

TEXWORLD IN PARIS

# Garment makers getting new buyers

REFAYET ULLAH MIRDHA, from Paris

**B**ANGLADESHI textile and garment manufacturers received positive response from international retailers at the Texworld exhibition currently taking place in the French capital, in what can be viewed as further encouragement for the country's apparel exporters.

Texworld is an international trade fair of the clothing and textile industry that takes place every six months in Le Bourget near Paris. It is one of the biggest exhibitions in the world where hundreds of buyers, manufacturers, suppliers and brands exhibit their products in Paris in France. The four-day mega event will end today.

"At least 35 new buyers came to me to place work orders in the first day of the fair," said Mohammad Abdullah Zaber, deputy managing director of Noman Group, the mother company of Zaber and Zubair, a leading local fabrics manufacturer and garment exporter.

Noman Group is the only apparel and fabrics manufacturing company in Bangladesh which crossed the one billion dollar mark in exports from the country four years ago.

"We have been getting more work orders for some reasons like we have new and diversified goods, new designs and our stall is located at the elite zone of the fair. Elite zone is allocated to select manufacturers," Zaber told The Daily Star at his stall in Texworld in Paris on Tuesday.

Another important reason for higher responses is the shorter lead time in the era of fast fashion. For example, the buyers want to use local fabrics so that the work



People are seen at the stall of Euro Knitwear Bangladesh inside the south Asian country's pavilion at the Texworld in Paris yesterday.

orders can be catered very fast.

The Zaber and Zubair has its own fabrics so it does not need to import fabrics from China, India, Turkey or Pakistan to stitch as garment.

It takes four weeks to bring fabrics from China which also lengthens the lead time. If the factories can make garment items from local fabrics it takes a shorter lead time, he said.

Now the buyers are booking the work orders for next summer's sales which will start from the first of January next year, said Zaber.

The US-China trade war has also been playing a significant role for more work orders being grabbed from buyers by Bangladeshi garment exporters, said Zaber who is investing more than Tk 1,000 crore in his four new projects at Bhaluka to produce synthetic fabrics as per the demand from the buyers.

"Now many Bangladeshi garment factories import the synthetic fabrics mainly from China. If we can set up the new units, we can supply this item locally," he added.

He is also going to produce fabrics for sports garment items

and outerwear. So the total workforce under the Noman Group will be 110,000 when the four new units go into operation by next two years. Currently the group has 80,000 workers.

Buyers are demanding sustainable goods made from recycled yarn and fabrics made through less water consumption, Zaber said.

"We need to bring in more companies from Bangladesh to Texworld so that the buyers can know more about us," said Md Shahidul Haque Mukul, managing director of Adams Styles Ltd sitting in his stall at Texworld in

Paris. Some 29 garment and fabrics manufacturers have participated in the Texworld this time.

Bangladesh is quite a matured country in garment and fabrics as the country is very much capable of producing diversified products.

But people of the world are not aware of this diversification. For instance, denim is a very good success case story for Bangladesh in recent times, he said.

Among the diversified garment products, denim could show its strength. Now people know about the strength of Bangladeshi denim products, he said.

"We need ease in obtaining visas so that many representatives from many companies can participate in this unique exhibition," Mukul said.

Some participants could not come here due to visa problems although stalls were allocated for them, he said.

"I got 25 old and new buyers in the first two days of the fair. We are happy with the responses from the buyers," said Mohammad Robayed Siddique, deputy general manager (sales and marketing) of Argon Denims Limited and Evince Textiles Limited, two leading fabrics manufacturers.

"We have been receiving an increased number of work orders from our buyers over the last six months which indicates that Bangladesh is becoming a beneficiary of the US-China trade war," said Siddique.

"The European markets are major ones for us. Nearly the full production of my factory is shipped to the European markets. So, I am satisfied with the responses from the buyers," he said.

## Deposit through agent banking rises 122pc

JEBUN NESA ALO

Deposits collected through agent banking rose a whopping 122 percent last year from the previous year whereas the whole banking sector experienced a fall in deposit growth.

Bangladesh Bank data showed Tk 3,112 crore was deposited through the agent banking channel in 2018, up from Tk 1,399 crore a year ago.

The amount collected by the outlets—which provide banking services on a limited scale—was only Tk 380 crore in 2016. However, the deposit growth of the banking sector fell by 1.22 percentage points year-on-year to 9 percent in 2018.

The impressive performance of the agent banking outlets has given some relief to the private banks from the deposit crisis, industry insiders opined.



The BB issued the agent banking guideline in 2013 but the licensees started full-fledged operation in 2016.

Currently, 19 banks provide agent banking service with Dutch-Bangla Bank Ltd (DBBL) and Bank Asia are leading the pack with a combined 78 percent market share.

The contribution of agent banking in deposit collection is increasing fast as the outlets are hunting the deposits mostly from the remote areas across the country, said Abul Kashem Md Shirin, managing director of DBBL.

Around 5 percent of DBBL's total deposit collection came from the agent banking last year, he said.

"The agent banking has helped villagers develop saving habit. That's why the contribution of the channel to the sector's total deposit collection will increase fast in the days to come."

The number of agent banking account holders doubled year-on-year to 24.56 lakh last year. Of them, 87 percent were opened in rural areas, through which Tk 2,455 crore was deposited.

DBBL had the highest 48 percent share of the agent banking accounts as of December last year, according to central bank data. Bank Asia stood second with 30 percent share, followed by Al-Arafah Islami Bank with 6 percent and others 16 percent.

In 2018, the number of agent outlets rose 67 percent to hit 6,933, while the number of agents stood at 4,493.

A total of Tk 189 crore was disbursed in loans through the agent banking channel in 2018, according to data of the Bangladesh Bank.

## Pakistan, India hope to reap investment from Saudi prince's visit

REUTERS, New Delhi/Islamabad

**S**AUDI Arabia's Crown Prince Mohammed bin Salman is expected to announce investments in energy and infrastructure during a visit to India and Pakistan in coming days as part of his efforts to wean the Saudi economy off oil exports.

He is also expected to visit China,

Saudi Arabia in October, an event boycotted by many companies and world leaders in protest over Khashoggi's killing.

India's Modi met the prince in November, when they were both in Argentina for a Group of 20 summit. Saudi Arabia is India's top supplier of crude oil but the two countries have expanded ties beyond energy, and their governments have agreed to build a strate-



Saudi Crown Prince Mohammed bin Salman walks around the Kaaba, Islam's holiest shrine, at the Grand Mosque in Saudi Arabia's holy city of Mecca, as he inspects expansions to the site on February 12.

Malaysia and Indonesia during a tour that will be his first through the region since the storm over the murder of Jamal Khashoggi, a Washington Post columnist, at the Saudi consulate in Istanbul in October.

Prince Mohammed is expected to sign agreements, mostly linked to a refinery and the power sector, during the trip to Pakistan this weekend, Pakistani officials said. The memorandums of understanding will include renewable energy projects and investments in petrochemicals and mineral resources, Saudi state news agency SPA said.

The prince is expected in New Delhi next week, along with leading Saudi businessmen, at the invitation of Prime Minister Narendra Modi, India's foreign ministry said on Tuesday.

Pakistani Prime Minister Imran Khan was among a handful of leaders who attended an investment conference in

gic partnership, the foreign ministry said. In a statement, it cited cooperation in areas including energy security, trade and investment, infrastructure, defence and security.

India is expecting Prince Mohammed to announce an initial investment in its National Investment and Infrastructure Fund (NIIF), a quasi-sovereign wealth fund, to help accelerate the building of ports and highways, an Indian official said.

Saudi state media said Saudi officials will discuss an investment in NIIF. Saudi Arabia has also flagged a desire to invest in India's farm sector, with products to be exported to Saudi, another official at the trade ministry said.

However, progress on a \$44 billion refinery that Indian state-run oil companies agreed to build with Saudi Aramco on India's west coast has been held up by strong opposition from mango farmers who will lose their land.

## Diversity in the 'man cave': Boardrooms gain women as minorities lag

REUTERS, Boston/New York

**I**N America's corporate boardrooms, diversity is making uneven progress:

Women increasingly are pulling up a chair while racial and ethnic minorities still rarely get seats at the table.

Twenty-seven percent of new directors at companies in the Russell 3000 Index were women during 2016-2018, up from 21 percent in the previous three-year period, according to estimates by ISS Analytics in an analysis for Reuters News. In 2018 alone, the figure was 32 percent.

Though women still are underrepresented, their gains have been more substantial than those of African-Americans and Latinos. These groups comprised only 5 percent and 2 percent, respectively, of new directors in 2016-2018, little changed from the previous three-year period.

White men have long dominated US corporate boards, for reasons including bias and insular networks that don't necessarily invite in female or minority candidates.

Some executives say it's hard to find qualified candidates of diverse backgrounds and difficult at times even to discern candidates' race or ethnicity.

Now, directors and experts say, women are gaining seats partly in response to pressure from influential investment firms and lawmakers.

It is partly convenience. Women are easier to count and make up a larger pool to draw from. Advocates say greater gender diversity also can bring better financial performance, improve public image and is the right thing to do given that women are more than half the country's population.

"All the big holders of securities are focused on gender," said Joe Johnson, a Boston-based partner at the Goodwin law firm who advises corporate boards "They'll move to minorities next," he said.

Dominique Mielle, a white woman who was named a director of REIT Anworth Mortgage Asset Corp in November, said forces like the "Me Too" movement have encouraged boards to add women first lest top investors withhold support in corporate elections.

"If they will say no to your slate of directors, that's a problem" Mielle said.

A new California law requires that, by the end of 2021, at least three women sit on the boards of state-based publicly traded companies with six or more directors. At least four other states have passed or are considering similar measures on gender, but not

race, according to the National Conference of State Legislatures.

California Senator Hannah-Beth Jackson, a Santa Barbara County Democrat who authored the law, said it was aimed at breaking into "the man cave of the CEO suite."

Other countries are more explicit in their demands for diversity – at least when it comes to gender.



California State Senator Hannah-Beth Jackson

In Europe several countries have quotas, including France which requires 40 percent of board members at its largest listed companies to be women, while Germany has a 30 percent requirement. Britain has a government-backed target for women to make up a third of its 350 largest listed companies' boards by the end of 2020.

In the US, those who favor diverse boards say they help companies respond more appropriately to causes like Black Lives Matter, or immigration reform.

Diversity has also become something of a sales pitch for big asset managers like BlackRock Inc and State Street Corp, the largest and third-largest US asset managers.

State Street, for instance, placed the "Fearless Girl" statue near Wall Street in 2017 to promote gender diversity and an exchange-traded fund made up of companies with female leaders.

Meanwhile BlackRock's proxy voting guidelines urge companies to have at least two women directors. They do not give a target figure for minority representation.

Neither firm made executives available for an interview. A BlackRock spokeswoman said via e-mail, "We encourage companies to think about multiple elements of diversity and we use a lack of women as a flag to trigger a

deeper conversation about how a company thinks about diversity."

Some research shows that gender diversity correlates with better financial results, perhaps because those companies are more likely to have engaged employees and lower turnover. But other studies suggest that companies with more women directors perform no better or worse.

In a survey of 714 corporate directors, four-fifths of whom were men, consultant PwC in October found 84 percent said diversity enhances board performance. But 52 percent agreed, at least somewhat, that "board diversity efforts are driven by political correctness."

Some companies now provide diversity information in their proxy statements, with varying degrees of specificity.

Last year consumer finance provider Regional Management Corp included a matrix showing which four of its eight directors were "White/Caucasian" and which four were "Hispanic/Latino."

Regional director Roel Campos said investors probably want these additional details, as many of Regional's customers are Latino.

"We believe that by putting them out there investors are better informed and can judge for themselves whether our diversity is the type that helps deliver positive performance," said Campos, a former securities regulator who is also the incoming chair of the Latino Corporate Directors Association in Washington, D.C.

As it stands, minorities are scarce on corporate boards relative to their populations: African Americans account for 13 percent of the US population, and those who are "Hispanic or Latino" account for 18 percent, according to recent US Census Bureau estimates.

The numbers analyzed by ISS Analytics focused on the roughly 2,000 new board members added to Russell 3000 companies each year. The firm estimates that among the roughly 21,000 current directors, about 18 percent are women and 10 percent are minorities, including 3.2 percent who are black and 1.7 percent who are Latino.

In the past, some companies have argued that it is hard to find qualified women and minorities for their boards. Luis Aguilar, another former securities regulator who sits on several corporate boards, was skeptical.

"I no longer give much credibility to people saying they can't find who they're looking for, because I can quickly find who they're looking for" through trade groups and other organizations, Aguilar said.