

Businesses cheer, unions fear contentious Indian labour reforms

REUTERS, New Delhi

Business groups on Thursday welcomed contentious and long-delayed labour reforms passed by India's parliament this week, aimed at making hiring and firing workers easier and imposing restrictions on trade unions.

The reforms to India's decades-old labour laws are a key part of Prime Minister Narendra Modi's moves to liberalise conditions for investment. But they have met with resistance from trade unions that plan to join a nationwide agitation on Friday against these and several other bills passed by the government.

Three key bills on labour reform were approved by India's upper house of parliament late on Wednesday, and will become law after receiving presidential approval. They were approved by the decision-making lower house on Tuesday.

"This change is welcome and bound to create more attraction for foreign investments in small-scale sectors," said KE Raghunathan, convener of Consortium of Indian Associations, an umbrella group representing small businesses.

"At the same time, workers might fear losing their rights in certain cases, and the onus is on the employers to make sure this feeling is eliminated."

Under the Industrial Relations Code, one of the three new laws, companies employing up to 300 workers will not require government permission to lay off workers or close plants - an increase



People hold placards as they attend a protest organised by various trade unions against labour law changes and the disinvestment and privatisation of public sector enterprises, in New Delhi yesterday.

from the previous cap of 100 and a major demand from industry over the years.

The code also puts restrictions on the recognition of trade unions - making it mandatory for them to represent at least 10% of workers in a given sector - and prohibit them from striking without prior notice and during conciliation proceedings.

Businessman Vinod Kumar, who employs just over 100 people at his factory

making parts for India's Tata Motors in the north Indian city of Lucknow, said the code will help him to expand operations.

"This will give us some power and rein in the labour unions, who have now a habit of blackmailing us in the name of increasing remuneration," he said.

Rick Rossow, a senior adviser at the Washington-based Center for Strategic and International Studies, who specialises in

U.S.-India business ties, said the reforms were likely to prove attractive to overseas investors.

"Foreign companies have long listed India's stifling labor regulations as a key deterrent to making larger investments," he said.

The northern state of Rajasthan, that introduced similar laws for companies with fewer than 300 workers in 2014, has seen an increase in the average number of employees, he added.

Indian state governments are allowed to pass their own labour laws, but the new codes issued by the federal government will over-ride these.

Six states have this year already relaxed labour laws, including raising caps on work hours, in what they say is an attempt to kick-start their economies badly damaged by the novel coronavirus pandemic, to the concern of groups including the United Nations' labour wing.

Amarjeet Kaur, general secretary of the All India Trade Union Congress, one of the biggest trade unions in the country, said the new codes will make it would be almost impossible for workers at small industrial units to form a trade union.

"Workers will be at the mercy of their employers who could fire them for any flimsy reason," she said.

AITUC, along with at least 10 major trade unions, will launch nation-wide protests against the labour code, and will join farmers on Friday to protest against the government, she added.



Nilufer Zafarullah Md Shamsuzzaman

Midland Bank re-elects chair, elects vice chair

STAR BUSINESS DESK

Midland Bank recently re-elected Nilufer Zafarullah as its chairman and elected Md Shamsuzzaman as its vice chairman.

The election took place at a meeting of the board of directors, the bank said in a statement yesterday.

Nilufer has been serving the local lender as its chairman since 2018 and also served as its vice chairman.

A former member of parliament, Nilufer is a director of Hong Kong Shanghai Manjala Textiles and donor trustee of Begum Zubunessa and Kazi Mahabubullah Jono Kallyan Trust.

An architect by profession, she is a member of the board of trustees of Independent University Bangladesh and Chittagong Independent University.

Shamsuzzaman is a nominee director of Liberty Knitwear and managing director of Liberty Knitwear, Orient Chem-tex, Micro Fiber and Midland Knitwear.

BB cuts interest rate on stock investment fund

FROM PAGE B1

This announcement comes at a time when the DSEX is undergoing corrections. Though the benchmark index rose by 8 points in the last two days, it has witnessed a 146-point fall in the four days prior.

"This reduction of the repo rate will give a relief to the banks who formed the special funds because it reduces the overall cost," said the head of treasury at a listed bank, which formed the fund.

However, this move should have come sooner, when the central bank reduced the rate in this year's monetary policy, the banker added.

The government decided to cut the repo rate for the remaining half of the current year in a bid to help bank smoothly secure funds amid the ongoing coronavirus pandemic.

The repo rate was cut 50 basis points to 4.75 per cent when it was unveiled in the monetary policy last July.

Resilient supply chains to get small enterprises on track: analysts

FROM PAGE B4

Lack of skilled manpower, old machineries, lack of information, limited access to finance and access to harmonised tariff and non-tariff policies are some of the major challenges they face, he said.

Incorporating supply chains in business allows higher efficiency, cost reduction, increased output and profit and enhanced communication, he added.

Adoption of resilient supply chains will aid revenue growth by 40 per cent to 60 per cent, improve customer satisfaction by 20 per cent to 40 per cent and lower transportation costs by 10 per cent to 20 per cent, the statement also said.

Gold languishes at two-month low as dollar rallies

REUTERS

Gold fell on Thursday to its lowest level in more than two months, crippled by a robust dollar, while investors fretted over uncertainties surrounding further stimulus measures to support a sluggish economy in the United States.

Spot gold fell 0.3 per cent to \$1,857.36 per ounce at 0747 GMT. Earlier in the session, it hit its lowest since July 22 at \$1,847.99. US gold futures were down 0.4 per cent at \$1,860.70.

The dollar index hit a two-month peak against rival currencies. A firmer dollar makes bullion more expensive for holders of other currencies.

"Gold can't shake off this dollar dominance, that is reverberating across all asset classes," said Edward Moya, a senior market analyst at OANDA.

Meanwhile, US Federal Reserve officials tried to convince investors they will keep monetary policy easy for years to allow unemployment to fall, but analysts say immediate support is unlikely before the US elections.

"The stimulus side of this trade is looking rather bleak in the short term," Moya said.

SME sector in dire need of support

FROM PAGE B4

Almost 23,000 small enterprises and around 3,000 medium enterprises are involved in exports either directly or indirectly, Islam said.

Bangladesh Bank's positive attitude towards promoting the SME sector has been well reflected in the SME financing trend since the beginning of this decade, he added.

But while the country's SMEs have witnessed commendable growth over the past 10 years, new barriers to the sector's expansion have risen, said former central bank governor Rahman.

Industries Minister Nurul Majid Mahmud Humayun said during these difficult times, it was important to ensure that jobs stayed secure and businesses sustainable.

This includes protecting the livelihoods of workers who are most vulnerable to the adversities of the coronavirus fallout and those performing silently in the informal economy.

"The SMEs are in serious trouble

due to the Covid-19 crisis," Humayun added.

The industries minister also informed that the government has already taken some policy measures to help SMEs cope with the "new normal" and declared that it would provide some incentives to SME entrepreneurs as well.

This initiative will certainly widen up the opportunities to address the sufferings of SME entrepreneurs around the world and Bangladesh in particular, Islam said.

M Abu Eusuf, professor of economics at the University of Dhaka, said various SMEs suffered drops in both demand and supply due to the pandemic.

To address this issue, he suggested that the government implement policy changes that encourage SMEs to shift their operations online.

According to the professor of economics, start-ups in the SME sector should get easier access to finance while a special bank for SME and women entrepreneurs is required.

Arijit Chowdhury, the additional secretary to Financial Institutions Division (FID), said his organisation was at the final stages of preparing a strategy to resolve the access to finance issue for SMEs.

Besides, the sector will get focus in the national financial inclusion strategy which is being formulated.

The FID is trying to support the SME sector and take its development to the next level, he added.

Momtaz Uddin Ahmed, another professor of economics at the University of Dhaka, suggested that a survey on SMEs be immediately conducted to identify challenges to their businesses and find solutions.

As per the findings, necessary support could be provided to help the sector survive, he added.

Md Masudur Rahman, chairperson of the SME foundation, Md Saiful Islam, managing director of SME Foundation, and Tina Blohm, resident representative of FES Bangladesh, were among others to speak at the webinar.

BB caps interest rate on credit card loans

FROM PAGE B1

"The latest ceiling on the interest rates will give a relief to clients," he said.

The central bank also found some irregularities committed by banks, which are impairing the interest of cardholders.

The Guidelines on Credit Operations of Banks issued in May 2017 stipulated that a client is allowed to withdraw a maximum 50 per cent in the form of cash against their credit card limit set by banks.

But lenders have disbursed loans in many forms ignoring the ceiling, thus widening the credit risk for banks, according to a central bank notice yesterday.

Loan disbursement through credit cards is highly unsecured and collateral-free, so banks should take extra cautionary measures while giving funds by way of using the tool, the BB said.

Besides, clients have to pay a higher interest rate against loans, which is harming the interest of the customers. The central bank yesterday instructed lenders to follow the 50 per cent cash withdrawal ceiling.

Some lenders also impose interest rate against the overdue loans of clients from the beginning of disbursement in another violation of the guidelines. Interest can be charged when the loan becomes overdue, the BB said.

In some cases, banks impose late payment fees several times against the defaulted clients, contradicting the guidelines. Lenders have been asked to realise the late payment fee for just once.

The new directives would be effective from October 1.

Speaking to The Daily Star, heads of the card at three banks expressed frustration at the central bank's initiative, arguing that this will not bring any good for the country's credit card market.

The credit card operation of banks is highly costly. Besides, a large number of

employees has been recruited to run the operations.

Banks have to offer various discounts, buy-one-get-one offers and lounge facilities at airports to attract and retain customers. So, their cost of operation is high in this business.

So, the latest instructions will create an impediment to offering such discounts as profits from the credit card operations will be on the decline in the coming days, they said.

The bankers say the central bank had excluded credit card from the 9 per cent interest rate ceiling and it was a good thing for the growing credit card market.

Banks' profit has already faced different challenges because of the ongoing financial meltdown and the 9 per cent interest rate cap.

"The latest initiative will give another blow to the income of banks," said one of them.

"20 per cent interest rate is not sustainable for any bank," said an official of a payment-processing company.

The interest rate on credit card loans is high across the world and it goes up to as high as 35 per cent in some countries, the executive said.

"So, if the interest rate goes down, banks' incomes would go down. As a result, banks would not be able to continue offering the same benefits to customers as they are giving now. This means customers also would not benefit from the interest rate cut."

But the central bank official differed, saying clients are now reluctant to use credit cards because of a fall in purchasing power in the wake of ongoing economic recession.

So, the latest rate cut will encourage them to embrace the product that will surely give a boost to the credit card market, he said.

In India, some banks charge as high as 47 per cent annualised interest rate

on credit card loans, reported Indian business news website Moneycontrol in February.

The median credit card interest rate for all credit cards in the Investopedia database currently stands at 19.49 per cent, based on average advertised rates across several hundred of the most popular card offers in the US.

In July, credit cardholders spent Tk 1,252.4 crore in Bangladesh, the highest in six months and up 19.49 per cent year-on-year. Their spending stood at Tk 898 crore in June this year and Tk 1,048.1 crore in July last year, BB data showed.

The number of credit cards in circulation stood at 1,597,748 in July, up 10.56 per cent compared to 1,445,119 in the same month last year. The number stood at 1,593,697 in June this year. In Bangladesh, credit cards were launched in 1997, by Standard Chartered bank.

The credit card segment is dominated by City Bank, Eastern Bank, Standard Chartered and Brac Bank. Lanka-Bangla Finance dominates the domestic-only credit cards.

Online air ticket purchase made easier

FROM PAGE B1

They also have to have tie-up arrangements with internationally recognised tour operators and airlines.

In some cases, travel agencies have provided air tickets to travellers for travel outside Bangladesh, which was not supported by the foreign exchange guidelines.

The agencies made the payment by way of using hundi, an illegal cross-border financial transaction.

But the latest BB notice has given a great relief to them to run their business under a legal framework.

Sri Lanka scraps \$1.5b Japan-funded light rail system

AFP, Colombo

Sri Lanka's president has ordered the termination of a \$1.5-billion Japanese-funded light rail project, saying it is not a "cost-effective solution" for the congested capital Colombo, officials said Thursday.

The deal signed under the previous government is the largest single foreign-funded infrastructure project in Sri Lanka, and was seen as a sign

of the island nation reducing its dependence on China.

President Gotabaya Rajapaksa, elected last year, told the transport ministry to "terminate this project and close the project office with immediate effect", top aide P.B. Jayasundara said in a letter to the ministry.

There was no immediate comment from the Japan International Cooperation Agency (JICA), which in March last year loaned 30 billion

yen (\$285 million) to finance the first phase of the Light Rail Transit (LRT).

Japanese technology including rolling stock was to be used on the rail system, which included 16 stations over 15.7 kilometres (9.8 miles).

Detailed planning and land acquisition for the project in Colombo, which has some of the worst traffic congestion in South Asia, had already been completed and initial construction was under way.

Government of the People's Republic of Bangladesh Directorate General of Health Services National Tuberculosis Control Program, Mohakhali, Dhaka



Memo: DGHS/MBDC/GFATM/COVID-19(HR)/2020/1836

Date: 24/09/2020

Vacancy Announcement

National Tuberculosis Control Program under DGHS is seeking applications from suitable candidates in the following positions for COVID-19 RM of GFATM. These HR will fully dedicated to support COVID-19 national response along with ongoing activities of Global Fund to Fight against AIDS, Tuberculosis and Malaria (GFATM).

A. Name of the post: Emergency Response Focal Person (No of Post-01)

Education: MBBS with Masters in Public Health

Experience: At least 05 years working experience in the field of public health as a supervisor, **Age:** Not more than 55 years.

Monthly gross salary including tax: BDT 1,27,578/- per month, **Period of Contract:** upto June 2021

B. Name of the post: Microbiologist (No of Post-02)

Education: MBBS with Post Graduation in (MD/M-Phil) in Microbiology or BSC(Hons) with M.S in Microbiology from any recognized University. **Experience:** 1(One) year experience in the similar position, **Age:** Not more than 55 years.

Monthly gross salary including tax: BDT 60,000/- per month, **Period of Contract:** upto June 2021

C. Name of the post: Medical Technologist (Lab) (No of Post-135)

Education: Diploma in Medical Technology (Lab) from any Govt. recognized institution.

Experience: Candidates having working experiences in operating Gene- Expert machines will get preference.

Age: Not more than 55 years, **Monthly gross salary including tax:** BDT 30,000/- per month.,

Period of Contract: upto June 2021

D. Name of the post: Communication and Documentation Officer (No of Post-1)

Education: BA (Hons) with Masters in Social Science or Mass Communication, Master of Public Health with education requirement will be preferable. **Experience:** 1(One) year experience in the similar position., **Age:** Not more than 55 years.

Monthly gross salary including tax: BDT 40,000/- per month, **Period of Contract:** upto June 2021

E. Name of the post: Lab Assistant (No of Post-90)

Education: Secondary School Certificate (SSC),

Experience: At least 02 years working experience in any Govt. recognized Lab, **Age:** Not more than 55 years.

Monthly gross salary: BDT 15,000/- per month, **Period of Contract:** upto June 2021

F. Name of the post: Lab Support Staff (No of Post-20)

Education: Secondary School Certificate (SSC), **Age:** Not more than 55 years.

Monthly gross salary: BDT 12,000/- per month., **Period of Contract:** upto June 2021

Interested candidates are requested to send their applications in the following address within 07(seven) working days from the date of publication of the vacancy announcement in the newspaper or on the website.:

Director (MBDC) & Line Director TB/Leprosy & ASP
Leprosy Hospital Compound, TB Gate, Mohakhali, Dhaka-1212.

Application must be written by the candidate himself and submit the following documents with the application:

- (a) An application with detailed CV with education, experience, contact address, mobile number, email address and two referees. (b) 2 copies of recent passport size photograph (c) Photo Copy of all educational certificates (d) Copy of NID (e) Copy of Experience certificate.

Pl. mention the name of post on the top of the envelop. The Authorities reserve the right to accept or reject any application.

বি: দ্র: এটি দাতা সংস্থার অর্থায়নে স্বল্প সময়ের জন্য (জুন ২০২১ পর্যন্ত) সম্পূর্ণ অস্থায়ী চুক্তিভিত্তিক নিয়োগ। চাকরীর মেয়াদ বৃদ্ধি কিংবা

সরকারী খাতে স্থানান্তরের কোন সুযোগ নেই।

Prof. (Dr) Md. Shamul Islam
Director (MBDC) and Line Director TB/Leprosy & ASP
DGHS, Mohakhali, Dhaka.
&
Member Secretary, Recruitment Committee