

Use of jute sacks still limited

No progress in framing rules although the law was passed two years ago

SOHEL PARVEZ

The government is yet to frame rules to make the use of jute sacks mandatory to pack commodities, although the related law was enacted two years ago.

The use of jute sacks remains limited in absence of the law, said jute goods makers. "Plastic goods makers feel that their markets will shrink if such packaging is made compulsory. That's why, they objected to it," said a senior official of jute and textiles min-

istry, asking not to be named.

In 2010, the government enacted the packaging law to increase the use of environment-friendly jute goods instead of polythene or polypropylene bags.

Currently, Bangladesh exports around 20 lakh bales of raw jute a year, while it produces 60-70 lakh bales of jute annually. Local factories use the rest 40 lakh bales to make yarn and jute goods, more than 80 percent of which are exported.

READ MORE ON B3

RMG workers demand salaries before Oct 15

A CORRESPONDENT, Gazipur

Workers observed work abstention and staged protests at two garment factories in Gazipur Sadar upazila to press home their demands for production incentive and more Eid holidays.

About 7,000 workers of Intramex Group in Teen Sarak area started a sit-in and agitation programme from 8.30am yesterday, police said.

They also demanded the salary of September and a half month's salary of October before October 15.

Police later went to the spot and brought the situation under control.

A worker of the factory said the workers had an altercation with some officials on Friday afternoon over the demands.

At one stage, sewing operators Ziaul Haque and Maqbul Hossain were injured

as the workers beat them up, he said, requesting not to be named.

Four others, including sewing operator Ramzan Ali, were also assaulted.

Managing Director of the Group ATM Anayet Ullah came to the factory at around 12 noon and held a meeting with the agitating workers.

In the meeting, he assured the workers of giving eight days' Eid holidays and paying the dues in two instalments.

Meanwhile, the workers of Dody Fashion also started a work abstention programme to press home their demands.

The agitating workers joined the work after the authorities assured them of meeting the demands.

Gazipur industrial area police sub-inspector Md Selim Khan confirmed the incidents and said the situation was now under control.

India's insurance reform sends strong signal

ANDY MUKHERJEE

India's new finance minister is rekindling the country's love affair with investors. After years of policy inaction and a string of corruption scandals, New Delhi's decision to allow foreigners a bigger stake in its insurance and pension industries is another indicator of its determination to push through reforms.

Granting overseas insurers the right to own as much as 49 percent of their local joint ventures, up from the present ceiling of 26 percent, may not attract many new entrants. But it will bring relief to companies that have entered India with capital-constrained local partners. Last month, the regulator allowed MetLife India to bring in a state-controlled bank as a new investor because of concerns about the solvency of its local business. That contortion was only required because the largest US life insurer could not inject fresh equity without breaching the limit.

The pension industry -- until now completely closed to outsiders -- will likely see more enthusiastic participation by foreign investors. But for India to attract a flood of new capital, regulation needs to become more stable. A spat between the stock-market regulator and the insurance watchdog has killed a popular equity-linked insurance product, undermining the industry's new sales. The economic slowdown isn't helping, either. Households' investment in life insurance grew a paltry 1.2 percent in the last financial year.

Raising the foreign investment limit may yet turn out to be a hard slog, however. New Delhi's recent decisions to welcome foreigners in the retail and aviation industries don't require any changes to existing laws. But the latest reform will need the minority government to convince the main opposition party to abstain from voting against the proposal in parliament. The government will also have to persuade its smaller allies to vote in favour of liberalisation.

Trying to muster political support may distract New Delhi from other urgent tasks, such as amending the constitution to implement a much-delayed goods and services tax. But tax changes lack the headline-grabbing appeal of flinging open partially closed industries. Chidambaram knows what he's doing. Investors must hope he also knows how to do it.

HIGHLIGHTS

The cabinet approved bills on October 4 to attract foreign investment into insurance and pension industries.

The bills would allow foreign investors to increase their stakes in insurance companies and the pension sector to 49 percent, finance minister P Chidambaram told reporters. Currently, foreign investors are barred from the pension business, and the cap for insurers is at 26 percent.

The author is a Reuters Breakingviews columnist.

Facebook's billion: Are you being served?

JOHN C ABELL, for Reuters

FACEBOOK has reached an almost unimaginable milestone: 1 billion people are active users. It is hard to get your head around that number, which represents one-seventh of the world's population (and not every one of us even has Internet access). It's almost half the total number of people estimated to be on the Web at the beginning of this year.

Even CEO Mark Zuckerberg can't quite seem to comprehend it: "It's really humbling to get a billion people to do anything."

But despite gangbuster growth, Facebook is based on a tricky business model: The more they use members' shared information to target them for advertisers and marketers, the fewer members are likely to go along, and the more they'll realise the bargain they've struck. Just as Facebook effectively redefined "Friend," it is pushing the boundaries of the public-private divide.

So it's a fine line they have to walk, promising granular, voluminous, robust member data that has real value in the marketplace, while reassuring members there's nothing to worry about.

Facebook does the latter primarily by not drawing attention to the issue at all. It has over the years changed things in ways that consistently favour increased



sharing, putting the onus on members to opt out. Tech writers scream bloody murder, and yet (shockingly!) membership still rises.

But what would happen if Facebook actually offered a clear-cut choice to all of its 1 billion members?

Suppose the next time every member signed on, he or she were faced with a simple white page offering two clear choices. One choice would be: "I want to share my information only with people I designate as friends." The other would be: "Facebook can give my information to whomever it wants, subject only to law."

You wouldn't be able to access your account until you chose. Facebook would be bound to honour each individual choice -- the majority wouldn't rule.

How would you answer? What do you think the final tally would be?

Even if a minority of Facebook's members chose the "friends only" option, that number would still be vast enough to wreak havoc on Facebook's business plan. Clearly Facebook's current revenues don't exactly support its current valuation, but everyone who bought in was making a bet on the future. It is the future that remains in doubt, since there

isn't even a plan to execute. But one recent estimate says that if social advertising succeeds, Facebook could quintuple ad revenue to \$21 billion in five years. That analysis, based on research by Carlos Kirchner, would value Facebook at \$141 billion in a few years. That number drops if Facebook can't share all of its users' data with advertisers.

Facebook won't put this to the test, of course, because it would be suicide. Even raising the question of whether users want to trust Facebook could sow seeds of doubt in users' minds. Facebook would have nothing to gain and everything to lose. It already offers a range of privacy controls, and if you have the stomach to wade through dozens of choices, you can lead a very private Facebook existence.

Most people don't bother, of course, but it's probably not because they have given the matter a whole lot of thought. The median member age when that billionth person signed up was 22; the average person still signing up for Facebook knows little outside the Era of Sharing. She hasn't been stung yet by a privacy breach, and is still naive about how innocent shares can go in unanticipated directions.

John C Abell writes about tech, business and politics. Most recently he was *Wired's* Opinion Editor and New York Bureau Chief.

Iran imposes currency cap to combat rial's plunge

AFP, Tehran

IRAN on Saturday sought to reverse a collapse of its currency by imposing a fixed dollar rate, days after protests erupted over the rial's plunge, according to money changers who were refusing to comply.

The order came as ordinary Iranians struggle with growing economic problems that have caused a big jump in daily prices.

"We received an order from the Money Changers' Association (under the control of the Central Bank) telling us to buy the dollar at 25,000 rials and sell at 26,000," one exchange bureau employee told AFP.

"Nobody is selling at this price and we are not trading," he said.

The bureaux in the central Ferdowsi area of Tehran had opened for the first

time since Wednesday's protests, in which scuffles broke out between police and stone-throwing individuals.

Sixteen exchange market "disruptors" were arrested, according to prosecutors.

The dollar rate being imposed on Saturday sought to strengthen the rial by 25 percent after it plunged 40 percent in value this week to around 36,000 in trade on Wednesday.

But with licensed exchange bureaux baulking, illegal money changers walking in the street were looking to step in at a whispered rate of at least 30,200 rials to the dollar.

In the nearby Grand Bazaar -- a historic maze of shops whose owners collectively enjoy political influence -- stalls were also reopened. But gold coin vendors were refusing to sell because, they said, the

currency market was still too volatile.

President Mahmoud Ahmadinejad has put the blame of the currency collapse on Western economic sanctions.

But his hardline critics say the fault mostly lies with the monetary policies of Ahmadinejad's government.

The US government, which is leading the sanctions, has also pointed the finger at Iran's economic management, but said sanctions relief could quickly occur if Tehran curbed its disputed nuclear programme.

Western countries have imposed their sanctions to stop Iran developing what they suspect is a nuclear weapons capability.

Iran's leaders, who insist their atomic programme is exclusively peaceful in nature, have vowed never to yield to the pressure.

Ordinary Iranians are divided in where the blame lies over the economic problems. But many agree they expect Ahmadinejad's government to take action to restore their diminished purchasing power.

Saeed, a family man in his 40s who declined like others interviewed to give his full name, said his weekly grocery costs have relentlessly risen this year.

In March, his bill was "1,400,000 to 1,500,000 rials, in mid-summer (end July) it became 2,000,000 to 2,100,000 rials and on Friday we paid 3,000,000 rials," he said.

And some products, especially imported ones, "are no longer on the shelves."

For poorer Iranians, chicken and red meat -- normally staples of the Iranian diet -- have become unaffordable luxuries after rising three times in price since last year.