Coats plans to go greener in Bangladesh

REFAYET ULLAH MIRDHA

The UK-headquartered thread manufacturer Coats Group has been expanding its operations in Bangladesh to meet the growing demand from local customers, according to a top official.

The globally leading thread-maker is also opting to go green as it aims to take the "driving seat in sustainability," said David Paja, the group chief executive officer (CEO) of Coats.

In an interview with The Daily Star at a hotel in Dhaka last week, Paja said the group has set targets to use 60 percent recycled content by 2026 and 100 percent non-virgin raw materials by 2030.

Currently, Coats uses 45 percent of its raw materials from non-virgin sources.

In Bangladesh, the thread-maker runs two production plants -- one in Gazipur and another in Chattogram. The Chattogram factory was built 35 years ago, while the second plant was opened in Gazipur in 2002.

The factories employ more than 2,000 workers.

The company says it has been facing growing demand from local customers as Bangladesh's apparel exports have increased substantially. The demand for apparel accessories, such as thread, is also on the rise.

It now supplies sewing thread to more than 800 customers in Bangladesh, Paja said.

He added that the group now looks to produce sustainable and recyclable products, as the demand for items like recycled thread, yarn and apparel has been increasing worldwide due mainly to

David Paja

changing consumer habits in fashion.

According to Paja, the thread business is promising in Bangladesh due to its ready customer base, geographical proximity to manufacturing hubs and the country's large number of manufacturing units.

Moreover, Bangladesh holds a strong position in the global tariff regime and has a solid track record about its apparel might.

Besides, the country gets the benefit from a ready workforce, with more than 20 lakh people entering the job market every year.

The group CEO said that over the last five years, the group has continued to invest in expanding its capacity in Bangladesh, as the market is very promising.

Also, the company has set a target to invest in water recycling processes to reuse 50 percent of its wastewater as part of its sustainability plan.

Coats has been planning its sustainability strategy around five pillars: reducing emissions; transitioning materials from virgin to recycled products; water recycling; ensuring zero waste to landfill; and making Coats a great place to work for its people and promoting female leadership.

Paja said, "Coats has been the global leader in thread for decades, and it has a responsibility. We have decided to take the driving seat in sustainability. We have an energy roadmap for 2050."

Regarding energy costs and availability, Paja said his company has already focused on energy sustainability, which is why energy-efficient tools have been installed at its plants.

The company has invested in heat recovery systems and motors to reduce energy consumption. Currently, 30 percent of the company's energy demand is met by solar panels installed on its rooftops, while another 30 percent is generated by the company itself.

When asked whether Bangladesh could benefit from the Trump administration's decision to impose tariffs on China and other countries, Paja said it is difficult to anticipate and forecast.

However, Bangladesh has already benefited from the additional tariffs, as work orders have shifted from China to Bangladesh.

Apart from the apparel accessories sector going green, Paja said the fashion industry itself needs to transform, as consumers are now demanding more sustainable products.

Digital technologies must be further developed, as brands face pressure to provide greater traceability of raw materials and finished products. Digital solutions help consumers trace products accurately, he added.

The group CEO said that three key issues -- sustainability, digital technology and innovation -- will shape the future of the fashion industry; and Coats is well ahead in all three areas.

A comedy of exploitation

MAHTAB UDDIN AHMED

Move over nine-to-five office hours! In Bangladesh, where traffic jams are our unofficial "overtime", the idea of a 90-hour workweek sounds like a plot twist in a Dhallywood movie. With CEOs in India and the US are turning employees into marathon runners, this trend could initiate the next 24/7 workathon! Bangladeshis are perfecting the art of balancing work and debating whether "office time" includes the two hours in traffic. So, before you clock in those extra hours, remember: Work hard, but not that hard!

Recent calls for extreme workweeks by global and regional leaders have sparked heated debates on workplace culture. SN Subrahmanyan, CEO of Larsen and Toubro, suggested a 90-hour workweek.

Infosys co-founder NR Narayana Murthy advocated a 70-hour workweek while Elon Musk claimed his teams clock 120-hour workweeks, setting an even higher benchmark. These remarks raised concerns about work-life balance, employee wellbeing, and sustainability of such gruelling schedules.

While corporate leaders push for relentless workhours, Gen Z isn't having it. They prioritise mental health, a work-life balance, and personal fulfilment. For them, success means flexibility, purpose and maybe a well-timed powernap. Unlike previous generations, they challenge the notion that productivity is measured by hours worked rather than efficiency and innovation.

And while India and the US see leaders pushing extreme hours, China, Japan and South Korea offer contrasting lessons. China encourages post-lunch naps, and Japan and Korea, despite their intense work ethics, are tackling karoshi (death by overwork) by promoting a better work-life balance. This underscores a crucial point: Productivity isn't about working longer, but working smarter.

For Bangladesh, where daily life involves battling traffic, bureaucracy and power outages, excessively long workhours could prove disastrous. Long workweeks can strain personal relationships, reduce family time, and lower overall well-being. Simply put, if inefficiencies in infrastructure and governance already consume so much time, then adding more workhours is counterproductive.

Ethical concerns also arise when companies demand 70 to 120-hour workweeks without proportional compensation or incentives. This approach raises questions about whether businesses prioritise employee well-being or merely seek higher profits. Such demands echo outdated labour practices that undermine worker dignity. Fair compensation, respect and sustainable work models should define modern leadership -- not an exploitative grind that benefits only the top tier.

Instead of pushing for extreme workhours, business leaders must adapt to new workforce dynamics. With Gen Z making up 25 percent of today's workforce, sustainability lies in flexibility, empathy and innovation. Companies should prioritise performance over hours worked by offering remote work options, mental health support and fair incentives. Encouraging efficiency and creativity fosters loyalty and productivity without burning employees out. A rigid, exploitative approach is unsustainable; adaptation is key to a thriving work culture.

A 2021 study by the World Health Organization (WHO) found that working over 55 hours weekly increases the risk of stroke by 35 percent and heart disease by 17 percent. In South Asia, including India, over 60 percent of employees report working beyond standard hours, citing burnout and stress. A Deloitte survey found that 77 percent of Gen Z workers have experienced burnout, emphasising their prioritisation of mental health and flexibility over excessive workhours. These findings highlight the impracticality of extreme work demands in today's evolving workforce.

So, before you sign up for a 120-hour workweek, maybe it's time to rethink what productivity really means. After all, even robots need recharging, and let's be honest—Bangladeshis already work overtime dodging potholes, power cuts and traffic. Let's aim for efficiency, not exhaustion!

The author is president of the Institute of Cost and Management Accountants of Bangladesh and founder of BuildCon Consultancies Ltd

Swadesh Islami Life's fine for 'excessive commission' upheld

STAR BUSINESS REPORT

The Insurance Development and Regulatory Authority (IDRA) has upheld a Tk 5 lakh fine on Swadesh Islami Life Insurance Company for excessive commission expenses.

Additionally, the insurance regulator has directed Swadesh Islami Life to immediately pay the fine through a pay order or bank draft in the name of the IDRA or face action as per the Insurance Act 2010 and the prevailing laws of the country.

An official of the IDRA told The Daily Star that the fine was imposed on May 10, 2023.

However, Swadesh Islami Life had submitted a review application requesting a waiver of the fine, he said.

The authority rejected the review application, upheld the previous order, and instructed the company to pay the fine, the official added.

Trump blames Biden for uptick in US inflation

AFP, *Washington*

US President Donald Trump on Wednesday blamed his predecessor Joe Biden for last month's unexpected acceleration in consumer inflation, as he looked to deflect a moment of potential political peril early in his second term.

The consumer price index (CPI) edged up to 3.0 percent in January from a year ago, the Labor Department said in a statement -- slightly above economists' estimates.

Stripping away volatile food and energy costs, so-called core inflation rose by 3.3 percent over the past 12 months, which was also slightly above expectations.

"BIDEN INFLATION UP!" Trump wrote on Truth Social shortly after the data was published, seeking to blame Biden for the CPI figures, which included 12 days in which was Trump was in office.

"It's far worse than I think anybody anticipated, because unfortunately, the previous administration was not transparent in where the economy truly was," White House Press Secretary Karoline Leavitt told reporters in Washington later Wednesday.

Inflation increased by 0.5 percent in January from a month earlier, while core inflation rose by 0.4 percent

Inflation increased by 0.5 percent in January from a month earlier, while core inflation rose by 0.4 percent.

On the campaign trail, Trump frequently touted inflation and the cost of living under his predecessor as key issues, along with immigration, as he looked to capitalize on negative public perceptions of Biden's handling of the economy.

Now Trump faces the worrying prospect that the increase in prices of essential items could continue to accelerate on his watch.

The cost of eggs surged more than 15 percent last month as farmers contended with avian flu, marking the largest increase in the index since June 2015, according to the Labor Department.

Gasoline prices also jumped, along with several other politically potent price points.

"President Trump campaigned on lowering costs for working families but today's inflation data highlights how he is failing to deliver on that promise," Democratic Senator Elizabeth Warren said in a statement.

The January inflation data will likely fuel calls for the Federal Reserve -- the independent US central bank -- to hold its key lending rate at between 4.25 and 4.50 percent as it waits for price pressures to ease.

Speaking in Congress on Wednesday, Fed chair Jerome Powell said the CPI data reinforced the bank's recent cautious approach on interest rate cuts.

India's retail inflation eases to 4.6% in January

ANN/THE STATESMAN

India's Consumer Price Index (CPI) based retail inflation eased to 4.6 percent in January from 5.22 percent in December.This marks a decline of 91 basis points in headline inflation compared to the previous month, making it the lowest year-on-year inflation since August 2024.

Corresponding inflation rate for rural and urban are 6.31 percent and 5.53 percent, data from the Ministry of Statistics & Programme Implementation (MoSPI) said.

The significant decline in headline inflation and food inflation during the month of January, 2025 is mainly attributed to decline in inflation of vegetables, egg, pulses & products, cereals and products, education, clothing and health.

Further, the year-on-year inflation rate based on All India Consumer Food Price Index (CFPI) for the month of January 2025 over January, 2024 is 6.02 percent.

The data said a significant decline was observed in headline and food inflation in rural sector at 4.64 percent (provisional) in January, 2025 compared to 5.76 percent in December last.

The CFPI based food inflation in rural sector is observed as 6.31 percent in January, 2025 in comparison to 8.65 percent in December last.

A shopkeeper washes mud from ginger as he sets up his roadside vegetable shop in Mumbai. PHOTO: AFP/FILE

In the urban sector, sharp decline from 4.58 percent in December, 2024 to 3.87 percent (Provisional) in January, 2025 is observed in headline inflation. Similar decline is observed in food inflation which has decreased from 7.9 percent in December, 2024 to 5.53 percent in January, 2025.

In terms of housing, the Housing inflation rate for January on year-on-year basis has been recorded at 2.76 percent as compared to 2.71 percent in December.

MoSPI also released the Quick Estimates of Index of Industrial Production (IIP) which stands at 3.2 percent for December 2024 as compared to 5.2 percent in November.

The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of December 2024 are 2.6 percent, 3 percent and 6.2 percent ,respectively.

The top three positive contributors for the month of December are manufacture of basic metals (6.7 percent), manufacture of electrical equipment (40.1 percent) and manufacture of coke and refined petroleum products (3.9 percent), data from the Ministry said.

US trade deficits at core of Trump tariff moves

AFP, *Paris*

Imposing punitive tariffs on countries with high trade surpluses with the United States has been at the heart of US President Donald Trump's economic policy.

Trump has lived up to his campaign pledges to resume his hardball trade diplomacy.

But analysts say trade imbalances can sometimes be the result of US policy itself.

What is a trade deficit?

A trade deficit occurs when a country's imports exceed its exports to another country. The balance is usually calculated on trade of goods such as cars, electronics, farm products or oil and gas, among other things.

International comparisons usually focus on goods but some analysts say trade in services -- such as financial systems, transports, tourism or communications services -- should also be taken into account to get the full picture.

The United States, for instance, has a large trade deficit with many of its partners when just considering goods, but once services are taken into account the overall imbalance is less.

"Politicians are obsessed with the material nature of physical goods," said Niclas Poitiers, a research fellow at Brussels' think tank Bruegel.

Poitiers noted that countries can't impose tariffs on services, hence Trump's insistence on focusing on goods.

Who is Trump targeting?

"We have deficits with almost every country -- not every country, but almost -- and we're going to change it," Trump vowed at the beginning of February, while announcing he would imposed fresh tariffs on Canada, Mexico and China.

The United States posted a goods trade deficit of $295 billion with China in 2024, $63 billion with Canada and $172 billion with Mexico, according to the US Department of Commerce.

While the tariffs on China were implemented, Trump agreed to delay those against Mexico and Canada.

With the European Union, the deficit reached $157 billion in 2023, according to the Eurostat data agency, driven by trade surpluses in Germany, Italy and Ireland.

Japan, South Korea and India are also among the 10 countries with the largest surpluses.

Is the data reliable?

The numbers should be dealt with carefully as calculations can vary from one country to the next depending on local accounting norms, the exchange rate used, or to what extent transportation costs are included.

Such inconsistencies mean that some countries can go from having a surplus to having a deficit. France, for instance, had a goods surplus of $14 billion in 2023, according to US statistics, but a deficit of $7 billion according to French customs.

There are differences within the European Union, too, where national figures can differ from those of the European Commission.

A worker arranges aluminium parts in a Taiwan-funded factory which produces aluminium automotive parts for export in Huaian, in China's eastern Jiangsu province on February 12. PHOTO: AFP

READ FULL STORY ONLINE