

# Relocate RMG units to rural areas: Muhith

STAR BUSINESS REPORT

Finance Minister AMA Muhith yesterday suggested garment makers subcontract partial processes to rural areas to reduce the urban pressure.

"You do not need to bring all the workers to the city. You can dye, stitch and cut the garment items in the rural areas through subcontracting," Muhith said.

Moving goods is easy in Bangladesh now, Muhith said as the chief guest at the inaugural of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) sponsored GORBO-2, a musical talent-hunt reality show for garment workers.

The minister also unveiled the CD album of the top 10 GORBO-1 singers from 2010 at the ceremony at the Radisson Hotel in Dhaka.

Begum Monnujan Sufian,

state minister for labour and employment, said the government will make three dormitories for garment workers in Narayanganj, Ashulia and Gazipur to reduce the housing problem.

She suggested allocation of funds for dorms to individual factories from the under-utilised Prime Minister's Fund of Tk 100 crore.

Strong partnerships between workers, owners and the government will help Bangladesh beat China to become the largest apparel exporter worldwide, said Dan W Mozena, the US ambassador to Bangladesh.

Bangladesh should be the number one garment exporter in the world and the Chinese investment should also come to Bangladesh, he commented.

"I am pleased to see the government, workers, owners and

representatives from the ILO (International Labour Organisation) working to implement the Better Work Programme of the ILO," Mozena said.

Implementation of such programme at the factory level will help coming together of all stakeholders, he said.

Workers and managements of the garment factories have miraculously turned Bangladesh into the second largest garment exporter in the world, Mozena said.

Commenting that it is not possible to increase worker salaries every month or year, Israfil Alam, chairman of the parliamentary standing committee on labour and employment ministry, said: "Only assured global fair prices for cutting and making could ensure fair salaries for workers."

Ralf Matthias Reusch, chargé

d'affaires of the German embassy in Dhaka, said Bangladesh should also increase the social activities and compliances at the factory level to continue export growth of garment items.

He also echoed Mozena's comment about Bangladesh's opportunity and potential to become the largest garment exporter globally.

AK Azad, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) said the country needs political stability to achieve the export target of \$28 billion during the current fiscal year.

David Sauman, country representative of H&M, said the readymade garment industry is vital to the Bangladesh economy, just as workers are to the industry. Programmes like Gorbo would increase sustainability of the industry, he hoped.

Abdus Salam Murshedy, president of the Exporters Association of Bangladesh, urged all the owners to pay salaries and arrears in time to avoid untoward incidents before the Eid festival.

He also urged the government to introduce rationing system for the garment workers so that they can buy the five basic commodities at rational prices.

Atiqul Islam, chief coordinator of GORBO-2, said the programme will play a great role toward a better industrial relationship in the sector.

The talent hunt will continue over the next six months to select 10 best singers among the garment workers, he said.

President of Dhaka Chamber of Commerce and Industry Asif Ibrahim, representatives from ILO Dhaka office and GIZ also spoke.



SAMSUNG

Choon Soo Moon, managing director of Samsung Electronics Bangladesh, and Arshad Huq, chief operating officer of Transcom Mobile Ltd, inaugurate Samsung Experience Centre at Transcom Digital in Karwanbazar in Dhaka recently.

## BRAC Bank clarifies bKash's operations

STAR BUSINESS DESK

BRAC Bank and its subsidiary bKash Ltd yesterday refuted allegations made in news media of violations of Bangladesh Bank rules.

"These reports present erroneous information and misrepresent the facts of the bank and its subsidiary operations," the bank said in a statement yesterday.

"The news has created confusion among readers and discomfort among valued customers, stakeholders and patrons of BRAC Bank Ltd and bKash Ltd."

Since inception, bKash, a subsidiary of BRAC Bank, has conducted its operations in full compliance with, and as per, explicit instructions from the central bank, it said.

"BRAC Bank assumes full responsibility for bKash's operations, as per Bangladesh Bank directive. The accumulated physical cash balance of all bKash mobile accounts, as per Bangladesh Bank's instruction, is held by BRAC Bank in an account which is under the surveillance of Bangladesh Bank."

Furthermore, BRAC Bank maintains the record of all individual bKash mobile accounts in its own system, the total balance of which is reconciled with bKash's pool balance on a daily basis, it said.

To mitigate any confusion, Bangladesh Bank, via a letter on August 2 to BRAC Bank, corroborated that bKash's operations were in full compliance with the guidelines for mobile financial services.

BRAC Bank, the majority shareholder of bKash, was established in 2001 with the primary objective of offering financial services to small entrepreneurs.

bKash takes the objective to another level, by way of mobile financial services to the under-served population who otherwise do not have access to traditional banking services.

## BB moves to check spread of fake notes

STAR BUSINESS REPORT

Bangladesh Bank (BB) yesterday urged people not to get scared about fake notes as law-enforcement agencies mounted watch.

A total of 125 fake-note detecting machines have been deployed at major shopping malls ahead of Eid, Ashim Kumar Dasgupta, executive director of the central bank, told The Daily Star. In addition, fake-note resistance committees, comprising representatives from banks, the police and local administration, have been working at district levels.

Forgers generally try to release fake notes ahead of Eid as cash transactions increase significantly.

"The commercial banks have been cautioned to thwart the entry of fake notes into the banking system," said Dasgupta. The banks have been instructed to ensure the use of modern fake-note detecting machines in all their branches, he added.

The official said the central bank checked around 25 million notes of different denominations from the vaults of 27 commercial banks since April. But it

## Open new avenues for jobs

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He feels Bangladesh needs to now identify, launch and support new export sectors with job creation potential similar to RMG, and the fact that the global buyers are actively seeking alternatives to China-manufactured products should provide the impetus.

"Our own window of demographic opportunity may remain open for a maximum of three more decades, but the relocation window will certainly not be open for that long," he said.

Elahi, chairman of the leading footwear exporter Apex Adelchi Footwear Ltd, said Bangladesh must invest in education and human resource development.

Finance Minister AMA Muhith echoed Elahi's views about discovery of high employment-generating industries, particularly to draw in the abundance of labour that lie in rural sectors.

Muhith also stressed the need for skilled worker production and human resource development.

"The growing domestic market, however, should be given equal importance to the export sector," he added.

Muhith said job creation is one of the priority sectors for the government as the country has a significant pool of unemployed people.

Mahabub Hossain, executive director of BRAC, said attention should be given to the youth.

"They should be given education and training so that the country can utilize their talents and they are well-equipped to deal with periods of unemployment."

He said agriculture should not be completely dismissed as a generator of jobs, but suggested better linkage of rural areas to the markets for value addition of agricultural products.

"Microcredit, however, can create ample job opportunities and help entrepreneurs to do likewise."

He urged the government to create a conducive environment such that the private sector can invest and create jobs. Jairam Ramesh, India's minister for rural development, drinking water and sanitation, however, said the focus should also be on creating productive and green jobs.

"We have to look at manufacturing sector in a different way as the sector itself is becoming less labour-intensive due to the integration of new technology to the sector," Ramesh added. HT Imam, an adviser to the government, chaired the session.



OMERA

Nizam Ahmed, managing director of Omera Petroleum Ltd, and Ayet Azer Aran, chairman of Repkon Foreign Trade & Marketing Co Ltd of Turkey, exchange documents of an agreement between their companies for engineering, supply, installation and commissioning of Omera LPG Cylinder Manufacturing Plant recently.



STANCHART

Abdul Muktaadir, managing director of Incepta Pharmaceuticals, and Afaq Khan, chief executive officer of Islamic banking at Standard Chartered Bank, exchange documents of an Islamic finance deal. Incepta will borrow \$20 million from StanChart.

# Develop tech to ease farmers' lives: minister

## Matia Chowdhury speaks at workshop

STAR BUSINESS REPORT

Agriculture Minister Matia Chowdhury yesterday asked agriculture scientists to develop new technologies to reduce the sufferings of farmers who toil to feed the nation.

She said farmers suffer from back pain and injuries to the fingers while applying guti urea, and the poor women farmers get water-borne diseases while collecting jute fibre.

"We cannot allow farmers to bear such sufferings just because they cannot change their occupation," Chowdhury said at a workshop at the Bangladesh Agricultural Research Council (BARC) auditorium in Dhaka. "We all, including scientists, are dependent on them. So, we must think of reducing their sufferings."

International Fertiliser Development Centre (IFDC) with support from USAID organised the workshop under a project - Accelerating Agricultural Productivity Improvement (AAPI).

IFDC has been promoting guti urea, which is bigger in size than ordinary urea fertiliser and placed beneath soil in rice

fields and helps increase rice productivity by around 20 percent with around 30 percent reduced use of urea.

Chowdhury said the technology requires more time and farmers face back pain in applying guti urea. However, she is now happy as IFDC has developed an applicator suitable for the farmers applying guti urea.

The minister distributed 50 such applicators to the farmers and said 500 more will be distributed among the farmers in the current aman season.

IFDC Resident Representative Ishrat Jahan said IFDC would continue to improve the applicator and distribute it among the farmers.

Agriculture Secretary Monzur Ahmed said the guti urea technology saves urea, increases productivity and saves the environment.

"This is something great," he said. Bangladesh being a fertiliser importing country could save huge subsidies by using more guti urea, he added. Presently, guti urea is used on about six lakh hectares of land in the country.

USAID Mission Director Richard Greene also spoke.

## Govt resets base year to track inflation

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According to the old base-year data, the prices of both food and non-food item fell in July, when food inflation declined by 0.78 percentage point, and non-food inflation by 0.18 percentage point.

Though food inflation showed a substantial fall, the non-food inflation rate is still in double digits. Kamal said non-food inflation still remains high due to the increased costs of clothes, house rent, furniture and healthcare.

He also said the difference in inflation rates between the two base years occurs as some new food and non-food items were included in the inflation basket, while some old items were excluded.

BBS Joint Director Abul Kalam Azad said, in the new basket the weight of rice has increased slightly compared to the basket in the old base year.

Azad said, as the prices of rice have fallen recently, the inflation rate is less in the new base year than that in the old year.

Another BBS official said the weight of

rice in the basket of the new base year is 14.36 percent, which was below 14 percent in the previous base year.

The government agency will publish both types of inflation data till December.

According to a BBS report, the number of total commodities in the consumer basket is 318 in the new base year.

Of these, 182 have been carried forward from the previous basket, while 33 items were excluded and 136 new items were included.

In the urban area, the number of total commodities in the consumer basket is 422. Of these, 271 commodities were included from the previous basket and 31 were excluded. A total of 151 new items were added.

The BBS officials said the new food items included are rice (unboiled), atta (red), flour (white), imported fish such as ruhi, silver carp, pangash and tilapia, and broiler chicken. Mobile phone, colour television and VCD are some of the newly added non-food items.

## Population boom spoils gains of poverty cut

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Food and Disaster Management Minister Muhammad Abdur Razzaque and US Ambassador to Bangladesh Dan W Mozena also spoke in the session chaired by Ambassador and Permanent Representative of Belgium to the UN Jan Kamiel Frank Grauls.

The discussants linked poverty with uneven distribution of land and a lack of access to productive assets and income.

Other factors behind the rising hunger are neglect of agriculture by governments and international agencies, global economic crisis, high food prices and negative impacts of climate change.

"Hungry people do not have sufficient land to grow their own food by themselves or sufficient income to purchase enough food," said Ahmad.

He said Bangladesh has made noteworthy progress in various social and economic indicators, including a cut in poverty by 25.1 percentage points to 31.5 percent in 2010. Globally, poverty rate also declined. But the number of hungry people soared to 925 million in 2010 from 780 million in 1995-97, although food production increased, he said.

World agriculture produces 17 percent more calories per person today than it did 30 years ago, despite a 70 percent population increase, said Food Minister Razzaque.

He said the number of hungry people in Bangladesh has not reduced to that extent despite a falling rate of poverty.

"It is mainly because of population growth," he said.



SAJEEB CORPORATION

MA Hashem, chairman of Sajeeb Group, presents Mokbul Hossain from Narayanganj, a cheque for Tk 1 lakh for the Tang Lakhopoti Offer for wholesalers and retailers of the drink, by Sajeeb Corporation at a prize giving ceremony in Farmgate, Dhaka, on Saturday.