Three-day apparel expo begins in USA on July 12

STAR BUSINESS REPORT

The Texworld, a globally renowned exhibition of apparel items and home textile, will start in New York on July 12.

More than 500 international exhibitors will showcase their products at the three-day show, the Messe Frankfurt, the organising company, said in a statement.

Two other expositions will also be held under Texworld. Over 220 international exhibitors will join an apparel sourcing exhibition and the number will be 110 for an expo on home textiles sourcing, according to the statement.

Apparel Sourcing USA, one of the exhibitions, is a good platform for the international visitors from countries like the USA, China, Bangladesh, Kenya and Taiwan.

Buyers can source complimentary products and manufacturing services from over 220 exhibitors representing nine countries.

The brand new Mexico pavilion will make its debut at the show with several exhibitors specialising in lingerie and active wear for men and women.

Visitors will have the opportunity to explore products across 12 end-use groups, including womenswear, menswear, active wear, knits, woven, denim, childrenswear and intimates, according to the statement.

Emergency measure that feeds Greek crisis

AFP, *Athens*

Call it the law of unintended consequences -- a measure to save Greece from the abyss of a default and crashing out of the eurozone now holds its economy in a stranglehold preventing its recovery.

Cast back a year: the standoff between the Greek government of Prime Minister Alexis Tsipras and the EU and IMF over the terms of a new rescue plan for the country was reaching breaking point.

The talks on a third bailout had been going nowhere since Tsipras took power in January after sweeping elections on an anti-austerity platform and the EU and IMF warned the country's place in the eurozone was at risk if it didn't accept more spending cuts and tax hikes.

Meanwhile Greeks had been taking out more and more of their savings out of banks, with 20 percent gone when during the night of June 26 to 27 Tsipras shocked the world by announcing he would put the bailout conditions to a referendum vote.

In order to prevent a run on banks, Greece imposed capital controls, limiting cash withdrawals to 420 euros ($465) per week.

The restriction is still in place, and it's having a long-term impact on the economy.

Consumption was down 1.3 percent in the first quarter of this year compared with the same period in 2015, even though prices have been falling in Greece.

Overall, the Greek economy, which had begun growing again at the end of 2014, shrank by 1.4 percent in the first quarter of 2016.

For many Greeks the 420-euro weekly limit was not too much of a brake on spending as they had already been progressively tightening their belts since Greece's first 110-billion-euro international bailout in 2010.

"Families have cut their expenses so much these past years of the crisis that it didn't really create a problem ... as who now has more than 420 euros per week to spend?" said Dimitris Sotiropoulos, a draftsman and father of three children.

However the impact has been greater on businesses, as trade figures show: imports plunged by 12.8 percent and exports by 11.7 percent.

The controls, which hampered the ability to import goods and conduct business abroad, added to the "tax pressure and collapse of the social security system" of recent years, said Thanassis Kalabalikis, president of the Athens Manufacturers Federation.

"Small entrepreneurs, who before the crisis were the backbone of the Greek economy, had already taken a blow from seven years of recession, and capital controls just added to the sluggishness," he told AFP.

Some 26,000 Greek businesses of all sizes have shut their doors since capital controls were introduced.

For Panayiotis Petrakis, an economics professor at the University of Athens, "limitations on the free flow of capital and the lack of liquidity are preventing the recovery of the economy and don't encourage confidence among investors."

Greece finally clinched the 86-billion-euro bailout at the end of July, helping bring back a certain amount of economic stability, including by a recapitalisation of its battered banks at the end of the year.

The Greek government has relaxed the capital controls in recent months, in particular allowing higher withdrawals on funds returned from abroad.

A commission is also in place to examine requests from businesses and individuals for transactions above transfer limits.

However experts worry that capital controls could remain in place to the end of the year, or even to mid-2017, given the experience of fellow eurozone member Cyprus which took two years to lift capital controls it imposed during the height of its crisis in 2013.

Louka Katseli, a former economy minister who now the board chairwoman at the private lender National Bank of Greece, is among those who believes the capital controls will be lifted later rather than sooner.

For that, she believes that three conditions need to be met: there are effective incentives for funds to return to the country, the problem of dodgy loans on bank balance sheets has been resolved, and most importantly Greece that receives a positive evaluation from its international creditors in a review later this year.

The only advantage of the capital controls has been to encourage Greeks to use other means of payments when they can: bank transfers and card payments inside the country were not restricted.

That would help reduce problematic tax evasion, if more Greek businesses install card terminals.

"People have adapted but not businesses as the installation of card terminals has been a headache, because in addition to many bank commissions many indebted companies are in such a terrible state they don't have the right to install them," said Kalabalikis.

The result has been, according to Sotiropoulos, that "prices have fallen even more and fostered the black market" as businesses are inclined "to offer considerable discounts to get sales by not issuing a receipt and dodging the tax payments."

EXCEL TELECOM

Salahuddin Alamgir, chairman of Labib Group, and other officials of Excel Telecom Private Ltd, a sister concern of Labib Group and national distributor of Samsung mobile in Bangladesh, attend a programme to celebrate the occasion of crossing the Tk 100-crore mark in sales of Samsung mobiles in June.

Banks eye control of Jaiprakash in debt-for-equity swap

REUTERS, MUMBAI

Banks plan to take control of indebted infrastructure company Jaiprakash Associates Ltd by swapping part of its loans for equity, two banking sources with direct knowledge of the matter said on Friday.

Under the plan, put together under a Reserve bank of India scheme to help lenders recover debts, the founders of real-estate-to-road building conglomerate Jaypee Group could eventually lose control of their flagship company.

One of the sources said Jaiprakash Associates, best-known as the builder of India's Formula One racing track, was delaying loan servicing payments, leaving lenders no choice but to launch a debt-for-equity exchange.

Creditor banks will soon decide on the details of the debt-for-equity swap plan, said the source at a lender. The senior banker, who declined to be named, said Jaiprakash Associates owed about 310 billion rupees ($4.6 bln).

A spokeswoman for Jaypee Group did not immediately respond to a request for comment. Jaiprakash Associates is one of India's most-leveraged companies after a period of debt-fuelled growth. Like many Indian infrastructure firms, it is now facing mounting pressure from its lenders to pay back debts. An economic downturn in India in 2013 and 2014 squeezed revenues and the company has struggled to sell assets to raise cash.

Earlier on Friday, an unnamed spokeswoman for Jaiprakash Associates was quoted by local daily Economic Times as saying that ICICI Bank, one of the company's main lenders, had marked a reference date of June 28 for the debt-for-equity swap, or strategic debt restructuring, as the central bank scheme is called.

In response to a query from Reuters, an ICICI Bank spokesman said the bank would not comment on client-specific information.

Jaiprakash Associates is meanwhile trying to sell its cement assets to UltraTech in a $2.37 billion deal.

News reports said this week that the deal had hit a hurdle and could be tweaked. UltraTech said in a statement on Friday that the agreement to buy Jaiprakash's cement assets was valid and under implementation.

Garment industry fears for future after attack in Dhaka cafe

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The violence presents "a serious threat to the economy," Labowitz said. "This kind of attack will surely keep (fashion) buyers away in the months leading up to the holiday shopping season."

Although a quarter of its 160 million people still live below the poverty line, Bangladesh has clocked growth of around six percent nearly every year since the turn of the millennium.

That's largely thanks to garment exports, the lifeblood of its economy, accounting for more than 80 percent of total outbound goods last year.

Between them the nation's clothing factories employ more than four million people, most of them impoverished rural women.

Ulrica Bogh Lind, a spokeswoman for H&M, which sources many of its clothes from Bangladesh, told AFP the Swedish chain was "deeply sad about the tragic incident".

"We are of course monitoring the situation in Dhaka closely."

Trade-dependent Bangladesh may suffer the same fate as its restive rival Pakistan, fears Ahsan Mansur, a former representative for the International Monetary Fund in Islamabad.

"I saw the decline of a promising economy into a terrorist hotspot. This attack reminds me of those days, although I hope things won't turn out that way," said Mansur, now executive director of the Policy Research Institute in Dhaka.

When extremist violence began to spread in Pakistan, he said, the first sign of financial malaise was expat families packing their bags, then trade and investment crumbled. "The perception that Bangladesh is a potential terrorist hotspot can seriously hit our export potential and growth prospects."

Yet plucky Bangladesh has ridden out numerous storms, seeing off threats from labour unrest, mass transport blockades and large-scale political paralysis -- as well as workplace disasters. Clothing exports swelled nearly 10 percent in the year to June, to $27.3 billion, industry figures show.

The deadly Rana Plaza factory collapse that killed at least 1,138 workers in 2013 shocked the world, heaping opprobrium on Western retailers seen as exploiting impoverished workers.

But the tragedy prompted retailers to act on appalling safety conditions in their factories, where fires and other accidents are frequent.

Brands set up two global alliances to make workshops safer and cleaner -- although it remains a work in progress.

While retailers will watch Bangladesh closely, industry experts point out that unrest plagues many developing countries where labour is cheap.

As Islamist attacks in France, Brussels and the United States over the past year show, the threat of extremist violence is not confined to single countries.

"If foreigners give in to fear, terrorism's political mission will have succeeded," said Devangshu Dutta, chief executive of Third Eyesight, a retail consultancy in New Delhi.

"Exports and foreign investment are both critical (in) the upliftment of a very large poverty-stricken population," Dutta told AFP. "The contribution of foreigners is vital. It is important for everyone to remain engaged."

Sweden faces housing crunch despite government building plan

AFP, *Stockholm*

It is one of Swedish centre-left Prime Minister Stefan Lofven's signature policies - building 700,000 homes in a decade to ease a shortage of dwellings that has business worried about attracting employees and policy makers fearing a property bubble.

But Lofven's plans may be pie in the sky, industry officials and analysts say.

Decades of weak construction levels combined with a fast growing population has made new homes scarce. Over 80 percent of Sweden's municipalities are suffering shortages, a 30 percent increase since last year, the National Board of Housing said.

The shortage could be the Achilles heel of one of Europe's fastest growing economies. It has contributed to house prices clocking up double digit annual growth, sparked fears of losing international business competitiveness and complicated central bank policy in an era of record low rates.

For Lofven's minority government, which faces an election in 2018, a failure to seriously dent the shortage may become a political handicap, given that housing construction was one of his main campaign promises.

But strict regulations combined with lack of capacity in the construction sector mean Lofven's plans will likely fall short, according to industry officials and analysts, while political deadlock may mean reforms to encourage building will be on hold.

"Either they don't understand how the construction market works or they don't believe in their own target," said Lennart Weiss, commercial director at construction company Veidekke, adding the shortfall may be as much as 350,000 homes.

The shortage has already seen the founders of music streaming service Spotify - which employs around 1,000 people in Stockholm - send an open letter to politicians in April, telling them to solve the issue or risk losing thousands of jobs.

Stockholm house prices soared 12 percent in the last year and there is a waiting time of around 10 years for rental homes.

"Lofven can decide how many new homes he wants, but he can't do anything about it," said Han-Suck Song, assistant professor at Royal Institute of Technology in Stockholm. He said 300,000 homes would be a more realistic target.

Song said strict regulations, including a constitutional law that allows municipalities to veto building plans, tie the government's hands.

Sweden invested heavily in housing during the 1960s and 1970s, creating 1.7 million new homes. But in the early 1990s, building stalled. From 2010 to 2015 158,549 new homes were created while the population rose by 435,447 people.

POLITICAL DEADLOCK

In January, the government sat down with the centre-right opposition, hoping to reach an agreement on how to increase building. But the centre-left - wanting more state funded rental accommodation - clashed with the centre-right, which wants more deregulatory measures to encourage private construction.

"The problem with the Swedish housing market is that there are no houses and there is no market," said Emil Kallstrom, a spokesman for the opposition Center Party after the centre-right pulled out of the talks last week.

Housing Minister Peter Eriksson accused the opposition of lacking the political will to deal with housing.

"You can lead a donkey to water, but you can't force it to drink," he said. Eriksson said the government will present propositions to parliament to speed up house building and that its target was in reach.

But a lasting political solution is unlikely given an election in two years, making politicians reluctant to take unpopular decisions, such as building on green areas. Even with political will, the target would be hard to achieve.

In June, Daniel Astenius, head of construction at a builder Serneke, got a call from a client asking him to accept a project worth almost 300 million Swedish crowns ($35.2 million). Other companies had already turned him down due to lack of capacity.

"Property developers can't find builders for their projects, there are no resources," Astenius said, who eventually accepted the project.

Figures from the National Institute of Economic Research showed that over 40 percent of construction companies said expansion was being held back, mainly due to lack of labour. That was a sharp rise from around 5 percent two years ago.

This year the Swedish construction sector is expected to employ 320,000 people of a total population of 9.9 million. However the Swedish Construction Federation, says many more are needed to even come close to the government's target.

"We would need another 40,000 people," federation CEO Ola Mansson said.

IPO funds fell 31pc last fiscal year

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"The market was depressed last fiscal year and it did not perform up to expectations," said Sannamat, who is also a former managing director of Union Capital and Prime Finance and Investment.

Too many IPOs might have deepened the depression, which is why the regulator stepped in to control the number of IPOs, he said.

DSEX, the key index of the premier bourse, declined only 76 points or 1.61 percent to 4,507 points at the end of last fiscal year. The index even came down to below the 4,200-point level during the fiscal year.

GP brings all e-shops under one platform

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Currently Kidorkar has 50 partners, including Kaymu, Ajkerdeal and Rightchoice. After Eid the operator will go for a big push to increase products and partners.

A few years back, Grameenphone launched the country's first e-commerce site -- cellbazaar, which was later renamed ekhanei.com.

Credit growth buoyant in May

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"We are seeing higher demand for loans from some sectors, such as transport, steel, garments and textiles and so on in recent months," said Ahmed Kamal Khan Chowdhury, managing director of Prime Bank.

Abdul Halim Chowdhury, managing director of Pubali Bank, the largest private bank in terms of branch network, said his bank is feeling the rising demand for loans in recent months. Pubali's loan-deposit ratio reached 78 in May from 74 percent the previous month, meaning that the bank can lend Tk 78 now out of every Tk 100 of deposit.

Chowdhury too said the imports of essential items ahead of Ramadan and new and costly machinery by the garment sector have boosted Pubali's credit growth.

"Rising economic activities in the northern part of the country is also creating new avenues for fresh loans," he said.

He also detected classified loans as a major risk for steady economic growth.

Govt moves to improve ADP performance

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Even in fiscal 2014-15, the planning ministry had taken several attempts to increase the implementation.

Officials at the finance and planning ministries said the government has taken steps to ensure that implementation gains momentum.

In the current fiscal year, a separate pool will be formed from where a project director will be appointed. Such an initiative was once taken in 2015, which did not materialise.

Finance Minister AMA Muhith, in his closing speech before the budget was passed in parliament on June 29, said some structural changes will be brought about in project formulation and implementation.

Muhith said the preparatory works will be completed before approval of the projects. For this purpose, Tk 100 crore has been allocated in this fiscal year's budget.

There will also be a provision to appoint a separate project director as one will not be able to focus on several projects; rules will be prepared for the purpose, he added.

A planning ministry official said project implementation is delayed due to complexities in land acquisition. Prior to approving a project, it will be ensured that the required land is available.

The size of the total ADP in the current fiscal year has been set at TK 110,700 crore, which is 21.64 percent higher than the revised ADP of the outgoing year.