Branding for RMG comes under focus

Nielsen Bangladesh stresses better skills management

STAR BUSINESS REPORT

Bangladesh needs extensive branding at home and abroad for long-term sustainability of the apparel sector, according to a research paper released yesterday.

The paper also suggested promoting skilled management in the sector as the contribution of readymade garments (RMG) is increasing in the economy.

Three steps must be implemented immediately for long-term business in the RMG sector, said Khalid Hasan, managing director of Nielsen Bangladesh, while presenting the outcomes of a research on 'Empowering the Working Class Through Enhancing Lifestyle: The Story of Bangladesh Garment's Workers' at a roundtable in Westin Dhaka.

These steps are -- ensuring a 100 percent power supply, efficient port management and infrastructure development, and political stability.

Nielsen Bangladesh, a global market research company, conducted the research to find the contribution of the apparel sector to the economy and society.

"There is a shift in all aspects of life," the research paper said, focusing on the sector's contribution in the social transformation of garment workers.

The paper also said the RMG sector is an inevitable option when personal, social and financial salvation is taken into account. "We need to brand the country's RMG sector positively," Hasan said.

The paper suggested exploring new factory locations, relocating the factories in Dhaka and building capacity to produce skilled workers.

The RMG sector contributed to poverty alleviation, employment generation, women empowerment and improved standards of living, the paper said.

Outgoing Commerce Minister Faruk Khan said the achievement of the garment sector is a result of working together, and not the outcome of any individual's efforts.

He urged businessmen to strictly follow compliance rules for greater market share globally.

"Businessmen should also think about the welfare of the workers. The workers are still under pressure," he said.

"They have to spend 42 percent of their income to purchase food alone," the minister said. "Let us not think about corporate social responsibility in a western style. Let's not follow the exact capitalism."

Foreign investment in the RMG sector will be allowed only in the high-end garments segment, he said.

He suggested the first generation garment entrepreneurs take responsibility of the second generation, so that they can learn the business at an early age.

"The media must play a positive role. It is high time to talk about the positive news of Bangladesh," said Syed Ferhat Anwar of Bangladesh Brand Forum at a roundtable after the release of the report.

Setting up special economic zones (SEZs) is a better option for the RMG sector, he said. He also suggested allowing investment outside the country so that local fashion brands can go outside and become multinational companies.

In his speech, Faruque Hassan, vice-president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said Bangladesh is now the second largest garment exporting country globally.

"We have grabbed only 4.6 percent of the global garment business. So we have a lot of untapped potential," he said.

Acting BGMEA President Siddiqur Rahman chaired the session.

GP

Md Shubid Ali Bhuiyan, chairman of the parliamentary standing committee on the power, energy and mineral resources ministry, launches a service for the payment of gas bills of Jalalabad Gas Transmission and Distribution System (JGTDSL), at The Westin Dhaka on Sunday. Grameenphone in collaboration with JGTDSL launched the service.

Huge sell-offs pull down stocks

STAR BUSINESS REPORT

Stocks declined for a third day as investors went for huge sell-offs yesterday fearing the market may become instable again.

The benchmark general index, DGEN, of the Dhaka Stock Exchange closed at 5,051.67 points -- a three-week low -- after falling 109.56 points or 2.12 percent.

Institutional investors also remained inactive to make new exposure in the market following the yearend closing of banks and financial institutions this month.

The market did not gain also after the regulator's declaration of a 21-point stimulus package to stabilise the market due to institutional investors' reluctance to make new investment, market insiders said.

Following the institutional investors' tendency, most of the small investors adopted a wait-and-see policy to observe the market, while some of them decided to leave the market, they said.

However, stalemate lingers with a directive of the Securities and Exchange Commission following which every sponsor, director and promoter of listed companies should hold 30 percent stakes, and if anyone lacks in the holding they should achieve the holding by the next six months.

According to the SEC's trading rules, sponsors or directors of the listed companies cannot transact shares two months before submitting their audited financial statement and achieving the final approval.

A top SEC official said the regulator will issue a clarification this week to allow the sponsors, directors and promoters to buy shares despite the barriers of insider trading rules.

The commission has already allowed 15 companies' director, sponsors and promoters who have barriers to buy shares, he said.

Retail investors will adopt tough movements next month, if the government cannot stabilise the market and compensate the small investors by January 10 next year, they said in a press meet in the capital yesterday.

Bangladesh Share Investors Association organised the meet and later demonstrated in front of DSE

BANK ASIA

Md Mehmood Husain, president and managing director of Bank Asia, opens the Oxygen Mor SME Service Centre of the bank as a full-fledged branch in Chittagong on Sunday. Mohammed Roshangir, deputy managing director, and Swapan Dasgupta, executive vice president, were also present.

ICCB

ICC Bangladesh President Mahbubur Rahman speaks at a workshop on ICC Rules and Tools for International Trade, in the capital yesterday.

RMG makers expect more buyers in Batexpo this year

Mega show kicks off Dec 10

STAR BUSINESS REPORT

The garment makers expect more international buyers this year in the upcoming 22nd annual Bangladesh Apparel and Textile Exposition (Batexpo) as the country mainly produces basic garment products, the event organisers said yesterday.

The demand for basic garment items increases during the time of financial crisis, said Siddiqur Rahman, acting president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), while briefing journalists and lead sponsors of the event at the association office.

He said, during the recession in 2007-2008, the export of garment items from Bangladesh remained unhurt as the international buyers continued to procure basic items from Bangladesh.

This year the three-day Batexpo will kick off on December 10 at Bangabandhu International Conference Centre in Dhaka, Rahman said.

At the briefing Syed Nurul Islam, chief coordinator of the show, said the exhibition will have more than 150 local and international stalls. All the stalls have already been sold, he said.

Prime Minister Sheikh Hasina is expected to inaugurate the event as the chief guest, while opposition chief BNP Chairperson Khaleda Zia is scheduled to attend the closing ceremony as the chief guest, the organisers said.

New Alpenliebe Eclairs hits market

STAR BUSINESS DESK

Perfetti Van Melle Bangladesh has recently launched new Alpenliebe Eclairs in Bangladesh market, the company said in a statement yesterday.

The chocolate with a chewy shell and chocolate filling is priced at Tk 2.

"The Alpenliebe brand brings joy to the entire family with a wide variety of tasty products. We noted that chocolate based options were not available here, and gave ourselves the challenge to offer an international quality chocolate product at an affordable price," said Afzalul Hasan Khan, head of marketing of the company.

"The new Alpenliebe Eclairs is the result of this development exercise. I am proud to say that Bangladesh is the first country where our group has started manufacturing this product."

ICCB raises concern about global meltdown

STAR BUSINESS DESK

Banks and businesses in the country need to take stringent measures to ensure that their sales transactions are watertight considering the on-going global economic crisis, said ICC Bangladesh President Mahbubur Rahman yesterday.

He said the global financial crisis will also increase economic uncertainty in Bangladesh, making it difficult for the country to achieve its target annual growth rate of 7 percent, according to World Bank.

The huge borrowing by the government during the first five months of current fiscal year as well as the ongoing volatile situation in the stockmarket will discourage banks to extend credit to the private sector, said Rahman.

He made the comment following ICC Global Trade Finance survey of International Chamber of Commerce (ICC) that gleaned hard facts from more than 100 countries.

The survey reported that 34 percent of the respondents indicated an increase in the percentage of documents refused on first presentation and 94 percent of the respondents experienced increased pressure from applicants to refuse documents during 2010, Rahman said.

He spoke while inaugurating a daylong workshop on ICC Rules and Tools for International Trade in the capital. ICCB organised the event with support from Eastern Bank.

In a report released on November 29, the World Bank said that economic growth in Bangladesh was strong in the fiscal year that ended this June, reaching 6.7 percent. But the donor agency said the growth outlook for the July 2011-June 2012 fiscal year remains uncertain.

"We are already noticing the effect of debt problems in the United States and the Euro-zone on Bangladesh's balance of payments and pressure on the exchange rate. It also noted that the country's slow pace of reforms, inadequate energy supply and poor infrastructure may also affect domestic and foreign investment further dampening economic prospects," Rahman said.

According to World Bank, a high and volatile inflation rate driven by food prices remains a concern in Bangladesh. Inflation reached 12 percent in September, the highest recorded since 1999, said he said.

The decision of the central bank to allow more commercial banks in the private sector may also create additional problems into the liquidity situation as well as shortage of qualified, experienced and efficient officials may worsen the situation further, he observed.

Govt okays proposal for tannery effluent treatment plant

STAR BUSINESS REPORT

The cabinet purchase committee yesterday gave a go-ahead to a Chinese contractor to set up Shahjalal Fertiliser Factory at Fenchuganj in Sylhet.

Finance Minister AMA Muhith presided over the meeting. It also okayed a proposal for construction of a common tannery effluent treatment plant in Savar.

According to the industries ministry's proposal, the fertiliser factory will be constructed by China National Complete Plant Export Import Corporation Limited. Implementation of the project involves Tk 5,409 crore.

The Chinese government will provide Tk 3,986 crore or $580.19 million of the total cost for the project in the form of concession loan and will charge 2 percent interest. It has to be paid back in 20 years.

Besides, 0.2 percent commitment fees will be charged on undisbursed balance. In addition, 0.2 percent of the total loan will have to be paid as management fees.

As per the conditions of the loan, the Chinese

Robi posts Tk 12.5cr loss in Q3

STAR BUSINESS REPORT

Robi yesterday declared a third-quarter loss of Tk 12.5 crore, although the mobile operator touched the break-even point in the previous quarter.

The company earned Tk 782.1 crore in revenues in Q3, 13 percent higher than the same period in 2010 and 3 percent higher than Q2 this year.

According to the company, the loss is mainly caused by the devaluation of local currency and adopting modern equipment.

The company's earnings before interest, taxes, depreciation and amortisation (EBITDA) for Q3 this year was up by 18 percent from Q2, driven by aggressive subscriber growth, reduction in SIM tax and a cost-effective management, said Mahtabuddin Ahmed, chief financial officer of Robi.

The company also added 7.85 lakh subscribers in Q3, an increase of 5.4 percent than the previous quarter, Ahmed said.

He was speaking at a press briefing at the mobile operator's head quarter in Dhaka where Michael

INCEPTA PHARMACEUTICALS

Abdul Muktadir, managing director of Incepta Pharmaceuticals, attends the company's annual sales conference 2012, at Bashundhara Convention Centre in Dhaka recently.

SUMMIT

Muhammed Aziz Khan, *second from left,* Summit Group chairman, presents a plaque to Hubertus Pleister, director for Asia of DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH, as the German company provided a long term loan of $22.5 million to Summit Narayanganj Power Company, at a programme recently.