

Union leaders reject proposed RMG wage

STAR BUSINESS REPORT

Sramik Karmachari Oikya Parishad (SKOP) yesterday once again rejected the wage board's recommended minimum pay of Tk 5,300 for garment workers and went on to reiterate its demand for Tk 8,000.

The country's top trade union also demanded introducing social safety nets such as rations, housing and free medical treatment for garment workers.

"The minimum wage must be reset at Tk 8,000 considering the irrational hike in prices of essential commodities and other costs of living," said Chowdhury Ashiqul Alam, member secretary of SKOP, a platform for trade union leaders.

A six-member wage board on November 4 proposed Tk 5,300 as the minimum salary for garment workers. However, owners rejected the proposal the same day.

The proposed minimum wage is not enough if market prices are taken into account, Alam said at a press briefing at the SKOP office in Dhaka.

"The recommended salary is not enough for a worker to survive. It will be difficult to maintain the current level of productivity, let alone productivity enhancement."

The board fixed Tk 3,200 in basic pay, Tk 1,280 in house rents and Tk 320 in medical allowances. It also included Tk 200 in transport allowance and Tk 300 in food subsidies.

On owners rejecting the proposed salary, he said: "They are not only refusing the minimum salary, they are also threatening to shut their factories."

"Their aggressive behaviour and instigating remarks will hamper the relationship between the owners and workers."

Alam also criticised the wage board for proposing the minimum wage at Tk 5,300, comprising Tk 3,200 as basic salary and Tk 2,000 as other allowances.

"In addition to increasing the minimum salary, we are also demanding that workers receive rations for rice, lentils, edible oil and sugar, free medical treatment and housing," said Alam, also general secretary of Trade Union Sangho.

Opera Mini: most used cellphone browser in Bangladesh

STAR BUSINESS DESK

Opera Mini has recently topped the list of most used browser to access internet from cellphones in the State of the Mobile Web report for Bangladesh.

According to the report, the number of Opera Mini users increased 129 percent last year from the previous year.

"Factors such as 3G infrastructure-readiness of mobile operators in the country, availability of affordable smartphones and the curiosity among users to explore the web are bound to add up and strengthen the mobile-internet revolution in Bangladesh", said Sunil Kamath, vice president for South Asia at Opera Software.

"We have observed a gradual increase in the usage of mobile internet in the country, and I'm confident that the growth will double up with the introduction of 3G services," Kamath was quoted in a statement. The firm has partnerships with Grameenphone and Airtel Bangladesh, who actively promote usage of the co-branded version of Opera Mini to their users. Opera also has partnership with Symphony, who will preinstall Opera Mini in all its upcoming Android smartphones.



Md Aminul Hauque Bhuiyan, vice chancellor of Shahjalal University of Science and Technology, and Matiul Islam Nowshad, chief human resources officer of Robi Axiata, exchange documents of a deal at a programme in Sylhet on Saturday to allow the students of the university to do internship with Robi.

Nissan to make mini-vehicles on its own

AFP, Tokyo

Nissan Motor will start producing mini-vehicles, a special category of small cars in Japan, as early as next year in a bid to maintain its jobs and production level, a report said Saturday.

The move would mark the first time that Nissan producing "kei" category cars, defined as automobiles with engines of 660cc or smaller.

The firm has been selling such models made by Suzuki and Mitsubishi Motor under its brand since the early 2000s.

Nissan will stop buying kei vehicles from Suzuki, while deepening its ties with Mitsubishi, the Nikkei said.

The report came after Renault-Nissan and Mitsubishi announced on Tuesday that they would broaden their strategic cooperation to share the production of vehicles, technology and factory capacity and highlighted the development of electric

Germany's Lufthansa says to end Sudan flights

AFP, Khartoum

German airline Lufthansa, the last European carrier with direct flights to Sudan, will end its service in January, a company document obtained on Sunday says, citing economic reasons.

Flights between Frankfurt and Khartoum will end on January 19, says a letter to clients dated October 22 and signed by Hartmut Volz, the airline's Sudan general manager.

"Lufthansa offers its customers an extensive worldwide network and regularly monitors its profitability," it says.

"In this context it was decided to suspend services from Frankfurt to Khartoum."

The move comes after 51 years of service to Sudan, an industry source told AFP.

"The station is not doing well," said the source, asking for anonymity and adding that 12 staff will lose their jobs.

State bank to sue Beximco for defaults

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"Therefore, BDBL has decided to file a lawsuit with Ortho Rin Adalat (Money Loan Court) for recovery of its loans."

Salman F Rahman, vice chairman of Beximco Group, said: "There's been a misunderstanding. We will pay the amount by tomorrow (today)".

As a primary condition to file a suit, the bank said, it would publish an auction notice in national dailies calling for the sale of the company's assets in Gazipur.

Economy to take a hit from chaos: Cruden

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Usually better paid workers are more productive, she said.

"Improvements to the garment sector require a major collective effort and we all have a role to play to maintain momentum and a focus on sustainable results."

"I hope this guidebook on social responsibility will inspire BGMEA members to develop and implement social responsible business models and practices," the envoy said.

Bangladesh has the potential to become a leader and innovator in doing well for the society through corporate social responsibility (CSR), she said.

Businesses have contributed greatly to bringing stability to society, Home Minister Muhiuddin Khan Alamgir said after launching the book outlined for entrepreneurs.

CSR activities outlined in the book should be introduced in the process of doing business in the country, he said.

"No business can flourish without creating effective demand of its products, for which you have to make sure that your income is increasing to help you move towards sustainable stability."

"We are thankful to the Canadian high commission for such a wonderful gesture in collaborating with BGMEA to publish and distribute the book on CSR," said Atiqul Islam, president of BGMEA.

"As a vital part of sustainability, we also feel the necessity of promoting meaningful and international standard CSR activities in our industry."

The new book explains the international meaning of social responsibility and shows how Bangladeshi organisations and companies can benefit by carrying out business in a caring and responsible way, he said.

Mobile operators urge govt to review WiMax guideline

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If spectrum is not allocated properly, the wireless sector will face spectrum scarcity and the government will have to reallocate unused spectrum, they said.

Kabir of AMTOB said they shared their concerns with the government to review the recent change in the broadband wireless access (BWA) licences, which are popularly known as WiMax licences.

Telecom operators urged the government to consult with the stakeholders, including the telecom industry, on spectrum allocation.



Officials of Etihad Airways along with other dignitaries cut a cake to mark the 10th anniversary of the national airline of United Arab Emirates, at a programme in the capital recently.



Norlin Binti Othman, Malaysian high commissioner to Bangladesh, and Rubel Aziz, chairman of City Bank, pose at a programme recently when City Bank American Express partnered with Malaysia Healthcare Services Ltd and Healthtour4u Sdn Bhd to provide special benefits to the bank's cardholders.

NET PROFIT OF LISTED INSURANCE FIRMS

Names	Jan-Sept, 2013 Figures In Million Tk	Jan-Sept, 2012 Figures In Million Tk	Growth in %
Purabi	17.2	8.6	100.8
Pragati	166.4	92.3	80.3
Islami	26.6	16.2	64.7
Federal	62.1	39.7	56.4
United	76.5	58.5	30.7
Central	77.4	59.5	30.1
Bangladesh General Ins.	94.6	76.2	24.1
Paramount	22.7	18.6	22.1
Prime	59.9	49.1	21.9
Eastern	84.1	70.1	20.1
Eastland	132.8	112.1	18.5
Republic	50.8	43.1	18.0
Provati	35.3	30.5	15.9
Takaful Islami	53.0	46.7	13.3
Rupali	101.2	90.0	12.5
Global	27.4	24.4	12.1
Reliance	178.7	160.8	11.1
Agrani	30.6	27.7	10.6
Northern	65.3	59.5	9.7
Nitol	44.6	41.3	8.0
Pioneer	182.9	170.2	7.5
Peoples	76.3	71.7	6.4
Standard	50.9	48.4	5.0
Continental	55.2	53.6	2.9
Sonar Bangla	34.9	34.1	2.5
Phoenix	115.4	114.3	0.9
Green Delta	127.2	131.7	-3.5
City	69.4	74.7	-7.1
Mercantile	48.3	52.2	-7.5
Asia	52.3	58.8	-11.0
Janata	17.5	20.0	-12.4
Asia Pacific	84.5	96.9	-12.8
Karnaphuli	40.7	48.0	-15.3
Dhaka	68.2	82.6	-17.4

SOURCE: IDLC INVESTMENTS

Cheap Chinese textiles slam Peru's garment industry

AFP, Lima

Seamstresses in Lima's garment district are usually busy at this time of year, with Christmas requests from vendors across the Americas. Cheap Chinese imports however are ruining their market.

Until recently the district -- a 20-block area, packed with 25,000 clothing manufacturers and vendors, known as the Gamarra business emporium -- was doing thriving business.

But ever since a free-trade agreement between Peru and China came into effect in 2010, and similar agreements have been signed with Colombia and others, Gamarra merchants have been hemorrhaging customers.

"We should already be working on the Christmas apparel. Colombians, Ecuadorans, Venezuelans and Brazilians come here and take everything for their stores, but up to now they haven't arrived," said seamstress Irma Cayetano.

Cayetano rents a three-square meter room in a Gamarra building for \$300 a month to work as a dressmaker. But this year she's done little business.

Fellow seamstress Astrid Iparraquiere sits in front of her idle sewing machine working on a crossword puzzle.

"There hasn't been much to do lately because of clothing imports," said Iparraquiere, who has worked at Gamarra for the past five years.

Gamarra hasn't lost all of its customers: many items are still sold around Peru and across the region, including the United States.

Millions of t-shirts, for example, have already been ordered by Brazilian vendors for the 2014 World Cup.

But since July sales at Gamarra have dropped 50 percent compared to the previous year, and the merchants have lost nearly one-third of the market to cheap Chinese imports, according to Diogenes Alva, head of the main Gamarra business association.

Dizzying array of options Arab and Italian immigrants were the first to set up textile shops in the area at the end of the 19th century. Small merchants flocking to the area created a boom in the 1960s.

Today at Gamarra you can find bolts of fabric piled meters high in one store, industrial-sized spools of thread in another, and buttons, zippers and eyelets in a third store.

There is plush, high-quality Peruvian cotton fabric for polo shirts, poly-cotton blends for shirts and skirts, and denim for blue jeans and trucker jackets.

You can also find top-quality alpaca wool fabric and hire a tailor to assemble a sharp suit, or hire a seamstress for a custom-made wedding gown.

You can get lost searching for sexy undergarments among the underwear mannequins. You can buy one, or order them by the thousand.

The options are dizzying -- but even though prices are low, the price of Chinese garments are even lower.

"We've lost 30,000 jobs in the last times, in great measure due to imports from China," said Alva, with the local business group.

Alva said that Chinese products are 40 percent cheaper than the Peruvian

apparel, "making it very difficult to compete."

Thanks to the Free Trade Agreement with China, a kilo of shirts or t-shirts made with acrylic fabric is sold in Peru at a wholesale price of \$5 or less, about three times cheaper than similar Peruvian items, which are mostly made of cotton.

"It's impossible to compete," said Manuel Ito with the Peruvian Industrial Association of Clothing Manufacturers.

Some 3,000 business people in the apparel business are on the verge of bankruptcy, Ito said.

Merchants selling Chinese apparel however are smiling.

"We offer more designs, the quality is very good and prices are lower," said Graciela Noriega, a vendor at one Gamarra's 150 clothing retail stores.

David Chen, a Chinese businessman who arrived in Peru ten years ago looking for work, recently opened his own operation to import garments from Asia.

"Business is going well because the Peruvian providers do not have enough products or accessories to offer," Chen said. "They can't compete with the prices of China or India."

Alva said that his group "wants to defend Peruvian industry, but many merchants have abandoned the battle and have their items prepared in China."

Between 2005 and 2013 Chinese imports replaced some 237 million Gamarra items, according to figures from Peru's Customs office.

Carlos Puris, a former Gamarra tailor, said that it was a big mistake to sign the free trade agreement with



Bakhtunnesa Chowdhury, mother of former Prime Bank chairman Azam J Chowdhury, inaugurates the bank's 133rd branch at Kulaura in Moulvibazar yesterday. Azam J Chowdhury and Md Ehsan Khasru, managing director of the bank, were also present.



Md Nurul Islam, chairman of Jamuna Group, and Md Asif Touhid, chief procurement officer of Grameenphone, attend the signing of an agreement of special privileges for Grameenphone customers at Blockbuster Cinemas, a sister concern of Jamuna Group, in Dhaka recently.