

India inspects garment factories after pills expose

REUTERS, Chennai, India

Authorities in southern India have started inspecting garment factories and spinning mills after a Thomson Reuters Foundation investigation found workers were being given unlabelled pills for period pains to meet productivity targets.

Teams of factory inspectors and health officials will check medicine stocks, toilet facilities and the availability of a qualified nurse to administer drugs in factories across Tamil Nadu state, labour department officials said on Wednesday.

The investigation published in June revealed that women workers in Tamil Nadu's multi-billion dollar garment industry were given unlabelled drugs at work for period pains to ensure they met their production targets.

More than half of the 100 women interviewed over a year said they suffered health problems ranging from depression and anxiety, to urinary tract infections, fibroids and miscarriages.

"We are going to cover all factories," said Sunil Paliwal, head of the Tamil Nadu labour department.

"We will also be asking factories to set up sanitary pad dispensing machines and incinerators in toilets to facilitate women workers during their menstrual cycle." About 40,000 garment factories and spinning mills across Tamil Nadu employ more than 300,000 female

workers, according to data from the government, which does not take into account thousands of informal workers in the sector.

Labour rights campaigners have raised concerns that women workers' lives are being tightly controlled to keep production lines running as India's garment sector faces ever greater demands.

Growing pressure from big brands on suppliers to deliver clothes ever more quickly and cheaply is fuelling exploitation from a lack of bathroom breaks to verbal abuse, labour unions have said.

"We are aware of the stigma around menstruation and will initiate sensitisation workshops for floor supervisors to ensure they understand the special requirements of women workers during their periods," Paliwal said.

The Labour department has already given notices to factories that do not have adequate bathroom facilities and asked them to construct new ones within a month, he said.

"These measures of the government are welcome," said Prithviraj Sinnathambi, director of Community Awareness Research Education Trust, which promotes the rights of garment workers.

"They will improve the living and working condition of women workers. But it should go beyond just providing sanitary pads and have a holistic approach to change things around for the good."

Special fares for Emirates premium class travel from Dhaka

STAR BUSINESS DESK

Emirates Airline has recently announced limited-time fares for customers travelling from Bangladesh on business or first class to all major destinations in US, Europe as well as Dubai.

The offer is applicable for booking within July 8 this year for travel between July 7 this year and March 15 next year, according to a statement. All-inclusive return fare for business class travel to New York and Washington DC starts from Tk 311,047, to London Tk 259,457, to Rome Tk 211,887 and to Dubai from Tk 132,576.

Premium class travellers can enjoy complimentary chauffeur-driven airport pick up and drop service in 75 cities of its global network. Passengers can also enjoy the Emirates service in 42 airport lounges globally including seven at Dubai International Airport.

Bangladeshi travellers planning for short stopovers while transiting through Dubai now easily can get their visa at the Emirates counter in Dhaka.

Emirates presently flies thrice daily from Dhaka and provides convenient connections via Dubai to over 150 destinations in its global network, spread across five continents.

Singer launches Eid-ul-Azha campaign for refrigerators

STAR BUSINESS DESK

Consumer electronics and home appliances retailer Singer has launched a Singer Eid Fridge Fever campaign marking upcoming Eid-ul-Azha.

Under the campaign, customers can get up to 100 percent discount on refrigerators/freezers through scratch cards. Singer is also offering cashbacks of up to Tk 20,000 on purchase of refrigerators/freezers.

Customers can get exciting discounts on purchasing refrigerators in exchange of their used refrigerators.

Customers can take home a refrigerator through a minimum down payment of Tk 4,500 only, says the statement.

Customers can also avail zero interest to up to 6 months and easy installment facilities while purchasing the products. The campaign will run till the day of Eid-ul-Azha.

Paban Chowdhury, executive chairman of Bangladesh Economic Zones Authority (Beza), receives a cheque of Tk 20 crore from Ashraful Haq Chowdhury, managing director of Star Infrastructure Dev Consortium Ltd, at the former's head office in Dhaka on Tuesday. Beza has recently allotted 50 acres of developed land to Star consortium for setting up of 3 import-substitute industries in Mirsarai Economic Zone, Chattogram.



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US services sector growth drops to two-year low in June

AFP, Washington

Growth in the crucial American services sector fell last month to its weakest pace in nearly two years as business activity, hiring and new orders all declined, a private survey showed Wednesday.

The result put US services industries -- a central driver of the world's largest economy -- down for three of the last four months.

But analysts noted that the level still indicated expansion and cautioned against

reading too much gloom into a single month's data.

The Institute for Supply Management's non-manufacturing index fell 1.8 points to 55.1 percent, undershooting economists' forecasts to touch its lowest reading since July of 2017.

ISM index for the far smaller manufacturing economy has meanwhile steadily weakened.

Anthony Nieves, chair of ISM's services sector survey, the report was not necessarily bad news.



Emranul Haq, additional managing director of Dhaka Bank, and Md Jalal Uddin, managing director of Reliance Finance, exchange signed documents of a deal at the bank's corporate office in Dhaka on Tuesday for providing online cash management services to Reliance Finance. Syed Mahubur Rahman, CEO of the bank, was present.

UAE approves full foreign ownership of firms

AFP, Abu Dhabi

The United Arab Emirates said Tuesday it had decided to lift a decades-old cap on foreign ownership and allow full foreign control of business ventures.

"In a cabinet meeting I chaired in Abu Dhabi, we approved 100 percent foreign ownership in 122 economic activities," UAE vice president and prime minister Sheikh Mohammed bin Rashed Al-Maktoum said on Twitter. The decision abolishes a decades-old law that limits foreign ownership to just 49 percent.

The move covers "fields including agriculture, manufacturing, renewable energy, e-commerce, transportation,

arts, construction and entertainment," Sheikh Mohammed added.

The seven Sheikdoms that comprise the UAE will have the discretion to specify their own ceilings for foreign ownership of key business sectors, a government statement said.

To dodge the 49-percent limit, some emirates led by Dubai have long established free trade zones where foreigners can own up to 100 percent of their business.

Sheikh Mohammed said Tuesday's decision opens the UAE economy to all nationalities so as "to make it one of the best destinations for global investments." The cabinet decision essentially opens up 13 major

economic sectors in the Arab world's second largest and most diversified economy. The capital Abu Dhabi sits on the majority of the UAE's vast oil reserves and pumps close to three million barrels per day.

The UAE is already the Arab world's top recipient of foreign direct investment, attracting more than \$11 billion last year. But economic growth was lacklustre last year, registering 1.3 percent.

To counter the slowdown, authorities have introduced a range of measures, including permanent residency schemes.

Expatriates, mostly Asians, form some 90 percent of UAE's population of 10 million.

German logistics firm opens Bangladesh subsidiary

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With effect from June 26 this year, Schenker Logistics (Bangladesh) is fully operational as a local entity under the global freight forwarder's India cluster organisation, the company said in a statement.

The new Bangladesh subsidiary is now part of the global DB Schenker network, with 2,000 locations in more than 130 countries.

"As one of the priority markets for our Indian subcontinent, the move to establish our own entity in Bangladesh will greatly enhance DB Schenker's service portfolio in the subcontinent," said Jochen Thewes, chief executive officer of DB Schenker.

The new entity will have two offices, in Dhaka and Chattogram, with over 150 employees.

It will cover six vertical markets: aerospace, electronics and solar semiconductor, automotive, retail and consumer, healthcare and industrial and chemical, according to the statement. The new Bangladesh entity will be led by Chester Hodgson who has over 20 years of experience in the freight and logistics industry in South Asia and is no stranger to Bangladesh.

"Our greatest pride is our customers and that our success is measured by how we can use our network to facilitate the progress of your business," Hodgson said in the statement.

Ditlev Blicher, chief executive officer of the Asia Pacific, DB Schenker, described establishing an owned entity as an "important step for the organisation that comes after many years of careful planning and preparation, which will greatly enhance DB Schenker's service portfolio and footprint in the Indian subcontinent."

"Bangladesh is one of the priority markets for our Indian subcontinent and will help shape a new growth trajectory in the years to come," said Vishal Sharma, CEO for cluster India and Indian subcontinent at Schenker India Private.

Private credit bucks falling trend

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Lenders have taken on a cautious approach in disbursing fresh loans given the ongoing liquidity pressure and high volume of default loans, said Shafiqul Alam, managing director of Jamuna Bank.

Clients are still reluctant to keep their deposits with banks as the interest rate on the government savings tools is much higher than what the lenders offer for their deposit products, he said.

There is chance of increasing the private sector credit growth rate within the next few months considering the ongoing liquidity pressure, said Syed Mahubur Rahman, chairman of the Association of Bankers, Bangladesh, a platform of the managing directors of private banks.

Monitoring key to proper budget execution: analysts

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Eusuf cited a Tk 100 crore allocation for women entrepreneurs kept in the previous budget, saying that very little of it was used during the year.

In the current budget, the government has allotted funds for some new initiatives, including one for start-ups. "It sounds good but it has not been properly mentioned how it would be implemented," he said.

The finance minister should present a quarterly budget implementation report abiding by the Public Money and Budget Management Act 2009, added Eusuf, who is also the director of the Centre on Budget and Policy under the university.

"It should be followed rigorously," he said.

Nazneen Ahmed, senior research fellow at the Bangladesh Institute of Development Studies, said the government has been providing a "banal" gender budget every year.

There is no action plan in the budget on what will specifically be done for women and how, she said. "So it leads to only waste of money and we fail to get the expected results."

Ananya Raihan, CEO of development organisation iSocial,

said a lack of jobs, failure to manage public finance and corruption were the three major alarming sides of the Bangladesh economy.

The government has announced that it will create one crore jobs, not how it will be done, he said.

Nasiruddin Ahmed, a former chairman of the National Board of Revenue, said the revenue collection target was a challenge due to a lack of capability of the revenue collector.

"The NBR should have more manpower and necessary equipment to achieve the targeted revenue," he said.

Toufic Ahmad Choudhury, former director general of the Bangladesh Institute of Bank Management, said a higher interest rate was not investment-friendly for the country so the government was trying to reduce it.

But the higher interest rate has not resulted from a higher cost of funds or management costs but for a high amount of default loans, he said.

According to Bangladesh Bank data, default loans soared to Tk 110,874 crore as of March this year, the highest ever for the country. "So please try to reduce default loans to reduce the interest rate," said Choudhury.

Choudhury said the government

plans to punish willful loan defaulters. "But how will willful defaulters be determined? If it is determined politically, then it would not yield expected results."

He recommended opening a loan workout department in every bank which will assess reasons for defaulting and report to the central bank. "The department is in practice worldwide," he added.

Atiur Rahman, also a former governor of Bangladesh Bank, said the banking sector is unstable now, something the finance minister acknowledged and for which some reforms measures have been taken in the budget. "This is a good sign," he said.

"The financial sector is the heart of the economy which has been suffering from ups and downs of pressure in recent times. So time has come to detect the problems properly and cure it," he added.

SM Zulfiqar Ali, senior research fellow at the BIDS; Jamshed uz Zaman, former executive director of Bangladesh Bank; Mousumi Islam, managing director of Promixco, and KAM Morshed, director of the Advocacy for Social Change of Brac, also spoke.



A high-level delegation of the United States Department of Agriculture (USDA) including its international programme specialists Jessica Mudjitaba-Fernandez and Emanuela Montanari-Stephens, visits Bangladesh Agricultural Research Institute (Bari) yesterday. Bari Director General Abul Kalam Azad was present.

Vodafone joins EE in offering 5G in Britain

AFP, London

Vodafone on Wednesday launched its 5G service in the UK, but without smartphones from controversial Chinese technology giant Huawei.

By sidelining Huawei phones, Vodafone has mirrored action by EE, the first UK provider to roll out the technology that offers almost instantaneous data transfer with its own launch at the end of May.

"5G will transform the way we live and work," Vodafone UK Chief Executive Officer Nick Jeffery said Wednesday. "Our customers are streaming over 50 percent more content today than they did last year, and with 5G the demand for data is only set to increase."

Vodafone has launched in seven UK cities, including London and Birmingham, but will not be offering the service on the Huawei Mate 20 X 5G smartphone, as is the case with EE.

Huawei faces pushback in some Western markets over fears that Beijing could spy on communications and gain access to critical infrastructure if allowed to develop foreign 5G networks.

The Chinese company flatly denies what it describes as "unsubstantiated claims" about being a security threat.

While Vodafone does not use Huawei in its core UK network, it does rely on a mixture of Ericsson and Huawei technology in its radio access network or masts. Vodafone has meanwhile stressed that there are "multiple" layers of security between the masts and the core network.

No handouts for state banks last fiscal year

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However, the government has allocated Tk 1,500 crore in this fiscal year's budget for state banks' recapitalisation.

Khaled expressed apprehension about the allocation as it may hold the banks back from fully committing to cleaning up their acts. But the finance ministry official said the government allocates money every year for the state-run banks for a number of reasons and the decision is taken at the end of the fiscal year on whether to give them the money or not. The government may set a five-year target for the banks that have capital shortfall to improve their situation, Khaled said.

If there is no improvement, then the bank's chief executive officer should be let go, he added.

State-owned banks are at the heart of the default loan problem dogging Bangladesh's banking sector: at the end of 2018, they accounted for 52 percent of the total default loans in the industry. They remain severely under-capitalised despite capital injections every year over the past years.

As of March this year the capital shortfall of the four state run commercial banks stood at Tk 6,334 crore, of which Tk 4,888 crore was of Janata Bank alone.

Even a few years ago Janata Bank had no capital shortfall. But it plunged into capital crisis for irresponsible lending practices.