

Global summit on textile industry begins in Dhaka in February

STAR BUSINESS REPORT

The first ever Bangladesh Fashionology Summit will be held in Dhaka on February 12 next year to bridge the gap between the present and the future of the textile and fashion industry.

Bangladesh Apparel Exchange (BAE) will organise the daylong event with an aim to attract a wide spectrum of the fashion, technology and innovation stakeholders across the entire ecosystem.

International brands, garment makers, technology and innovation companies, fabrics producers, software service providers will participate in the summit.

"Our mission is to facilitate modern, innovative, technology driven apparel manufacturing and supply chain conversations and build a thriving community of leaders and innovators who will help to guide our nation to transform into a 'next-

generation' apparel manufacturing and marketing hub using latest digital technology and advancements", said Mostafiz Uddin, founder and CEO of the BAE.

"We want to bring together the most inspiring and innovative thinkers and companies from around the globe under one roof to initiate the much-needed conversations around technology, digitalisation and innovation in the apparel and fashion industry."

Apparel and fashion industry is on the cusp of a huge transformation and disruption enabled by digital and technological advances sweeping the apparel industry and customer expectation landscape, according to a statement.

"We believe that the time is ripe for Bangladesh—the second largest apparel exporter to the world—to take a leadership role in shaping, defining and initiating a future that is sustainable and profitable for all

stakeholders," said Md Mohiuddin Rubel, managing director of the BAE.

Knowledge sharing sessions from some of the brightest minds and most inspired thinkers from across the globe will converge at Bangladesh Fashionology Summit and cover a wide range of compelling topics that are relevant to shaping the future of the garment industry.

The ideas and discussions will be brought closer to reality by an exhibition in parallel hosting a diverse range of forward thinking exhibitors ranging from promising start-ups to established industry leaders.

The event will also cover ideas ranging from automation, robotics, cobots for apparel industry to latest radio frequency identification controlled digital shop-floor control systems, virtual photorealistic simulation for apparel prototyping and product development to cyber security.

Canada home sales rise

REUTERS, Ottawa

Resales of Canadian homes rose in November for the fourth straight month, the Canadian Real Estate Association said on Thursday, but it lowered its forecast for 2018 sales and prices because it expects stricter mortgage rules to dampen demand.

Separate data showed new home prices edged up by 0.1 percent in October, while Canadian household debt as a share of income hit a record high in the third quarter. This reinforced concerns that Canadians have taken on too much debt to get into the booming housing market.

Taken together, the three reports paint a picture of highly indebted households and a still-robust housing market that is expected to cool in 2018.



M Anis Ud Dowla, chairman and managing director of ACI Ltd; FH Ansarey, CEO of ACI Agribusiness; M Omar Rahman, vice chancellor of Independent University, Bangladesh (IUB), and Rita Yusuf, dean of School of Life Sciences, attend a deal signing ceremony on IUB's campus in the capital's Bashundhara yesterday to promote the mutual objectives of scientific capacity building in biotechnology.

CEBAI plans to train more garment workers, factory managers

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The Centre of Excellence for Bangladesh Apparel Industry (CEBAI) plans to enhance skills and increase productivity in the garment sector by providing training to workers and mid-level managers.

A CEBAI official disclosed the plan at the "Brand Forum Meeting 2017" at the Hotel Amari in Dhaka yesterday.

The CEBAI was launched in November 2014 by Prime Minister Sheikh Hasina to address the skills gap in the garment sector.

It is run by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and, up until November 2017, was supported by International Labour Organisation, Sweden and international fashion retailer H&M. The CEBAI's vision is to establish a replicable model of industry-driven training and support services in Bangladesh, said a statement of the BGMEA.

"Its actions have benefited workers and employers alike as it has helped create a firm foundation for future skills development in the sector." Achievements include the establishment of the CEBAI Training Centre in Ashulia where a variety of courses for basic sewing machine operators, supervisory and management skills are being taught. Training methods and curricula that meet the demands of the industry have been introduced.

New competency standards and curricula

developed as part of the National Technical and Vocational Qualification Framework offer basic operator skills in knitwear, denim, lingerie and woven products.

The industry needs are being met through the piloting of enterprise-based training (EBT) facilities in 10 leading garment groups, which have trained more than 4,100 workers. Having an in-house EBT centre helps companies develop the capacity of existing workers and employees resulting in increased productivity and higher wages, said the statement.

Shafiqul Islam Mohiuddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, said the garment industry has enormous scope to improve productivity through skills development.

"I call on the industry to look at what the CEBAI has achieved and to build further on these efforts to achieve a more flexible, demand-driven and inclusive skills development system in Bangladesh."

Atiqul Islam, president of the CEBAI, said, "While much has been accomplished, the CEBAI is still in its infancy. We must continue to nurture it so that it is able to support the industry to move up the value chain and gain further share in the world market."

Siddiqur Rahman, president of the BGMEA, said, "For the industry to fulfil its true potential we need to upgrade the skills of our workforce."

Amit Dev Thapa, chief operating officer of Transcom Foods Ltd (TFL), and Zubair Siddiky, co-founder and managing director of Foodpanda, a mobile food delivery service provider, attend a programme at KFC's outlet in Gulshan yesterday to celebrate the partnership between TFL and Foodpanda. The partnership will provide customers with an enhanced experience in food ordering and delivery.



TRANSCOM FOODS

IEA sees oil market balancing out later in 2018

AFP, Paris

The International Energy Agency said Thursday that the global oil supply could grow faster than demand in the early part of 2018, but the market could balance out later in the year.

"On our current outlook, 2018 may not necessarily be a happy New Year for those who would like to see a tighter market. Total supply growth could exceed demand growth," the IEA wrote in its latest monthly oil market report.

"A lot could change in the next few months but it looks as if the producers' hopes for a happy New Year... may not be fulfilled," the report said.

Nevertheless, looking at the year as a whole, there could be "a closely balanced market," the IEA added.

At the end of November, 24 nations that account for around 60 percent of the world's oil supply agreed at a meeting in Vienna to keep a lid on output for all of 2018 in order to push up prices.

Potato farmers hard done by

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In addition to paying for labour cost, traders have to pay Tk 50 to transport each sack of potato to Karwan Bazar wholesale market. The wholesaler's commission is added on top of that, he said.

"By making too much profit, retailers have ruined both farmers and us," said Md Mosharaf Hossain, president of Bangladesh Cold Storage Association (BCSA).

A couple of days ago, a retailer had demanded Tk 20 per kilogram, he said, while putting the blame on the absence of a market monitoring mechanism by the government.

"Traders are making higher profits when we are suffering from losses," said Sajedur Rahman, a farmer at Khetlal in Joypurhat, who had to sell 50 bags of stored potato for Tk 200 on December 7 owing to a slump in demand for the arrival of fresh harvests.

Farmers bagged 1.02 crore tonnes of potato this year, up 8 percent from

a year earlier. Of the produce, 53 lakh tonnes were stored in the cold storages, mainly in Munshiganj and the northern districts, according to the BCSA.

Until last week, 31 lakh tonnes of the vegetable have been sold and the BCSA fears that 15 lakh tonnes of potato will remain unsold this year.

Rahman grew potato on more than two acres last season. He stocked a total of 700 bags of potato in the cold storage along with 350 bags produced in his own farm for selling during off-season.

The highest he got for each sack is Tk 950 against the cost of Tk 1,200.

"Our backbones are broken," he said, citing that his total loss from potato would be Tk 2.5 lakh this year.

The BCSA blamed the high production and a lack of demand for exports behind the build-up of unsold stock this year. It estimates that the total loss would exceed Tk 12,000 crore this year.

Because of the price fall, many

farmers and traders are struggling to pay the rent for cold storages and repay loans.

"Some of our colleagues did not even take out their potato from cold storages as the prices are less than the storage charges," said Gulzar Rahman, another farmer at Joypurhat. The BCSA said there is no option but to throw away the unsold potato as only three weeks remain for marketing the vegetable.

Up to 80 lakh tonnes of potato are consumed domestically a year and the government was aware about overproduction, according to the BCSA president. "A decision was necessary for the sector."

The government could have bought the excess potato to distribute under the social safety net schemes or among the Rohingyas to cushion the farmers against losses, Hossain said.

"Both the farmers and consumers could also benefit if there was monitoring in the market," he added.

Bangladesh to be among fastest growing LDCs in 2018: UN

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In South Asia, the economic outlook remains steady and favourable, driven by robust private consumption and sound macroeconomic policies.

"The positive outlook will contribute to further gradual progress in labour market indicators and a reduction in poverty rates. Monetary policy stances are moderately accommodative, while fiscal policies maintain a strong emphasis on infrastructure investment."

Despite the improved short-term outlook, the global economy continues to face risks, including changes in trade policy, a sudden deterioration in global financial conditions and rising geopolitical tensions.

The world economy also faces longer-term challenges.

The report highlighted four areas where the improved macroeconomic situation opens the way for policy to address these challenges: increasing economic diversification, reducing inequality, supporting long-term investment and tackling institutional deficiencies.

The report noted that reorienting policy to address these challenges can generate stronger investment and productivity, higher job creation and more sustainable medium-term economic growth.

"In South Asia, the reform agenda might experience some setbacks, while political instabilities could dampen investment prospects."

The current macroeconomic environment in the region is conducive for policymakers to address longer-term issues and achieve greater progress on structural reforms, the report said.

Financial crimes thrive on a lack of corporate ethics: study

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It is good that the banks did not experience any loss due to financial crime but it is not unlikely that the banks are shy to disclose information about such incidents, said the research.

The survey identified three segments—general banking, credit and IT—as most susceptible to financial crimes. The number of credit card related frauds increased remarkably during 2016-17, the survey observed.

Lack of ethical practice recently put a bank in severe liquidity crisis, said Abu Hena Mohd Razee Hassan, deputy governor of Bangladesh Bank. The bank now is unable to pay back money to depositors, he said.

Liquidity crisis management is now the main challenge for the bank instead of operating business, he said. This is the best example of how a lack of corporate ethical practice can cause disasters for a bank, said Hassan.

Farmers Bank is suffering from a severe financial crisis resulting from

loan corruption and unethical practices of board members. The loss of reputation prompted depositors to withdraw money, further deepening the crisis.

Image or brand value is most important for a bank than managing default loans, said Nurul Amin, former managing director of Meghna Bank.

He said depositors' trust was the main asset of a bank and if a bank loses reputation, it would cause liquidity crisis.

Bangladesh Bank has taken many measures by issuing regulations and circulars to prevent financial crimes in banks, said Helal Ahmed Chowdhury, supernumerary professor of BIBM.

But the central bank's effort cannot solely stop the crime, he said, adding that all the stakeholders and banks would have to work together for establishing ethical practice.

Chowdhury, also the former managing director of Pubali Bank, emphasised on building up professional behaviours in the organisation to prevent financial crimes.

Current account deficit widens

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Between July and October, imports rose 28.70 percent year-on-year and exports 7.63 percent.

The government should take up initiatives to boost export earnings to tackle the large current account deficit, said Salehuddin Ahmed, a former governor of the BB.

A moderate growth in remittance also left an adverse impact on the current account, he said.

Bangladeshis living abroad sent home \$5.76 billion in the first five months of the fiscal year, up 10.76

percent from a year earlier.

The growth of inward remittance in the July-November period was good but it has yet to reach the optimum level considering the lower remittance received last fiscal year.

Expatriate Bangladeshis sent home \$12.77 billion in fiscal 2016-17, down 14.47 percent year-on-year.

Both the central bank and the government should take effective measures to give a boost to remittance flow, said the former governor.

The central bank should also beef up its monitoring on the import

process to see whether the goods brought in match the payments made against them.

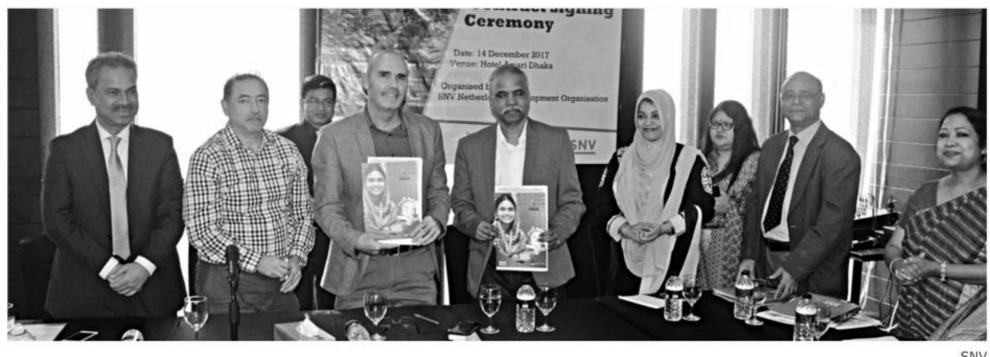
The local currency has been depreciating against the US dollar in the last few months due to higher import payments.

The average taka-dollar exchange rate stood at Tk 80.60 yesterday, which was Tk 78.85 a year ago, according to central bank statistics.

The trade deficit also widened 108.75 percent year-on-year to \$5.79 billion in the four months to October, BB data showed.



Ahsan Khan Chowdhury, chairman of Agricultural Marketing Company Ltd (AMCL Pran); Eleash Mridha, managing director; Sabiha Amjad, a director; MA Mannan, independent director, and Uzma Chowdhury, a director, attend the company's 32nd annual general meeting at Fuzi Trade Centre in the capital's Badda yesterday. Pran declared 32 percent cash dividend for 2016-17.



Third from left, Jason Belanger, country director of SNV Bangladesh, poses for photograph after signing an agreement with NGOs on SNV's collaborative approach for garment workers' health and well-being, at Hotel Amari Dhaka in Gulshan yesterday. SNV Netherlands Development Organisation signed partnership agreements with trade bodies and NGOs to leverage a collaborative approach to improve the health and well-being of the workers in the garment sector in Bangladesh.