

DHAKA SUNDAY MARCH 2, 2008

## Stocks

DGEN	0.85%
2,931.38	
CSCX	0.34%
4,824.77	

(Thursday closings)

## Asian Markets

MUMBAI	1.38%
17,578.72	
TOKYO	2.32%
13,603.02	
SINGAPORE	1.53%
3,026.45	
SHANGHAI	1.14%
4,348.54	

(Friday closings)

## Commodities

Gold	\$976.32 (per ounce)
Oil	\$103.05 (per barrel)

SOURCE: AFP

## More News

### Private sector submarine cable to cut internet cost

With BTRC speeding up the process of installing the second submarine cable in the private sector, it is expected that internet charges will be reduced significantly.

B-3

### Local hometex brand set to go global

A local home textile brand is to start exporting locally designed and produced bed sheets to Ukraine and Italy next month. Established in 1989 with only six employees, the firm now has 122 employees.



B-3

## International

### More FDI for S Asia

Robust near-term economic growth should drive strong foreign direct investment flows into South Asia despite corruption, poor infrastructure, rigid labour laws and civil unrest, the Asian Development Bank said Friday. FDI flows into the Indian sub-continent had risen rapidly since 2004.

B-4

## Bangla Biz Lexicon

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

## Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at [business@thedailystar.net](mailto:business@thedailystar.net)

# Bata, Apex kick off expansion to win country's footwear market

SOHEL PARVEZ

Bata and Apex Adelchi, two of the country's leading shoe manufacturers and retailers, are set to intensify their battle for customers with both groups to sharply increase their number of stores.

Bangladesh's footwear market is estimated to be expanding at 20 per cent a year, with a steady movement to better quality and more fashionable designs, especially in urban areas.

Bata, which presently has 237 retail stores will set up 40 different stores this year 10 city stores, 11 super stores, 14 family stores and 5 franchise stores-- focusing mainly on the demands of the middle and high income groups.

Apex Adelchi Footwear plans to set up some 20 new retail outlets, aiming to cater to the footwear needs of the middle class in the urban and semi-urban areas across the country.

"Our strategy is rapid expansion because the middle class is growing here," said Doug Hearn, managing direc-

tor of Bata Show Company Bangladesh, which has shifted its focus from family stores to city stores to display fashionable products.

Both the footwear makers initiated the move to raise their shares in Bangladesh's about Tk 1300- 1600 crore retail shoe market. The increasing size of the market is a result of the steady growth of the overall economy since the 1990s.

Of the total market, cheap shoes account for about 60 percent, a segment still dominated mainly by small-scale retailers, according to industry insiders.

"Our biggest focus now is on the city and super stores," the Bata MD said, adding that the city stores will be established to cater to the fashion demands of the upper class.

Hearn said, "We came up with the idea of city stores in 2002 because we believe there lies a business potential in the upper segment."

"One big store can serve the purpose of 10 family stores. People in the lower class are huge, but they have no dispos-

able income. Let's try to expand in those areas where they have disposable income," he said.

Syed Nasim Manzur, managing director of Apex Adelchi Footwear, which has 70 retail stores, said, "Bangladesh's market is growing by about 20 percent a year, as people's purchasing capacity is also increasing. Our main objective is to provide customers enough choices."

The company changed its name from Apex Footwear to Apex Adelchi Footwear last year.

The Apex Adelchi MD said the company will continue expanding its branches to enjoy an increased share of the country's retail shoe market.

"We have a plan to set up 20 this year. We will focus on providing products within a price range that is affordable for different types of customers," Syed Nasim said.

"We want to set up some complete family stores enabling our customers to have a pleasant shopping experience," he said.



Showrooms of Bata and Apex Adelchi, two of the country's leading shoe and sandal manufacturers and retailers. Bangladesh's footwear market is estimated to be expanding at 20 percent a year.



## Global commodity prices reach historic highs

AFP, London

Oil, gold and tin prices soared to historic highs this week on buoyant demand for commodities on the back of a sliding dollar.

"The flood of funds into the commodity markets since the beginning of the year has been relentless," said Helen Henton, head of commodity research at Standard Chartered.

Oil prices charted fresh record territory Friday, rising to 103.05 dollars per barrel as the US currency fell to all-time lows against the euro.

A weak US currency boosts demand for dollar-denominated raw materials such as oil because it makes them cheaper for buyers using stronger currencies.

The price of gold rose to a record high 976.32 dollars per ounce on Friday. "It does appear that the scale of

demand is sufficient to propel gold to 1,000 dollars per ounce," said James Moore of the LondonBullionDesk.com.

Silver struck a fresh 27-year high in reaching 19.95 dollars per ounce.

On the London Bullion Market, gold climbed to 971.50 dollars per ounce at Friday's late fixing from 943 dollars a week earlier.

Silver rose to 19.62 dollars per ounce from 17.94 dollars.

Platinum eased after striking an historic high of 2,206 dollars per ounce the previous week.

The price of soya rose above 15 dollars for the first time, while wheat hit a record high above 13 dollars per bushel before profit-taking set in.

Maize and soya are used to produce ethanol, a clean plant-based fuel, which is also cheaper than crude oil.

By Friday on the Chicago

Board of Trade, wheat for May delivery had risen to 11.08 dollars per bushel from 10.65 dollars the previous week.

May-dated soybean meal -- used in animal feed -- jumped to 15.24 dollars from 14.38 dollars. The price of maize for May delivery gained to 5.57

dollars per bushel from 5.35 dollars a week earlier.

Sugar prices gained ground on heavy fund buying. By Friday on LIFFE, the price per tonne of white sugar for May delivery rose to 386 pounds from 376 pounds a week earlier.

### Gold nears \$1,000 for 1st time



## Sri Lanka inflation tops 18pc

AFP, Colombo

Sri Lanka's annual inflation rate accelerated to more than 18 percent in February, official data showed on Friday, adding to the woes of an economy already weakened by a deadly ethnic conflict.

The inflation rate, measured on a 12-month moving average basis, was 18.1 percent in February, up from 17.6 percent a month earlier, the Census and Statistics Department said in a statement.

Inflation, according to the Colombo Consumers' Price Index, stood at 15.8 percent in February 2007, the release said.

The inflation rise was another blow to the economy whose growth slowed to 6.7 percent in 2007 from 7.7 percent the previous year amid an upsurge in fighting between separatist Tamil Tiger rebels and government forces.

## TEXTILE EXPORTS India outperformed by China, Bangladesh

PALLAB BHATTACHARYA, New Delhi

India has failed to make significant gains from the dismantling of the quota-free regime of international textile commerce and it was outperformed by countries like China, Bangladesh, Vietnam and Indonesia.

India's annual economic report card presented in the Parliament on Thursday showed that China stole the light despite quota curbs from the major textile and clothing importers like the United States and European Union.

Although the growth in Indian textile and clothing exports went up significantly in 2005, it slid back to the trend level of 2006 at 10.5 percent, the Economic Survey said.

By contrast, China's share continued to rise with its textile and clothing exports going up from 21 percent in 2005 to 25 percent in 2006, the survey

pointed out. India's share in world's textile and clothing exports increased by 0.7 percent to 3.7 percent between 2004 and 2006. However, the country's share grew faster than that of Indonesia (0.2 percent) and Pakistan (0.1 percent), the surveys said.

China maintained its edge over India in textile exports and had a higher growth rate in both the US and EU markets in 2006. While China's textile exports to the US increased by 15 percent, India's went up by 11 percent. The gap is wider when it comes to the EU, with China's supplies growing by 21 percent in 2006, while India's increasing by 9 percent, according to the survey.

In 2006-07 and the first half of fiscal year 2007-08, India's overall textile and clothing exports grew by 5.3 percent and 1.2 percent respectively.

## Telecom operators' battle fuels increase in advertising spend

SAYEDA AKTER

Advertising spending by major brands in Bangladesh rose by 7 percent to an estimated Tk 8.4 billion last year as mobile telecom operators battled for customers, with Grameenphone the country's largest spender.

However the rate of spending growth slowed sharply compared to previous years, reflecting weaker economic growth and a more cautious attitude in sectors such as real estate, according to research published in the newly launched magazine Bangladesh Brand Forum.

While print media remained the largest advertising vehicle with around 43 percent of spending, cable and satellite channels gained heavily at the expense of the country's

terrestrial operator, BTV. In total, TV advertising accounted for 36 percent of advertising spending.

Five of the top six advertisers were mobile operators, with the top ten advertisers accounting for around 54 percent of total spending. The mobile handset maker Nokia also made it on to the top ten list.

"As the telecom market expanded in recent years and competition with other operators increases day by day, Grameenphone has to spend more on adverts," said Talat Kamal, Grameenphone's communication manager.

"Moreover, last year Grameenphone launched some new products and introduced several services to the customers. This also caused us to spend more," he added.

Apart from telecoms, Unilever, Pran Group, Square Group and Bombay Sweets featured among the top ten. However, according to Partha Ghosh, the author of the research, most of the local big advertisers only maintained or cut their spend.

"Real estate and soft drinks, though featured within the top 5 categories actually reduced spending in 2007 over 2006. Real estate declined across two consecutive quarters of 2007. The government crackdown triggered the decline," Ghosh said.

Other categories where spend went down were milk, skin care (talcum powder), oral care and culinary products.

The top 10 categories comprise almost 80 percent of total media spend last year, according to the magazine article.

Bangladesh Brand Forum (BBF) unveiled its first monthly business magazine in the capital with the aim of helping corporate Bangladesh create world-class brands.

"We have a strong vision to create and promote local brands to support corporate houses in the country to strengthen our economy through this monthly magazine," said Shariful Islam, convener of Bangladesh Brand Forum, at the launching ceremony.

"We need to develop the ability to look beyond the ordinary, infuse creativity and excellence into all our thinking and action," added Shariful.

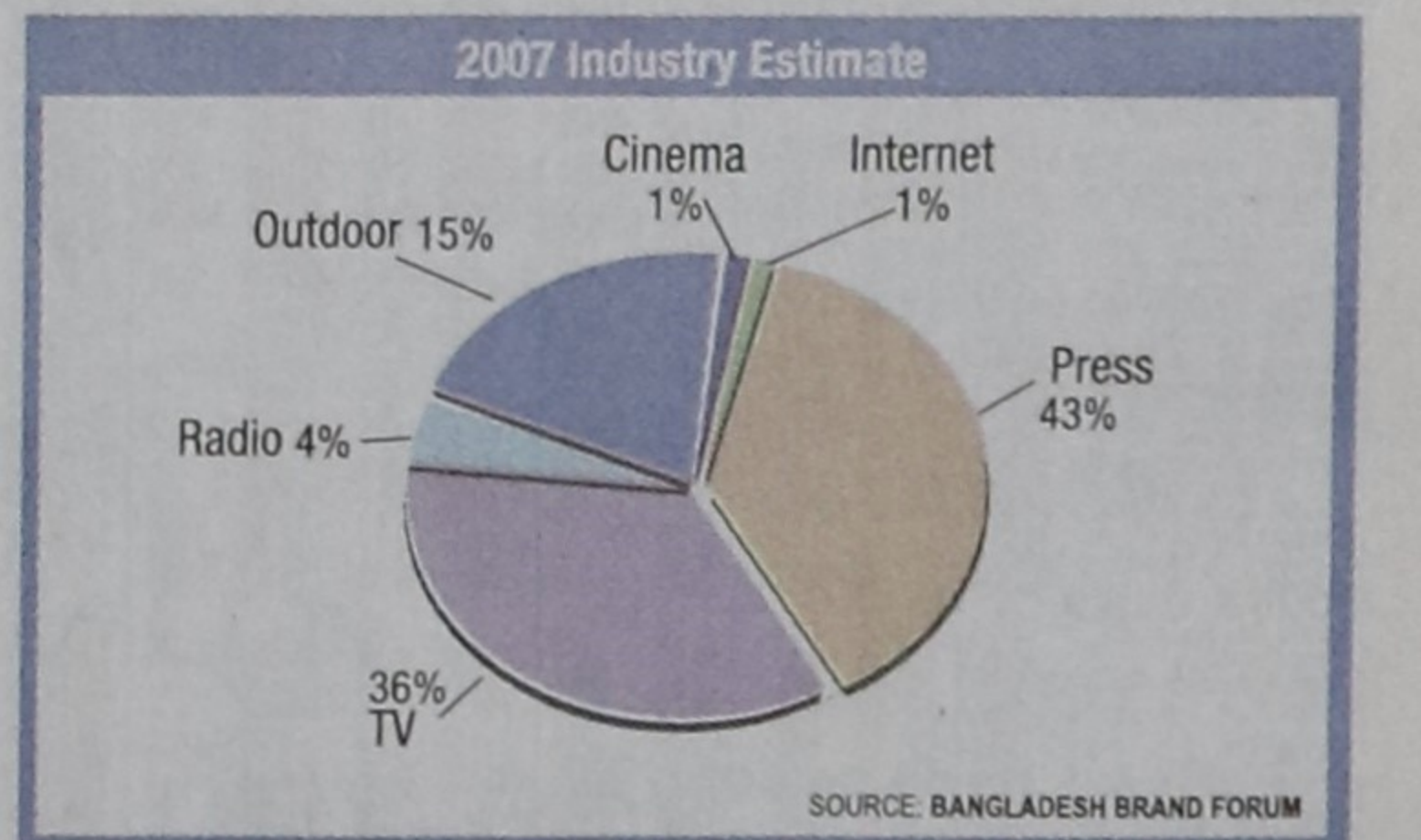
Farhat Anwar, editor of the magazine, said the motto of the magazine is to develop and promote local brands and encourage new entrepreneurs.

"We are to promote the best of any individuals to develop and gear local brands with the magazine," said Farhat.

"If Bangladesh wants to elevate its status from underdeveloped to developing and finally to a developed nation, the impetus must come from the business world," he added.

"We are to achieve a good target within 10-15 years," said Farhat at the launching ceremony.

Bangladesh Brand Forum was formed in 2007. An official said that the forum arranges quarterly seminars for business students regularly at the Institute of Business Administration (IBA), University of Dhaka. BBF also arranged two international seminars on brand leadership in 2007 and 2008.



CATEGORY	Advertiser
1. Telecom Operator	1. Grameen Phone
2. Bank	2. Unilever
3. Real Estate	3. Orascom
4. Education	4. TM International
5. Soft Drinks	5. Pacific Telecom
6. Mobile Handset	6. Warid Telecom
7. Personal Wash	7. Pran Group
8. Electronics	8. Nokia
9. Shampoo	9. Square Group
10. Snacks	10. Bombay Sweets

SOURCE: BANGLADESH BRAND FORUM