Star Business

DHAKA MONDAY FEBRUARY 25, 2008

Stocks

DGEN	2841.89	0.06%
CSCX	4682.75	0.18%

Currencies

	Buy TK.	Sell TK.
USD	68.10	69.10
EUR	99.52	104.16
GBP	132.32	137.44
JPY	0.63	0.66

SOURCE: STANDARD CHARTERED

More News

Poultry policy on cards

The government is to announce a poultry policy aimed at ensuring a hygienic, well regulated and sustainable industry.

B_3

DSE polls uncertain

The election for the posts of directors of Dhaka Stock Exchange (DSE) scheduled for March 9 was thrown into further uncertainty yesterday when the remaining three candidates pulled out of the race.

B_3

International

Japan launches high-speed Internet satellite

Japan successfully launched Saturday an experimental satellite aimed at providing high-speed Internet access across Asia, even when terrestrial infrastructure goes down, the space agency said.

B_4

India to unveil anti-poverty budget

India's centre-left government will focus on fighting poverty and helping debt-hit farmers when it delivers this week what could be its last budget before the next general election, economists say.

B_4

Bangla Biz Lexicon

1 lakh = 100,000
1 crore = 10,000,000

Contact Us

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Camera lens plant to expand as focus shifts to hi-tech

JASIM UDDIN KHAN

The lenses used in some of the world's most famous camera brands are being produced in Bangladesh with such success that the company involved plans to expand it operations.

Based in the Chittagong Export Processing Zone, Japanese owned Sanko supplies leading camera manufactures such as Nikon, Fuji, Konica and Olympus.

It is an example of a growing group of hi tech industries that are changing the image of the country's EPZs, that have long been associated with the Ready Made Garment industry.

According to the agencies that run the country's eight EPZ's, more hi-tech companies are on the way as international corporations look to find alternatives to China, where the high pace of growth is causing production bottlenecks.

Sanko employs around 1400 female workers producing around 1.5 million lenses per month.

Apart from camera lenses the company also produces lenses for fax machines, photocopies, security cameras, scanners and projectors.

The company earns around US$ 8 million annually by exporting products.

"Lenses are mainly produced manually for which individual work is important. Workers dedication and concentration in polishing heightens the quality of the products," said Bikash Chandra Mondal, Manager of Sanko Optical Co. (Bd) Ltd.

In producing lenses workers need to follow nine stages such as curve generating, smoothing, polishing, cleaning, inspection, centering, coating, second time inspection and packing for export.

The company was first set up in the 1990s and is now looking to expand. Bikask said last month it signed an agreement with the Bangladesh Export Processing Zone Authority (BEPZA) to hire more land. Construction on the new unit that will produce camera casings in steel and plastic will begin in March.

Bikash said the country has great potential for lens and other electronic sector investments from Japan as these manufacturing processes are labour intensive. Japanese investors are planning to shift their companies from China, Malaysia, and Singapore as the labour cost has increased manifold during last few years, he added.

Bikash's views were backed by Brigadier general Ashraf Abdullah Yussuf, Bepza executive chairman. He said the authority received many new investment proposals from Japan, Singapore and Malaysia to invest in the electronics and semi-conductor sector.

"We are not now accepting any small scale investment for the garment or accessories sector instead we are looking high-tech investment," he added.

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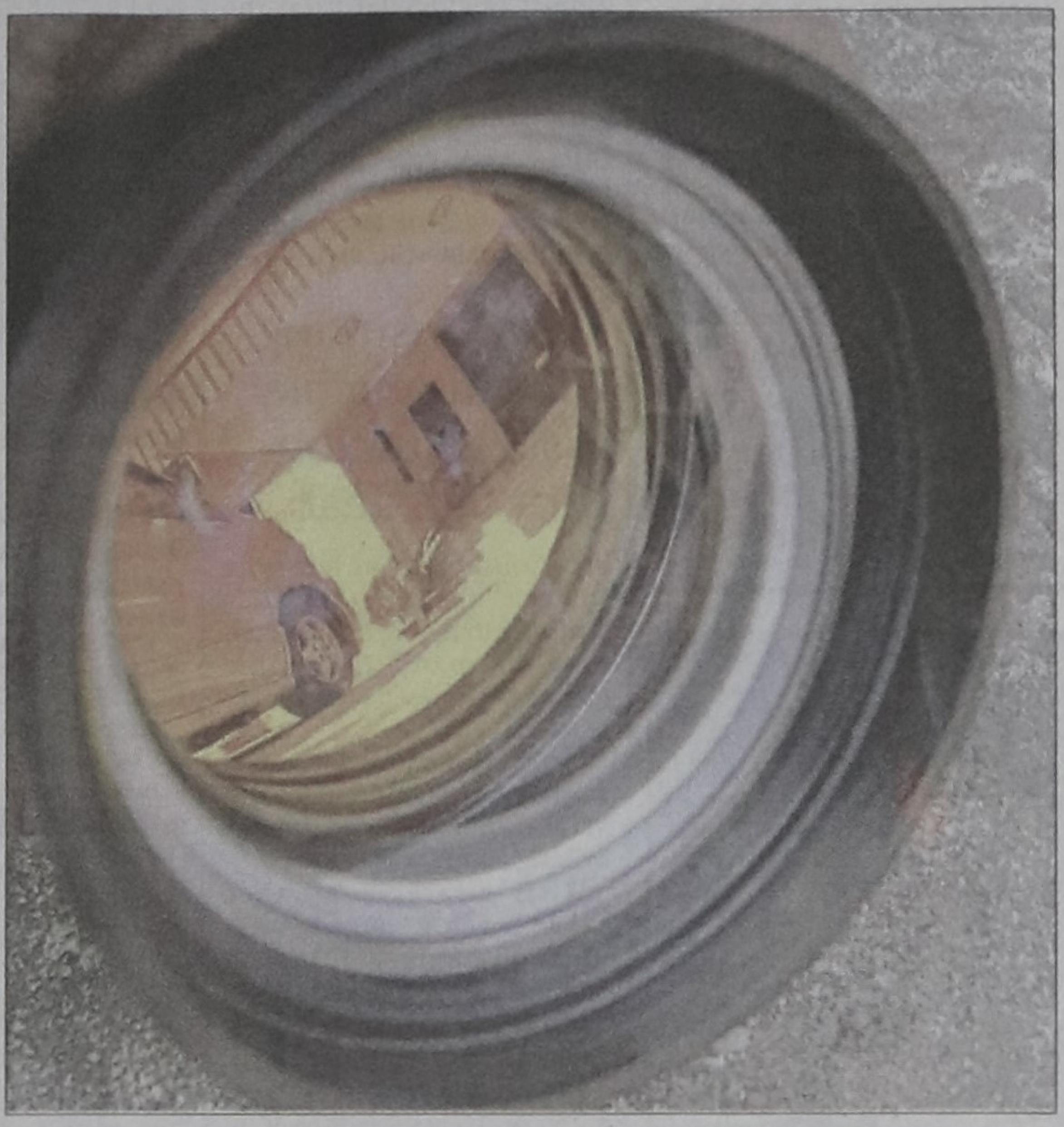

ZOBAER HOSSAIN SIKDER

Based in Chittagong Export Processing Zone, Japanese owned Sanko provides lenses to some of the world's most famous camera brands such as Nikon, Fuji, Konica and Olympus.

Sidr business losses put at over Tk7b

REJAUL KARIM BYRON

Cyclone Sidr caused Tk7.59 billion of losses to industry, commerce and tourism, according to a report by the joint mission of donor agencies.

Sawmills, rice mills, ice factories, brick kilns, tile factories and potteries were among the businesses badly affected by the cyclone. Shops and the regions burgeoning tourist attractions were also hit hard.

The report 'Cyclone Sidr in Bangladesh, Damage, Loss and Needs Assessment for Disaster Recovery and Reconstruction' was submitted to the Economic Relations Division last week.

"This situation caused losses to output, income and employment throughout the affected areas, which was only partially compensated when some activities restarted," the report said.

The losses in the non-agriculture productive sector, including small industries, were estimated at Tk 3.6 billion, other industries incurred a Tk2.04 billion loss, commerce sector losses reached Tk1.3 billion, while the tourism lost Tk 65 million.

It said of the 12 cyclone-hit districts, there were 122,000 non-agricultural establishments in the four-worst affected districts, with 317,000 people engaged in pre-disaster situation, and 314,000 establishments were in other eight districts.

There were more than 27,000 industrial establishments, employing nearly 141,000 people in these 12 districts, the report further said.

The number of people engaged in the private sector businesses before Sidr hit the area was 2.8 million.

The assessment said besides sustaining damage to assets, the vast majority of the industrial firms had to stop working for a while due to the lack of electricity, the main source of power for small industries in the area.

By mid-January, some 20 percent of such industries had to stop production for the power outage, and most had suffered this problem for one to two months, the report added.

According to the assessment, a total number of 1,822 manufacturing establishments were damaged and 1,218,016 working hours were lost.

On the losses in the commerce sector, the report said estimated loss of sales in the sector amounts to Tk 1.3 billion.

Sidr hit Bangladesh in November. Around 5000 people are believed to have died.

AFP

A Chinese vendor sells dried noodles at a street market in Shenyang, northeast China's Liaoning province on Saturday. China's central bank warned of still strong domestic inflationary pressure. As China's factory floors feel the pressure from spiralling costs, there is growing nervousness in the rest of the world that the Asian giant's next big export could be inflation.

Rising cost of China products a knock-on effects for the world

AFP, *Shanghai*

As China's factory floors feel the pressure from spiralling costs, there is growing nervousness in the rest of the world that the Asian giant's next big export could be inflation.

From air-conditioned US shopping malls to bustling African street markets and remote Asian villages, shoppers have become accustomed over recent years to the vast array of ultra-cheap Chinese goods on offer.

China's trade surplus last year reached 262.2 billion dollars, a more than 10-fold rise from 2003.

But now a confluence of factors, led by soaring domestic inflation that hit an 11-year high of 7.1 percent in January, is ramping up the costs of doing business in China, with potential knock-on effects for the rest of the world.

As China's currency has strengthened sharply against the dollar, the government has scrapped export tax rebates, while more stringent labour laws and even the ice and snow storms in southern and central China have further driven up costs.

"China's inflation is having a domino effect on worldwide inflation, especially in the United States," Li Huiyong, an analyst from Shanghai-based SYWG Research and Consulting, told AFP.

"In the past, (outside) inflation pressures in the US mainly came from oil prices because the US economy is highly dependent on crude oil. Cheap products from China and other developing countries helped to alleviate that pressure.

"Now Chinese goods are no longer as cheap it adds to the inflation pressure in the United States."

Nevertheless, while it is clear that doing business in China is getting more expensive, there is no consensus among economists about how much that will translate into higher price tags for Chinese-made products overseas.

And given the long and complex business chain between suppliers in China and overseas consumers, a rise in manufacturing costs does not mean that shoppers will immediately have to pay more for Chinese products.