

US stores hire big with high hopes for holiday shopping

AFP, Washington

US stores and shippers are ramping up holiday hiring to potentially the highest level in 15 years, but no one is sure whether that will be answered by a burst of shopping.

Package shipper FedEx said Tuesday it would add 50,000 temporary workers for the November-January holiday shopping season, aiming to avoid last year's debacle when it and rival UPS were overwhelmed by the online sales surge, resulting in a huge number of deliveries missing the December 25 Christmas target.

UPS earlier said it was adding up to 95,000 holiday workers to meet what all analysts agree will be another banner season for shipper-dependent online sales.

Added to hiring by stores, that could give around one million more people work for the three-month stretch.

But, a week ahead of the unofficial kickoff to the year-end splurge,

views were mixed over whether consumers will open their pocketbooks and unleash their credit cards more generously than last year.

While the steady fall in joblessness and improved consumer confidence point to more spending, wages in the United States have not grown, and household incomes and savings have not significantly improved in the past year.

The National Retail Federation is optimistic, predicting consumers will go on a \$617 billion splurge this holiday season, 4.1 percent higher than last year.

"Though we have only seen consumer income and spending moderately -- and erratically -- accelerate this year, we believe there is still room for optimism," said NRF chief economist Jack Kleinhenz.

Others are more cautious, with consultant PricewaterhouseCoopers taking a very pessimistic bent, forecasting a seven percent fall in spending from last year.

PwC's survey showed 84 percent of shoppers planned to spend the same or less this year, citing their flat incomes.

Bankrate.com's pre-season consumer survey backed up PwC's conclusion: respondents said they were limiting spending because incomes have not grown, and they need to add to their savings.

"Sustainable growth in household income is the missing ingredient from this economic recovery, and the leading culprit for why consumers are holding back on monthly spending," said Greg McBride, Bankrate's chief financial analyst.

But retailers and shippers are not hedging their bets. The season should see retailers add 800,000 temporary jobs, according to outplacement firm Challenger, Gray & Christmas.

That compares to 786,000 last year, and would be the largest holiday surge since 1999, when the economy was in full-growth mode

and consumers were spending like mad.

Add the temps being hired by non-retailers like UPS and FedEx, and seasonal jobs could easily top the one million mark.

"The last two years saw holiday hiring return to pre-recession levels," said Challenger.

"Holiday spending will undoubtedly benefit from the fact that payrolls are increasing by an average of 215,000 new workers per month, so far this year. That translates into more people with jobs, which means more holiday spending money."

Yet the signs of where consumer spending is going remain mixed. Americans have been strong buyers of big-ticket items like cars this year. And Apple's new iPhones got a strong reception in September, suggesting consumers are ready to spend on certain things.

Another positive is falling gasoline prices, which could free up household funds for other things.



Syed Talat Kamal, head of public relations at Grameenphone, and Zaki Haider, deputy director of MCC, attend the launch of the Firefox app challenge, a competition on application development, at a press meet in Dhaka yesterday.

GP, Mozilla and MCC launch app competition

STAR BUSINESS DESK

A total of \$27,500 will be handed out as prize money to the winners, Mozilla said on its website. Two prizes will be given under each category, with \$3,000 for the first prize winners and \$1,500 for the runners-up, it said.

The best app developer of the competition will get to visit Mozilla headquarters in the US. Additionally, there will be five prizes of \$1,000 for developers who show outstanding innovation or value, regardless of category, it said.

Information on participation procedure is available on Mozilla's webpage for the competition, www.firefoxappchallenge.com.



Nazir Ahmed, executive vice president for market operation at Robi, and Mohammad Hamidul Haque, regional manager for Chittagong south, attend the launch of the company's customer experience centre in Cox's Bazar recently.



VIYELLATEX
David Hasanat, chairman of leading garment maker Viyellatex Group, attends the second meeting of the Green Industry Platform Advisory Board held in New York, USA on September 22.

UN body joins effort to build Asian info superhighway

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Khan unveiled the concept of building the information superhighway during a meeting of ESCAP in Colombo in 2012. It prompted the UN body to study the state of broadband and international connectivity across South Asia, Southeast Asia, Central Asia and Russia. Subsequently, LIRNEasia has reviewed the studies and prepared a policy brief for ESCAP.

At the Bangkok meeting last week, both the ICT and transport departments of ESCAP have agreed to take the project forward, Khan said.

While attributing to Bangladesh, the senior policy fellow said fibre along the country's portion of Asian Highway will have four transit points on the Indian and Myanmar borders. It will phenomenally boost the country's resilience in terms of international telecommunication connectivity, he added.

The international terrestrial cable operators will also enjoy greater options to trade international bandwidth beyond Bhutan and Nepal, he said. "The terrestrial information superhighway will also inject invaluable route diversity to the current and future submarine cable systems of Bangladesh."

Khan said international internet bandwidth is up to six times cheaper in Europe, as the countries are terrestrially connected with each other. Asian countries are, on the contrary, interconnected exclusively through submarine cables. High costs of deploying and maintaining the subsea systems are therefore reflected in exorbitant wholesale bandwidth prices, he said.

All Asian countries are experienced in deploying and maintaining terrestrial optical fibre cables; it will be business as usual for developing Asia to build the backbone, Khan said.

The Bangladesh government must take the issue seriously and both the communication and the telecom ministry should work together, as a high price of internet is the main obstacle to materialising a Digital Bangladesh, added Khan.

Pran books \$2.45m orders at Paris fair

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Around 70 percent of the visitors came to the fair in search of new products and suppliers, organisers said. At the biennial SIAL (Salon International de l'Agroalimentaire), 85 percent stalls were from international companies and the rest were from France.

"Each time we held the event, we were determined to make SIAL Paris much more than a trade show... It is a multicultural network, a focus of interaction and inspiration supporting enterprises in achieving their future success," said Nicolas Trentesaux, director of SIAL Group, the organiser of the show.

"With our 50 years of experience and a worldwide presence supported by the 10 trade shows we hold throughout the world, SIAL has become the true crossroads of world agri-food supply and demand," he said in a web posting.

SIAL is an export platform offering producers and buyers the opportunity to develop the foundations for a partnership that matches their needs, Trentesaux said. The show that displayed 400,000 items drew nearly 150,000 visitors.

However, the organisers were yet to calculate the total number and value of the export orders that were confirmed during the show.

Meanwhile, participants expressed satisfaction and said their goals were achieved. "The response at the show was very good, especially

on the first three days," said Massimo Valenza, a senior official of Freddi, an Italian brand for cake.

The company exports to 90 countries, including China, Japan, Malaysia and Korea, and has been participating in the show for the last 20 years.

Valenza said they confirmed 20 orders, mainly from African traders, and met some new customers, but he did not disclose the value of the orders.

Theodoros Zavos, managing director of Cyprus-based Alion Vegetables & Fruit Company Ltd, said they took part in the fair for the 10th time.

"I am happy with the response this time," he said, adding that more than 10 new companies showed interest in their products. They send 10 tonnes of vegetables and fruits everyday to different European countries, including England, France and Germany.

Medi Erfant, financial manager of Dana Dairy Group, said some of their permanent customers have reconfirmed orders at the show. The company based in Switzerland participated in the fair for the first time. "The response was good," the official said. The company now covers markets such as Bangladesh, some African countries, the Middle East, China and India.

However, Vinod Kumar R, vice president (sales and commercial) of Western India Cashew Company, was

not happy with the response as they did not get any new export order at the fair. "Meeting new customers was our main objective, not export orders," said the official of the Kerala-based company that exports cashews to markets like the US, Japan, Germany and the Netherlands.

Md Mizanur Rahman of Pran-RFL Group said they met around 300 new and 50 old customers at the fair.

"Old customers were asking about our new products. We shared our business plans with them, listened to their problems and gave them sales targets for the next one year," he said.

Pran exported products worth \$150 million last fiscal year and eyes a 70 percent growth in the current year, Rahman said.

To achieve the target, the company is preparing its sales personnel to give them posting in overseas markets. It has now offices in 12 countries, including the USA, Canada, Spain, Italy, Singapore, the UAE, Angola, Malaysia and India.

Amirul Huda, proprietor of Global Enterprise A&S, said they have been importing Pran products for the last 10 years, mainly for markets in Sweden and Finland where they have around 20,000 customers.

The products that Global Enterprise buys from Pran include spices, juice, rice, mustard oil and biscuits. Expatriates from India, Pakistan and Sri Lanka and the Swedish people also buy these products, Huda said.

Jute spinners cut work hours as yarn piles up

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The expectation of making a quick buck enticed some new players into the industry, spinners said.

The latest move to cut working days aims to rationalise production and get fair prices from international buyers, said Mahmudul Huq, managing director of Sadat Jute Industries Ltd, one of the largest yarn exporters of the country.

He said they don't know how long the five-day work schedule would continue. "But our idea is not to make any loss. It is better than continuing on with maximum production and then making loss."

"We think it would be better if we cut the production and still make profit," he told The Daily Star yesterday.

The association has talked to the workers union, which has accepted the proposal.

"The workers will be compensated for the lost wages so that they don't suffer," said Huq.

He said if the mills cut their production they will be able to run the factories smoothly, repay bank loans, pay regular salaries to workers and suffer no backlog.

In a meeting yesterday, the BJSA increased the benchmark price by of yarn by a \$100 per tonne to \$900, to compensate for losses.

The new move also aims to rein in the soaring prices of raw jute, which have gone up by 25 percent since this August amid a nearly 30 percent fall in production this year.

"If the prices of jute go up further and the international buyers don't raise prices of yarn, exporters will die out," said Huq, also the deputy managing director of Janata Jute Mills Ltd.

Bangladesh exports 5.80 lakh tonnes of yarn to 150 countries, with the trouble-hit Middle East accounting for 60 percent.

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Banks largely robust to shocks

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If the price of the equities that the banks hold drops by 10 percent, the banking sector CAR may decrease 0.35 percent. Individually, two state-owned commercial, one private and one Islamic banks' CARs will go below the threshold.

"The stress tests based on June 2014 data exhibit that the banking sector remains resilient to adverse scenarios," Md Anwarul Islam, deputy general manager of Bangladesh Bank's Financial Stability Department, told The Daily Star.

Zahid Hussain, lead economist of the World Bank's Dhaka office said the results of the stress tests were reassuring.

However, most of the tests have experimented with adverse changes whose order of magnitude is somewhat small, he said, adding that it would be useful to examine what magnitude of adverse changes would put the system at risk of major insolvency from a CAR point of view.

"Already, this analysis shows if loans of top three borrowers are adversely classified, 23 banks will fall below the 10 CAR threshold. So collection from the top borrowers must be put under close surveillance," Hussain added.

Tofail pledges fast implementation of new labour law

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Europe is the largest buyer of Bangladeshi products, taking 59 percent of the country's output, worth \$14 billion a year, of which around 90 percent are garment items. As part of introducing ILO's Better Work Programme, the government has already started working on improving working conditions in the RMG sector in Bangladesh, Ahmed said.

The inspection of garment factories by foreign agencies like Accord and Alliance was possible due to that effort, which would not be possible in any other country, he said.

Now the Accord and Alliance are saying that more than 98 percent factories of the country are safe, he said.

Bangladesh earned \$30.5 billion from exports in the last fiscal year, and looks to be on track to achieve the targeted \$33.2 billion this year too, he said.

Tax waiver likely for CSR spending

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Aslam Sunny, former vice president of Bangladesh Knitwear Manufacturers and Exporters Association, said garment exporters would come forward to implement CSR for their workers in education, health and recreation if the government supports their initiatives. The planning minister initially consented to the proposal.

Farooq Sobhan, chairman of CSR Centre, who is involved in preparing the CSR guideline, and Planning Division Secretary Bhuiyan Shafiqul Islam also spoke.



Shafiqul Islam Tushar, deputy general manager of Akij Food and Beverages, and Anup Kumar Sarkar, general manager of Concord Entertainment, attend the signing of a brand promotion agreement at a programme recently.



Ferozur Rahman, director of Standard Bank, opens the bank's 93rd branch in Nimsar, Comilla recently. Md Nazmus Salehin, managing director, was also present.