



New top brass for ICAB

STAR BUSINESS DESK

Muhammad Farooq was elected president of the Institute of Chartered Accountants of Bangladesh (ICAB) yesterday.

Farooq is currently the managing partner of Howladar Yunus & Co, Chartered Accountants.

The institute also elected Sidhartha Barua, Sabbir Ahmed and Mohammed Forkan Uddin as vice presidents, says a statement.

The new office bearers were elected unanimously by the members of the ICAB council shortly before its 47th annual general meeting which was chaired by the outgoing president, AF Nesaruddin, at the ICAB auditorium in Dhaka.



Holiday Inn Dhaka gets new GM

STAR BUSINESS DESK

Holiday Inn Dhaka City Centre, a chain of Intercontinental Hotels Group, has recently announced appointing Daniel Ludwig as general manager.

Ludwig has over 26 years' upper-midscale, midscale and club hotels experience, according to a statement.

The hotel has also appointed Monowara Chowdhury as director of sales and marketing.

UK inflation holds below Bank of England target before rates meeting

REUTERS, London

British inflation remained at a three-year low in November, comfortably below the Bank of England's 2 percent target before its next interest rate announcement on Thursday, official data showed.

Consumer prices rose at an annual rate of 1.5 percent for a second month running in November, the Office for National Statistics (ONS) said on Wednesday, a little stronger than the median expectation for a 1.4 percent increase in a Reuters poll of economists.

The figures are unlikely to shift expectations that two of the Bank of England's nine monetary policy officials will again vote to cut rates this week, though political uncertainty in Britain has been reduced by the scale of Prime Minister Boris Johnson's victory in last week's election.

The BoE said last month that inflation would probably fall to 1.25 percent in early 2020 because of caps on energy and water prices, but was likely to be back above its 2 percent target in about three years' time.

The two officials who voted to cut rates at the November meeting cited signs of a cooling in Britain's labor market, and the Monetary Policy Committee as a whole sounded cautious about the outlook as the global economy slowed.

"With inflation well below target, little sign of underlying price pressures and GDP growth running below trend, an interest rate cut on Thursday shouldn't be completely ruled out," said Ruth Gregory, economist at consultancy Capital Economics.

"Even so, coupled with yesterday's robust labor market figures, the pressure on the (BoE) to cut interest rates at its meeting tomorrow appears to have eased somewhat."

British government bond prices fell on the data.

The ONS said price rises for chocolate, concert tickets and package holidays were offset by falling hotel costs and a much smaller increase in cigarette prices compared with a year ago after a tax increase.

A measure of core inflation, which excludes energy, fuel, alcohol and tobacco, held at 1.7 percent in November, as expected.

The ONS figures also suggested less short-term

pressure in the pipeline for consumer prices.

The prices charged by British factories for their products rose 0.5 percent year-on-year in November, the smallest increase since July 2016.

Separate data from the ONS showed house prices in October rose by an annual 0.7 percent across the United Kingdom, the smallest increase in more than seven years, after a 1.3 percent rise in September.

Prices in London alone fell by 1.6 percent, the biggest drop since June.



REUTERS/FILE

People shopping on Oxford Street in central London.

Merkel unaware of any pressure exerted by China over Huawei

REUTERS, Berlin

German Chancellor Angela Merkel said on Wednesday she had not been told about the Chinese authorities making any threats of retaliation if Germany were to exclude Huawei from its 5G rollout.

China's ambassador to Germany indicated last week that China could retaliate if Huawei was excluded from Germany's 5G rollout, pointing to the millions of cars that German automakers sell in his country.

"Nothing has been expressed to me about pressure by the Chinese authorities," Merkel told the Bundestag lower house of parliament.

Merkel reiterated she was against singling out an individual company for exclusion from the 5G rollout from the outset but stressed that it was important to factor trust into considerations.

"I am against excluding a company on principle but I am in favour of doing everything to ensure security and that, for example, includes a diversification of offers - we do trust the security authorities in fact - if I stopped doing that, it would be really bad," Merkel said.

Merkel's conservatives and their Social Democrat partners have delayed until next year a decision on security rules for Germany's 5G network that could bar China's Huawei, a highly divisive issue in an unhappy alliance.

Merkel said: "We are very proud that in this case - unlike in other cases where we are much more dependent - we have two firms in Ericsson and Nokia that also offer very high-quality products."

Last week, Telefonica Deutschland picked Nokia of Finland and Huawei to build its 5G network. Earlier this month, market leader Deutsche Telekom put all deals to buy 5G network equipment on hold pending a government decision. Merkel is under pressure from the United States to exclude Huawei, which President Donald Trump's administration considers a security threat.



REUTERS/FILE

A general view of Huawei's first global flagship store in Shenzhen, China.

Samsung apologises after chairman jailed for union sabotage

AFP, Seoul

The world's biggest smartphone and chipmaker Samsung Electronics issued a rare apology Wednesday after its chairman was jailed for sabotaging union activities.

Chairman Lee Sang-hoon and executive vice president Kang Kyung-hoon were both jailed for 18 months for leading a wide-ranging operation to deter staff at Samsung's customer service unit operating a union.

Samsung Electronics is the flagship subsidiary of the Samsung group, by far the biggest of the family-controlled conglomerates known as chaebols that have propelled South Korea's rise to the world's 11th-largest economy.

Along the way it has fought ferociously against union representation, until local authorities in Suwon, where it is headquartered, last month certified the National Samsung Electronics Union, which is affiliated to a powerful umbrella group.

Lee and Kang were found guilty Tuesday of violating labour union laws, with prosecutors saying they had ordered subordinates to cut union members' wages and discover and exploit details of their personal lives such as pregnancies and debt, among other tactics.

At the time Lee was Samsung Electronics' chief financial officer, and both men have been members of the now-disbanded Future Strategy Office, its key decision-making body.

The firm issued a joint statement Wednesday with construction affiliate Samsung C&T -- which has also had executives convicted of violating union laws -- acknowledging their errors.

"We humbly accept that the companies' understanding and view towards labour unions in the past fell short of society's expectations," they said.

They pledged to ensure no repetition, adding: "We will endeavour to build a forward-looking and productive labour management relationship based on the respect for our employees." Samsung's founder Lee Byung-chul, who died in 1987, was adamantly opposed to unions, saying he would never allow them "until I have dirt over my eyes".

Labour campaigners say that over the years about 240 people have suffered from work-related cancers and other illnesses after being employed at Samsung semiconductor and display factories, with around 80 of them dying -- many of them young women.

One victim's father, Hwang Sang-ki, has said: "My daughter died because Samsung had no unions".

Japan wants cash incentive for its exporters in EPZs

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Some of the companies have been facing difficulties and delays in approval procedures for importing necessary cars, machinery, air conditioners and, in the EPZ, old machines, he said narrating a recent visit to Chittagong EPZ.

Sometimes the authorities seek very high taxes from the Japanese companies although the tax should be paid in accordance with the sales prices of goods, he said.

If these kinds of things continue, the pace of Japanese companies coming here will not be as fast as it was planned, Naoki also said.

Yuji Ando, president of the JBCCI, said every month the number of Japanese companies in Bangladesh has been increasing and it would continue to grow.

Some 70.3 percent of Japanese companies operating in Bangladesh have plans to expand their business here in the next two years, he said.

As of November last year, the amount of investment made by private Japanese companies in Bangladesh was \$326 million, excluding Japan Tobacco's \$1.5 billion acquisition of Akij Group's cigarette business.

In recent years, Japan has also turned into a big market for Bangladesh's garment sector. Japan is the only country among the Asian nations where \$1 billion-worth garment items are shipped from Bangladesh. The indication is that the potential of apparel export to Japan this year is about \$1.3 billion from Bangladesh.

Akhtaruzzaman, an adviser to the JBCCI, and Tareq Rafi Bhuiyan, secretary general, also spoke.

Banks still not keen to lend to women

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The central bank earlier asked banks to set up dedicated help desks for women entrepreneurs, but a majority of them did not comply, she said. In most cases, lenders want to know the identity of the husband of women entrepreneurs, which is utterly disgraceful, she said.

"This is a male-dominated world and the attitude is reflected when financial institutions take decisions whether a female entrepreneur will be given a loan or not. But banks should judge us as entrepreneurs," she said.

Three other women entrepreneurs from outside of Dhaka echoed Ferdoush. They said they have already knocked a number of banks but many of them said they did not provide SME loans to female entrepreneurs.

Nurunnahar Lily, an entrepreneur from Khulna, alleged that some banks had asked her to manage a first class government official as a guarantor to secure SME loans.

"The story did not end there as the

banks also sought the salary statement of the guarantor. It is quite tough to find out such a guarantor," she said.

The central bank instructed banks to give out Tk 25 lakh in SME loans to women entrepreneurs without any collateral. "On the contrary, the majority of the female entrepreneurs are deprived of any amount of loans from banks," Lily said. But the credit repayment by women entrepreneur is almost 95 percent, which is much better than those of other sectors, she said.

SK Sur Chowdhury, banking reform adviser of the central bank, said that banks usually showed a host of excuses when they took decisions not to provide loans to female entrepreneurs.

"There is no requirement to manage a government official as guarantor for SME loans. This is a complete violation of the central bank policy," he said.

He suggested female entrepreneurs file complaint with the central bank if they face any hassles in availing SME loans. "Women entrepreneurs should keep the

central bank's SME guidelines when they bargain with banks," said Chowdhury, also a former deputy governor of the central bank.

Mohammed Abu Eusuf, a professor at the University of Dhaka's development studies department, said that a tiny portion of SME loans usually went to women entrepreneurs.

Between January and June this year, banks and non-bank financial institutions disbursed Tk 79,984 crore in SME loans, of which only 7.35 percent was given out to female entrepreneurs.

"The central bank can take an initiative to introduce a target-based approach so that lenders are forced to give out a certain amount of loans to female entrepreneurs," said Prof Eusuf, also the executive director of the Research and Policy Integration for Development, a research organisation. K Faisal Bin Seraj, country representative of The Asia Foundation, said blockchain-based technology could help mitigate the existing problem faced by women entrepreneurs.

\$50b export not achievable by 2021: BGMEA president

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According to World Trade Organisation, the world trade forecast took a downward turn to 1.2 percent for 2019 from a previous 2.6 percent.

She questioned why this target had been set as there was no significant value addition occurring in the garment industry. "Our target should be on adding more value, not just a number," said Huq.

She said RMG's contribution to the GDP was only 11 percent, which clearly indicated that the value addition was very little. Huq said the garment sector was going through a very bad time as exports had witnessed negative growth of over 6 percent in the past five months of the fiscal year.

She pointed out some reasons behind the RMG's lower growth including economic recession around the world and pressure from the nation's currency.

The BGMEA president stressed on having a plan for diversification of industries. She said the Accord and Alliance came in 2013 with some prescriptions where the national context was missing.

One example is that fire alarm systems were imported follow their prescription but those did not work in Bangladesh for inconsistencies with the country's humidity patterns.

"We have spent \$1.5 billion in the process. Is this a joke?"



JBCCI

Naoki Ito, Japanese ambassador to Bangladesh, and Hiroyuki Yamaya, deputy chief of mission, attend an event organised by the Japan-Bangladesh Chamber of Commerce and Industry (JBCCI) at a hotel in Dhaka yesterday in their honour. Yuji Ando, president of the chamber, was present. An extraordinary general meeting of the JBCCI also took place.

5-star Marriott chain opens in Dhaka

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Speaking at the launching, HBM Iqbal, chairman of the Premier Group of Companies, said the hotel was an outcome of 10 years of efforts of the group that has created employment for around 500 people.

Apart from those with high skills, most of the employees are from Bangladesh, he said, adding that they are constructing another 5-star hotel jointly with Hilton.

Jerome Lienart, the hotel's general manager, said they have 211 rooms, five restaurants and bars and recreational facilities such as a fitness centre, an infinity pool and a spa.

It has a space of over 6,500 square feet to host large meetings, conventions and weddings, alongside intimate private celebrations and social gatherings, he said.

Gaurav Singh, general manager of JW Marriott Kolkata, said, "We look forward to welcoming both business and leisure travellers."

"Renaissance Hotels seeks to inspire spontaneous explorers to discover something new and different every time they visit a city."

"Here in Dhaka, the fast-emerging cultural and business hub in Bangladesh, the new opening is set to engage guests on a journey to explore the city's authenticity and vivacity through the lens of a local."