Congolese cocoa waits for peace to pursue sweet future

AFP, *DR Congo*

Antoine Kakule Kihumuledi longs for a car to transport his cocoa crop and, like fellow residents in the Beni region in eastern Democratic Republic of Congo, he wants peace so he can pursue his dreams.

Kakule, 51, is a pioneer in cultivating cocoa in this area of Nord Kivu province, which has been ravaged by war and violence for two decades.

He began planting in the middle of the Second Congo War (1998-2003) and had his first harvest sometime around 2007.

With the help of a sickle mounted at the end of a long shaft, the father of six children cuts the yellow and orange pods from the cocoa trees which grow on his plantation in Mbau, some 25 kilometres (15 miles) to the north of the town of Beni.

But for the past two years the region has been afflicted with waves of massacres that have killed 700 civilians, mostly hacked to death.

Congolese officials have blamed the attacks on the Allied Democratic Forces (ADF), a group of rebels dominated by puritanical Ugandan Muslims, but several expert reports have suggested that other groups, including elements within the Congolese army, took part in some killings.

The insecurity in the region is hindering the potential for cocoa cultivation to open a way for "an agricultural middle class to emerge," said Jacques Matumo, administrator for ESCO Kivu, a local cocoa company. "We lost a lot of growers" in the massacres, he said.

Some who survived "abandoned their fields" and their crops rotted, if they weren't stolen first, he added.

Kakule says he feels safe as the Congolese army is stationed nearby, but admits he doesn't dare venture further than their outpost.

In a country where the UN estimates nearly nine out of 10 people are living on less than $1.25 per day, Kakule considers himself fortunate.

He feeds his family with cassava and vegetables grown on his farm, and the cocoa is a cash crop.

After the cocoa pods are cut open, the pulp is left to ferment, during which it liquefies and drains away to expose the beans that are then dried under the sun. The dried beans are sold and eventually exported.

"The money allows me to school my children, pay for their medical care and undertake projects, such as building a new house," Kakule said.

He is particularly proud of his daughter, who has just received her teaching degree.

Like much of the other natural resources and crops in DR Congo, one of the least developed nations on the planet, cocoa is not processed inside the country.

In 2015, Kakule sold 1,200 kilos of cocoa beans at a price above $2.00 per kilo. But world cocoa prices have fallen this year, and farmers are now selling their beans for between $1.60 and $2.00 per kilo depending on the quality.

That Kakule can today set his sights on buying a car to transport his crop is something of a dream come true, and due to a chance encounter with the ESCO Kivu company.

In 1998 the firm, which had long been present in Beni, decided to experiment with cocoa cultivation.

The original idea was to find a replacement to two crops which had traditionally been grown in the region for export: quinine bark and coffee. Demand for the bark used to make the anti-malarial drug quinine was dropping while coffee output was hit by a fungus outbreak.

The experiment was a success: the soil in the Beni region was suitable for cocoa trees and the dry season wasn't too long.

Without any local demand for cocoa beans, the company "created the market" by providing farmers with a guarantee their crop would be purchased, said Matumo.

JAMUNA BANK

Karim Uddin Varosha, former lawmaker from Rangpur-4, opens the 110th branch of Jamuna Bank at Kaunia in Rangpur on December 15. Shafiqul Alam, managing director of the bank; Nur Mohammed, chairman of Jamuna Bank Foundation, and Md Sirajul Islam Varosha, chairman of the risk management committee, were also present.

Dhaka regional committee of ICAB gets new chairman

STAR BUSINESS DESK

Muhammad Aminul Hoque has recently been elected as the chairman of the Dhaka regional committee of the Institute of Chartered Accountants of Bangladesh (ICAB) for 2017.

The institute also elected Abdul Mannan as its secretary, the institute said in a statement yesterday.

The election took place at the institute's 37th annual general meeting at ICAB auditorium in Dhaka on December 17.

Hoque is the partner of chartered accountancy firm ACNABIN, Chartered Accountants while Mannan is the chief financial officer of Prime Finance Capital Management Ltd.

Muhammad Aminul Hoque

Abdul Mannan

ONE BANK

Kazi Rukunuddin Ahmed, director of One Bank, and Md Abdus Salam, chairman of Chittagong Club, open One Bank Lawn Cafe and ATM booth on the premises of the Club in the port city.

Beximco gets approval from US to export third medicine

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Sotalol Hydrochloride, a generic version of cardiovascular drug Betapace, is the second product of Beximco that is likely to be introduced in the US market by the first quarter of 2017.

Metformin Hydrochloride tablets are generic equivalent of Bristol-Myers Squibb's Glucophage XR tablets in 500mg and 750mg strengths.

Metformin is indicated as an adjunct to diet and exercise to improve glycaemic control in adults with type 2 diabetes mellitus. Annual sales for Glucophage XR in the US were $918 million for the 12 months to October 2016, Beximco said, citing data from the Intercontinental Marketing Services.

"We are glad to receive our third product approval for the US market and this clearly demonstrates our competitive in-house capabilities, especially our strengths in extended-release formulation," said Nazmul Hassan, managing director of Beximco Pharma.

Beximco Pharma, a unit of Beximco Group, first received the permission from the FDA to export medicines to the American market in November last year.

Beximco is one of the largest exporters of pharmaceuticals, with footprints in more than 50 countries. It exported medicines worth $15 million in fiscal 2015-16.

Its net profit rose to Tk 195.42 crore at the end of 2015 from Tk 152.83 crore a year earlier.

Listed on the stockmarket in 1986, each share of Beximco Pharma traded between Tk 81.3 and Tk 80, before closing at Tk 80.8 on the Dhaka Stock Exchange yesterday.

Sponsors hold a 13.18 percent stake in Beximco Pharmaceuticals, institutions 27.94 percent, foreign investors 37.84 percent and general investors the rest 21.04 percent, according to the DSE data.

Labour rights protection weak in Asia: ILO

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Some of the core conventions are freedom of association and the effective recognition of the right to collective bargaining, elimination of all forms of forced or compulsory labour, the effective abolition of child labour, and the elimination of discrimination in employment and occupation.

There are currently over 1,357 ratifications of these conventions, representing 91.7 percent of the possible number of ratifications, according to the ILO.

This region, which accounts for 60 percent of the global labour force, has made remarkable progress in the last decade, she said.

A further 125 ratifications are still required to meet the objective of universal ratification of all the fundamental conventions by 2015 under the United Nations Development Millennium Goals, according to the ILO, which is the organisation to set up international labour standards.

One of the most important indicators in terms of the labour situation is whether the countries have ratified those international conventions or not. The rate of ratification of the ILO's core conventions indicates the real situation of labour rights in Asia and the Pacific.

"In this region, there is more than 5 or 6 percent growth, but that did not translate into good or decent jobs and good wage is linked to productivity," said Nishimoto.

When the issue of labour rights is discussed, the economic growth of any particular country or region is important. Another important feature is the presence of social dialogue among three partners -- government, the union and workers and employers.

Regarding the healthy practice of labour rights, Nishimoto said good examples are coming up in this region as well, notably Singapore. "Social dialogue is working well in dispute resolution."

Nishimoto said tripartism plays an important role in dissolving disputes in industries. However, trade unionism is not an alternative to tripartism, because in tripartism, it requires three parties having the capacity, understanding and the willingness to talk and have an effective social dialogue.

Strong trade unionism, which is good, makes a very conducive environment in the industries, as trade unionism is formed by registration, she added.

When there is strong trade unionism, they have a good representation, and then tripartism happens.

Nishimoto explained the causes for a lower rate of ratification by the member states of Asia and the Pacific.

One major cause is: some countries think if the conventions are ratified, the domestic industries will be destroyed by the agitating workers, she said. But lower ratification does not mean that there is no effort from the ILO to get the conventions ratified by the member states. Sometimes there is a misunderstanding about collective bargaining under unionism.

Social dialogue should really look for the win-win situation, which is good for workers, government, and the employers and good for the entire country, she said.

Mentioning the recent trend in unionism, Nishimoto said many factory owners are ready to introduce social dialogue to resolve disputes, because the employers are very close and linked to the global supply chain and the buyers.

Take Bangladesh as an example. Immediately after the Rana Plaza building collapse, government, employers and workers have been working through establishing tripartism or social dialogue for better industrial relations.

The whole world was surprised with the poor state of migrant workers last year. The ILO has also been working with this widely discussed issue. The ILO held separate dialogues on safe migration, fair recruitment and fair wages of migrant workers at the 16th APRM.

The forum has already formulated the guidelines for fair wages for the migrant workers for both sending and receiving countries.

The ILO also approved the guidelines for fair recruitment. Both the sending and receiving countries have to build capacity for fair recruitment and fair wages, she said.

Nishimoto also discussed the issue of abuse of domestic workers, especially in the Middle East.

Cybersecurity addressed in new telecom policy

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The cabinet though has already adopted the policy allowing spectrum and service neutrality -- a pressing demand of the country's mobile phone operators.

The government aims to achieve 100 percent teledensity and 65 percent internet penetration by 2021. Teledensity is the number of telephone connections for every hundred individuals living within an area.

The policy has laid out short-, mid- and long-term goals. The short-term goals are expected to be achieved by 2018, the mid-term ones by 2021 and the long-term ones by 2025.

Under the short-term goals, the telecom division has set a target to achieve 90 percent teledensity from existing 80 percent. Similarly, the division is working to raise internet penetration to 45 percent within two years and 65 percent by 2021, from 27 percent at present.

The government plans to raise the fixed broadband internet usage to 20 percent by 2018 from 7 percent currently, and to 40 percent by 2021. By 2025, the policy aims to raise the usage to 60 percent.

The government also aims to ensure wireless broadband connection at upazila level by 2018. By 2021, it wants to establish 20 percent fibre optic cable connectivity and 50 percent by 2025.

The policy stresses that state-run mobile phone operator Teletalk and landline operator Bangladesh Telecommunications Company Ltd increase their capacities to compete with other players in their markets.

It also says the service providers must comply with the performance standards and the quality of service parameters.

Monitor honours four heroes in travel and hospitality industry

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The celebration ceremony was attended by representatives from a number of ministries, Bangladesh Tourism Board, foreign missions in Bangladesh, local and foreign airlines, tour operators and travel agencies.

Bangladesh Monitor started its journey on August 16, 1991. It also regularly organises conferences, seminars, and workshops on aviation and tourism along with tourism fairs and chef competitions.

The magazine received PATA Gold Award in 2005 from the Pacific Asia Travel Association for its reporting.

Bad loans weigh down banks

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Quoting a BIBM study, he said large loans occupy more than 30 percent of the total outstanding loans at present.

Over the last five years, around 38 percent of the classified large loans have been written off on average; and around 25 percent of the top 1,000 borrowers are defaulters.

Frequent changes in the central bank's loan rules also pushed the defaults up.

According to new rules, non-repayment period against a term-loan for more than two months will be treated as a "specially mentioned account" and the non-repayment period between 3-6 months will be classified as substandard.

If the non-repayment period is more than six months, it will be treated as defaults. In the past, a loan overdue for one year was marked as bad loan or default.

Again in 2013, the BB allowed defaulters to reschedule loans by paying only 1-2 percent down payment.

But half of the defaults that were rescheduled under this facility have slipped back into bad loans, according to bankers.

Also, BB's reluctance to extend the time for repayments of loans is piling up bad loans.

"We decide to extend the time based on a borrower's cash flow, but Bangladesh Bank doesn't want to understand that," said a deputy managing director of a private bank requesting not to be named.

If a bank seeks four years of time extension for a borrower, the BB will allow one year. "But we know his cash flow won't support the borrower to repay the loan in a year," he added.

Political turmoil during 2013-15 hurt businesses and borrowers badly and they are yet to recover from their losses, said Helal Ahmed Chowdhury, former managing director of Pubali Bank.

The central bank reduced the loan classification time by three months, which, he said, was not a good decision, at a time when borrowers failed to use their money due to chaotic politics.

"Not everything was in place to swallow the new classification rules," said Chowdhury, also a supernumerary professor at the BIBM.

He cited the Reserve Bank of India's decision that forced banks to clean up their balance sheets by March 2017.

Accordingly, a heavily indebted Indian banking industry has been forced to go on a fire sale of its assets. Since January, assets worth over Rs 150,000 crore have been sold or are being put on the block.

"India's decision has been supported by legal enactment, but in Bangladesh it is not possible. Even Bangladesh Bank doesn't allow loan purchasing agencies like other parts in the world," Chowdhury added.

The high NPL rate is the combination of a few contributing factors such as political turmoil, diversion of funds, willful default, weakness in the credit approval process and management, and business failure for reasons beyond the control of the borrowers, said Anis A Khan, managing director of Mutual Trust Bank.

"Some borrowers take restructuring and rescheduling facility as a recourse to delay repayments," said Khan, also the chairman of Association of Bankers Bangladesh.

Though the sale of mortgaged property is possible under the Money Loan Court Act, it has some legal limitations. Also, legal recourse is available to the borrowers, which challenge easy realisation of loans.

Azam J Chowdhury, chairman of East Coast Group and Prime Bank, blamed the alarming rise in NPL on the poor governance of the regulator and banks.

"NPLs will keep increasing unless there is a strong regulatory environment."

Chowdhury said India was able to decide on the fire sale of banks' assets because loans there were asset-based.

"Recovery of loans is difficult here as these are not asset-based and it takes 10 to 15 years to resolve a case in court," he added.

SK Sur Chowdhury, deputy governor of BB, said they were forced to ease loan rescheduling and restructuring policies.

"We have to relax loan rules frequently despite our unwillingness."

EU seeks to calm budget row with Greece

AFP, *Athens*

Austerity-wracked Greece could strike a deal with its creditors by early next year, a senior EU official said Sunday, seeking to calm a recent row over surprise handouts announced by Athens.

European Commission vice-president Valdis Dombrovskis made the comments days after the EU suspended debt relief for bailed-out Greece after its maverick premier Alexis Tsipras hiked spending for pensioners, angering austerity champion Germany

"We think that with a constructive attitude on all sides, a technical level agreement will be found in the next few months," he told the Greek daily Kathimerini in an interview. In that perspective a second examination of Greece's budget plan "will be concluded by the start of 2017," he added.

Tsipras sparked a new row with its European creditors last week after announcing handouts including a surprise one-off payout to 1.6 million low-income pensioners and a sales tax break for islands sheltering thousands of migrants.