

Apex Spinning posts 17.75pc higher profit

STAR BUSINESS REPORT

Apex Spinning & Knitting Mills Limited's profit rose 17.75 per cent year-on-year in the last financial year.

The company reported earnings per share of Tk 3.45 for 2021-22, up from Tk 2.93 in 2020-21.

Net asset value per share increased to Tk 58.38 from Tk 55.89 during the period.

The board of directors has recommended a 20 per cent cash dividend for 2021-22, according to a filing on the Dhaka Stock Exchange yesterday.

Shares of Apex Spinning, however, dipped 9.19 per cent yesterday.

Apex Spinning is a vertically integrated company that manufactures high-quality knit garments. It specialises in infant, children, and womenswear using fabrics.



Safety measures, insurance policies and wage structures should be introduced for gig workers, say experts.

PHOTO: STAR/FILE

Gig workers deprived of fair pay, benefits

Finds study by Fairwork Bangladesh

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The majority of workers in Bangladesh's gig economy do not receive fair pay, benefits or even a contract from online platforms, revealing the awful situation in ensuring the rights of those workers, according to a recent study.

The paper, titled "Fairwork Bangladesh Ratings 2022: Labour Standards in the Platform Economy", also found that players in the gig economy have poor working conditions amidst the absence of proper representation.

The report was launched by Fairwork Bangladesh, a collaboration between the Dhaka-based DataSense and the Oxford Internet Institute of the University of Oxford in England, at Brac Centre Inn in Dhaka yesterday.

The study interviewed 91 workers from 9 platforms: Uber, Foodpanda, Pathao, Sheba.xyz, HungryNaki, Obhai, HelloTask, Truck Lagbe, and Chaldal.

Fairwork evaluates the working conditions of digital platforms and ranks them on how well they do.

It uses five principles -- fair pay, fair conditions, fair contracts, fair management and fair representation -- that digital platforms should adopt in

order to offer fair work.

Each of the five Fairwork principles is broken down into two points and every platform receives a score out of 10. Platforms are only given a point when they can satisfactorily demonstrate their implementation of the principles.

Although the overall performance and scores of local online platforms are better than that of last year, none of them were able to secure even 5 out of 10.

Chaldal, HelloTask and Sheba.xyz each scored three out of 10 while Uber got two points and Foodpanda and Pathao got one each. Meanwhile, Obhai, HungryNaki and Truck Lagbe failed to score at all.

As Bangladesh has no national minimum or living wage policies, platforms have no legal obligation to ensure a wage floor. However, some workers of certain platforms were found to be making higher wages than the minimum or even living wage equivalent, the study found.

It also found that workers are active during a lot of their non-earning hours but are not compensated for their time. Non-earning hours refer to time spent waiting for work, travelling in traffic, and delays due to customers.

Besides, no platform could share

evidence that they provide a safety net for workers that would cover a loss of income and while many of them reported initiatives for an insurance programme, the worker interviews did not provide sufficient evidence that these were effective.

Many workers also reported there are no paid sick leave policies in practice by their platform.

Platforms continue to classify the workers as independent contractors and do not extend the benefits of full employees to gig workers. In addition, no platform shared any contract details, so it could not be evaluated for fairness, the report said.

As per the report, gig workers often face decisions from platforms that affect their work and lack the means to contest these decisions. Also, worker termination is sometimes done through an automated system without human consultation.

Platforms have human-centric call centers that are meant to provide support to the workers but the efficacy and reliability of these were challenged by many of the interviewees.

The Dhaka Ride-Sharing Driver's Union (DRDU) is the most prominent platform workers' collective, not just for the ridesharing sector, but the entire

domestic gig economy. However, only two of 30 rideshare workers interviewed were members of the DRDU.

The report found a new phenomenon this year: rideshare workers are taking trips on "khaep", meaning that riders are offering trips to customers without using the app as a medium.

Workers go on "khaep" by finding customers directly on the streets or using the platform to connect with them. They then cancel the trip before taking them to their preferred destination for a given sum.

"Safety measures, insurance policies and wage structures should be introduced for gig economy workers," said Razekuzzaman Ratan, member of the National Coordination Committee for Workers' Education.

Belal Ahmed, general secretary of the DRDU, said he has been working for ridesharing platforms as a rider for just five years but he physically felt it was 15 years.

"We have no identity, no future. I can hardly earn Tk 12,000 per month but my family expense is Tk 25,000," he added.

Inam Ahmed, editor of The Business Standard, and Ananya Raihan, chief imagination at DataSense, also spoke at the event.

BGMEA, fashion council to promote homegrown fabrics

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The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Fashion Design Council of Bangladesh (FDCB) yesterday agreed to collaborate in promoting and developing high-end fashionable garments using homegrown fabrics and materials.

The decision was taken at a meeting between FDCB President Maheen Khan and BGMEA President Faruque Hassan at the BGMEA office in Dhaka.

They discussed how the BGMEA and FDCB could work together to present Bangladeshi culture and fashion internationally and create a market for Bangladeshi products globally, especially khadi, a hand-spun and woven natural fibre, according to a statement from the BGMEA.

They also talked about possible avenues of collaboration to make khadi products internationally acceptable in terms of design and quality by bringing diversity in innovative design and fabric development.

Both the BGMEA and FDCB will join hands to explore the opportunity of exporting products made of khadi, a fabric that illustrates the rich heritage and culture of Bangladesh, said the BGMEA.

Opec+ members endorse output cut

REUTERS, Cairo

Opec+ member states lined up on Sunday to endorse the steep cut to its output target agreed this month after the White House, stepping up a war of words with Saudi Arabia, accused Riyadh of coercing some other nations into supporting the move.

The United States last week said the cut would boost Russia's foreign earnings and suggested it had been engineered for political reasons by Saudi Arabia, which on Sunday denied it was supporting Moscow in its invasion of Ukraine.

Saudi King Salman bin Abdulaziz said the kingdom was working hard to support stability and balance in oil markets, including establishing and maintaining agreement of the Opec+ alliance.

Opec+ comprises the Organization of the Petroleum Exporting Countries (Opec) and other producers including Russia.

The Saudi defence minister, King Salman's son Prince Khalid bin Salman, also said the Oct. 5 decision to reduce output by 2 million barrels per day (bpd) - despite supply tightness in oil markets - was unanimous and based on economic factors.

His comments were backed by ministers of several OPEC+ member states including the United Arab Emirates. The UAE's energy minister, Suhail al-Mazrouei, wrote on Twitter: "I would like to clarify that the latest Opec+ decision, which was unanimously approved, was a pure technical decision, with NO political intentions whatsoever."

His comment followed a statement from Iraq's state oil marketer SOMO.

"There is complete consensus among OPEC+ countries that the best approach ...is a pre-emptive approach that supports market stability and provides the guidance needed for the future," a SOMO statement said.



Md Enamur Rahman, state minister for disaster management and relief, inaugurates NRB Bank's sub-branch in Savar, Dhaka yesterday. Golam Kabir, vice-chairman of the bank, Kazi Ahsan Khalil, managing director (current charge), Md Mukhter Hossain, adviser, and Oli Ahad Chowdhury, head of retail banking, were present.

PHOTO: NRB BANK

Rising external debt poses risks

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says that foreign lenders usually look into the category of foreign debts before providing new ones.

If the amount of short-term foreign debt increases in an economy persistently, the trend is considered as a risk for the nation, he said.

Under such a situation, foreign lenders show reluctance in giving out long-term loans, the official said.

So, a growing short-term loan, which carries a tenure of up to three years in most cases, usually creates additional risk on a country's foreign exchange reserves.

The central bank has sounded the alarm at a time when Bangladesh's foreign exchange reserves are plummeting due to the higher import payments against lower export earnings and a sluggish trend of remittance inflow.

The reserves stood at \$36.3 billion on October 12 in contrast to \$46.2 billion in September last year.

The report, however, says that Bangladesh preserved enough reserves last year to contain any short-term debt reversal.

About 39.2 per cent of reserves could cover the withdrawal of total short-term debt.

The BB report shows that short-term external debt in the private sector

recorded a strong increase compared to the public sector last year.

The private sector took foreign loans worth \$6.33 billion last year in contrast to \$0.77 billion received by the public sector.

Private companies took foreign loans to the tune of \$25.95 billion collectively as of June this year, up 39 per cent year-on-year.

The report says that the economic recovery in major trading partners coupled with easy financial conditions and retention of migrant workers by top remittance-source countries contributed to lessening the risk in the external sector last year.

A substantial rise in oil prices in the face of strong global demand strengthened the oil-exporting economies, creating space for new employment there.

"But oil spirals entail a different risk to inflating input cost of domestic production and the rising price of imported goods, both of which could take a toll on domestic inflation."

Inflation in Bangladesh surged to a 10-year high of 9.52 per cent in August. It, however, fell to 9.10 per cent in September, data from the Bangladesh Bureau of Statistics showed.

"The geopolitical tension and price

hike may pose some threats in the near future which need to be dealt with prudence," the report said.

The Covid-19 pandemic caused some imbalances in the domestic economy by distorting demand-supply dynamics.

In addition, the external debt racked up substantially owing to the increase in private sector short-term external debt, inflation and exchange rate volatility in 2021.

Eventually, the domestic economy component faced challenges and was subject to slightly greater risk.

"Ensuring that inflation remained tamed and the exchange rate is stable is crucial to the gradual acceleration of the economy and reducing the risk to the domestic sector," the central bank said.

The exchange rate movement is critical to the trade competitiveness of a country, with a falling rate conducive to rising export and an increasing rate favourable to growing imports.

The real effective exchange rate index rose in 2021 largely because the nominal exchange rate of the taka was not adjusted in line with inflation differentials with partner countries.

The dollar traded at Tk 107.5 in the inter-bank platform on October 10, up 25.6 per cent from a year earlier.

Exports to Russia returning to normalcy

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while exports amounted to \$638.30 million in fiscal 2021-22, indicating that trade is back on track despite its slowed growth.

Before the war, local exporters would ship goods from Chattogram port to Finland, where they were routed to the final destination in Russia's Saint Petersburg for distribution among importers.

But the routes have since changed amid the war as many alternative paths have opened up.

As such, exporters now transit their goods through ports in Turkey, South Korea, Germany, China, Hong Kong, Singapore and Poland for shipping them to Russia.

Some exporters are even sending goods on a direct route to Russia and do not face any trouble in the process. For example, exporters are not facing any trouble in receiving payments from Russian buyers as they are paid from a third country in US dollar or China's renminbi.

Exporters are also receiving

payment directly as only six banks of Russia have been sanctioned by the Society for Worldwide Interbank Financial Telecommunication (SWIFT).

Shahidul Islam, managing director of Rupa Group, a local sweater and knitwear exporter, said he has been sending goods to Russia through alternative routes.

"I am receiving payment from a third country," he said, adding that he got more than \$7 lakh in payments from Russian buyers since the outbreak of the war.

Islam went on to say that he has agreed to take payments in the Chinese currency from a Russian importer.

Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, said he is sending goods to Russia through alternative channels and is not facing any major challenge as business is almost normal.

Like Hatem and Islam, many

other exporters are using alternative channels for shipping goods to Russia. Hatem also said the situation has improved a lot now as the vessels can carry goods the country without issue.

Md Ruhul Amin Sikder, secretary of the Bangladesh Inland Container Depots Association, said a lot of consignments were stuck at Chattogram port during the initial days of the war as shipping lines were reluctant to carry goods to Russian.

However, there are no such complaints at present as shipping lines have started carrying goods to Russia through alternative channels.

On the other hand, Rajiv Chowdhury, managing director of the Fatullah-based Young 4 Ever Textile, said he will not send any goods to Russia for the time being as he is observing the situation.

Chowdhury is hopeful of resuming shipments to Russia in the future though as the situation is returning to normalcy.

Improve quality of infrastructures

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little acknowledgement.

According to Prof Mahmud, governments took stance on physical infrastructure and poverty alleviation to win acceptance among people. The economy has witnessed higher growth despite governance challenges.

The development of rural infrastructures has played an important role, so the government has done a commendable job by putting emphasis on infrastructure development, said Mashiur Rahman, economic adviser to the prime minister.

"Women empowerment also played a key role in the country's development and industrialisation

has also made an important contribution."

Mashiur said some people always call for increasing subsidies but subsidies do not fast-track development all the time. Assessment-based development assistance can work best here.

A country's development may come through individual, collective and multi-sectoral action. But collective action is still low in Bangladesh, said Hossain Zillur.

"We need to find out how the collective action can be enhanced."

Ahsan H Mansur, executive director of the PRI, cited the private sector, including readymade garment factories, manpower

export, and agriculture, as the main pillars of the economy.

"Social sector development has been a vital contributor. Development partners and non-government organisations played key roles."

The governments of the 1970s to 1980s were blamed for some of their policies. But their target to control the population and ensure food security was in the right direction, said Kazi Iqbal, a senior research fellow of the BIDS.

"If the target was not set and the plan was not executed, we would have hardly got to the development stage we are now today."

Zaidi Sattar, chairman of the PRI, also spoke.