

# European RMG buyers should share responsibilities

*Says the chief of the European Parliament's Committee on Foreign Affairs*

DIPLOMATIC CORRESPONDENT

European companies purchasing readymade garments from Bangladesh must share the responsibilities and exercise control and promote acceptable standards in the factories, said Elmar Brok, chair of the Committee on Foreign Affairs of the European Parliament.

He spoke at a meeting with Foreign Minister Dipu Moni in Brussels on May 30, according to a report appeared in EU Parliament website.

Brok said he wished to see the government of Bangladesh implementing measures in the garment industry, which would ensure con-

crete improvements in workplace safety and labour rights.

Earlier, Dipu Moni during her three-day tour in Brussels had several meetings with the EU high officials, including EU Trade Commissioner Karel De Gucht.

They urged foreign buyers, particularly the European companies, to remain engaged in and work with both the EU and Bangladesh to support and promote socially responsible supply chains, they said in a joint statement in Brussels.

On Friday, the foreign minister met with her Singaporean counterpart K Shanmugam and discussed bilateral issues in Singapore.

Dipu Moni urged Singapore to import more Bangladeshi products to reduce the trade gap, which is largely in favour of Singapore.

She also requested to employ more Bangladeshi skilled and semi-skilled professionals especially in the manufacturing and services sectors in Singapore.

Terming Bangladesh as one of the most attractive destinations for foreign direct investment, she urged the Singaporean investors to come forward and take the advantage and invest more in Bangladesh.

Dipu Moni is currently visiting Singapore to attend the 12th IISS Asia Security Summit, known as Shangri-La Dialogue.



SWISSPRO

Mashiur Rahman, economic affairs' adviser to the prime minister, speaks at the launch of SPI Bangladesh Fund, a UCITS (undertakings for collective investments in transferable securities) compliant investment fund, at Ruposhi Bangla Hotel in Dhaka yesterday. Christian Forthuber, chairman of SwissPro Invest, was also present.

## SwissPro Invest launches fund for Bangladesh

STAR BUSINESS DESK

SwissPro Invest yesterday launched SPI Bangladesh Fund, a Luxembourg domiciled open-ended equity fund utilising local expertise on investing in companies listed on the Bangladesh capital markets, it said in a statement yesterday.

It is the first ever UCITS (Undertakings for Collective Investments in Transferable Securities) compliant investment fund to be focused on Bangladesh.

"The Bangladesh economy continues to maintain its resilient track record relative to the current global economic environment," said Christian Forthuber, chairman of SwissPro Invest.

"We are confident that the economy will be among the world's fastest growing in the next decade and offer investors outstanding long-term growth opportunities," he added.

"Our SPI Bangladesh Fund is the world's first UCITS-compliant investment fund offering investors an early, diversified portfolio providing exposure to this Asian frontier market," Forthuber said.

SwissPro Invest is a privately owned, independent investment advisory firm based in Dhaka with a representative office in Frankfurt, Germany. The company provides its services to pooled investment vehicles.

# Monsoon rains arrive in India, bring cheer to farmers

AFP, New Delhi

The annual monsoon, crucial to India's food output and economic growth, hit the southwest coast on Saturday, bringing cheer to farmers and boosting hopes for the struggling economy.

The keenly awaited rains lashed the state of Kerala and parts of neighbouring Tamil Nadu and will now sweep across India, resulting in torrential downpours over the coming months for hundreds of millions of farmers who rely on the seasonal precipitation.

"The southwest monsoon has set in over Kerala," the weather office announced on its website.

The rains that lash the subcontinent from June to September are dubbed the "economic

lifeline" of India, one of the world's leading producers of rice, sugar, wheat and cotton.

The rains normally hit the southwest coast at the start of June but memories remain fresh of India's devastating drought in 2009 that resulted in shrivelled crops.

The weather department has forecast India will receive normal rains this year, raising prospects of a stronger performance by Asia's third-largest economy.

India's 235 million farmers still rely on the erratic rains to soak around 60 percent of the country's farmland -- despite calls for the government to improve irrigation and water-harvesting methods to ensure more stable crop output.

The rains are crucial this year for central parts of the western state of Maharashtra, India's

biggest sugar-producer, which has been reeling from the worst drought in over four decades.

Last year India got below-normal rain in the first half of the wet season. The rains picked up in some areas later, but large areas of west and south India did not benefit.

The Congress-led national government's hopes of at least six percent economic growth this financial year -- up from a decade low of five percent last year -- hinge on a normal monsoon.

A good monsoon is also vital for the ruling Congress party ahead of elections due in 2014 as it struggles to kickstart growth in the country of 1.2 billion people.

Agriculture contributes about 15 percent to gross domestic product but the livelihood of hundreds of millions of Indians living in rural areas depends on the farming sector.

## Financial firms taking risk management plans: IFC

STAR BUSINESS REPORT

Financial institutions in Bangladesh are increasingly adopting environmental and social risks management strategies in their credit policies, according to a survey of the International Finance Corporation (IFC).

The survey found the number of transaction that were not appraised in regards to environmental and social parameters came down to just 6 percent from 44 percent of pre-implementation of the central bank guideline.

Bangladesh Bank issued a guideline encouraging banks and non-bank financial institutions to integrate environmental risk management (ERM) policies into their existing credit risk management procedures in January 2011.

IFC carried out the survey among 47 banks and 28 financial institutions. The findings were shared at a function at The Westin Dhaka yesterday.

Over 90 percent of the

banks considered environmental and social risks due to the Bangladesh Bank regulation, according to the survey.

More than 80 percent of the banks felt that a lack of sector specific guidelines and internal capacity to deal with environmental and social issues are the major obstacles to implement the guideline, the study shows.

"We are here to share the findings of the baseline study and engage stakeholders to exchange ideas, thoughts, views and recommendations to take ERM for the financial sector to the next level," said Afifa Raihana, consultant (sustainable energy finance) of IFC.

Stakeholders emphasised designing a monitoring and evaluation tool for the central bank so that the guidelines are implemented properly, she said.

SK Sur Chowdhury, deputy governor of BB; Mahfuzur Rahman, executive director of BB, and Kyle Kelhofer, country manager of IFC in Bangladesh and Nepal, were also present.



IFC

SK Sur Chowdhury, deputy governor of Bangladesh Bank, attends a workshop on environmental and social risk management for financial sector, jointly organised by Bangladesh Bank and the International Finance Corporation at The Westin Dhaka yesterday. Atiyah Curmally, IFC specialist, and Afifa Raihana, IFC consultant, were also present.

## US slaps sanctions on suspected drug traffickers

AFP, Washington

The United States designated six individuals and groups, including a prominent steroids dealer, for sanctions Friday, freezing their US assets and barring trade with Americans.

The Knights Templar of Mexico, Colombia's Los Urabenos and Los Cachiros of Honduras were singled out for sanctions under the Foreign Narcotics Kingpin Designation Act, President Barack Obama wrote in a letter to lawmakers.

Three individuals were also listed: Luis Fernando Sanchez, the alleged leader of Mexico's Tijuana cartel, steroid dealer Mihael Karner of Slovenia, and Afghanistan's Haji Kotwal Noorzai.

## Govt to set ambitious GDP growth target

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The finance minister said political instability is the biggest challenge for the coming days but budget implementation will continue in full swing until the end of the present government's tenure.

If the present government returns to power, it will start implementing some big infrastructure projects, including the Padma Bridge, which would also help raise the GDP growth, another official of the same ministry said.

One of the major electoral pledges of the present government was to keep the prices of essentials at a tolerable level.

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Inflation had been at a lower level during the first few months of the current government, but the rate had started to rise since 2010.

Inflation, on an average basis, had crossed double digit in 2011, but now it has started to come down again. In June last year, the figure was 10.62 percent, which declined to 7.85 percent in April this year, close to the government's target for the current fiscal year.

The finance ministry officials said they hope to meet the target for the next fiscal year if farm production remains higher like the previous years and prices do not go up on the international market.



APEX

Syed Nasim Manzur, managing director of Apex Adelchi Footwear Ltd, poses in front of the company's new logo at its launch at Gold Water Convention Centre in Dhaka yesterday. SAM Yousuf, executive director, was also present.

## Ollo users cross 25,000

STAR BUSINESS REPORT

Wireless internet service provider Ollo recently crossed the mark of 25,000 users, becoming the third largest internet provider in Bangladesh.

Two internet service providers -- Bangladesh Internet Exchange Ltd (BIEL) and New Generation Graphics Ltd (NGGL) -- offer Ollo services in the country, officials of the company said in a press briefing at The Westin Dhaka yesterday.

Ollo covers major areas in Dhaka, including Uttara, Gulshan, Banani, Mohakhali, Dhanmondi, Motijheel and surrounding areas, where internet penetration is the highest, said Yulia Aksyutina, managing director of BIEL.

The company keeps the internet connection on even after the deadline of monthly payment with a minimum speed of 64 kilobits per second, she said.

"Ollo was the first operator in the country to provide such service."

Aksyutina said BIEL has recently applied for the broadband wireless access licence, which covers the Wimax technology service. "If the government gives permission, we will have more scope to widen our services."

Both BIEL and NGGL will continue its investment in the field of wireless broadband, said Sergey Topalov, managing director of NGGL.

The company plans to offer broadband connectivity in rural and suburban areas for modern digitalised education, e-governance and healthcare, he said.

## Govt firm sits idle on unsold rubber

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Meghna Cycle, which is one of the two largest consumers of locally produced rubber, has also started importing the raw material as the BFIDC has been failing to go with the bid prices for the past half year.

"We pay around Tk 240 for each kg of imported rubber, but the BFIDC is charging far more," said a senior official of Meghna Group of Industries that exports bicycles.

Private producers are doing good business as the big consumers are not buying from the government enterprise.

"We have no stock; we are under a sales pressure," said Motahar Billah Chowdhury, a private rubber producer.

SM Harun-ur-Rashid, a former general secretary of rubber garden owners' association, said they are getting good prices now.

"Now we are selling rubber at Tk 250-Tk 255 a kg depending on quality," Rashid said.

Prashanto Bhushan Barua, chairman of the BFIDC, said they have been demanding prices in line with the international market.

"A vested quarter is involved and they are saying that the BFIDC is charging high," Barua said.

He said buyers have to pay around 24 percent value added tax and other taxes for the BFIDC rubber, but they can evade the tax while purchasing from the private producers due to a lack of monitoring.

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## Bangladesh must upgrade worker safety to fix reputation crisis

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BB issued two major circulars to ensure that no financial institutions can lend money to any non-compliant factories in the country, he said.

The central bank has also arranged over Tk 90 crore from banks and non-bank financial institutions to support the victims of Savar tragedy, Rahman said.

The regulator and the Association of Bankers, Bangladesh are also jointly working to create a special fund to continue their campaign on compliance of apparel factories, he said.

The fund will be used for capacity development of the fire brigade and help them purchase necessary equipment, Rahman said.

The central bank has also created a fund of Tk 100 crore with the assistance of Japan International Cooperation Agency for the apparel sector, he said.

From the fund, small and medium enterprises will get soft loans to increase the load-carrying capacity of the buildings that house readymade garment factories, he said.

Rahman said Bangladesh is seriously working to address the workplace safety and rights of workers in the apparel industry.

Direct CSR expenditure of all banks increased by 5.5 times to Tk 304.67 crore in 2012 from Tk 55.38 crore in 2009, according to the latest available data.

"I am trying to give a message to the international community that not only the Bangladesh government but also the financial regulator is also working on it." "It is not the time to abandon Bangladesh. Rather help the country overcome the situation," said the governor.

KM Khaled, president of CanCham, said 5,000 copies of the guidebook have been printed for free distribution among leading businesses in Bangladesh.

The book is also made available on the Canadian High Commission's website, he said.

Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association, also attended the event.



SHELTECH

Toufiq M Seraj, managing director of Sheltech, attends a press meet to announce the company's Budgetary Fair 2013 that began at its office at Panthapath in Dhaka yesterday. The realtor offers 25 percent discount on all its apartments and lands. A special lottery will be organised for buyers where they can win land in Ashulia and a car.



JCI

Participants of an advisory session on pregnancy and birth planning for women, hosted by the JCI Dhaka Cosmopolitan, pose after the programme at Malibagh Wireless Raitgate slum on Friday. Eskayef Bangladesh was the pharmaceutical partner for the session.