

Vietnam sees reform opportunities in TPP

AFP, Hanoi

After organising communist Vietnam's first peaceful mass strike at a shoe factory, labour activist Do Thi Minh Hanh was arrested, beaten bloody by police, and jailed for four years.

Authoritarian Vietnam does not allow the millions of workers in its export-orientated factories, which are driving impressive economic growth, to form independent trade unions.

But this should change with the coming into force of the Trans-Pacific Partnership (TPP), a deal that has been touted as a foundation for "21st century trade" by US President Barack Obama.

The TPP seeks to liberalise commerce in some 40 percent of the global economy, and if ratified would oblige signatories -- be they the US, Japan, Canada or Vietnam -- to allow independent trade unions.

But activists like Hanh say the one-party state is a long way from concretely committing to that kind of change. "Vietnam still wants to maintain its monopoly on trade unions," said Hanh, who was released from prison in 2014 but lives under constant police surveillance.

Currently, all unions are part of the Vietnam Confederation of Labour, which is older than the ruling communist party. Such official unions are

"established to control workers, not to represent them," activist Hoang Dung told AFP.

The lack of meaningful representation is counterproductive as it leads to more wildcat strikes, said labour activist Nguyen Ngoc Nhu Quynh.

"Workers demonstrate as they cannot negotiate," she said.

Quynh is not optimistic about the TPP as "who can ensure that the trade union is really independent and will listen to workers' concerns?"

The TPP contains a controversial investor-state dispute settlement mechanism which allows companies to take governments to court if they feel their rights are violated.

But the deal has no equivalent enforcement mechanism to make sure member states live up to their commitments on labour or the environment. Oxfam's Andrew Wells-Dang notes that Vietnam has signed up for numerous rights and labour agreements in the past but failed to implement them.

The TPP "could contribute to opening up space on labour issues... but what happens if it doesn't?" he said.

The risk is the deal will simply "replace one set of (local) state owned actors with another set of international corporate actors," and do little to benefit workers or farmers.

Vietnam, whose low-wage economy relies heavily on exports, is projected to see the biggest percentage boost to the economy of any country in the TPP -- about 10 percent by 2030, mostly thanks to textiles and apparel, according to World Bank figures.

Last year the economy grew at 6.68 percent, its fastest pace in five years, partially thanks to record foreign investment.

But in order to attract new high-quality TPP-linked investment, the communist country, which has the lowest GDP per capita and competitiveness ranking of the group, will have to introduce wide-ranging reforms.

"It requires a lot of effort for Vietnam to develop a full market system and define better the role of the state," said economist Pham Chi Lan.

From brewing to baby formula, often inefficient state-run companies still have their fingers in every sector of the economy, and restructuring will be a long and painful process, she said.

But when the country signed on to the TPP it showed "they are serious about changing the system," she said.

Vietnam's participation in the TPP reflects a "new consensus" among the country's ruling elite about their foreign policy direction, said Jonathan London, a Vietnam expert at City University of Hong Kong.



Muhammed Zahirul Alam, deputy managing director of Bank Asia; Mohammad Belal, executive officer of Chhayanaut, and Shabana Yesmin, principal of Foundation School, pose with students during a programme on school banking and financial literacy organised by the bank at Chhayanaut in Dhaka.

Health standard for seeds on cards

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But in the absence of a health standard, it still remains unknown whether the seeds that are reaching the farmers are free from diseases.

In many instances, seeds carrying pathogens make their way to the farmers' fields, causing losses.

"It is necessary to frame a seed health standard to control the seed-borne diseases. It will increase productivity and reduce the risk of losses of farmers," said Md Azim Uddin, chief seed technologist at the agriculture ministry.

He cited the late blight of potatoes, black points of wheat and bakanae of rice as examples of diseases transmitted through pathogens carried by the seeds.

The health standard will also widen the export potential of seeds, he added.

FH Ansarey, executive director of the agribusiness division of ACI Ltd, said farmers will get better quality seeds if the health standard is set.

"It is important -- farm productivity will rise."

private sector as those who provide substandard seeds will have to raise their game or be squeezed out of the market.

Operators said the private seed companies and traders have more than 90 percent stakes in the hybrid segment of seeds for maize, vegetables and spices, mainly because of the expansion of hybrid cultivation.

Overall, the industry will grow: it will open new business avenues for those who provide quality seeds, Ansarey added.



Selim RF Hussain, managing director of Brac Bank, and Ishtiaq Mohiuddin, deputy managing director, pose with Md Altaf Hossain of Bhangura, Pabna, during a ceremony to hand over easy dairy loans to farmers at 5 percent interest, at Krishibid Institute in Dhaka on Wednesday.



Godrej launched FairGlow soap in the Bangladesh market at a dealer business conference at Spectra Convention Centre in Dhaka on Saturday. Anurag Pandey, Bangladesh country manager of Godrej Household Products, and Monir Hossain, head of sales and marketing, attended the event.

Pran to export foods to Yemen

STAR BUSINESS DESK

Pran, a processed food company, will export \$2.1 million worth of products to Yemen under a deal it signed with the Arab country. Md Mizanur Rahman, chief of export at Pran, and Mohammed Quasem, managing director of Sanaa-based Almoshara Company for General Trading and Cooling, signed the one-year agreement at Pran-RFL Centre in Dhaka last week.

Pran will export its juice, drinks and confectionery items including lollipop, bubble gum, candy, and biscuits to Yemen, Pran said in a statement.

Pran food products have huge potential in Yemen and other Middle Eastern countries, and it is already exporting to 121 countries, Rahman said.

DSE restructures price indices

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The companies that will be included are: the City Bank, Khulna Power Company, MJL Bangladesh and Bata Shoe. The companies to be excluded are: Square Textile, National Bank, Padma Oil Company and Meghna Petroleum.

Companies to be included in DSEX	
Western Marine Shipyard	Hamid Fabrics
C & A Textiles	National Feed Mill
KDS Accessories	Tosrif Industries
Aman Feed	United Power Generation and Distribution Company
Reckitt Benckiser (Bd)	Northern Jute
Khan Brothers PP Woven	Standard Ceramic
Bag Industries	
Zaheen Spinning	
Companies to be excluded from DSEX	
Fine Foods	Northern General Insurance
Takaful Islami Insurance	Janata Insurance
Sonar Bangla Insurance	Eastern Insurance
Rupali Insurance	Dhaka Insurance
Republic Insurance	Asia Pacific Gen Insurance
Renwick Jaineswar	Agrani Insurance
Progressive Life Insurance	Eastern Cables
Reliance Insurance	Beximco Synthetics
Prime Insurance	Nitol Insurance
Pravati Insurance	Mercantile Insurance
Peoples Insurance	Karnaphuli Insurance
Paramount Insurance	

Start-up to fight hunger wins top prize

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Ahmad said industrialists look for new ideas to make investment. "I think this platform will give us ideas, and we hope to partner with them to take them forward."

BB Governor Atiur Rahman said all the eight start-ups that made it to the national final deserve finances and investment, so the banks can look at them as profitable projects.

"It is heartening to see that the Get in the Ring puts the spotlight, giving them a podium for creating a global fan base and connecting investors."

The central bank governor said light-touch regulation is needed for encouraging start-ups and the government too has to come forward as a facilitator.

He said the nuts-and-bolts of doing business such as providing taxpayers identification number, trade licences, winding up of a business, entrepreneurial and equity funding, providing incubation facilities and tax breaks must be made easily available to start-ups. "We all have to handhold these small entrepreneurs and help them grow into a successful group of business leaders at a later stage."

Mahfuz Anam, editor and publisher of The Daily Star, said: "We live in a world where we face new problems. So, we need new leaders to solve these problems."

Anam lauded the contestants as a new breed of men and women who are confident and have dreams and the courage to implement them.

"I am mesmerised by the ideas. They have not only talked about the ideas but also came up with solutions. It's heartening to see that these entrepreneurs are working to sort out the problems our country faces."

Anis A Khan, managing director of Mutual Trust Bank, said the start-ups show that there is a lot of hope for Bangladesh.

Bangladesh has fifth largest offline population globally: WB

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"Our calculation shows that internet penetration is now more than 34 percent, and it will be 100 percent by 2021."

The government has also targeted more than 50 percent broadband penetration by 2021.

Furthermore, some 44 lakh smartphones were sold last year, and the number is expected to double this year, Palak said.

Earlier this month, the Bangladesh Bureau of Statistics published a report, based on a survey conducted in 2013, which stated that only 4.8 percent of the households have access to the internet.

The report also mentioned that more than 87 percent households had mobile phones.

In another report, released in October last year, the International Telecommunication Union said 6.5 percent of the households in Bangladesh are connected with the internet.

Abu Saeed Khan, senior policy fellow at LIRNEasia, a Colombo-based think tank, said most of the

citizens remain offline in Bangladesh due to two major issues.

The government is yet to transform the public services online, so the citizens see no utility in being online.

The other reason is the government's anti-connectivity policy and regulations, due to which the private sector is yet to expand their coverage throughout the country.

Khan, who was also the general secretary of Association of Mobile Telecom Operators of Bangladesh, said Bangladesh and India should take leads from Myanmar on how to put into place a sensible digital policy and regulations.

The WB study also found that employment in Bangladesh's ICT sector is less than half percent of the total jobs in the country, which is lower than that of many neighbouring countries.

Nepal, Sri Lanka and India have more ICT specialists than Bangladesh, according to the study.

The report also said digital products such as mobile phones are considered luxury goods in Bangladesh,

so are highly taxed.

Bangladesh has the seventh highest taxation rate in the world on handset imports after Fiji, Pakistan, Samoa, Dominican Republic, Ghana and Cape Verde.

Rezwanul Haque, general secretary of Bangladesh Mobile Phone Importers' Association, said the platform has been complaining about the high taxes over the last few years. Now, the WB has said the same thing.

"We are quite sure if the government withdraws taxes from handset import they will gain more."

Currently, the industry faces around 25 percent tax, and even after that smartphones for as cheap as Tk 2,190 can be found in the market, he said.

If the 25 percent tax is withdrawn, the price will come down to Tk 1,500. "This will generate more and more jobs in the market and will also help digitise the economy."

He said the government needs to look at the digital economy as a source of growth and jobs and not just as a source of revenue.



Rezaul Hossain, chief commercial officer of bKash, and Najmul Huq, managing director of Grameen Uniqlo, pose at the signing of an agreement. Uniqlo will now accept payments through bKash, initially at eight stores in Dhaka, and will later expand the service across the country.



Md Abdus Salam, chief executive of Janata Bank, and NKA Mobin, managing director of Emerging Credit Rating, pose at the signing ceremony of a credit rating agreement at the bank's head office on Sunday.



Zaid Bakht, chairman of Agrani Bank, and Syed Abdul Hamid, managing director, attend a conference of zonal and corporate branch heads of the bank in Dhaka on Saturday.