Singer Bangladesh records 12pc rise in earnings

STAR BUSINESS DESK

Singer Bangladesh recorded a 12 per cent rise in earnings for the year ending on December 31, 2019 when the company declared 77 per cent cash dividend amounting to Tk 76.8 crore for its shareholders.

In 2019, the company's turnover increased by 14.2 per cent to Tk 1,550 crore while its operating profit rose 17.6 per cent with higher operating margins at 12.6 per cent, up from 12.2 per cent in the previous year.

"These results demonstrate that Singer has continued to build on its position as the leading international appliance brand in Bangladesh," said Fatih Kemal Ebiclioglu, chairman of Singer Bangladesh.

"In 2020 and beyond, we plan to further increase our retail space and dealer numbers to capitalise on the opportunities available in this fast growing and exciting sector."

"Singer Bangladesh's revenue has increased at an impressive rate of 40 per cent over the past two years, with net income more than 38 per cent in that period," he said.

Singer has been a public company in Bangladesh since 1983 and is the only listed household consumer durable company available to investors on the stock exchanges, he said.

"Singer is widely regarded as one of the blue-chip multinational companies in Bangladesh and is committed to the highest ethical and corporate governance standards."

The company's profit after tax jumped up by 12 per cent to Tk 103.2 crore with earnings per share increasing at the same rate to Tk 10.35 per share, the company said in a statement.

The company also recommended increasing its authorised capital from Tk 100 crore to Tk 250 crore, according to the statement.

During 2019, Emerging Credit Rating Ltd announced that it has maintained its AAA long-term credit rating for Singer Bangladesh with a stable outlook for the company.

Singer Bangladesh, which currently has 405 company owned stores and nearly 1,000 wholesale dealers, is 57 per cent owned by Retail Holdings Bhold BV (The Netherlands).

The shares of the company are publicly traded in the Dhaka Stock Exchange and Chittagong Stock Exchange.

Britain and EU split over financial market access

REUTERS/FILE

Britain's Chancellor of the Exchequer Sajid Javid is seen outside the venue for the Conservative Party annual conference in Manchester.

REUTERS, London

Britain wants a stable relationship with the European Union for "decades to come" in financial services, finance minister Sajid Javid said on Tuesday, only to receive an instant rebuttal from Brussels.

Britain left the EU last month and its large financial services sector will lose privileged access to EU customers from January 2021. Financial firms would be able to service those clients only in sub-sectors where rules are deemed "equivalent".

Javid urged the EU to consider Britain's financial sector "equivalent", a reference to the bloc's system of financial market access, based on Brussels acknowledging that UK regulation is as robust as the EU's.

"This is important not only in the short term, but to establish the norms and ways of working with the EU that will endure for decades to come," Javid said in an article in City AM newspaper.

Replying to a lawmaker's question later in parliament, Javid said the EU should continue to recognise the UK as meeting the EU's equivalent regulatory standards because "on day one (Jan. 1, 2021) we will have exactly the same rules".

However, EU chief Brexit negotiator Michel Barnier said London should be "under no illusion" on financial services as there would be "no general, global, permanent equivalence" with Britain.

"There will be no common management," Barnier told the European Parliament in Strasbourg.

Equivalence only covers some financial activities, basic banking is excluded, and Brussels can in theory scrap access with just 30 days' notice in some cases.

Britain and the EU have agreed to make such an assessment by the end of June, but Brussels says actual financial market access will be linked to broader trade issues such as fishing rights.

Bank of England Governor Mark Carney has spoken against Britain becoming a taker of EU rules.

New vice president for ICMAB

STAR BUSINESS DESK

Md Mamunur Rashid has recently been elected as the vice president of the Institute of Cost and Management Accountants of Bangladesh.

Rashid is the deputy managing director at X Index Companies and the independent director of the West Zone Power Distribution Company Ltd, an enterprise of Bangladesh Power Development Board, and Nitol Insurance Co Ltd.

Previously, he has also worked for Bangladesh Ceramic Manufacturers and Exporters Association and the Federation of Bangladesh Chambers of Commerce and Industry.

RUNNER

Amid Sakif Khan, marketing director of Runner Automobiles Ltd, hands over a Runner AD-80s Deluxe motorcycle to Md Abu Salek, the winner of the automobile company's ongoing campaign to celebrate 20 years of its operation, at Runner's head office in Dhaka recently.

Google vs EU: a decade-long saga goes to court

AFP, Brussels

Google and the EU have a big day in court Wednesday as the search engine giant enters a new phase of a legal saga that began a decade ago.

The Silicon Valley juggernaut is appealing a 2.4 billion euro ($2.6 billion) fine from 2017 that was the first in a series of major penalties from the European Commission, the EU's powerful anti-trust regulator.

Google has paid the fine and changed its behaviour, but the company will strongly condemn the decision in the EU's General Court as ill-founded and unfair.

"We're appealing the European Commission's 2017 Google Shopping decision because it is wrong on the law, the facts, and the economics," the company said in an email.

"Shopping ads have always helped people find the products they are looking for quickly and easily, and helped merchants to reach potential customers," it added.

The case opens what will certainly be a long season of court dates for Google and the EU, with two other fine decisions also under appeal at the Luxembourg-based court.

The EU and Google have been locked in battle since 2010 when the commission first looked into accusations that the search engine was squeezing rivals from results in order to promote ads and Google Shopping, a price comparison service.

For several years Brussels and the US giant sought a negotiated settlement, but the EU abruptly reversed course in 2014 after the intervention of member states and the arrival of Margrethe Vestager who took over as EU competition chief.

Vestager, a former Danish finance minister, quickly became known for her relentless pursuit of US tech giants that drew attention worldwide.

She has since racked up a total of $9 billion in fines against Google and has slapped Apple with a 13 billion euro tax bill that boss Tim Cook dismissed as "political crap".

8 social businesses get £2m from Unilever-DFID-Ernst & Young venture

FROM PAGE B4

The plan has three big goals to achieve, underpinned by nine commitments and targets spanning social, environmental and economic performance across the value chain.

The £40 million initiative is said to have supported over 50 projects with businesses across South Asia and sub-Saharan Africa.

Md Mokammel Hossain, additional secretary for SDG Affairs at the Prime Minister's Office, Kedar Lele, chief executive officer and managing director of Unilever Bangladesh, and Chris Edward, strategic partnership and innovation manager at the DFID, spoke on the occasion.

No setback for coronavirus, assures envoy

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Asked if the Bangladesh garment sector will suffer from the situation, he said the virus was identified in Wuhan, which was not prominent for garment-related materials.

He said 70 per cent of the raw materials required by Bangladesh's garment sector came from China and what happened in Wuhan would not affect the garment sector's supply chain.

The ambassador said except for some of the affected cities, most were witnessing the return of people to work.

"So the situation is improving as we are speeding up progress in a scientific and orderly manner," he said.

"Over the years, as Bangladesh's largest trading partner, China has provided Bangladesh with stable sources of raw materials and various commodities of high quality and low price, giving important material support for Bangladesh's economic development," he said.

"We believe that China will remain Bangladesh's most reliable trading partner in the future," he added.

Jiming hoped that both sides would continue to maintain sound trade exchanges in goods and services.

"We also call on the Chittagong customs to provide efficient customs clearance facilitation for imports from China on the premise of ensuring the safety of export inspection and quarantine of goods," the ambassador added.

The ambassador said some rumours were making the rounds that some Bangladeshi students in Hubei province, not Wuhan, were running out of food and water.

"After hearing the allegation from the Bangladesh's foreign minister and officials I instantly dismissed it. Because I know China doesn't act like that," he said.

"However, immediately an embassy official contacted China and I was assured of no such incident happened with the students," said Jiming.

Gazi Golam Murtoza, president of the BCCCI, said the outbreak of the virus in China has not affected businesses so far.

During this period of time, Bangladeshi traders usually import their necessary raw materials for garments and other sectors before the Chinese New Year holiday, he said.

"If the problem (virus outbreak) continues, the future will tell where the situation will get to," he said, adding that there were 172 Bangladeshis in Hubei.

Robi launches VoLTE

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Customers could also get a 40 per cent increase in battery life if using VoLTE services instead of application-based communication services like Whatsapp, Viber or IMO, according to the GSMA, which represents the interests of mobile network operators worldwide.

However, in order to enjoy an end-to-end service experience, the person making a call and the person receiving it both need to have VoLTE supported handsets equipped with VoLTE activated 4G SIM cards.

Besides, both individuals will have to be present inside an area with VoLTE coverage at the time of the call.

Ever since telecom industry took off in Bangladesh about two decades ago, voice services have been handled in a traditional way, using 2G and 3G technologies.

3G was always going to be an intermediary technology and was never intended as a long term solution to ensure better voice call quality. Home Minister Asaduzzaman Khan announced the launch of VoLTE services while Telecom Minister Mustafa Jabbar and Chairman of Bangladesh Telecommunication Regulatory Commission Md Jahurul Haque were also present.

Interested Robi users can enjoy the VoLTE service by dialling *86583#. Officials will then reach out to the interested customers to help guide them through the application process if eligible. Users can also call Robi's customer care number `121' to learn more about the process.

In January 2019, Robi, the country's second largest mobile network operator, conducted the first-ever non-commercial trial of VoLTE technology in the country.

SingTel, which runs the largest mobile network operation in Singapore, became the first company to commercially introduce the technology back in May 2014.

Bharti Airtel, a mobile network operator based in India, then adopted the technology in 2017. After that, Indian mobile network operators began shutting down their 3G networks as VoLTE became more widespread. While only Reliance Jio operates a pure 4G-VoLTE network, Airtel has declared plans to boost their 4G networks by March this year.

If all customers use the VoLTE service, it will help to gradually close all 3G networks within three to four years, which in turn will reduce service costs and subsequently service prices, said the Robi executives.

Japan's efforts to raise wages wane as firms embrace merit-based pay

REUTERS, Tokyo

More Japanese companies are shifting to merit-based pay as competition for workers heats up, but the change risks holding back the sort of blanket wage hikes the prime minister says are needed to inflate the economy.

Ahead of annual labour talks set for March 11, the momentum to agree broad wage rises is waning as the focus shifts to merit-based pay scales. Bellwether auto giant Toyota Motor Corp's labour union is no longer seeking blanket pay rises, likely prompting others to follow suit.

It could give Japanese firms the excuse not to boost overall labour benefits, with many wary of fixed costs as profits are seen squeezed by Sino-U.S. trade tensions, the new coronavirus outbreak and global slowdown.

For workers, the shift would boost salaries of younger workers and potentially widen the country's wage gap.

Prime Minister Shinzo Abe's government has been pushing for a more flexible labour market that would boost wages and revive consumption, but ironically, firms have also been asked to keep offering blanket pay rises.

"The momentum towards base pay hikes is waning, while the October sales tax hike has added a burden on households. Declines in company profits are also casting a chill over the wage-hike mood," said Masaki Kuwahara, senior economist at Nomura Securities.

Sluggish wage recovery bodes ill for private consumption and the central bank's aim of hitting its elusive 2 per cent inflation goal.

"Japanese firms no longer see the point of doing what everyone else does to raise wages in unison," said Hisashi Yamada, senior economist at Japan Research Institute. "As Abe's campaign on wage hikes runs its course, wages will struggle to rise ahead." Some 57.8 per cent of Japanese firms have adopted merit-based pay as of 2018, up from 17.7 per cent seen in 1999, data from Japan Productivity Center, a non-governmental organisation, show.

Electronics maker Fujitsu Ltd is one of the leading companies that have adopted merit-based pay.

It is offering annual salary of up to around 30 million yen ($273,000) for skilled workers such as high-tech engineers while keeping average annual per capita pay at around 8 million yen for its 32,000 employees.

"I understand the government's intention of trying to boost wages to stimulate the economy. But wages and labour costs are something that individual firm should decide based on results," said Manabu Morikawa, senior director at Fujitsu's employee relations division.

"As we compete globally, we should take global labour market and pay standards into account so that wages are set in the way that should compare favourably with our rivals," Morikawa said.

Toyota's labour union is demanding an average pay rise of 10,100 yen per month this year, down from last year's call for 12,000 yen, or 600 yen less than the agreed increase in 2019.

The union has agreed to Toyota's shift towards merit-based pay, which will make distribution of corporate income vary from employee to employee depending on their performance, so as to lure talent, said Takayuki Furukawa, spokesman for the union.

"Merit-based pay will create a pay gap between able workers and those who are not, but we share the need to help the company overcome rapid change surrounding the car industry," Furukawa said.

"We used to focus on base pay and job security. But now the competition is so tough that we need to support our company to secure workers amid labour shortages," he said.

Japan has lagged industrialised economies in adopting merit pay systems and blanket pay rises based on years of service have come to symbolise the country's inability to compete in the global marketplace.

Last year, big firms raised wages by some 2% for a sixth straight year as Abe kept up the pressure on businesses to boost pay to beat deflation that has dogged Japan for two decades.

Some analysts believe efforts to boost wages though may be limited as Japan's work structure diversifies.

About 40 per cent of workers are lower-paid part-time staff and contract workers - double the proportion seen in 1990, just before the asset bubble burst. Seven of 10 workers are also employed by small businesses, often with much lower salaries than those at big firms.

The growing rank of low-paid workers has led unionists to prioritise addressing the income gap between permanent employees and low-paid workers, instead of a broad uniform pay raise.

For decades since the mid-1950s, spring labour negotiations dubbed "shunto" have served as a platform for wage talks in Japan. But with less than one in five Japanese employees being union members, the bargaining power of unions has been on a steady decline, making annual talks more symbolic, analysts say.

"Wage gaps among businesses and within the same company are getting wider and wider, making effects of wage talks unclear," Shintaro Nakao, president of Pasona Inc, a human resources service company, told Reuters.

"As merit-based pay replaces seniority-based pay, wages for those in their 20s and 30s may increase more than the middle-aged and elderly workers, causing the wage curve to flatten."

REUTERS/FILE

A worker walks near a factory at the Keihin industrial zone in Kawasaki, Japan.