

Stocks end in black, powered by banks

STAR BUSINESS REPORT

Dhaka stocks gained in the last week riding on the most-weighted banking sector despite political instability in the country.

DGEN, the benchmark general index of Dhaka Stock Exchange, finished the week at 4,088.62 points, after raising 22.37 points or 0.55 percent.

The market witnessed five trading sessions as usual. Three of the five sessions of the week witnessed low participation due to countrywide road blockade and hartal.

Among those, first two sessions lost 57.41 points while the last three gained 79.78 points.

The banking sector, which accounted for more than a third

of market capitalisation, dominated the week's top gainers and turnover chart with eight banks featuring in the top ten gainers' list.

Prime Bank which accelerated 14.95 percent topped the gainers' list, ultimately pulling up the market index.

"The market was fostered largely by the upward trend of the large-cap banking sector," LankaBangla Securities said in its weekly market commentary.

"During the last week, the sector gained around 5.42 percent of market cap with a significant rise in turnover."

All other major sectors posted losses. The fuel and power sector lost 1.63 percent, telecoms 1.06 percent, pharma 0.64 percent and

non-bank financial institutions 0.35 percent.

Due to the banking sector's weight in the overall market cap, it alone led the market index upward, it said.

Daily average turnover declined 16.59 percent to Tk 192 crore, compared to the previous week.

Of the 282 issues that traded on the DSE, 84 advanced, 84 declined and 14 remained unchanged.

Envoy Textiles featured in the most traded stocks' chart with 1.8 crore shares worth Tk 104 crore changing hands.

Generation Next Fashions and United Airways were the next popular stocks of the week. Jamuna Oil was the worst loser, slumping 29.49 percent.

StanChart gives scholarships to intellectually-impaired students

STAR BUSINESS REPORT

Standard Chartered Bank yesterday awarded scholarships to 100 poor intellectually-disabled students of five schools in Dhaka as part of its corporate social responsibility.

Each student received Tk 3,000 to Tk 5,000 in one-off funds to pay tuition fees for school for a year.

AB Mirza Azizul Islam, former finance adviser to the caretaker government, handed the scholarships at a programme organised by the Bankers' Forum, a welfare organisation, at the Cirdap auditorium in the capital.

He urged all corporate bodies to help the helpless and underprivileged disabled students for the benefit of the country.

"Disabled students are the integral part of the society. We

should help them. I wish them great success."

Standard Chartered is giving education scholarships and medical facilities to the poor as part of its efforts to develop the country, said Bitopi Das Chowdhury, head of corporate affairs of the bank.

The other corporate institutions should come up with the same initiative like StanChart to help such students, she said.

"We are working to facilitate the poor and intellectually-disabled students," said MA Khaleque, president of Bankers' Forum. "We have given donation to all schools of the disabled students in Dhaka," he said.

"We need to nurture the poor and the meritorious disabled students, because today's students will be the valuable asset for the country."



Managing Director of Sheltech Toufiq M Seraj speaks at a press briefing to announce the company's 16-day housing fair -- Victory Fair 2012 - at the Sheltech Lounge in the city's Panthapath yesterday. The fair starts today.

Brazil lags behind emerging powers in competitiveness

AFP, Sao Paulo

Brazil ranks near the bottom among 14 emerging powers in terms of competitiveness, due to high capital and labour costs as well as inadequate infrastructure, according to a study published Friday.

The study, commissioned by the National Confederation of Industry (CNI) and published by the Folha de Sao Paulo daily, put Brazil in 13th place ahead only of Argentina among 14 countries with similar socioeconomic characteristics.

Canada ranked first, followed by South Korea, Australia, China, Spain, India, Chile, South Africa, Poland, Russia, Colombia and Mexico.

The study indicated that there was no improvement in Brazil's standing since a similar survey done in 2010.

The world's sixth largest economy, which is currently showing anemic growth, fared worst in the area of labor and capital costs, infrastructure and transport, and macro-economic environment.

Folha quoted Renato da Fonseca, CNI executive manager, as saying that this explains why Brazilian industry is losing markets abroad.

"The (global crisis) affected everybody, but impacted Brazilian industry with great intensity," he said. "At a time of crisis, competition becomes more acute and it is precisely the moment when the country needs to show strength so as not to lose markets."

The Brazilian government has said it hopes its recent measures to boost industry and consumption will bear fruit in the second half of this year, but companies have



Md Abdul Jalil, divisional commissioner for Khulna; Pear Ali, an adviser to Seven Circle Edible Oil Ltd, and Kazi Wahidul Alam, editor of The Bangladesh Monitor, pose with the winners of Khulna regional final of Monitor-Malaysian Palm Oil Chef of the Year competition at Hotel Tiger Garden in Khulna yesterday.



Duncan Bureau, senior vice president for global sales of Malaysia Airlines, attends a programme in Dhaka recently where Union Tours and Travels was appointed as the general sales agent of the airline.

Sweden's ice hotel, a work of art

AFP, Jukkasjaarvi, Sweden

In a small Arctic town in Sweden, a construction crew bundled up in heavy parkas is bustling around a building site unlike any other: a massive ice hotel is taking shape.

Armed with thick gloves and safety helmets over fur-lined hats, the builders in the northern town of Jukkasjaarvi assemble two-tonne blocks of ice as if they were a large set of Lego blocks, with the end result a giant igloo with several domes, vaulted ceilings and archways.

In one hallway, a worker uses a large pick to carve a door out of the blue-tinged packed snow, working up a sweat despite the sub-zero temperatures as he exhales feathery puffs of breath.

The builders had just a few weeks to sculpt 65 hotel rooms, a lobby and reception area, a main hall and an ice bar in a race against the clock ahead of the opening earlier this month.

An ice chapel will be added to host weddings and christenings, complete with an ice-sculpted altar, font and pews.

And yet all this effort is ephemeral: in a few months the entire structure will melt away with the spring thaw.

"We're completely dependent on the weather, we have a schedule to adhere to but it varies from year to year," Icehotel representative Beatrice Karlsson said.

The construction method is unique to the Icehotel, according to Nordic archi-

ture expert Rasmus Waern.

"It's totally original. There's no tradition in Scandinavia of building with ice," he said.

But it is rapidly becoming a tradition: the Icehotel is being staged for the 23rd time this year on the shores of the Torne river from where the ice is taken.

"In March, 5,000 tonnes of ice are pulled from the river and then conserved in two-tonne blocks in two warehouses where the temperature is maintained at between minus eight and minus five degrees Celsius (between 17.6 and 23 Fahrenheit)," explains Jens Thoms Ivarsson, in charge of the hotel's interior design.

Construction typically begins in the autumn, when the first polar chills descend on Sweden's far north.

But five months later, once spring arrives and with it the long-awaited sun, the entire site melts down.

"We return to the Torne what we borrowed," says Thoms Ivarsson, grateful for the river's loan without which the Icehotel could not exist.

Once the building process is completed, the interior still needs to be decorated: ornate chandeliers will embellish the main hall, while avant-garde sculptures, bas reliefs, and chairs and beds all cut out of ice await.

Each of the 16 suites is considered a unique piece of art, designed by artists selected from more than 100 applicants from all corners of the globe.

Wake-up call for big clothing brands

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A plant in Bangladesh that burned in 2010 had been inspected by Gap and other customers, but those companies failed to correct the safety hazards that eventually killed 29 workers. The Tazreen factory was an obvious fire trap, yet none of the audits conducted by Walmart and other buyers brought about any apparent change.

All the companies concerned publish official policy statements on these issues -- Walmart, Gap, Sears, Disney, Target, Abercrombie & Fitch, H&M, JC Penney, and Kik -- but the problem is straightforward: it costs more to produce under good working conditions than bad. While brands and retailers claim to be concerned about protecting the rights and safety of the workers who make their clothes, they demand prices from their suppliers that virtually guarantee that those goals will be ignored.

Josh Green, chief executive of Panjiva, a leading supplier of supply chain data to the apparel industry, recently described the "relentless pressure" that these companies "put on their suppliers to deliver lower and lower prices", calling that pressure "a key reason why you see factories cutting corners".

As long as that price pressure continues, more deadly fires are inevitable.

It would not cost brands and retailers much to make apparel factories safe and pay workers decently: labour costs are a

small percentage of the final retail price of their garments. Any impact of safety reforms on prices paid by consumers would be modest.

But no one should expect any moral epiphanies in the boardrooms of leading apparel corporations. At a fire safety meeting last year in Bangladesh, Walmart and Gap dismissed the idea that they should pay higher prices to fund the renovation of dangerous factories. These companies will pay reasonable prices to factories and ensure worker safety only when they are convinced that early 20th-century working conditions are unacceptable to 21st-century customers.

One ray of hope is the decision of PVH Corporation, the owner of Calvin Klein and Tommy Hilfiger, to make a series of binding fire safety commitments in an agreement signed this March with Bangladeshi and international unions and labour rights organisations.

The agreement requires PVH to pay prices to suppliers sufficient to make it possible for them to operate safely and to end business with any supplier that refuses to do so. The German retailer Tchibo has also signed on.

If the biggest retailers, like Walmart, Gap and H&M, would make the same binding commitments, then apparel workers in places like Bangladesh and Pakistan would not have to take their lives into their hands when they go to work.

Airline profits pick up in 2012: IATA

AFP, Geneva

Airlines will pull in sharply higher profits this year and next than previously expected, the International Air Transport Association (IATA) announced on Thursday.

The organisation told reporters in Geneva that airlines globally are now expected to post total profits of \$6.7 billion (5.15 billion euros) this year, up from its previous estimate on October 1 of \$4.1 billion.

IATA said the increase was mainly due to restructuring efforts in the airline industry, and had little to do with the overall economic climate, which remained depressed.

On October 1, IATA had already revised up its predictions from June, when it expected the industry to rake in just \$3.0

billion this year.

The organisation also raised its outlook for 2013, with industry-wide profits now expected to tick in at \$8.4 billion instead of the previously predicted \$7.5 billion.

The net margin this year is meanwhile expected to stand at 1.0 percent and to swell to 1.3 percent in 2013.

In 2011, considered a good year, the net margin was 1.4 percent.

IATA cautioned meanwhile that the airline industry remained weak, pointing out that the revised profit estimate for 2012 was still far below the \$8.8 billion pocketed last year.

And the expected 1.0-percent margin remained far below the 7.0 to 8.0 percent needed to cover the vast capital needs in the sector.



From left, Essa Sulaiman Ahmad, vice president for India and Nepal of Emirates; Anton Strack, director for communications of World Travel Awards; Vinay Malhotra, regional manager for Northern and East India of Emirates; pose at the World Travel Awards at New Delhi in India recently. Emirates.com was named "World's Leading Airline Website" and Skywards -- Emirates' frequent flyer programme -- was voted "World's Leading Airline Rewards Programme".

Air France considering cuts to cabin crew

AFP, Paris

Air France said Friday it was considering offering voluntary departure incentives as it expected to have an excess of 600 cabin crew from 2014.

"In the absence of any adjustments, an excess of 500 to 600 stewards and stewardesses... after 2014," a spokesman told AFP.

He said the company was ready to consider offering packages for employees to voluntarily leave the airline, but said the company first wanted to reach a deal with cabin crew as part of its restructuring programme.

Air France recently resumed talks with cabin crew, four months after they rejected management's programme which targets 20 percent efficiency gains.

Air France-KLM is in the midst of implementing a major cost-cutting programme to ensure the air-

Eco-friendly RMG sector can save \$150m a year: study

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"Donors are ready to cooperate with you."

Civil Aviation Minister Faruk Khan said garments has become an important sector not only by earning billions of dollars but also by creating employment for millions of people.

About the recent fire at Tazreen Fashions, he said the industry people should take steps without any delay to avert any such incident in future.

The minister said time has come to see resource efficient production by setting up effluent treatment plants in every factory. About cleaner production, BGMEA President Shafiul Islam Mohiuddin said they will consider it seriously.

Md Ashraf Hassan, managing director of

Wal-Mart email reveals strategy to upgrade Bangladesh factories

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"We have been actively developing and implementing proactive programmes to raise fire safety awareness and increase fire prevention. We firmly believe factory owners must meet our supplier standards and we recognize the cost of meeting those standards will be part of the cost of the goods we buy."

In an interview on Dec 11 at the Council on Foreign Relations in New York, Chief Executive Officer Mike Duke said the company helped make Bangladesh factories safer last year.

"I believe over 3,000 factories went through the training that was developed, including fire safety," he said. In 2012, he said Wal-Mart raised "the bar more with additional audits."

In a global compliance report on its website, Wal-Mart says its factory audits are "conducted by accredited and internationally recognised auditing firms" every six to 24 months.

The global garment industry would have to spend about \$3 billion over five years to bring safety standards at Bangladesh apparel factories to Western standards, an analysis provided by the Worker