

# Business exodus deepens Catalan economy fears

AFP, Madrid

Catalonia's independence drive has sent dozens of firms fleeing as doubts grow over the economy of a region that, while one of Spain's richest, is also deeply indebted and dependent on trade with the EU and the rest of Spain.

The semi-autonomous region accounts for one fifth of national GDP and is Spain's largest exporter, but as the country's worst political crisis in a generation drags on there are fears businesses will seek more stable ground.

"To return to Catalonia you must be absolutely certain there is no instability," Juan Ignacio Sanz, banking expert at Barcelona's ESADE business school, told AFP.

"And that could take several years."

At least 40 large and medium-sized firms have already moved their legal headquarters out of the region, including Spain's third-largest lender CaixaBank, energy giant Gas Natural and highway toll group Abertis.

Spain's Association of Registrars said Friday that a total of 540 busi-

nesses had sought to relocate their legal addresses from Catalonia from October 2-11.

Although no major job losses have yet been announced, Catalonia is set to see its tax revenues drop as businesses move out.

"If what has happened in recent weeks continues, that should make the Catalan government face reality: Big firms are leaving and that's catastrophic for Catalonia's tax revenues," Eric Dor, director of economics at the IESEG management school in Paris, told AFP.

Separatists argue that Catalonia is helping to prop up Spain's economy, paying more in taxes than it gets back, and they believe that breaking from Madrid would allow the region to prosper.

The region in northeast Spain is the country's most visited tourist area, a major industrial force and a leader in research and development, publishing and new tech.

But it is in debt to the tune of 76.7 billion euros (\$90.6 billion) -- mostly owed to Madrid -- and it is unable to

borrow directly on financial markets.

"It is inconceivable that (Prime Minister Mariano) Rajoy's government would simply wipe away this debt in the event of a Catalan secession from Spain," said Nathan Jones, a Spain expert and politics professor at Britain's Nottingham Trent University.

The crisis is also impacting Spain as a whole, with deputy prime minister Soraya Saenz de Santamaria warning on Friday that it "imperils" the country's recovery from the financial crisis.

Catalan president Carles Puigdemont insists an independent Catalonia would be a vibrant economic member of the European Union.

But Brussels has repeatedly said a breakaway Catalonia would automatically leave the bloc and would have to wait for admission -- and its incorporation efforts would almost certainly be vetoed by Madrid.

Dor said that were an independent Catalonia to enter the EU, its GDP per capita of 28,600 euros (\$33,600) would rank it 12th among member nations.



Zabed Amin, head of consumer investment division at Social Islami Bank, and Morshedul Alam Chaklader, CEO of Total Air Services Ltd, AirAsia's authorised general sales agent for Bangladesh, attend an agreement signing ceremony. Employees and credit and debit cardholders of the bank will get discounts from the airline.

Md Ridwanul Hoque, senior vice president of Midland Bank, and Jewel Khan, a director of AFC Health Ltd, sign a deal at the bank's head office in Dhaka on Wednesday. Visa cardholders and employees of the bank will enjoy special discounts and equal monthly instalment facilities at zero interest on medical services from AFC Fortis Escorts Heart Institute countywide. Masihul Haq Chowdhury, additional managing director of the bank, was also present.



# Improved fish farming practices getting popular

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It meant 40.2 percent farmers still follow the traditional method. Only 0.2 percent of the respondents produce fish based on intensive farming, according to the study, which was carried out with support from the Department of Fisheries (DoF) and Swisscontact Bangladesh's market development project Katalyst.

The study was conducted in January-February this year and information was collected from 450 fish farms in 16 districts, well-known for fish farming, covering all the divisions.

The study was undertaken at a time when aquaculture has become a major occupation in rural and semi-urban areas. About 11 percent of the population depends on the sector for their livelihood.

Farmers grow various types of carps, shrimps, and catfish such as pangas, koi, shinghi and tilapia.

Cultured fish made up 56.82 percent of the total 38.78 lakh

tonnes of fish produced in Bangladesh in 2015-16, according to the DoF.

One of the major sub-sectors driving the growth of agriculture GDP, the fisheries sector provides 60 percent of the total protein and accounted for 3.65 percent of gross domestic product in 2015-16.

Fishing is the main occupation for more than 70 percent growers in the farming regions with crop cultivation and businesses being the secondary income-generating activities.

"Aquaculture can be economically empowering income-wise even for small farmers," said the study. The study records daily per capita income for small farmers at \$4.9.

According to the study, high cost of feed is a major problem confronting farmers with 90 percent of respondents identifying it as a key obstacle.

The cost of fish feed accounts for 61 percent of the total production

expenses. Seed, such as fish fries, contributes 14.9 percent to the expenditure.

The study said the aquaculture farmers who can not meet the feed cost from their own sources need easy and hassle-free credit.

"If quality feeds are not available and their prices are unreasonably high, this impacts on the eventual profitability from production from aquaculture farmers," it said.

However, credit facilities and access to capital are inadequate. Some 77.3 percent of the farmers identified inability to offer collateral as the major barrier for obtaining loans.

Other obstacles include reluctance of banks to sanction loan, long approval time taken by banks and absence of insurance to help farmers overcome difficulties incurred by production loss, high interest rates, and repayment modalities, according to the study.

Some 65 percent of the respondents are of the view that they are

not getting the right price for their produce.

"All these point towards the need for development of special credit products for aquaculture farmers especially the smaller and medium farmers," said the BSFF study.

It said 88 percent farmers identified availability of credit and capital on easy terms one of their foremost requirements. Some 87 percent of the respondents said they would benefit if quality feed is produced and made available at low price.

The study called for steps aimed at cutting production cost by way of reducing import duty and fixing concessional land rent as well as electricity and diesel prices to facilitate faster growth of the sector.

It also recommended developing an aquaculture insurance scheme, enhancement of capacity of fisheries extension officials and promotion of investment-friendly water-body leasing system.

## BB rejects First Security's fund transfer appeal

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"There is no need to transfer capital further to Italy," said the BB letter.

First Security is yet to take a call on whether to reapply to the BB for the fund transfer, said Moniruzzaman Chowdhury, an official of its public affairs and brand communication department.

The BB has so far allowed banks to open 67 exchange houses overseas to facilitate remittance. Of them, 35 are now in operation, 10 closed and 22 did not set up shop at all.

State-owned Agrani Bank closed its exchange house in Canada this year and in Australia last year.

## Ctg customs to auction off unclaimed food items today

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One container with 13.43 tonnes of dry fish came from Pakistan, two containers of 55.22 tonnes of frozen hilsa fish were imported from Myanmar while one container contains 28 tonnes of fresh ginger.

Md Ahsan Ullah, assistant commissioner for auction, said the food items are in good condition and bidders can inspect the items from 10am to 12pm today.

Importers need to receive goods within 30 days of their unloading from ships at the port jetty. Importers get notices if they fail to receive the goods within the stipulated time.

If they do not take delivery of the cargoes within 15 days of the notices, the customs authorities can auction off the goods.

But the customs authorities cannot hold auctions regularly mainly because of a shortage of workforce. As a result, 6,000 TEUs (twenty-foot equivalent units) of containers imported between 2013 and August this year have piled up at the port yards.

The customs department has recently undertaken a special programme to expedite auctions as the piled-up containers are hampering the activities of the port.

# HC questions legality of Accord's 3yr extension

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The Alliance signatories and sometimes the Accord signatories source garment items from three of Rahman's factories—two inside the Chittagong Export Processing Zone and one in Chittagong—but not on a high volume, he said.

So, Alliance, the North American inspection and remediation agency, has inspected three factories, Rahman said.

After the inspection, Alliance engineers certified that the group completed all Corrective Action Plan in November last year. With the certification by the Alliance engineers, Smart Group has been continuing its business with the Alliance signatories.

However, the Accord also reviewed the corrective action plan of the Alliance in the same factory. After the review, Accord said that it

is not satisfied with the remediation and suspended business relations with Smart Jeans, Rahman said.

"I do the business with the Alliance signatories now, then how Accord can suspend business with us as they are doing the same kind of work," Rahman asked.

"Since the Accord took a unilateral decision of suspending the business relations, I have gone to the court and filed a writ petition against the Accord."

Rahman said the Accord cannot take such unilateral decision as they agreed earlier that they will accept each other's (Accord and Alliance) certification to avoid overlapping in inspection, monitoring and remediation.

Now, the court issued a rule nisi and wanted to know why the extension of the Accord will not be declared illegal in seven days.

The court asked Rob Wayss, executive director of Accord for Bangladesh operations, and secretaries to the ministries of commerce and labour to explain why the extension of the Accord would not be declared illegal in Bangladesh.

"The Smart group factories were reported to be perfectly compliant in December 2016 while the Accord terminated them only on some few issues of fire safety," said Md Yousuf Ali, lawyer of Rahman.

Ali said there were conflicting outcomes of the two stakeholders acting under the same rules and these were striking questions before the court in the case.

"I have not received any thing from the court nor from the lawyer. Of course, there was a hearing in the court in this connection," said Rob Wayss. "We will not comment now

as a legal proceeding is going on."

Rahman started his garment business in 2000 and exported garment items worth \$130 million in the last fiscal year.

The group employ 15,000 workers, Rahman said, adding that he might not make any profit because of such initiatives by the Accord.

The Accord, a five-year legal platform, was formed in May 2013. The first phase of its tenure expired in June next year.

Alliance is also a five-year platform of 28 North American retailers and brands to inspect and remediate the factories in Bangladesh.

Nearly 2,000 factories are members of the Accord while over 700 factories are the members of the Alliance.



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