Entrepreneurs team up to conquer leather world

MD FAZLUR RAHMAN

ELEVEN small leather product makers have come together to form a retail brand, aiming to become a household name.

"As an SME [small- and medium-sized enterprise], it is very tough to become a successful brand. We do not have that capacity and financial power to do so," Tania Wahab, a partner of the brand.

Tania partnered with BAG, Axis, Sassy, 3Tech, Muchee, Superfit, Rubai & Bushpull, SA Authentic Leather Craft, Leathereign and Duce, and formed Leather Cave in 2011.

"As a team, I think we will be able to go a long way," she added.

Leather Cave participated in last year's Dhaka International Trade Fair, the largest exposition in the country, and received positive response.

"The response was very good. It helped us move forward," said AKM Hedaitul Islam George, the group's coordinator.

George, managing partner of BAG, a leather footwear and product manufacturer, said the group is comprised of a number of successful entrepreneurs.

"We are hopeful of the brand's success as we are like-minded people," he said, adding all partners in the brand have experiences working for successful brands.

George said many local and global brands were doing business with the group members -- individually.

"This struck us. There are times when do not get money for our sales. We wondered if we could come together and launch a brand. We could sell products under its name and our money will not get stuck," he said."

He said the brand would also help the group members promote their products at the international arena.

"It is a financial burden for a small entrepreneur if he or she wants to promote his or her products alone."

George said a group of 33 small entrepreneurs formed the Leather Technologist Small Entrepreneurs (LTSE) in 2009 after they graduated from the Bangladesh Institute of Leather Engineering.

Their target was to build a brand which supplied quality leather goods to the local market.

"The Leather Cave is the result of the group work," said the 31-year-old George.

He said the main strength of Leather Cave is it is a huge range of product line.

"No other single brand has such product lines," he said, adding the brand has opened an outlet in Banani.

The group has plans to open another outlet at the capital's Elephant Road in May this year, and showrooms in Bogra and Rajshahi, two important cities in the northern part of the country.

Tania, also owner of leather product-making venture Karigar, said the brand has taken part in a number of fairs at home and abroad to popularise the brand and set up a website.

"We are providing training to our workers together," she said.

Tania, who started Karigar in 2005 when she had just completed her BSc from Bangladesh College of Leather Technology, said if the partnership becomes successful then many would follow suit, breaking the fear of coming together.

She said it would be easier to brand the products as there would be less pressure on the financial side.

The 33-year-old admits that the group needs to learn things on marketing, management and maintenance to sustain the initiative.

"We have lacking in managerial skills."

The Poverty Reduction by Increasing the Competitiveness of Enterprises (PRICE) -- a five-year USAID-funded project, which works with the government and private firms to alleviate constraints hindering the competitiveness of aquaculture, horticulture and leather products sectors -- is helping the group to launch their products and find a niche in the market.

Tania said the partnership is not only a platform to promote their individual products, but also to share work orders.

"If a member of the group facing a tight deadline and is far from meeting it, he/she can subcontract the work to another member of the group."

"We help each other when someone faces financial squeeze," she said.

"But we will have to nurse the partnership and become professional."

Although the group is yet to export their products under the brand, six to seven entrepreneurs are already exporting their products under their individual brands.

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LEATHER CAVE

From left, **Tania Wahab and AKM Hedaitul Islam George, members of retail brand Leather Cave; Mujibur Rahman, acting managing director of SME Foundation, and other officials of the Foundation pose at a fair in Dhaka yesterday.**

G7 only adds to global currency confusion

EDWARD HADAS

THE G7 has spoken about the troubled foreign exchange markets, and the world is marginally less secure for it. In Tuesday's four-sentence statement, the finance ministers and central bankers of the world's leading economies managed to ignore the problem of inadvertent competitive devaluations, contradict themselves and make an empty promise.

The G7 endorsed a "domestic" orientation of monetary and fiscal policies. That pleases the United States, Japan and the UK, all of which are pumping vast quantities of money into the economy in the as-yet vain hope that companies and households will spend and invest enough of the new funds to push GDP growth up and unemployment down.

But the endorsement misses the point. While domestic policymakers may see the cheaper dollars, yen and pounds as no more than a welcome by-product of their stimulus efforts, other trading partners -- including the euro zone -- see a cross-border flow of monetary pollution. They will take no comfort from the commitment to continue not to care about the international consequences of domestic policies.

To move within a single sentence from an endorsement of "market-determined exchange rates" to a pledge "to consult closely in regard to actions in foreign exchange markets" is remarkable even by the standards of diplomatic double-speak. The real meaning is, "We cannot agree on anything but irrelevant platitudes".

After the vagueness, it is hard to take much comfort from the final promise, to "cooperate as appropriate" in dealing with "excessive volatility and disorderly movements in exchange rates". If the 20 percent devaluation of the yen against the euro since November is not deemed excessive, the bar for "appropriate" must be set quite high.

True, finance ministers can't promise or do much about currencies if central bankers don't play along. And there's a good case that the recent talk of an impending currency war is exaggerated in the first place. Roughly similar perma-loose policies almost everywhere need not be globally disruptive. But that argument may overestimate the wisdom of politicians and traders -- who immediately sent the euro soaring up 0.5 percent against the dollar. If the G7 statement is finance ministers' best response to the supposed threat of war, then everyone should hope that currency peace returns soon.

The author is a Reuters Breakingviews columnist. The opinions expressed are his own.

Could new tech mean the end of money?

DAVID WOLMAN, *BBC News*

CASH has been taking a beating lately. Last week, Canada minted its last penny. Eurozone countries are working to restrict cash payments. Bitcoin is all the rage.

Payments start-ups such as Square and iZettle are on a cash-killing mission, while non-profit organisations, governments, the World Bank, small businesses, multinational corporations, app developers, hippies, libertarians, liberals, right-wingers all have agendas that can be advanced by alternatives to cash, and they're all pushing to bring them about.

But like forecasts of flying cars, predictions of a cashless future have a history of failure.

This is in part because progress is incremental, and in part because physical money is a time-tested technology.

It's fast, widely accepted, anonymous and useful for old-school budgeting and when the power goes out.

Yet powerful forces are aligning against cash.

Together, they provide a glimpse of what a cashless or mostly cashless future might look like, and illuminate the promise of digital money, irrespective of whether cash is ever kaput or just increasingly marginalised.

Faster and cheaper

The battery against cash is coming from three fronts - new technologies, scepticism about the stewardship of sovereign currencies and increased enthusiasm for alternative currencies, and greater scrutiny about cash's myriad costs.

(Think anti-counterfeiting cops and armoured trucks, bank security, tax evasion, terrorists using 200-euro or $100 notes to buy explosives, and every cash-related crime ever.)

Digital money innovations, particularly tools anchored to mobile phones, offer faster and cheaper ways to pay bills, buy and sell goods, send and receive money and make bank transactions.

Alternative currencies, meanwhile, are moving from the fringe to the centre, as more and more people worry about the long-term value of coin of the realm.

Angst about government currencies has traditionally sent people flocking to gold, and for many devotees of the shiny stuff, gold remains the one and forever answer.

But gold is not value incarnate. It's just another commodity, albeit a historically pivotal and impressively hefty one.

Those who grasp that fact, yet still distrust central bank-issued currencies, are turning to local and online options, barter exchanges, and the crypto-currency Bitcoin.

But the most consequential aspect of this monetary revolution is growing recognition that the costs of cash fall disproportionately on the poor.

When was the last time you saw a wealthy person patronise a cheque-cashing service, use Western Union or visit a payday lender (for an above-board transaction, I mean)?

Cash is expensive not merely because of the risk of being robbed at the cash machine or losing your savings to a fire, flood or abusive spouse.

It's also expensive because of steep prices paid in time, fees and opportunity costs. For you and me, those costs are, by and large, nominal.

But for the billions of people who subsist on $2 (£1.28) a day, they are anything but.

GOING MOBILE

Digital tools are already providing millions of people worldwide with the opportunity to avoid cash. And avoid it they do.

They are storing value and transacting by way of electronic accounts "on" their mobile phones.

For the first time, people who were trapped in the informal economy can steer clear of usurious local moneylenders, save precious time and money, and benefit from the basic financial services that you and I take for granted.

And no, looping people into the formal economy isn't a clandestine Valentine to banks and bankers.

The fact is that a bank account, online bill, person-to-person payment, access to credit, insurance - all of these tools for building economic stability depend on money in electronic form.

If you don't have that, it's far more difficult to climb permanently out of poverty. The truth is that it doesn't matter all that much whether cash's further marginalisation ever leads to extinction.

What matters far more is the potential for digital money innovations to improve the welfare of so many.

David Wolman is a contributing editor at Wired.

World Bank sees 'enormous potential' in Myanmar

AFP, *Washington*

A World Bank official said Friday that Myanmar has "enormous potential" as it undergoes reforms, which have led the Washington-based lender to launch a drive to bring electricity to millions.

World Bank East Asia and Pacific vice president Axel van Trotsenburg, who visited this month to open the bank's first office in Yangon since 1987, said he was "very, very encouraged" and sensed a feeling of optimism in Myanmar.

"All in all, we believe the country has enormous potential, provided the reforms are sustained," van Trotsenburg told reporters.

"We see that they will require a lot of hard work, but also there will be solid support by the international community when those reforms are happening," he said.

The World Bank has announced $245 million in assistance for priority needs of Myanmar, formerly known as Burma, once the "rice bowl" of Asia, but which remains desperately poor after decades under military rule.

In a project announced during van Trotsenburg's visit to Myanmar, the World Bank is supporting the installation of gas turbines that aim to boost electricity production by two and a half compared to with the aging current sites.

Van Trotsenburg expected the effort to bring power to an additional five million people, lifting health, education and economic growth in a country where only one-quarter of the population now has access to electricity.

The World Bank last month also approved a $440 million zero-interest loan to Myanmar that will help the country improve its finances and pay back a bridge loan from Japan that allowed Yangon to clear its international arrears.

President Thein Sein launched a series of reforms after taking office in 2011, including freeing political prisoners, loosening censorship and allowing pro-democracy icon Aung San Suu Kyi to enter parliament.