing it to exploitation by drug cartels and terrorist organisations.

Since 2011, Gulliver and Flint have announced more than 87,000 job cuts and exited more than 80 businesses.

HSBC thanked Flint for his "dedicated service" in Monday's statement.

"Douglas has skillfully led HSBC through the turbulent times of the financial crisis and its aftermath," it said.

"As an industry leader, he has played a key role in contributing to the development of the post-crisis regulatory framework."

## Oil touches three-month lows, as US supply swells

REUTERS, London

Oil hovered around three-month lows on Monday, as rising US inventories and drilling activity offset optimism over Opec's efforts to restrict crude output.

Brent crude LCOc1 was down 7 cents on the day, at \$51.30 a barrel by 1202 GMT, having hit a session trough of \$50.85, its lowest level since Nov. 30.

US West Texas Intermediate crude (WTI) CLc1 fell 15 cents to \$48.34 a barrel.

The price has fallen by more than 8 percent since last Monday, its biggest week-on-week drop in four months, and analysts said the slide may not have much further to run.

"The market is bearish because sentiment has turned. The risk is still towards the downside, but we are nowhere near the precipice," PVM Oil Associates Tamas

Varga said. Goldman Sachs said in a note it remained "very confident" about commodity prices and maintained its price forecast of \$57.50 a barrel for WTI in the second quarter.

US drillers added oil rigs for an eighth consecutive week, Baker Hughes said on Friday, lifting spending to benefit from an earlier recovery in crude prices since the Organization of the Petroleum Exporting Countries (Opec) agreed to cut output.

Opec and other major oil producers including Russia reached an agreement late last year to rein in production by almost 1.8 million barrels per day (bpd) in the first half of 2017.

Although Opec states have been complying with supply curbs, led by Saudi Arabia, it has not been enough to overshadow a rise in US inventories to a new high.

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