

Epyllion spreads wings with Sailor

The group CEO explains the rise of the firm

REFAYET ULLAH MIRDHA

An entrepreneur's success story can be very dramatic and full of unexpected changes.

"This is very true in my life. I began with a very small enterprise and am still working on making it bigger," said Reaz Uddin Al-Mamoon, managing director of export-oriented garment company Epyllion Group.

Surprisingly, Mamoon had started his career as a bank official.

His latest venture is Sailor, a local brand of high-end clothes and accessories for men and women.

Sailor opened the first outlet in Dhaka in April this year. "Now, I run five stores. The customer response is better than expected," Mamoon said in an interview with The Daily Star.

He said he embarked on the retail business, as there is a big ready market in Bangladesh created by the growing demand of the rising middle class.

"Western retailers will come to Bangladesh soon, within the next five to seven years, because of the faster pace of economic development here. So I started the business a little earlier."

"I plan to expand the retail chain significantly in Dhaka and other cities soon," said Mamoon, who exports more than \$180 million worth of garment products from his main business venture—Epyllion Group—every year.

On average, his exports grow 15 percent year-on-year, he said.

All garment items sold at Sailor stores are made at his own factory, but the accessories like watches, bags, shoes and belts are imported, Mamoon said, adding that Sailor has a separate set-up and management from the Epyllion Group.

So far the retail market here is not too



Reaz Uddin Al-Mamoon

competitive as the business is new in Bangladesh, he said.

However, the situation is likely to change soon as many export-oriented garment groups are in the process and some others have already begun similar retail operations like Mamoon.

The domestic retail market for garments and accessories is estimated to be more than \$5 billion a year, according to industry insiders.

On his transformation from a banker into an entrepreneur, Mamoon said he joined the then Arab Bangladesh Bank as a probationary officer in 1989.

He said he was lucky as he was posted in the export department of the bank, where he dealt with many garment exporters and retailers.

After working there for two and a half years, Mamoon left the bank to start his

own garment business on a rented property in Mirpur, with just 70 machines.

"I will say my young age and sincerity helped me a lot. A boost came from the retail giant C&A in the early years, as it had bought garment items from me. I still remember that I exported garment items worth \$500,000 in the first year of business."

His brief banking career also helped him understand the procedures of exports, he said. "So I could combine my family's business knowledge with the experience gained at the bank to become successful," said Mamoon whose family had a jute business in Narayanganj.

Although he started with a small amount of capital and a few workers, he currently employs more than 14,000.

"I am expanding my operation significantly. I have already invested \$30 million in yarn dyeing and knitting. Construction

of the yarn dyeing unit started two years ago and I hope to start production soon," he said.

Mamoon also became one of the nine directors of the suppliers' council board of the Dutch retailer C&A.

"It is a highly prestigious post for me as all the directors are nominated from across the world. Right now I am the second largest apparel supplier of C&A in the world," he said.

Currently, Mamoon also supplies to G-Star, H&M, Marks and Spencer, s.Oliver and Next.

Epyllion Group has a LEED (Leadership in Energy and Environmental Design) certified green factory, he said.

About Bangladesh's target to export \$50 billion worth of garment items by 2021, the entrepreneur said it is achievable if gas and power supplies to industrial units are ensured.

He also suggested improvement of infrastructure to help reach the export target.

Apart from the traditional EU, US and Canadian markets, Bangladesh will perform well in some new export destinations like Japan, China, Brazil, India, Chile and South Africa, he said.

"China itself has become a good market for us even though the country is the largest apparel exporter worldwide. I also export clothes to China. The demand for Bangladeshi garment items is on the rise among the middle-income people."

"We must increase our production capacity as work orders are shifting from China to Bangladesh and new destinations with new opportunities are emerging," he said.

Bangladesh should grab the market opportunities promptly, otherwise other emerging countries will occupy the place, he said.

How to make sure developing countries can develop

REUTERS

Before you head for the beach, remember this: In Addis Ababa, Ethiopia, starting July 13, world leaders will have a golden opportunity to reshape how they help developing countries grow and prosper. They must not waste it.

The three-day United Nations Conference on Financing for Development is crucial for the poorest nations on the planet. These "least-developed countries" have been screwed of late. Their already small share of the global aid pie has shrunk by 6 percent since 2010.

Yet these are the countries where international aid matters the most. Where it is essential to build decent health and education systems and boost investment in agriculture and infrastructure. Addis Ababa won't be a success unless it moves the rich world to commit more resources to the very poorest among us.

But this conference is about more than money. It is no less important for the richer of the poor countries - those approaching middle-income levels. For them, real help would include international reforms to crack down on corruption. That way, the staggering scale of illicit capital flight from the poor world to sun-drenched islands in the Caribbean or lawyers' offices in London could be tackled. Resources could be spent on making people's lives better rather than on villas in the south of France.

You can see the distinct outcomes that different countries need from Addis Ababa by looking at Tanzania and Nigeria. Both African countries have seen strong economic growth. But they face different challenges in terms of what that growth means - and what type of external assistance is most crucial.

For Nigeria, Africa's largest economy, overseas aid is a relatively small part of the resource mix - just 0.4 percent of gross domestic product. The country has vast oil reserves, which account for three-quarters of total government revenues.

Yet Nigeria's tax take is quite small relative to the size of its economy. Central government revenues are roughly 5 percent of GDP, down from 12.9 percent in 2008. Nigeria's resource wealth has not yet translated into gains for its people. Levels of extreme poverty, for example, have been stuck at 62 percent of the population for the past 20 years.

US interest rates likely to rise this year

BBC NEWS

The US Federal Reserve chairwoman Janet Yellen has repeated her view that the central bank is likely to start raising interest rates this year.

Recent weak economic data and a call from the International Monetary Fund to delay a rise until 2016 had dampened expectations of a 2015 increase.

But she said in a speech that it would be appropriate to start "normalising" monetary policy this year.

However, Ms Yellen expressed caution, saying the jobs market must improve. Speaking in Cleveland, Ohio, Ms Yellen said she expected the economy to grow steadily for the remainder of the year, and that would at least allow the Fed to move ahead with its first rate hike since late-2008.

"Highly uncertain"

"I expect it will be appropriate at some point later this year to take the first step to raise the federal funds rate and thus begin normalising monetary policy," she said.

"But I want to emphasise that the course of the economy and inflation remains highly uncertain.

"We will be watching carefully to see if there is continued improvement in labour market conditions, and we will need to be reasonably confident that inflation will move back to 2 percent in the next few years," she said.

On Tuesday, the International Monetary Fund warned the Fed against raising interest rates this year.

Walmart suppliers grapple with challenge of 'Made in USA' labels

REUTERS, Bentonville

DETROIT Quality Brushes is a company that does just what its name suggests: It makes high quality brushes in Detroit.

Years ago, the company had 18 competitors in the United States. Today, there are only three left, says John Avgoustis, head of marketing and sales.

"Walmart and others were a fundamental force in getting many companies to go the way of the dodo," he said.

Avgoustis was among some 2,000 executives from US manufacturing companies who journeyed to Wal-Mart Stores Inc headquarters here on July 7 to huddle in tiny conference rooms with Walmart buyers and present products made in the US.

Walmart's 2015 US Manufacturing Summit was advertised as a chance for goods producers to pitch American-made products to the retail giant. They would also get advice from Walmart executives on how to take advantage of the company's recent efforts to support more US manufacturing jobs and reverse the trends

its purchasing strategies and demand for low prices have driven.

But the event also highlighted the challenges facing companies trying to bring manufacturing jobs back to the United States. Cheaper energy and rising labor costs in China have helped stabilize manufacturing employment in the US, but there are still roughly 5 million fewer Americans working in factories today than in 1990.

Would-be Walmart vendors attending the summit had to establish that their so-called "Made in America" products are not just assembled domestically, but also made from component parts manufactured in the US. But some companies attending the summit said they have to rely on imported parts or materials because their one-time US-based suppliers have been put out of business by foreign rivals.

Walmart's "Made in the USA" efforts go back to 2013, when the company came under increasing pressure from unions and other critics who said its drive for low cost goods was undermining American

jobs. Walmart says it wants to spend \$250 billion on American-made products by 2023, and says buying from US producers is good business.

Harold Sirkin, a managing director at Boston Consulting Group, says Walmart's drive to buy American, and similar moves by big importers such as sportswear maker Nike Inc, are, in part, a response to Chinese labor costs that have hit 61 percent of US levels, compared to 17 percent of US levels 15 years ago. When supply chain and transport costs are figured in, American manufacturers can now compete, he said.

"The pendulum has swung back in favor of the US," Sirkin said. "But it can also swing back the other way."

That is what worries Jack Sloan, vice president of sales at SFH Company LLC. Sloan came to Bentonville hoping to sell customizable plastic travel mugs made by SFH's Chicago-based Magenta unit from American-sourced plastic, with a recommended retail price of \$6.99, about \$1.50 cheaper than mugs he'd seen on Walmart's shelves.

His pitch went well, and the buyer asked him to come up with suggestions for Valentine's Day, Mother's Day and Back to School promotions in a test run at Walmart stores.

But Sloan nevertheless had concerns. "I really love what Walmart is doing, but we'll see how committed they are in the long run," Sloan said. "If this is just a cyclical thing will they send it back overseas 10 years from now?"

Jeff Kjar and Shellie Slade of Utah-based Elk Management had a tougher time pitching their American-made clothing line to five Walmart executives gathered in a 10 foot by 12 foot windowless room. Kjar said Elk was willing to build a new factory to handle Walmart business, but they could not compete with a \$1.68 camisole the retailer currently sells.

The executives, who included Walmart category director for ladies apparel Kellie Mullins and David Adams, a divisional merchandise manager, responded that Walmart customers expect \$1.68 camisoles, but will also pay higher prices for better-quality clothing.

Oil prices could fall further: IEA

BBC NEWS

Oil prices may have further to fall despite stabilising in recent months - and even beginning to rise modestly - because of a massive oversupply the International Energy Agency (IEA) has said.

The IEA said lower oil prices were likely to last well into 2016.

The agency added the world oil market was unable to absorb the huge volumes of oil now being produced.

It follows the massive drop in prices which started last summer.

The price of Brent crude fell sharply last year from \$115 a barrel in June to \$45 a barrel in January.

The current price of Brent crude is \$59 a barrel.

The fall in prices has led oil firms to cut back investment in exploration, while North Sea oil has come under significant pressure.

All seven major global oil firms have also reported annual declines in profit as a result of lower oil prices.

EID SHOPPING PICKS UP STEAM



Eid shopping finally took off in full steam as thousands flocked to roadside shops in the capital's New Market area yesterday -- the first weekend after many received their salaries.

ANISUR RAHMAN