

International Business News

Indian hospital chains eye overseas expansion

REUTERS, New Delhi
 India's top hospital operators are looking to expand overseas to leverage their strengths in other markets as well as to attract medical tourists, officials and analysts say.
 Industry leader Apollo Hospitals is looking for contracts to manage hospitals abroad, while Fortis Healthcare is aggressively looking for acquisitions as an expansion strategy.
 However, officials at both companies said they continue to focus on their local expansion plans as well, where the potential continues to remain high.
 There is ample growth opportunity in India, which the hospital chains are aggressively tapping, but these companies still need to go overseas to enhance their brand value, which will drive up medical tourism, said Rashesh Shah, an analyst with Mumbai-based brokerage IICI Securities.
 "If Indian firms can buy some good hospital brands overseas, they can easily earn the trust of overseas patients," Shah added.

BMW sales rose 9.1pc in July

AFP, Frankfurt
 The world's leading luxury auto maker, BMW, said Monday that its sales rose 9.1 percent in July from the equivalent figure last year, and confirmed a rebound in key markets, including Germany.
 BMW sold a total of 119,982 vehicles under its BMW, Mini and Rolls-Royce nameplates, a statement said.
 "We saw significant growth again in July," sales director Ian Robertson was quoted as saying. "We are reaping the benefits not only of the global economic recovery but also of customers' positive response to our vehicles."
 Mini deliveries were down by 5.4 percent at 18,241 however owing to imminent launches of new models by the British manufacturer, the statement said.
 A breakdown of BMW's main markets showed a 10.1 percent increase in US sales and a leap of 52.1 percent in Asia, owing to sustained demand in China.
 Even in Germany, where sales have been persistently weak in recent months, the group delivered 3.6 percent more automobiles in July while domestic rival Daimler, which owns Mercedes-Benz, reported a slight drop of 1.8 percent.



AFP
 A woman walks past a huge billboard advertising a car model in Shanghai on Friday. China's auto sales are going to roar ahead for foreseeable future despite signs of cooling demand in the world's largest auto market after last year's breakneck growth, experts and automakers said.

INTERVIEW

RMG: A way forward

Popular economist speaks on the lifeline of the economy

REFAYET ULLAH MIRDHA
 Dr Mustafizur Rahman, executive director of the independent think tank Centre for Policy Dialogue (CPD), recently gave The Daily Star an exclusive interview on the RMG sector. Rahman, who holds a PhD in economics and is a professor in the department of Accounting and Information Systems at Dhaka University, has become widely trusted as an impartial analyst of Bangladesh economy; and CPD reports are known for their in-depth comparisons of sector trends. Given the unrest following the recent announcement of the Tk 3,000 per month minimum wage for garment workers, we asked him about how to balance the needs of workers and the national need for a strong RMG export sector, as well about its long-term prospects. Excerpts:



Dr Mustafizur Rahman

Can a family live on the announced RMG wages, given the current prices in Bangladesh?

"Obviously, as the minimum standard salary for a family of three members, it [the new wage] is nowhere near." He puts the ideal wage at Tk 7,000.

On the other hand, it would be difficult to bridge the gap "at one go," he says. "We also have to take cognisance of the fact that it is an 80 percent increment at the seventh grade from the previous salary structure, and of the issue of productivity and of the time required to absorb the incremental cost is also involved," he says.

Getting from Tk 1,663 a month to Tk 7,000 is a process, he stresses -- one that will take many years. (The next revision should come in four years.) The key is that the RMG workers should have a fair share in the value they add to the nation's wealth. "We found that the national income went up about 70 percent since 2006," he says. "Workers should have the same share in the growth of the economy."

Do you believe that the unrest sprang from worker frustration or that political enemies of the government provoked it?

There may be some who would like to take advantage of [the

issue], and if that is the case, the government should follow it up. But if [no evidence is presented], that means it was a legitimate grievance."

Rahman criticises both the owners and the unions, and says both must learn to build a working relationship.

The owners now resist and fire union organisers, he says, and many factories and subcontractors take advantage of the traditionally female workforce. Some do not pay salaries on time, underestimate overtime or do not pay bonuses. "Oftentimes the factory owners have discouraged trade unions, and that has not worked."

"In our country there are many subcontracting firms, which do not follow the labour rules and compliance requirements, so there are other reasons for this type of unrest," he says, apart from the minimum wage. The factory owners' associations are member-driven, and have failed to expel or penalise their entrepreneurs who cross the line.

While the woven-garment workforce in the sector is mostly female, the rise of the mostly male knitwear workers in RMG has added to the stridency of union demands, he says. "The issue of a better working relationship," he

says, "will become more important" as this "masculinisation" trend continues.

"We don't have good trade unions," he says. "The current commotion shows that the leaders have no command over the common workers."

What are solutions? Should the government verify that union leaders are freely elected?

"The growth of a healthy trade unionism is good," he says. He notes that the country's jute and leather sectors have a large unionised workforce, but not one that vandalised or destroyed property in residential areas, and that other low-wage RMG countries have unions with labour peace.

He also says the government has not played its role in ensuring that union rights are enforced. The government should create an environment conducive to healthy trade unions, and to arbitrate, but not to oversee their elections, he thinks.

"The government should not organize the trade unions," he says, "but the government should supervise trade unionism. Ensuring a healthy environment is the prerequisite for healthy trade unions." Government factory inspectors are supposed to

enforce the labour laws, but they are too few to do so.

What is the foreign buyers' role in this sector?

The buyers always call for compliance and wages, but are seldom willing to pay the higher prices that this entails, he says: "We do not see any willingness to absorb the cost of this. This is the hypocrisy between ethical buying and ethical outsourcing." He adds that entrepreneurs should start a campaign for truly ethical buying practices.

What is the future of RMG exports from Bangladesh?

"We have a tremendous opportunities," Rahman says. "There is a lot of opportunity for growth at only 4 percent (of the currently \$500 billion global textile and clothing market)."

China, the largest supplier of apparel items counts, has 30 percent market share, he says, but is under pressure from labour unrest and a shortages. "I am very optimistic about the future of Bangladeshi apparel items," he says.

What needs to happen here to grow that market share?

Rahman says the government must lessen the uncertainty faced

by entrepreneurs -- in particular the problems of Chittagong Port, gas and power supplies. "If you can bring down the costs, the capacity of the entrepreneurs to accept higher wages also increases," he says. "It is only fair that the entrepreneur has predictability; even one making super-profits is making long-term investment decisions."

The government should continue rations of food for garment workers, and start offering the entrepreneurs loans at no interest to build decent shelter for workers, he says.

But the workers also need a dose of realism: "Workers have to realise that at the end of the day it is productivity that drives what their wages can be. We have to compete in the global market."

What about the longer-term prospects of the needle trade here?

Countries like Cambodia, India and Vietnam have free trade unions and these help protect workers from unreasonable conditions. But unions should not resist lay-offs. Rahman says Bangladesh should decide what type of industries should be pursued. Now it is a low-cost, labour-intensive industry; but wages raises will boost technology spending and thus productivity. That means many workers will lose their jobs.

What should be done differently in fixing the next minimum wage for garment workers? Should it be adjusted for inflation in between reviews?

"No -- It needs a periodic review," Rahman says. Inflation and bare necessities should be reviewed, but the income growth of the nation should be the key until "we have reached the bare minimum." He says one of the major reasons for unrest is the wage implementation in November, and "serious consideration" should be given to implementing the new wage before Ramadan.

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32 icons honoured for ICT innovations

The Ministry of Science and ICT and D.Net organise competition

STAR BUSINESS REPORT

Thirty-two organisations were awarded yesterday for developing information and communication technology, in the first national competition of its kind in Bangladesh.

The science and ICT ministry and D.Net (Development Research Network) organised the 2010 National e-Content and ICT for Development Award. The winners will be eligible to contest in the World Summit Award 2011 in Austria.

The organisers also honoured some noted personalities for their lifetime contribution to their respective fields by dedicating the awards to them at a ceremony at the National Museum auditorium.

The contest played out in 14 categories both for online and off-line content and ICT products.

A jury panel, consisting of ICT experts and other renowned people, picked up the winners out of 48 finalists. A total of 93 initiatives have been nominated for the contest.

The purpose of the awards was to promote the best ICT initiatives and products related to the development of livelihood and society.

In e-government and institutions category, DataSoft Systems Bangladesh Ltd was awarded for its private-public partnership project 'Customs Information Management System', which has been implemented at the

Chittagong port customs office. The first runner-up award went to Millennium Information Solution Ltd for the national web portal of Bangladesh. Business Automation Ltd became the second runner-up for the Bangladesh Hajj Management Portal. A special prize went to Management Information System (MIS)-Health for its mobile phone health service.

Developer Amader Gram has won the championship award in e-health category for its AG Breast Care-A Choice initiative. A special award went to Trimatrik for e-adolescent health learning software.

In learning and education category, the champion was Rangamati-based Ananda Multimedia for interactive multilingual multimedia education software for classes I-II of national curriculum textbooks. The first runner-up was Multimedia Content and Communications Ltd for its project: Computer Teaches Everyday English. An education web portal, varsityadmission.com, has been given an appreciation award for its primary and secondary education initiative: English in Action.

bdplay.com was given a special award in e-games category. In entertainment category, Multimedia Content and communications Ltd was the champion for its website lemon24.com. A special award went to Trimatrik for its computer graphics animation film 'Pekku'.

Bangladesh Genocide Archive received the championship



AMA Muhith, finance minister, hands an honorary trophy to Angela Gomes, executive director of Banche Shekha, while Yeafesh Osman, state minister for science and ICT, looks on at the National e-Content and ICT for Development Award ceremony in Dhaka yesterday.

award in culture and heritage category, while BRT Group was the first runner-up for its 'Amar Ekushe' multimedia compact disk. biplobiderkotha.com received a special award.

biggani.org was given a special award in e-science and technology category.

In business and commerce, no project was declared a champion, while the first runner-up was Bangladesh Telecentre Network for its website msme.com.bd and the second runner-up award went

to Golden Bangladesh for goldnebusiness.bd.com.

The highly contested category was e-enterprise and livelihood, in which digital sugarcane procurement and development system, designed by Bangladesh Sugar and Food Industries Corporation, won the first prize. The first runner-up was Bangladesh Telecentre Network's byabsharkhobor.com and e-krishok.com ended up as the second runner-up.

In the same category, a special award went to Young Power in

Social Action (YPSA) for its online advocacy platform for workers involved in the ship-breaking industry: shipbreakinginbd.info.

In e-inclusion and participation category, YPSA got the top prize for Daisy for All (dfa.daisy.org), a project for the disabled children.

The top prize in e-localisation category went to Ankur ICT Development Foundation for its project -- Computer in Bangla for All. Somewhere in Net Ltd was honoured as the first runner-up for

somewhereinbangladesh.com, a popular blogsite.

In e-news category, the championship prize was handed to computerjagat.com, a live web casting and online news portal while techzoom24 became the first runner-up.

The much-talked-about paperless admission system taken by Shahjalal University of Science and Technology received the top prize in m-content category. The first runner-up was i-Infomedia's SMS ID-empowering identity

through mobile SMS.

The e-government and institutions award was dedicated to Prof Rehman Sobhan, e-health award to National Professor MR Khan, e-learning and education award to the late Abdullah Al Muti-Sharfuddin, e-games award to Mustafa Monwar, e-entertainment award to the late Abdul Alim, e-culture and heritage to the late poet Shamsur Rahman, and e-science and technology award to the late Dr Muhammad Kudrat-e-Khudat.

The organisers dedicated the e-environment award to Prof Dwijen Sarma, e-business and commerce award to the Metropolitan Chamber of Commerce and Industry, e-enterprise and livelihood award to Angela Gomes, e-inclusion and participation award to Bangladesh Army.

The e-localisation award was dedicated to Ebika Biswas (the first mobile lady in Bangladesh), e-news award to the late professor Abdul Kader (founder of Computer Jagat), and m-content award to Prof Iqbal Z Quadir (chairman of Iqbal Quadir Foundation).

Finance Minister AMA Muhith attended the ceremony as the chief guest, while State Minister for Science and ICT Architect Yeafesh Osman was the special guest.

The Daily Star and Prothom Alo were the organising partners of the event. Manusher Jonno Foundation was among the sponsors.