

Deal on higher productivity in leather sector

STAR BUSINESS REPORT

The Leather Goods and Footwear Manufacturers and Exporters Association of Bangladesh and Skills for Employment Investment Programme or SEIP signed an agreement to train workers in the leather sector to boost productivity.

The SEIP is a project under the finance ministry which mainly deals with the financing of the training for producing a skilled workforce. A total of Tk 9.01 crore would be spent on training the workforce.

Under the agreement, the association will offer training to 5,090 workers free of cost for two years in 15 courses including sewing and cutting, setting and assembling, productivity improvement technique, material selection, and sourcing and procurement.

The workers will be trained in different leather goods and footwear factories with some allowance provided to the trainees.

Training for 780 workers is currently ongoing and the first batch is scheduled to end by June. The project aims to employ 70 percent of the trainees to the member factories of the association after the completion of the courses.

"However, I think all the trainees could be employed after the training as the sector has a dearth of skilled workers," said Saiful Islam, president of the association, after signing the agreement in Dhaka.

"Our exports are too dependent on one item which is garment. We need diversification of products. Leather and leather goods including footwear are currently among the most important diversified products for export," Islam said.

The SEIP will bear 90 percent of the cost of the project, with the remaining cost by the association.

Jalal Ahmed, national project director of SEIP, signed the deal on behalf of the government.

Pharma body says Brexit could leave UK patients facing drug delays

REUTERS, London

Britain's pharmaceuticals trade body has come out firmly against the country leaving the European Union, warning on Monday that an exit could put British patients at the back of the queue for new medicines.

Leaders of individual companies, including GlaxoSmithKline's Andrew Witty and AstraZeneca's Pascal Soriot, have already voiced opposition to a so-called Brexit, but the Association of the British Pharmaceutical Industry (ABPI) had not previously expressed a view.

ABPI Chief Executive Mike Thompson, however, said that his members were "overwhelmingly supportive of remaining in the EU", especially given concerns over disruption to the pan-European drug approval system provided by the European Medicines Agency (EMA).

"If we left the EU, this would mean that the licensing of new medicines would have to be handled by a UK agency as well as a European agency," he said.

"Our members have confirmed that the applications for a UK licence would come after the European licence due to the smaller patient population in the UK."

Lawyers have previously warned that a vote to leave the EU in Britain's referendum next month would threaten some prescription medicines with regulatory limbo.

An exit could also force the London-based EMA and the life sciences division of Europe's new Unified Patent Court to move from London.



Zeeshan Hasib, acting managing director of NRB Bank, and Mobarak Hossain, chairman of Prescription Point, pose at the signing of a corporate benefit and privileged services agreement in Dhaka.

New MD for Uttara Bank

STAR BUSINESS DESK

Mohammed Rabiul Hossain has been promoted as the managing director and chief executive officer of Uttara Bank.

Prior to the promotion, he has been serving the bank as deputy managing director. He started his career with the same bank in 1987, the bank said in a statement.

He has served as the CAMLCO of the under Dhaka University.



bank and has experience in international banking, internal control and compliance, public relations, business promotion, asset-liabilities management and recovery.

An MSc in chemistry, Hossain has also achieved an MBA in finance and accounting and an advanced certificate in business administration from the Institute of Business Administration under Dhaka University.



Aameer Alihussain, managing director of BSRM Group, and Alamgir Morshed, head of financial markets of Standard Chartered Bangladesh, pose after signing an interest rate swap agreement in Dhaka. The deal is structured to help BSRM hedge its floating interest rate risk inherent in borrowing in US dollars.



Md Saiful Islam, president of Leathers Goods & Footwear Manufacturers and Exporters Association of Bangladesh, and Jalal Ahmed, national project director for the government's Skills for Employment Investment Programme (SEIP), pose after signing a deal at SEIP office in Dhaka yesterday. Some 5,090 workers of the leather sector will be trained for the next two years, in collaboration with the Centre of Excellence for Leather Skill Bangladesh (COEL). Syed Nasim Manzur, chairman of COEL, was also present.

Stocks see slight fall

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BSRM Steel dominated the turnover chart with 46.02 lakh shares worth Tk 47.51 crore changing hands, followed by United Power Generation and Distribution Company, BSRM, MJL Bangladesh and Square Pharma.

Among the major sectors, life insurance increased 1.97 percent in market capitalisation, followed by non-banking financial institutions that rose 1.45 percent, telecom 1.43 percent, engineering 0.9 percent and food and allied 0.51 percent.

Conversely, banking sector declined 0.8 percent in market capitalisation, followed by cement that fell 0.62 percent, textile 0.72 percent and fuel and power 0.38 percent.

Prime Life Insurance was the day's best performer with 9.93 percent in gains, while Eastland Insurance was the worst loser, shedding 12.87 percent.

Chittagong stocks also closed low with the bourse's benchmark index, CSXC, declining 23.89 points or 0.29 percent to finish the day at 8,089.48 points

Technicians from SWIFT left Bangladesh Bank exposed to hackers: police

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She also declined comment on any aspect of the Bangladesh project, including whether the firm had deployed any employees or outside contractors to Bangladesh Bank.

Reuters was not able to independently verify the allegations by Bangladesh officials about the SWIFT technicians. If they are validated, however, that could undermine confidence in the cooperative that is the backbone of global financial transactions.

The officials in Dhaka discussed their findings with Reuters ahead of a meeting this week in Basel, Switzerland where Bangladesh Bank officials have said their governor and a lawyer appointed by the bank will discuss recovery of about \$81 million stolen by the hackers with the head of the Federal Reserve Bank of New York and a senior executive from SWIFT.

Bangladesh Bank officials have said they believed SWIFT, and the New York Fed, bear some responsibility for the February cyber heist. SWIFT has declined comment on that claim.

The RTGS, which enables domestic banks and the central bank to settle large transfers between themselves, was installed at Bangladesh Bank in October last year and then connected to SWIFT.

In February, hackers sent fraudulent messages, ostensibly from the central bank in Dhaka, on the SWIFT system to the New York Fed seeking to transfer nearly \$1 billion from Bangladesh Bank's account there.

Most of the transfers were blocked but about \$81 million was sent to a bank in the Philippines and much of that money remains missing.

A spokesman for Bangladesh Bank declined comment on the investigation into the heist.

He said, however, that RTGS continued to work well, noting that a large number of countries use SWIFT messaging for similar systems. "There is no inherent risk in this," he said.

According to the Bangladesh police, the technicians linked the RTGS to SWIFT computers on the same network as about 5,000 central bank computers that are accessible from the open Internet.

Instead, they should have set up a separate local area network, or LAN, that could not connect to the rest of the bank or the Internet, police said.

The technicians also failed to install a firewall between the RTGS and the SWIFT room so that the bank could block malicious traffic from coming into the facility.

When they installed a networking switch to control access to SWIFT, they chose to use a rudimentary old one they had found unused in the bank, rather than a more sophisticated, managed switch that gave the bank the ability to control access to the network, police said.

During the job, the technicians set up a wireless connection so they could access computers in the locked SWIFT room from other offices inside the bank. When they finished, they failed to disconnect the remote access, which was only secured with a simple password, police and the bank official said.

They also failed to disable a USB port on the computer attached to the SWIFT system, as is usual for critical networks to prevent malicious software from being installed through a tainted thumb drive, police said.

Police did not provide any evidence for any of the assertions.

But another central bank official familiar with the SWIFT room operations confirmed that the port was "active" until the heist came to light. He had no explanation.

The hackers used malicious software to modify the SWIFT messaging software to help hide their tracks.

Bangladeshi police said they have asked SWIFT to facilitate

interviews with the SWIFT technicians. "Whether it is intentional or negligence, we are trying to find out," said Alam.

SWIFT, or the Society for Worldwide Interbank Financial Telecommunication, is used by about 8,000 banks around the world to order funds transfers and other communications. It is connected to RTGS systems installed at scores of banks worldwide, and there have been no reports of problems elsewhere with connections between those two systems.

The US FBI, which is leading investigations into the case, has made no comment so far.

New York Fed executive Richard Dzina said at a conference last week that bank workers "acted properly" in releasing the funds. The system was penetrated, he said, because the hackers had acquired valid credentials to order the transfers.

Former central bank governor Mohammed Farashuddin, who is heading an internal probe by Bangladesh Bank into the heist, said SWIFT needed to review its technology in the wake of the heist.

"It seems to be a case of extreme carelessness," he told Reuters. He declined to provide more details saying a final report was due in the next few weeks.

Retailers delaying funds for factory upgrades

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The Accord has also worked with the IFC in their setting up of a \$50 million remediation loan fund, Wayss said.

"We continue our work with IFC and their local partner banks to help see as many loans as possible are made to factories to help see this support."

The information gathered from factory owners since July 2014 indicates that financing is not one of the major obstacles to completing the remediation, he said. The Accord has worked with the factory owners who have indicated that they need financial or commercial support to complete remediation.

"Our member companies have made more than \$100 million in funds available for low-cost loans to factory owners seeking financial assistance with remediation," said Mesbah Rabin, managing director of Alliance, a platform of 28 North American retailers.

"We've also established a worker support fund through which we have fulfilled 100 percent of the requests from factory owners, providing compensation to more than 6,500 workers displaced by factory remediation to date," he added.

On average, an affected factory needs \$12,000 for remediation, said Syed Ahmed, inspector general of the Department of Inspection for Factories and Establishments.

"All the affected workers got their dues and compensations. Until now, DIFE has received no complaints or claims from the affected workers of the closed factories by the Review Panel," Ahmed added.

Allow undeclared income in productive sectors: DCCI

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The DCCI also called for fixing income tax at a minimum of 5 percent from 10 percent now and at a maximum of 20 percent from 30 percent at present. The corporate tax rate should be brought down to 35 percent from 45 percent, as the cost of doing business has gone up, it said.

In his speech, Khaled proposed complete withdrawal of advanced income tax on micro, small and medium exporters, and calculation of the income tax rate on them on the basis of gross income. The rate should be a maximum of 3 percent, he said. The chamber said capital gains from stock trading should be tax-exempted until the amount crosses Tk 30,000.

The package VAT for micro, small and medium enterprises should be brought down, taking into consideration their contribution to the economy, the DCCI said.

Muhith said local industries, including software developers, must be encouraged. "Our local software industry is performing well in the export markets. Banks also use locally produced software."

The minister said the country has not been conscious about cyber security. "It must be admitted. Of course, we need outside assistance in this area."

Safety net spending to rise

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The maternity allowance programme for the poor lactating women will be extended to all municipalities next fiscal year. At present, the scheme is being run in 10 municipalities.

The fund to provide assistance to cancer, kidney and liver cirrhosis patients will be raised by Tk 10 crore to Tk 30 crore.

The expenditure shown by the finance ministry for social safety net schemes this fiscal year is Tk 37,546 crore, which is 12.72 percent of the total budget and 2.19 percent of the country's gross domestic product.

Besides these 18 programmes, the government has a total of 145 safety net schemes under the development and non-development budgets, according to the finance ministry.

The pension scheme for the government staff is one of the programmes and it takes up Tk 11,584 crore.

Campaigners demand hike in tobacco taxes

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Senior government officials sit in the board of BATB, which means the government is involved in the company's decision on cigarette production, he said.

"The government holds shares in a company that is responsible for the death of people," he said.

The government has a 0.64 percent share in BATB, according to the website of the company.

"It is mockery. On one hand, we say tobacco is bad, but on the other hand, we use tobacco to earn revenue," said another lawmaker, Abdul Matin Khasru. He demanded an end to tobacco production in the country.

Economist Hossain Zillur Rahman said increased tax on tobacco would not leave any major impact on the economy.



Participants pose at a seminar on legal awareness to the parents of the children with special needs, as part of the Legal Aid Camp project, organised by the Sajida Rahman Danny, founder president of Parents Forum for Differently Able. The Junior Chamber International Dhaka Cosmopolitan conducted the seminar.



Models pose at the launch of Sebec Split Air conditioner. The energy saving product comes in both 1.5-tonne and 2-tonne varieties. MSI Dastagir, managing director of Epique Home Appliances, and Mizanur Rahman Laskar, executive director, launched the sales of the product at an Epique outlet.