

HSBC observes customer service week

Star Business Desk
The Hongkong and Shanghai Banking Corporation (HSBC) in Bangladesh celebrated International Customer Service Week from October 5 to 8.

To wrap up the week of celebrations and also discuss the changed landscape of customer service in presence of industry experts, the lender yesterday organised a webinar on "The transformed landscape of Customer Service to thrive in the New Normal".

The bank's selected customers shared their experience of banking with HSBC at the event.

The customer service week is an international celebration of the importance of customer service and of the people who serve and support customers on a daily basis.

The bank is taking forward its customer experience initiative under the campaign "Exceeding Expectations Everyday" and has embedded it as a way of life for every element that the bank offers for its customers, the bank said in a statement.

"Putting customers at the heart of what we do underpins our business, and how we put it into action is key. When we get it right, we help improve the lives of our customers and the communities we live in," said Md Mahubur Rahman, chief executive officer of

HSBC Bangladesh.

"We are honoured to be the bank of choice for individuals who value international connectivity, safety and security."

"Customer experience is at the centre of what we offer at HSBC. Starting from designing our products and propositions to serving those to our customers,

customer experience is an essential element that we consider," Ahmed Saiful Islam, country head of wealth and personal banking, at HSBC Bangladesh.



Md Mahubur Rahman, CEO of HSBC Bangladesh; Shehzad Munim, managing director of British American Tobacco Bangladesh; Mohammad Zaved Akhtar, vice president for transformation and growth at Unilever South Asia, and Siham Musfiqur Rahman, country manager at Haychem Bangladesh, attend a webinar on "The transformed landscape of customer service to thrive in the new normal" organised by the lender yesterday through a digital platform.

Microsoft to let most employees work remotely for up to half their weekly working hours

REUTERS

Microsoft Corp said on Friday it would allow most of its employees to clock in up to half their weekly working hours remotely, providing greater flexibility even after offices start reopening.

The software-maker said in a blog post that while returning to office is optional for most employees for now, Microsoft was not committing to having every employee work remotely.

The Redmond, Washington-based company had about 163,000 full-time employees as of June.

The COVID-19 pandemic has changed the way businesses function, with work-from-home emerging as the new norm.

Earlier in May, Twitter Inc became the first major tech company to allow employees who can work remotely to do so indefinitely.

Facebook Inc had said it would allow its employees to work from home till July next year, while Google had extended the remote working period for employees who do not need to be in the office till June.

Brac Bank wins award for female-focused lending

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Brac Bank has recently been named as the Access to Finance Champion by the Financial Alliance for Women.

This is for the fourth consecutive time the bank won the award.

The announcement came in a 2020 Alliance Summit held recently through a digital platform, according to statement.

The Financial Alliance for Women is a leading network of financial organisations in 135 countries dedicated to championing the untapped female economy.

The award is given each year to the outstanding alliance member-institutions that work to serve their women customers better by providing them with holistic solutions to meet their investment needs.

This year, the Female Economy Champions reflect the global nature of the work of the alliance, hailing from diverse markets across six different regions.

"These institutions are setting an example for the sector by developing the programme and strategies needed to tap into the female economy and making their brand more sustainable along the way," said Inez Murray, chief executive officer of the Financial Alliance for Women.

"Their engagement with the alliance network is essential to our mission and work of economically empowering women worldwide. They are proof of the business case for increasing gender equality on many scores."

Brac Bank was awarded for continuously evolving its products and services under "TARA" to expand its reach to female customers.

"It is indeed a great pride and honour for Brac Bank to win this award consecutively for the fourth time! It encourages us and instills confidence in us when we see our work is being appreciated not only in our country but also through global networks," Selim RF Hussain, CEO of Brac Bank.

Brac Bank launched "TARA", a dedicated banking solution for women, in May 2017, and since then has been focusing on evolving changes that are best suited for the women of Bangladesh.

Govt to use forex reserves for development projects

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Two years ago, the cabinet gave the go-ahead to establish a wealth fund with money from the reserves, which would be used as government investment in long-term projects.

The funds to the tune of \$5 billion were supposed to be used for investments in seven sectors, including power, energy and infrastructure. But the initiative came to a halt due to fluctuations of the reserve at that time, a central banker said.

The countries which have formed sovereign wealth funds are quite rich and this has helped them take the decision on making foreign investments.

The Government Pension Fund Global, a sovereign wealth fund of the Norwegian government, was set up to shield the economy from twists and turns in oil revenue.

This also serves as a financial reserve and as a long-term savings plan so that both current and future generations benefit from the wealth.

In 1969, one of the world's largest offshore oilfields was discovered in Norway that helped the country's economy grow dramatically.

The country took a decision to properly use the income derived from oil and gas.

In 1990, the Norwegian parliament passed legislation to support this, creating the fund and the first money was deposited there in 1996.

The fund, whose market value stood at \$1,148 billion as of 2019, has been invested only abroad.

The Abu Dhabi Investment Authority (ADIA) was established by the government of Abu Dhabi in 1976 to operate sovereign wealth fund. It manages a global investment portfolio that is diversified across more than two dozen asset classes and sub-categories.

The proposal to use foreign exchange reserves for investment in infrastructure must be examined with extreme care and caution, said Zahid Hussain, a former lead economist of the WB's Dhaka office, said in June.

"Reserve is a tool that is most useful in distressed circumstances such as the one the economy is currently going through.

If there is any excess reserve over that required to meet seven to eight months of imports, that excess can be used, as a last resort, for high priority infrastructure projects that are in an advanced stage of completion, he added.

In June 2017, the IMF had said given Bangladesh's slow export growth and decline in remittance inflows, the safe reserve limit should be equal to 9.6 months' import bill.

Export growth picked up in May following a massive collapse in April and has since been on an upward trend.

Migrant workers sent \$6.5 billion in the first three months of the current fiscal year, up 50 per cent year-on-year.

Bangladesh should sign comprehensive trade deals with key partners

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Mohammad Abdul Momen, a professor of the Institute of Business Administration (IBA) at the University of Dhaka, echoed the same.

The signing of FTAs or PTAs with high-income nations is always beneficial, said Momen, also a director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

"We also need to increase our export basket," he added. MA Razaque, research director of the Policy Research Institute, said regional markets are important and therefore, signing PTAs with Bhutan and Nepal is a timely initiative.

However, the value these markets bring is no match for major export destinations like the EU, Canada and Japan.

"We need to engage with Australia, Canada and others to request an additional transition period after graduation, following the example of the EU," Razaque said.

Besides, Bangladesh must negotiate with India to get the same treatment as the Maldives. Under SAFTA Article 12, the Maldives was allowed to have the same market access benefits as an LDC after graduating in 2011.

To address this issue, a high-powered trade representative or negotiator's office should be formed to launch proactive trade engagements with major trade partners.

Securing an FTA can take anywhere between seven to ten years but the country has not started any such negotiation. Imagine a situation in 2027, when Vietnam will have duty-free access to the EU and Bangladesh will have to pay 9.5 percent tariff, Razaque added.

However, Commerce Secretary Md Jafar Uddin said Bangladesh is currently in negotiations with 11 countries and two major trade blocs either to sign PTAs or FTAs.

A joint study is also ongoing over signing a proposed CEPA between Bangladesh and India.

Forward sales causing a large gap in onion's import and retail prices

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Omar Faruque, executive magistrate of the Chattogram district administration, said they found that wholesalers could not show receipts for their purchases from importers as trade deals are mainly done verbally through phone calls.

"The wholesalers claim that they sell products at a price fixed by the importer and receive only commission but the importers deny this.

"Both parties claim that they sell products through phone calls, so there is no sales receipt. For a long time, importers and wholesalers have been doing informal transactions without documents to control

the market by themselves," he added.

Faruque also said they made some recommendations to the commerce ministry to address the issue, highlighting the problems caused by undocumented transactions.

"We recommended for fixing the retail and wholesale price of onions. We also proposed that keeping receipts to be made compulsory for any transaction," he said.

It is possible to determine the price of any product by calculating its import cost, depreciation, transportation and profit. But it will not be possible to contain the price of onion if maintaining receipts on every transaction is not made mandatory, he added.



MM Monirul Alam, CEO of Guardian Life Insurance, and Imran Bin Ferdous, chief human resource officer at Navana Group, exchange documents after signing a deal recently. The group's employees will get life coverage benefits from the insurer.

Apparel exporters brace for fresh hiccups amid second wave, US polls

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"Many buyers have dropped placing of work orders to some extent because of a possible second wave of Covid-19 and for delay in vaccine arrival for the mass people use," said Anwar-ul-Alam Chowdhury Parvez, managing director of Evince Group, a leading garment exporter.

The buyers are more cautious now compared to pre-Covid time, he said.

Parvez said although the US election, which was scheduled to be held next month, was not that much related to the shipment of Bangladeshi garment items but customers tend to feel uneasy over spending during such big events.

Facing the fallouts of a second wave of infections is very important for Bangladesh, he said, adding that already some states of the US have been affected with a second wave and schools were being shut down again.

So if the stores need to be shut down for the second wave, the export of garment items from Bangladesh will be affected, said Parvez, who is also a former president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Mahmud Hasan Khan Babu, managing director of Rising Group, another leading garment exporter, also echoed Parvez.

Babu further said if there was a prolonging of the US election, garment shipments to American markets would be affected.

He also said the probable impacts of a second wave in the European and the US markets would defer the recovery of garment export from the country.

Because garment business is not a one-way trade, rather a two-way one. If the buyers place demands, the shipment will grow but if they do not place demand for any reason, the export will not grow, said Babu.

KM Rezaul Hasanat, chairman and CEO of Viyellatex Group, another leading garment exporter, echoed them both.

"I totally agree to what 'many exporters' are

fearing of and in fact in recent days almost all my statements cover the same fear of a possible resurgence of Covid-19 infection and the obvious impact on the industry," said Rubana Huq, president of the BGMEA.

"As winter approaches nearer, the USA and European countries are witnessing new waves in infection, state of emergency has been declared in Madrid just a few hours ago and the developments in other parts of Europe is noticeable."

"It's been a tough time, we are passing through fear and anxiety," Huq told The Daily Star.

"Looking at it through the lens of exports and garments, this may be horrific for us if disruptions in the west reach a magnitude of what we suffered last season."

"This may be mentioned that whereas our total RMG export growth during this time was 0.06 per cent negative in July-August of fiscal year 2020-21, the decline in EU was by 0.38 per cent while US market grew by 8.11 per cent, and if these markets are freshly hit by Covid resurgence, Bangladesh will have to face a tough situation going ahead."

"The first blow of the Covid-19 has exposed significant drawbacks in the trade and supply chain, particularly in the area of transactions between buyers and suppliers. Right now one of the major concerns for us is the uncertainty over payments of confirmed and shipped orders, which is around \$8 billion worth of receivables in any given point of time," Huq also said.

"Yes second wave already started hitting at Europe. Yet we don't know when vaccine will be ready for general public," said Syed Earshad Ahmed, president of the American Chamber of Commerce in Bangladesh.

"Another reason, our competitors (Vietnam, Cambodia, Indonesia, Sri Lanka) became more aggressive and getting advantages over us as their infrastructure are better and they could have managed pandemic situation effectively," he said.

"Bangladesh need more focus on logistics management, ports management to avoid delays in clearing imports and exports. Exporters have to maintain committed lead times," he said.

Ahsan H Mansur, executive director of Policy Research Institute, said the second wave of Covid-19 has already started in the western world.

So the second wave may have a bad impact on the shipment of garment items from Bangladesh, he said.

The uncertainty of the availability vaccine for mass people is also a factor now. Because the customers on a massive scale are not visiting the stores now and their income had also been lowered after the Covid-19 outbreak, said Mansur.

The garment export from Bangladesh is still at a recovery phase and yet to be rebounded fully. The full rebound of the shipment may happen in next March, he said.

The earning from export of garments over the last three or four months increased, as the international retailers and brands are taking back cancelled work orders. The buyers had cancelled work orders worth \$3.18 billion.

If the vaccines arrived in the market, it should be provided for at least 70 per cent of people in the world, if 100 per cent is not possible, for restoration of normalcy in business, he added.

The export of garments from Bangladesh has been backed by the shifting of work orders from China. For instance, garment export to the US from China declined by 40.93 per cent between January and August compared to the same period last year.

Garment import by the US also declined by 25.47 per cent from India, 9.92 per cent from Vietnam and 14.76 per cent from Bangladesh between January and August this year compared to the same period last year, according to data from the US Department of Commerce.

Bangladesh will receive some work orders that got shifted from China, said Mansur.

Recovery still slow in leather sector

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Still though, Khan is hopeful of recouping by attaining orders for next summer, which usually starts coming from January.

Arfanul Hoque, head of retail at Bata Shoe Company, said they were offering various discounts and offers in a bid to survive amidst the Covid-19 fallouts.

Bata Shoe, which leads the local market with a 48 per cent share, saw its sales in September decline by 25 per cent year-on-year.

Till August though, the company's sales deficit reached about 90 per cent compared to the corresponding figures a year before.

"We decided to close 25 outlets out of 260 across the country due to low revenue," he said.

Despite the decrease in revenue, Bata still had to pay high amounts of rent for showrooms, the owners of which did not consider the pandemic's many complexities.

The government should issue tax exemptions for the sector to ensure a quicker rebound, Hoque added.

Mohammed Nazmul Hassan, managing director of Leatherex Footwear Fashion, said he was forced to postpone his outlet expansion plans due to the coronavirus outbreak.

"I had a plan to open 20 new outlets in Dhaka, Chattogram and other cities but I took a U-turn from the plan," he added.

But despite these adversities alongside financial liabilities such as repaying loans, Hassan said he did not lay-off or terminate any employee.

According to the managing director, around 60 per cent of the previously

placed work orders for this year were cancelled since the Covid-19's outbreak.

However, buyers have started to take back these cancelled or deferred work orders as international retailers and brands are reopening their doors following prolonged lockdowns aimed at curbing the spread of coronavirus.

There are about 60 local firms, including Apex Footwear, Jennys Shoes and Bay Footwear, which export various leather goods mainly to Japan, European Union and to some extent, the US.

But if the approximately 165 footwear and leather factories currently operating in Bangladesh were compliant and used modern technology, they could fetch up to \$5 billion in export receipts, according to the Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh.

Bangladesh's leather sector is failing to make it big internationally even though the country has an abundance of rawhide and a skilled workforce.

Of the country's total production, only 30 per cent of finished leather is consumed locally while the remaining 70 per cent is exported, mostly to China.

Country gets first hydraulic elevator dam

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For this, more such hydraulic elevator dams will be built throughout the country to retain surface water for irrigation, he said.

Bangladesh has 67 rubber dams which have been constructed to facilitate irrigation.