

Modi kept his job, Indians worry about theirs

AFP, New Delhi

Asad Ahmed, one of about 1.2 million young Indians entering the cutthroat job market each month, diligently scribbles notes at a computer class in New Delhi.

While nationalist Prime Minister Narendra Modi won a new five-year term promising to step up his campaign for a "new India", 18-year-old Ahmed is pessimistic about getting a new job.

"There are so many people in Delhi and the competition is intense," said Ahmed, dressed like the other students in a black-and-white uniform at the three-month community course run in a police station in Old Delhi.

"I know this stint may not be enough for me to get a job but I am trying my best." Modi came to power in 2014 promising jobs, but delivering on that has been a challenge.

And as soon as the election euphoria settles, Modi's government will have to find ways to

boost investment and revive manufacturing to create new jobs.

Like Ahmed, most of the other 60 students at the government-sponsored "skill development" classes at the Old Delhi police station, all from poor families, were also apprehensive.

Nudrat Akram, 19, signed up for the course because her family could not afford to pay for higher education.

"I want a job in the retail sector where I can earn 10,000 rupees (\$143) a month," Akram said, as she practised speaking English with pretend customers.

India's conservative prime minister came to power in 2014 on a pro-business platform, promising to create 10 million jobs a year.

The world's fastest-growing major economy has grown about 7 percent a year since, but jobs have been elusive. The promise was barely mentioned in Modi's triumphant re-election campaign.

Nearly two-thirds of India's 1.3 billion

population are of working age, between 15 and 64, but an increasing number are in the unemployed list.

No official data has been released for more than two years but a recent leaked report -- denied by the government -- put the unemployment rate at a 45-year high of 6.1 percent.

The Centre for Monitoring Indian Economy, a private research firm, estimates the jobless rate rose to 7.6 percent in April.

"The economy is going to be a huge problem. The government simply cannot create jobs for millions entering the workforce," said political analyst Parsa Venkateshwar Rao.

"Modi will rely on businesses but they are also struggling so he has a real problem on his hands." - 'Not easy to survive' - Unemployment is particularly dire for women.

A Deloitte consultancy report in March said female labour force participation fell to 26 percent in 2018 from 36 percent in 2005 because of poor education and socio-economic barriers.

The manifesto of Modi's Bharatiya Janata Party (BJP) promised a \$1.4-trillion infrastructure boost to create jobs if it won the election. It offered metro trains for 50 cities and to double the national highway network.

But analysts say the government, which has drastically increased its debt over the past five years, will have to borrow huge new amounts to pay for the works.

In 2015, Modi launched a Skill India programme aiming to train 500 million people by 2022. But the results have been mixed.

According to 2018 data, only a quarter of people who joined the scheme found jobs.

"The Skill India mission has not had as much success as say the highway programme," said economist Arvind Virmani.

"The real crisis is about job skills and basic education." India's rural jobs guarantee programme offers work to about 70 million people at a minimum wage for 100 days a year, but there is no equivalent for the growing numbers of urban youth.

Experts say the government must consider an urban employment guarantee scheme in order to reap the true benefit of its economic growth.



Ali Reza Iftikhar, CEO of Eastern Bank, and Moshir Rahman, managing director of Paragon Group, sign a supply chain financing agreement for dealers at the bank's head office in Dhaka recently.

BGMEA opens probe into workers' termination claim

FROM PAGE B1

"I have noted your concerns over the 'criminal complaints against labour leaders' and your demand of reinstatement of the workers who were allegedly fired during the violent protest over the minimum wage issues," said Huq in a letter to the Aafa yesterday.

She said she had no idea about the termination of the workers, but the BGMEA has taken the issue very seriously and has opened an inquiry to find out what has actually happened.

"We are going to talk to factory authorities individually to have a clear understanding on the justification and legal compliance to the terminations," Huq said.

She sought the list of the sacked workers so that the BGMEA can take up the issue with the factories. "If there is any case of illegal termination, we promise to look into them and take action accordingly."

"Let me also remind you that while illegal acts of any kind on the part of the employees are absolutely unacceptable, we must respect the rights of factories to protect their workers and property from vandalism."

In the letter, the new BGMEA chief

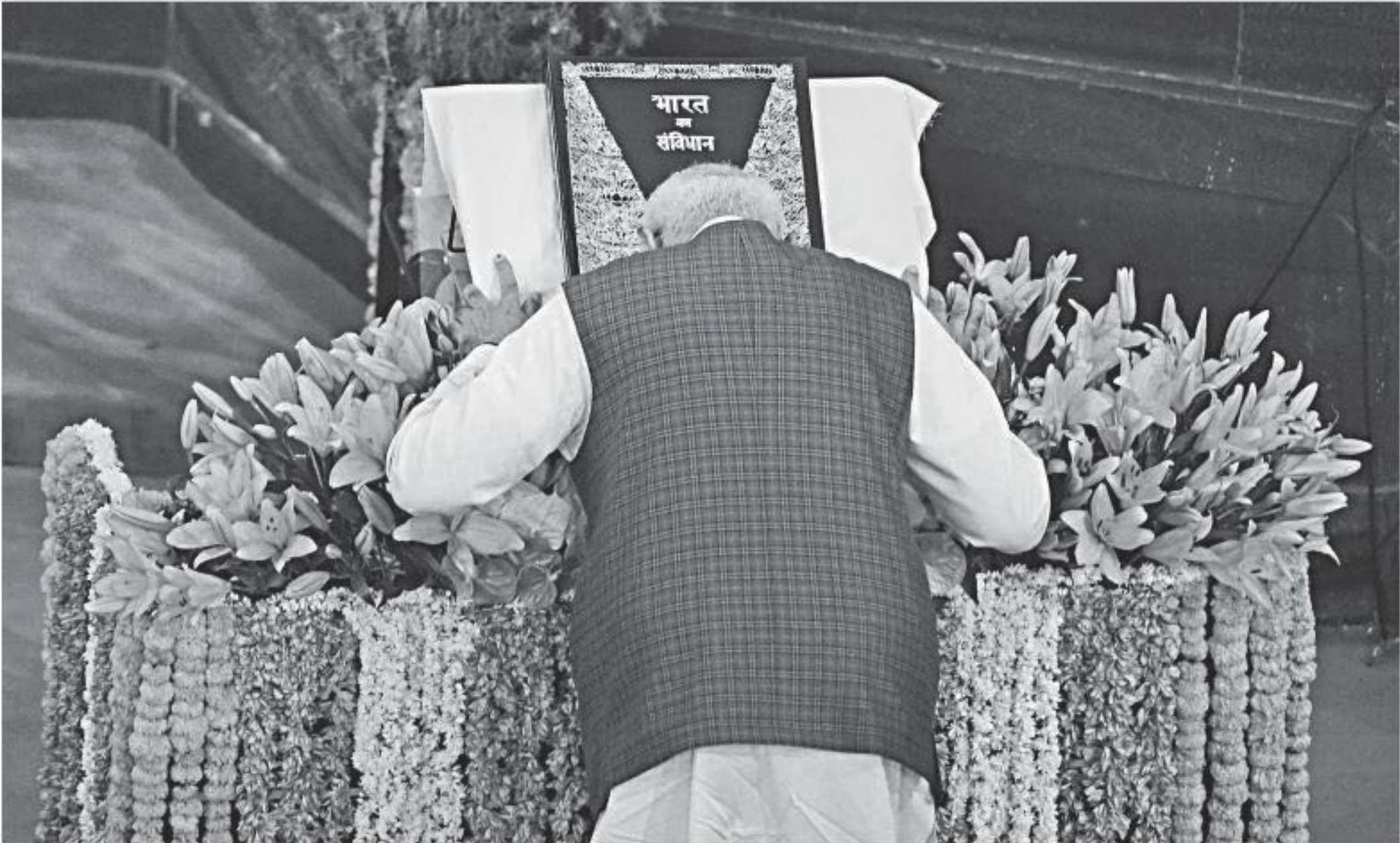
also talked about the formation of the RMG Sustainability Council (RSC), which will be governed by the BGMEA, the Bangladesh Knitwear Manufacturers and Exporters Association, brands, and workers' representatives from home and abroad.

The RSC will take over the structure, operation and resources of the Accord, a European agency for factory inspection and remediation, as it phases out of Bangladesh and is envisaged to take over all safety-related matters in the garment industry within the legal framework of Bangladesh.

Huq also sought cooperation from the Aafa on the price of garment items.

Bangladeshi garment makers received one of the lowest prices in the world last year due to a lack of value-added apparel items, lack of negotiation skills, and image crisis, according to the Office of the Textiles and Apparel (OTEXA) in the US.

"We are going to commission a study about floor pricing and wage-efficiency matrix. Please let us know if these are something of your interest and if you may provide us technical supports within your capacity," Huq said.



Indian designated Prime Minister Narendra Modi pays his respects to the Indian constitution during a National Democratic Alliance meeting in New Delhi on May 25.

Footwear retailers eye Tk 3,000cr sales this Eid

FROM PAGE B1

They say local brands are competing well with international brands attracting substantial customers, especially in the gents and ladies footwear segments.

In the kids segment, Chinese products top customers' choice, retailers said. A wide range of footwear items for gents, ladies and kids made from leather, canvas and clothes, rubber, plastics, artificial leather and polyurethanes are available in the markets.

To drive sales in the biggest spending season of the country, local brands have been offering 10 percent to 20 percent discount throughout the month of Ramadan.

Apex footwear is offering 20 percent

discount for the credit cardholders of Mutual Trust Bank. Bata is offering 10 percent discount.

Mahbub Hossen, a salesman of the Apex Showroom in Farmgate, said after 15 Ramadan, the sale has increased significantly and they hope the momentum will continue until the eve of Eid.

Naushad Hassan, communication officer of Bay Group, said their sales have been good so far in all of the company's outlets.

He said the sales are better this year compared to those in previous years, giving hopes that the sales target would be fulfilled this year.

Mahidul Islam Shaon, in charge of the Kazi Nazrul Islam Avenue outlet of

Leatherex, said male customers prefer sandals to match with panjabi and female customers have a preference for slippers.

"Our sales got momentum from the second week of Ramadan."

Walkar, a footwear brand of RFL Group, has introduced diversified products with attractive designs on the occasion of Eid. It is displaying products in more than 600 designs for ladies, gents and kids customers. The brand is offering 10 percent discount.

Kamrul Hasan, chief operating officer of Walkar Footwear, said, "Customers of all ages want to put on a new pair of shoes on the Eid day. Considering this, we have introduced shoes in 200 new designs."

'Don't be too optimistic': Huawei employees fret at US ban

AFP, Beijing

While Huawei's founder brushes aside a US ban against his company, the telecom giant's employees have been less sanguine, confessing fears for their future in online chat rooms.

an employee under the handle Xiao Feng on Thursday. "At home reduce your debts and maintain enough cash," Xiao Feng wrote.

"Make a plan for your financial assets and don't be overly optimistic

China to block off its smartphone market from all American components much in the same way Beijing fostered its internet tech giants behind a "Great Firewall" that keeps out Google, Facebook, Twitter and dozens of other foreign companies.

"Our domestic market is big enough, we can use this opportunity to build up domestic suppliers and our ecosystem," the employee wrote.

For his part, Ren advocated the opposite response in his interview with Chinese media.

"We should not promote populism; populism is detrimental to the country," he said, noting that his family uses Apple products.

Other employees strategized ways to circumvent the US ban.

One advocated turning to Alibaba's e-commerce platform Taobao to buy the needed components. Another dangled the prospect of setting up dozens of new companies to make purchases from US suppliers.

Many denounced the US and proposed China ban McDonald's, Coca-Cola and all-American movies and TV shows. "First time posting under my real name: we must do our jobs well, advance and retreat with our company," said an employee named Xu Jin.

The tech ban caps months of US effort to isolate Huawei, whose equipment Washington fears could be used as a Trojan horse by Chinese intelligence services.

Still, last week Trump indicated he was willing to include a fix for Huawei in a trade deal that the two economic giants have struggled to seal and US officials issued a 90-day reprieve on the ban.

In Xinseng, an employee with the handle Youxin lamented: "I want to advance and retreat alongside the company, but then my boss told me to pack up and go", followed by two sad-face emoticons.



Huawei Founder and CEO Ren Zhengfei

Huawei CEO Ren Zhengfei declared this week the company has a hoard of microchips and the ability to make its own in order to withstand a potentially crippling US ban on using American components and software in its products.

"If you really want to know what's going on with us, you can visit our Xinseng Community," Ren told Chinese media, alluding to Huawei's internal forum partially open to viewers outside the company.

But a peek into Xinseng shows his words have not reassured everyone within the Shenzhen-based company.

"During difficult times, what should we do as individuals?" posted

about your remuneration and income." This week Google, whose Android operating system powers most of the world's smartphones, said it would cut ties with Huawei as a result of the ban.

Another critical partner, ARM Holdings -- a British designer of semiconductors owned by Japanese group Softbank -- said it was complying with the US restrictions.

"On its own Huawei can't resolve this problem, we need to seek support from government policy," one unnamed employee wrote last week, in a post that received dozens of likes and replies.

The employee outlined a plan for

Poor sales upset traders of imported clothes

FROM PAGE B1

The stores selling imported clothes in Bashundhara City Shopping Mall also did not have many customers whereas local brands and stores are abuzz with visitors.

"It seems that customers can't afford the imported products," said Kamrul Hassan Shahin, a clothes importer who has a store in the market.

He said the prices of imported products were higher than that of local products but still people preferred imported ones because of higher quality and variety in designs.

Eid shoppers have, however, thronged cheaper shopping destinations such as New Market, Gausia Market and Chandni Chowk where merchandise from India dominates store fronts. People start Eid shopping from the first weekend of Ramadan and female customers are mostly allured by the imported salwar kameez, said Sabuj Mia, a shop owner in New Market.

About 45 percent of the clothes in his store are from India, some from China and the rest is sourced locally.

"There is a tendency among female customers to ask where products originate from. Such questions indicate that they are expecting to hear that the items are from India or Pakistan," he said.

Though people are rushing for Indian clothes at cheaper prices in New Market, the items are actually locally produced, said Abu Khalid, who owns a store in Bashundhara City Shopping Mall.

He said the items are produced using low-quality fabrics and copying Indian or Chinese designs. As a result, stores can easily sell the products at lower prices in the pretext of being Indian or Chinese.

Ramzan Mia, owner of a store in Gausia Market, said he sells local items but most of those were made from costly cotton fabrics, prompting customers to turn to cheaper Indian alternatives. The price of imported salwar kameez ranges between Tk 1,500 and Tk 5,000 in New Market and Gausia Market, he said.

BB moves to regulate banks' non-listed investment

FROM PAGE B1

The investment of a bank must be lower than 10 percent of the non-listed company's paid-up capital too. The price of shares of non-listed companies, including premium should not be higher than 110 percent of its net asset value.

In case of investment in preference shares, it should be non-convertible cumulative and would be included in the banks' single borrower exposure limit.

The tenure of preference shares should not be higher than five years and its interest or cash dividend should be fixed.

If the interest of dividend remains unpaid in one year, then 25 percent of principal and interest should be maintained as provision. The provision should be extra 25 percent if it remains unpaid in the second year as well. If it lingers to the third year, then 100 percent provisioning must be maintained.

In case of investment in non-listed mutual funds or open-ended mutual funds, banks' investment must not be higher than 5 percent of banks' paid-up capital, share premium, statutory reserve and retained earnings.

At the same time, the investment should not be higher than 15 percent of funds' total size.

Banks must submit quarterly statements on their investment in the non-listed securities to the central bank, as per the guideline.

Local assembly to meet 30pc of handset demand this year

FROM PAGE B1

Thanks to local assembly, the price level of mobile phones has declined about 10 percent, according to industry players.

"But in order to move to the next phase of success, some other policy support is needed from the government," Mesbah said.

For instance, for availing full tax benefits the government has put some conditions for assemblers -- like manufacturing batteries, chargers and some other components -- that even global giants cannot fulfil, he added.



SHIPPERS' COUNCIL OF BANGLADESH

A delegation of Shippers' Council of Bangladesh led by its chairman, Md Rezaul Karim, pays a courtesy call on Commerce Minister Tipu Munshi at his office in Dhaka yesterday.



GRAMEENPHONE

Abul Kasem Mohiuddin Al-Amin, chief procurement officer at Grameenphone, and Quazi Zulquarnain, country lead at Uber Bangladesh, attend the signing of a memorandum of understanding at GP House in Dhaka recently facilitating Uber support services at Grameenphone Centre in Farmgate.