

# Ensure skills training for youths: analysts

STAR BUSINESS REPORT

The government and the private sector must ensure sufficient skills training for the country's growing workforce that is expected to reach 76 million by 2025, said discussants at a seminar yesterday.

Up to two million people are added every year to the present workforce of 60 million, but a majority of them lack proper education and occupational skills, they added.

To speed up the pace in becoming a middle income country and fulfil the sustainable development goals to promote decent work for all, there is no alternative to arranging technical, vocational and technological skills training for the youth, said discussants.

They spoke at a seminar on 'Power of apprenticeships: economic and social impact of skills training', organised by Brac Skills Development Programme at its head office in Dhaka.

The youth unemployment rate is 9 percent and the underemployment rate is 20 percent, said Joydeep Sinha Roy, senior manager of Brac Skills Development Programme.

"Around 80 percent of our workforce is employed by the informal sector. Of them, 95 percent is youths between 18 and 24 years of age, which is considered the most productive group in any economy."

Unfortunately, these youths, who work mainly as apprentice, get almost no remuneration, he claimed.

Brac has trained 18,900 people in 135 upazilas of 43 districts since 2012, said Joydeep, adding that 95 percent of them were employed after graduation.

In another presentation, the Brac research team said that adolescent girls and boys can earn six times higher after receiving skills training.

Besides, child marriages also tend to come down 62 percent as such training boosts their awareness and self confidence.

Stressing effective coordination among 35 government departments on providing skills training, Labour and Employment Secretary Mikail Shipar said, "We are trying to bring the entire programme of skills development under one umbrella. We have undertaken an initiative led by the prime minister to form a Skills Development Authority in the next 2-3 months."

Earlier, ABM Khorshed Alam, chief executive of National Skill Development Council (NSDC), discussed the draft of the national apprenticeship strategy.

There should be at least a 10 percent quota in all industrial institutions for the youth to work as apprentices, he added.

Asif Saleh, senior director for Brac's strategy, communications and empowerment, chaired the seminar, while Salahuddin Kasem Khan, co-chairman of NSDC, and Tahsinah Ahmed, director for Brac's skills development programme, also spoke.

# Under Xi, wealth of China's uber-rich lawmakers grew faster than economy

REUTERS, Shanghai

The fortunes of the richest 100 members of China's parliament and its advisory body - all dollar billionaires - grew about 64 percent in the four years since Xi Jinping rose to power, according to data from an organization tracking wealth in China.

Xi has overseen a crackdown on corruption and decadence, and made the fight against poverty a top priority after becoming president in 2013.

Since then, however, the wealth of the upper crust in the National People's Congress (NPC) and the Chinese People's Political Consultative Conference (CPPCC), tracked by the Shanghai-based Hurun Report, has grown faster than the wider economy, the stock market, home prices and wages.

The NPC and CPPCC start their annual sessions in Beijing on Friday. While their membership cuts across society, this year 209 delegates - about 4 percent of the total - have been identified by Hurun as each being worth 2

billion yuan (\$290.7 million) or more. Their combined wealth is close to the GDP of Belgium, totaling nearly 3.5 trillion yuan, or more than \$507 billion.

And over half of them are dollar billionaires. According to Hurun's estimates, the top 100 are worth a combined 3 trillion yuan this year, up 64 percent from 1.84 trillion yuan in 2013.

That represents an average annual increase in their wealth of 13 percent over the four year period from 2013-2016, compared with economic growth averaging 7.2 percent, an average rise of 7 percent in the CSI300 stock index, and an average 5 percent increase in home prices over the same period.

Wage data is less up to date, but for the three years from 2013 to 2015 annual wage growth roughly averaged 9 percent.

All of the super-rich in parliament or its advisory body are in business, rather than career bureaucrats. Among them are Hong Kong businessman

Victor Li, Pony Ma of tech giant Tencent Holdings Ltd, and Robin Li of Baidu Inc.

Rupert Hoogewerf, founder and publisher of Hurun Report, notes that the companies represented by the wealthy lawmakers have had a big impact in terms of taxes and employment.

"Having these stakeholders as advisers to the government I can understand makes a lot of sense," he said.

While all Chinese over the age of 18 are technically allowed to vote for delegates and stand for election to the NPC, most delegates are hand-picked by local level officials.

The presence of rich businessmen in parliament and its advisory panel is a calculated move by the ruling Communist Party, said Rory Truex, an assistant professor at Princeton.

"By giving the extremely wealthy a position in parliament that kind of helps ensure their loyalty and it gives them a vested interest in the success of the party," he said.



BRAC

Brac has recently partnered with Guardian Life Insurance to launch its first micro-insurance product for its 5 million microfinance clients. Brac's Chairperson Sir Fazle Hasan Abed, Executive Director Muhammad Musa, Director for microfinance Shameran Abed, Managing Director of Square Pharmaceuticals Tapan Chowdhury and CEO of Guardian Life Insurance MM Monirul Alam attended the deal signing ceremony at Brac Centre in the capital.

# Tk 30,000cr needed to beef up poultry sector

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He urged for withdrawal of the advanced income tax and duty on essential raw materials of the poultry industry until 2021, so that the sector can expand and meet the growing demand for animal protein.

Khaled demanded closing of the wet market in phases.

It has become difficult for entrepreneurs to keep their poultries free from disease attacks even after ensuring bio-security measures and caution, he said.

"We appeal to the government to regularly clean the wet markets and keep them disinfected, as people prefer to buy live birds in our country."

Mandal said unplanned and localised slaughtering are not only contam-

inating the food but also threatening the environment.

"Slaughtering and the processing of live animals and birds are grave stages of contamination," he said. "We have slaughtering laws but those need strict enforcement, review and updates."

At the programme, Agriculture Minister Matia Chowdhury called upon entrepreneurs to remain cautious in making feed so that farmers get quality feed and produce safe poultry.

"Farmers will not buy inferior quality feed," she added.

Chowdhury also suggested scientists develop improved breeds by working on indigenous varieties of chicken. There are a number of local varieties that are popular for meat, she said.

The poultry sector can create more employment, she said, adding that the government would continue supporting the advancement of the sector.

State Minister for Fisheries and Livestock Narayon Chandra Chanda said growth of the poultry industry has enabled people to get animal protein at reasonable prices.

"There is doubt whether we can meet 10 percent of our demand for eggs," he said.

WPSA-BB General Secretary Sirajul Islam added that poultry industry contributed a lot in fighting malnutrition in the last four decades.

Some 195 local and foreign companies attended the event that will end tomorrow.

# German new car sales fall back in February

AFP, Frankfurt Am Main

German new car sales fell back in February, official data showed Thursday, although the decrease was not big enough to cancel out a sharp rise the previous month.

The KBA transport authority said 243,600 vehicles were registered in February, 2.6 percent fewer than in the same month last year.

Business registrations -- accounting for around two-thirds of the German market -- fell by 3.5 percent, while private customers shed just 0.9 percent.

The VDIK foreign carmakers' association attributed the drop to a fewer number of working days in February compared with the same month last year.

Correcting for that calendar effect, sales last month were in fact 2.4 percent higher than the previous year's figure, it calculated.

"Private demand continues to contribute decisively to growth in the overall market," said VDIK president Reinhard Zirpel.

Looking across the first two months, the KBA figures showed 3.5 percent more cars sold in 2017 than last year, at 485,000.

Among German firms, BMW subsidiary Mini boasted double-digit growth in registrations at 15 percent, with more modest gains for Volkswagen subsidiaries Audi and Porsche and for Cologne-based Ford Europe.

All other German carmakers saw sales fall back, with the sharpest decline -- of 21.6 percent -- seen by Daimler's small car Smart.

Registrations of VW cars were down 18.6 percent, as the auto giant continued to be dogged by headlines surrounding its "dieselgate" emissions-cheating scandal and its executives' generous pay. But VW nevertheless remained the biggest-selling brand in Germany in February, boasting a market share of 17.5 percent.

Imported cars did better than their German rivals, with double-digit increases in registrations for Toyota, Fiat, and Renault.

Meanwhile, all-electric cars remained a tiny fraction of the market, although registrations more than doubled to around 1,500 in February.

California's Tesla saw registrations grow 122 percent -- but the Silicon Valley firm only moved 202 of its electric vehicles.

# Fewer workers, higher wages: Japan Inc feels demographic pinch

REUTERS, Tokyo

Ask the president of Japan's largest daycare chain what his biggest headache is, and Kazuhiro Ogita doesn't hesitate: workers and wage costs. Not enough of one, too much of the other.

Unable to hire enough employees to staff its nurseries at a time of strong demand, JP-Holdings Inc is paying more overtime and bringing in part-time workers to fill shifts. That's eating into its bottom line - a trend seen across Japan's labor intensive industries, from delivery companies to restaurants and even the 400,000-employee strong postal system.

Average pay for temporary workers in Japan's three biggest cities in December rose 2.1 percent from a year earlier to 1,006 yen (\$8.83) per hour - a fifth monthly record. Pay for forklift drivers jumped 13.8 percent and hotel clerks rose 4 percent.

According to Reuters' analysis of the financial results at 193 major companies, labor costs as a portion of overall sales are at their highest level in at least five years.

This is happening even as rank-and-file workers see their base pay flatline, despite Prime Minister Shinzo Abe urging firms to lift wages to boost consumer spending - raising the prospect of an economy where costs rise but growth stagnates.

For some companies, the labor crunch is forcing them to adapt and become more productive. Manufacturers are using more automation and robots, and construction companies and convenience stores are hiring more foreign workers, from a restricted pool.

These aren't options for all companies. JP-Holdings needs qualified teachers who have passed rigorous exams in Japanese. The resulting impact on costs has prompted the company to slash its operating profit forecast for the year through March by a third, to 1.05 billion yen (\$9.3 million) versus 1.8 billion yen a year earlier.

"We can't rely on robots to care for children," Ogita said. "We have more space - we just don't have the teachers to fill them. It's a lost business opportunity for us."

Delivery service Yamato Holdings Co, known in Japan for its black cat logo, is also scrambling, even while offering higher wages.

Thanks to the internet shopping boom, Yamato's parcel volume and sales climbed in the last nine months of the financial year - yet higher labor costs cut operating profit for the period by 6.5 percent.

"We simply can't get adequate staffing," said Yasuo Katayama, general secretary of the company's 60,000-member union. "The company has said it will do something, but it hasn't been enough. We need the management to reconsider the parcel volume."

Hardest hit are small and medium-sized businesses, which have less cash to invest. Two-thirds

of companies with 100-300 employees said they are facing labor shortages, up from 59 percent a year ago, according to a survey by the Japan Chamber of Commerce and Industry.

But even businesses like Japan Post, the privatized postal system, are struggling.

"You ask the head of any company these days what their No. 1 problem is, and it's labor shortage and higher (wage) costs," said CEO Masatsugu Nagato. "We have 400,000 employees, so this is a huge problem for us."

Operating profit at Japan Post's postal and logistics businesses fell by more than half to 2.1 billion yen for the nine months through December, as labor costs and pension changes took a bite.

And there is little to encourage optimism. Japan's working-age population, which shrank to 75.9 million in 2015 from a peak of 87.2 million in 1995, is expected to drop

to 44 million by 2060.

Foreign workers are making up some of the shortfall - last year numbers topped 1 million for the first time. But the government is reluctant to ease restrictions too much amid social and political resistance, and Abe has encouraged companies to first hire more women and older workers.

Language and qualification barriers also create obstacles. Ogita, head of the daycare chain, knows only one foreigner who has obtained the necessary childcare qualifications.

One positive impact from the shortage, however, could be to narrow the pay gap between salaried and non-salaried workers - something Abe's government has been pushing for with an "equal time for equal pay" campaign.

Higher wages could also bring back more workers to the workforce, but what it means for recovery and spending is far from certain.

# Telecom giant MTN posts first ever loss

AFP, Johannesburg

South African telecoms giant MTN said Thursday that it made a \$200 million loss in 2016 -- the company's first -- after suffering a huge fine in Nigeria and currency challenges in key markets.

"MTN Group's financial results for 2016 reflect the most challenging year in the company's 22-year history," MTN said in a statement. MTN reported profits of \$1.6 billion before tax for 2015. Overall performance was hindered by lower than expected growth in both South Africa and Nigeria -- as well as the depreciation of the rand against the dollar.

# New Boeing aircraft joins US-Bangla fleet

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US-Bangla, which started its journey in July 2014, said it plans to add another Boeing 737-800 and a Dash-8Q400 aircraft to its fleet by August this year.

On the domestic front, US-Bangla flies to Chittagong, Cox's Bazar, Jessore, Sylhet, Saidpur, Rajshahi and Barisal.

The airline has so far operated over 22,000 flights with 98.7 percent punctuality, according to the statement.

# Aggressive lending may put banks at risk: analysts

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Although the International Monetary Fund forecasted Bangladesh's economic growth at 6.9 percent and the World Bank at 6.8 percent for the current fiscal year, the growth will surpass 7 percent, Akhtaruzzaman said.

Helal Ahmed Chowdhury, former managing director of Pubali Bank, said the central bank warned the banks not to divert money into the capital market. "This is a good decision."



REUTERS/FILE

A delivery man of Yamato Transport Co is seen under the company's logo at a business district in Tokyo.