BEF, UNDP join hands for private sector management skills development

STAR BUSINESS REPORT

Bangladesh Employers' Federation and the United Nations Development Programme yesterday joined hands to develop management skills in the private sector.

"This is a crying need for the private sector," said Salahuddin Kasem Khan, president of BEF, who signed the deal with UNDP Country Director Sudipto Mukerjee in a ceremony yesterday.

Under the agreement, the UNDP will bring in its international expertise on leadership and management skills development for the next two years.

The UN organisation has already finalised a state-of-the-art curriculum for the programme and will also set up a centre for excellence for strategic management and leadership training, Mukerjee said.

In South Asia, Bangladesh's skills set is even lower than Nepal, and the deal with UNDP will help in changing the status quo, Khan said.

There needs to be a long-term commitment to developing managerial and professional cadres for both the public and private sectors.

"As we are trying to become a middle-income country by 2021 and a developed country by 2041, the government also has a very strong commitment towards the development skill of manpower."

"Our idea is to bring the public sector on board and that will give us ideas for cross-fertilisation," Khan said, adding that establishing partnerships with other institutions like reputed universities are also need.

Mukerjee said the entire South Asia region, including India, is going through impressive but jobless growth. "That's a worry -- it has severe social implications."

Every year, two million people are entering the job market. "If you cannot give them jobs, it will lead to social discontentment. And UNDP is concerned about that."

BEF

Sudipto Mukerjee, country director at UNDP Bangladesh, and Salahuddin Kasem Khan, president of Bangladesh Employers' Federation, exchange the signed documents of a deal at the federation's office in Dhaka yesterday for the development of leadership and management skills of the private sector.

Only economic growth is not sufficient; economic diversification is also needed, Mukerjee said.

Economic diversification is the act or practice of manufacturing a variety of products, investing in a variety of securities, selling a variety of merchandise, etc., so that a failure in or an economic slump affecting one of them will not be disastrous.

Bangladesh's private sector is facing a myriad of challenges, including a lack of leadership and management skills at the mid and senior level, limiting desired private sector growth and impacting employment creation negatively.

"I want to position Bangladesh in the world map of development through this initiative," Mukerjee added.

In the next phase, both BEF and UNDP will run training sessions for senior bureaucrats to develop their knowledge of the private sector and how businesses function, said a senior official of UNDP.

Apparel mapping project launched

STAR BUSINESS REPORT

A four-year project to create a publicly available, online map providing a detailed industry-wise database of all apparel factories in Bangladesh was launched by Brac University's Centre for Entrepreneurship Development yesterday.

"Digital RMG Factory Mapping in Bangladesh" (DRFM-B) will collect credible, comprehensive and accurate data on factories across Bangladesh and disclose factory names, locations, number of workers, product type, export country, certifications and brand customers.

Verification will be crowdsourced from the public to ensure that the information remains up-to-date and accurate.

The map will go live in mid-2018 focusing on Dhaka. The final version showcasing all 20 Bangladeshi garment-producing districts is expected to be completed by mid-2021.

The key target is to build up a public disclosure and transparency mechanism, providing an opportunity to understand the network of garment supplier factories, both listed and unlisted.

The project will be coordinated by Brac USA with Bangladesh Garment Manufacturers and Exporters Association (BGMEA) as a strategic partner along with lead funding from C&A Foundation.

Addressing the launching as chief guest at the BGMEA Complex in the capital, Commerce Minister Tofail Ahmed criticised plans for extending the duration of Accord and Alliance.

He said propaganda was being spread to capture Bangladesh's position as the second largest garment producer.

The Accord and Alliance are legally binding agreements signed by a total of 228 foreign retailers in the aftermath of the Rana Plaza collapse in 2013 to fix the electrical, fire and structural faults in the garment factories from which they source.

The tenures of Accord, a platform of 200 Europe-based retailers, and Alliance, another platform of 28 North American retailers, will come to an end in June 2018.

Addressing as a special guest, Brac University Vice-Chancellor Prof Syed Saad Andaleeb said it was time to proactively adapt to change and focus on research, especially through academic-industry partnerships, to shift to intellect-based activities rather than being solely reliant on labour.

He said there were forecasts that 70-80 percent of jobs would disappear and already 47 percent of graduates have no employment while $5 million was going away annually for foreign employment.

Centre for Entrepreneurship Development Adviser Rahim B Talukdar gave the opening remarks and the project manager, Parveen S Huda, an overview of the activities.

C&A Sourcing Bangladesh's Unit Leader Shantanu Singh and BGMEA President Siddiqur Rahman also spoke as special guests.

Wells Fargo cuts 69 executive jobs

REUTERS

Wells Fargo & Co said on Friday it is cutting 69 executive jobs at its retail unit, as part of a restructuring in the division.

Some of the executives positions will retire with full benefits while others may find positions elsewhere within the bank, said Wells Fargo spokesman Paul Gomez. Some of the executives may leave the bank, Gomez added.

Import more power from neighbours: experts

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Standard Chartered Bank Bangladesh Chief Executive Officer Abrar A Anwar said Bangladesh would require about $15 billion for its energy sector.

He said the country could explore the opportunity to borrow money from abroad as there was a lot of capital available globally.

DCCI President Abul Kasem Khan said efficient transportation, modern infrastructure with competitive and reliable energy would become the most crucial elements for Bangladesh to remain competitive in the global inventor's map.

He said the supply side in the energy sector was not able to support today's growing demand and many factories and industries were being severely affected for this. Khan said the energy crisis driven by the supply-demand gap creates serious opportunity loss, affecting the country's competitiveness. The entrepreneur called for utilising an optimum level of the country's large coal reserves as energy source and rationalising the cost of liquefied natural gas (LNG) including other primary energy and power.

Tawfiq-e-Elahi Chowdhury said 1,000 million cubic feet of gas would be added to the network through imports of LNG in 2018.

"It will cut the gas shortage by 50 percent," he said, adding that this would support the industries.

He said the LNG price would depend on the import price. However, the government would categorically work on the issue so that the industries can remain competitive.

WB approves fresh $570m

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The two projects will help in further progress towards better health outcomes and optimal use of public resources through an effective public procurement and monitoring system, said Qimiao Fan, the WB's country director for Bangladesh, Bhutan and Nepal.

The $515 million will go towards strengthening the country's health system and improving the quality and coverage of essential service delivery, according to a statement from the WB.

The project will give particular attention to the Sylhet and Chittagong divisions, where the key health indicators are below the national average.

The project aims to increase the number of mothers receiving quality delivery care in public health facilities to at least 146,000 mothers annually in the Sylhet and Chittagong divisions. It will also provide basic immunisation to nearly 5 million children.

The financing will contribute to the government's $14.7 billion (Tk 115,486 crore) health sector programme between 2017 and 2022.

In March this year, the Executive Committee of the National Economic Council approved the fourth Health, Population and Nutrition Sector Programme, with a financial layout 126 percent higher than the third one implemented in 2011-2016.

The total cost of the second programme implemented between 2003 and 2011 was Tk 37,384 crore.

A surprising 84 percent of the fourth programme's money would come from the government's own budget, while development partners, including the WB, would foot Tk 18,847 crore.

It will enable over 7,000 community clinics to provide complete essential data on service delivery, and ensure at least 150 health facilities to each have two accredited midwives on staff.

The other financing approved is the $55 million 'Digitising Implementation Monitoring and Public Procurement Project'.

The project will help Bangladesh improve public procurement performance, including its capacity to monitor implementation of development projects and programs using digital technology, the WB said.

Bangladesh spends over $7 billion yearly on public procurement, which constitutes about 70 percent of the annual development programme.

The WB had helped Bangladesh roll out electronic procurement (e-GP) in four key public procuring entities in 2011, and establish a high capacity data centre in 2016 to accommodate increasing demand for electronic procurement.

The new project will expand e-GP to all 1,300 government procuring organisations.

"Since 2002, the WB has been supporting Bangladesh to make systemic changes in public procurement to improve the efficiency and transparency of public spending," said Zafrul Islam, the WB Task Team Leader.

The credits, which will come from the International Development Association, the WB's concessional lending arm, are interest-free and repayable in 38 years, including a 6-year grace period, and carry a service charge of 0.75 percent.

Robi gets new company licence after merger

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Congratulating Robi on the completion of the biggest merger in the country to date, Tarana Halim, state minister for telecommunications, said, "The transparency in processing this merger has in the true sense exemplified the good governance practiced by this government."

The merged company will play a greater role in implementing the vision of digital Bangladesh with increased investment, she said.

"This merger will safeguard the interests of customers as well as shareholders of the merging companies. Most importantly, it has helped in facilitating healthy competition in the market," she added.

Mahmood said the merger will help in bringing healthy competition to the market, which, in turn, will improve the service quality.

Robi Managing Director and CEO Mahtab Uddin Ahmed said customers have already started getting the benefits of the merger.

The new entity paid Tk 100 crore as merger fees in addition to several hundred more for merging the spectrum of Airtel with Robi. Robi also has deposited a bank guarantee for some disputed sums related to unresolved value-added tax issues.

In November last year, soon after the Registrar of Joint Stock Companies and Firms gave them the go-ahead, Robi started taking control of all the business processes of Airtel.

Both the parent companies of Robi and Airtel opened talks on the merger in August 2015, and a deal between the two parties was signed in January last year. Robi started operations in 1997 under the brand name of Aktel. The operator renewed its licence in 2011 after completing its first 15-year tenure. Airtel entered Bangladesh in 2010 by acquiring a 70 percent stake of Warid Telecom. In 2013, it bought the remaining 30 percent stake.

Inefficient port raises cost of doing business

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Last fiscal year, Bangladesh could not achieve its garment export target and longer lead-time at the port was one of the major reasons, said Asif Ibrahim, another former DCCI president.

Meanwhile, garment exports from Sri Lanka, Cambodia and India -- all Bangladesh's competitors in the global apparel trade -- increased last fiscal year.

Shorter lead-time for excellent performance by their ports was one of the reasons for better export performance, he said.

Due to delays in Chittagong port, garment exporters tend to use the expensive air shipments to maintain the strict lead-time of buyers, said Faruque Hassan, vice-president of the Bangladesh Garment Manufacturers and Exporters Association.

"Delays in Chittagong port have been costing us abnormally at a time when profitability declined a lot and production cost rose," Hassan said.

Had the Chittagong port performed even at the same level as the Colombo Port in Sri Lanka, the maritime cost would have reduced a lot and Bangladeshi exporters could have sent goods to the US for 0.6 cents and 0.8 cents per kg, said M Masrur Reaz, a programme manager of the World Bank.

"The number of equipment in Chittagong port increased a lot over the years, but the operational efficiency did not."

Reaz came up with three suggestions for enhancing port efficiency: greater involvement of the private sector in port management, significant improvement of port governance and introduction of competition in service quality.

Some 68 tonnes from a consignment of 700 tonnes of steel products, imported for making pre-fabricated buildings at the Rooppur Nuclear Power Plant went missing from the Chittagong port, said Humayun Rashid, managing director of Energypac Power Generation.

"I have not found the consignment yet. I have to count the damage as I had made a commitment to my customers," Rashid said, while calling for construction of a fuel oil store at the port.

Many ships do not want to carry goods from the Chittagong port whereas they are interested in transporting goods at very cheap rates from the ports in Malaysia and China, he added.

Eid holidays and natural disasters also affect the port performance, said Mahbubur Rahman, president of the International Chamber of Commerce, Bangladesh.

So, alternative mechanisms are needed for efficient management of the port.

Expressing grief, Rahman said Mongla port could not become a fully operational one even after so many years.

A section of businessmen use the Chittagong port as warehouses by delaying the release of their goods, he added.

In response, the CPA chairman said the port is capable of handling the current growth in cargo until 2019.

He went on to recommend businesses should increase their use of the Pangaon river port to reduce congestion at the premier port.

DCCI President Abul Kasem Khan also spoke.

Mercantile Bank focuses on SMEs

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He said they were investing a huge amount of money on their IT wing to ensure security of customers. But, he declined to disclose the figure.

The bank's deposits and loans have increased 19 percent while overall import and export business 35 percent and 15 percent respectively in the first half of 2017.

Meanwhile, nonperforming loans of the bank went down to 4.31 percent from 5.13 percent in the corresponding period of the previous year. The industry average was more than 10 percent at the end of March this year.

Capital to risk weighted assets ratio of the bank stands at 12.07 percent, well above the regulatory ceiling of 10 percent.

The bank has 119 branches, 153 ATMs and 20 cash deposit machines across the country. It also has two fully-owned subsidiaries -- Mercantile Bank Securities Ltd and Mercantile Bank Exchange House (UK) Ltd.

The bank has 10.23 lakh deposit and 53,000 borrower accounts; its 1.76 lakh cards are active while nearly 4.75 lakh customers are using mobile banking services.

Growing business has increased its earnings per share to Tk 2.02 at the end of June this year from Tk 1.32 last year, said the CEO. Additional managing directors, deputy managing directors and other senior officials were present.

Bar entry of Indian cattle: dairy farmers

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BDFA, formed early this year, said there were around 1.15 crore animals -- some 40 lakh bulls and buffalos while the rest are goats and lambs -- available for Eid this year.

Hossain said locally reared and fattened animals comprised 90 percent of those sacrificed last Eid.

Some 55-57 lakh cattle were slaughtered last Eid, according to a previous estimate of Bangladesh Meat Merchants' Association.

The BDFA also demanded that the government refrain from allowing beef import to protect the interests of farmers.

This was the first time dairy and meat producers voiced their concerns collectively on the risk of their losses for an influx of cattle from India, mainly through smuggling.

In recent years, many people, including young men, have set up farms to boost meat and milk production, encouraged by increased prices for reduced supply owing to an Indian crackdown on cattle flow to Bangladesh.

Over 11.5 lakh cattle entered Bangladesh from neighbouring countries, mainly from India, in fiscal 2015-16, down from 14 lakh the previous year, according to the National Board of Revenue data.

In the past, over 20 lakh cattle were informally traded every year over the borders of Bangladesh and India due to lax monitoring. It accounted for nearly $1 billion in annual business, according to estimates.

At that time, local farmers used to be less enthusiastic about cattle farming, fearing losses due to the huge influx of Indian cattle. Prices of sacrificial cattle remain low if the supply is high, stakeholders had stated earlier.

"We will be self-sufficient in meat and milk production if the government supports us," said Hossain, asking for subsidies and interest-free loans for the modernisation and expansion of their farms.

The BDFA also wanted the government to ensure fair prices of milk. The number of registered milk producers rose to 12.01 lakh in fiscal 2015-16 from 79,942 in fiscal 2010-11. Milk production increased to 7.27 million tonnes in fiscal 2015-16 from 2.95 million tonnes in fiscal 2010-11, said the BDFA.

However, the price of milk has remained almost the same for the past 10 to 15 years although the cost of production has risen for soaring prices of cattle feed as well as inflation.

The BDFA appealed for framing a policy so that processors buy milk at fair prices from producers.

Hossain said dairy farmers have to pay electricity bills for farms at commercial rates. Electricity tariffs on dairy farms should be set in line with rates fixed for agriculture, he said.

The BDFA also demanded the government take steps to reduce cattle feed prices. "We have to buy feed at abnormally high prices," said BDFA Vice President Malik Md Omar.