

Tesco opens Skills Foundation for garment workers

DIPLMATIC CORRESPONDENT

Tesco, a retail giant of the UK, has recently announced the launch of an Apparel Skills Foundation to support Bangladesh's readymade garment industry.

The foundation, a joint initiative of the Department for International Development and their Responsible and Accountable Garment Sector Challenge Fund, will provide training, expertise and tools to improve workers' productivity.

It will increase the overall long-term competitiveness and sustainability of the industry in Bangladesh, according to a statement of the British High Commission in Dhaka yesterday.

Over 100 factories are expected to get training by 2015 through the foundation which is open to all garment producers in Bangladesh.

"The Skills Foundation is a smart, sustainable business solution," said Dame Lucy Neville-Rolfe, Tesco's executive director for corporate and legal affairs.

"Increasing efficiency and productivity will improve the lives, pay and conditions of garment factory workers while enabling us to deliver high quality clothing to our customers at affordable prices without comprising on ethics."

"This is the right thing to do and a win-win for Tesco, our suppliers and their workers, and our customers," he said.

The foundation will act as a great example to show how responsible and ethical garment production is good for business and that commercial and financial results can be boosted when employment conditions improve, said Justine Greening, secretary of state for interna-

tional development.

"I am delighted that, together, Tesco and the UK Government are encouraging this much needed positive change in the garment industry in Bangladesh with the Responsible and Accountable Garment Sector Challenge Fund."

Tesco opened its sourcing office in Dhaka in 2002 and last year exported £310 million worth of products from the country.

In Bangladesh, a pilot programme for the foundation was launched in three factories in May 2012 where since then workers' pay per hour has gone up by 19 percent, monthly working hours are down 16 percent, labour turnover is down 45 percent, absenteeism is down 25 percent and line efficiency is up 20 percent on the pilot line.

Tesco has clothing and non-food sourcing offices in eight countries across the globe.

Tourism fair kicks off in Ctg today

STAFF CORRESPONDENT, Ctg

Chittagong should be the tourism capital of Bangladesh alongside the commercial capital, Akhtaruz Zaman Khan Kabir, chief executive officer of Bangladesh Tourism Board, said yesterday.

Kabir spoke at a press conference co-organised by The Bangladesh Monitor and BTB on the occasion of a three-day 'Tourism Carnival' starting in the port city today.

Kabir said the real products of tourism in Chittagong are yet to be identified properly, although there are a lot of those here and the BTB has taken an initiative to identify those.

He said the government has decided to give a tax

waiver for investment in tourism and also declare the area from Inani to Teknaf in Cox's Bazar as a tourist zone.

Chittagong is abundant with most of the ingredients of tourism, said Kazi Wahidul Alam, editor of The Bangladesh Monitor.

He said development of Chittagong is necessary for the development of Bangladesh in true sense.

Different airlines, tour operators, hotels, motels and various other travel related service providers will take part in the three-day event with special offers of discounted fares and packages at home and abroad during the fair, he said, adding that the fair is open to public from 10am to 8pm everyday for free.



Imran Karim, managing director of Energypac Confidence Power Venture, and Md Moniruzzaman, managing director of IDLC Investments, sign a deal in Dhaka recently. IDLC will be the issue manager to raise capital through initial public offering for Energypac.

Banglalink revenue up 23pc in Q3

STAR BUSINESS REPORT

Banglalink's revenue rose 23 percent year-on-year in the third quarter of 2012, the operator's parent company Orascom Telecom Holdings said in a statement yesterday.

The revenue, of Tk 1,180 crore, came on the back of favourable exchange rate, increase in subscriber base, higher usage of internet and value-added services, reactivation promotions and targeted acquisitions of the higher value segment.

Banglalink achieved an EBITDA (earnings before interest, taxes, depreciation and amortisation) of Tk 350 crore for the quarter, a 9 percent increase from the previous year, according to the statement.

The operator, with its subscriber base of 2.75 crore, has a 27.5 percent market share, and comes in second behind Grameenphone.

Are you eating safe?

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Unscrupulous traders spray fish, fruits and vegetables with formalin and other chemicals that are normally used to preserve tissues and also in the textile and leather industries. Mustafa said dishonest businesses use harmful chemicals instead of the food-grade ones in food items.

"Various dyes are being used to contain real colours of vegetables. Processed food items are being adulterated," he said, adding that the use of toxic substances increases the risk of diseases such as cancer, kidney damage and cardiovascular disorders.

The chief of the government's research organisation said its newly established food safety laboratory will ensure testing of food items for human consumption.

Rahim said the agreement will enable the officials of the government organisation to randomly collect samples of the selected products from any of the 11 Agora outlets to check their standards and quality.

The deal will also allow Rahimafrooz to use the label "Tested by BCSIR" along with the logo on the products of the batch tested.

The deal has also created enthusiasm among other operators of superstores.

Zakir Hossain, general secretary of Bangladesh Supermarket Owners' Association, said they also want to join in the scheme of providing safe food items.

"We also consider signing such deals," said ACI Ltd's Executive Director Syed Alamgir, who was present at the programme. ACI runs 44 retail outlets under the name Shwapno.

Bangladesh objects to bank list for UK visa

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On October 2, the UK Border Agency announced the introduction of a list of financial institutions from which it will only accept documentation in support of visa applications under the points-based system (PBS).

The changes have been brought so that the banks can provide financial documentation which meets the new requirements.

This list was due to come into force for PBS visa applications submitted from November 1, 2012.

Following the letter of the foreign ministry, the banking division of the finance ministry has sought opinion from the central bank.

The foreign ministry will hold an inter-ministerial meeting to finalise the government's position on the issue, said the letter.

The list includes AB Bank Ltd, Eastern Bank, National Credit and Commerce Bank, Southeast Bank, One Bank, Mutual Trust Bank, BRAC Bank, First Security Islami Bank, Standard Chartered Bank, State Bank of India, Commercial Bank of Ceylon, Citi Bank and HSBC.

Of the 14 banks, none is controlled by the government, although the state-run banks are the largest banks in the country in terms of branches and area coverage.

Visa applicants will need to submit evidence from one of the listed financial institutions to show that they have sufficient funds.

The UK government is implementing the same move in many other countries.

Bank loans being diverted

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The FBCCI president fuelled the debate, saying the private sector's credit growth should increase to 25-30 percent to help entrepreneurs create more jobs.

The chief economist of the BB said more credit will fuel inflation to double digit levels that will affect the poor.

He also said the credit growth in India is at 15 percent, which is nearly 20 percent in Bangladesh.

Former governor Ahmed said, "We should not mix up the credit growth of Bangladesh and India; they are different."

He said India has a very big equity market and companies raise funds from the stockmarket before going for bank loans, but Bangladeshi companies prefer credit from banks.

On the central bank's autonomy, Deputy Govern-



Aktar Hussain, managing director of Rang Group of Companies, attends a press meet to announce the launch of Sony's LED TV in Bangladesh soon, at Ruposhi Bangla Hotel in Dhaka on Tuesday. Stanley Tan, Sony's country representative for Bangladesh, was also present.



Mohammed Nurul Amin, managing director of NCC Bank, attends a programme to launch the bank's new product for school-going students -- Youngster Banking -- at the Viharunissa Noon School and College in Dhaka recently. Manju Ara Parvin, principal of the school, was also present.

ADB lends \$25.1m to Pran for food manufacturing plants

STAR BUSINESS DESK

The Asian Development Bank (ADB) has signed an agreement yesterday to lend \$25.1 million to Pran Group to build three food manufacturing plants.

"The new plants will source as much raw material as possible from the local farmers, and this will help boost agricultural growth," said Martin Lemoine, investment specialist in ADB's private sector operations department.

"The majority of Bangladesh's poor still live in the rural areas, and agriculture remains their main source of employment and income," he added.

The plants, to be set up under Sylvan Agriculture Ltd, will produce liquid glucose, frozen food processing and fortified flour, and are scheduled to be complete by 2015.

The three plants will cost \$35.8 million to build, with Pran's controlling shareholders providing the remaining \$10.7 million.

The plants will directly employ around 1,000 workers, and provide indirect

employment for about 50,000 farmers under a contract farming model; at least 30 percent of the workforce will be female.

The estimated annual production capacity from the plants will be: 45,000 tons of liquid glucose, 90,000 tons of flour and 180 million units of flour-based frozen foods. The annual sales are expected to exceed \$50 million by 2016, the ADB said.

The investment, ADB's first private sector agribusiness loan since 1985 and first private sector loan in Bangladesh since 2004, is part of ADB's efforts to promote productivity and competitiveness in Bangladesh's agriculture and food processing sectors.

The project will help push the country's agribusiness sector up the food value chain, increase food exports and improve food security and nutrition in Bangladesh.

Pran is the country's leading food and agribusiness company, with sales of \$450 million that includes \$70 million from exports.

New study finds 0.3pc of arable land lost each year

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The food ministry and the agriculture ministry are always at odds over statistics over rice production in the country, said MM Akash, a professor of economics at Dhaka University.

"The food ministry tries to say that there is a shortage in the staple food. So it wants to import to narrow the demand and the supply."

"On the other hand, the agriculture ministry tries to prove that there is enough rice production to meet the national demand. We should set up a national committee to ensure that our political biasness does not become a statistical biasness."

Credible statistics is important for policymakers to guide the country to its desired direction, said MK Mujeri, director general of Bangladesh Institute of Development Studies (BIDS). "It is not only important for the agriculture sector, but also for other sectors."

Hossain of BRAC also said the government should go for targeted input subsidies, instead of a generalised one, so that the real farmers could really benefit from the budget support.

He also said the government will have to keep the agriculture development through technology in its hand as a majority of the country's farmers belong to small and medium categories.

These small and medium farmers may not afford the technology manufactured by the private sector, he said. They also should not be left at the mercy of the nature, he said.

He also said microfinance organisations will have to introduce short-term loans to cater to small households as 25 percent of the farmers still borrow from the high-cost market.

Apart for agriculture, farmers should also be given support in generating income from areas such as livestock and fisheries, he said.

Akash also said the country could go for cooperative farming at least in case of input procurement and output selling, so that they can bargain for their produces.

He also said Bangladesh should try for giving intermediary technologies to the farmers as they will not be able to adopt capital technology in one go.

Mujeri of BIDS said he thinks the current input subsidies for the agriculture sector help the recipients indirectly, not directly.

He said there should be institutions at farmers' level. Otherwise, the country will not be able to take benefit of different farm projects to the target group, he said.

Hossain Zillur Rahman, a former caretaker government adviser, said the government must boost its spending for agriculture to help the sector grow. The government

should also develop marketing infrastructure so that farmers' produces get fair prices.

Sajjad Zohir, director of Economic Research Group, a local think-tank, said price support should be given in areas that are the most effective.

A national commission could be set up so that disagreement over statistics does not surface, said Monzur Hossain, senior secretary to the agriculture ministry.

On a section of policymakers' claim over land reclamation, he said about 200 to 300 square miles of land could be reclaimed in the last three decades. The secretary also said the ministry is going to set up a unit, which will give policy support to the ministry.

It is not the fault of the food ministry for the data over rice production and storage, as it gets the information from the statistical division, said Ruhul Amin, a former director general of the food ministry.

Prof Abdul Bayes, a teacher at Jahangirnagar University; Binayak Sen, research director of BIDS; SM Hashemi, a professor of economics and social science at BRAC University; Mohammad Abdul Malek, a research fellow of Research and Evaluation Division (RED) of BRAC; Prof WMH Jaim, director of RED, and Wais Kabir, executive chairman of Bangladesh Agricultural Research Council, also spoke.

Govt defers plan to reset GDP, export targets

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The coordination council meeting, with Finance Minister AMA Muhith in the chair, was also supposed to re-fix the export targets, which is projected to be growing at 16 percent this fiscal year.

This was the first meeting of the council in the current fiscal year. "We can take the decision after getting more data," Muhith said at the meeting, adding that there is no need to re-fix the targets now.

The minister briefed the council on the latest in the much-talked-about Padma bridge project. He said there is no problem in implementing the 6.15-kilometre venture worth \$3-billion as its progress is on track.

The implementation of the annual development programmes, however, dominated the discussion, said an official of the finance ministry.

The government has set a target to spend Tk 55,000 crore for various development projects this fiscal year.

The performance of many ministries in executing the projects is not satisfactory, as only 12 percent of the ADP could be implemented in the first three months of 2012-13.

Many ministries only spent a miserable 1 or 2 percent of the funds allocated for them in the first quarter, said the official.

The council meeting was followed by a meeting of the resources committee, also chaired by Muhith.

The meeting was told that many ministries are putting pressure on the finance ministry to allocate them more funds to help them spend money for various purposes, including subsidies. The Finance Division, however, denied any fund requests beyond the budgetary allocation.

16th Annual General Meeting

November 14, 2012



QM Shariful Ala, managing director of Delta Brac Housing Finance Corporation Ltd, attends the company's 16th annual general meeting in Dhaka yesterday. The company announced 15 percent stock and 10 percent cash dividends for 2011-12. Faruq Choudhury, chairman of DBH, was also present.