

# 3 RMG fairs open on Sep 4 German business confidence at lowest level since 2012

**STAR BUSINESS REPORT**  
Three four-day international exhibitions on readymade garments for the textile and apparel industry will concurrently open at International Convention City Bashundhara in Dhaka on September 4.

The "20th Textech Bangladesh International Expo 2019", "16th Dhaka International Yarn & Fabric Show 2019-Summer Edition" and "38th Dye+Chem Bangladesh 2019 International Expo" will be organised

by the Conference and Exhibition Management Services (CEMS)-Global Ltd.

Meherun N Islam, president and managing director of CEMS Global USA and Asia Pacific, informed this at a press conference at Economic Reporters' Forum yesterday.

The inaugural will be attend by Industries Minister Nurul Majid Mahmud Humayun, Sheikh Fazle Fahim, president of the Federation of Bangladesh Chambers of Commerce & Industries, and Rubana Huq,

president of the Bangladesh Garment Manufacturers and Exporters Association.

Islam said the annual fairs introduce the latest innovations and technologies for the textile and apparel industry.

Over 1,300 companies from countries including China, India, Germany, the UK, USA, Taiwan, Japan, Turkey, Italy and Sri Lanka will showcase their products and services through 1,500 booths. The fairs will run from 10:30am to 7:30pm.

**AFP, Berlin**  
Amid growing concerns about a looming recession, confidence among German business leaders fell in August to its lowest level since late 2012, a widely-watched survey showed Monday.

Having already dropped sharply in July, the Munich-based Ifo institute's monthly barometer declined further to 94.3 points, its lowest level since November 2012, from the revised figure of 95.8 in July.

The latest figures, based on a survey of 9,000 German companies, reflect a bleak outlook among business executives in Europe's biggest economy, said Ifo president Clemens Fuest.

"The wrinkles of concern among German corporate leaders are getting deeper and deeper -- the signs of a recession in Germany are intensifying," he added in a statement.

"The companies again assessed their current situation significantly more negatively. Pessimism also increased with a view to the coming months."

The mood is low in the German business sector due to a slowdown in orders, prompted by the year-long trade war between the USA and China and concerns about what shape Britain's exit from the European Union will take on October 31.

"Germany is on the threshold of a technical recession," declared Ifo economist Klaus Berger.

The weak world economy, the threatening chaotic Brexit on Halloween and the escalating trade conflict between the USA and China are a heavy burden in particular for the industrial heart of the German economy." Last week the German central bank warned that the nation's economy could enter recession in the third quarter as a result of a "sharp contraction" in industrial production.

"In the manufacturing sector, the decline in the business climate indicator cannot be halted," Fuest noted.

"A similar pessimism among industrial firms was last seen during

the crisis year of 2009." A year after the Ifo stood at close to its record high of 104.2 points, the index has now dropped for the eleventh time in 12 months.

"In particular, the German manufacturing sector still seems to be in free fall," said ING analyst Carsten Brzeski.

"At least in the short run, there is very little hope for a rebound." With no end in sight to the tensions between Washington and Beijing, "it would take some relief from the ongoing trade conflicts and a general sentiment improvement to boost industrial activity" in Germany during the rest of 2019, said Brzeski.



Meherun N Islam, president and group managing director of Cems Global USA and Asia Pacific, attends a press conference at Economic Reporters' Forum in Dhaka yesterday announcing of organising the 20th edition of "Textech Bangladesh International Expo 2019" at International Convention City Bashundhara on September 4-7. A 16th Dhaka Int'l Yarn & Fabric Show 2019 and 38th Dye Chem Bangladesh 2019 Int'l Expo will be concurrently organised.

loading cranes are seen at a shipping terminal in the harbour at Hamburg.



REUTERS/FILE

## Leather sector's woes not ending soon

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"Our target is to complete the construction of the CETP by December this year as we are fixing some parts for its automation," said Delwar Hossain, team leader of the CETP.

He, however, said the construction of the waste management yard will take more time as the tannery estate authority has been developing three such yards on 1,200 square feet, 30,000 square feet and 28,000 square feet.

The construction of the yards may be completed in March next year.

"If the construction of the yards can be completed properly, I am hopeful that the LWG will be satisfied, although a power plant was supposed to be set up to produce electricity by burning the sludge and other wastes in the estate."

The tannery estate can't set up a sludge-burn power plant at the estate because a Chinese company failed provide an acceptable design for it, said Hossain, also a teacher of the civil engineering department of the Bangladesh University of Engineering and Technology (BUET).

The LWG gives certification after racking up 1,365 points.

Of the total points, the tannery factory owners will have to obtain 900, the CETP

100 and the authorities 100. The remaining points will be given on other factors, he said.

In the absence of permanent yards, the tanneries have been dumping waste and sludge on a temporary dumping ground on six acres of land inside of the estate.

"The temporary dumping ground is also polluting the environment," Hossain added.

The tanners also need to lower water consumption to get the LWG certification, Paul said.

Currently, the factories consume 66 tonnes of water to tan a tonne of rawhide, whereas the international standard is 25 tonnes.

It will take a lot of years to meet LWG's conditions as the tanners are working on construction of the factories and invested money on land purchase and machinery, said Md Shaheen Ahmed, chairman of the Bangladesh Tanners Association.

Bangladesh produces nearly 400 million square feet of rawhide, of which the local leather and footwear companies consume 30 million square feet.

Some leather goods and footwear companies import 20 lakh square feet high-quality leather to make exportable goods, according to industry insiders.

## Trump says China talks coming, Beijing calls for trade war resolution

**REUTERS, Biarritz, France/Beijing**  
The United States and China sought to ease trade war tensions on Monday, with Beijing calling for calm and US President Donald Trump predicting a deal after markets fell in response to new tariffs from both countries.

Trump, speaking on the sidelines of the G7 summit of world leaders in France, said Chinese officials had contacted US trade counterparts overnight and offered to return to the negotiating table.

Vice Premier Liu He, who has been leading the talks with Washington, said on Monday China was willing to resolve the trade dispute through "calm" negotiations and resolutely opposed the escalation of the conflict.

Trump welcomed that language and, days after referring to President Xi Jinping as an enemy, heaped praise on his Chinese counterpart.

"They want calm, and that's a great thing, frankly. And one of the reasons that he's a great leader, President Xi, and one of the reasons that China's a great country is they understand how life works," Trump said.

"China called last night our top trade people and said 'Let's get back to the table', so we'll be getting back to the table, and I think they want to do something," he said.

In Beijing, Foreign Ministry spokesman Geng Shuang said he had not heard that a phone call between the two sides had taken place. However, China's Commerce Ministry typically releases statements on trade calls. It did not immediately respond to a request for comment.

The increasingly bitter trade war between the world's two largest economies escalated on Friday, with both sides levelling more tariffs on each other's exports.

Trump announced an additional duty on some \$550 billion of targeted Chinese goods, hours after China unveiled retaliatory tariffs on \$75 billion worth of US goods.

On Sunday, the White House said Trump regretted not raising the tariffs even more. But the president also appeared to back off of his threat to order US companies out of China.

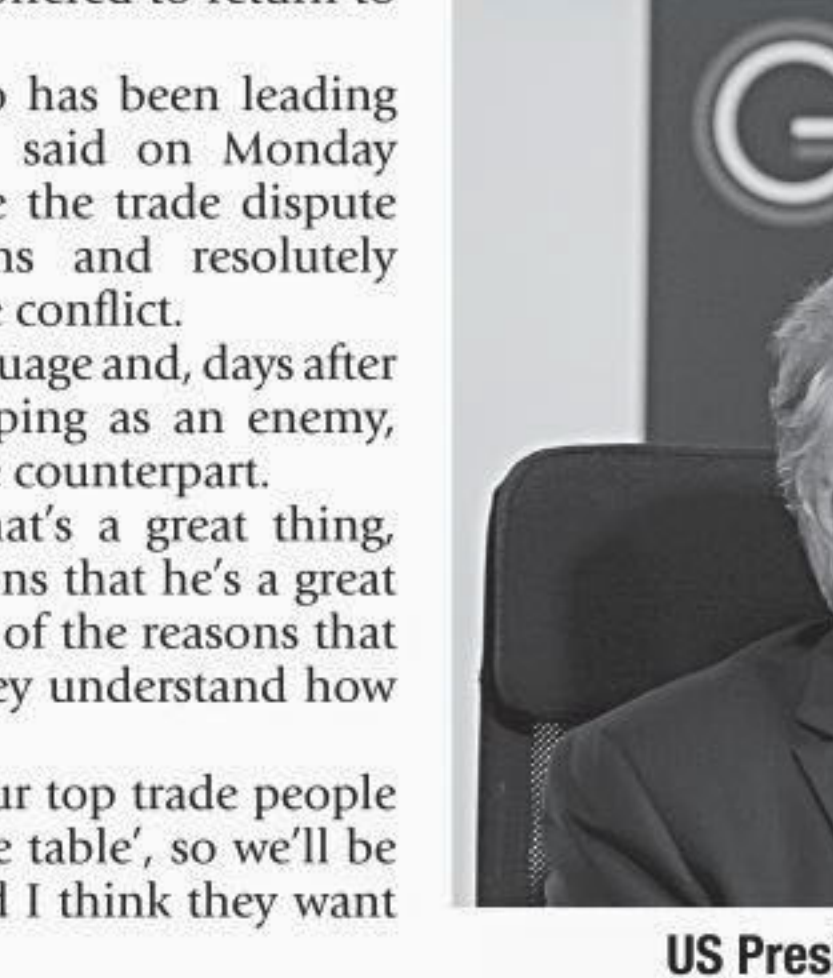
Liu, speaking at a tech conference in southwest China's Chongqing, said nobody benefited from a trade war.

"We are willing to resolve the issue through consultations and cooperation in a calm attitude and resolutely oppose the escalation of the trade war," Liu, who is Xi's top economic adviser, said, according to a government transcript.

"We believe that the escalation of the trade war is not beneficial for China, the United States, nor to the interests of the people of the world," he said. The trade war has damaged global growth and raised market fears that the world economy will tip into recession.

Geng, the Chinese Foreign Ministry spokesman, said China would retaliate if Trump enforced the latest US tariffs.

Asked if he would abandon the tariffs, Trump said: "Anything is possible. I can say we are having very meaningful talks, much more meaningful I would say than any time frankly."



US President Donald Trump

## 2G, 3G, 4G services to be under one licence

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For the spectrum charges, the BTRC has proposed a new formula based on the respective operators' customer base, according to the draft guideline.

A senior official of the commission says currently the BTRC maintains several accounts for a single operator because of the various licences.

The Association of Mobile Telecom Operators of Bangladesh (AMTOB) welcomed the move.

"We appreciate the initiative. It will be guiding the future investment in the sector and will be impactful for the next 15 years," said SM Farhad, secretary general of the AMTOB, in his immediate reaction.

"We will study the document and provide required feedback."

In a statement, Banglalink said what the BTRC was preparing now was not really a unified licence, but the consolidation of the existing licences of mobile phone

operators which were prepared for different technologies.

"We expected that Bangladesh will follow the global trend of having a unified licencing regime, where a licensee is allowed to provide any service. Only such a practice can pave the way for future technologies."

"We, however, appreciate the BTRC's initiative to consolidate the existing licences, as it will help us get a simplified document and simplify our operational activities by reducing the prevailing complexities."

The third-largest operator also said it is necessary to make sure that the consolidated licence was compatible with the introduction of future telecom services and does not create new confusion while ensuring that existing services stay unaffected.

"We also hope that the BTRC will take necessary measures to issue a truly unified licence in future for the telecom operators."

## Tencent launches WeChat for drivers

**REUTERS, Hong Kong**  
Tencent Holdings on Monday unveiled a version of its popular social media app WeChat tailor-made for drivers with state-backed Chinese carmaker China Chang'an Automobile Group, marking a further foray into transportation solutions.

China's most popular messenger, with more than 1.1 billion users, will be embedded in new car models coming to the market later this year, the two companies said at the annual Smart China Expo in Chongqing.

While the mobile app offers services such as payment and entertainment, the car version will have limited functions based on voice control and a button on the wheel, allowing the driver to send or receive messages and make calls while driving, and integrate Tencent Map's navigation service, Tencent said.

Tencent, which is trying to transform itself from a consumer-oriented social and gaming firm to an enterprise service provider, said in a statement it had secured partnership agreements with 21 automakers including BMW, Mercedes-Benz and Audi to roll out solutions for connected cars on 45 models.

## Ahsan Mansur new Brac Bank chairperson

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Abed retired from his role as both chairperson and member of the bank's board, the private commercial bank said in a statement yesterday.

He first led the bank as the chairperson from 2001 to 2008. He returned as the chairperson in February 2013.

With Abed at the helm, Brac Bank has proven itself to be one of the most successful financial institutions in Bangladesh, ensuring inclusion of the unbanked population in the financial system, the statement said.

"Brac Bank was founded to create greater financial access for the "missing middle" - the small and medium entrepreneurs of Bangladesh - who needed institutional financing to grow and prosper," Abed said.

"Encouraging entrepreneurship is key to sustaining Bangladesh's flourishing economic growth. I am confident that under the able guidance of Dr. Mansur, Brac Bank will remain true to its vision and continue

to generate growth opportunities for the promising entrepreneurs of the country."

An independent director of the bank since May 2017, Mansur started his career as a lecturer at the economics department of the University of Dhaka in 1976. He joined the International Monetary Fund in 1981 and completed his PhD in economics from the University of Western Ontario, Canada in 1982.

He served as the division chief of the Gulf Cooperation Council Division and was the IMF Mission Chief for Saudi Arabia, Kuwait and Oman. He acted as the fiscal adviser to Bangladesh's finance ministry in 1989-91.

After retiring from the IMF, Mansur co-founded the Policy Research Institute of Bangladesh where he is currently the executive director.

Mansur said: "Sir Abed is an iconic figure. No one can substitute him for his proven capacity for institution-building. I am extremely grateful to him and the board for showing confidence in me for leading the institution into the future."

## Furniture hub counts losses for metro rail gridlock

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Rafiqul Islam Hiron, owner of Al Madina Timber, said his timber log business has been halved. "I am facing losses of around Tk 50,000 a month. I am struggling to pay off my bank loan," he said.

Hiron has two timber mills in Mirpur with monthly average sales of around Tk 20 lakh, which has declined to Tk 4 lakh now, compelling him to close one of the two and go for layoffs. According to him, many have lost their jobs as it is tough for businesses to survive after counting losses for three consecutive years.

Around 54 percent work of the first phase of the Mass Rapid Transport Line-6 project (Uttara to IMaged) was complete as of July 2019, according to the IMaged report.

The first phase would be completed by December this year, said MAN Siddique, managing director of the state-owned Dhaka Mass Transit Company Ltd.

"We would free up most of the 11 metres the project had taken for the construction work in Mirpur area by the year's end."

Furniture business will flourish again in this area in the coming winter when all the temporary barriers will be removed, he said.



Syed Zulfikar Nayen, head of liability and wealth management of Eastern Bank Ltd, opens the bank's agent banking outlet at Godagari in Rajshahi recently.

## More incentives for leather exporters

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The cabinet also approved in principle a draft of "the Bangladesh House Building Finance Corporation Act, 2019", under which additional penalties will be imposed on loan seekers giving false information.

The proposed punishment for providing false statements is a five-year jail term or a Tk 500,000 fine or both, up from the existing two-year jail term or Tk 2,000 fine or both.

According to the draft law, the authorised capital of the state-owned financier will be Tk 1,000 crore and paid-up capital Tk 500 crore. Both the existing authorised and paid-up capitals are Tk 110 crore.

The cabinet also approved a draft pact to be signed between Bangladesh and the Czech Republic to avoid dual taxation and stop dodging of revenue.

The cabinet also approved a proposal of Bangladesh's accession to Patient Corporation Treaty.

The cabinet secretary said as many as 152 countries, including India and Sri Lanka, have signed the treaty. But Bangladesh is yet to be included in the treaty.

After its inclusion in the treaty, Bangladesh will get various facilities, including 75 percent waiver in registration fee for royalty patent.