Ship gets stuck at Ctg port, affects vessel movement

STAFF CORRESPONDENT, *Ctg*

A container ship got stuck on one side of the Chittagong port's channel amid dense fog yesterday morning, disrupting vessel movement.

The Malta-flagged MV Tzini was moving from the outer anchorage to a port jetty to berth, said Chittagong Port Authority (CPA) Chief Personal Officer Md Nasir Uddin.

The ship got stuck trying to avoid a collision with a fishing trawler which had suddenly come out of dense fog, said Shyama Prashad Chowdhury, manager (feeder operation) of the ship's local agent GP Shipping Lines Limited, quoting the vessel's master.

He said they would try to move the vessel in the evening high tide.

Vessels usually cross the channel twice a day during the morning and evening high tide.

Nasir said the channel was safe for vessel movement since the vessel was stuck on one side.

STAR

Malta-flagged MV TZINI got stuck in a shoal in the Chittagong port's channel yesterday morning amid dense fog.

Yuan climbs to 2-year high against weakened dollar

AFP, *Beijing*

The Chinese currency rose on Monday to its strongest level in more than two years against the US dollar, after China's central bank raised its daily reference rate the most in three months.

The People's Bank of China set the reference rate of the yuan -- also known as the renminbi -- at 6.4574 to the dollar. In the wake of the rate increase, the currency climbed on the Chinese domestic market to 6.4138 yuan to the dollar, its highest level since December 2015 and an increase of more than 0.8 percent from Friday.

China only allows the tightly controlled yuan to rise or fall two percent on either side of the daily fix, to prevent volatility in the currency.

But the central bank takes into account market pressures when setting the daily reference rate.

The yuan seemed to benefit from the weakening of the dollar, which moved on Monday to its lowest level against the euro for more than three years.

That came after a coalition agreement in Germany and at the start of a public holiday, Martin Luther King Day, in the United States.

Helped by the stabilization of the Chinese economy, the yuan has already clearly appreciated since the summer against the dollar, gaining more than 6 percent over the whole of 2017. Its inflation has increased in recent weeks.

Strikes hit Greece over move to curb industrial action

AFP, *Athens*

A general strike crippled public transport in Athens on Monday and was set to hit air traffic ahead of a parliamentary vote on controversial reforms demanded by Greece's creditors, including curbs on industrial action.

Apart from introducing much larger quorums on unions to call a strike, the 100-odd reforms also provide for the foreclosure and online auction of properties belonging to bad debt holders. Both are fiercely opposed by leftists and trade unions.

Debt-laden Greece has received three multi-billion-euro bailouts since 2010. The third rescue programme, currently financially supported by EU states but not the International Monetary Fund, runs to August 2018 and Athens then hopes to fully return to market financing.

Monday's strike, called by a slew of unions, caused havoc in Athens, with the shutdown of public transport leading to huge traffic jams. State employees have also been asked to strike by their powerful union Adedy while air traffic controllers are set to stop work in the afternoon, potentially disrupting flights.

Greece has seen around 50 massive strikes since 2010 following austerity measures imposed by creditors in return for multi-billion-euro bailouts orchestrated he European Union, International Monetary Fund and European Central Bank.

The creditors are demanding changes to the 36-year-old industrial action law to limit future strikes.

After Monday's vote in parliament, Athens will wait for European finance ministers to approve the latest tranche of a third bailout programme totalling 4.5 billion euros ($5.5 billion).

AFP

A man reads a newspaper next to a news stand as Greece was hit by a 24-hour general strike yesterday.

UK government seeks to limit damage after Carillion collapses

REUTERS, *London*

BRITAIN'S Carillion collapsed on Monday after its banks lost faith in the construction and services company, forcing the government to step in to guarantee major public works contracts.

In one of the biggest British corporate failures in recent years, Carillion went into compulsory liquidation after costly contract delays and a slump in new business left it swamped by debt and pensions liabilities of around 1.5 billion pounds ($2.1 billion).

The demise of the 200-year-old business poses a headache for Theresa May's government which had employed Carillion to work on 450 projects including the building and maintenance of hospitals, prisons, defense sites and a high-speed rail line.

The government's priority is to ensure that public services are not disrupted, said David Lidington, the minister in charge of the Cabinet Office which oversees the running of government.

Some contracts handled by Carillion would go to alternative providers, he added. Lidington urged the company's staff to continue to work and said the government would pay their salaries.

Although the government has promised to support workers and ensure contracts are delivered, it has stopped short of bailing out the company as it did with major banks during the financial crisis almost a decade ago.

Carillion owed around 900 million pounds to banks which include the country's five biggest - RBS, Santander UK, Lloyds, HSBC and Barclays - and it has a pension deficit of 580 million pounds.

"In recent days we have been unable to secure the funding to support our business plan and it is therefore with the deepest regret that we have arrived at this decision," Chairman Philip Green said.

"This is a very sad day for Carillion, for our colleagues, suppliers and customers that we have been proud to serve over many years."

Employing 43,000 people around the world, including 20,000 in Britain, Carillion has been fighting for survival since July when it revealed it was losing cash on several projects and had written down the value of its contract book by 845 million pounds.

With banks refusing to accept the group's latest attempt to restructure, May's senior ministers met around the clock in recent days, under pressure from the opposition Labour Party and unions not to use taxpayer money to prop up the failing company.

Ministers, top bankers and company bosses scrambled to find a way to save the company in last ditch talks over the weekend. But Carillion announced its own "compulsory liquidation" just over an hour before the London Stock Exchange opened on Monday.

Spun out of Tarmac nearly 20 years ago and having bought Alfred McAlpine in 2008, Carillion has worked on major construction projects including London's Royal Opera House, the Suez Canal road tunnel and Toronto's Union Station.

In July last year, a week after its initial profit warning, it was named as one of the contractors on Britain's new High Speed 2 rail line, a flagship project that will better connect London with the north of England. At its headquarters in Wolverhampton, central England, a handful of workers could be seen holding meetings.

Shares in rival businesses such as G4S, Interserve, Balfour Beatty and Kier Group advanced on hopes they would pick up some additional work.

However, Balfour, which worked with Carillion on three British road projects, said the collapse would probably cost it between 35 and 45 million pounds.

The company's collapse comes at a difficult time for May who is trying to negotiate Britain's exit from the European Union. The opposition Labour Party questioned why May's government continued to award contracts to Carillion despite its profit warnings and questioned why Britain had handed over so much of its public service work to private companies.

"This company issued three profit warnings in the last six months yet despite those profit warnings the government continued to award government contracts to this company," Labour's business spokeswoman Rebecca Long-Bailey told BBC TV.

"We're ... asking for a full investigation into the government conduct of this matter." Many of Britain's service providers have been hit in recent years after they took on work during the financial crisis at low prices for long-running, fixed-price contracts.

The contracts left little room for delay or failure and have led to problems for groups including Capita, Mitie and Interserve. "Taxpayers cannot be expected to bail out a private sector company," Lidington said.

"All employees should keep coming to work, you will continue to get paid. Staff that are engaged on public sector contracts still have important work to do."

AFP

A construction crane showing the branding of British construction company Carillion is photographed on a building site in London on January 14.

No Brexit deal would cost Scotland £12.7b: study

AFP, *Edinburgh*

SCOTLAND'S economy would shrink by 8.5 percent if Britain leaves the EU without a deal, Scottish leader Nicola Sturgeon warned Monday as she pushed for Britain to stay in the European single market.

"There is no option short of EU membership that is as good as being in the EU," First Minister Sturgeon said as she presented an analysis of the economic impact of possible future ties with the bloc.

"This is about degrees of what does the least damage to our economy," she told journalists in the Scottish capital Edinburgh.

According to the new analysis, Scotland's GDP would plunge 8.5 percent by 2030 -- or 12.7 billion pounds ($17.5 billion, 14.3 billion euros) -- if no deal is reached with Brussels and Britain has to fall back on World Trade Organisation rules.

This compares to a 6.1 percent (9.0 billion) fall if a free trade accord is signed with the bloc, and 2.7 percent (4.0 billion) drop if the UK joins the European Economic Area and therefore stays part of the single market.

Sturgeon said the impact study served as "compelling" evidence that Britain should remain part of the single market, if it is not possible to stay an EU member as her Scottish National Party would like.

Scotland backed EU membership by 62 percent in the June 2016 referendum, compared to the overall British vote on 52 percent in favour of Brexit.

The SNP has previously pushed for a second referendum on Scottish independence from Britain, as a result of Brexit, and Sturgeon said Sunday a decision on holding another vote would be taken when the shape of the EU deal becomes clearer.

Sturgeon predicted a majority of British lawmakers would support single market membership, despite Prime Minister Theresa May ruling it out largely owing to its condition of continuing free movement of people. But the Scottish leader argued the EU migration which comes as part of the single market rules is "essential to our future economic prosperity".

"Growing our population, and particularly our working age population, is perhaps the greatest national challenge that we face," she said.

London and Brussels are due to move on to the next stage of Brexit negotiations this year, after achieving "sufficient progress" in December on a preliminary exit agreement.

Sturgeon accused the British government of a "reckless and irresponsible approach" in the negotiations so far, arguing London had entered talks with unachievable aims, and urged the government to put single market membership back on the table.

Ford to invest $11b in electric vehicles

REUTERS, *Detroit*

FORD Motor Co will significantly increase its planned investments in electric vehicles to $11 billion by 2022 and have 40 hybrid and fully electric vehicles in its model lineup, Chairman Bill Ford said on Sunday at the Detroit auto show.

The investment figure is sharply higher than a previously announced target of $4.5 billion by 2020, Ford executives said, and includes the costs of developing dedicated electric vehicle architectures. Ford's engineering, research and development expenses for 2016, the last full year available, were $7.3 billion, up from $6.7 billion in 2015.

Ford Chief Executive Jim Hackett told investors in October the automaker would slash $14 billion in costs over the next five years and shift capital investment away from sedans and internal combustion engines to develop more trucks and electric and hybrid cars.

Of the 40 electrified vehicles Ford plans for its global lineup by 2022, 16 will be fully electric and the rest will be plug-in hybrids, executives said.

"We're all in on this and we're taking our mainstream vehicles, our most iconic vehicles, and we're electrifying them," Ford told reporters. "If we want to be successful with electrification, we have to do it with vehicles that are already popular."

General Motors Co, Toyota Motor Corp and Volkswagen AG have already outlined aggressive plans to expand their electric vehicle offerings and target consumers who want luxury, performance and an SUV body style - or all three attributes in the same vehicle.

Mainstream auto makers are reacting in part to pressure from regulators in China, Europe and California to slash carbon emissions from fossil fuels. They also are under pressure from Tesla Inc's success in creating electric sedans and SUVs that inspire would-be owners to line up outside showrooms and flood the company with orders.

GM said last year it would add 20 new battery electric and fuel cell vehicles to its global lineup by 2023, financed by robust profits from traditional internal combustion engine vehicles in the United States and China.

GM Chief Executive Mary Barra has promised investors the Detroit automaker will make money selling electric cars by 2021.

Volkswagen said in November it would spend $40 billion on electric cars, autonomous driving and new mobility services by the end of 2022 -- significantly more than when it announced two months earlier it would invest more than 20 billion euros on electric and self-driving cars through 2030.

Toyota is racing to commercialize a breakthrough battery technology during the first half of the 2020s with the potential to cut the cost of making electric cars.

REUTERS

Bill Ford, executive chairman of the Ford Motor Company, and Jim Hackett (R), president and CEO, present the 2019 Ford Ranger during the Ford press preview at the North American International Auto Show in Detroit, Michigan on January 14.