

Compliance can help widen market

Analysts tell garment makers at BATEXPO seminar

STAR BUSINESS REPORT

Garment makers in Bangladesh should take care of the compliance issues to grab more share of the international market, analysts said at a seminar yesterday.

They said "more compliance means more market share."

The suggestion came at the seminar on "challenges of meeting compliance issues while exporting RMG" on the sidelines of the ongoing mega textile show -- BATEXPO 2011 -- at Bangabandhu International Conference Centre.

Bangladesh Garment Manufacturers and Exporters Association is organising the annual Bangladesh Apparel and Textile Exposition (BATEXPO).

Garment exporters are now facing multiple challenges in compliance, which is increasingly becoming an important aspect of supply chain, said Avedis H Seferian, director (compliance) of WRAP USA that gives compliance certificates to garment factories worldwide.



Ghulam Hussain, second from left, commerce secretary, and Shafiul Islam Mohiuddin, centre, president of Bangladesh Garment Manufacturers and Exporters Association, attend a seminar on "Challenges of meeting compliance issues while exporting RMG" on the sidelines of textile show BATEXPO 2011 at Bangabandhu International Conference Centre in Dhaka yesterday.

International buyers are now more concerned about social compliance issues such as work environment, child labour, fire safety and wages, to protect their brands' reputation among customers, he said.

The customers are now well-

aware of where the products are manufactured, the workers' working conditions and living environment because they get information on these with the advent of modern technology, he added.

Seferian stressed more compliance with global standards as

it will enhance productivity and fulfil the buyers' requirements.

"It will ultimately help to grab more market share," he added.

"It is time to focus on the compliance issues as it will help the apparel makers enhance productivity and reduce labour

unrest," said Jenefa K Jabbar, regional sustainability director of JC Penney, a leading garment sourcing company.

Commerce Secretary Ghulam Hussain said Bangladesh's garment sector is now facing fierce competition in the global market due to recession.

He said compliance can give a win-win situation to both the buyers and suppliers.

The commerce secretary said cheap labour is a comparative advantage for the country's apparel sector.

But, this advantage will not stay for long, he said, adding: "So we have to be more compliant with the global standards as it will enhance competitiveness."

He asked the garment makers to comply with the country's labour laws properly. "If you (manufacturers) comply with your own labour laws, you can fulfill around 98 percent of the buyers' compliance requirements," said Hussain.

William Hanna, head of the European Union delegation to Bangladesh, also spoke.

KS Tabrez, managing director of Dutch-Bangla Bank Ltd, inaugurates the 106th branch of the bank at Tamaltala in Jamalpur Sadar yesterday. Muhammad Musaddiqur Rahman, deputy managing director, was also present.

Foreign investors rate Ctg high: German envoy

STAFF CORRESPONDENT, Chittagong

Chittagong has emerged as an attractive outlet for foreign investors because of its geographical location, said the German ambassador in Dhaka yesterday.

The port city has created a positive notion among German investors due to its infrastructural development with the expansion of Dhaka-Chittagong highway and construction of flyovers, said Holger Michael.

Michael spoke at a meeting with the officials of Chittagong Chamber of Commerce and Industry (CCCI) in Chittagong, the chamber said in a statement yesterday.

He marked the present time as the most suitable time for spreading bilateral trade and investment between Bangladesh and Germany, as the government high-ups of the two countries had recently visited their counterpart's places.

Michael appreciated the construction of World Trade Centre by the chamber, and assured the body of providing all cooperation in the upcoming visit of CCCI trade and investment delegation to Germany.

CCCI President Murshed Murad Ibrahim said the trade between the two countries stands at around 2.8 billion euros. "And still there is a lot of opportunity to enhance the trade."

The chamber's Senior Vice President Mahbul Alam called for more German investment in the prospective sectors, including shipbuilding, power, composite textile, leather and leather goods.

Britain could be 'isolated' by EU veto: Clegg

AFP, London

Britain could be "isolated and marginalised" by the European Union after vetoing treaty change aimed at ending the euro debt crisis, Deputy Prime Minister Nick Clegg said Sunday.

The Liberal Democrat party leader's comments saw him officially breaking ranks with Conservative Prime Minister David Cameron, who was responsible for the veto at a summit in Brussels on Friday.

"I am bitterly disappointed by the outcome of last week's summit, precisely because I think there is now a real danger that over time the United Kingdom will be isolated and marginalised within the European Union," Clegg told the BBC.

Clegg -- who had until now limited himself to expressing "regret" over the veto -- rejected Cameron's arguments that it was necessary to protect Britain's vital City of London financial services hub.

China's Hu vows to tackle trade imbalances

AFP, Beijing

Chinese President Hu Jintao pledged Sunday to resolve trade imbalances with nations that have huge deficits with the Asian powerhouse, as China marked the tenth anniversary of its accession to the WTO.

In a speech in Beijing, Hu said China was not intentionally seeking a trade surplus -- a bugbear for major trade partners such as the United States who say Beijing's exports are cheap because its currency is undervalued.

"We will strengthen economic cooperation with countries that have substantial trade deficits with China, and work together with them to gradually resolve trade imbalances," Hu said in the Great Hall of the People.

"We will... actively expand imports to drive the transformation of the foreign trade pattern in a bid to promote the basic balance of international payments. We do not deliberately pursue a trade surplus."



PROTHOM ALOJOBS

Prothom-alojobs in partnership with Core Knowledge Ltd, an initiative of Rahimafrooz, has recently introduced Online Learning Tools that is a web-based platform focused on delivering e-learning courseware, multimedia content, e-books, videos and e-reference materials for workforce training and development.



GRAMEENPHONE

Faruk Khan, civil aviation and tourism minister, hands the "Best presented accounts and corporate governance disclosure awards 2010" for the annual report for 2010 in the ICT category at the South Asian Federation of Accountants, to Raihan Shamsi, deputy chief executive officer of Grameenphone, at a programme recently. GP won the award jointly with Sri Lanka Telecom.

It's time to count cost of eurozone shrinkage: analysts

AFP, Brussels

Economists, banks and even punters in bookmakers are studying more and more seriously scenarios involving the collapse of the eurozone.

Maybe not its total evaporation, but certainly shrinkage with peripheral or weak countries falling off the currency's map -- and in all cases, according to the experts, with a heavy price to pay.

Analysts agree that no country would emerge unscathed, at least in the short term.

As for the long term? Well, few even dare to imagine the fall-out.

In the view of London-based Capital Economics, even a limited re-drawing of the eurozone's borders, with the exit of the bailed-out trio of Greece, Ireland and Portugal over the next two years, would trigger a drop in eurozone gross domestic product (GDP) of 1.0 percent in 2012 and 2.5 percent in 2013.

That would equate to the same sort of economic contraction endured between

2008 and 2009 following the financial crisis triggered by the collapse in the US home loan market.

In a recent note to investors, UBS bank calculated that if a "weak" euro country like Greece gave up the currency it would cost every man, woman and child there some 10,000 euros (more than 13,000 dollars) each in the first year, and thousands more over the adjustment period.

Even a "strong" country like Germany would see a loss of between 6,000 and 8,000 euros per head in year one -- between one quarter and one fifth of the country's annual economic output.

A return to the drachma, the deutsche mark, the punt and the franc or any other national currency would mean devaluations for some, appreciation for others.

According to Jens Nordvig of Japan's Nomura Securities, Germany's currency would rise against the dollar, but Greece would lose 60 percent of its money's value.

Italy, Spain or Belgium would lose around a third each.

Stocks plummet for sixth day

STAR BUSINESS REPORT

Stocks continued a bearish trend for the sixth day as small investors did not budge from their wait-and-see approach following the inaction of institutional investors.

The benchmark General Index of Dhaka Stock Exchange (DSE) closed at 4,846.80 points, after losing 85.49 points or 1.73 percent yesterday. The index lost 421.75 points in the last six days.

The premier bourse index declined more than 90 points at 11:20am due to massive sell-offs.

"Most institutional investors remained inactive," said Ahasanul Islam, vice president of DSE.

There are no logical reasons behind the recent downtrend seen in the market, said Islam.

The price-earnings ratio has fallen to 11.82, the lowest since 2006, according to DSE data.

Small investors demonstrated in front of the DSE building to protest the relentless downtrend of stocks. They chanted slogans against the government.

"The market is losing its capitalisation

with low volumes of trade as the large institutions refrained from trading due to a severe liquidity crisis," LankaBangla Securities said in its market analysis.

The number of transactions increased slightly at the bourse, where turnover and trade rose by 1.11 percent and 0.85 percent.

A total of 79,157 trades were executed, generating a turnover of Tk 204 crore with 4.19 crore shares changing hands.

On the DSE, 31 share prices gained, while 216 shares declined. A total of six remained unchanged.

In the financial sector, non-bank financial institutions lost 3.51 percent of market capitalisation. The engineering and service and real estate sectors lost 3.48 percent and 2.89 percent.

Beximco traded 9.50 lakh shares worth Tk 10.84 crore as the turnover leader.

Companies with low capitalisation dominated the list of top gainers. Tallu Spinning was the biggest gainer of the day, rising by 9.86 percent.

The Chittagong Stock Exchange also declined yesterday with the Selective Categories Index losing 132.25 points or 1.46 percent, to end the day at 8,925.96.



STANCHART

Abbar Anwar, a managing director of Standard Chartered Bank, and Arun Kaul, managing director of British American Tobacco Bangladesh (BATB), inaugurate an Employee Banking Kiosk of the bank at the premises of BATB in the capital recently.



EBL

Ali Reza Iftekhar, managing director of Eastern Bank, inaugurates an SME/Agri branch of the bank in Comilla yesterday. Muklesur Rahman, deputy managing director, was also present.



UCB

Akhtaruzzaman Chowdhury, chairman of United Commercial Bank, opens the Anowara branch of the bank in Chittagong yesterday. M Shahjahan Bhuiyan, managing director, was also present.