Robi offers safe water at Dhaka airport railway station

ROBI

Telecom Minister Shahara Khatun and Railways Minister Md Mujibul Hoque inaugurate Robi's corporate responsibility project -- Nirapad Pani, Sushtha Jibon-- for travellers at the Dhaka airport railway station yesterday. Michael Kuehner, chief executive officer of Robi, was also present.

STAR BUSINESS REPORT

ROBI Axiata yesterday launched a safe drinking water plant -- Nirapad Pani, Sushtha Jibon -- for passengers at the Dhaka airport railway station.

The project was part of the mobile operator's corporate social responsibility in collaboration with Bangladesh Railway. WaterAid Bangladesh provided technical support.

Telecoms Minister Shahara Khatun and Railways Minister Md Mujibul Hoque inaugurated the plant at the Dhaka Airport Railway Station.

The railways minister requested Robi to launch more such water plants at different railway stations.

He also asked the railway officials to play their due role in providing the best services to passengers during Eid and Puja.

"Last year, Robi Axiata in collaboration with Bangladesh Railways and WaterAid inaugurated such a safe drinking water facility at Kamalapur Railway Station," said Michael Kuehner, managing director and chief executive officer of Robi.

"We are happy that within one year, we are able to set up a similar facility at another major railway station in Dhaka," he added.

The water tank with the capacity of 5,000 litres will supply 4,000 litre safe drinking water per hour to more than 25,000 passengers, Robi said in a statement.

Among the 13 taps installed with the reservoir, six are for men, four for women, one for the disabled, and two for ablutions, the statement added.

A membrane filtration system has been installed at the facility to purify the water by ultraviolet light.

WaterAid will send a random sample selection from the water tank to the laboratory for regular testing to ensure its purity, the company said.

A caretaker will look after the water supplying facility, it said.

Among others, Abu Taher, director general of Bangladesh Railway, and Hasin Jahan, acting country representative of WaterAid Bangladesh, were present.

Robi and Bangladesh Railway have already set up several safe drinking water facilities at Kamalapur and Chittagong railway stations with the support from WaterAid Bangladesh.

Works are underway to set up such plants at Sylhet, Khulna and Rajshahi railway stations as well, the company said.

Focus on market-based training

The Swisscontact president suggests professional education for workforce

MD FAZLUR RAHMAN

COUNTRIES like Bangladesh must provide market-based and practical vocational training to its young workforce to avoid the curse of unemployment, a top development activist said yesterday.

Heinrich M Lanz, president of Swisscontact, one of the largest development organisations in Switzerland, said European countries which have introduced such training system have much lower unemployment rates than those on the theory-based education system.

"We, at Swisscontact, advocate a way of training that is market-based and practical. It has to be a professional education," he told The Daily Star in an interview.

He said many European countries, such as Switzerland, Germany, the Netherlands and Austria, provide the youth an option of a dual system of education, where participants simultaneously attend a vocational training centre and a school/college.

The unemployment rate in these countries is about 10 percent, while it is around 40 percent in countries where such initiative of practice-oriented training is not in place.

Lanz is in Dhaka to visit projects that Swisscontact, a Swiss foundation for technical development cooperation, is running in the country.

Founded in 1959 by members of the Swiss private sector and academia, the Zurich-based organisation aims to contribute to poverty alleviation by promoting economic and social development in the 25 developing countries they operate in.

The company, which employs around 750 people the world over, provides assistance to countries in four areas: vocational education and training, promotion of small and medium enterprises, financial services and resource efficiency.

Swisscontact has been active in Bangladesh since the 1980s, where it has been implementing a number of projects via Katalyst, a market development project funded by governments from Canada, the Netherlands, Switzerland and the UK.

The projects in progress are in areas of healthcare for slum-dwellers, skill development for unemployed and underemployed workers, among others.

Heinrich M Lanz

Lanz, who was previously a partner at PricewaterhouseCoopers, said the main objective of the organisation is to develop the private sector.

"Our organisation throughout the world tries to create opportunities for people."

He said many of the projects Swisscontact runs aim to help the countries provide good vocational training to their citizens.

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STAR

Analysts take part in a workshop on business promotion for the "Base of the Pyramid" at Lakeshore Hotel in the city yesterday. Non-governmental organisation Swisscontact in association with MART, an India-based consulting firm on emerging markets, and The Daily Star organised the event.

Pakistan's economy, the hidden threat

SANJEEV MIGLANI, *for Reuters*

NOT too long ago, if you were travelling from India to Pakistan, you couldn't help but notice how well the modern airports, the six-lane motorway linking Islamabad to Lahore, and the well-planned tree-lined capital city compared to the sprawling chaos of New Delhi. Indeed that motorway was South Asia's first, long before India started to build its expressways, and in some ways Pakistan, which was a more open economy than India's Licence Raj system and grew faster for decades until the 1990s, looked more like the developed Islamic states on its west than the poor cousins of South Asia.

But the tables have turned and the one-time economic star of the region is slipping behind its neighbours as it struggles with militant Islam, a near breakdown in ties with its greatest benefactor, the United States, and a civilian leadership that is struggling to hold its own under the boot of the powerful military while an assertive judiciary snaps at its heels.

For one of the longest stretches of time, Pakistan has been stuck in a low-income low-growth trap that is slowly strangling the economy of the world's sixth most populous nation. Hobbled by a worsening energy shortage, a weak tax structure and falling investment, a failing economy itself has become another threat to the stability of the nation.

Nowadays a nuclear-armed nation of 180 million people is surrounded by hostile powers, desperately short of electricity with factories shutting down or moving to countries such as Bangladesh, while households struggle with one of the highest inflation rates in Asia. An estimated 80 million of that population are adults below the age of 20 which can either be a great resource and a consumer market or just as easily turn into a mighty pool of frustrated and alienated young people.

The International Monetary Fund said earlier this month that Pakistan faced a "challenging economic outlook" with growth expected to be in the 3 to 3.5 percent range in 2012/2013 which is the average expansion over the past five years.

Inflation has fallen recently but is expected to be back in double digits by the middle of next year unless Pakistan stops financing a widening fiscal deficit by printing more money, the IMF said. Financial flows are pulling away. Bangladesh is expected to grow 6.4 percent in the current year while Sri Lanka may come in at an even stronger 6.75 percent.

While the economies of India, Bangladesh and Sri Lanka are getting more interlocked with the rest of the world and with each other, Pakistan's share of trade is falling, according to a study published in The Express Tribune. In 1990 Pakistan's volume of trade was 39 percent of its gross domestic product against India's 15 percent and nearly half of its exports -- left it even more vulnerable to external shocks.

As one academic put it, you were likely to see more buyers in the lobby of a Dhaka hotel on any given day than in a Pakistani hotel for the whole year. It has gotten worse in recent years. In the year ending June 2009, foreign direct investment and foreign portfolio investment was $2.64 billion, the following year it dropped to $2.08 billion and by this year it had slumped to $650 million.

Militant violence, chronic

AFP

A Pakistani livestock trader sits beside his camels as he waits for customers at the cattle market in Karachi. The International Monetary Fund said earlier this month that Pakistan faced a challenging economic outlook.

have weakened, and central bank reserves have fallen.

While growth is slowing across Asia including in India where the IMF for the first time lowered its forecast to just below 5 percent for 2012/13, Pakistan may well end up being the slowest growing emerging market. It's not just India's giant economy that looms large over Pakistan, feeding an even greater sense of insecurity in the military establishment and the militant groups it has supported in the past, but even the smaller states in the subcontinent

Bangladesh's 20 percent. But by 2010 the tables had turned. India's trade reached 50 percent of its GDP with the boom in services and its imports to feed an economy on the move, while Bangladesh moved up to 43 percent. Pakistan by contrast dropped to 32 percent as its exporters struggled to hold onto customers who worried about the country on the frontlines of the war against Islamist militants, and as the cost of business rose with 12-hour power cuts. Its reliance on textiles -- which account for

political instability, and the poor state of government finances with the fiscal deficit running at over 5 percent of the GDP have turned off investors. And because the deficit is so high and tax revenues so low, the government has ended up cutting back on funding in infrastructure and health in order to pay off its interest payments and subsidies. So while it is buying time in the short-term, it is effectively condemning the economy to years of low growth since sustained expansion requires high infrastructure spending.

The crisis over energy, which has become such a pressing need that Pakistan is knocking on every door including India's, is the result of decades of neglect. The Asian Development Bank estimated earlier this year that power and gas shortages were crimping GDP growth by between 3 and 4 percentage points each year. The low long-term growth in turn depresses government revenues and creates budget deficits which again lead to less spending to resolve the country's energy problems.

One glimmer of hope is the giant leap the country has quietly taken to normalise trade ties with India. Overland trade through the divided region of Punjab is set to expand significantly as Islamabad moves to prune a negative list of items for trade and implement Most Favoured Nations status to India despite opposition from religious parties and militant groups. Until the Partition of 1947 the Punjab was a single economic space and as foreign affairs analyst C Raja Mohan writes here, linked the subcontinent to broadly what is today's Central Asia. The chief ministers of the two provinces are driving the change and if it takes off, we are likely to see a similar opening of old trade routes further down the border between the provinces of Sindh on the Pakistan side and Gujarat on the Indian side.

Trade is at the moment a paltry $2.7 billion, not counting the shipments routed through Dubai, but the two governments are targeting to raise the volume to $6 billion within the year. Businessmen think it can hit $10 billion if the restrictions were lifted.

Sanjeev Miglani reported from across the conflict zones of South Asia stretching from Afghanistan to Sri Lanka. He is an editor based in Singapore.

Farm to fork: Wal-Mart faces sourcing challenge in India

REUTERS, *Narayangaon, Maharashtra*

AS Wal-Mart Stores Inc ramps up its operations in India, it needs to find more farmers like Yogesh Todkari. His acre of cauliflowers is big, leafy, and a deep shade of green, thanks to modern irrigation and quality nutrients and seeds - all provided by the world's largest retailer. Most farmers in India, though, don't meet Wal-Mart's standards.

"They train us and assist us right from when the crop is sown to when it's harvested. They give us a higher price than the market for better quality," said Todkari, 29, who works the field in Maharashtra with his elderly father.

Investing in farmers to help them improve quality and efficiency, and getting around the army of costly middlemen, will be key to whether global chains like Wal-Mart and Tesco Plc succeed where local operators have failed to make a profit. It will also be a test of whether India's politically fraught decision to allow in global supermarkets in order to modernise its food supply chain proves to be the right one.

"We plan to procure as much as we can via direct farming so the procurement from traders in local markets is as little as possible," said Krishnakant Reddy, who is in charge of direct farming in south and west India for Wal-Mart, which already operates in India through 17 wholesale stores.

Under the reforms, foreign retailers must source at least 30 percent of their goods from local, small industries.

India recently let in global supermarkets, despite heavy political opposition, in the hope of improving the supply chain and bringing down wastage and costs in a country where one-third of fresh produce rots and food inflation is persistent.

Wal-Mart, by far the most aggressive foreign supermarket operator in India, expects to open its first store selling directly to the public in 12-18 months, and aims to turn a profit in 10 years, something it hasn't managed in China after 12 years.

To get there, Wal-Mart plans to sign up 35,000 farmers over the next three years, up from the 6,700 it has now. Fresh produce accounts for about 30 percent of Wal-Mart's sales in its wholesale outlets in India.

Wal-Mart must buy in small batches from small plotholders in a country where more than 80 percent of farms are under 2 hectares. That means contracting with thousands of farmers will still yield only a few thousand tonnes. In North America, retailers like Wal-Mart can buy from a few hundred farmers who provide hundreds of thousand of tonnes of produce between them.

"It's going to be a huge challenge and requires a lot of work on the ground," Reddy said during a recent visit to Narayangaon, a few hours from the city of Pune where Wal-Mart runs one of its seven farm procurement centres.