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IDLC Index	
IDLC 50	▼ 0.18% 6,699.64

Asian Markets	
MUMBAI	Flat 18,048.85
TOKYO	▼ 0.38% 9,161.68
SINGAPORE	▼ 0.35% 2,923.36
SHANGHAI	▲ 0.38% 2,671.89

Currencies		
	Buy Tk	Sell Tk
USD	68.82	69.82
EUR	86.97	91.07
GBP	106.45	110.80
JPY	0.79	0.85

Commodities	
Gold	▲ \$1,226.32 (per ounce)
Oil	▲ \$75.45 (per barrel) (Midday Trade)

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If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

The Daily Star SURVEY REPORT: PART 1 OF 3

From RMG workers' mouths

SOHEL PARVEZ

The delayed implementation of the newly announced wages sparked the recent protests by angry garment industry workers, dozens of workers said.

More than three of every four surveyed by The Daily Star said garment workers were the main force behind the protests demanding a hike in minimum wage to Tk 5,000 (\$72) from the current Tk 1,662 (\$24), fixed in 2006.

The new minimum wage was well below workers' demand, but the unrest in Tejgaon, Ashulia and Narayanganj after the government set the Tk 3,000 (\$43) wage on July 29, could have been largely avoided if it were effective immediately.

Instead, the roughly 80 percent wage hike occurs only on November 1. Garment workers will spend the year's biggest religious festivals and spending season -- Eid-ul-Fitr and Eid-ul-Azha -- with only a meagre survival wage.

The workers remained mum during negotiations, hoping the increase would come sooner. But when they became sure they would only receive the increased wage three months later, they took to the streets. Dhaka saw a violent demonstration in the early hours of July 30, a day after the wage announcement.

The interviews were with 34 randomly selected workers in Tejgaon and Ashulia industrial neighbourhoods. The Daily Star conducted an open-ended questionnaire in the weeks after the protests.

AVOIDABLE IF NOT DELAYED
Some 73 percent of the workers who were interviewed expressed anger for delayed new wage.

More than 60 percent of workers even said the unrest could have



Police disperse garment workers during a recent protest rally in Dhaka. Many industry insiders say the delayed implementation of the new pay-scale led to labour unrest on July 30.

avoided if they were assured of getting the incremental salary before Eid, even though the increased wage is 40 percent below workers' demand.

"We all hoped to get the increased salary ahead of Eid," said Doly Akhter Sumi, who works at a garment factory at Tejgaon, Dhaka. "Instead of ensuring the hiked wage before, the government takes time again for three months."

Some of the anger arose from suspicion that the new pay-scale will not be implemented in November, but will, upon the pleas of owners, be delayed still further.

"I doubt whether this will be implemented by November," said the 22-year-old worker, who earns nearly Tk 4,500 a month, including overtime, working 8am to 7pm a day.

Labour Minister Khandker

Mosharrar Hossain was surprised by the reaction, however, even though the unions are not freely elected. "No one told me that the movement was because of belated implementation," he said.

"We did not anticipate that there would be any protest. We thought that workers would accept the new announcement, as we have fixed the new wage on the basis of discussion with owners and workers."

Workers said the government had given them the impression that they would get the new wages paid, not just set, before Eid. When the real date came, they became frustrated.

"The government had earlier assured us of giving new wage before Ramadan," said Habibur Rahman, who works at a garment factory in Tejgaon. "But it says the

new wage will be effective three months later to please owners.

"Although the new minimum wage is lower than our demand, we would have accepted it if we got hiked salaries immediately," said the 26-year-old worker, who earns around Tk 4,000 monthly at the current wage.

The minister denied ensuring increased pay before Eid: "Legally, it takes six months for implementation. But we have advanced it by three months for the sake of workers."

But a top factory owner, on the condition of anonymity, said the government did a poor job of dispelling these worker expectations.

"There was a lack of communication on the part of the negotiators," he said.

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M&S CEO in Dhaka

STAR BUSINESS REPORT

Chief Executive Officer (CEO) of British retail chain Marks and Spencer (M&S) Marc Bolland arrived in Dhaka yesterday on a three-day visit to Bangladesh.

During his stay here, Bolland will visit the factories supplying apparels for his company, according to a director of a readymade garment factory.

Bolland joined the M&S in May 2010. He began his career at Heineken in the Netherlands in 1987, carrying out several marketing and sales management roles.

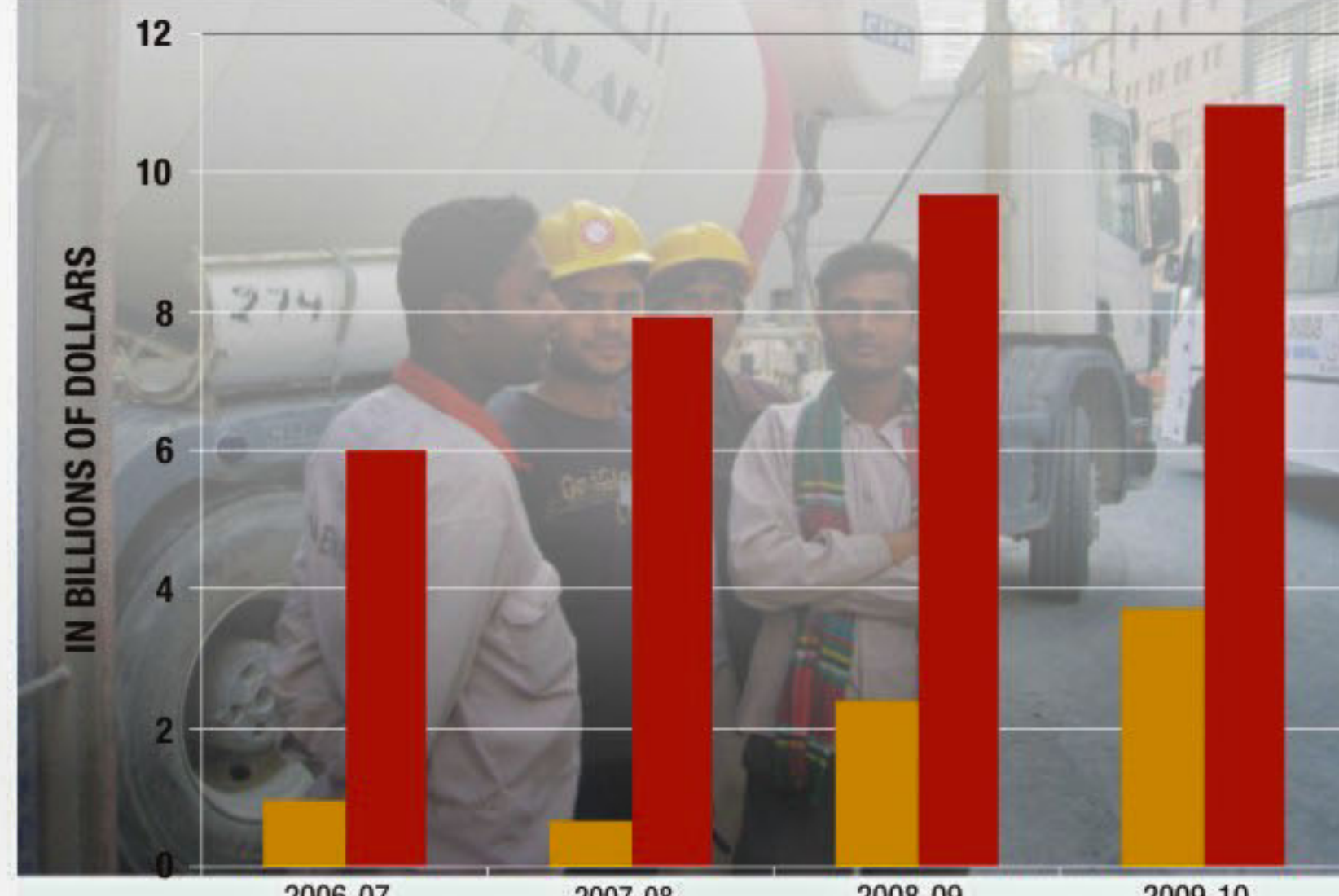
In 1995, he was appointed managing director for Heineken in Slovakia. Four years later, he took over as managing director for Heineken Export Worldwide.

In 2001, Bolland was made a director at Heineken, with responsibilities for western Europe, US, Latin America, northern Africa and Global Marketing.

As the M&S boss, he is in charge of 1,010 stores, which posted revenues of £9.1 billion (\$15.3 billion) last year.

Surplus despite global slump: BB

But official numbers too rosy



MEHDI MUSHARRAF BHUIYAN

The country's current account balance posted a massive surplus, thanks to surging remittance numbers and modest growth in imports, according to the central bank.

The latest statistics of Bangladesh Bank for fiscal 2009-10 show a surplus of \$3.73 billion at the end of June, rising 54 percent from during the previous fiscal year of 2008-09.

In spite of the global recession, Bangladesh's balance of payments was boosted by higher remittances sent by migrant workers, said a high official with Bangladesh Bank. This was augmented by slow growth in imports of only 5 percent.

The figures show the flow of remittance increased 13 percent to \$10.97 billion. But the growth over the prior fiscal year's \$9.69 billion may be more official than real.

Insiders attribute the growth to an increased use of legal channels in sending remittances more than to an increase amount of remittance. They said the numbers suggest the nation fended off the impact of the recession better than it perhaps did.

The country's total imports grew about 5 percent to \$23.74 billion, whereas it grew 16 percent in 2008-09. A lesser demand for machines in the garments industry likely resulted from the global economic crisis.

According to the latest figures of Export Promotion Bureau, Bangladesh's export of knitwear and woven garments barely increased -- 0.84 percent and 1.6 percent, respectively -- during the 2009-10 fiscal year.

Bangladesh earned a total of \$6.48 billion exporting knitwear and another \$6.01 billion exporting woven garments, falling short of the target by 11 percent and 10 percent, respectively.

Bata looks to expand business

STAR BUSINESS REPORT

Bata now looks to expand business, setting up more 'large format stores' countrywide in the next few years, as officials of the multinational shoemaker said.

"We're looking to set up 15 more retail outlets in Dhaka by the year-end," Rajeev Gopalakrishnan, Bata's managing director for Bangladesh, told a press briefing yesterday.

Gopalakrishnan also laid bare his plan to add at least 20 to 25 such stores in different parts of the country each year.

"In such a way, we want to reach the doorsteps of the rising middle class buyers."

The world-class footwear giant is currently operating through 260 retail outlets and around 1,000 dealers across the country.

Recently, the company has also brought renowned international brands such as Hush Puppies, Scholl and Nike in Bangladesh, along with the existing ones like Power, Marie Claire and Bubblegummers.

"We sell around 30 million pairs of shoes and other footwear annually in the country whereas the total market size is actually 140 million pairs," said MA Quader, consultant for Business Development.

Deadline for Indian telcos

REUTERS, New Delhi

The Indian government, which has threatened to block some BlackBerry services over security worries, has formally asked mobile operators to ensure a monitoring system for the smartphone's services by Aug. 31.

At least three mobile operators confirmed they had received letters from the

Department of Telecommunications giving them a deadline to put in place monitoring capability for BlackBerry Messenger and secured Enterprise email services.

"We have received a letter ... asking us to ensure that legal intervention capability is put in place for BlackBerry services by 31 August 2010," a statement from Tata Teleservices, one of the operators given the deadline, said.

NOTICE OF ROAD SHOW FOR PRICE DISCOVERY

This is for kind information of all Eligible Institutional Investors (EII) [as per Securities and Exchange Commission (Public Issue) Rules, 2006] for discovery of indicative price of issuance of 30,000,000 ordinary shares of Unique Hotel and Resorts Limited through Initial Public Offering under book building method. The offering summary and detail of the road show of Unique Hotel and Resorts Limited are as follows:

OFFERING SUMMARY:
Public Offer : 30,000,000 Ordinary shares
Face Value : Tk.10 each share
Issue Manager : **BRAC EPL Investments Limited**

DETAIL OF ROAD SHOW:
Venue : The Westin Dhaka
Date : 1 September 2010
Time : 4:00 P.M. to 6:00 P.M. followed by Iftar

All Eligible Institutional Investors (EII) are requested to participate in the road show for price discovery of Unique Hotel and Resorts Limited.

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The Westin Dhaka

1 September 2010

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