

International Business News

China to launch Nasdaq-style board in late October

AFP, Shanghai

China will launch its long-awaited Nasdaq-style ChiNext board in Shenzhen at the end of October, state media reported Monday.

A new round of firms seeking to list on the board will publish their prospectuses for initial public offerings after the week-long National Day holiday, which ends on October 8, the official Securities Times reported.

These firms, along with 19 companies that have already released their prospectuses, will make their debut on the board in the last 10 days of October, the newspaper said, citing an unnamed "authoritative" source.

Regulators hope the new market will help fuel start-ups and other companies with high-growth potential in the world's third-largest economy, following the example of Wall Street's Nasdaq.

But there have also been worries that the new board, which attracted strong interest from investors, may be diverting funds from the main boards and drag down stock prices.

The first batch of 10 firms, which set their IPO prices and took subscriptions last week, aim to raise up to 6.68 billion yuan (977.5 million dollars) -- more than double the 3.16 billion previously planned.

S Korea plans budget boost to bolster growth

AFP, Seoul

South Korea's government Monday announced plans to increase budget spending by 2.5 percent next year to bolster the economic recovery and improve the lives of ordinary people.

Next year's budget will focus on "stabilising public livelihood and developing growth potential", the Ministry of Strategy and Finance said in a statement.

The budget, including spending by state funds, will amount to 291.8 trillion won (246 billion dollars) compared to this year's 284.5 trillion.

But the planned spending will be smaller than 2009's total expenditure of 301.8 trillion won -- which includes a supplementary budget in April aimed at helping the nation ride out the global economic crisis.

The plan will be presented to parliament this week for approval.

"The increased budget will be focused on revitalising the economy, helping to fuel future investments, stabilising the lives of ordinary people and creating more jobs," the ministry said after the cabinet endorsed it.



Myer CEO Bernie Brookes (L) and Myer ambassador, former Miss Universe Jennifer Hawkins (R), display the Myer prospectus as the company plans to raise up to \$2.01 billion through an initial public offering (IPO) in Melbourne yesterday as it looks to re-list on the Australian Stock Exchange. The company, Australia's largest department store retailer with 65 stores in retail locations across the nation, is to list on the market on November 2.

British PM's party to tell bankers to curb bonuses

AFP, Brighton, England

Britain's beleaguered ruling Labour Party promised tough new action on bankers' bonuses Monday, as it fights for its life ahead of general elections next year.

Prime Minister Gordon Brown was forced to spend the first day of his party's annual conference on Sunday fending off questions about his health.

Business minister Peter Mandelson blasted the BBC for asking Brown if he was dependent on anti-depressant drugs, saying the rumours circulating on the Internet were "completely groundless".

Mandelson, Brown's de facto deputy, said it was "absolutely ridiculous" to suggest the prime minister had a problem with pill use, and blamed politically motivated bloggers for raising the possibility.

With an election to take place by June, Labour is so far behind the opposition Conservatives in opinion polls after 12 years in power that it has little choice but to portray itself as the underdog.

Taiwan's recession eases

AFP, Taipei

Taiwan's recession-hit economy showed further signs of improvement Monday as key indicators used to forecast quarterly growth showed increases for the seventh month in a row, the government said.

The August index of leading indicators rose 1.9 percent from July, when it posted a revised 3.1 percent monthly increase, the Council for Economic Planning and Development said.

The index, used to forecast economic performance in the coming three- to six months, showed an increase in overtime hours in manufacturing and service sectors, a rise in construction licence issuances, and an improvement in export orders, share prices and money supply, the council said.

The August index of coincident indicators, which tracks the current pace of economic activity, rose 0.6 percent from a month earlier, compared with a rise of 1.9 percent in July.

CAREER

Merchandisers gaining foothold

REFAYET ULLAH MIRDHA

A greater number of multinational companies are extending operations to Bangladesh to exploit business potential here, with the apparels sector playing a pivotal role.

The sector accounts for around 80 percent of exports. It is also considered a lucrative arena for job seeking university graduates.

Merchandising has picked pace as a profession of late, as the nature of the job presents attractive salaries and good work environments. Building up connections with multinational companies, buyers and local big apparel manufacturers is also a scope for these professionals.

Ensuring quality of the apparels on sale is a prime responsibility of a merchandiser. Sometimes he or she decides on the pattern of display of the product.

A merchandiser predicts trends in fashion and suggests products that are most appealing to customers. Analysis of sales information, working out sales targets and plan on how to increase profits is another job a merchandiser has to do. Merchandisers also visit suppliers or manufacturers to select goods to negotiate a price, order the goods, reach agreement on a delivery date, complete all necessary paperwork and keep in touch with suppliers to make sure that the goods arrive on time.

Tamal, who has been working as a merchandiser in a foreign company operating in Bangladesh for the last ten years, said his job is challenging and lucrative and there is good exposure in his profession.

"I face some challenges, like long working hours and pres-



A merchandiser inspects quality of woven products at a garment factory at Tongi under Gazipur district. The profession is becoming lucrative to fresh graduates.

ures. When work pressure is high we work at night to get the job done on time," he said.

A merchandiser has to be smart and presentable to be able to handle international buyers, he said.

According to Tamal, merchandising is gaining popularity as a profession in Bangladesh because of growing exports.

Industry insiders said there are more than 10,000 local and foreign merchandisers in the country now, with the figures increasing every year.

In response to thriving MNC

operations and ready-made garment exports and an increasing demand for such professionals, several local and international institutes are now offering courses on merchandising, fashion and technology.

At present, BGMEA Institute of Fashion and Technology (BIFT) is playing a dominating role in producing graduates on merchandising and fashion designing. BIFT hires expert local and foreign faculties to deliver the courses and yields more than 900 fresh graduates a year -- about 600 complete

the six-month certificate course, 100 are one-year diploma students, 100 bachelor students and 130 MBA students.

Presently, BIFT also offers a four-year bachelor degree on knitwear manufacturing technology, apparel manufacturing and technology, fashion designing and technology and sweater manufacturing and technology.

BIFT, established in 2000, is affiliated with the National University. The institution will be upgraded to a full-fledged university soon.

In addition, several private sector entrepreneurs are opening up institutes that offer courses on merchandising and fashion designing, as the demand for such graduates is on the rise.

Mohammad Jamaluddin, an associate professor of BIFT, said students are eager to study merchandising because they will be able to get a job with a handsome salary.

Jamaluddin, who worked as a merchandiser for 20 years, said the nature of the job is sophisticated and challenging, with quick promotions and frequent foreign trips, as most MNC principal offices are abroad.

He said such facilities are not available in other professions.

Recently, international and local buyers are realising that the local youth have talent and are skilled and dynamic enough to handle the demands of the job.

"As a result, companies are reducing their dependency on foreign merchandisers," Jamaluddin said.

He said local graduates are technically sound, but they face a minor setback in spoken English. He said BIFT is offering English courses to help overcome the lack.

For people who are already in the profession, Jamaluddin said they must be on their toes as it is a competitive industry and fresh graduates are entering the market with new concepts and ideas.

"Bangladeshi graduates are performing well at top ranks of some MNCs operating in the country. In some cases, local merchandisers also do well at the principal offices of the MNCs," he added.

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COLUMN

IFTY ISLAM

Leveraging Bangladeshi diaspora

The untapped opportunities in more effectively engaging Bangladesh's large diaspora have been a subject I have covered in previous columns. In this article I wanted to discuss the launch of the BEI-AT Capital diaspora programme in the UK recently as well as an encouraging practical example of the potential benefits of leveraging our professional NRBs (non-resident Bangladeshis) during the prime minister's recent trip to New York.

Remittance flows primarily from migrant workers in the Middle East, Europe and the US have been one of the standout successes of our economic development and continue to make an invaluable contribution in excess of \$12 billion per year (including unofficial flows). There is little doubt in my mind that this can be expanded further with more focused skill development programmes and this appears to be a priority for the new government and was highlighted in the recent successful conference on remittances in Dhaka organised by Scholars Bangladesh.

But we believe that there are important objectives beyond maximising the volume of remittances. Rather we focus on developing a strategy to unlock the hidden potential of the Bangladeshi diaspora in areas such as knowledge transfer and greater FDI (foreign direct investment). We have produced a detailed report titled "Beyond Remittances: A Strategy to Leverage the Bangladeshi Diaspora" that surveys both the academic literature and also the critical features of the most successful diaspora programmes from countries like India, China, Vietnam and the Philippines.

Some keys to success for Bangladesh to replicate the effectiveness of its diaspora strategy include:

1. Having a strong home country institution to facilitate diaspora exchanges with a comprehensive global database of NRBs both individually and groups.

2. Ensuring engagement is mutually beneficial to both NRBs and the home country. This will entail ensuring that NRBs have not only attractive investment opportunities but confidence and clarity on issues like repatriation and sufficient knowledge to make informed investment decisions.

3. Host governments and the multilateral agencies can play an important role in both funding and facilitating the growth of vibrant diaspora networks.

There is a regular stream of NRB groups from Europe and North America visiting Dhaka and Sylhet that features prominently in the Bangladeshi media. But the translation of such trips into a substantial number of new investment projects, or having a sustained and ongoing impact and interface with the Bangladesh economy appears to be lacking. It might be argued that the missing link is an effective diaspora platform within Bangladesh to leverage the NRB groups and networks globally.

In this context, Bangladesh Enterprise

Institute (BEI) and Asian Tiger Capital, with the support of the UK Department for International Development (DFID), launched its UK diaspora programme at a Bangladesh-British Chamber of Commerce (BBCC) event on September 23 in London. It was attended by over 175 people with BEI President Farooq Sobhan and me outlining the key aspects of our programme which are as follows:

1. Eight workshops/seminars will be held in the UK over the next 12 months jointly with NRB groups both in London and across the country to encourage the British citizens of Bangladeshi origin to share their knowledge and skills and contribute to the economical transformation of Bangladesh. A further four workshops will be held in Dhaka at BEI, one per quarter. This will include relevant government officials and representatives of Bangladeshi business. The first seminar will coincide with the BBCC/UK Department of Trade and Industry visit in November 2009.

2. The creation of a database of British citizens with Bangladeshi origin, who are occupying key positions and can contribute transfer of knowledge and know-how with their name, addresses and occupation.

3. A website, NRBvoice.org, to be developed with a web-based newsletter covering the economy, the stock market and NRB advocacy issues which will be publicised within Bangladesh as well as among the NRBs globally.

A number of leading British NRBs spoke at the BBCC event and what really struck me was their passion and commitment as well as practical suggestions about how best NRBs can work with the Bangladesh government and the country's private sector to accelerate Bangladesh's economic development. Bajloor Rashid, president of the Bangladesh Caterers Association (BCA), made a number of specific recommendations including the need to set joint investment to establish training centres both in the UK and Bangladesh for restaurant workers. Secondly, he suggested a joint working group be set up with Bangladesh government such as All Party Parliamentary Group (APPG) on FDI and an APPG on NRB to ensure that safeguards and implemented policies remain constant.

He felt this can also then provide an avenue for consultation and direct involvement between the UK and Bangladesh that would go a long way to build confidence of NRB to participate fully in Bangladesh's economic development. Iqbal Ahmed, chairman of Seamar, covered a broad range of themes, but one challenge he highlighted that resonated with a number of speakers and the audience was the need to ensure the next generation of NRBs who were born in the UK remain interested and engaged with Bangladesh.

Chairman SB Faruk and other BBCC directors should be strongly commended for the time, energy and resources they



The file photo shows a Bangladeshi migrant worker returning home after losing his job in the Middle East. Remittance flows primarily from migrant workers in the Middle East, Europe and the US have been one of the standout successes of the country's economic development and continue to make an invaluable contribution in excess of \$12 billion per year (including unofficial flows).

committed to making the seminar an effective launching pad for the diaspora programme. Overall, we were extremely encouraged by the genuine and broad-based enthusiasm of the NRB community in the UK to step up their level of support in Bangladesh's development not only in terms of investment flows, but also skill transfers, policy engagement and also the re-branding of Bangladesh.

On the latter, I have written in the past about NRBs being "Brand Agents" by providing more effective marketing of Bangladesh as an investment destination. In this context, the speech on September 23 by Prime Minister Sheikh Hasina to a significant number of senior Wall Street professionals was organised jointly by our new Ambassador to the UN Dr Momem, along with two finance NRBs, Nasim Ali of remit-

tance business Transfast, and Haseeb Ahmed of J.P. Morgan Chase, among others.

Their ability to leverage their own networks to ensure attendance of that level of seniority is evidence of leveraging the diaspora in action. We should expand this partnership between Bangladesh government and the diaspora via the Board of Investment and FBCCI in our future re-branding Bangladesh strategies. We look forward to working with the various UK NRB groups and indeed expanding the programme to the US and Continental Europe and remaining committed to unlocking the contribution of our diaspora to Bangladesh's economic development.

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