

International Business News

Oil prices fall below \$100

AFP, Singapore

World oil prices fell below 100 dollars a barrel in late Asian trade Thursday, but are expected to remain volatile as investors continue to assess the US economy, dealers said.

New York's main contract, light sweet crude for May delivery fell a hefty 2.73 dollars to 99.81 dollars per barrel from its close of 102.54 dollars during floor trading in the US Wednesday.

The April contract had expired Wednesday at 104.48 dollars a barrel, after plummeting 4.94 dollars. The contract had hit a record peak of 111.80 dollars on Monday.

London's Brent North Sea crude for May delivery dropped 1.51 dollars to 99.21 dollars a barrel.

The commodities market is in a situation where "investor sentiment is potentially shifting" as they reassess the outlook for the US economy, said David Moore, a commodity strategist at the Commonwealth Bank of Australia in Sydney.

"The market has been extremely volatile over the last week, and it is very difficult to say with any confidence when prices could bottom or turn around," said Moore.

Traders continued to focus on the global credit squeeze amid concerns over the impact it might have on economic growth and oil demand, and largely overlooked headline US energy inventory data showing a smaller-than-expected rise in crude supplies.

Indian inflation leaps to nearly 6pc

AFP, New Delhi

India's inflation rate jumped by almost a full percentage point to hit a more than 10-month high, data showed Wednesday, dimming chances of an early interest rate cut to spur a slowing economy.

Annual inflation leapt by 0.81 percentage points to 5.92 percent for the week ended March 8 from 5.11 percent the previous week, according to the wholesale price index, India's most watched cost-of-living monitor.

The rise was driven by increases in prices of essential goods such as edible oil, pulses, fruit, vegetables and spices and came as unwelcome news for the Congress-led government, which largely owes its 2004 national election win to support from India's poor masses, who have been hardest hit by inflation.

The new rate, which far exceeded market forecasts of 5.20 percent, is the highest since late April 2007 when inflation stood at 6.01 percent and significantly above the central bank's five percent tolerance level.

The figures came a day after the government imposed a one-year ban on the export of edible oils to curb rising prices.

HANDICRAFTS

Business can be child's play

KAWSAR KHAN

In a large room in Natun Bazaar, around 100 women sit on the floor surrounded by cotton yarn and small, knitted carrots, cauliflowers and cakes - complete with icing and cherries on top.

They move methodically, quickly working the needles as they hand knit the toys in line with the designs given by their instructors.

The items are small, but the business they are part of is rapidly gaining an international following and giving employment and hope to thousands of rural women across Bangladesh.

Hathay Bunano, literally hand-knitted, started in 2005 with \$500 and a handful of staff. Now more than 2,500 women are working for the company and turnover has reached around \$40,000, (Tk28 lakh) a month.

Apart from toys, the women knit children's clothes, blankets and even birthday party decorations, producing the items at 29 centres in locations as far a field as Narsindi, Sylhet and Sirajganj. All are certified Fair Trade products, with the majority of the goods shipped to Europe or the US.

"The demand for such children's products is huge in the world market but we cannot meet buyers' demand because presently we cannot produce quickly enough," said Samantha Morshed, chief executive officer of the company.

Samantha began working with knitted items in 2000 when she was still living in the UK, setting up a company called Zaki-do-dah's.

As she explained on her website, "I had always loved knitting and knitwear and the process of making beautiful things but, like many childrenswear and babywear companies today, it was the inspiration of my first son, Zaki, which led to the inception of Zaki-do-dah's."

"We started in the UK with about two dozen knitters who were mainly elderly but were such wonderful craftswomen and took great pride in every piece they knitted for us. Our knitwear was extremely well received but was prohibitively expensive."

"In 2004 my family relocated en masse to Bangladesh

and that raised enormous possibilities for Zaki-do-dah's and for producing a range at a marketable price.

"Suddenly we found a workforce who was so eager to work that they would learn new techniques and patterns more quickly than I had ever previously seen. I spent much of 2004 sitting cross-legged on the floor in villages with village women showing them techniques so that we could achieve consistency in our knitting."

"These sessions led to formal training courses, new training centres, a formalised syllabus and a hierarchy of trained supervisors and teachers."

Now as Hathay Bunano, the company is largely engaged in supplying to other companies such as Yellow label kids, Larkmade and UK based Urchin, who both wholesale and retail a range of products that has grown to around 250 items.

And customers outside Bangladesh are prepared to pay for well made, ethically produced toys. For example a box of five knitted donuts sells at \$34.99 (Tk2,450) on the yellowlabel website.

Golam Morshed, Samantha's husband and managing director of Hathay Bunano, said that though it was not a big venture in terms of exports, it was a big venture in terms of creating rural employment.

"The ethical standard for launching our venture was to go into the rural areas where almost all of the women are unemployed," said Morshed.

He further said during that during the start up the goal had been to ensure that all the women got a minimum of Tk 10 per hour, ensuring that they reached the minimum wage.

He said that on average they get 20 per cent profit from their sales and as Hathay Bunano is a non profit organization the profit is used for expansion of the organization and training around 200 new women a month.

"Though over 2,500 women are working with us, we are facing a huge manpower constraint," Golam Morshed said.

To maintain quality, new women workers require a four-week training course that costs Tk 7,000 per head.

"To increase our produc-



Like the woman in picture, over 2,500 workers across the country are involved in knitting such toys that find their markets in Europe and America.



These hand knitted vegetable rattles such as cauliflower, aubergine, and carrot are 100 percent cotton made.



A box of assorted donuts sells at \$34.99 (Tk2,450).



Girls are knitting birthday-party decoration cloths.

tion we need an additional 1,500 workers now, but we are failing to achieve this because of a lack of proper funds to train workers," Samantha said.

Seeking the support of the bank or donor agency she said, "if we now get a Tk 1.12 crore loan or any such type of help we would be able to train up as much manpower as we need and increase our exports."

The company does not presently receive any government or bank support, although there has been some

assistance from international organisations. "For example, Charles Vogeles, a Swedish based garment buyer, gave us financial support to establish a knit training center."

Samantha said that quality was one of the main features that helped the company attract buyers and that it was working to gain the internationally recognized SA8000 certification.

"If we get it we will be the lone rural based organization in the world with the certification," Golam Morshed added. Back in Natun Bazaar,

Bimola Mandal was taking her lunch break. "Our organization knits many children's products but I am specialized on toys knitting and my main duty here is to train other women."

"What ever animal or thing you show me, I will be able to knit it," she adds proudly.

"Instead of working here I could work in a garment factory because what I earn here is almost the same as the earnings I would get in a garment factory. But the benefit I get here is that I can bring my child and that is not possible for a garment factory," Bimola

added. In many rural areas women do not have the choice of working in a garment factory. Here Hathay Bunano gives the flexibility the women need to combine work with family and farming duties.

"Almost all the women of our country know how to knit. What we need is simply to train them to make the things we need," said Linus Rozario, project supervisor in Natun Bazaar.

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A trader looks at his monitor before the opening bell on the floor of the New York Stock Exchange on Wednesday as VISA celebrates the largest IPO in US history at the NYSE. Credit card giant Visa raised more than 17 billion dollars Tuesday in the largest share offering in US history.

Toyota to sell Prius, Camry in S Korea next year

AFP, Seoul

Japan's largest automaker Toyota Motor will start selling non-luxury models in South Korea next year, chairman Fujio Cho said Thursday.

The models will include the hybrid Prius, the popular Camry sedan and the sports utility vehicle RAV4, he said. "We have set the initial monthly sales target at 500 units of Toyota-brand models," he told journalists.

Toyota currently sells only its luxury Lexus in South Korea. Sales of all imported cars jumped 31.7 percent from a year earlier to a record 53,390 in 2007, according to the Korea Automobile Importers and Distributors Association.

Last year foreign cars cornered 5.13 percent of the domestic market compared to 4.15 percent in 2006.

The association predicts foreign car sales will reach 62,000 this year.

Deutsche Telekom unit says to move 3,000 jobs to India

AFP, Frankfurt

T-Systems, the computer services unit of Deutsche Telekom, said Wednesday it would move 3,000 jobs in Germany to India as a result of its partnership with the US group Cognizant.

The posts would be relocated to Cognizant's operations in India "in the coming months or years," director of the unit, Reinhard Clemens, told a conference with analysts.

Trade unions and the works council at T-Systems had been informed of the development "and we all agree that it is the path to follow," Clemens said.

T-Systems and Cognizant announced earlier this month a partnership in integrated computer systems for large European companies.

It was suggested that jobs could be eliminated but no figures were given at the time.

AUTO

Domestic car sales to pick up in 2008

REFAYET ULLAH MIRDHA

Domestic car sellers see 2008 as the year of recovery as sales of vehicles are picking up on good economic condition.

Market operators said car business experienced some bad days in recent years on changed political situation.

Saleh Uddin, deputy manager of Aftab Automobiles Limited, a concern of Navana Group and sole distributor of Japan's Toyota, said they have been selling 70 cars a month on an average since January.

His company sold 700 cars in 2007, 600 cars in 2006 and 400 cars in 2005, he said, attributing the low sale in 2005 to the non-purchase of the car of this brand by the Bangladesh Army.

Every year the Bangladesh Army purchases at least 300 cars from Aftab Automobile, the official told The Daily Star from the Toyota showroom at 3rd Lucas Dhaka Motor Show at the city's Bangladesh China Friendship Conference Centre yesterday. CEMS is the organiser, while The Daily Star is the media partner of the show.

Saleh Uddin foresees this year a further rise in the company's present 20 percent per annum sales growth, with the middle-income



Every motor show has a woman standing in front of a car. The Dhaka Motor show, which opened in the capital yesterday and ends on Saturday 22nd, is no exception.

group people increasingly adding cars to the list of their demands.

"At present, Toyota's share in the Bangladesh car market is 80 percent," he said. Toyota has taken a challenge to launch hybrid cars within 2009, he said. Hybrid cars will not need fuel and CNG, but battery,

he added.

"Once this hybrid car is launched here, it will be affordable to more Bangladeshis belonging to the middle-income group," Saleh Uddin said, pointing to the fact that such cars are environment-friendly.

When asked, he said at present the

best selling car in the country is Toyota's Corolla brand.

The latest brand of Toyota that arrived here is Corolla GLI, a 1500CC car with five seats, which is selling at Tk 21,90,000, he said.

He also pointed out that expensive car sales have recently declined on imposition of higher duty on the import of such cars.

"The taste of our middle-class people, the major portion of the population is changing on some developments in our financial sector. Now, almost every bank and financial institution has come up with offering car loans. Moreover, the car distributing companies are also selling cars on instalments," he said.

As a result, the growth in car customers has been maintaining a substantial rate over the last few years, he said.

According to Saidur Rahman, deputy manager (Sales) at HS Enterprise, the sole distributor of Chinese Chery brand car since 2005, his company has put the latest Chery V5 2400CC car on display in the show. This brand of car has 7 seats, he said.

"I am hopeful that my company will experience 60 percent growth in 2008 as the sale of cars of my company is so good from the beginning

of the year," Saidur said.

Since 2005, a total of 120 Chery brand cars have been sold in the local market, he added.

The 3-day Lucas Dhaka Motor Show that began yesterday will continue until March 22 to showcase services of different financial institutions, cars, petroleum products and spares parts of vehicles.

The officials of the organising company CEMS said the main aim is to provide a platform for the country's automotive industry to make consumers aware of the new products and enhance trade.

Leading car and motorcycle distributors and dealers, lubricant and CNG conversion companies, local banks and financial institutions and automotive parts manufacturers and importers from Bangladesh and abroad are participating in the show.

Rahimafrooz Distribution Ltd. (Lucas) is the title sponsor of the show, where Dunlop Tyres, Castrol, RZ Tyre and Rahimafrooz CNG are the co-partners of the show. ATN Bangla, Samokal and Radio Foorti are also working as the media partners for the show. The show will remain open for the traders and members of the public everyday from 10 am to 8pm with tickets.

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