

China November inflation falls to five-year-low 1.4pc

AFP, Beijing
China's consumer inflation fell to a five-year low of 1.4 percent in November, the government said Wednesday, fuelling concern about the danger of deflation in the world's second-largest economy.

The news comes after the central People's Bank of China on November 21 shocked markets by cutting interest rates for the first time in more than two years to kickstart the slowing economy. Analysts said they expect further easing measures in the new year.

The rise in the consumer price index (CPI) is the lowest since November 2009, coming in short of a median forecast of 1.6 percent in a Wall Street Journal survey of 16 economists and marking a slowdown from October's 1.6 percent.

The National Bureau of Statistics also said the producer price index (PPI) -- a measure of costs for goods at the factory gate and a leading indicator of the trend for CPI -- fell 2.7 percent year-on-year, the worst reading since a similar decline in June 2013. The last PPI increase was in January 2012.

The figures point to further downward

pressure on economic activity in China, a key driver of global growth, after trade figures Monday showed imports unexpectedly fell and exports grew far slower than forecast.

The country has also been hit by disappointing manufacturing activity, tumbling property prices and nagging concerns over corporate and local government debt.

"China has entered into a rapid disinflation process, and faces the risk of deflation as commodity prices continue to trend lower and growth is expected to slow further in the coming year," ANZ economists Liu Li-Gang and Zhou Hao wrote in a reaction to Wednesday's data.

While moderate inflation encourages consumers to buy before prices go up, falling prices lead shoppers to delay purchases and companies to put off investment, both of which can hurt growth.

Once deflation starts it can be hard to overcome as Japan has found after years of policy experiments aimed at ending it.

Chinese stocks closed higher after the inflation data, with the Shanghai Composite Index rising 2.93 percent, or 83.74 points, to 2,940.01. Dealers cited increasing hopes for more policy easing.

LankaBangla Finance reappoints MD

STAR BUSINESS DESK

Mohammed Nasir Uddin Chowdhury has recently been reappointed as the managing director of LankaBangla Finance for the next three years with immediate effect from December 1.



Chowdhury has been serving the firm as the top boss since December 1, 2011, the company said in a statement yesterday.

He also served LankaBangla Securities from July 2002 to April 2011 as CEO and MIDAS Financing as a director till October 2011, according to the statement. Chowdhury completed his graduation and postgraduation from Chittagong University. Currently, he is the president of Old Faujian Association's Dhaka chapter.

Smartphone expo begins in town tomorrow

STAR BUSINESS REPORT

A three-day fair of smartphone and tablet computer organised by event manager Expo Maker will begin at Bangabandhu International Conference Centre in the capital tomorrow.

Mobile operator Grameenphone is the title sponsor of the exposition, which will remain open for visitors from 10am to 8pm with an entry fee of Tk 20.



Quazi Osman Ali, deputy managing director of First Security Islami Bank, opens the bank's Panchlaish branch yesterday.

New board takes charge of Dhaka Chamber

STAR BUSINESS DESK

Hossain Khaled has recently elected as the president of Dhaka Chamber of Commerce and Industry for 2015.

The chamber also elected Humayun Rashid as senior vice president and Md Shoaib Choudhury as vice president, the trade body said in a statement yesterday.

The new Board of Directors took charge of the chamber at its 53rd annual



Hossain Khaled

general meeting held at the DCCI auditorium in the capital yesterday. Khaled is a BBA in

accounting from University of Toledo, Ohio, USA and MBA in international banking from Texas A&M University, USA.

He is also the chairman of Bangladesh Finance and Investment Co Ltd and City Brokerage Ltd.

Rashid is the managing director of Energypac Power Generation Ltd and a director of Energypac Engineering Ltd. Chowdhury is the managing director of SS Vision Ltd and chairman of Hiron Agro Ltd.



Solaiman Alam, marketing director of Banglalink, and Maliha Quadir, founding managing director of Shohoz.com, attend a deal signing programme at Banglalink's head office in Gulshan, Dhaka recently. Shohoz.com will provide Banglalink Priyjon customers with a discount of Tk 121 for every bus tickets purchased through the website.



From left, Daniel Seidl, executive director of Bangladesh German Chamber of Commerce and Industry; Sakhawat Abu Khair, president; and Magnus Schmid, coordinator of PSES project of GIZ, attend a programme to brief journalists on the third GSR Conference at the GIZ office in Dhaka yesterday. The conference begins at Radisson Hotel in Dhaka today.

GIZ awards 18 factories for best practices

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Abanti Colour Tex won the platinum award for grievance handling under social compliance category, while Kwun Tong Apparels won the gold award.

Jinnat Fashions won the platinum award for women's empowerment and Ananta Garments the gold award.

Beximco Fashions won the platinum award under inclusive skills development category, while Fakhruddin Textile Mills won the gold award. Epic Garments Manufacturing won the platinum award for building and fire safety excellence, while Vintage Denim Studio won the gold award.

This category was sponsored by the Alliance for Bangladesh Worker Solidarity, a platform of 27 US-based retailers, in recognition of their efforts to improve workplace safety.

"These factories exemplify what is possible through innovation, commitment and collaboration," said Ellen Tauscher, independent chair of the Alliance. They are helping to deliver on the promise of a safer garment industry for all, she added. The Alliance also presented a best trainer certificate to Akhi Akter, a senior operator at Hop Yick Bangladesh.

Akter stood out among other trainers by displaying masterful use of practical examples, stellar confidence and an ability to administer a variety of different trainings in varied settings. She has led more than 40 safety training sessions.

Making sure that garment workers have the correct knowledge about fire safety isn't just important -- it saves lives, said Akter. This award will create awareness and bring welfare for the workers, said Khandker Mosharrif Hossain, minister for expatriates' welfare and overseas employment. "All our factories will be compliant soon on the back of awareness among owners," he said.

The award provides an excellent opportunity for the garment sector to showcase its best practices in the international arena, said Ferdinand Von Weyhe, Charge d'Affaires of the German embassy.

"I hope that their modals of development will encourage other enterprises in the garment sector and beyond to take up similar, or even better, initiatives to follow."

The introduction of another new category, inclusive skills development, aligns with GIZ's motto "count us in" and recognises a person with disability as well as factories that include persons with disabilities in their workforce, said Tobias Backer, country director of GIZ.

This recognition is expected to encourage more factory owners to hire persons with disabilities, he said.

LIST OF AWARD WINNERS

CATEGORIES	SUB-CATEGORIES	WINNERS	COMPANIES / PERSONS/ IDEAS
Inclusive Skills Development	Star Factory	Platinum	Beximco Fashions
		Gold	Fakhruddin Textile Mills
	Role Model	Platinum	Sheuly Akhter
		Gold	Rajib
Social Compliance	Grievance Handling	Platinum	Abanti Colour Tex
		Gold	Kwun Tong Apparels
	Women Empowerment	Platinum	Jinnat Fashions
		Gold	Ananta Garments
	Innovative Initiative	Champion	Yasin Knitex Industries
		Gold	Abanti Colour Tex
Idea Club	Honourable Mention	Interfab Shirt Manufacturing	
	Platinum	Provident Fund And Higher Salary	
Building and Fire Safety Excellence	Beyond Compliance	Gold	Help Desk for Workers
		Honourable Mention	Increasing rounds per minute
	Waste Management	Honourable Mention	Flagging Yarn Cones
		Platinum	Interstoff Apparels
Environmental Performance	Special Initiative	Gold	Fakhruddin Textile Mills
		Platinum	Saiham Knit Composite
	Platinum	Vintage Denim Studio	
Best Trainer	Platinum	Epic Garments Manufacturing Co	
	Gold	Vintage Denim Studio Ltd	
	Best Trainer	Akhi Akter	

EU official urges retailers to pay more for RMG

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The British politician, who is also in the EU parliament committee on employment and social affairs, said a lot of pressures have already been put on brands about the need to increase the prices they pay to manufacturers.

She said a lot of consumer groups are also raising questions on Bangladeshi manufacturers' capacity to produce T-shirts at such a low price.

"Two to three euros for a T-shirt! It really becomes impossible to think how the price is being paid. You [manufacturers] pay for the raw materials, workers, processes and transport, and the profit is being made by the companies selling it to consumers."

"What on earth the workers are being paid in this? There is an increasing sense of anger from a lot of people."

She said the brands have to increase the price out of corporate conscience, and urged them to work collectively to bring about the improvement.

The seasoned English politician though went on to acknowledge the progress the sector made since the Rana Plaza collapse.

"Things are improving. The manufacturers have been involved in the inspection and evaluation process. There has been rethinking about how factory owners can be engaged differently with their workers."

Quoting a manufacturer, Lambert said there is a new realisation among factory managers about treating workers differently and providing them with better

wages and working environment.

"They also realise that if they train them they will be able to take advantage in the market and remain competitive. This change of mindset needs to come across the whole industry," she said, while urging the garment makers to invest in human capital.

But still more needs to be done, the EU politician said.

"People are saying that we have the labour laws now, but we still don't have the implementing regulations about how they should actually be put into force." "There are building regulations in Bangladesh, but if you don't put them into force, it does not live and affect people's lives."

She also touched upon the country's aspirations to become a middle-income one in the next decade. To attain that, issues such as environmental sustainability and water quality have to be addressed.

Lambert also said the country needs to diversify its export sector instead of putting all of its resources behind just one sector, in order to help the economy avoid any trouble if any single sector is affected.

She requested Prime Minister Sheikh Hasina to actively take part in the next year's climate change conference in Paris, as she did in Copenhagen, by leading a large multi-party delegation and civil society.

"It is really essential that developing countries are really heard in those talks. There was a very powerful voice coming from Bangladesh in the past, and I am hoping that again."

Pierre Mayaudon, head of the EU delegation to Bangladesh, was also present during the briefing.

Call for cuts in VAT rates

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Towfiqul Islam Khan, a research fellow of the CPD, said taxation should be based on broader development objectives.

He said taxation has four roles, including being a source of government revenue. It provides finance for public services and investment, and is used as a strategic tool for the government to promote certain sectors to support investment, economic growth and employment. Taxation is also an instrument to ensure social and economic equity and justice, he said.

"But it seems that the ongoing taxation reform agenda in Bangladesh is more biased towards the first two roles. The policymakers will need to consider the latter two roles with similar importance."

Ahsan H Mansur, executive director of Policy Research Institute, said compliance with the VAT law is very poor. Only 35,000 out of seven lakh registered entities submit VAT returns, he said.

Mansur, who was involved in drafting of the new law, said the government

should implement the law if it really wants to offer a modern taxation system and create an even-playing field. Large development projects cannot be financed without a rise in tax collection, he said.

Kazi Akram Uddin Ahmed, president of the Federation of Bangladesh Chambers of Commerce and Industry, said businesses were consulted before finalising the law.

He also called for a tax collection system free from harassment.

CPD Executive Director Mustafizur Rahman said VAT has an impact on competitiveness of businesses, and social justice and employment.

Zahid Hussain, lead economist of World Bank in Bangladesh, said the taxation system should be both business and economy friendly.

Aminur Rahman, a former NBR member, said the culture of maintaining accounts and records is poor in Bangladesh.

Muhammad Abdul Mazid, a former NBR chairman, also spoke.

Cooking oil prices fall on ample supply

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The price, including freight charges, (also known as C&F price) went down 10 percent to \$665 a tonne in the last one month, said Mizanur Rahman, a director of Nurjahan Group. The price was \$730 a tonne a month ago.

When palm oil prices have been plummeting for several months, soybean market is volatile. The C&F price of Argentina's soybean oil was \$855 a tonne yesterday, while November's highest price was \$770, he said.

"I think this (soybean) price hike is temporary and it will go down soon," Rahman said.

Akter Hossain, a retail trader in the city's Kathalagan area, said prices of edible oil have been falling for the last few days.

He said the prices of a five-litre bottle of Rupchanda brand have dropped by Tk 50-Tk 60 to Tk 500 now. The prices of one-litre bottle of different brands have been reset at Tk 105-Tk 107 from Tk 115-Tk 117 a week ago.

"I am yet to take the new products at reduced prices as I have an old stock," Hossain said, adding that consumers are yet to benefit fully from the price cuts.

Mustafizur Rahman, executive director of Centre for Policy Dialogue, said consumers often do not get the benefit of a price fall as the market is dominated by a few importers.

"The decline is not reflected in the retail market due to intermediaries and middlemen," he said.

Rahman said the government can bring more players into the business to break monopoly of a few importers.

Ahsan H Mansur, executive director of Policy Research Institute, said consumers do not always get the price benefits due to their trust in particular brands.

"Many consumers are not price-sensitive, rather they prefer the brands they like irrespective of their prices," said Mansur, also a former official of International Monetary Fund.

DSE launches new trading system today

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An internal probe body as well as the Bangladesh Securities and Exchange Commission suggested replacing the existing trading system, he added.

State Minister for Finance MA Mannan will formally launch the system at a function in Dhaka at 10:30am, the regular start time for trading sessions.

Eight vendors have provided different components for the new trading system, which costs around Tk 35 crore.

Of them NASDAQ OMX, the world's largest exchange company based in the US, provided the main part -- matching engine -- while FlexTrade Systems provided the order management system at the brokers' end.

A separate trading board for equity and debt securities can be created in the new system, which will replace the existing ones, said a top official of the premier bourse.

The existing system was not compatible for new products. "Now we can introduce new products easily in the new system."

It will also resolve the problems of odd lot transactions, manual input in fixing the ranges of circuit breaker for individual equity and transaction of listed bonds, he said.

An investor can buy or sell only one share or unit with the new system; there will be no market lot of shares.