

# Quick fix? Struggling Singapore retailers turn to vending machines

REUTERS, Singapore

With sales stagnating and high rent and manpower costs eating away at his profits, Azan Tengku, the director of Singaporean gift company Kalms, decided to close down his stores and move all his products into vending machines.

Kalms, which has rolled out 50 machines island-wide that sell mostly teddy bears and jewellery, is one of a growing number of companies in the city-state adopting vending machines in a move encouraged by a government push for automation and tighter restrictions on low-skilled foreign workers.

The city-state is seeing some of the fastest growth rates in vending machines sales worldwide, even as there are signs of saturation in major markets like Japan, which at 5.5 million has the world's highest number of vending machines per capita.

"Rent is high in Singapore and good retail employees are hard to find," said Tengku.

"Singapore and Japan face the same challenges when it comes to employment and how both countries are densely populated and have space limitations."

Since the launch of its first vending machine in late 2016, Kalms says it has

recorded month-on-month growth of 15 percent for 16 consecutive months.

The firm is now partnering with other companies to sell food, clothing and electronic products on its machines, which it says will allow it to roll out hundreds more across the island-state in the coming year.

Businesses that manufacture vending machines in Singapore, like Le Tach, are also profiting from the trend.

Le Tach's co-founder Steve Chia said the company has grown from manufacturing 50 vending machines in 2011 to over 1,000 to date, adding that the types of vending machines have also expanded from dispensing drinks and snacks to selling daily essentials and accessories.

Singapore recorded \$67.2 million in vending machine sales in 2017, data from research firm Euromonitor International showed, a 3 percent increase from the previous year, and sales are expected to exceed \$72 million by 2020.

While the island-state of around 5.6 million people only just sneaks into the top 30 countries in terms of vending machine sales, it is one of the fastest growing markets behind Russia (12.3 percent), China (11.5 percent), Thailand (8.5 percent) and the United Arab Emirates (3.3 percent).

Meanwhile Euromonitor's data, collected through interviews with trade bodies and firms, shows major markets like Japan are in decline because of increased competition and price-sensitive customers.

In Singapore, the government has been encouraging firms across industries to adopt more manpower-lean formats, alongside moves to ease their reliance on low-skilled foreign workers and ensure more access to jobs for locals.

As well as a multi-million dollar National Robotics Programme, one such initiative has been targeted at trying to promote technology in the food service industry through grants and consultancy services.

With the help of this scheme, food caterer JR Group has grown from one vending machine to over 100 in the last decade, and now has unmanned 24-hour cafes selling hot local dishes as well as Western, Indian, Korean and Japanese cuisine all out of machines.

"We wanted to find solutions and new ways to help us efficiently push out our products, and at the same time, pass these savings down to our consumers," JR Group CEO Jocelyn Chng said.

## Trust Bank gets new DMD



STAR BUSINESS DESK

Trust Bank has recently appointed Junaid Masroor as deputy managing director.

Prior to the appointment, he was senior executive vice president and head of international banking at Bank Asia.

Masroor started his career with erstwhile BCCI (Overseas) Limited as a management trainee officer in 1989.

He worked as head of transaction banking in Eastern Bank and served in the Bank of Nova Scotia, ANZ Grindlays Bank and Standard Chartered Bank.

He obtained his honours and Master's degree in international relations from the University of Dhaka.



STAR CERAMICS

**Qamar Uz Zaman, managing director of Star Ceramics, speaks at the company's annual dealers' meet in the capital's Golf Garden recently.**

## IFIL declares 14.5pc cash dividend

STAR BUSINESS DESK

Islamic Finance and Investment Limited has recently declared 14.5 percent cash dividend for its shareholders for the year that ended on December 31, 2017.

The declaration was made at the 232nd board meeting of IFIL at its head office in Dhaka on March 14, the company said in a statement yesterday.

Janab Abul Quasem Haider, chairman of the company, presided over the meeting.

The 17th annual general meeting of IFIL will be held on April 25.

## New DMD for Shahjalal Islami Bank



STAR BUSINESS DESK

Shahjalal Islami Bank has recently appointed Mian Quamrul Hasan Chowdhury as deputy managing director.

He started his banking career with Bangladesh Bank as an assistant director in 1993, the bank said in a statement yesterday.

Chowdhury served the central bank at departments including that of public accounts, audit, problem bank monitoring and currency management and payment systems.

He joined United Commercial Bank as senior vice president in 2008. Chowdhury attained a Master's degree in English from the University of Dhaka.



**Mustafa Jabbar, telecom and ICT minister, and Sonia Bashir Kabir, managing director of Microsoft Bangladesh, Nepal, Bhutan and Laos, attend a seminar on cyber security and trusted technology, jointly organised by Microsoft Bangladesh and Bangladesh Computer Council at the latter's office in Dhaka.**

MICROSOFT BANGLADESH

## New German finance ministry pushes free trade at G20 meeting

REUTERS, Buenos Aires

Germany's new finance minister Olaf Scholz warned on Sunday that protectionism could harm future economic prospects and said Germany would continue talks to dissuade the United States from imposing planned punitive steel and aluminium tariffs.

Scholz told reporters en route to his first meeting of G20 finance ministers and central bank governors that he would underscore the importance of free trade for the global economy when he meets U.S. Treasury Secretary Steven Mnuchin on Monday.

The world economy is growing together "and it should stay together" said Scholz, a member of the Social Democrats, junior partners in Chancellor Angela Merkel's coalition government.

Free trade had a decisive role to play in securing future economic growth, Scholz said, adding, "That's why it would be difficult if protectionism played a bigger role."

## New sources of funds needed for power projects: study

FROM PAGE B1

"This is the case with Bangladesh as well. With the government's aggressive efforts, continuous support from the developing partners and effective implementation of policies, the country has shown remarkable progress in its journey so far," he added.

There are certain issues concerning regulation, financing and technology prevalent in the private power generation sector today, said Latif Khan, president of the BIPPA.

"Bangladesh's power industry today needs to address these to attain our shared goals," said Khan, also the vice-chairman of Summit Group.

Naser Ezaz Bijoy, CEO of Standard Chartered Bangladesh, said unprecedented success in the power sector in the last eight years is a testament to the investment-conducive environment offered by the government of Bangladesh.

However, the scale, complexity and nature of projects are rapidly changing wherein the role of commercial banks is likely to be financial adviser and arranger through export credit facility, syndication of commercial loans, hedge bank, facility and security agent, he said.

Bijoy said the financing sources need to be broad-based through access to private equity, venture capital, multilateral funding, and vendor equity.

He said Bangladesh needs to consider issuance of sovereign bond to help discover the benchmark pricing of debt products.

"There is also strong merit for dilution of shares in the country's sole transmission entity to experienced global players as a first step, which many countries have already done."

The global economy is becoming knowledge-intensive and the development is more acute in case of the power sector, said Kazi M Aminul Islam, executive chairman of the Bangladesh Investment Development Authority.

"So, knowledge and technology are very significant for the sector," he added.

The report said the workforce's skills upgrade and capacity building are keys to sustaining the growth of the power sector in Bangladesh.

This is in addition to new generation sources, a changing generation mix and increased operational efficiency.

There is a need for robust government policies, increased private sector participation, alternate sources of funding, incentivising adoption of clean energy sources and greater use of new age technologies, it said.

M Masur Reaz, senior economist and programme manager of the International Finance Corporation; Abdul Wadud, managing director of Summit Power; and Md Shabbir Ahmed, first secretary for tax policy at the National Board of Revenue, also spoke.

## Drug makers' profits soar

FROM PAGE B1

New export destinations are coming up too, he added. Pharmaceutical exports stood at \$89.82 million in fiscal 2016-17, up 9.39 percent, according to data from the Export Promotion Bureau.

## Huge bonuses at Deutsche Bank despite 2017 loss

AFP, Frankfurt Am Main

Germany's top lender Deutsche Bank said it quadrupled bonus payouts to staff in 2017, despite booking a bigger-than-expected net loss for the year.

The bank said it paid out 2.16 billion euros (\$2.6 billion) in bonuses, with the lion's share going to the investment banking division.

The huge cash rewards were announced in the Frankfurt-based bank's final annual report, based on audited figures, which also upwardly revised its net loss for 2017 to 751 million euros. In a preliminary report last month, the lender had initially

calculated 2017's net loss at 512 million euros, its third straight year in the red.

In a statement to shareholders, Deutsche chief executive John Cryan said he recognised that the decision to boost bonuses "was highly contentious for many given the reported net loss in 2017". But he said the compensation was necessary to hold onto the best talents.

"If we want to live up to our claim of being the leading European bank with a global network, we have to invest in our employees," he said.

Some 1.3 billion of the reward money went to the Deutsche's corporate and investment banking divi-

sion, which employees around 17,000 people. Deutsche Bank managers meanwhile again waived their bonuses, as they have been doing since 2015 amid growing criticism of top executives taking home huge salaries despite poor company results.

The 2017 bonus bonanza is more than four times higher than the 546 million euros spent in 2016, when the bank made a 1.4 billion euro loss.

Deutsche, which is in the throes of a tough restructuring and mired in costly legal woes, last month blamed 2017's disappointing performance on corporate tax reforms in the United States.

## Plastic industry shows promise as demand rises

FROM PAGE B1

Since then the sector started playing a significant role in the national economy and moved faster than other sectors, it said.

After 1990, they have started setting up better grade and more sophisticated industries to produce export quality plastic goods, according to Hossen.

"Today we have several factories engaged in plastic goods export from Bangladesh. Most of the factories are enhancing their capacity to meet the overseas demand."

According to the standards set by BPGMEA, the big units are those which have invested at least Tk 100 crore, the medium units have invest-

ment worth Tk 10 crore and the small units have invested at least Tk 50 lakh.

The plastic makers have created at least 12 lakh jobs in a total of 5,030 small, medium and big factories across the country.

Some 175,500 people are doing job in small units, 444,000 people in 1,480 medium units and 10,000 people in big units.

Besides, indirect employment is 200,000 and dependent manpower is 400,000 in the sector, Hossen said.

The number of people employed in the plastic goods sector is equivalent to one fourth of the people employed by the garment sector.

Job opportunities in the plastic sector are spiralling thanks to the

rapid expansion of the market and production, he said. Bangladesh imports around 120,000 tonnes of plastic raw materials each year and it is continuously growing.

In the last fiscal year, Bangladesh imported 1.3 lakh tonnes of raw materials worth Tk 10,614 crore.

In Bangladesh, there is no unit to produce poly-olefin and petrochemical, which are the main raw materials for producing plastic goods, Enamul Haque, managing director of Expo Accessories Ltd, a plastic goods maker.

"For this reason, we have to import raw materials from India, China, Formosa, Vietnam and Taiwan."



MIDLAND BANK

**Kudrat-E-Khoda Md Samiul Karim, assistant vice president of Midland Bank, hands over a cheque worth Tk 5 lakh to Mortuza Khaled, chairman of the history department at the University of Rajshahi, as a donation to the department at a programme on the campus on March 14.**