

Dutch couple find entrepreneurship in Bangladesh

They are establishing a high-end luggage brand based on jute and leather

ANDREW EAGLE

WHEN Dutch couple Rosanne van Kleef and Rik van Dueren den Hollander, both 23, set off on an around-the-world trip in September 2014 to celebrate Rosanne's graduation with a master's in entrepreneurship, they did not imagine they would discover Bangladesh, much less establish their luxury luggage brand Juuty.

New Zealand, Australia and the Philippines: the trip was going well until, with dreams of India, they met a minor problem in Myanmar. To get an Indian visa would take time, they learnt, while Bangladesh offered visa-on-arrival. "It's impossible," other travellers said. "You cannot go to Bangladesh. Nobody travels there."

"Other tourists had no experience but big opinions," says Rik. "If everybody says it's impossible, we like to try." In the Netherlands, Rik worked on ship safety at the Rotterdam port, and in agriculture.

According to Rik, the general opinion of Bangladesh in Europe is similarly negative. "Everybody mentions poverty," he says. "Everybody knows about Rana Plaza," he adds, referring to the 2013 Savar garment factory collapse that claimed over 1,100 lives.

Within a few days of the decision, the couple arrived in Dhaka. "We were overwhelmed by the hospitality," says Rosanne, no doubt the experience of many first-timers.

Having arranged online to stay privately, the couple had an instant social network. "It was unbelievable," recalls Rik. "We had difficulty managing all the invitations. We thought it was because we were new. A few months later, it dawned on me that in Dhaka this is normal." Busy with newfound friends and having renewed visas, plans for India never eventuated.

"We liked Bangladesh so much that we wanted a reason to return," says Rosanne on how thoughts turned into business. "We started asking anyone who'd listen what

Bangladesh does well. Everybody spoke of the golden fibre: jute."

At the same time, the couple visited a garments factory to see if what they had heard about Rana Plaza was usual. "The first factory we saw," recalls Rik, "was very well managed. They even had floor lines indicating where to walk safely." They wondered if even some Dutch factories couldn't benefit from what they had seen. "It was a big surprise."

The couple visited many factories to be greeted with the same, warm reception. "We'd arrive at the front gate and the security guard would always run off to find an English speaker. We said we were tourists, just wanted to see... and everywhere drank tea."

Another discovery was the country's leather industry. "The leather is world class," says Rik. "It's exported to Italy but isn't branded as Bangladeshi. Why can't it be called Bangladeshi leather? We want to change that."

The couple were still living out of suitcases. "We always have trouble finding things," Rosanne laughs. A personal wish for a practical bag with generous pockets entered the idea mix that led to a product decision.

Juuty, a word that sounds like the English and Dutch 'jute' and 'juti', which means 'couple' in Bangla, would be a Bangladesh-based exclusive luggage brand.

"Others are making jute bags," says Rik, "but the combination with leather is new. Bangladesh is good at bulk production but we hope to encourage high quality manufacturing."

During a visit to the Jute Research Institute, they saw a new type of jute that is soft as silk and without the usual jute smell. "Durable and strong, jute is the most eco-friendly fibre in the world," says Rik. "It grows without chemicals."

Along with their personal commitment to eco-friendly production, the couple understood that to establish Juuty as a premier label, such standards are a must. "European consumers care about the environment," says



Dutch couple Rosanne van Kleef and Rik van Dueren den Hollander hope to take Bangladeshi jute and leather to the high end global fashion market with their new brand Juuty.

Rosanne.

More challenging was leather production. Having visited the Hazaribagh workshops to the point they are well-known there, they are enthusiastic about the industry's relocation to Savar. "The new site has a water treatment plant," says Rik. "In future, Bangladeshi leather will be produced in the best way."

They also decided to pay more for leather that uses biodegradable vegetable extracts rather than chemicals in the tanning process, consistent with Juuty's social responsibility promise.

With initial designs sketched on envelopes, Rosanne and Rik sought out a trustworthy factory in Gazipur.

They wanted to work with Bangladeshis rather than establish their own factory. "The workers only need quality training," says Rosanne, noting that the first prototypes were not up to the mark.

Similarly, the contract was a surprise to factory management. "They were shocked at all the quality assurance conditions," laughs Rik. "The contract covers the entire supply chain. It's the size of a small book and took them two days to read." Nonetheless with careful oversight, satisfactory systems were established.

For workers, Juuty also brought innovation: comfortable uniforms to promote team spirit, and the desire

that each worker knows every production step rather than working on only one step repeatedly.

"Workers will know the whole bag," explains Rosanne. "We want them to enjoy making our products, essential for quality."

Ultimately, Juuty plans to establish an online system to connect the worker responsible for each individually numbered item with the product's end user. Such personalisation will undoubtedly appeal to many customers and the worker-end user link brings yet another meaning of 'couple' to the word 'Juuty'.

Initial market reaction has been promising. "We carried one of our

bags in an exclusive store in Singapore," says Rosanne. "The sales assistant stopped us to ask where she could buy one." Interest was so great at a trade fair in China that the couple hid the Juuty bag to prevent copying.

Early sales in the Netherlands have outperformed expectation. "Customers are happy with the bags and accessories, which are different to other brands," says Rosanne. "They like the unique materials and appreciate that Juuty's items are manufactured in a sustainable and fair way."

Yet the couple believe some aspects of doing business in Bangladesh could be improved. "There is no structure to establishing a business. You do have to figure out everything yourself," says Rosanne. She mentions several calls to the National Board of Revenue where the receivers hung up as soon as they heard English. "Much information is only in Bangla," she says.

"If you ask ten people about business rules, you will get ten answers. If you wait for all the answers, nothing happens, it will never start," says Rik. Adopting a try-and-see approach, they imported Chinese metal fixtures, the only part of the bags not sourced locally, with the final cost being established only after goods arrived.

The couple believe doing business in Bangladesh is satisfying because it is easy to make positive impacts on ordinary people's lives. "We hope to employ more people. We want to offer specialised manufacturing training in quality," says Rik.

Juuty is the Bangladesh of the future, a Bangladesh that can both bulk produce and meet the demands of high-end quality and design. The combination of jute and leather expertise, with a better understanding of what high-end consumers want, was almost waiting to happen. It was an opportunity waiting to be discovered by an enterprising couple like Rosanne and Rik.

"We can't fix all the problems," Rik says. "We will do what we can. Entrepreneurship can help a lot of people."

China bank lending slides in December despite loosening

AFP, Shanghai

China's bank lending declined sharply in December from November, the central bank said on Friday, despite moves to keep the world's second largest economy from slowing further with looser monetary policy.

New loans extended by banks slid to 597.8 billion yuan (\$91.1 billion) in December, against 708.9 billion yuan in November, the People's Bank of China said.

"The lower-than-expected new loans suggest that credit demand remained weak," ANZ Banking Group said in a research note, adding that commercial banks were reluctant to lend given increasing risk.

China has cut interest rates six times since late 2014 and has also lowered the proportion of reserves that banks must set aside, in an effort to boost lending and revitalise the flagging economy.

The country's yuan-denominated lending for all of 2015 reached 11.72 trillion yuan, figures showed, which the official Xinhua news agency described as a new high.

China's total social financing -- the broadest measure of credit in the economy -- was 1.82 trillion yuan in December, the central bank said, higher than 1.02 trillion yuan in November and above the median forecast of 1.15 trillion yuan according to a Bloomberg News survey.

"Lending to the real economy remained strong at the end of last year, which should help support economic activity in the coming months," Capital Economics said in a research note.

China's economic growth hit a 24-year low in 2014 and the country logged its worst economic performance since the global financial crisis in the third quarter of 2015, with gross domestic product (GDP) expanding 6.9 percent.

The government will announce fourth quarter and 2015 GDP figures on Tuesday.

Oil plummets to \$29, dragging world stocks lower

REUTERS, New York

OIL prices plummeted to \$29 a barrel on Friday on the likely resumption soon of Iranian oil exports into an already flooded market as international sanctions against Iran are lifted, dragging equity indices around the world sharply lower.

Skittish investors snapped up gold and other safe-haven assets amid fears of a global economic slowdown, coupled with concerns about a potential credit default as lower commodity prices make payments by creditors in emerging markets difficult.

Major stock indices in Europe closed down more than 2 percent, while Wall Street stock indexes tumbled even more. Global crude benchmark Brent settled below \$29 a barrel, capping a 13 percent decline for the week.

"We're seeing the final capitulation," said Tina Byles Williams, chief investment officer at FIS Group in Philadelphia, which oversees about \$4.4 billion in assets under management.

Williams said crude prices could hit \$20 a barrel, a price analysts at Goldman Sachs have said may be needed to accelerate a slowdown in drilling and return global oil inventories to a supply-demand balance that would allow prices to rise.

The risk is that a creditor faced with declining revenues and higher payment costs because of a stronger dollar on its dollar-denominated debt sparks a default, Williams said.

"If that dollar-denominated debt went to finance commodity projects, then that's obviously quite a toxic brew," she said.

Yields on the benchmark 10-year US Treasury note were poised to fall below 2 percent and gold rose as retreating oil prices and equity markets underpinned demand for assets perceived as safer. US gold futures for February delivery settled up 1.6 percent at \$1,090.70 an ounce.

The December futures contract on the federal funds rate surged to



A field of oil storage tanks is seen at the Trans-Alaska pipeline marine terminal in Valdez, Alaska.

its highest since October, implying the Federal Reserve will raise rates only one more time this year.

In Europe, yields on euro zone debt fell as slumping oil prices eroded inflation expectations and raised the prospect that the European Central Bank will again ease monetary policy.

Minutes from the ECB's December meeting released on Thursday showed the bank sees scope for further cuts to its deposit rate as inflation risks missing already lowered forecasts.

German 10-year yields fell 4 basis points to 0.48 percent, back to levels seen before the ECB meeting on Dec. 3 when it cut rates and extended its bond-buying scheme. The yield on the benchmark US 10-year Treasury note fell to a three-month low of 2.0295 percent.

The Australian, New Zealand and Canadian dollars all sank against the US dollar on the back of another slide in Chinese stock markets and the slide in oil. But the dollar fell against both the euro and yen.

World stock markets were set for a third week of losses. European

shares fell to their lowest since December 2014, hit by losses in commodity-related stocks after BHP Billiton announced a \$7.2 billion write-down on its US shale assets.

BHP shed 6.4 percent, one of the biggest decliners on the pan-European FTSEurofirst 300 index, which closed down 2.79 percent. MSCI's all-country world stock index fell 2.1 percent to levels last seen in July 2013.

On Wall Street, the selloff was broad, with all 10 major S&P 500 sectors in the red and all 30 components of the Dow industrials lower. A 3.8 percent slide in the beaten-down energy sector led the decline among sectors on the benchmark S&P 500.

"Investors are scared to death," said Phil Orlando, chief equity strategist at Federated Investors in New York.

Topping investor concerns is a possible hard landing in China, the world's second-largest economy, that drags the rest of the world into recession, Orlando said.

Other concerns include the dollar's strength, the pace of rate

increases planned this year by the Federal Reserve and a manufacturing recession, besides plunging oil prices, he said.

"It's not giving anyone any confidence because to me at least it resembles a bad reality show on television," he said.

The Dow Jones industrial average fell 425.72 points, or 2.6 percent, to 15,953.33. The S&P 500 slid 46.44 points, or 2.42 percent, to 1,875.4 and the Nasdaq Composite lost 144.70 points, or 3.14 percent, to 4,470.31.

Crude prices tumbled on a further decline in the Chinese stock market and as the prospect of an imminent rise in Iran's crude exports deepened fears of a prolonged supply glut.

Both of China's major stock indexes shed more than 3 percent, raising questions about Beijing's ability to halt a sell-off that has now reached 18 percent since the beginning of the year.

US crude futures settled down 5.7 percent at \$29.42 a barrel after sliding to a low of \$29.13. The March Brent contract settled 6.3 percent lower at \$28.94.

EU fruit growers look to US market to offset Russian sanctions

REUTERS, Brussels

European fruit growers could be able to export apples and pears to the United States later this year, the EU executive said on Saturday, following the publication of new US rules.

European Union producers, hit by Russian sanctions against them are keen for new markets.

A joint statement by the EU health, trade and agricultural commissioners welcomed the publication by the US Department of Agriculture of draft measures to be taken by EU growers and other authorities that it said were "a necessary step".

"Opening the market for the 2016 harvest, i.e. by September 2016, could be feasible, if all parties continue their efforts," the statement said.

General strike in Greece Feb 4 over pension reform: unions

AFP, Athens

Greek unions on Friday announced a general strike against a planned overhaul of the country's ailing pensions system.

"A 24-hour strike on February 4 has been decided," the main private-sector union GSEE said.

"The social security bill destroys pensioners, wage earners and mainly the future of the new generation," the union said.

Greece is under pressure from its international creditors to reduce spending on pensions which is the highest in the European Union.

Greece's leftist government has announced plans to lower the maximum pension to 2,300 euros (\$2,500) from 2,700 euros currently, and introduce a new minimum guaranteed basic pension of 384 euros. It also wants to increase social security contributions by both employers and staff.