

A denim expert indeed

Mostafiz Uddin, managing director of Denim Expert Ltd, shares his plans with The Daily Star



Left, Mostafiz Uddin, managing director of Denim Expert Ltd, shows the crinkling effect on jeans at his factory. Right, Workers are putting the finishing touches on denim trousers.



ANURUP KANTI DAS

REFAYET ULLAH MIRDHA

COLLECTING denim trousers is his hobby, leading to an astounding assortment of 12,000 designs at his denim studio at the factory in Kamaphuli Export Processing Zone in Chittagong.

"I am a designer of denim products myself, and I do not copy and paste other's designs," said Mostafiz Uddin, managing director of Denim Expert Ltd, in an interview with The Daily Star recently.

In Bangladesh, garment makers usually manufacture the items with designs supplied by the international retailers, but in this case, he does not depend on the designs provided.

"I have a big design studio and I spend a lot of time and effort to produce new designs."

Sixty percent of his products are sold

under his own brand name, BlueXonly, in different boutiques in the Netherlands, Belgium, Hungary and Italy. At present, he makes jeans for both men and women.

The remaining 40 percent of the products are sold to different European retailers like Primark, Tesco and New Yorker.

The company also has its own warehouse in the Netherlands, from where the trousers are distributed to different boutiques in Europe.

Denim Expert currently produces 12,000 pieces of trousers a day, with a workforce of nearly 2,000, Mostafiz said.

The company exports denim products worth \$24 million a year, with an 18 percent growth last year.

"I have set up an independent business plan to avoid the hassle of middlemen. I sell my products directly to my customers." Typically, most Bangladeshi garment makers sell their products through ven-

dors or buying houses.

The young entrepreneur started his business in 1999 by shipping denim trousers worth \$12,000 to Europe.

"Now, I have work orders worth millions of dollars in my hand as retailers have confidence on my products and designs."

"My next target is to increase daily production to 50,000 pieces over the next three to five years," he said.

He plans to extend the current two-storey factory building to eight storeys to increase production and meet growing demand from retailers. Each floor of the building spans 74,000 square feet.

Mostafiz said he uses only high quality fabrics to stitch jeans as he caters to upscale customers, but he did not mention the price range of the products. He pays wages higher than the minimum level recommended by the wage board.

On sustainability of business, Mostafiz

said he recycles 61 cubic metres of water from the dyeing and the washing plants per hour and reuses the water for various purposes.

He also uses the recycled water for fish farming in a pond in front of the factory building. "I use the fish in the pond as a yardstick to check the quality of recycled water. So far, no fish died and I am happy."

The company uses rain water for 90 days a year as it has a large water reservoir with a capacity of 32 million gallons; the stored water is used for dyeing and washing of the denim products, he said.

"I also reuse the steam from the boilers for different purposes." Such practices can help save a lot of money in a year, he added.

The Accord, a European platform of 189 retailers and brands for the inspection of garment factories, identified Denim Expert as a green building upon inspecting building, fire and safety standards recently.

World's first oil well still bubbling up black gold in Poland

AFP, Bobrka, Poland

THE smell of money hangs thick in the air as black crude oil bubbles up from what is billed as the world's oldest oil well, but this is not Texas or Saudi Arabia.

The sleepy village of Bobrka in southern Poland lays claim to the planet's first oil well and rig, one that is still pumping up enough black gold to be profitable.

It was dug and built by hand in 1860 under the watchful gaze of Polish pharmacist and inventor Ignacy Lukasiewicz, a humble man who pioneered the now ubiquitous use of petroleum by creating the kerosene lamp.

Thanks to him, "Bobrka became the birthplace of the world's oil industry", says Barbara Olejarz, who runs a local museum devoted to the origins of the sector and whose last name by coincidence means "oilman" in Polish.

"It all began there," she tells AFP while pointing a finger at an obelisk built by Lukasiewicz and his circle to mark the launch of the oil field in 1854 and the founding of the world's first oil company.

Despite giving birth to the sector, it turned out that Poland did not have much oil.

It now produces around 20,000 barrels a day, or 7.3 million per year, worth some \$584 million (466 million euros) at current prices -- a trickle by global standards. Refined locally, Polish crude covers just four to five percent of domestic demand, according to oil and gas expert Andrzej Szczesniak.

The five remaining wells at the Bobrka museum pump out a combined 423 barrels of crude per year, which is also locally refined and consumed.

And though he pioneered the oil industry, few outside the country know about Lukasiewicz, due in part to his own humility.

"His modesty worked against him. He remained less known than other Polish scientists: Copernicus or Marie Sklodowska-Curie," says Olejarz.

"He didn't want to be the talk of the town, he didn't like to stand out, he did everything during his lifetime so that he'd be forgotten and his wish has been fulfilled."

Born in 1822 in the southern village of Zadzuszniki -- then part of the Austro-Hungarian Empire -- Lukasiewicz acquired a pharmacist's diploma and an interest in the petroleum found in the eastern Carpathian Mountains.



France's former economy minister Arnaud Montebourg looks at a pair of jeans while visiting the Made In France fair at the Parc des Expositions in Paris on Sunday.

Apple's China app store now open for UnionPay card payments

REUTERS, Beijing

Apple Inc's app store in China now accepts payments made using China's UnionPay credit and debit cards, the iPhone maker said on Monday, making purchases easier for users in Apple's second-largest app market.

"The ability to buy apps and make purchases using UnionPay cards has been one of the most requested features from our customers in China," said Eddy Cue, Apple's senior vice president of Internet Software and Services, in a statement.

Apple has tried to drive the adoption of mobile payments on its platforms, but China's complex banking payment system makes it difficult to carry out any kind of online payment.

Before UnionPay was added, Apple mainly relied on a top-up system for its app store in China, with a 50 yuan (\$8.16) minimum value. The UnionPay payment option means money is transferred directly from a bank account for the exact amount of each purchase.

Belgium charges HSBC with fraud involving diamond dealers

AFP, Brussels

BELGIAN prosecutors charged a subsidiary of British bank HSBC on Monday with fraud and money-laundering worth hundreds of millions of euros, mainly for diamond dealers in the industry's international hub of Antwerp.

Swiss subsidiary HSBC Private Bank SA (Suisse), which is wholly owned by the Asia-focused banking giant, allegedly helped hundreds of clients cheat the Belgian state, a statement from the prosecutors said.

It is the latest in a series of international investigations into practices ranging from currency exchange rigging, Libor rigging and product mis-selling that has damaged the reputation of major banks.

Banking practices also had helped to spark the 2008 global financial crisis that led to a worldwide recession.

The Belgian prosecutor said the HSBC subsidiary was being charged with serious and organised fraud, money-laundering, criminal conspiracy and illegally functioning as a financial intermediary.

It said the allegations "date back several years and involve soliciting and managing the assets of wealthy clients, mainly from the Antwerp diamond industry."

"The Swiss bank is also suspected of knowingly favouring and encouraging fiscal fraud, giving privileged clients to offshore accounts, particularly in Panama and the Virgin Islands."

Antwerp, a port in Belgium's northern Flemish-speaking region, is home to the global dealers syndicate for diamonds.

China to establish currency clearing bank in Sydney

AFP, Sydney

China will establish an official currency clearing house in Australia, the leaders of the countries said Monday after concluding talks on a long-awaited free trade deal.

The hub to be set up in Sydney will facilitate trade in the Chinese yuan, officially called renminbi (RMB) -- a move it is hoped will further open up the powerhouse Asian economy to Australian businesses.

"The establishment of an RMB clearing bank here in Australia is very, very good news indeed," said Prime Minister Tony Abbott alongside China's President Xi Jinping in Canberra.

Australia's central Reserve Bank of Australia said it had signed a memorandum of understanding with the People's Bank of China to establish the hub, which is hoped will help build bilateral trade between the major trading partners.

"The clearing arrangements will provide a more direct means of facilitating cross-border RMB transactions between Australian and Chinese entities than was previously available," the bank said.

Australian banks welcomed the move which they said would make it faster and easier for customers to trade and transact in the Chinese currency.

"The renminbi is expected to dominate Asian trade and could become a genuine rival to the US dollar as a global reserve currency," ANZ chief Mike Smith said.

China is also allowing Australian-based financial institutions greater direct investment access to China's domestic bond and equity markets via its RMB Qualified Foreign Institutional Investor programme, the RBA said.

India urges higher pay for millions of Gulf workers

REUTERS, New Delhi/Dubai/Riyadh

INDIA is pressing rich countries in the Gulf to raise the wages of millions of Indians working there, in a drive that could secure it billions of dollars in fresh income but risks pricing some of its citizens out of the market.

Over 5 million Indian nationals are believed to be employed in the oil exporting states of the Gulf, the single largest group in a migrant worker population of more than 20 million.

Migrants do many of the dirty and dangerous jobs in the region, from construction to the oil industry, transport and services. They account for nearly half of the roughly 50 million population of the six-nation Gulf Cooperation Council.

So India's campaign for much higher pay could have an impact on economies around the region, especially if it leads to a general increase in wages for workers from other big labour-supplying countries such as Pakistan and Bangladesh.

Over the past seven months, Indian diplomats in Bahrain, Kuwait, Qatar, Oman, Saudi Arabia and the United Arab Emirates have sharply increased the minimum salaries that they recommend for Indian workers at private and public firms in those states.

"We want the Indian workforce to be paid higher salaries. Inflation, the value of the Indian currency and a rise in the cost of living in the Gulf were the factors that led to the decision," YS Kataria, a spokesman for the Ministry of Overseas Indian Affairs (MOIA) in New Delhi, told Reuters.

The success of India's strategy is not yet clear, however. Officials in at least some GCC nations have expressed displeasure, and the strategy could backfire if those countries end up hiring more workers from elsewhere in the world.

"Of course it will encourage companies to look at Bangladesh and Pakistan as more viable options to get migrant workers," said Mohammed Jindran, managing director of UAE-based recruitment agency Overseas Labour Supply.

The Indian government cannot dictate the pay of its citizens in the Gulf - decisions to hire workers are



An Indian labourer looks at the construction site of a building in Riyadh.

made by labour recruiters in individual countries, which have not set minimum wages for migrants and usually prohibit union activity by them.

However, the recruiters must rely on the co-operation of local authorities to operate in India. An internal memorandum prepared by the MOIA, sent last month and seen by Reuters, says that if workers are offered wages below specified minimums, ministry officials "would deny emigration clearance".

In Saudi Arabia, the Indian embassy lifted the recommended minimum salary posted on its website to 1,200 riyals (\$320) a month earlier this year from 670 riyals. In the UAE, the minimum wage for Indian blue-collar workers rose to 1,500 dirhams (\$409) in recent weeks from 1,200 dirhams last year, Jindran said.

Even when Gulf recruiters agree to certain wage levels, the numbers do not necessarily stick. Some workers are promised one salary when they sign up in their home country, then forced to renegotiate lower wages when they arrive in the Gulf.

India's role as a top labour supplier means its drive cannot be totally ignored by recruiters, and it could have a big impact in some countries and industries. But there may be a backlash.

Another MOIA official said India's pay demands had met initial resistance in all six GCC countries, while two of the countries had threatened to reduce their Indian workforces and hire more, lower-

paid workers from Bangladesh and Nepal instead.

Ahmed Al-Fahaid, Saudi deputy labour minister for international affairs, told Sky News Arabia last month: "If this is a decision that is applied throughout India as a whole, meaning no one gets out of India for work unless with that limit, then this is a sovereign decision for the country and we will not interfere," Fahaid said.

"But if it is a special decision to raise wages for whoever comes to work in the kingdom, then we oppose it and do not accept it, as it would be an act of discrimination and we don't accept that in international agreements." He did not elaborate.

If India's efforts to secure higher pay succeed, they could boost its economy, because migrants send much of their pay home. India received \$69 billion as remittances in 2012; a 2010 central bank study found Gulf nations accounted for 31 percent.

Higher wages could also impact many companies. Fawwaz al-Khodari, chief executive of Saudi builder Abdullah Abdul Mohsin al-Khodari 1330.SE, said profits in the sector might be squeezed by demands from governments of some labour-exporting countries.

"In cases where salaries have been 800 to 900 riyals, we are now hearing talk of 1,500 riyals as a minimum salary, which is a huge increase...Clearly this would become a major issue in the contracting industry."