Furniture and electronics vendors pin hopes on Eid

As the biggest shopping season sets in, stores offer discounts

MD FAZLUR RAHMAN

MANY furniture and electronics stores are offering price cuts this year to capitalise on people's spending spree during Ramadan, the peak selling season for clothes, shoes and jewellery.

Partex Furniture is offering 18 percent discount on wooden furniture, 12 percent on metal chair and 18 percent on some other items, said Rajib Kumar Roy, manager of the brand's store in the city's Panthapath.

Its rivals Hatil, Otobi and Brothers Furniture have also come up with same offers. Hatil and Brothers are offering 5 to 15 percent discounts, while Otobi has slashed the prices of its items by 5 to 50 percent.

Nokia has taken between Tk 500 to Tk 1,600 off its Asha handsets, and Fujifilm has cut the price of its instant camera series by Tk 1,000.

Sony is also offering discounts on its LED, 3D, LCD and internet-ready flat panel television sets.

About common allegations that brands and shops change price tags before offering any discount, Roy said: "Furniture is never an impulse buy. People shop around for months, so they already know the prices by heart -- we'd easily be caught out."

Meanwhile, due to the slow start to Ramadan sales due to political tension, many clothing stores are offering discounts to perk up their sales figures.

Cats Eye and Monsoon Rain, two popular clothing brands, are selling their products at 10 percent below usual prices, while Texmart is offering a free shirt with every two purchased.

Hearts on Fire, a diamond jewellery shop at Navana Bailey Star shopping complex, has cut down prices of its rings, ear-rings and nose rings by 30 percent.

Shashanka Das, sales executive of the store, have backed up Roy's words about the discounts on offer being genuine.

"Most of our customers are regular in nature, so they know the prices very well. To coax them into spending, we have cut down the prices."

Sweet Dreams, a beauty parlour near Navana Bailey Star shopping complex, is also offering discounts on its services: it is 5 percent for spending of up to Tk 2,000 and 10 percent beyond that.

However, the offer will come to an end today, as customers normally start to flock to saloons after Ramadan 15, said Helena Akhter, in-charge of the store.

Popular clothing brand Kay Kraft is offering 10 percent discount on purchases using credit or debit cards of Standard Chartered Bank, Eastern Bank, LankaBangla Finance and BRAC Bank.

Star subscribers of Grameenphone are also entitled to the offer, said Abdul Qaiyum Miah, manager of the brand's store in Bailey Road.

Menz Club, too, is offering 15 percent discounts to star subscribers of Grameenphone.

STAR/FILE

Furniture makers offer heavy discounts to gain from the Eid shopping spree as customers are flocking back to the city's malls after a long spell of shutdowns.

Topshop tycoon attacked for refusal to sign Bangladesh safety deal

Sir Philip Green's clothing brands are notable absentees from list of supporters of the Bangladesh Safety Accord

THE GUARDIAN

SIR Philip Green's clothing empire has been criticised for shunning a new initiative aimed at improving safety standards at Bangladeshi clothing manufacturers in the wake of the Rana Plaza disaster in April.

The tycoon's brands, which include TopShop, BHS and Miss Selfridge, are notable absentees from a list of supporters of the Bangladesh Safety Accord, which is backed by 80 top high street brands ranging from Marks & Spencer and Next to Primark and H&M.

The scheme, which was unveiled in May and is co-ordinated by the UN's International Labour Organisation (ILO), has seen retailers agree to a range of measures including inspections of suppliers to identify "grave hazards and the need for urgent repairs", as well as companies committing to hiring chief safety inspectors to inspect standards at all factories producing garments for the participating brands.

Murray Worthy, of the anti-poverty campaign group War on Want, said: "TopShop's bosses have got no excuse for not signing this agreement. With their bumper profits, they can easily afford a tiny fraction of that to make their supplier factories safe. Their failure to act and to work with other UK high street retailers to make these factories safe leaves thousands of workers' lives at risk."

A spokeswoman for Arcadia, the holding company of Green's retail brands, said: "Arcadia are in continued and detailed discussions with the Bangladesh Accord steering group. An Arcadia representative attended a [Department for International Development] round-table session on Bangladesh, and we are undertaking robust measures to ensure suppliers and factories we work with in Bangladesh are compliant with our own stringent code of conduct, whilst being fully supportive of industry initiatives."

Sir Philip Green

The move to address safety within Bangladesh's manufacturing industry came after 1,132 workers were killed following the collapse of a clothing factory in the Dhaka suburb of Savar in April. In a second incident, eight people were killed in a fire at a factory in the capital that was producing clothes for western retailers including Primark. It is estimated that at least 1,800 garment industry workers have been killed in fires or building collapses since 2005.

At the Accord's launch in May, Krishan Hundal, director of sourcing at M&S, said: "We recognise the need for a safer garment industry in Bangladesh and have signed the accord on fire and building safety. We will play our role alongside the ILO, other clothing brands and NGOs in developing it into an effective programme to deliver a better working environment across all 5,000 garment factories in Bangladesh."

Japan firms spend record amounts in Southeast Asia

AFP, *Tokyo*

JAPANESE firms have spent record amounts scooping up assets in Southeast Asia this year, part of a trend that has seen Tokyo moving to boost its presence in the fast-growing region and away from China.

As Japan's Prime Minister Shinzo Abe leaves Thursday for a three-day trip to some of the region's biggest economies to tap an expanding middle class, figures show Japanese firms have already this year spend more on mergers and acquisitions than ever before.

Rising wages in China and a Tokyo-Beijing territorial dispute that has infected bilateral trade has also taken the sheen off the world's number-two economy as an investment destination, analysts say.

Japanese firms have spent a staggering $8.2 billion on M&A in Southeast Asia so far in 2013, already a record with five months to go and well above the $614 million at the same point in 2012, data provider Dealogic said.

The figure easily outstrips the previous full-year best of $7.6 billion in 2006, it added.

Two deals helped inflate this year's figure: Mitsubishi UFJ's $5.6 billion bid earlier this month for Thailand's Bank of Ayudhya and Sumitomo Mitsui Banking Corp.'s agreement to buy a 40 percent stake in Indonesia's PT Bank Tabungan Pensiunan Nasional for about $1.5 billion.

But Japan also took top spot in terms of the overall volume of such regional agreements, followed closely by Thai and Singaporean firms, said Dealogic, which counts deals in its data from the moment they are announced.

The Thai bank tie-up comes after Japan's largest lender said it had agreed to buy a 20 percent stake in state-owned VietinBank for about $743 million, the largest-ever foreign investment in Vietnam's banking sector.

Toyota has said a new $230 million plant in Indonesia will start producing vehicle engines by 2016, among a string of investments in the region by the world's biggest automaker.

"Japanese companies have been searching for places to invest in addition to China," said Toru Nishihama, economist at Dai-Ichi Life Research Institute. "This trend is likely to continue for the next five to ten years."

The ramped-up shopping spree has come even as the yen has weakened against the dollar since late last year -- owing to a big-spending plan by Abe to kickstart the economy -- making overseas deals relatively more expensive for Japanese firms.

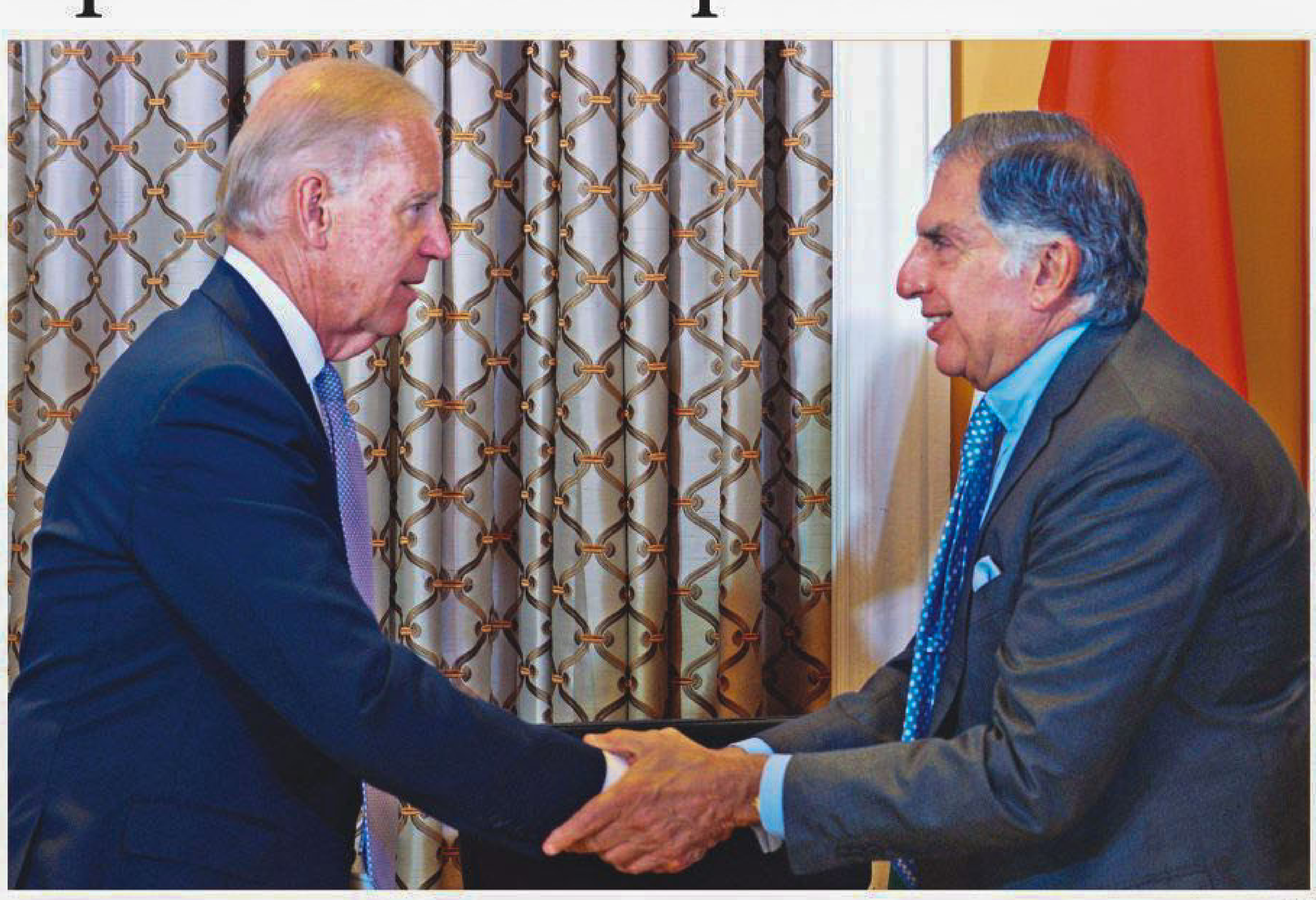
The 58-year-old premier's three-day tour to Malaysia, Singapore and the Philippines is the latest of several trips he has made with business leaders since coming to power in December that aim to drum up new deals.

In May, Abe announced a development aid and loan package for Myanmar worth hundreds of millions of dollars as it boosts trade ties with the once-isolated nation, which has ushered in a raft of political reforms.

Japan also agreed to cancel about $1.8 billion of Myanmar's debts during a visit by Abe. He was accompanied by a 40-strong delegation of bosses from some of Japan's top companies.

"The Japanese government is very proactive about it," Nishihama said. "It has become enticing for Japanese businesses to invest in Southeast Asia, with government-affiliated financial institutions."

Biden urges India to open up to US companies



AFP

US Vice President Joe Biden (L) greets Ratan Tata, former chairman of Tata Group, India's largest conglomerate, after a round table discussion with corporate leaders in Mumbai yesterday.

AFP, *Mumbai*

US Vice President Joe Biden urged India on Wednesday to improve investment conditions and remove obstacles faced by American companies which restrict trade between the world's biggest democracies.

Biden, the first US vice president to visit India in three decades, listed intellectual property concerns, requirements to buy local content and inconsistent tax treatment as worries for foreign investors.

"These are tough problems, but they have to be negotiated and worked through to meet the potential of this relationship," he said in a speech at the Bombay Stock Exchange focused on boosting annual trade from its current level of nearly $100 billion.

He also noted that India's "instinct to protect your industries is understandable. But we need to be candid with each other about the obstacles which exist when economies do business."

Biden is the most senior US official to visit India since President Barack Obama in 2010, and the four-day visit is designed to revive flagging momentum in relations.

Problems on both sides have soured ties, leading many analysts to conclude that a relationship described by Obama as one of the "defining partnerships of the 21st century" is far from fulfilling its potential.

Biden also alluded to looming friction at a meeting of the World Trade Organisation in Bali in December over India's highly protected farming industry.

"We need to find a way forward to address India's... legitimate concern about food security without distorting global trade. It is a difficult problem but it must be addressed," he said.

Despite a nuclear energy deal in 2008 championed by the United States, Washington has been left embittered after its companies lost out to French and Russian competitors in the race to sell new reactors.

In the retail sector, US supermarket chain Walmart has been unable to open new stores because of local sourcing rules that require it to buy 30 percent of its products from small-scale local industries.

Walmart, which said last year it wanted to launch its first supermarket within two years, has told the government it is unable to meet the demand, according to press reports on Tuesday.

Officials have pointed to Biden's visit as a chance to improve the investment climate between the US and India, where the government has been trying to introduce pro-business reforms in a bid to boost the sluggish economy.

Ahead of Biden's visit, a US official briefing journalists said there was no reason why bilateral trade "can't be five times (more). Over the last 13 years, it has quintupled, and it should quintuple again".

India's left-leaning government has already opened up or proposed opening up the banking and insurance, airline, energy and media sectors to foreign investors, but has imposed conditions.

Experts have said some of the conditions, designed to protect local industries and counter criticism India is "selling out" to foreign multinationals, are too restrictive.

Eurozone may be rising from recession: survey

AFP, *Brussels*

THE eurozone may be on the road out of recession, business data showed on Wednesday but more evidence is needed to say if Europe will soon cease to be a drag on the global economy.

A key survey of business activity switched back into growth in July for the first time for 18 months.

Markit chief economist Chris Williamson said: "The best PMI reading for one-and-a-half years provides encouraging evidence to suggest that the euro area could -- at long last -- pull out of its recession in the third quarter."

Recession in the eurozone is widely regarded as a main drag on global economic momentum.

This has been underlined recently by the big economies in the Group of 20, the Organisation for Economic Cooperation and Development and the International Monetary Fund.

The latest survey of sentiment among purchasing managers, the people responsible for buying materials and products for businesses, is a leading indicator.

The latest findings contrast with consumer gloom, largely a result of record high eurozone unemployment which is a lagging indicator of how the economy performed in past months.

The Markit Eurozone Composite Purchasing Managers Index logged 50.4 points, above the 50-mark signalling growth, and a bigger-than-expected rise according to analysts after posting 48.7 points in June.

The survey, which had given negative readings since February 2012, is closely watched as a reliable pointer to the trend of business activity.

Economists said cautiously that findings for July could be a sign that recession was on the wane.

The outcome, the fourth monthly rise in a row overall, was also marked by a two-year high logged in the manufacturing sector, which recorded 50.1 points, up from 48.8.

The rate of job losses eased, Markit said, while the feedback from star economy Germany showed that rising output there was at a five-month high level.

But the French economy, the second-biggest in the eurozone, still showed contraction although at a slower pace, giving a reading of 48.8, up from 47.4 in June.

Taken together, the data provides a "summer filip to policymakers," Williamson said, given political or financial turmoil in Italy, Cyprus, Greece and Portugal.

Williamson said that although manufacturing had led the revival, there were also "promising signs of stabilisation in the service sector, which hints at some much-needed upturns in domestic demand."

The services sector gave a survey reading of 49.6 points, up from 48.3. Record eurozone unemployment is tipped to reach 12.3 percent at the end of 2014 by the Organisation for Economic Cooperation and Development, with under-25s the hardest hit.

Williamson said that although jobs were still being lost, there was also "welcome news in that companies are cutting back on headcounts to a lesser extent than earlier in the year."

While cautioning that there have been "false dawns" before, Ben May of London-based Capital Economics said the eurozone economy appeared to be "on the mend and might perhaps soon exit recession."