

Marks & Spencer to source more from Bangladesh

Shwapna Bhowmick, the first Bangladeshi to become country manager of the British retailer, tells The Daily Star

REFAYET ULLAH MIRDHA

BANGLADESHI garment units are now exemplars of factory safety after the owners corrected all structural flaws with the help of Accord, Alliance and the government, said the country manager of British retail giant Marks & Spencer.

"Now, the owners are more proactive about protecting the production environment, but previously they were not. This is a big change in the garment sector," Shwapna Bhowmick, country manager of M&S, told The Daily Star in an interview.

Bhowmick, who hails from Magura district, is the first Bangladeshi to take charge of M&S's operations in the country. She joined M&S in 2006 as a senior merchandiser, when the British retail giant used to source garment items worth only \$5 million from Bangladesh. In the current year, the value is expected to hit \$700 million.

"M&S has no cap on sourcing items from Bangladesh -- we will source as much as possible."

M&S's sourcing from Bangladesh grew by at least 30 percent year-on-year in the past three years.

"We believe in sustainability and business growth," she said, adding that M&S has taken a lot of risks for growing its business in Bangladesh.

For instance, M&S started purchasing diversified garment products from Bangladesh.

"Those value-added products used to be sourced from other destinations earlier, as Bangladeshi exporters were not capable of making them."

Bhowmick, who started her career in 2003 as a merchandiser



Shwapna Bhowmick

with a local garment buying house after graduating from the University of Dhaka in philosophy, said she has long advised the garment manufacturers to get into the value-added segment as well.

Today, Bangladesh is no longer just a source of basic garment items. It is also a major source for value-added products like formal dresses, men's suits, formal blazers, she said.

"I also want to change the image of the country. We have a lot of green factories. Even M&S has been working with 12 green factories in Bangladesh."

M&S helps the factories with technologies, expertise, modern design and banking products so that the factory owners can also survive in the business. It also helps its model factories to increase their productivity.

Regarding the potential of

Myanmar and African countries in garment business, she said these countries are not ready yet to be a major competitor for Bangladesh.

"It will take a lot of time for Myanmar," said Bhowmick, who is also the country manager for the neighbouring Southeast Asian country.

"But, at the same time, Bangladesh should not be complacent that we do not have any competitor. Bangladesh should continue its strive to do better."

Bhowmick is the youngest person to become a country manager for one of M&S's operations.

"My family helped me a lot to reach this position, as it is really difficult for a woman in Bangladesh to reach such heights in the corporate world."

Reaching the summit was not easy for Bhowmick. "As a junior merchandiser I worked day and

night for the company."

When she realised that some academic footing would help her perform better, she got herself enrolled on a diploma course on merchandising at the BGMEA University of Fashion and Technology.

Back in 2003, the working environment in Bangladesh for a female merchandiser was not as good as it is today.

"I was surprised that in the office of 150 there were only two females -- myself and a telephone operator."

From the local buying house she moved to British retailer Next and then US retail giant Wal-Mart.

"We have a lot of work to be done for empowering women in the corporate world. I always wanted to be a change maker and tried to bring any positive change."

Rosatom wants maximum participation of local firms in Rooppur power plant

Says a senior official of the Russian firm

STAR BUSINESS REPORT

RUSSIA'S State Atomic Energy Corporation Rosatom is keen to ensure maximum participation of Bangladeshi companies in Rooppur nuclear power plant project.

"We are interested in maximum involvement of Bangladeshi suppliers and/or contractors in the Rooppur project," said Alexander Khazin, senior vice-president for international projects of ASE Group of Companies, an engineering division of Rosatom.

He made the comments in an email interview with The Daily Star recently.

ASE Group held two workshops -- one in Dhaka and another in Moscow. Nine potential Bangladeshi construction companies attended the workshops.

"During the meetings, we presented our roadmap for the bidding procedure for the Rooppur plant, which included general construction as well as more extensive work for preparing of working documents," Khazin said.

"Following the meetings, we found three companies, with their own engineering centres and experience of interaction with the design institutions, who could be our prospective partners in cooperation."

ASE Group also organised a visit for the managers and owners of the companies to Novovoronezh nuclear power plant in Russia to make them understand the scale of the work.

"I would like to reiterate that the range of opportunities for Bangladeshi companies is huge. We are ready to cooperate with construction and installation companies, integrated service providers and other relevant companies of Bangladesh," Khazin said.

He said the group is focusing on designing and construction of general facilities and systems for various purposes like repair workshops, administrative and other buildings.

"We are interested in maximum possible response from the local market."

Special attention will be paid to the compliance, during the scrutiny of potential contractors, according to Khazin.

"This is to make sure that the compa-

nies concerned are financially stable and have required project resources, professional staff and equipment."

The Russian firm would prefer a small group of large and reliable contractors with whom it could forge a strategic cooperation in the future and work together at each stage of building the nuclear power plant.

"These may be large companies with experience of building similar industrial facilities in Bangladesh and in other countries. There is enough work for everyone."



Alexander Khazin

said Khazin.

The company will continue to organise workshops in Dhaka and Moscow so that local companies can reach out the firm.

ASE Group plans to launch a website with information on procurement in Bangladesh. Pouring concrete into the foundation slab of the reactor compartment of the Unit 1 of the Rooppur power plant will be held soon, marking the beginning of the country's first nuclear power plant.

It takes about five years to build a reactor compartment, according to Khazin.

About nine months after the first concrete ceremony, work will begin to pour concrete into the foundation slab of the turbine island, which accommodates the main power generation equipment of the power plant.

Russia is building the plant and also providing a credit of \$12 billion for the 2,400-megawatt project. The first unit is expected to go into production in 2022 and the second one in 2023.

Sovereign wealth funds eye disruptive technologies, more co-investments

REUTERS, Riyadh

Sovereign wealth funds holding hundreds of billions of dollars are increasingly investing in private companies that disrupt businesses and doing more co-investments to generate better returns, Middle Eastern and Asian funds said on Wednesday.

"Our view is that the market cap indices tend to focus on what have been winners of the past," said Jeffrey Jaensubhakij, group chief investment officer of Singapore's GIC Ltd.

"If there are disruptions that are creating winners of the future they won't be in the indices," he said on the sidelines of an investment conference in the Saudi capital.

GIC has in recent years stepped up investments directly in unlisted firms as low yields spur fund managers to adopt a more hands-on attitude in their search for higher returns.

Speaking on a panel attended by Gulf and Russian sovereign funds,

Jaensubhakij said in the past sovereign wealth funds used to operate like endowment funds, focusing on the right allocation between equities, fixed income and other assets.

This worked "wonderfully well" during the 1980s and 1990s when global interest rates were higher, but has changed in recent years as interest rates dropped and equity valuations went up, he said.

"For us it is very important to have an eye out on what is being disrupted," Jeffrey Jaensubhakij said.

Khaldoon Al Mubarak, chief executive of Abu Dhabi state investor Mubadala said technology was an area where sovereign wealth funds have also been co-investing in, citing investments in Softbank. He said it teamed up in Russia with the Russian Direct Investment Fund for projects.

Mubadala agreed this year to co-invest in Softbank's \$100 billion technology fund, alongside the Public Investment Fund, Saudi Arabia's sovereign fund.

Asia wards off risks on rising trade linkage: ADB



Strong intraregional trade and investment are acting as a buffer for the Asia and Pacific region against uncertainties in global trade and economic growth.

STAR BUSINESS DESK

GROWING trade and investment linkages in Asia and the Pacific help improve the region's economic resilience to uncertainties in the global economic and trade policy environment, according to a new Asian Development Bank (ADB) report.

In a study released today, the Asian Economic Integration Report 2017 (AEIR), ADB examines recent regional integration trends and introduces a new regional integration index. The report also includes a special chapter on how Asia can strengthen financial resilience in an era of financial interconnectedness.

Strong intraregional trade and investment are acting as a buffer for the region against uncertainties in global trade and economic growth, according to the report. In 2016, Asia's intraregional trade share—measured by value—rose

to 57.3% in 2016, a record high, up from an average of 55.9% from 2010 to 2015.

Foreign direct investment (FDI) within Asia rose in absolute value to reach \$272 billion in 2016, despite a 6% decline in global FDI flows into the region. This intraregional FDI increased as a share of total FDI to the region from 48% in 2015 to 55% in 2016. Given the role intra-Asian FDI plays in enhancing global and regional value chain development, this is expected to help strengthen the region's trade growth globally.

Asian economies have continued expanding their global presence, with FDI originating from Asia rising 11% in 2016 to \$482 billion, primarily through investment in renewable energy, natural resources, semiconductors, and information technology.

"Asia and the Pacific is leading a recovery in world trade that is helping the region to maintain strong growth momentum amid

global economic and trade policy uncertainty," said Yasuyuki Sawada, ADB's Chief Economist. "Asia's continued integration and cooperation will underpin regional economic growth and financial resilience."

The 2017 AEIR introduces a new composite index, the Asia-Pacific Regional Cooperation and Integration Index. The index measures regional integration across six components, including trade and investment, money and finance, regional value chains, infrastructure and connectivity, movement of people, and institutional and social integration. The index is aimed at helping policymakers better understand and measure the levers for greater regional integration and cooperation.

The report also features a special chapter on how Asia can strengthen financial resilience in an era of financial interconnectedness. It highlights that 20 years after the Asian financial crisis, Asia

stands strong, with healthier financial systems, stronger regulations, and better regional financial cooperation mechanisms.

Significant challenges remain, however, with unresolved financial market and system weaknesses. Remaining regulatory policy gaps could also increase the region's risk exposure and financial vulnerability through excessive leverage and risk-taking.

The report offers several recommendations for countries in the region to strengthen their resilience to future crises, including maintaining sound macroeconomic fundamentals; further strengthening national regulatory and supervisory frameworks and institutional capacities; further developing local currency bond markets; strengthening regional regulatory cooperation, including resolution mechanisms for interconnected regional banks; and reviewing and strengthening existing financial safety nets against potential contagion and spillover effects.

Visa quarterly profit rises 11pc

REUTERS

Visa Inc, the world's largest payments network operator, reported an 11 percent increase in fourth-quarter profit on Wednesday, driven by its purchase of Visa Europe and as more people made payments using its network.

Net income rose to \$2.14 billion in the quarter ended Sept. 30, from \$1.93 billion a year ago. Earnings per Class A share rose to 90 cents from 79 cents a year earlier.

"Visa ended our fiscal year as we began, with strong growth across payments volume, cross-border volume and processed transactions, which was bolstered by the addition of Visa Europe," Chief Executive Alfred Kelly Jr. said.

Visa's shares were up 1.4 percent in premarket trading. The company's total operating revenue jumped 14 percent to \$4.86 billion, reflecting growth in payments volume and processed transactions.

Payments volume rose 9.8 percent to \$1.93 trillion on a constant dollar basis, with the United States accounting for about 43 percent of the total.

Cross-border volumes -- the value of transactions made outside of the United States -- increased 10 percent, on constant dollar basis.

Total operating expenses rose marginally to \$1.64 billion. Visa's rival, MasterCard reports financial results next week.

Ex-HSBC executive found guilty of fraud in \$3.5b currency trade

REUTERS

A US jury on Monday found a former HSBC executive guilty of defrauding Cairn Energy in a \$3.5 billion currency trade in 2011.

The verdict was read in federal court in Brooklyn, where Johnson was on trial for nearly four weeks.

US prosecutors have said that Johnson, formerly head of HSBC's global foreign exchange cash trading desk, schemed to ramp up the price of British pounds before executing a trade for Cairn, making millions for HSBC at Cairn's expense.