

# BGMEA to get knowhow on better sewing skills

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Sudokkho, a United Kingdom and Switzerland-funded programme, will provide technical assistance to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) on imparting training on skills enhancement of sewing machine operators.

The skills can be enhanced in 15 to 20 days, raising efficiency on the production floor at 45 to 65 percent, says a statement.

An agreement was signed in this regard by Rubana Huq, president of the BGMEA, and Erling Petersen, team leader of Sudokkho, in Dhaka on Wednesday.

The deal includes transferring Sudokkho's knowhow into the academic curriculum of the BGMEA University of Fashion and Technology.

Moreover, the RMG and Textile Industry Skills Council and BGMEA-affiliated training centres will also get technical assistance under the agreement.

Sudokkho has established in-house training centres in over 120 factories.



Rubana Huq, president of the BGMEA, and Erling Petersen, team leader of Sudokkho, exchange the signed documents of a collaboration agreement in Dhaka on Wednesday.

## Saudi Arabia splits industry and mining from energy ministry

REUTERS, Riyadh

Saudi Arabia created a new ministry for industry and mineral resources, separating it from the kingdom's colossal energy ministry, and replaced the powerful head of the royal court, in a series of royal orders issued late on Friday.

Bandar Alkhorayef, an investor and industrialist plucked from the private sector, was named to head the new entity, which will become independent on Jan. 1. The move appears to diminish the sprawling authority of Khalid al-Falih, who retains control of the energy portfolio and chairmanship of state oil giant Saudi Aramco.

Falih had overseen more than half the Saudi economy through the super-ministry, which was created in 2016 to help streamline new reforms. But despite ambitious plans for industry and mining, the sectors have seen relatively little development. Two sources said Saudi industrialists were unhappy with a lack of results during Falih's tenure.

The separation followed meetings between those businessmen and Crown Prince Mohammed bin Salman, the country's de facto ruler, one source added. Industry and mining are critical to the young crown prince's push to diversify the economy of the world's top oil exporter away from crude, cut bloated state spending and create millions of jobs for young Saudis. Saudi economist Fawaz al-

Fawaz said the split was a step in the right direction but still not enough.

"There are scattered efforts in local content and military manufacturing and a constant lack of investment. We need more thought," he said on Twitter.

In a separate royal order, Fahd bin Mohammed al-Essa was appointed head of the royal court, a powerful gatekeeper position in the absolute monarchy. Essa was formerly the head of Crown Prince Mohammed bin Salman's office at the defence ministry.

Former information minister Awwad al-Awwad was named new head of the official human rights commission, and Mazen al-Khamous was made chairman of the national anti-corruption commission, according to the orders.

Riyadh launched a sweeping anti-corruption campaign two years ago which netted princes, senior officials and top businessmen. Critics said the campaign amounted to a power play and shakedown of political rivals.

The kingdom has also come in for international censure over alleged human rights abuses, including the murder of journalist Jamal Khashoggi and the arrests of scores of dissidents including prominent women's rights activists. One change announced on Friday affected one of the most senior women in government. Deputy labor minister Tamadur al-Ramah was replaced as Riyadh struggles to create jobs for its overwhelmingly young population.

## 2 new DMDs for Mercantile Bank

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Shamim Ahmed and Md Nurul Islam have been promoted to deputy managing director (DMD) of Mercantile Bank.



Shamim Ahmed Md Nurul Islam

Prior to the promotion, Ahmed was a senior executive vice president and head of international division while Islam a senior executive vice president and chief financial officer, according to a statement. Ahmed started his banking career with United Commercial Bank in 1992 on attaining honours and master's degrees in statistics from the University of Dhaka. He also worked at Prime Bank.

Islam started his banking career at National Bank in 1988 before moving on Prime Bank. He attained his Bachelor of Commerce and Master of Commerce degrees in accounting from the University of Dhaka.

## Women employment falling in urban areas

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The rural women participation rate may have risen due to expansion of livestock industry and other activities based on microfinance, which depends mostly on female labour, she added. Generating non-farm self-employment requires skill and financial investment. But women barely have access to finance in urban area.

Moreover, a large majority of male workers are engaged in paid employment and therefore the scope of joint engagement of men and women is rather limited in urban areas, the report said.

The lack of availability of sufficient jobs suitable for women and high unemployment among them may have acted as a discouraging factor and that may reduce the labour force participation.

Youth male unemployment rate is 8.3 percent in 2017, whereas it is 15 percent for women.

Overall women's participation in the labour force has been hovering around the 36 percent-mark in the last seven years though the participation rate increased to 36.3 percent from 23.9 percent during 2000-2017.

"There is no need to get frustrated about the lower participation rate of women because we have made a lot of progress in gender equality in the recent past," said Qazi Kholiquzzaman Ahmad, chairman of Palli Karma-Sahayak Foundation. Once, women only worked at home but now they work both inside and outside of the houses.

"That does not mean we have no drawback in reducing gender inequality."

Women need higher education rather than only primary or secondary education because women unemployment among the higher educated is very low.

A strategic approach is needed to know which training is needed for employees to keep up with future technologies.

Along with it, the government needs to focus on social capital and ensuring human rights for men and women, he added. Violence against women is one of the reasons behind the lowering female participation rate, said Pratima Pal Mojumdar, president of Karmojibi Nari.

On the other hand, mechanisation in the industrial sector reduces the need for labour, which ultimately lowers the women participation rate, she added.

Reducing early marriage and easing of child care responsibilities deserve policy support, the report said.

Increase in tertiary education and need-based skills training are needed too. Tina Marie Blohm, resident representative of FES Bangladesh; Hannana Begum, an economist; Md Shanawez Hossain, research fellow of BRAC Institute of Governance and Development; and Mohammad Harunur Rashid Bhuyan, research fellow of BIDS, also spoke.

## ADP spending hits five-year high in July

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Once endorsed, the budget allocation against a project is going directly to the project director's account, significantly increasing the implementation rate, he claimed.

All the ministries and division performed very poorly in July, except for the power division, which solely accounted for Tk 2,066 crore, 7.23 percent of the spending, IMED data showed.

The government has set aside Tk 215,114 crore for development projects, 81 percent of which is for 15 ministries and divisions.

Of them, the water resources ministry, the civil aviation and tourism ministry and the energy and mineral resources division could not spend any money in July. Six ministries and divisions spent less than one percent of the allocation.

It means that the performance of the implementing entities was as usual while five ministries were able to spend more than one percent of their allocation.

Disbursement of foreign aid increased in July as development partners released \$391.10 million, more than double of \$187.88 million recorded a year ago.

## China's factory activity shrinks

REUTERS, Beijing

Factory activity in China shrank in August for the fourth month in a row as the United States ramped up trade pressure and domestic demand remained sluggish, pointing to a further slowdown in the world's second-largest economy.

Persistent weakness in China's vast manufacturing sector could fuel expectations that Beijing needs to roll out stimulus more quickly, and more aggressively, to weather the biggest downturn in decades.

The Purchasing Managers' Index (PMI) fell to 49.5 in August, China's National Bureau of Statistics said on Saturday, versus 49.7 in July, below the 50-point mark that separates growth from contraction on a monthly basis. A Reuters poll showed analysts expected the August PMI to stay unchanged from the previous month.

The official factory gauge showed growing

trade frictions with the United States and cooling global demand continued to wreak havoc on China's exporters.

Export orders fell for the 15th straight month in August, although at a slower pace, with the sub-index picking up to 47.2 from July's 46.9. Total new orders - from home and abroad - also continued to fall, indicating domestic demand remains soft, despite a flurry of growth-boosting measures over the past year.

"Frontloading of exports to the US ahead of higher tariffs supported trade and overall activity growth, but this effect will likely fade in the next few months," said analysts at Goldman Sachs in a note.

Manufacturers in consumption-oriented industries such as the auto sector have been especially vulnerable. Carmakers such as Geely (0175.HK) and Great Wall (601633.SS) have slashed expectations for sales and profits.

The data showed activity at medium- and small-sized firms contracted, even as

large manufacturers, many backed by the government, managed to expand in August.

Factories continued to shed jobs in August amid the uncertain business outlook. The employment sub-index dropped to 46.9, compared with 47.1 in July.

August saw dramatic escalations in the bitter year-long Sino-US trade row, with President Donald Trump announcing early in the month that he would impose new tariffs on Chinese goods from Sept. 1, and China letting its yuan currency sharply weaken days later.

After Beijing hit back with retaliatory tariffs, Trump said existing levies would also be raised in coming months. The combined moves now effectively cover all of China's exports to the United States.

Trump said late on Friday that trade teams from both sides continue to talk and will meet in September, but tariff increases on Chinese goods set to go into effect on Sunday will not be delayed.



A worker welds automobile parts at a workshop manufacturing automobile accessories in Huaibei, China.

REUTERS/FILE

## Listed cement makers' earnings on the decline

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Cement-makers are facing challenges to make profits due to intense competition despite increasing consumption, particularly by the government, manufacturers said.

Kabir said it would take at least four years to get rid of the unhealthy competition as demand will increase.

Zahir Uddin Ahmed, managing director of Confidence Cement, said the company's profit margin is declining continuously owing to the competition and the rising production and transport cost.

He said a move was taken to raise the retail price by Tk 40 per 50-kg bag recently

but it did not materialise.

Mohammed Amirul Haque, managing director of Premier Cement, said the listed company has to bear additional operating cost that reduces the margin of profit.

"We are competing with private limited companies and our operating cost is higher than the non-listed ones," he said.

Haque fears the profit margin would decline in the future as the cost of production is increasing because of the introduction of advance income tax which is not adjustable.

He said Premier Cement had announced good dividend when it posted good profit.

## High growth not sustainable if inequality continues to rise

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As per the latest Household Income and Expenditure Survey (HIES), the country's Gini coefficient, which is the economic measure of equality, stood at 0.482 in 2016, up from 0.458 in 2010, in a worrying development.

The Gini coefficient is measured on a scale of 0 to 1; the closer it is to 1, the higher the inequality is in the society.

Islam of the BEA said Bangladesh's per capita income is now estimated to be \$1,909 but the figure is applicable for only 1-2 lakh people, meaning the majority of the population have not benefited from the outcome of the ongoing development.

In the last 48 years, the country has not reformed agriculture and land, Islam said, adding that South Korea and Taiwan have done it successfully, which helped them accelerate sustainable development.

The economist also said if calculated correctly, defaulted loans in the banking sector would surpass Tk 300,000 crore, from the existing figure of Tk 112,000 crore.

However, Finance Minister AHM Mustafa Kamal has not confessed it at all;

rather he is trying to give more scope to the defaulters to siphon off money from the banking sector, he said.

Islam said 62 percent of lawmakers in parliament have come from the business community and many of them are defaulters. So, they do not frame laws for the disadvantaged people.

"Per capita income, average life expectancy and the ratio of education have increased. But these indicators don't reflect the collective improvement," said MM Akash, a professor of the economics department at the University of Dhaka.

A large number of infrastructures are now being built but they are not sustainable, he said. There is corruption in the implementation of the infrastructural projects, he said.

"Development will be sustainable if democracy can be ensured," Akash said.

Around 1 crore people are living in remote char areas but the budget never sets aside funds for them, said Fazle Hasan Badsha, general secretary of the Workers' Party of Bangladesh.

## Tanners finally paying rawhide merchants

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A huge number of rawhides worth nearly Tk 100 crore were thrown away as the merchants did not have the capital to purchase them from seasonal small traders because the tanners did not clear the

previous dues.

After yesterday's meeting, Hossain also said many rawhide merchants have died or are not in the business anymore.

In such cases, the tanners might not need to pay the amount, he said.