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## Processed food export up on high demand from expats

SOHEL PARVEZ

The export of processed foods has risen sharply in recent years as Bangladeshis abroad try to satisfy their craving for a taste of their homeland by stocking up on pickles, spices and snacks imported from Bangladesh.

While traditional exports such as rice and potato flakes remain the country's largest food exports, drinks and snacks now exceed fresh vegetables as foreign currency earners, according to figures from the Bangladesh Agro-Processors Association.

"A large number of expatriate Bangladeshis want to have the taste of deshi food. And the demand for food items such as chana-chur, puffed rice, aromatic rice, mustard oil, fried pulses and pickles are on the rise," said Khurshid Ahmad Farhad, manager (export) of Square Consumer Products.

Bangladeshi foods are being sold from Australia to the USA, although Saudi Arabia and the Gulf states, with their hundreds of thousands of immigrant workers, are the largest markets.

Almost \$2.9 million worth of food was exported to Saudi Arabia alone in the fiscal year 2006-07.

In total export earnings in the sector grew about 119 percent to \$22.94 million in FY 2006-07 and rose 64 percent to \$12.39 million in the first four months of the current fiscal year.

Cash incentive facilities offered by the government are also behind the sharp export growth of processed food products, according to Farhad.

Agricultural Marketing Company Limited (Pran), Eurasia Food Processing (BD), BD Foods and Arku are the leading exporters along with the Square Consumer Products.

It is not just non-resident Bangladeshis that are driving the growth. New markets are emerging in Africa, industry sources said. For example Ghana imported almost US\$400,000 dollars worth of juice last fiscal year.

Kamruzzaman Kamal, PRAN's executive director for marketing said the successes in Africa were due to the improvements in prod-



Processed foods are on display at a shop in the capital. The export of processed foods has risen sharply in recent years boosted by Bangladeshis living abroad and new markets in Africa.

uct quality and the competitive price of Bangladeshi goods.

"We are trying to expand our coverage throughout the world," he said, adding that the company has around 30 officials in different countries helping importers promote the company's products.

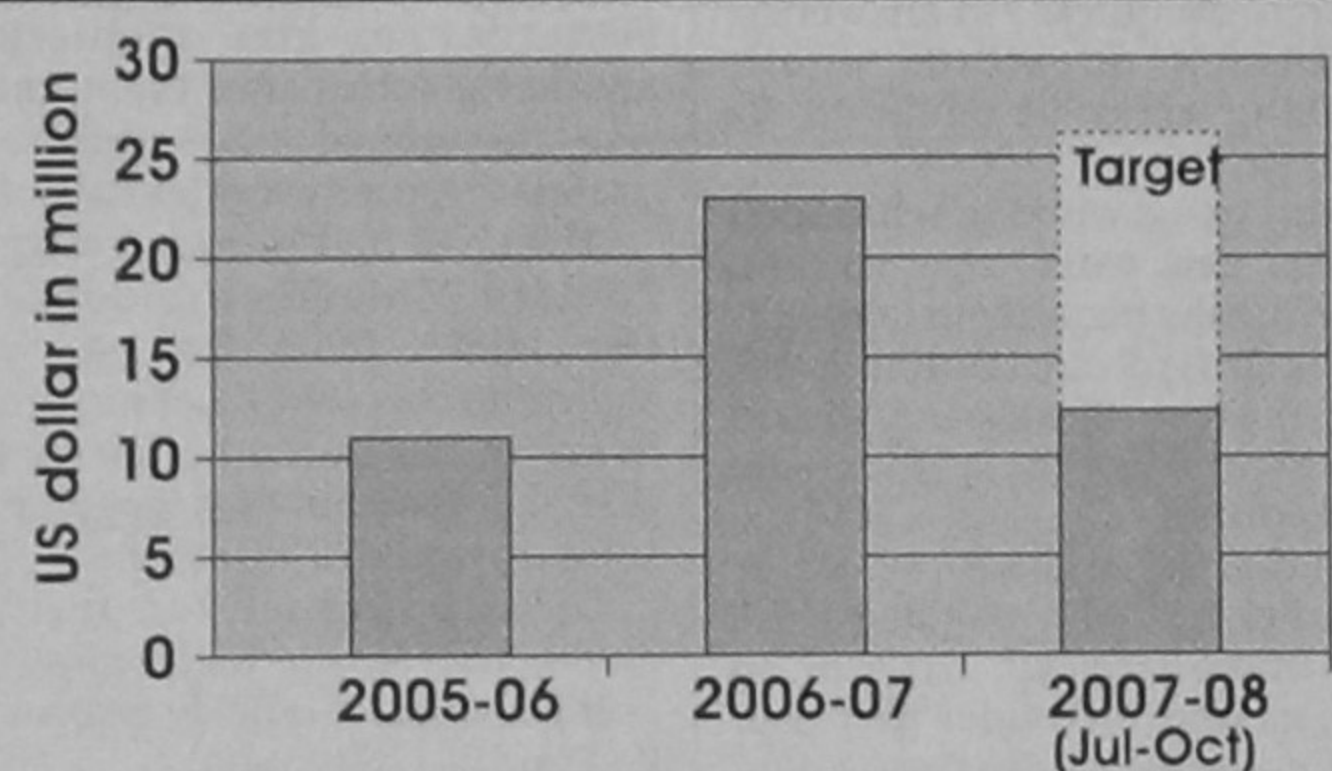
There are some areas where exports can be easily increased, industry leaders said. Square's Farhad pointed to Bangladeshi restaurants in the UK as a sector where sales could be boosted. Around 11,000 restaurants in the UK are operated by Bangladeshis, according to media reports.

However there are hurdles. Farhad said the lack of international standard quality and testing facilities for food products made things difficult.

"This is of paramount importance for boosting exports of food products throughout the world. It should be remedied as urgently as possible," he said.

The agro processors' figures show that processed foods are now being exported to about 70 countries and they reveal some oddities. The UK is the largest buyer of Bangladeshi biscuits, and spent more than \$1m on the country's snacks, while Ethiopia is the second largest importer of Bangladeshi candy. Italy was by far the largest buyer of Bangladeshi rice, importing \$1.6 million worth in FY 2006-07.

### EXPORT PERFORMANCE OF PROCESSED FOODS



| Top Ten importing countries | Top Ten exported items |
|-----------------------------|------------------------|
| Saudi Arabia                | 1. Rice                |
| UAE                         | 2. Potato Flakes       |
| UK                          | 3. Drink & Powder      |
| Italy                       | 4. Snacks              |
| Belgium                     | 5. Fresh Vegetables    |
| USA                         | 6. Juice               |
| Malaysia                    | 7. Puffed Rice (Mun)   |
| Australia                   | 8. Mustard Oil         |
| Ghana                       | 9. Chana-chur          |
| Kuwait                      | 10. Spices             |

Source: Bangladesh Agro-Processors Association (Consolidated Figure for Export, Year 2006-07 Up to December 2007).

## REHAB fair in Ctg from Jan 17

OUR CORRESPONDENT, Ctg

A three-day housing and real estate fair begins in Chittagong from January 17.

The Chittagong chapter of Real Estate and Housing Association of Bangladesh (REHAB) is organising the fair for the second time in the auditorium of Institute of Engineers Bangladesh.

Around 41 real estate firms from Dhaka and Chittagong will participate in the fair to display their offers at 45 stalls, said the organisers at a press conference here yesterday.

Convener of REHAB Chittagong chapter Kazi Anul Hoque said the participating firms will offer special discount and attractive gifts to their customers at the fair.

The price of ticket for a day has been fixed at Tk 20, and Tk 50 for three days, he said, adding that the proceeds from the ticket sales will be donated to the Sidr victims.

## Foreign adviser urges NRBs to invest in Sylhet

STAFF CORRESPONDENT, Sylhet

Foreign Affairs Adviser Dr Iftekhar Ahmed Chowdhury has urged the expatriates to come in a big way for setting up industrial units in the country, especially in Sylhet.

Pointing to the fact that greater Sylhet has huge prospects for investment in diversified sectors like energy and mineral resources based industries, agro processing and agro engineering, export-oriented food processing, pharmaceuticals and real estate, he said the project for setting up a

special economic zone (SEZ) here is progressing fast.

"The site for the SEZ has already been selected," he told a seminar on 'Prospects of Special Economic Zone (SEZ) for Bangladesh Expatriates' at a hotel in the city yesterday morning.

The Board of Investment (BoI) organised it in association with the Local Enterprise Investment Centre (LEIC), a pilot project funded by the Canadian International Development Agency.

British High Commissioner to Bangladesh Anwar Chowdhury

also attended the seminar as special guest.

The foreign adviser informed the gathering that a catering institute of international standard with support from the DFID will be established here to meet the increasing demand for skilled people in catering industries and hospitality sector abroad.

A good number of non-resident Bangladeshis, government officials including BoI Chairman Kamal Uddin Ahmed and chamber leaders joined the programme.

Lauding some positive changes in different sectors that have led to restoration of business confidence, the British envoy suggested Sylhet's better road, air and rail links with Chittagong and elimination of bureaucratic tangles to attract more investment in the region.

"Bangladesh is now passing through a hugely excited change," Anwar Chowdhury said, urging the Bangladesh government to provide foreign entrepreneurs legal guarantee on their investments.

He also stressed the need for further steps to raise the NRBs' confidence. He, however, said with the Anti-corruption Commission's job in a new dimension against corruption, business's confidence is coming back, which is very much important for an atmosphere for investment.

The British high commissioner said Bangladesh should be ready for availing of the probable \$3 billion foreign investment in near future.

In the afternoon, Anwar Chowdhury also attended another seminar on 'Unlocking the Potential of Greater Sylhet through Small and Medium Enterprises' as the chief guest.

## Trade high on agenda as India PM starts visit to China

PALLAB BHATTACHARYA, New Delhi

A long-standing boundary issue and trade deficit will be high on the agenda of a three-day state visit to China by Indian Prime Minister Manmohan Singh who leaves for Beijing today.

During the visit, the first by an Indian premier in five years, the two countries will sign five agreements on railways of the two countries, housing, land resources management, geo sciences and traditional medicines. Manmohan is to be accompanied by a large business delegation, led by Commerce and Industry Minister Kamal Nath "It's going to be a major business event", said Indian Foreign Secretary Shiv Shankar Menon.

On a visit from the Chinese President Hu Jintao to India in November 2006, the two countries aspired to attain a trade target of 40 billion dollars by the year 2010. But that target has almost been reached, three years ahead of specified time, with bilateral trade nearing 39 billion dollars.

India and China are now expected to set a new target when Singh holds talks with his Chinese counterpart Wen Jiabao Hu, other communist leaders and Chinese business entrepreneurs.

A joint study group has come up with a report on a regional trade agreement between India and China. However, India is likely to go slow on the issue, while expressing its concerns over a widening trade gap in China's favour, from around a billion dollars to about nine billion dollars.

"We would like to sell more to China. Over the last few years trade has shifted in China's favour and we are hoping to change that", Menon said.

A memorandum of understanding covering the rail sector is designed to promote cooperation between Indian and Chinese railways.

The pact on land resource management would aim to boost bilateral cooperation based on principles of equality, mutual benefit and reciprocity.

The agreement on traditional medicines would provide a legal framework to jointly produce and market Indian and Chinese products in this field.

The Indian foreign secretary said the ongoing talks between India and China on the border issue gained momentum since the visits to India by Wen in April 2005 and President Hu in 2006.

## Gold price crosses \$900 for first time

AFP, New York

The price of gold on Friday crossed 900 dollars an ounce for the first time, driven by the prospect of a significantly weaker dollar as the market bet on new US interest rate cuts.

Gold futures hit a record 900.10 dollars on the New York Mercantile Exchange.

Gold prices earlier reached record highs in Hong Kong and in London. On the London Bullion Market, gold touched a high of 897.90 then settled at 895.56 dollars.

Traders were investing heavily in gold as they search a safe haven amid concerns over weakness in the world's largest economy. The dollar's decline has made gold more affordable for buyers using stronger currencies.

Federal Reserve chairman Ben Bernanke on Thursday signalled fresh interest rate cuts may be needed to shore up US economic growth amid a protracted housing slump and financial market turmoil.

## Increased focus on motorised vehicles to take toll on economy Says expert

STAR BUSINESS REPORT

More than 15 percent of the country's GDP will have to be used just to keep Bangladesh's transport system going by 2030 if the country continues to prioritise motorised vehicles, a transport expert claimed in Dhaka yesterday.

Instead non-motorised transport systems or fuel-free transport such as walking, bicycles and rickshaws should be given priority in the Strategic Transport Plan (STP) in order to create an environment-friendly and pro-people transport system.

Mahabubul Bari, senior assistant manager of Transport for London, UK, said that in Dhaka Metropolitan area 76 percent movement is based on short distance trips, and for this movement there is no need to use motorised vehicles such as buses and private cars.

The fuel-free transport system will not only reduce the fuel import but also will be environment-friendly, pro-people, and cut traffic congestion in the metropolitan area, he said.

Bari was presenting a keynote paper at a roundtable on 'Environment-friendly, Fuel-efficient and Pro-people Transportation System: Present and Future of Dhaka Metropolitan' in Dhaka organised by Bangladesh Poribesh Andolon (BAPA), with its President Professor Muzaffer Ahmad in the chair.

Pollution-free modes of pedestrian facilities, biking and cycle rickshaws are being given priority even in many developed countries including the UK for short distance travel, he said.

But, the STP has been formulated



Motorised and non-motorised vehicles ply on a Dhaka street. A discussion in the capital yesterday suggested that non-motorised or fuel-free transports such as bicycles and rickshaws should be given priority in Strategic Transport Plan in order to create an environment-friendly and pro-people transport system.

targeting long-distance travel, he said, adding, "it's difficult for Bangladesh to make a room for non-motorised vehicles since the country does not have enough space, on the other hand many roads are being made off limits to rickshaws."

The STP that was formulated to develop the transport system in Bangladesh stresses the needs of only five percent of the people, those who are using cars and occupy 50 percent of the road, he said.

The contributions for private cars would stand at 31 percent by 2024 from 18 percent and the participation of public transport would drop to 21 percent from 34 percent, if the recommendations of STP are implemented, Bari observed.

Referring to a study, he said 2 percent of GDP is currently being absorbed on importing energy required in transport sector. "If the fuel price increases to \$120 per

barrel by the year 2030, more than 15 percent of GDP will have to be relinquished in order to keep country's transport mobile," he said.

He also said for long distance travel in the metropolitan area, metro (subway) transport system should be introduced instead of buses and private cars.

"The major objective of the STP should be ensuring movement of the mass of people, not increasing the movement of vehicles," he added.

Other speakers at the roundtable yesterday asked the government to develop an integrated STP through which use of non-motorised and motorised transport systems will be coordinated.

They said apart from introducing metro service, the government should take immediate initiatives to develop the water transport system and also to improve the railway system.

## Use of hi-tech machines can double size of RMG industry

Garmentech fair opening told

STAR BUSINESS REPORT

"The ready made garment industry can double in size if hi-tech machines are used" said Anwar-ul Alam Chowdhury Parvez, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), yesterday.

"When our workers become familiar with using high tech machines, the amount we produce and its quality would be even better," he added.

The BGMEA chief made the comments in the inaugural function of the four-day 7th Garments Machinery and Accessories Fair at Bangladesh-China Friendship Conference Centre in Dhaka yesterday.

RMG exports account for 75 percent of Bangladesh's exports with the country the third largest RMG exporter to the EU and USA. However speakers at the inauguration said Bangladesh had the potential to take the number one position in the near future if it took advantage of the efficiency gains made possible by high-tech machinery. At present China is the largest RMG exporter.

Other speakers highlighted the success the industry had despite the withdrawal of the quota system in 2005. However they warned that the country still faced great challenges due to technological backwardness.

Fazul Hoque, president of the Bangladesh Knitwear



Anwar-ul Alam Chowdhury Parvez, president of Bangladesh Garment Manufacturers and Exporters Association, and Fazul Hoque, president of Bangladesh Knitwear Manufacturers and Exporters Association, visit a stall at the four-day Garments Machinery and Accessories Fair that began at Bangladesh-China Friendship Conference Centre in Dhaka yesterday.

Manufacturers and Exporters Association (BKMEA) and Dr AKM Moazzem Hussain, director and secretary general of Japan Bangladesh Chamber of Commerce and Industry, were also present at the programme.

The fair exhibits a range of huge machineries including computer-aided design systems, pattern-making equipment, spreading and cutting machines, over lock and safety stitch machines, single-thread special-

stitch machines, weaving machine devices, label printing and numbering machines, single-head and multiple-head embroidery machines, pressing machine accessories, finishing equipment, knitting, non-woven fabric machines etc.

At least 200 foreign companies from 30 countries participating the fair included mainly USA, China, Taiwan, Japan, Thailand, South Korea, Hongkong, Singapore and Germany.



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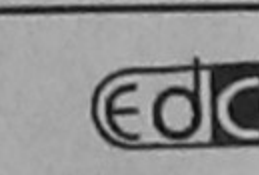
BABE- 13/438/Auction/2007-08 Dated : 08 January 2008

### Auction Notice (Sale)

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|---------------------------------------|--|
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| 02. Invitation for Auction            | Marine Diesel Engine, Spare Parts of Cummins, Deutz, Perkins Engines and Other Materials   |
| 03. Invitation Reference No.          | BABE- 13/438/Auction/2007-08   |
| 04. Date                              | 08 January 2008  |
| 05. Selling Method                    | Open Tender  |
| 06. Tender Last Selling Date          | 27 January 2008  |
| 07. Tender Closing Date and Time      | 28 January 2008 Time : 11:15 A.M.  |
| 08. Tender Opening Date & Time        | 28 January 2008 Time : 11:30 A.M.  |
| 09. Name & Address of the Office (s): |  |
| a. Selling Tender Document            | 1. Cash Section, Accounts Department, Khulna Shipyard Ltd. Bangladesh Navy, Khulna<br>2. Naval Store Sub Depot, Naval Head Quarters Complex Banani, Dhaka- 1213. |
| b. Receiving Tender Document          | Khulna Shipyard Ltd, Khulna.   |
| c. Opening Tender Document            | (1) Khulna Shipyard Ltd, Khulna<br>(2) Tenderers' and their authorized representatives are allowed to attend.  |
| 10. Price of Tender Document          | Tk. 300.00 (Tk. Three Hundred) (Non-refundable)  |
| 11. Contact Details of Official       | Tel : 041-813975/720003, Fax : 880-41-720404   |
| 12. Special Instructions              | The Procuring Entity reserves the right to reject all or any Tenders prior to acceptance without showing any reason.   |

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