Skills building key to garment sector growth

Analysts say at roundtable

STAR BUSINESS REPORT

Increasing the capacity of workers is imperative for the sustainability of garment and leather sectors, the two major contributors to national exports, said a study.

For that end, a number of stakeholders such as the government, the ILO, GIZ, the EU and retailers such as H&M, Tesco and Gap are engaged in improvement plans at factory level, said Shahamin S Zaman, chief executive officer of CSR Centre.

The stakeholders are heavily engaged in capacity building projects and initiatives to promote the sustainability of both sectors.

Zaman's comments came while presenting a paper, on enhancing trade through capacity building in Bangladesh's garment and leather industries, at a roundtable yesterday.

The Business Social Compliance Initiative and the Foreign Trade Association organised the roundtable, which was attended by international retailers, government higher-ups, garment makers and trade union leaders.

The FTA is a Brussels-based platform of nearly 1,700 retailers and manufacturers of different products, whose combined annual turnover is nearly $1 trillion.

Bangladesh is going in the right direction as compliance is improving in the garment sector after the Rana Plaza collapse, said Christian Ewert, director general of FTA.

The FTA has been conducting training programmes for about 2,500 workers, mid-level managers and owners of 62 factories this year, he said.

The capacity goes up in factories when the buyers put pressure on the management, and the capacity goes down when the buyers do not put pressure, said Soren Kannik, a garment retailer of TT Sourcing Ltd.

The average productivity of the leather sector is 45 percent, which is less than in other countries and half of China's 90 percent, according to Saiful Islam, managing director of Picard Bangladesh, a major shoe and leather products exporter.

About one-fourth of the 220 tanneries in Hazaribagh will have to move to Savar by March next year.

This time the shifting of tanneries from Hazaribagh to Savar will take place as the leather estate has been developed, he said.

Monoj Kumar Roy, additional secretary to the commerce ministry, urged the FTA to establish a training institution for workers in collaboration with the government for capacity-building.

Nazma Akter, president of Sommilito Garments Sramik Federation, called for increasing the facilities for workers so that they can have more food to cover their nutritional deficiency, which in turn will lead to higher productivity.

The international retailers should also follow ethical buying practices and pay higher for per piece of garment items, she said.

Faruque Hassan, senior vice-president of Bangladesh Garment Manufacturers and Exporters Association, also spoke at the roundtable, which was moderated by FTA Country Representative Daniel Seidl.

BB warns cooperatives on money laundering risks

STAR BUSINESS REPORT

Bangladesh Bank has instructed all cooperative firms to put in place policies and procedures to prevent and detect money laundering.

Instructions include systems and controls to identify, assess and monitor money-laundering risks as well as customer due diligence measures.

Cooperative firms have to ensure that their systems and controls enable them to identify suspicious transactions, according to a notice issued by the central bank's Bangladesh Financial Intelligence Unit yesterday.

The guidelines also asked the firms to allocate overall responsibility for anti-money laundering efforts. They must also appoint a chief anti-money laundering compliance officer and set a contact point for the firm's anti-money laundering activity.

There must be a policy regarding members, shareholders and subscribers of a cooperative firm, said the circular.

Earlier, the BB issued similar guidelines for banks, non-bank financial institutions, insurance companies and microcredit organisations in an effort to prevent money laundering in Bangladesh.

BB steps in to execute jute packaging law

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This will encourage new investments and farmers will get due prices of their produce riding on the domestic demand alone, he said earlier.

Khondaker Golam Moazzem, additional research director of Centre for Policy Dialogue, said the full enforcement of the packaging law will create demand for 84 crore jute bags a year for selected agricultural and non-agricultural products.

By one estimate, about 70 percent of local raw jute will be used up in the production of those bags, he said.

MASTERCARD

Melvin Chew, an official from customer fraud management under franchise integrity and law at MasterCard Global, and Syed Mohammad Kamal, country manager of MasterCard Bangladesh, pose with the participants of a two-day training on fraud management for issuers and acquirers, organised by MasterCard Academy of Risk Management, at the Westin hotel in Dhaka.

PUBALI BANK

Hafiz Ahmed Mazumder, chairman of Pubali Bank, attends the second managers' conference of Sylhet east and west regions of the bank. Fahim Ahmed Faruk Chowdhury, vice chairman, and Helal Ahmed Chowdhury, former managing director, were also present.

NBR to sign deal with Bhutan to avoid double taxation

STAR BUSINESS REPORT

Bangladesh is set to sign an agreement with Bhutan to avoid double taxation to boost investments, trade and facilitate information exchange between the two Saarc nations, the National Board of Revenue said in a statement.

A team led by NBR Chairman Md Nojibur Rahman is now in Thimpu to take part in the first round of negotiations for signing the deal with Bhutan.

"The agreement will play an important role in expanding trade and economic development of both countries. The deal will also help curb tax evasion."

Bhutan will be the fifth country among the eight nations of Saarc with which Bangladesh may sign such a deal. Earlier, the government inked similar deals with India, Nepal, Pakistan and Sri Lanka.

The NBR has so far signed double taxation avoidance deals with the US, Canada, China, Japan, Malaysia, Thailand, Singapore, Saudi Arabia, South Korea, UAE, Vietnam, UK, Sweden, Romania, France, Germany, the Netherlands, Italy, Denmark, Norway, Belgium, Poland, Turkey, Switzerland and Belarus.

The NBR said it has completed formalities to sign such agreements with Morocco, Bahrain, Qatar and Kuwait.

It has also concluded the first round of negotiations with nine countries that include Iran, Portugal, Russia, Spain and Hong Kong, according to the statement.

Social business week begins in China

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Professors from universities, business leaders from investment companies and microfinance leaders were present at the opening dinner hosted by young entrepreneur Wang Ke, chief executive of Koudai.com, a multi-billion dollar company.

Wang is interested in spreading microcredit through his mobile phone platform and set up social business joint ventures with Grameen China.

During the dinner, Prof Yunus delivered a speech on social business activities around the world, particularly in China.

The weeklong event will take the founder of Grameen Bank from Beijing to Kunming, Shanghai, Shenzen, and Hong Kong.

He will address government officials, business leaders and civil society activists in each city. He will also address students at university campuses on social business and building a sustainable world.

Philippine firms on billion-dollar global shopping spree

AFP, *Manila*

Philippine firms are on an unprecedented global shopping spree, spending billions on everything from vineyards to food manufacturers and casinos, reflecting the nation's recent economic rise.

A combination of strong domestic growth, bargain prices in retreating economies abroad and rock-bottom borrowing rates have fuelled the acquisitions, analysts said. The Southeast Asian nation has for years exported shopping malls and junk food to the region, but cashed-up Filipino firms have diversified in recent years with acquisitions around the world and in many sectors.

"It has not happened in this rapid succession. It's like a colonial mentality in reverse," said Luis Limlingan, research head at Manila stock brokerage Regina Capital.

The pace of the acquisitions has startled both local and foreign investors, according to BDO Unibank chief market strategist Jonathan Ravelas.

"Filipino companies are moving into the global space and it's not limited to just one sector. The opportunities abound," he said.

In one of the most-recent big-ticket acquisitions, local instant noodle firm Monde Nissin said last month it was buying British meat substitute manufacturer Quorn for 550 million pounds ($833 million).

In the last two years, the private company also snapped up popular fruit juice brand Nudie and chilled dips manufacturer Black Swan, both from Australia, for undisclosed amounts.

Monde Nissin is owned by Betty Ang, who started her company 30 years ago and is now the nation's 19th richest person with a net worth of $900 million, according to Forbes.

Meanwhile, Emperador, a company controlled by the Philippines' fourth richest man, Andrew Tan, and which specialises in cheap brandy at home, is looking to spend more than one billion dollars on diversifying in Europe. In May, the company said it would bid to acquire French cognac maker Louis Royer SAS.

There has been no resolution in that attempt yet but last year it paid 430 million pounds ($726 million) for Scottish whisky maker Whyte and Mackay.

Emperador also spent 60 million euros ($82 million) last year for half of Spanish brandy producer Bodega Las Copas.

The Philippines' third-richest man, Enrique Razon, has made headlines by expanding on the port operator business that has made him his fortune by setting his sights on the Asian gaming market.

He opened a billion-dollar casino in Manila in 2013, and then in March this year his Bloombery Resorts firm announced it was buying AN island and part of another one in South Korea for his first overseas gaming foray.

Analysts said these were some of the highest-profile acquisitions overseas, but there were many others in a wide range of sectors, including telecommunications, power, fast food and oil.

Mannan cautions bankers against immoral lobbying

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Mannan asked officials of the specialised banks not to give in to immoral lobbying and take decision in favour of such lobbyists.

The seven banks are: Bangladesh Krishi Bank, Rajshahi Krishi Unnayan Bank, Karmasangsthan Bank, Investment Corporation of Bangladesh (ICB), Ansar-VDP Unnayan Bank, Probashi Kalyan Bank, and Bangladesh House Building Finance Corporation.

The banks and financial institutions have been given 13 to 17 performance targets on the basis of which evaluation will be done after six months, said Fazlul Haque, additional secretary of the banking division.

The targets are about realising default loans, settlement of cases, loan disbursement, automation and reduction of loss-making branches.

This is the second time that performance agreements were signed with the banks, according to Alam.

In the last performance evaluation, the banks scored in the range of 75 to 98, he said.

The government has to provide money to the banks frequently to meet their capital deficits, said Abul Kashem, deputy governor of Bangladesh Bank.

"These are taxpayers' money, so you must make proper use of them."

Regulator moves to upgrade merger rules

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Bangladesh Online merged with Beximco in 2009. Besides, Dhaka-Shanghai Ceramics, Shinepukur Ceramics, Shinepukur Holdings and Beximco Fisheries also merged with Beximco in different times.

Tripti Industries merged with Olympic Industries in 2008, while Keya Detergent was merged with Keya Soap Chemicals in 2010, and Ocean Containers was merged with Summit Alliance Port in 2012.

In 2014, Keya Cosmetics initiated the process of merger with its associate companies: Keya Knit Composite, Keya Cotton Mills and Keya Spinning Mills.

In all the cases, the companies announced that the merger would enhance their profitability. In most of the cases, the profit of the entities declined or failed to maintain the trend of profitability.

Banks in trouble with dinars bought from Libya returnees

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The Libyan dinar is not currently convertible internationally, the officials said, adding that the currencies have been lying idle in their vaults.

An official of Sonali Bank said they will now request Bangladesh Bank to see whether it can exchange the dinars by corresponding with the Libyan central bank. Agrani Bank already wrote to the central bank, seeking steps.

The officials said they had purchased the dinars at verbal instructions from Bangladesh Bank officials and government high-ups. The World Bank at that time had provided around $30 million for repatriating the workers who returned from Libya.

SONALI BANK

Pradip Kumar Dutta, chief executive of Sonali Bank, meets with a delegation from Hitachi group of Japan at Sonali Bank's head office in Dhaka.

MICROSOFT

Lahiru Munindradasa, country general manager of Tech One Global, holds the Microsoft Country Partner of the Year 2015 award from Bangladesh, while posing with Phil Sorgen, corporate vice president for worldwide partner group at Microsoft, at the Microsoft Worldwide Partner Conference held in Orlando, Florida.