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Star BUSINESS

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Poor supply to prompt more rawhide import this year

Leather industry people suggest duty lifting

STAR BUSINESS REPORT

The local footwear factory owners and leather goods manufacturers will have to import more rawhides this year due to poor collection of rawhide during Eid-ul-Azha, said a top official of an export-oriented footwear manufacturing company.

This Eid, the main season for collecting rawhide, has witnessed at least 15 percent shortfall in collection of rawhide compared with the last year, industry insiders said.

They said the collection rate of rawhide was poor this year as the people affected by cyclone Sidr did not sacrifice animals. Many rich and influential political persons also refrained from sacrificing animals in large scale unlike they did in previous years mainly due to changed political scenario.

"Generally we collect around 18-20 lakh pieces of cowhide and 35-40 lakh pieces of goatskin during Eid-ul-Azha. But this year the collection of cowhide may be two lakh goatskin five lakh lesser than those of the previous year due to the devastating cyclone," said Md Tipu Sultan, president of Bangladesh Finished Leather, Leather Goods and Footwear Exporters Association.

The local tanners have the capacity to process 300 million square feet of rawhide a year, but they receive only 200 million square feet of rawhide for processing, said Managing Director of Aper Adelchi Footwear Ltd Syed Nasim Manzur.

He suggested the government should lift import duty on rawhide and wet blue leather to help local footwear and leather goods manufacturers who face supply dearth of quality finished leather.

The government imposed a 10 percent import duty on rawhide and wet blue leather in the 2007-08 budget, he said, adding "previously there had been no such duty and neighbouring India maintains zero duty on import of rawhide and wet blue leather."

"If we import tax-free rawhide, we can become more competitive



PHOTO: STAR

Workers processing rawhide with salt on the footpath of North South Road in Dhaka on Saturday.

in the international market," he said.

"If we want to remain more competitive in global footwear and leather goods market, we must import rawhide or wet blue leather from USA, Brazil and Russia," he added.

The value addition would be 60 percent in case of footwear and leather goods, which are manufactured by imported rawhide and wet blue leather, whereas the value addition could be more than 80 percent if the products are made from local rawhide, said Nasim.

Nasim said Bangladesh earned US\$115 million from export of footwear, \$8 million from leather goods and \$220 million from crust and finished leather during January-November period of this year.

The collection rate for per square feet of cowhide was fixed at Tk 70 in Dhaka and Tk 60 in other parts of the country, but the industry people said the cost of hide has already increased due to supply scarcity.

some abattoirs on area basis at least in Dhaka and other metropolitan cities to maintain the quality of the rawhide," he said.

According to the industry people, Bangladesh produces over 220 million square feet of leather every year, 80 percent of which comes from sacrificial animals during Eid-ul-Azha.

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"Rawhide reaches the tanneries through middlemen. So when rawhide is bought at Tk 70 initially we get it at tanneries at Tk 90. But as supply shortage has increased the prices we may have to collect rawhide by paying over Tk 90," said Md Azizur Rahman of Bangladesh Hide and Skin Merchants Association (BHSMA).

The sector insiders also said the hidden cost of collecting rawhide was very low this year due to less frequency of extortion and hijacking for improved law and order situation.

"In previous years the skin collectors used to pay toll at different points during collecting and transporting hides. But the scenario was different this year. So the system loss is also very low," said Md Aftab of BHSMA.

Citi, the leading global financial services company, has some 200 million customer accounts and does business in more than 100 countries.

Air Deccan merges with Kingfisher Airlines

PALLAB BHATTACHARYA, New Delhi

India's biggest budget-carrier Air Deccan will merge with Kingfisher Airlines to set up the country's biggest domestic airline.

The decision to merge the two airlines was taken at separate meetings of their board of directors in Bangalore on December 19 and the two companies agreed to work under a single corporate entity to be called Kingfisher Airlines.

The new entity, which will come into being from April next year, will be operating as a subsidiary of liquor baron Vijay Mallya's United Breweries (UB) Holdings whose flagship beer brand is called Kingfisher.

Mallya will be the chairman and chief executive officer of the merged company and G R Gopinath, a former pilot who set up Air Deccan, the vice chairman.

"Merger formalities will be completed by this fiscal end (in March next year) and hopefully we will start the next financial year with a new merged entity," said Mallya.

Gopinath said the merger would bring about synergies across the board and lower the cost of operations of both the airlines.

The company's Chief Executive Officer (CEO) Sanaul Haque said to raise his company's productivity, an automatic machine worth around US\$75,000 will be imported from Italy.

He hoped that this move would help churn out mainly bedware and pillow cushions worth \$5 million next year.

The Alliance Bedware, established in 2004 on 40,000 square feet of land at the city's Shewrapara area, has been producing bedware and kitchenware worth \$2.4 million per annum, the company CEO told The Daily Star.

The company's local turnover is around Tk 1.5 crore.

Sanaul said his company's main products are pillow, cushion (sofa & floor), comforter, bed sheet, baby quilt sheet, kitchen apron, oven gloves and place mat.

Referring to the Alliance's comprehensive market study report conducted before the company's formal launching of production, he said, "Now there are changes in customers' taste and choice, so exploration of new markets of bed ware and other items is very much likely."

The main export markets are Europe and America, he said, adding that Japan and India might be very potential destinations of the products as the manufacturers have received a significant number of orders from those countries recently.

According to the findings of the survey report, people are no longer interested in traditional pillow items, made from local cotton because of high prices and gradual decline in cotton output.

He said, "To make its products more cost effective in the local

market, Alliance Bedware uses imported fibre cotton from China, Thailand and in some cases Pakistan are main competitors in the international markets. Only China exports bedware and pillow cushions worth \$200 million per annum.

The Daily Star



Alliance Bedware eyes business expansion on high demand

REFAYET ULLAH MIRDHA

As the demand for quality bedware and pillow cushions is on the rise both at home and abroad, the local manufacturers of the two items are eyeing their business expansion.

Alliance Bedware, the producer of FeatherTouch, a brand of quality bedware and pillow cushions, is one of such manufacturers.

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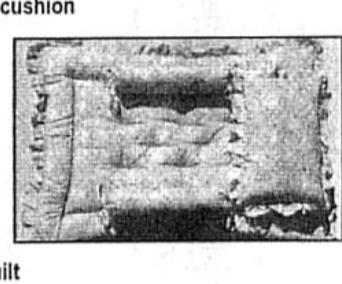
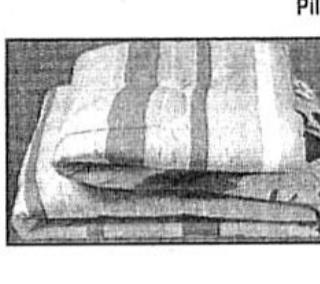
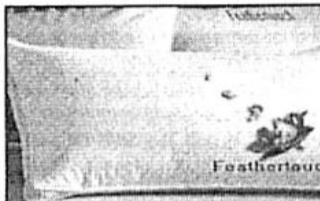
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Kitchenware

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Korean firm to expand project in DEPZ

UNB, Dhaka

Korean owned company, Dong Bang Facilities (BD) Ltd, is going for expansion of its project in Dhaka Export Processing Zone with additional investment of Tk 7.5 million.

The company would also create new employment opportunity for additional 764 Bangladeshi including four foreigners. There are 123 Korean company, a Bepza release said yesterday.

An agreement to this effect was signed between Bangladesh Export Processing Zone Authority and M/s Dong Bang Facilities (BD) Ltd in Bepza Complex here on December 18.

Norwegian women break down boardroom barriers

AFP, Oslo

Norwegian women have knocked down the door to the corporate world and taken their seats in the boardroom, thanks to a pioneering new law, but despite the giant step forward they remain under-represented in the business sector.

From the industrial fishing group Aker Seafoods to the StatoilHydro energy mammoth, women account for about 35 percent of board membership at Norwegian public limited companies, the highest proportion in the world.

For the companies, it was a question of survival.

Norwegian legislation requires public limited companies to have at least 40 percent women on their boards as of January 1, 2008 or close their doors to business.

"The 40 percent figure can vary a bit depending on the total number of board members.

"This reform is a success. The most alarmist people told us the economy would suffer, that investors would flee Oslo, that the level of competence on the boards would plunge," said Marit Hoel, the head of Norway's Centre for Corporate Diversity (CCD).

"What we've seen is that the economy is doing very well, that the investors are still there, and that the women who have been appointed to the boards are more highly educated, more international and younger than their male counterparts, which creates a new dynamic," she said.

The law -- the brainchild of the previous centre-right government in 2003, at a time when women represented only 15.5 percent of board members -- initially met with strong opposition.

Employers in particular feared that gender would take priority over merit.

But the law has become an unquestionable part of Norwegian mores, and not one of Norway's companies appears to be at risk of closure for non-compliance.

"In short, we need more men in the public sector and more women in the private sector," she said.

Minister Manuela Ramin-Osmundsen said.

"The goal was to have women in the boardroom and we're there."

The Confederation of Norwegian Enterprise (NHO) has even launched a programme, called Female Future, which has already trained almost 600 future leaders so far.

Ingrid Amundsen, a marketing manager at Kraft Foods, is one of them. At 37, she has already been appointed to two boards.

"If a company offers me a seat on its board, it shouldn't only be because I'm a woman but also because the company thinks I can bring something to the table. It is totally out of the question for me to become a board member just because of my chromosomes," she said.

Alongside the new recruits, some of the women already well-established in the business sector have become even more sought after. Dubbed the "queens" of the boards, a number of them, including a few former cabinet ministers, are piling up board positions, with some holding up to 20.

But while Norway can now boast twice as many women on company boards as in Sweden and four times more than in Denmark, not everything is looking so rosy.

Women hold only 15 percent of executive management positions, and only four percent of board chairs are held by women -- statistics that put Norway back in the European average.

In addition, the Norwegian labour market remains very segmented, with the prestigious and well-paid jobs held overwhelmingly by men and the low-paid public sector jobs held primarily by women.

"It takes the same number of years of education to become a nurse as it does to become an engineer, and yet, the two professions are not at all considered equal," said Bjoerg Unstad, the acting equal opportunities ombudsman.

"In short, we need more men in the public sector and more women in the private sector," she said.

"The goal of the law was not to dismantle companies," Equality

and Human Rights Minister Kristin Halvorsen said.

Bangladesh Petroleum Exploration and Production Company Ltd

(A Company of Petrobangla)

80/A-B, Siddehswari Circular Road, Malibagh, Dhaka-1217
(Construction Department)

গ্যাস জাতীয় সংস্থা
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জাতীয় দায়িত্ব পালন করেন।

Invitation for Tender

SL No.	Name of works	Fixed tender security money Tk	Completion time	Cost of tender paper (non-refundable) Tk
1.	Construction of Rig pad for P-80 Workover Rig in well No-2 at Fenchugonj Gas Field, Kulaura Moulvibazar.	14,500/-	30 days	400/-
2.	Brief description of works	P-80 workover Rig pad construction.		
3.	Source of funds	Revenue Budget of BAPEX.		
4.	Tender package No.	Fenchugonj # 02.12.07.		
5.	Tender notice and date	124.56.88 date: 10-12-2007.		
6.	Eligibility of tenderer	Enlisted contractors of govt./semi-govt./sector corporation and other autonomous organizations having experience as mentioned in the tender document. Interested tenderers may view the document at the office of the undersigned during office hours.		
7.	Name and address of the offices selling tender document	a) Accounts Division, BAPEX, Shahjalal Tower (2nd Floor), 80/A, Siddehswari Circular Road, Malibagh, Dhaka-1217. b) Accounts Division, Petrobangla, Petrocentre, 3, Kawran Bazar, Dhaka. c) Titas Gas T&D Co. Ltd, Titas Bhaban, 105, Kawran Bazar, Dhaka. d		