

# Apparel should have minimum price

*Rubana Huq says as she takes charge of BGMEA*

REFAYET ULLAH MIRDHA

**B**ANGLADESH needs to set a base price for garment items to ensure proper rates from international retailers and brands for all manufacturers and bring an end to unhealthy competition locally, said the new BGMEA president.

"Ensuring proper prices for garment items is my top priority," said Rubana Huq in an interview with The Daily Star at her Banani residence in Dhaka on Friday.

Huq is the first female president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). She took charge for 2019-2021 yesterday, following her election victory on April 6.

She plans to set up a price negotiation cell at the BGMEA where factory owners will be trained on how to negotiate with buyers.

One of the major reasons for lower prices of garment items in Bangladesh is that much of the businesses are negotiated by buying houses.

She gave the example of Sri Lanka which has set the base price for export-oriented garment items. "If all of us remain united, buyers cannot go to other markets overnight."

Huq targets to bring an end to the unhealthy competition in the market.

"Each one of us is undercutting the other. My target is to stop the undue and hostile undercutting because this never helps us. This is pulling the whole market down."

According to Huq, one of the handicaps of the garment sector is overcapacity. Many factories have expanded to such an extent that they take orders only to keep their

factories running.

Huq says she would assist small and medium enterprises as they are facing troubles even to pay workers' salaries every month. Some 1,500 small and medium-sized factories are facing such challenges.

"There are many buyers who do not buy in bulk quantity. Maybe, the SMEs can cater to them. We will counsel the SMEs."

Another priority of Huq will be

potential there.

The new BGMEA chief is aware of the challenges the fourth industrial revolution will pose to the garment industry. "The low-end manufacturing will suffer due to automation."

"Many industrial machines are already eliminating the positions of helpers. There has already been a step towards semi-automation in the industry."

Sweater companies have

moment.

Huq says the BGMEA and the Accord will work mutually.

"I do not want the industry and the Accord to be involved in a legal battle."

"I think enough remediation has been done or rather sufficient remediation has been done. If you go to the Accord website, you will see that more than 90 percent job has been done. If that is the case, then what is stopping us from 100 percent remediation? We have target to set up our own monitoring agency."

"Rather, we can probably certify the Accord saying that 'you are very good and you have executed and fulfilled your duty with passion and integrity. You have done a huge favour, but it is time for you to move to the next country.'"

Huq said consumption of garment items would go up globally, but not for the basic garment items. "So, we will have to get ready for more complicated and embellished styles and for more value-added items."

She said the garment sector will continue to contribute because Bangladeshi entrepreneurs are very resilient.

She said T-shirts worth \$5 billion were exported from Bangladesh last year, but it was less than \$100 million for female jackets.

"Why are we lagging behind in some special items? We need factories with more targeted and more value addition, not just mass production."

Huq said the garment sector is moving in the right direction. "There is a room for further improvement. Our export is increasing, but the question is whether we are adding enough value."



Rubana Huq

to address the image deficit so that nobody can raise questions about the garment sector of Bangladesh.

She says workers' skill has to be improved a lot as their efficiency level is 40 percent whereas it is always more than 70 percent for the workers in China and Sri Lanka.

She says she will explore the Brazilian, Indian and Chinese markets soon as there is good

already installed jacquard machines that replaced manual operations of workers.

"We will have to train them to make them skilled. Innovations like 3D printing can create a lot of jobs in the era of automation. So, automation itself can be an opportunity for Bangladesh to create jobs."

On the issue of the Accord, an inspection agency, she says it is already in transition at the

## Coming soon to China: the car of the future

AFP, Shanghai

**G**LOBAL automakers are positioning for a brave new world of on-demand transport that will require a car of the future -- hyper-connected, autonomous, and shared -- and China may become the concept's laboratory.

With ride-hailing services booming and car-sharing not far behind, the need for

hail rides with a smartphone click has unleashed a colossal market: on-demand transport reached \$28 billion in turnover in China last year, or about half of global volume, and is expected to double by 2022, according to data firm Statista.

Didi accounts for about 90 percent of the Chinese market.

The on-demand potential is bringing automakers and service providers together.



AFP

**A Toyota Rhombus autonomous vehicle concept is seen at the Shanghai Auto Show on April 17.**

vehicles tailored to these and other evolving mobility solutions is one of the hottest topics among global automakers gathered for this week's Shanghai Auto Show.

Nearly all agree that there is no better proving ground than China: its gigantic cities are desperate for answers to gridlock and its population is noted for its ready embrace of high-tech new services.

To take advantage of this, manufacturers are competing not only to sell conventional and electric vehicles in the world's biggest auto market, but also to develop new technologies and even specific interiors designed for the on-demand world.

"We cannot just develop electric cars. They will have to be smart, interconnected and of course shared," Zhao Guoqing, vice president of Chinese auto giant Great Wall Motors, said on the auto show's sidelines.

Discussion of China and ride-hailing inevitably involves Didi Chuxing, the country's omnipresent answer to Uber.

The eagerness of Chinese travellers to

Last year, Didi unveiled an alliance of Chinese and foreign manufacturers including Renault, Toyota and Volkswagen, dedicated to exploring ways forward.

And in February, Chinese technology giants Alibaba and Tencent joined hands with several manufacturers to develop a future platform for on-demand transport.

"We can no longer be a conventional manufacturer, we must offer mobility solutions, connectivity," Stephan Wollenstein, director of Volkswagen China, told reporters.

Although a relative newcomer to China's automotive market, French brand Renault is plunging ahead: its local joint venture with Chinese manufacturer Brilliance Auto delivered 600 personal minivans to Didi in February.

"Didi wants to develop such vehicles with many carmakers, which are more adapted to (Didi's) business, redesigned around the passenger," said Michael Dong, vice president of Renault-Brilliance-Jinbei.

## India rice rates dip as demand slows

REUTERS, Bengaluru

**A**SIAN rice exporting hubs saw tepid activity this week, with prices for the staple from top exporter India dipping on lower demand, while Bangladesh mulled a review of its ban on exports of the grain.

India's 5 percent broken parboiled variety was quoted around \$377-\$380 per tonne, down from last week's \$387-\$390.

Demand from African buyers was weak as they have ample inventories, said Nitin Gupta, vice president, rice business at Olam India.

Aggressive selling of old inventories by China at lower prices has also weighing on prices, he added.

The country's rice exports for April-February dropped 9.4 percent from a year earlier to 10.57 million tonnes, as leading buyer Bangladesh trimmed its purchases due to a bumper local harvest, a government body said.

On Thursday, Bangladesh's commerce minister said a long-standing ban on rice exports will be discussed after strong pleas from traders to lift the restriction.

"If we have surplus, we can allow rice exports," Tipu Munshi told reporters after a meeting with the rice traders association.

Bangladesh, traditionally the world's fourth biggest rice producer, banned overseas shipments of some common rice varieties in May 2008 following a spike in domestic prices. It banned all rice exports a year later.

In 2017, the country was forced to massively increase imports to shore up domestic reserves after floods wrought havoc on local crops and pushed domestic rice prices to record highs, but

domestic stocks have since greatly improved.

In Thailand, the world's second-largest exporter, the benchmark 5-percent broken rice prices eased slightly to \$393-\$411 a tonne, free on board Bangkok, from \$405-\$410 last week.

"Overseas buyers have turned to rice from India and Vietnam because their prices have been more competitive compared to ours," a trader said. However, concerns over domestic supply in the country have kept prices steady recently, traders said.



REUTERS/FILE

**A worker spreads rice for drying at a rice mill on the outskirts of Kolkata.**

## Get ready for fourth industrial revolution

*Salman F Rahman tells youth conference*



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**Salman F Rahman, private industry and investment adviser to the prime minister, receives a crest from Irfan Islam, president of the JCI Bangladesh, at the Leadership Conclave 2019 at Le Meridien Dhaka yesterday.**

STAR BUSINESS DESK

**S**ALMAN F Rahman, private industry and investment adviser to the prime minister, yesterday urged the youth of Bangladesh to prepare themselves to face the challenges to be brought about by the fourth industrial revolution.

"The challenges poised to be created due to the 4th industrial revolution will be extremely tough."

He was speaking as the chief guest at the Junior Chambers International (JCI) Bangladesh Leadership Conclave 2019 at the Hotel Le Méridien in Dhaka, said a press release. Young professionals, entrepreneurs, business leaders and students attended the event.

Rahman urged the youth to study the history of Bangladesh and the spirit of the Liberation War, terming it as the true secret of the country's development in the last 10 years.

"Bangladesh did not develop automatically. As the privileged ones, you have a responsibility to think and study about it because with privilege comes responsibility."

"It is absolutely true that we have come so far because of the leadership, wisdom and vision of the Honourable Prime

Minister Sheikh Hasina. For a nation to progress, the first and foremost thing that is required is believing in itself. She brought into us a belief in Bangladesh and feeling for Bangladesh as well."

Rahman says the most significant thing the prime minister did was re-establish the true spirit of independence in the nation's psyche. "That is why today Bangladesh is where it is."

He says Bangladesh is among a very few countries in the world that won independence after an armed struggle. "It is no small matter."

The adviser says the biggest damage to the nation was done by those who were in power after the 1975 until 1996.

"They began to propagate and led many to believe that Bangladesh was created by accident, not by design."

The event was also attended by Zunaid Ahmed Palak, state minister for information and communication technology, and Sheikh Fazle Fahim, senior vice president of the Federation of Bangladesh Chambers of Commerce and Industry.

Irfan Islam, national president of the JCI Bangladesh, Arman A Khan, national vice president, and Amzad Hussain, executive vice-president of JCI, also spoke at the event.

## Malaysia revives massive China-backed project

AFP, Kuala Lumpur

**M**ALAYSIA will revive a \$34 billion Chinese-backed transport and property development that was abandoned in 2017, the prime minister said Friday, adding the project would contribute to Beijing's global infrastructure drive.

The announcement came after the countries agreed this month to resume work on a previously suspended railway project in Malaysia, and is the latest sign of improving ties after a rocky period.

The 140-billion ringgit (\$34 billion) Bandar Malaysia development in Kuala Lumpur is expected to attract financial institutions and companies, and will be an interchange for a number of rail lines, said a statement from Prime Minister Mahathir Mohamad's office.

There were some changes to the original plan, including 10,000 units of affordable housing, and a "People's Park", it said.

The project was originally launched in 2011 under the government of ex-leader Najib Razak, but was abandoned in 2017 during his administration due to a dispute about payments.

Najib lost power at historic elections last year, and has since been slapped with dozens of charges over his alleged role in looting state fund 1MDB.

The Bandar Malaysia project was initially backed by the scandal-hit state fund, but a major stake was later sold to a joint venture between a Malaysian firm and state-owned company China Railway Engineering Corp.

It will resume with the same contractors, who own a 60 percent stake while the government owns the rest.

Bandar Malaysia and the revived rail link, which will run from Malaysia's east to west coast, "should be viewed within the larger context of fostering and cementing long-term bilateral relations between Malaysia and China," the statement said.

The projects will "be a significant contribution to the Belt and Road Initiative which Malaysia expects to be able to tap on," it added. Mahathir is due to join other world leaders at a summit focused on Beijing's Belt and Road infrastructure drive in China next week.

The \$1 trillion programme includes maritime, rail and road projects in Asia, Africa and Europe.

Ties had been strained between the two countries since Najib, a close Beijing ally, lost power, and Mahathir suspended a series of Chinese-financed projects amid concerns the terms were unfair to Malaysia.