

ICCB calls for an end to confrontational politics

STAR BUSINESS DESK

Bangladesh must address confrontational politics immediately for maintaining the higher economic growth, the International Chamber of Commerce Bangladesh (ICCB) said yesterday.

The country witnessed a sustained economic growth over the last couple of years, but it might not be continued unless destabilising political environment is resolved, ICCB said in the editorial of its latest news bulletin.

"When Bangladesh is showing the favourable signs of sustained economic growth, the stable political environment is of crucial importance to achieve our higher socio-economic objectives as a nation."

But the recent deteriorating

and confrontational political situation does not warrant the business activities to go unobstructed, it said.

Excluding the agriculture sector and other sub-sectors which are only partially affected by national work stoppages and prevention of movement of goods and services, one day halt costs the nation a loss of around \$200 million, ICCB said, citing experts.

In other words, if the nation were to experience 15 days of halt this fiscal year -- a modest assumption perhaps -- it could cost the economy the equivalent of \$3 billion, which could finance the Padma Bridge; leaving aside the brutal killing of innocent people and damage to property, the local representative of the world's

tradebody said.

The resilience of the economy in the face of global downturn points to the ingenuity of the private sector, farmers, common people and their ability to contribute to socio-economic well being, the ICCB said.

"Economic growth since the 1970s has been poor; the country's politics have been unremittingly wretched. Yet over the past 20 years, Bangladesh has made some of the biggest gains in the basic condition of people's lives ever seen anywhere," the ICCB said, referring to articles by The Economist.

The ICCB stressed some issues that warrant attention and actions:

A qualitative change in the political culture is needed. The government must be

applauded for its success in containing militancy, but there is no scope for complacency. The sources of extremism need to be identified and addressed as much as militants need to be confronted.

The rule of law is a prerequisite for a sustainable democracy. The politicisation of the administration and lack of true independence of the judiciary has hindered democratic practices.

In a functioning democracy, differences of opinion may always be there and to resolve such differences there is no alternative to dialogue and negotiations instead of confrontation, ICCB said.

"This was reiterated by the business leaders time and again in the best interest of the economy and the country."



DHL
Desmond Quiah, country manager of DHL Express Bangladesh, inaugurates the 25th service point of the logistics company on Janopad Road in Uttara recently. DHL opened another service point in Chittagong on December 30.



ROBI
Michael Kuehner, managing director and CEO of Robi Axiata, and Mujibur Rahman, managing director of Teletalk, sign an infrastructure sharing agreement at Robi Corporate Office in Dhaka recently. Under the deal, both mobile phone operators will use each other's network.

Netherlands pledges more FDI

STAR BUSINESS REPORT

The Netherlands wants to take the second position in making foreign direct investments in Bangladesh in the next financial year, Carel Richter, chargé d'affaires of the Netherlands embassy, said yesterday.

"We are in the third position in terms of FDI by investing \$200 million in Bangladesh last year," Richter said.

Bangladesh received foreign direct investments of \$1.13 billion last year.

"We have invested in Bangladesh more than the United Kingdom but less than the United States."

Richter disclosed his plan at a discussion on "business to business promotion by the Netherlands" jointly organised by the Netherlands embassy and DCCI at the chamber's office in Dhaka.

"We are doing business in Bangladesh carrying out our social and environmental responsibilities as we always remain aware and watchful about ensuring better work environment," he said.

"We are moving quickly to develop business relations with Bangladesh."

The Netherlands plans to finance 50 percent of the total investment in a joint venture format with Bangladeshi companies in any export oriented project, said Barry Brouns, senior project officer of the private sector investment programme in Asia.

Bangladesh exported \$961 million to the Netherlands last year and imported \$138 million, said Sabur Khan, president of DCCI.

The Dutch entrepreneurs may import more international standard Bangladeshi products including readymade garments, ceramics, jute and jute goods, leather goods, plastic items and pharmaceuticals, Khan said.

"Support from the Netherlands embassy will help our entrepreneurs diversify their products and at the same time explore new markets," he said.

"Our main objective is to promote bilateral trade and investment between the Netherlands and Bangladesh," said Shahzada Hamid, president of Dutch Bangla Chamber of Commerce and Industry.

Bangladesh has strong potential for investment as the country has never experienced negative GDP growth in the last 30 years, Hamid said.

Big test for UK luxury carmaker under Indian owners

REUTERS

Jaguar Land Rover has roared to health in the four years since it was bought by Tata motors, but now comes the hard part for the luxury British automaker: proving it can build new models without former owner Ford.

Since Tata took a \$2.3 billion gamble to buy JLR from Ford at the height of the financial crisis, it has discovered a formula for success, surprising sceptics by winning new customers in Asia.

The firm, with sleek saloons favoured by British Prime Ministers and luxury SUVs born of desert and jungle combat, now has factories working around the clock in England, bucking the trend of hard times for European auto-makers.

JLR said on Monday it had sold 357,773 vehicles in 2012, 30 percent up on a year earlier, and would create 800 jobs at its Solihull plant in central England to keep up with demand.

British-based managers credit their new Indian owners with providing the capital needed for JLR to expand -- especially in China -- while avoiding the sort of overseas micro-management that

they say stifled the company under Ford.

Tata's funding allowed JLR to launch products from a fully-loaded development pipeline inherited from Ford.

But whether it can continue that success -- and unlock its future potential -- depends on learning how to update its portfolio on its own, including achieving ambitions to develop in-house engine and transmission technology by 2015.

JLR has yet to release a model designed under Tata's ownership. It still buys many of its engines from Ford.

That is set to change. JLR now aims to invest 1.5 billion pounds a year until 2017 in new products and in expanding its engine range, says its chief executive, Ralf Speth. It plans to unveil eight new vehicles in 2013, including a convertible sports car and a new hybrid Range Rover.

A new plant near Wolverhampton in England's midlands, built at a cost of 355 million pounds, will design, engineer and manufacture its new family of engines, creating 750 engineering and manufacturing jobs.



NBL
Zainul Haque Sikder, chairman of National Bank Ltd, inaugurates the 164th branch of the bank at ZH Sikder University of Science & Technology at Madhupur in Shariatpur yesterday. Neaz Ahmed, managing director and chief executive officer of the bank, was also present.



BWIT
Luna Shamsuddoha, the new president of Bangladesh Women in Technology (BWIT), and Rezwana Khan, secretary general of the association, pose with other elected members at an event in Dhaka recently. The new committee is for 2013-2014.



BCB
Muhammad Asaduzzaman, managing director (current charge) of Bangladesh Commerce Bank Ltd, attends the bank's annual managers' conference-2013 at a hotel in Banani on Saturday.

Swatch buys Harry Winston jewellery arm for \$750m

REUTERS, Zurich

Jeweller Harry Winston is selling its high-end watches-to-necklaces division to Swatch Group in a \$750 million cash deal that expands the Swiss watchmaker's luxury offering and lets the Canadian group concentrate on its diamond mines.

Monday's deal reverses a 2004 acquisition which turned Harry Winston, the group that discovered what became Canada's Diavik diamond mine -- now controlled by Rio Tinto -- into a miner and jeweller.

The original mining arm is renamed Dominion Diamond Corporation after the sale of the Harry Winston luxury business, which started as a small jeweller in New York in 1932 and rapidly became a favourite with movie stars.

For Swatch, the deal is evidence of the benefits of strong Asian demand for watches, handbags and other high-end items that has given companies the firepower to expand their portfolio.

Harry Winston - which Marilyn Monroe mentioned in her song "Diamonds are a girl's best friend" - has the potential to generate more than 1 billion Swiss francs (\$1.10 billion) in sales and 250

million net profit in about 4-5 years, Swatch chief executive Nick Hayek told Reuters in an interview.

Swatch Group is already the world's biggest watchmaker by sales, with 8.1 billion francs sales in 2012 thanks to brands such as Omega. Buying Harry Winston allows it to enter high-end jewellery, a market dominated by Richemont with its flagship brand Cartier.

"If watches continue to grow as dynamically as in 2012, 9 billion franc sales are within reach in 2013. Now in view of this acquisition, it can of course be even more," said Hayek.

For the group, which is best known for its colourful Swatch plastic watches, the deal marks a new attempt to get a foothold in high-end jewellery. Its partnership with U.S. jeweller Tiffany ended in 2011 with the companies suing each other.

Swatch Group and Dominion Diamond Corporation will continue to work together through a diamond sourcing deal under Monday's purchase, which includes Swatch taking on \$250 million of debt. The two companies will also consider opportunities for a joint diamond polishing venture.

Japan to set 2pc inflation target

AFP, Tokyo

The Bank of Japan and the nation's new government will jointly set a two percent inflation target in a bid to fight deflation, news reports said on Monday.

The two sides are to finalise a joint statement on monetary measures in time for the central bank's upcoming policy meeting scheduled for January 21 and 22, the Asahi Shimbun reported.

The planned statement is expected to stipulate the two percent inflation target as a "mid-term" goal so that the central bank's commitment to beating deflation will be clarified, the daily said.

But Kyodo News, quoting government sources, said that their statement would not take the form of a binding accord and no deadline would be set for achieving the target.

In a television interview on Sunday, Prime Minister Shinzo Abe, who took office late December, reiterated his call for the target in an effort to fight deflation that has plagued the world's third largest economy for years.

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