

Saarc nations need more FTAs to face globalisation

Indian delegate says as Saarc trade fair begins today

STAR BUSINESS REPORT

Saarc members need to increase trade and investment and sign more free trade agreements (FTAs) among them to face the fallout of the globalisation, said an Indian delegate to Saarc trade fair that begins in Dhaka today.

South Asian nations should tap the opportunity of the South Asian Association of Regional Co-operation and derive economic benefits from it, said Ranjan Chatterjee, executive director of India Trade Promotion Organisation, at a press conference in Dhaka yesterday.

The Saarc trade fair will help increase business interaction and pave way for strengthening trade relation in the seven-member bloc, he said.

Commerce Minister Amir Khosru Mahmud Chowdhury and Indian State Minister for Commerce and Industry Satya Brata Mookherjee will jointly

inaugurate the December 27-31 fair at the Bangladesh-China Friendship Conference Centre. Saarc Secretary General QAMA Rahim will be present at the inaugural function.

Bangladesh Export Promotion Bureau is organising the fifth version of the fair aimed at boosting trade within Saarc nations. Excepting the Maldives, all other Saarc countries take part in the show to display a wide range of products and services.

About 25 leading Indian companies representing both public and private sectors are participating in the fair.

Mentioning that Bangladesh's exports to India increased from \$50 million in 2001-2002 to \$84 million in 2002-2003, RR Dash, minister (Economic and Commerce) of Indian High Commission, said FTA between the two countries will further narrow the trade gap.

Trade officials of Bangladesh

and India are scheduled to meet in New Delhi during January 7-9 to further talk free trade as a follow-up of October talks in Dhaka, he said.

The recent additional secretary-level meeting on Benapole-Petrapole land ports helped solve border trade problems. The proposed Sealdha-Jamuna Bridge and Agartala-Akhaura passenger train services will help further increase trade between the two countries, he said.

India exported products worth \$1176 million in 2002-2003 and \$1002 million in 2001-2002 to Bangladesh. India's trade with Saarc member states has witnessed a quantum rise of about 19 per cent from \$2606.37 million in 2002-2003 to \$3093.60 million in 2002-2003 pointing at scope of using frontiers for trade, he said.

The Indian delegation will also participate in a Buyer-Seller Meet on December 29-30 at Sarina Hotel. Federation of Indian Export

Organisations in co-operation with India Trade Promotion Organisation will organise the meet aimed at facilitating a match-making between Indian companies and their counterparts from other participating Saarc members.

According to the EPB, Bangladesh exported goods worth \$1.44 million to Bhutan, \$84.07 million to India, \$0.36 million to Nepal, \$31.5 million to Pakistan and \$3.75 million to Sri Lanka in 2002-03 fiscal year.

On the other hand, Bangladesh imported goods valued at \$3.8 million from Bhutan, \$1001 million from India, \$3.3 million from Nepal, \$66.66 million from Pakistan and \$6.05 million from Sri Lanka the same year.

According to available statistics, the share of Saarc countries in global trade is only 3.4 per cent, which is lower than that of other regional blocs like Association for Southeast Asian Nations (Asean) and European Union.

Rehab housing exhibition pulls huge crowd

Fair concludes today

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The Rehab housing fair yesterday, the third day of the exhibition, witnessed a large number of visitors, who showed keen interest in plots, flats, shops and commercial spaces offered by different companies.

People of all ages were found in a long queue outside the fair venue waiting to enter the exhibition that concludes today. The exhibition began on Wednesday at Dhaka Sheraton Hotel.

When asked about huge turnout, Toufiq M Seraj, president of Real Estate and Housing Association of Bangladesh (Rehab), organiser of the event, said actually people want to ensure a permanent residence.

But there exists a huge shortage in supply, Seraj said. According to Seraj, at present, Dhaka alone

needs 50,000 new houses annually to accommodate its growing population. "But the existing annual supply is only 20,000 units," the Rehab president added.

Rehab has organised the fair with the slogan 'Environment Friendly Dreamy Housing' that is offering people a wide range of choices under a single roof.

Talking to this correspondent, a visitor said the exhibition is the best place from where she can choose an affordable flat. "I think it will be easy for me to choose one from here," said Monica Islam, a schoolteacher from Dhaka's Mohammadpur area.

Officials of different participating companies expressed satisfaction over the customers' response this year. "We came here only to introduce our projects to people, but the responses so far we received are quite encouraging,"

said a participant.

Talking to The Daily Star, an official of National Housing Finance and Investments Limited, said that they have so far sanctioned Tk 32 crore loans till 4pm yesterday.

The organiser has launched a web site where all the information regarding the fair is available. Visitors can get detailed information at www.rehabhousingfair.org, said an organiser.

A total of 58 developers, 10 building material suppliers and three financial institutions are taking part in the third edition of the fair.

The other two participating financial institutes are Delta Brac Housing Finance Corporation Ltd (DBH) and Industrial Development Leasing Company of Bangladesh Limited (IDLCL).

Apart from plots and lands, people are also visiting different stalls that are showcasing building materials. A total of ten building material providers put paints, ceramics, water tanks and aluminium on display at the fair.

Amin Mohammad Group, Concord Real Estate and Building Products Ltd, East West Property Development (Pvt) Ltd and Jamuna Builders Limited are the co-sponsors of the fair.

The entry fee at the four-day fair has been fixed at Tk 10 per person and it is open to all till 8pm today.

Fair organisers have also arranged raffle draws on every hour's ticket purchase and Shah Cement is offering gifts for three winners of every draw.

Besides, participants are giving discount, gifts and special offers at the fair to attract more customers.

Fu-Wang Foods declares 15pc cash dividend

Fu-Wang Foods Limited has declared a 15 per cent cash dividend for the shareholders for the year ending June 30, 2003.

The dividend was announced at the 7th annual general meeting of the company held in Dhaka on Wednesday, says a press release.

Hsu Chin Hua, chairman and managing director of the company, presided over the meeting.

Among others, directors Wang Hai Tao, Hsu Hsiao Hui, Kamal Kanti Mondal, Md Shajedul Haque Talukder and Biplob Chakraborty.

CR Mazumder, auditors of the company, and shareholders were present.

In the meeting, the chairman informed the shareholders that during the year 2002-2003 the company had the turnover 22.80 per cent higher than the last year and the automatic biscuit manufacturing project has gone into commercial production from August 2003.



Carpenters work to build a prefabricated outlet at the venue of the Dhaka International Trade Fair-2004 which begins January 1. Companies from 20 countries will showcase a wide spectrum of products and services at the month-long trade extravaganza to be held at Sher-e-Bangla Nagar in Dhaka.

Bangladesh Ins Assoc holds AGM

The 16th annual general meeting (AGM) of Bangladesh Insurance Association (BIA) was held in Dhaka on Wednesday.

Chairmen and managing directors of the member companies of BIA comprising both life insurance and general insurance companies attended the meeting.

Chairman of the association Nasir A Choudhury chaired the meeting, says a press release.

The meeting was told that the total premium earning from private sector life insurance companies rose from Tk 6435.65 million in 2001 to Tk 8274.28 million in 2002 registering a growth of 28.57 per cent in 2002.

It was also stated that total premium earning from private sector general insurance companies rose from Tk 4101.96 million in 2001 to Tk 4506.86 million in 2002 registering a growth of 9.87 per cent.

The AGM also considered the annual report 2001 and audited accounts and report of the auditors for the year that ended December 31, 2002.

Wall Street shrugs off mad cow fears

AFP, New York

Stocks opened higher in an abbreviated post-holiday session Friday as investors shrugged off fears about mad cow disease in the United States and digested holiday retail sales reports.

In the first five minutes of trade, the Dow Jones industrials climbed 13.11 points, or 0.13 per cent, to 10,328.08, while the Nasdaq rose 4.20 points, or 0.21 per cent, to 1,973.43.

After modest losses on Christmas Eve, the market appeared to rebound as investors largely shrugged off fears about the beef industry in the wake of the first presumed case of mad cow disease in the United States.

"The market impact of mad cow disease was less than feared," said Alfred Goldman at AG Edwards.

"There was a trickle down to stocks with direct links to the cattle industry, but the feared widespread wet blanket turned out to be only a damp towel."

Dhaka int'l trade fair from January 1

20 countries to display products

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The 10th version of the Dhaka International Trade Fair (DITF) begins on January 1 next year with 20 countries including host Bangladesh displaying their products.

A total of 404 stalls, pavilions and mini pavilions are expected to be installed at the month-long DITF-2004 venue at Sher-e-Bangla Nagar in Dhaka, Export Promotion Bureau (EPB) sources said. Workers are now busy constructing the outlets.

The list of the participants has already been completed. Of the 404 outlets, 38 are pavilions, 54 mini pavilions and 312 stalls. Around 626 local firms and 57 foreign companies have applied for space at the fair.

Thailand has been allocated a 75-square-foot pavilion at the exposition ground as the country has been selected partner country

of the DITF-2004. China was the partner country last year.

Last year, a total of 392 local and foreign firms took part in the fair, an annual event aiming at promoting local products and expanding export market.

EPB officials said 10 premier pavilions, 14 premier mini pavilions and 35 premier stalls have already been allocated to local participants at some important and convenient places of the fair ground.

Prime Minister Khaleda Zia is expected to inaugurate the fair, organised by the EPB in co-operation with the Ministry of Commerce.

EPB officials said the exhibition will showcase a wide range of local and foreign products including machinery, equipment and materials for agriculture and gardening, carpet, chemical and allied products, cosmetics, dairy products,

electrical and electronic items, food and groceries, gift items, handicrafts, home appliances, leather, leather goods and footwear, sports gear, sanitary ware, textile and garments, toys and stationery, watches and clocks, jewellery, ceramics, melamine, car and plastic products.

The countries taking part in the fair include the US, Germany, Japan, Canada, China, Egypt, France, Hong Kong, India, Switzerland, Iran, Italy, Malaysia, Pakistan, Russia, Singapore, South Korea, Thailand, the UAE and host Bangladesh.

The exposition will remain open to visitors everyday from 10am to 9pm on weekdays and from 10am to 10pm on holidays.

Like the previous year, the price of entry-ticket has been fixed at Tk 10 for adults and Tk 5 for minors. There will be no entry fee for children aged at two and below.

Robust exports support Japan industrial output

Unemployment still high

AFP, Tokyo

Robust exports supported Japan's industrial output in November but the world's second-largest economy was still mired in deflation and high unemployment, government data showed Friday.

Industrial output in November rose 0.8 per cent from the previous month for the third consecutive month-on-month rise, the trade ministry said.

Production showed signs of recovery but the prospect for final demand was still uncertain, it said.

"The production of general machinery, electronics devices and electric products was brisk thanks

to strong demand for the application in cellular phones, DVD players and digital home products," a ministry official said.

"We can conclude that production is on a recovery trend," he said.

The trend, however, was unlikely to result in boosting the jobs market immediately, analysts said.

Japan's jobless rate in November stood at 5.2 per cent, unchanged from the previous month but still high for the country that used to provide many jobs for life, government data showed.

The number of people without jobs totalled 3.30 million, down 80,000 from a year earlier, marking

the sixth straight month of decline.

The number of those laid off fell 210,000 from the previous month to 940,000 while 1.12 million people voluntarily quit their jobs, up 50,000 from a month earlier.

"It appears the speed of improvement has slowed down," said Shun Maruyama, economist at UFJ Institute. "The data confirmed that corporate restructuring has run its course, but the job market is not growing as companies continue to cut costs, particularly labour costs."

The rise in production may prompt companies to hire people part-time, while full-time jobs are becoming scarce, he added.

Basic Bank, Int'l Leasing sign Tk 50m credit deal

Bangladesh Small Industries and Commerce Bank Limited (Basic Bank) and International Leasing and Financial Services Limited signed a loan agreement recently in Dhaka.

Luthful Karim, deputy general manager of Basic Bank, and Mafizuddin Sarker, managing director of International Leasing, signed the agreement on behalf of their organisations.

Under the deal, Basic Bank will extend a credit line of Tk 50 million to International Leasing, says a press release.

The credit line will be utilised for extending financial assistance or development of productive enterprises in Bangladesh in the field of leasing of plant, machinery, professional and office equipment.

Six Thai banks to announce mergers

REUTERS, Bangkok

Six Thai banks will announce mergers into two new banks in January, the Nation newspaper said Friday, a week after the government backed consolidation of the industry, just emerging from the 1997-98 Asian economic crisis.

But one of the banks mentioned by the unidentified source quoted in the newspaper, Siam City Bank PCL, denied it would merge with other banks.

Siam City's president, Apisak Tantivoravong, told Reuters on Friday the bank had sufficient assets to survive on its own.

The Nation said DBS Thai Danu Bank PCL, Thai Military Bank PCL and Thanachart Bank PCL were expected to announce their planned merger on January 10.

It said state-owned Bank Thai PCL, Industrial Finance Corp of Thailand PCL and Siam City Bank are also due to announce a separate merger next month.

The paper said Bank of Asia PCL and UOB Radanasin PCL had started merger talks but negotiations had not yet been conclusive.

Singapore's DBS Group Holdings Ltd and United Overseas Bank Ltd own 54.31 per cent of DBS Thai Danu and 78.83 per cent of UOB Radanasin, respectively.

The Thai cabinet is expected to review next Tuesday laws governing the banking industry. Government sources said authorities planned liberalisation of the sector, including moves to allow greater participation by foreign banks.



Workers busy making shoes at the factory of Leatherex Footwear Ltd at Savar. The company is now preparing to make debut in Italian fashionable shoe market.

Step into the shoes

Leatherex Footwear Ltd set to enter Italian fashionable shoe market

CHARLOTTE JACQUEMART

Utilising the high quality raw materials and cheap labour, Bangladesh can easily penetrate into the European market of fashionable shoes, specially the Italian market, if the local footwear industry can prove its capability to produce such shoes.

Today, Bangladesh exports goods worth over \$260 million to Italy annually. But it could be much more, if the footwear industry concentrated on making fashionable shoes and add value to the final products for export, industry insiders say.

Only eight companies currently export shoes from Bangladesh and three or four of them have found a regular export market in Italy, according to Sirajul Islam of Bangladesh Leather Goods and Footwear Manufacturers Exporters Association.

No company had ever tried to produce fashionable shoes with Italian design and technology. But the situation has now started changing.

Leatherex Footwear Ltd can be a good example as the local firm is now preparing to deliver its first consignment of 9,000 pairs of fashionable shoes to Italy, under

its own brand, "Mondoblu". The shoes will be put on sale in about 200 stores all over Italy.

The company, producing shoes in a recently built factory at Savar, is also building up an own sales organisation to enter other European markets.

To accomplish this task, Nazmul Hassan, the owner of Leatherex gets the support of research and development consultant Fortunato Salmaso, who has been in the Italian fashion shoe business for the last 25 years. Salmaso is assisting the company to achieve the quality required to export shoes to Europe, especially to Italy.

Leatherex has invested US\$1.5 million in the new production facility, 40 per cent of the amount came from loans. Almost all the machines have been imported from Italy.

"We need two more years to make the export to Italy fully established," said Nazmul Hassan looking into the future. His business plan foresees that Leatherex Footwear has to be profitable within five years.

Right now, the shoe business looks a little dull. The profit margin has come down in the last 3 years due to the situation in the international markets. In 2000, the

profit of one pair of shoes was \$4 to 5, and now it is only half a dollar.

Today, Leatherex is profiting from the duty-free export under GSP (generalised system of preferences) facility which will expire at the end of next year. "It will become difficult for us if the GSP is not expanded beyond 2004," Hassan said.

So far, the company is shipping around 200,000 pairs of shoes to Japan every year. But the quality of these products does not yet fulfill the requirements of the Italian market where customers look for the latest fashion.

Bangladesh holds huge potential in fashionable footwear as labour is 30 times cheaper in Bangladesh than in Italy, said consultant Fortunato Salmaso.

"Fashionable shoes are very labour intensive. Production of a heel for example costs around \$4 in Italy where as it can be produced for \$1.5 in Bangladesh," Hassan said.

"Also, the quality of the leather available in Bangladesh is quite good, he added. But when it comes to different colours Bangladesh has still a long way to go. Shoes produced for the Italian market have to match the colours of the latest fashion," Salmaso added.