

# Chevron CSR to help communities in Sylhet

STAR BUSINESS REPORT

Chevron Bangladesh yesterday launched a pilot programme on enterprise development for communities in Bibiyana, Jalalabad and Moulvibazar, where it operates.

The 18-month pilot programme, which will be implemented by Brac, will support some 20,000 beneficiaries, and up to 1,500 enterprises will be created during the period.

The pilot project is part of Chevron's \$10 million corporate social responsibility (CSR) programme that was announced last year.

Chevron introduced the five-year CSR scheme under Bangladesh Partnership Initiative (BPI) to support economic development for communities in Sylhet region.

The objective of the CSR programme is to promote economic stability, job creation and accelerate sustainable growth in local communities where Chevron operates.

State Minister for Power, Energy and Mineral Resources Nasrul Hamid formally inaugurated the programme at an event in Dhaka, where US Ambassador Marcia Stephens Bloom Bernicat was also present.

Melody Meyer, president of Chevron Asia Pacific Exploration and Production, said: "We believe that our success is tied to society's progress and built upon long-term, collaborative and mutually beneficial relationships."

The partnership with Brac, as part of the BPI, reflects this approach, she added.

Asif Saleh, director of strategy, communications and empowerment at Brac, said the pilot project focuses on inclusion, sustainability and self-dependence.

Brac's strength is in working in rural Bangladesh focusing on hostile development and the partnership with Chevron will have a bigger impact in generating livelihoods for the target group, he said.

"We hope our joint work can give people the tools to climb out of poverty and lead them towards prosperity," he added.

Chevron Bangladesh President Kevin Lyon said the impact of BPI will be sufficiently far-reaching to continue beyond its lifespan and beyond Chevron's involvement.

Chevron is the largest foreign investor as well as the single largest producer of natural gas in Bangladesh, supplying around half of the country's natural gas consumption.

Bernicat said Chevron contributes to Bangladesh's development by boosting energy security and developing technical skills and knowledge, but is also investing in local communities.

"Chevron's activities in Bangladesh are proof that the best companies form partnerships with the countries in which they work and demonstrate their long-term commitments. Quite simply, strong and trusting relationships with companies operating at the cutting edge of technology will be essential for ensuring that Bangladesh continues on its path of growth and development."

# Yunus urges UN to help nations implement SDGs

STAR BUSINESS REPORT

Nobel laureate Prof Muhammad Yunus has called upon the United Nations to support the developing nations to successfully achieve the Sustainable Development Goals.

Yunus termed the adoption of the 2030 development agenda as a historical event as it will give a new shape to the future world.

"The next challenge will be to make SDGs a household word to guide the family's daily life throughout the world," he said.

The founder of Grameen Bank made the comments during a meeting of UN Secretary General Ban Ki-moon with his advisers on the Millennium Development Goals Advocacy Group in New York earlier this week. The advisers also helped him formulate the SDGs.

Yunus, a founding member of the MDG Advocacy Group, thanked the UN chief for getting the SDGs adopted by the UN general assembly, Yunus Centre in Dhaka said in a statement.

A number of group members including Paul Kagame, president of Rwanda; Erna Solberg, prime minister of Norway; Jeffrey Sachs, an expert on economic development; and Ted Turner, American media mogul and philanthropist, also attended the meeting.

# 7-Eleven Australia chiefs resign over wage fraud claims

AFP, Sydney

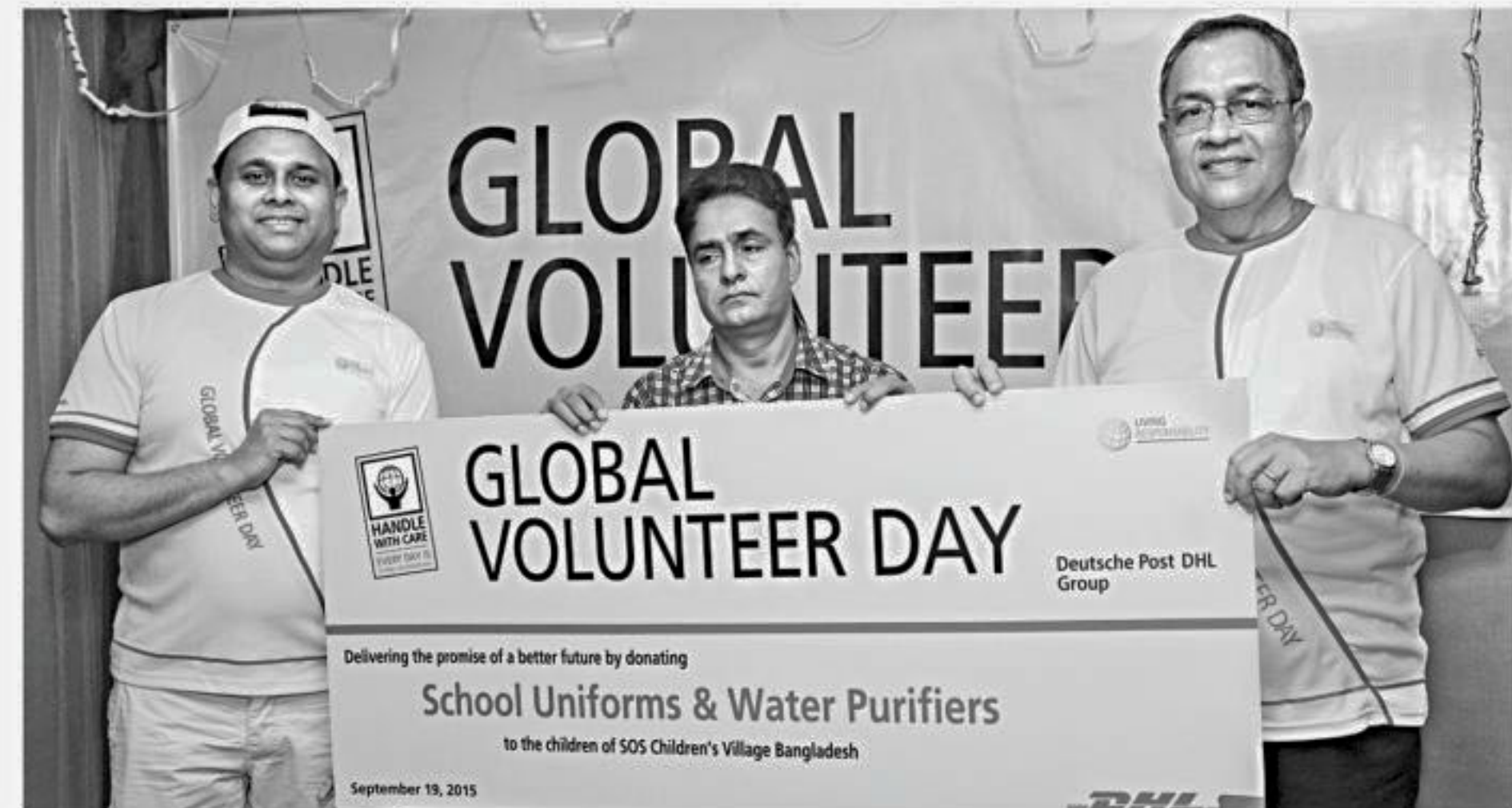
The chairman and chief executive of 7-Eleven convenience stores in Australia resigned Wednesday, following allegations that franchises systematically underpaid workers.

Media reports earlier this year uncovered evidence that many of the nation's 620 stores were exploiting staff, while a subsequent Senate inquiry heard some franchisees doctored payslips to cover up underpayments.

"Mr. (Warren) Wilmot offered his resignation following the recent realisation of the extent to which 7-Eleven franchisees had underpaid workers," 7-Eleven Australia said of its chief executive in a statement.



Sohail RK Hussain, managing director of City Bank, and Inessa Tolokonnikova, manager for Financial Institution Group, South Asia, IFC; M Rehan Rashid, senior country officer, and Ehsanul Azim, senior investment officer, pose during the signing of an agreement to finance initiatives to improve the local garment sector, at City Bank head office in Dhaka.



Desmond Quiah, country manager of DHL Express Bangladesh, and Nooruddin Chowdhury, country manager of DHL Global Forwarding Bangladesh, pose during an event marking the Global Volunteer Day 2015. DHL sponsored two water purifiers to ensure safe drinking water at SOS Children's Villages, among other activities.



Abu Bakr Chowdhury, vice chairman of NRB Commercial Bank, opens an ATM booth of the bank on premises of its branch in Raosan, Chittagong. Syed Mahabubul Haque, senior vice president, was also present.



SAA Masrur, country head for Bank Alfalah Bangladesh, and Ehsan Ul Haq Qureshi, country operation head, attend the launch of three products of the bank, namely e-statements, SMS alert service and online view.

# Major setbacks to growth linger

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The report is the flagship publication of the WEF, where CPD is the partnering organisation in carrying out the Bangladesh study.

On the basis of the questionnaire developed by WEF, an executive opinion survey was conducted in Bangladesh between February and May this year, while the reference period was 2014.

The sample size was 56, with most companies being locally-owned and mostly based in Dhaka. The CPD sent the questionnaire to about 300 companies.

Three in four respondents said general infrastructure, road and rail network are under-developed, while electricity supply is insufficient and suffers frequent interruption.

Forty percent of respondents said the cost of financial services extensively impede business activity, while half of them said banks have been suffering from a lack of efficiency. They said financial auditing and reporting standards remain weak.

"The financial sector needs further reforms in order to become more competitive and efficient," Moazzem said.

In case of foreign trade and investment, export suffers due to a weakness in internal and external connectivity, lack of diversity in products and markets and poor networking of entrepreneurs, according to the CPD analysis.

About 70 percent of respondents said customs procedures are very inefficient.

There are improvements in some areas; for example, only 36 percent of respondents think customers are rarely well-treated by the companies.

However, 70 percent said companies do not spend on research and development.

Bangladesh has competitive advantages based on low-costs, but not quality. Besides, there is narrow presence in the global value chain, according to the report.

On the security issue, the report said overall perception on law and order is not satisfactory, and crime and violence is an issue of concern.

The reliability of police services in law and order enforcement has slightly improved, but it is still below average, according to Moazzem.

The report painted a frustrating picture when it comes to governance.

About 96 percent said the ethical standards of politicians are very low; it was 94 percent in the previous survey. About 86 percent said government officials show favouritism to well-connected firms and individuals when deciding upon policies and contracts.

Rarely, the government ensures a stable policy environment for doing business, according to 66 percent of respondents.

The freedom of press is "somewhat limited", said the report.

Companies have their own failures as well: they have limited capacity to innovate and merely turn ideas into commercially successful new products. Their production capacity is not too sophisticated either.

Corporate ethics of the companies are also weak, according to 73 percent of respondents.

On the education sector, half the respondents said the education system is not developed enough to meet the

needs of a competitive economy.

Some 55 percent respondents said it is difficult for companies to find employees with the required skills, but 64 percent said investment by companies on training and employment has further deteriorated.

The WEF report was launched simultaneously in 140 countries.

The CPD also conducted a rapid assessment survey among the same sample. In the survey, 73 percent said the country's tax system is slightly complex and three in four said insider trading in the stockmarket is "somewhat pervasive".

Over 60 percent said money-laundering through the banking system is pervasive.

"Entrepreneurs are apprehensive about the domestic business environment as well as the overall investment situation in 2015," said Moazzem.

According to the survey, the major reasons for capital flight from Bangladesh are political unrest, insecurity, corruption, tax avoidance and poor scope for investment.

It said export and import suffer due to border and behind the border bottlenecks.

Entrepreneurs have identified a number of major risks for their business for the next decade: energy price shocks, failure in national governance and failure of critically needed infrastructure.

CPD officials Towfiqul Islam Khan, research fellow, Anisatul Fatema Yusuf, director for dialogue and communication, Kishore Kumer Basak, senior research associate, Ariful Islam, research associate, were also present.



Munzur Hossain, chairman of Rupali Bank, opens the bank's 547th branch at Mojib Market in Palash, Narsingdi. M Farid Uddin, managing director, was also present.



Mohammed Abdul Awwal, director of Pragati Life Insurance, presides over the company's 15th annual general meeting at Karwan Bazar, Dhaka on Tuesday. Md Jalalul Azim, chief executive, was also present. Pragati declared 17 percent cash and 5 percent stock dividends for 2014.

# WTO slashes trade growth for 2015

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The strongest downward revision to the previous export forecast for 2015 was applied to Asia, where the estimate was lowered to 3.1 percent from 5 percent in April.

This is mostly due to falling intra-regional trade as China's economy has slowed, the WTO said.

The downward revision to Asia on the import side was even stronger, from 5.1 percent to 2.6 percent, partly due to lower Chinese imports, which were down 2.2 percent year-on-year in the second quarter.

The product composition of China's merchandise imports suggests that some of the slowdown may be related to the country's ongoing transition from investment- to consumption-led growth.

The quarterly export growth of developed economies was essentially flat in the first two quarters of 2015, but those of developing countries were more negative at 1.9 percent.

The drop in exports was driven by weaker developing countries' imports and stagnation in developed countries' imports.

The WTO also lowered its trade growth forecasts for 2016 to 3.9 percent from its April prediction of 4 percent.

Volatility in financial markets, uncertainty over the changing stance of monetary policy in the US and mixed recent economic data have clouded the outlook for the world economy and trade in the second half of the year and beyond, the WTO said.

WTO members can help set trade growth on a more robust trajectory by seizing the initiative on a number of fronts, notably by negotiating concrete outcomes at the December Ministerial Conference in Nairobi, Azevedo added.

# BEZA signs loan deal for land acquisition for economic zone

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The BEZA has already selected 37 economic zones for establishment. China, Japan and India are going to develop at least six economic zones in Chittagong, Dhaka, Mongla and Kushtia, thanks to attractive and competitive incentives, Chowdhury said.

SM Formanul Islam, chief executive officer of BIFFL, also spoke.

# Bangladesh leads calls for easy rules of origin

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The LDC proposal essentially urges the member countries to avoid application of two or more criteria for a single product and to consider an alternative criterion instead.

In 2013, trade ministers in Bali agreed to ensure that preferential RoO applicable to imports from LDCs are "transparent and simple, and contribute to facilitating market access".

In the years since, there have been "no substantial efforts" to streamline members' preferential rules in line with the 2013 Bali ministerial guidelines.

Commerce Minister Tofail Ahmed, who held a meeting with Roberto Azevedo, director general of the WTO in Geneva last week, said the LDCs also proposed the WTO for duty-free and quota-free market access for products originating from LDCs to the developing and developed countries.

At a press conference in Dhaka last week, Ahmed also said he demanded extension of the duration of TRIPs (Trade Related Intellectual Property Rights) agreement such that essential products of LDCs can enjoy flexible patent rights.

For example, as an LDC, Bangladesh is exempt from the implementation of the TRIPs agreement until 2016 for pharmaceutical products. This allows Bangladeshi consumers to benefit from cheap medicines.

The minister also said the LDCs demanded a waiver in services from the nations of the group.

There are currently 48 LDCs on the UN list, 34 of which have become WTO members.