TRANSCOM

GQ Chowdhury, managing director of Transcom Beverages; Khurshid Irfan Chowdhury, executive director; and NK Bhowmik, general manager (human resources and finance), receive Asia Best Employer Brand Awards 2015 at a ceremony at Pan Pacific Hotel in Singapore on August 12.

Another global recognition for Transcom Beverages

STAR BUSINESS REPORT

TRANSCOM Beverages, a sister concern of Transcom, has won the Asia Best Employer Brand Awards 2015 for its reputation as an employer of choice and communicating distinctiveness in hiring, training and retention practices.

The award was handed to the officials of the Bangladeshi company at a programme at Pan Pacific Hotel in Singapore on August 12. Some 200 business leaders across the globe attended the ceremony.

GQ Chowdhury, managing director of Transcom Beverages; Khurshid Irfan Chowdhury, executive director; and NK Bhowmik, general manager (human resources and finance), received the award on behalf of the company.

This year's awardees include Pfizer, Hutchison Telecom and Dell of Hong Kong, Panasonic Asia Pacific, UPS and MasterCard of Singapore, PepsiCo and Microsoft of Thailand, Commercial Bank of Ceylon of Sri Lanka, Wal-Mart and Tenneco of China, Telstra of Australia, HTC of Taiwan and Etisalat of the UAE.

The Employer Branding Institute, World HRD Congress and Stars of the Industry Group hosted the awards.

Transcom Beverages started manufacturing and bottling of soft drink beverages such as Pepsi, 7up, Mirinda, Mountain Dew and Slice, and Aquafina drinking water in Bangladesh in 2000 under an exclusive agreement with PepsiCo Inc of the USA.

The company now owns and operates three plants and directly employs more than 1,000 people.

Since 2000, the company has been growing by 20 percent, on average, a year and has now 42 percent market share in the beverages category.

The company said its compensation package is rated as one of the highest in the fast-moving consumer goods industry. It provides an excellent job environment for career growth of individuals and nurtures a culture where talent and creativity are recognised and rewarded.

As a result, the attrition rate is less than 4 percent, according to the company. Transcom Beverages was recognised as the Bottler of the Year for 2013 at the annual commercial conference of PepsiCo India region. This was the fifth time the company won the award since taking over the bottling operation in 2000.

It also won the Asia, Middle East, Africa Bottler of the Year and PepsiCo International Bottler of the Year awards for 2009.

Transcom Beverages' parent company Transcom is headed by Latifur Rahman, who won the Oslo Business for Peace Award in 2012 for socially responsible and ethical business practices.

BB should take steps to stop abuse of back-to-back LCs

MONWARUL HOQUE

IN 1978, Noorul Quader Khan, who is also called the father of the country's garment industry, was struggling to start production in his Desh Garments Ltd due to a lack of working capital and apparel accessories although the factory was ready with trained manpower.

A visionary entrepreneur, Khan got 130 men and women trained from the Korean Daewoo Company to take charge of his Desh Garments at Kalurghat in Chittagong. But unfortunately he could not start production when he had seen that out of 35 accessory items 34 were needed to be imported from abroad.

Khan then met the Bangladesh Bank governor and talked about his ideas of obtaining working capital from commercial banks with a back-to-back LC (letters of credit) against the master LC that he received from the buyer. He proposed opening an LC with the commercial bank against the master LC for purchasing yarn, fabrics and other accessories.

This way a unique system of back-to-back LCs came into being in Bangladesh.

Shipping agencies acting as a third party would submit bill of lading (BL) as a proof of transaction of goods between the importers and exporters. This document confirms the importers that they have received the goods from the exporters at the port.

With the help of back-to-back LCs, both the garment and the primary textile sectors or backward linkage industries flourished in Bangladesh.

In case of opening back-to-back LCs for domestic industries, a third party's involvement is not required. As a result, there arises a chance of abuse of the back-to-back LCs which actually happened in Bangladesh. Some dishonest people swindled crores of taka from the banking system by opening fake companies and opening fake back-to-back LCs.

This was the case for a top local company which swindled money from Sonali and other banks. The companies like Hallmark and Bismillah Group followed the same formula and swindled the banks.

Not only this, a group of businessmen have not been paying to the deem exporters in time in the local market by abusing back-to-back LCs. Deem exporters are those who supply accessories from the local markets. They are called deem exports because their supply of accessories from their local factories is counted as imported goods although they were purchased locally.

A section of garment makers buy accessories such as yarn and fabric from backward linkage industries by opening back-to-back LCs. The garment makers do not pay timely to the suppliers as there is no involvement of third party documents like BL by shipping lines in case of international LCs.

In absence of master LCs, in many cases, a section of businessmen abuse this kind of back-to-back LCs under contracts and do not pay to the deem exporters.

The central bank should take special measures to make sure the scheduled banks take the responsibility for their local LC payments in time.

As such, Bangladesh Bank should introduce third party involvement in local back-to-back LCs.

When a scheduled bank opens local LCs or back-to-back LCs it should appoint reputed national or international inspection companies which will confirm through their certification that goods have been delivered to the LC openers according to LC terms.

The introduction of third party certification can stop manipulation of LCs, like the ones done by Hallmark and Bismillah Group, and ensure deem exporters' payment in time if such certificates are considered as local BL like the ones that the shipping lines provide.

But it has to be kept in mind that small accessory suppliers are not required to be under this procedure.

If any disputes arise on the quality of goods, then it could be resolved following the internationally set standards and rules, although currently such disputes are resolved without involvement of any recognised third party.

If the involvement of the third party is ensured for dispute settlement, the importers of raw materials will also enjoy the benefit of timely delivery of goods.

If the central bank formulates policies paying a good attention to the matter and take measures for involving third party in opening of back-to-back LCs, the companies like Hallmark and Bismillah Group will not have the scope to swindle the banks and the local yarn and raw materials suppliers will get payment in time.

The writer is involved in textile manufacturing.

REUTERS/FILE

A worker unloads a sack filled with cement at a railway yard in Ahmedabad, India.

Amazon boss Jeff Bezos defends company's workplace culture

BBC NEWS

Amazon's founder and chief executive refuted claims of "shockingly callous management practices"

The world's biggest online retailer is firing back against reports of an abusive corporate culture.

A New York Times report over the weekend described a demanding and degrading environment at Amazon.

Amazon's boss Jeff Bezos wrote in a memo to staff that the "article doesn't describe the Amazon I know".

The New York Times article quoted one former employee who said: "Nearly every person I worked with, I saw cry at their desk."

The report included testimonials from 100 current and former employees who depict a "bruising" workplace at Amazon, where employees are expected to "toil long and late".

Some claimed the company edged out workers who were suffering from personal crises, including miscarriages and cancer.

The article also said that the culture calls for employees to respond to emails after midnight. If they don't, they receive text messages demanding a swift response.

A press representative for Amazon said: "While we generally do not comment on individual news stories, we quickly saw current Amazon employees react."

He pointed to an article from Nick Ciubotariu, a current employee who said he never saw anyone cry in the office.

Mr Ciubotariu, head of infrastructure development, Amazon.com Search Experience, refuted many of the article's claims on the professional networking website, LinkedIn.

He wrote: "No one tells me to work nights. No one makes me answer emails at night. No one texts me to ask me why emails aren't answered."

LafargeHolcim to sell India assets for 750m Swiss francs

REUTERS, *Paris*

Cement maker LafargeHolcim said it would sell two plants in eastern India to Birla Corporation for about 750 million Swiss francs ($768 million), as a condition of its recent merger.

Indian regulators still need to approve the sales. LafargeHolcim received conditional approval from the Competition Commission of India for its merger in April 2015.

The sale of assets, including the two cement plants operated by Lafarge India with a combined annual capacity of 5.15 million tons, was part of the agreement.

LafargeHolcim said the proceeds would be used to reduce debt.

LafargeHolcim is selling the plants as part of plans to complete the integration of Lafarge and Holcim by the end of next year, following their merger.

India, EU working to end trade huff over generic drugs

REUTERS, *New Delhi*

INDIA and the European Union are taking steps to end a trade row sparked by an EU ban on Indian pharmaceutical products that New Delhi responded to by cancelling talks on a free trade accord with its largest trading partner, officials said.

Indian Prime Minister Narendra Modi's office wrote to the E.U. Trade Commissioner to intervene when the ban on around 700 pharmaceutical products was formalised in May, two government sources in New Delhi said. There was no response, so the government cancelled an Aug. 28 meeting to discuss restarting talks on the free trade accord that stalled in 2012, the sources said.

The E.U. Trade Commission says it did not get the letter from Modi's office on the ban, which is linked to flaws in clinical tests done by India's GVK Biosciences for other companies to make sure generic drugs are as good as the patented originals they emulate.

Coming after a trip to Germany where Modi personally argued that the long-stalled talks on a free trade accord should be revived, India's about-turn was a shock for the 28-nation grouping, which insisted the ban was a minor, technical issue unconnected to trade.

India though, sees the move as veiled protectionism and support for major European drug manufacturers.

"We are disappointed and concerned over the EU action in imposing a ban on the sale of drugs," said Rajinder Chaudhary, spokesman of India's Ministry of Commerce and Industry.

But both sides are working to end the row, officials said. The European Union said in its

REUTERS

A security guard walks in front of the headquarters of GVK Biosciences, a clinical research company, in Hyderabad, India.

May ruling against the India-made pharmaceuticals that drug makers can avoid the ban by submitting fresh test results.

"The Commission hopes that a solution will be found to the current deferral," said Daniel Rosario, a spokesman at the European Commission, adding that Europe was committed to reaching a trade deal.

Privately, New Delhi expressed the same sentiment.

"It is not a permanent deferral," said a top government official with knowledge of the developments, asking not to be named because of the sensitivity of the matter.

India-made generic drugs have brought down the cost of medicines globally, but they attract the ire of big U.S. and European pharmaceutical firms who lobby their governments to stop what they see as innovation-stifling attacks on their patents.

Indian officials have described the E.U. move as a part of an offensive against its $15 billion generic drugs industry, as well as bad faith by its top trading partner just when Modi had staked his name to a revival of the long-stalled free trade deal.

Qatar to launch major labour reform for migrant workers

AFP, *Doha*

Qatar on Tuesday officially launches one of its most "significant" labour reforms to guarantee migrant workers' wages, but rights groups are concerned over implementation of the new regulations.

The Wage Protection System (WPS) aims to ensure that migrant labourers, many working on 2022 World Cup-related projects, will finally receive their pay on time.

Under the new system, workers will be paid either twice a month or monthly, and the wages electronically transferred direct to their bank accounts.

Failure to pay salaries on time, especially for blue collar workers, has been one of the biggest complaints voiced by rights groups against companies in the energy-rich Gulf state.

A 2013 academic study, "Portrait of Low-Income Migrants in Contemporary Qatar," found that around a fifth of migrant workers were "sometimes, rarely or never" paid on time.

On August 18, a six-month grace period for businesses to ready for the electronic payment system expires.

From that date, companies which fail to pay staff on time could face fines of up to 6,000 Qatari riyals ($1,650/1,485 euros), be banned from recruiting new staff, and bosses potentially sent to jail.

Inspection teams will monitor the new system and identify any firms not complying with the regulations.

The WPS is being overseen by the labour ministry, which has previously pointed to its introduction as proof of Qatar's commitment to labour reform.

In May, the ministry cited the WPS as an example of the "significant changes" being introduced in response to furious criticism of its labour practices since the controversial decision to allow Qatar to host football's biggest tournament.

Amnesty International, which has previously criticised Qatar for its "slow" pace of reform, said the introduction of the WPS was "welcome".

"It's a positive step in principle," said Amnesty's Gulf migrant rights researcher, Mustafa Qadri.

However, Amnesty still has concerns about what will actually happen in practice following the deadline on Tuesday.

It has called on Doha not to make any last-minute concessions to business or extend the grace period and also to ensure the WPS will be rigorously enforced.