

DHAKA TUESDAY NOVEMBER 27, 2012, e-mail:business@thecurrentstar.net

New president
for FBCCI



Kazi Akramuddin Ahamed

STAR BUSINESS REPORT

Standard Bank Chairman Kazi Akramuddin Ahamed was unanimously elected as the president of the Federation of Bangladesh Chambers of Commerce and Industry after he led his panel to a landslide victory two days ago.

The new directors also chose Monowara Hakim Ali, an incumbent director, as the new first vice president at an election at the FBCCI office in the city yesterday, said an official of the chamber.

[READ MORE ON B3](#)

Fatal fire sends negative signals to garment buyers

SARWAR A CHOWDHURY

The fire at Tazreen Fashions in Ashulia will send a negative signal to international buyers, who are targeting Bangladesh as the next major source of garment items after China, exporters and analysts said yesterday.

The tragedy struck the nation's most important sector as leading apparel buyers were shifting their focus to Bangladesh and other Asian countries, with labour wages rising in China.

Some of the leading buyers have already raised concern about the safety of workers who make the clothing items for them.

Even the owner of Tazreen Fashions Ltd, where the fire incident took place on Saturday night, is in fear that his foreign buyers may leave him.

Delwar Hossain, managing director of Tuba Group that owns Tazreen Fashions, said he met the officials of Li & Fung, one of his international buyers, which



Burnt spindles of the factory of Tazreen Fashions Ltd at Ashulia in Savar are pictured. A fire ripped through the factory on Saturday, killing at least 111 workers.

showed its sympathy to him.

"Other buyers are yet to communicate with me. But I am concerned that my business with them will be hampered," he said.

Li & Fung, whose clients include Walmart Stores Inc and Target Corp, said it is in contact with the owner of Tazreen Fashions, which has made apparel items for the

company. The Hong Kong-based outsourcer said it will conduct its own investigation, according to a Bloomberg report.

[READ MORE ON B3](#)

Trade union is the solution, Debapriya says

STAR BUSINESS REPORT

Economist Dr Debapriya Bhattacharya yesterday said trade union should be allowed in the readymade garment factories to protect the workers' interests.

"Neither the government nor the factory owners see the interests of the workers," Bhattacharya told reporters at the Centre for Policy Dialogue's (CPD) office in Dhaka.

His comments came after the devastating fire that killed more than 100 workers in a garment factory at Ashulia near Dhaka on Saturday night.

"Trade unions should be allowed since other institutions seem to have failed to protect the workers' safety and interests," the economist said.

"Otherwise, this type of incidents will occur again and again," he said.

Bhattacharya, distinguished fellow of the CPD, also said the latest fire incident will damage the country's image and the apparel industry, which is on a path of improving its productivity further.

"Retailers and consumers will be confused to buy Bangladeshi apparels," he said.

[READ MORE ON B3](#)



Debapriya Bhattacharya

Remittance receipts hampered by high costs: UNCTAD

STAR BUSINESS REPORT

Least developed countries, including Bangladesh, will have to pay one-third more than the world average to send remittances, said a major report released yesterday.

The LDCs' report prepared by the UNCTAD said the worldwide average cost of remitting money is 9 percent -- but it is 12 percent for the LDCs, with the cost being up to 25 percent for African countries.

Had Bangladesh paid the world average charge, it would have received an additional \$380 million to its fiscal 2011-12 receipts of \$12.8 billion.

The report, released by the civil society think-tank Centre for Policy Dialogue (CPD), focused on harnessing remittances and diaspora knowledge -- to build productive capacities.

Dr Debapriya Bhattacharya, distinguished fellow of CPD, and Prof Mustafizur Rahman, executive director, spoke.

Dr Tasneem Siddiqui, a professor of Dhaka University who works with the migrant workers, presented the key findings of the report.

The report says the number of people emigrated from LDCs rose from 19 million in 2000 to 27 million in 2010, which accounts for 3.3 percent of their populations.

Four-fifths of LDC emigrants live in developing countries and only one-fifth in developed countries.

UNCTAD found how remittances are helping the poor nations to offset the impact of the global economic crisis that began in 2008.

In LDCs, remittances amount to 4.4 percent of gross domestic product and 15 percent of exports.

Remittances grew by almost eight-fold to \$27 billion from \$3.5 billion between 1990 and 2011, despite the impact of the global financial crisis.

In 2011, remittances to LDCs were almost double the value of foreign direct investment inflows (\$15 billion) to these countries.

[READ MORE ON B3](#)

BGMEA smells 'foul play'

All garment factories closed today to mourn deaths of Ashulia workers

STAR BUSINESS REPORT

Garment makers yesterday urged the government to open a probe into the possibility of sabotage in the nation's worst factory fire.

"The recent fires might be acts of sabotage. The government should look into it," Shafiqul Islam Mohiuddin, president of Bangladesh Garment Manufacturers and Exporters Association, said in a hurriedly-called press conference at the trade body office.

The police picked up two people on Sunday who were trying to set fire to Debonia Fashion Ltd, a garment factory, Mohiuddin said. The same day, the fire ripped through three garment factories housed in

one building in Uttara, he said.

"We also found matchsticks at Babylon Garment. I believe it is happening to create instability in the garment industry," Mohiuddin said.

A vested interest group from home and abroad might hatch a conspiracy to destabilise the economy, he added.

The allegation came ahead of the three-day Batexpo that begins on December 12 where some 40 brands will participate.

"At this stage, it is not impossible to plot a conspiracy against the readymade garment industry at local and international levels," Mohiuddin said.

This is a common phenomenon

for Bangladesh. While a big fire incident or labour unrest occurred in the garment sector, apparel makers alleged conspiracy and, sometimes, the government labelled the incidents as acts of sabotage.

BGMEA and BKMEA jointly announced a one-day shutdown at all ready-made garment factories across the country on Tuesday in memory of the people killed in Saturday's factory fire in Ashulia and flyover collapse in Chittagong.

The BGMEA chief said Tazreen Fashion Ltd at Nischintapur on the capital's suburb Ashulia is a compliant factory and had necessary fire-fighting equipment.

[READ MORE ON B3](#)

WB signs \$70m for IT sector

STAR BUSINESS REPORT

The government and the World Bank (WB) yesterday signed a \$70 million agreement for an ICT project meant to drive growth, employment and governance.

The project aims to create an estimated 30,000 direct jobs in the information technology and IT-enabled services sectors.

Senior Secretary of Economic Relations Division Iqbal Mahmood and WB Country Director Ellen Goldstein signed the deal for the project that will start in December this year and end in December 2017.

The project's total cost will be \$71 million, of which the global lender will provide \$70 million at an interest rate of 0.75 percent to be paid back in 40 years, including a grace period of 10 years.

Bangladesh needs targeted programmes to develop its potential in the IT and ITES industries and to build the necessary e-government foundations, Mahmood said.

"The project would directly benefit 30,000 youth who will gain marketable and globally recognised IT and ITES skills. Among them, 9,000 will be women," Goldstein said.

[READ MORE ON B3](#)

VimpelCom CEO due today

STAR BUSINESS REPORT

Russian mobile giant VimpelCom's Chief Executive Officer Jo Olav Lunder is scheduled to arrive in Dhaka today for a short visit.

Orascom Telecom's Group Executive Vice President Ahmed Abou Doma will accompany Lunder.

Lunder will meet some government high-ups, including the telecom minister, during his visit, according to a statement of Banglalink yesterday.

In 1999, he joined VimpelCom from Telenor, where he was employed in various capacities, including chief operating officer.

He has been serving VimpelCom since July 1, 2011 as its CEO.

Doma is also the group executive vice president and head of the Asia and Africa business unit of Orascom, the parent company of Banglalink and a subsidiary of VimpelCom that has 21.20 crore subscribers globally.



Jo Olav Lunder

Date: 28th November to 30th November

Venue: Hotel Purbani

Address: 1, Dilkusha C/A, Dhaka-1000.




TATA MOTORS SHOW 2012

Indica Vista

Indigo MANZA

Indigo eCS

Showroom Opening
27th November at 16:45
Venue: Nitol Motors Ltd, 69, Nikunja C/A, Khilkhet, Dhaka.

Workshop Opening
27th November at 16:00
Venue: Nitol Motors Ltd, Plot-25, Faruque Sharoni, Joar Shahara, Nikunja 2, Khilkhet, Dhaka.

For more details contact: **Nitol Motors Limited**
A Distributor of **TATA Vehicles**

69, Nikunja C/A, Khilkhet, Dhaka Sales Hotline: 01685222222, Sales Person: 01678667750, 01678667751, 01678667755, 01678667757.

My bank understands my happiness, does Yours?

MYMTB & ME

• Cash Back Bonus • Gift Vouchers
• Air Tickets • Reduced Annual Fees

For details:
16219 or +88 096040 16219



www.mutualtrustbank.com

READY MADE GARMENTS MANUFACTURER
IN-HOUSE PRINTING & EMBROIDERY
KNIT / WOVEN / DENIM / SWEATERS / DOWN JACKETS
DAILY PRODUCTION CAPACITY 40,000 PIECES
ISO 9001:2008 STANDARD BSCI COMPLIANT FACTORY

GLOBAL USA
MOSCOW HAMBURG NEW JERSEY SINGAPORE
GLOBAL REACH LOCAL EXPERTISE

FLEXIBLE PAYMENT TERMS
ORDERS WITH SMALL QUANTITY PER STYLE WELCOME
QUICK DELIVERY ON-TIME SHIPMENT GUARANTEE
HIGHLY EXPERIENCED MANAGEMENT / TECHNICAL TEAM
CONTACT INNA@GLOBALUSA.COM.BD CELL +88 0175 5516898

aksa POWER GENERATION

POWER YOUR FUTURE!

TRUSTED SOURCE FOR
READY STOCK GENERATORS
Perkins 15 KVA TO 1500 KVA Cummins
0171 3489635 GENERATORS@PRICECLUB.COM.BD

Priceclub