

# MCCI blames job losses on power outages

STAR BUSINESS REPORT

**P**OWER outages cost the country its scope of creating thousands of jobs every year due to companies' shyness in investment, said an expert at International Finance Corporation (IFC) yesterday.

A lack of access to finance, shortage of other infrastructures and political instability are the main factors that deter investment and affect employment creation in Bangladesh, said Ronald Michelitsch, chief evaluation officer and manager for the Development Impact Department of IFC.

IFC is a private sector financing arm of the World Bank Group.

Bangladesh is well ahead of other South Asian countries in terms of power outages, and it causes an estimated 12 percent loss of sales for enterprises, said Michelitsch at a seminar at Metropolitan Chamber of Commerce and Industry (MCCI).

Power outages cause loss of about 460,000 jobs every year, said Michelitsch, citing an enterprise survey by the World Bank Group in 2007.

MCCI organised the programme on job creation in Bangladesh as a mean to reduce poverty.

Discussions focused on shortage of skilled workforce in various industrial sectors as curriculum of educational institutes are not up-to-date.

Also, inadequate technical training centres and a lack of on-the-job training are the other reasons for shortage of skilled workers here, they said.



From left, Urs Herren, ambassador of Switzerland to Bangladesh; Ronald Michelitsch, chief evaluation officer of IFC; Osman Faruk, former education minister; and Amjad Khan Chowdhury, president of Metropolitan Chamber of Commerce and Industry, attend a seminar on job creation, at the chamber's premises in Dhaka yesterday.

They suggested developing the curriculum depending on the needs of the private sector and providing training to entrepreneurs to upgrade skills of workers.

Presently, there are many problems in the infrastructure, said MCCI President Amjad Khan Chowdhury.

He said generally the government creates infrastructures to boost private sector investment and employment generation.

Chowdhury said Bangladesh has nearly 40 percent unemployment and underemployment rate at present with 20 lakh people entering the job market every year.

"If we do not create employment opportunities for these unemployed people, serious problems of social unrest and law and order will ensue," he warned.

Citing US presidential elections currently in progress, Chowdhury said the issue of jobs dominates

the election discussions.

"In circumstances prevalent in Bangladesh, it should be more so, but unfortunately the whole objective is overcast by the game of power politics," he said.

He urged the government to chalk out strategy of growth of the private sector so that more jobs can be created.

"Our chamber feels that the issue of unemployment or under-employment is the foremost chal-

lenge we face as a nation in the short and medium term. We need to create jobs, wealth, thus national wealth," said Chowdhury.

Urs Herren, ambassador of Switzerland in Bangladesh, suggested replication of the model of his country where 69 percent of youth go to do apprenticeship at factories.

He also recommended the private sector to invest in workers' training.

## Ministry sends proposals on companies act to cabinet today

STAR BUSINESS REPORT

**T**HE commerce ministry will send the proposed amendment to Bangladesh Companies Act 1994 to the Cabinet Division today seeking its opinions to allow appointing administrator for companies in trouble, said a joint secretary of the ministry yesterday.

The ministry in an inter-ministerial meeting at the secretariat decided to add the provision to the current companies act.

The ministry initiated the move so an administrator can be appointed for the controversial Destiny Group as soon as possible.

The present companies act does not provide for the option, said the joint secretary, seeking anonymity. "This is why we have to amend the act."

After receiving the opinions, the ministry will again send the proposal to the law ministry for its screening after which it will be sent to the President's office for circulation as an ordinance in a gazette notification, he said.

So, it will take some time to appoint an administrator for Destiny Group, and it will not be possible by the current week, he said.

"We are not amending the act for Destiny Group alone. It will also be applied to the companies that face the same fate as Destiny," the official said.

The amendment will empower the commerce ministry to appoint administrator in any company that is found to have cheated people and disregard the interests of the shareholders, he said.

In the proposed amendment, the administrator has been empowered to liquidate companies if necessary, he said.

## Ctg abuzz with Puja shoppers

SHAHENOR AKTER URMI, Ctg

**C**HITTAGONG is abuzz with festive activities ahead of Durga Puja, one of the biggest religious festivals of the Hindu community.

Shopping malls and boutiques have launched new collections to attract and cater to Puja shoppers.

The traditional dominance of red and white for Puja garbs has been sidelined with the infusion of many other brilliant colours to add individual expression to the festival.

The boutiques have brought attractive saris, kameezes, fotas and panjabis suitable for the occasion.

Rawshan's, a popular boutique in the port city, is offering ornate salwar kameezes in many light colours embroidered and appliqué with a variety of flower, butterfly and geometry inspired motifs.

"It is autumn now and so I have chosen cotton for my designs in various kinds of hand works. Young girls are keen on long kameezes and most of our puja dresses have been designed on this type of kameezes," said Rowshan Ara, owner of the boutique.

Ishita Chowdhury, a University student who came to Rawshan's to buy a kameez for the occasion, said, "I want to buy a cotton dress with a combination of orange and red in it."

"Considering the weather I have kept a variety of colour combination in all my dresses and I generally avoid bright colours at this time," said Nazma Akhter, owner of Dream Fashion, a boutique that caters to women only.



Customers browse through saris to do their Puja shopping at a shop at Dewanji Pukurpar in Chittagong recently.

"We have embroidered saris, in cotton, muslin, sopura and endi silk," she added.

Soma Das, a housewife who came to choose a sari for puja, said, "I bought a handloom sari with deep green and red colours."

Rang, one of the boutiques of Deshi Dosh collaboration of 10 local fashion houses, has designed some different types of men's items in panjabi and fota.

"We designed our panjabis inspired by different symbols of the Hindu religion on cotton and half silk materials and customers have shown keen interest in them," said Saiful Islam, in-charge of Rang.

"For Puja, we have designed fotas in khadi fab-

rics in orange and white colours. Already we have sold a good number of these," said Abdul Khaleque, in-charge of Deshal, another boutique of Deshi Dosh.

Paritosh Das, an executive of a private company, said, "I bought a cotton shirt for puja and am looking for a yellow panjabi to wear on Dashami." Dashami is the tenth and concluding day of the grand festival.

"We designed 'Jotturi Panjabi' for puja, which is designed almost like a shirt, and young people will like it," said HM Elias, owner of Shoilpik, a boutique house popular for men's wear.

Puja shopping is not limited only to dresses or saris; young girls and women are

also busy looking for the perfect accessories to complement their choice of outfits. These include bags, jewellery, and even cosmetics to enhance their dresses.

"Women are selecting gold-plated sets instead of pure gold and the demand for imitation jewellery is high this year," said Zayed, owner of Ophelia, a ladies accessories shop at Afmi Plaza, a renowned shopping mall in Chittagong.

Sumi Gosh, a housewife, said, "I bought a stone set to match my sari and now I have come to the mall to buy some cosmetics."

Laboni Datta, a school-teacher, said she bought some imitation bangles to match her dresses for the occasion.

## Citigroup CEO Vikram Pandit resigns

REUTERS

**C**ITIGROUP Inc Chief Executive Vikram Pandit resigned abruptly on Tuesday, effective immediately, a shock change at the top of the bank just one day after a surprisingly strong quarterly earnings report.

A statement from Chairman Michael O'Neill said Michael Corbat, previously chief executive for Europe, Middle East and Africa, would succeed Pandit as CEO and as a board member.

Within minutes of the bank's announcement, Pandit's name was gone from Citigroup's website.

Chief Operating Officer John Havens, a long-time associate of Pandit, also resigned. Citigroup's stock tumbled 2.5 percent in premarket trading following news of Pandit's departure, but later the shares were up 20 cents to \$36.86 in early trading on the New York Stock Exchange.

Investors questioned why Pandit would leave now after keeping the bank afloat during the financial crisis and getting it back on a firmer footing.

"I would have expected he wanted to stay around and see some of the fruits of his labors there," said Peter Jankovskis, co-chief investment officer of Oakbrook Investments LLC in Lisle, Illinois.

Pandit's resignation comes after a series of high-profile defeats this year. In March the Federal Reserve rejected the bank's capital plans after a stress test; Pandit had led analysts and investors to believe the dividend-raising plans would be approved.

Last month, Pandit agreed to a low sale price for his bank's stake in the brokerage operated by Morgan Stanley. Citigroup had to take a \$4.7 billion charge in the third quarter to write down the value of that stake.

Citigroup shares rose sharply on Monday after the bank reported third-quarter results that were much better than analysts expected.

The one-two punch of the results and then Pandit's exit point to what analysts say has been a years-long unsettled atmosphere around the bank.

"What Pandit and Havens did was increase the uncertainty around Citi," said



Vikram Pandit

Matt McCormick, banking analyst and portfolio manager at Bahl & Gaynor in Cincinnati, Ohio. "There's a perpetual cloud of uncertainty surrounding Citigroup. There's always turmoil ... that's had to affect the stock price."

### EXPERIENCE QUESTIONS

Pandit's resignation revived questions that were asked from the day he took the job: whether he had the right experience to lead Citigroup in the first place.

Born in Nagpur, India, the 55-year-old Pandit obtained two electrical engineering degrees and a doctorate in finance from Columbia University. He joined Citigroup in July 2007 when the bank acquired his hedge fund and private equity firm, Old Lane Partners LP, for \$800 million. Citigroup had to shut down Old Lane the next summer, an early black mark for the executive.

Critics later charged that Pandit was too timid, perhaps even too academic, to run a big consumer bank.

"He was not beloved by Wall Street. He was thrust into that position - he's a hedge fund guy," McCormick said.

His successor, Corbat, has held a number of senior roles at Citigroup, including running Citi Holdings, the unit established to house businesses and assets the company wants to shed.

A fixed income salesman by training, Corbat started out at Solomon Brothers in 1983. More recently, he has been credited with successfully restructuring some of Citigroup's consumer and credit card units.