

Apparel expo kicks off in Ctg on Aug 6

STAFF CORRESPONDENT, Chittagong

Bangladesh Garment Manufacturers and Exporters Association will host a three-day exhibition on apparel products and safety equipments from August 6.

The exposition—Bangladesh Apparel and Safety Exposition Chittagong 2015—will take place at Radisson Blu Chittagong Bay View hotel in the port city.

The expo aims at exploring the avenues of achieving the vision of exporting \$50 billion worth of garment items by 2021, said Nasiruddin Ahmed Chowdhury, first vice president of BGMEA.

He spoke at a press conference at Chittagong Seniors Club yesterday.

The event will display locally produced apparel products and will provide the global retailers with an ideal opportunity to meet the experienced clothing manufacturers of Bangladesh, Chowdhury said.

The local apparel manufacturers will be introduced to a wide range of safety equipment and service providers at the safety pavilion of the exposition, he said.

Four seminars will be organised as part of the exposition for formulating ideas to pursue the country's \$50 billion vision and help become a premium brand in the globe by 2021, said ANM Saifuddin, chief coordinator of the exposition.

The seminars will focus on branding Bangladesh, financing apparel growth, capacity building of port, customs, power and infrastructure to reach \$50 billion in 2021 and training and developing skills for strong, sustainable and balanced growth.

Apple, BMW in courtship with an eye on car collaboration

REUTERS, Frankfurt/San Francisco

BMW and Apple may rekindle a courtship put on hold after an exploratory visit by executives of the world's top maker of electronic gadgets to the headquarters of the world's biggest seller of premium cars.

Apple Chief Executive Tim Cook went to BMW's headquarters last year and senior Apple executives toured the carmaker's Leipzig factory to learn how it manufactures the i3 electric car, two sources familiar with the talks told Reuters. The dialogue ended without conclusion because Apple appears to want to explore developing a passenger car on its own, one of the sources said.

Also, BMW is being cautious about sharing its manufacturing know-how because it wants to avoid becoming a mere supplier to a software or internet giant.

During the visit, Apple executives asked BMW board members detailed questions about tooling and production and BMW executives signalled readiness to license parts, one of the sources said. News of the Leipzig visit first emerged in Germany's Manager-Magazine last week.

"Apple executives were impressed with the fact that we abandoned traditional approaches to car making and started afresh. It chimed with the way they do things too," a senior BMW source said.

The carmaker says there are currently no talks with Apple about jointly developing a passenger car and Apple declined to comment. However, one of the sources said exploratory talks between senior managers may be revived at a later stage.

It is too early to say whether this will be a replay of Silicon Valley's Prometheus moment: The day in 1979 when Apple co-founder Steve Jobs visited Xerox's Palo Alto Research Centre where the first mouse-driven graphical user interface and bit-mapped graphics were created, and walked out with crucial ideas to launch the Macintosh computer five years later.

BMW has realized next-generation vehicles cannot be built without more input from telecoms and software experts, and Apple has been studying how to make a self-driving electric car as it seeks new market opportunities beyond phones.

Since the visit, there has been a reshuffle at the top of BMW, with Harald Krueger, appointed BMW Chief Executive in May, in favour of establishing his own team and his plans for BMW by year end, before engaging in new projects, a person familiar with his thinking told Reuters.

A further complication was the departure of BMW's board member for development Herbert Diess, who played a leading role in initial discussions with Apple. He defected to Volkswagen in December.

Diess, who declined to comment for this piece, oversaw the development of BMW's "i" vehicles which are built using light weight carbon fibre, using a radical approach to design and manufacturing.

Car technology has become a prime area of interest for Silicon Valley companies ranging from Google Inc, which has built a prototype self-driving car, to electric car-maker Tesla Motors Inc.

Diess has said the German auto industry

needs to undergo radical change because consumers are demanding more intelligent cars and anti-pollution rules mean the next generation vehicles will increasingly be low emission electric and hybrid variants.

In 2030, only two generations of new cars away in auto manufacturing time scales, only a third of vehicles will be powered by a conventional combustion engine alone, experts predict.

"It means that in two cycles we will shut down two thirds of our engine manufacturing," Diess told a panel discussion in July last year, adding that the value chain for new electric cars is already shifting, with vehicle batteries made mainly in Asia.

"The second part is that the car will become intelligent, part of the Internet," Diess continued. "And the strong players in this area are in the United States, in the software development area. We will surely need to find alliances in this field."

Germany has two years to prove that it can hold its own against new entrants when it comes to shaping the future of luxury vehicles, Diess said.

Carmakers including BMW have already developed next generation self-driving cars, vehicles which need permanent software updates in the form of high-definition maps allowing a car to recalculate a route if it learns about an accident ahead. The technology is moving ahead faster than the legal and regulatory rules which would allow large-scale commercial availability.

Earlier this year, BMW's new R&D chief Klaus Froehlich said his company and Apple had much in common, including a

focus on premium branding, an emphasis on evolving products and a sense of aesthetically pleasing design.

Asked, in general terms, whether a deeper collaboration beyond integration of products like the iPhone would make sense, Froehlich initially said BMW would not consider any deal that forces it to open up its core know-how to outsiders.

"We do not collaborate to open our eco systems but we find ways, because we respect each other," Froehlich told Reuters.

BMW will keep in mind the needs of the customer, and what the company's core strengths are, when it considers the merits of entering any strategic collaboration, Froehlich added.

Peter Schwarzenbauer, BMW's management board member in charge of the Mini brand as well as digital services declined to comment on possible talks with Apple in an interview earlier this year.

But he said: "Two worlds are colliding here. Our world, focused on hardware and our experience in making complex products, and the world of information technology which is intruding more and more into our life."

The winners will be those companies that understand how to build intelligent hardware, he said, adding it made sense for carmakers and tech firms to cooperate more closely.

"We need to get away from the idea that it will be either us or them ... We cannot offer clients the perfect experience without help from one of these technology companies," Schwarzenbauer said. That dialogue is well underway, he stressed.



RAKUB

M Shah Nowaz Ali, chairman of Rajshahi Krishi Unnayan Bank, and Manjur Ahmed, managing director, attend a workshop on the annual working plan for 2015-16, jointly organised by Rakub Training Institute and Rajshahi divisional office at Nanking Darbar Hall in Rajshahi yesterday.



AL-HARAMAIN

Mohammed Mahtabur Rahman, chairman and managing director of Dubai-based Al Haramain Perfumes, receives the Bangladesh Bank Remittance Award 2014 from Bangladesh Bank Governor Atiur Rahman at a programme yesterday. A total of 31 individuals and two money exchange houses were awarded this year.

Trade deficit scales a new height

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The BB expects the current account deficit to increase further to \$3.56 billion this fiscal year. Modest current account deficits are usual and desirable in growing economies, it said in the monetary policy statement released last week.

Bangladesh's current account deficit, which is less than 1 percent of the gross domestic product, is comfortably manageable and does not pose any risk at this moment, the central bank said. Rather, it indicates the growing demand for capacity building and more productivity in the economy, since more than 65 percent of the imports were capital machinery, intermediate goods and raw materials.

In fiscal 2015-16, the BB expects 14 percent growth in imports, 7.5 percent growth in exports and 10 percent growth in remittances.

An augmenting current account deficit will turn out to be a blessing in disguise for at least a year or two ahead when it comes to the exchange rate and reserves, it said in the MPS.

Biru Paksha Paul, chief economist of the central bank, said if the rate of increase in import continues and exports fail to keep pace, the foreign exchange reserves would not increase much. As a result, the appreciating pressure on the exchange rate would not continue; rather, it would reverse and push the country towards a depreciating pressure. It will encourage exports, he added.

The recent sustained pick-up in investment and consumption imports will ease appreciation pressures on the taka in the near-term and enhance its export competitiveness, according to the MPS.

The growth rate of foreign exchange reserves will slow down and the import coverage will fall before reserves turn out to be a liability.

The foreign reserves are projected to reach \$26 billion this fiscal year from \$25 billion a year earlier, but the import coverage will marginally fall from 6.2 to 5.7 months.

Around six months of import coverage is generally deemed safe and comfortable for an emerging country like Bangladesh, it added.

BB's foreign exchange reserves have grown fast to a level generally deemed to be adequate.

But it is yet to reach a level that could be viewed as excessive, if viewed against those of other developing economies.

Eurozone inflation steady in July

BBC NEWS

Inflation in the eurozone held steady in July, as falling energy prices offset rises in industrial goods.

The annual inflation rate stayed at 0.2 percent, according to the flash estimate from the EU's statistics agency Eurostat.

Energy prices fell 5.6 percent, compared with a 5.1 percent drop in June. Food, alcohol and tobacco prices rose 0.9 percent. Eurostat also said that the unemployment rate was unchanged at 11.1 percent in June, for the third month.

James Howat, European Economist at Capital Economics, said the figures were not positive: "Worryingly, surveys of employment intentions have weakened recently, suggesting that the labour market recovery will remain pretty weak."

90-day plan to bolster state-owned telecom companies

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"I want to see each company with their own targets, as it could be a good way of moving forward," she said at her office on Thursday.

Telephone Shilpa Sangstha (TSS) aims to assemble 1,700 laptops and 2,000 digital telephone sets in the next three months.

The TSS will also supply 95,000 electric metres to Dhaka Electric Supply Company, and produce 18,000 mobile chargers and 15,000 batteries for mobile phones, it said in its plan.

Bangladesh Telecommunications Company Ltd plans to realise Tk 156.34 crore in outstanding bills from their subscribers.

The BTCL will launch triple-play services -- voice, data and video -- for 9,830 households in Gulshan and Banani areas in the capital, and will connect all their offices under a fibre optic network.

Teletalk currently has around 44 lakh active subscribers, and it is possible to reach the 50-lakh milestone in the given time, said Gias Uddin Ahmed, managing director of the mobile operator.

"We have a strong presence in the 3G market and will focus on it more," he added.

Teletalk is also working in modernising its network and expanding its capacity.

The processes to enable bandwidth export are complete, and Bangladesh Submarine Cable Company will move to

export similar resources to Nepal and Bhutan in the next 90 days, said Md Monwar Hossain, managing director of the company.

Bangladesh Submarine Cable has already reached a deal with an Indian company to export 10 Gbps bandwidth to the eastern part of the neighbour within August.

The lone submarine cable company also cut their bandwidth price, which will become effective this month for the wholesale market, and may impact end-users within a short time.

Bangladesh Cable Shilpa Ltd, another state-owned company, has targeted to increase its fibre optic cable production in different categories.

For Bangladesh Telecommunications Regulatory Commission, officials say all initiatives are in line with the regulator's usual activities.

The plans have already been discussed with the individual companies, and related directives were given. Additional assignments could be issued later, said Md Faizur Rahman Chowdhury, telecom secretary.

At a meeting on July 16, Tarana Halim outlined seven areas that she wants to focus on to strengthen the telecom sector. These include the Bangabandhu-1 satellite project, collection of outstanding dues, strengthening Teletalk, and making the internet more accessible in remote areas.

Tussle with KEPZ earns Bangladesh bad name

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Seeing the discord has the potential to have an adverse impact on the country's investment climate, the government should give the topmost priority to solving the issue through the Board of Investment, he said. "As I understand, it is quite possible to talk to the Koreans behind closed doors in an amicable manner, solve the issue, generate goodwill and get some lands also," Farashuddin added.

An impasse between Youngone Corporation, the operator of the KEPZ in Anwara, Chittagong, and the government has been going on for a long time over delays in executing the deed transfer of the land. The government has blamed Youngone for its failure to fully use the industrial land in the KEPZ.

The discussants attached the importance of political stability, policy continuity, reforms and implementation as well as improvement in governance and reduction of infrastructure deficits to attract more private investment, needed to attain 8 percent growth by 2020. However, there are concerns over falling private investment in recent years, said SANEM Executive Director Selim Raihan, while presenting a paper at the event. Private investment as a percentage of total investment has fallen from 80.8 percent in fiscal 2010-11 to 77.1 percent in fiscal 2013-14.

The average share of foreign direct investment (FDI) as a percentage of gross domestic product remains at only 0.9 percent, which is much lower than in India, Sri Lanka, Cambodia and Vietnam, he said. Bangladesh needs a new investment regime for the growth rate target to be achieved, he said, while suggesting second-generation reforms to economic policies and institutions.

There have been no major reforms in the last two decades, so the marginal benefit of the first-generation reforms has diminished quite significantly, said Raihan, also a professor of economics at the University of Dhaka.

On FDI, he said a nice policy document is not enough. "To create examples of success -- we need to bring brands."

Raihan, referring to the government's plan to establish economic zones at different locations, said: "We are talking about different EZs now, but what happened to KEPZ?"

Without branching out into 100 EPZs, there is a need for soul-searching over what happened at KEPZ, he said.

Bol Executive Chairman SA Samad said he could not say anything about KEPZ because it was not handled by his organisation. "But I do agree that it has been stuck for 17 years. We have been trying to find a solution and we do agree that it does have a very adverse impact on the investment climate." The Bol chief said the frequent changes in policies are annoying investors.

MCCI President Syed Nasim Manzur also said policy continuity is important to attract investors. Tabith Mohammed Awal, deputy chief executive of Multimode Group, called for easing the cost of doing business and a change in attitude. "No incentive is bigger than the ease of doing business and that is eroding. It is alarming," he added. Matur Rahman, chairman of Uttara Group of Companies, blamed the lack of governance, poor coordination among ministries and the lack of accountability for the sluggish investment climate.

Farashuddin said there is an immediate need to go for expansionary monetary policy. There should be a bold coordination between the monetary, fiscal and trade policies, he added. SANEM Chairman Bazlul H Khondker said investment in social infrastructure, particularly on health and education, is needed to create human resources.

Islami Bank to give Tk 1.39cr lifeline to Swan workers

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The bank will hand over the fund to the Department of Inspection for Factories and Establishments or DIFE, said Syed Ahmed, inspector general of the department.

DIFE is supervising the issue of Swan Garments on behalf of the government and will pay the workers in the absence of the owner, he said. The problems in finding a successor arose when some people claimed to be the legal owners of the company after the death of the factory's Chinese owner and managing director, Ming Yuen Hon (Toby) in April.

"The issue of a legal successor of the factory is yet to be resolved." Since the death of Toby, the workers of the company took to the streets demanding payment of arrears.

They demonstrated in front of the National Press Club in Dhaka for two weeks, but they changed the nature of the movement yesterday. "We will not sit in front of the press club for realising our demand. We will continue to organise programmes in parts of Dhaka, where the number of garment factories are high, said Ruhul Amin, general secretary of Garment Workers' Trade Union Centre.

"The DIFE has assured us of paying the workers a month's salary by August 6. We will now demonstrate for the reopening of the factory." Amin said they will distribute leaflets particularly among the workers today to inform the workers about the situation.



SSG

Aftab Mahmud Khurshid, group chief marketing officer of Super Star Group, hands over reading materials to Rashida Parveen, a programme manager at Brac, for the students under Brac's education programme recently.



RFL

Ahsan Khan Chowdhury, deputy managing director of Pran-RFL Group, speaks at a meeting with the salespersons of RFL Electronics, at a hotel in Cox's Bazar recently. RFL Electronics produces various home appliances like televisions, air conditioners, fridges, washing machines, cables, switches and fans.