

International Business News

Biofuels boom hurting Asia's poorest: UN

AFP, Geneva
Biofuels are not only hurting poor consumers in Asia by driving up crop prices, they are also failing to help the region's farmers who have not been able to adapt their production to cash in on the boom, a United Nations report said on Thursday.

"So far, poor rural farmers have not seen the benefits of biofuel production. They lack the wherewithal to extend their land and adapt to new crops. And the impetus for large-scale farming can push the poor off their land, excluding them from biofuels," it said.

"Small poor farmers in particular, have been left behind," UN Conference on Trade and Development economist Cape Kasahara told reporters in Geneva.

The rise of biofuels has come under fire, with Indian Finance Minister P Chidambaram on Wednesday criticising countries like the United States for diverting farm products to produce biofuels, saying this had led to soaring global food prices.

Food giant Nestle's chief executive Peter Brabeck also said earlier that the growing use of crops such as wheat and corn to make biofuels is putting world food supplies in peril.

AirAsia X buys 10 Airbus planes

AFP, Kuala Lumpur
Malaysian long-haul budget airline AirAsia X on Thursday signed a deal to buy 10 more Airbus A330-300 aircraft, but said plane shortages have jeopardised plans to fly to Britain by year-end.

The 10 new aircraft with a list price of 2.1 billion dollars will bring the carrier's total fleet to 25 aircraft, after it earlier signed an order for 15 of the planes.

"With the Airbus A330-300, our strategy is to focus on two core markets... which is Australia and China," AirAsia X chief executive officer Azran Osman Rani said.

The additional aircraft will be delivered over the next five years, but currently it is operating its inaugural routes to China and Australia's Gold Coast on a leased A330.

Azran said the carrier plans to fly to more Australian and Chinese cities by the fourth quarter of 2008 upon delivery of the A330s and has plans to launch its services in the lucrative Indian market.

However, he said that plans to launch flights to Britain in the fourth quarter of 2008 were now "subject to aircraft availability."

"We are out in the market to look for an extra long-range aircraft such as the A340 to enable us to provide a direct service to the UK if we can secure that aircraft," he said.

"Right now, the prices are a bit high because there's a global airline shortage," he said.



AFP
A woman gazes at a 417 million yen (US\$4.17 million) diamond necklace during a press preview at the world's largest diamond trader De Beers' flagship shop in Tokyo yesterday. De Beers new flagship shop opens at Tokyo's Ginza fashion district today.

Oil prices higher

AFP, Singapore
Oil prices were higher in Asian trade on Thursday, bolstered by a weaker-than-expected energy stockpiles report in the United States, the world's biggest energy user, dealers said.

In afternoon trade, New York's main contract, light sweet crude for May delivery rose 45 cents to 106.35 dollars a barrel from Wednesday's close of 105.90 dollars during US floor trading hours.

London's Brent North Sea crude for May delivery gained 35 cents to 104.34 dollars a barrel.

The US government's Energy Information Administration (EIA) said its crude stockpiles were unchanged at 311.8 million barrels in the week ending March 21.

That contrasted sharply with market expectations for a weekly gain of 1.8 million barrels.

"The inventory stats were bullish across the board," Societe Generale commodity analysts said in a report.

Motorola to split in two

AFP, New York
Motorola announced Wednesday it would split into two independent, publicly traded companies in an effort by the struggling telecom and wireless firm to regain market leadership.

The move comes as the Schaumburg, Illinois company has come under pressure from billionaire investor Carl Icahn to take steps to boost shareholder value.

The move will split its Mobile Devices division, which has been lagging in the market for handsets and other mobile phones, and its Broadband Mobility unit, which makes wireless modems, TV set top boxes and other equipment.

"Creating two industry-leading companies will provide improved flexibility, more tailored capital structures, and increased management focus -- as well as more targeted investment opportunities for our shareholders," Motorola chief executive and president Greg Brown said in a statement.

HEALTHCARE

New hospitals don't halt healthcare tourists

JASIM UDDIN KHAN

Kaium, a worker at a private commercial bank, has managed to scrape together Tk45,000 from his savings, family and friends to go to India next month to get treatment for his seven years son Ovi, who is suffering from a gastrointestinal problem.

It wasn't his first thought when he discovered his son was ill. Kaium consulted the country's four leading gastrological consultants and got treatment at government hospitals, but to no avail. Now, after taking the advice of colleagues, he will join the tens of thousands of his countrymen who travel abroad each year in search of expert medical care.

"Whatever my son eats he starts vomiting, I went to around 10 medical destinations in the country as well as trying some herbal medicines. I even tried some quack doctors, but everything has proved ineffective," Kaium explained.

Despite the expansion of high-end health services in Dhaka the number of wealthy and middle class Bangladeshis heading abroad for treatment continues to rise.

Figures compiled by The Daily Star show that in 2007, the number of medical visas granted to Bangladeshis by India, Thailand and Singapore all increased.

Behind the figures lies a tradition among the country's wealthy of seeking treatment abroad, and a distrust of local services that experts say will take decades to break.

But there are also concerns that the new high-end hospitals being built in the capital are simply too expensive, on occasions out pricing India



Advertising hoardings in Dhaka for foreign hospitals looking to attract Bangladeshis. Despite new hospitals in the capital the number of Bangladeshis going abroad for medical treatment is increasing.

and even Thailand for surgery.

In 2007 around 45,000 Bangladeshi patients went to India, 15,000 to Bangkok, 4,000 to Singapore and another 5,000 to other countries for medical treatment.

Indian High Commission First Secretary Sanjeeb Singla said: "Around ten percent of Bangladeshi people out of a total of five lakh visitors come for medical purposes every year, but the current medical infrastructure deserves more patients from Bangladesh."

Thailand's Commercial Counselor to Dhaka, Supaporn Wan-a-Loh, said 15,000 patients went to Thailand from

Bangladesh in 2007. This compares with 13,500 in 2006 and 11,000 in 2005.

An official of the Singapore Consulate in Dhaka said approximately 5,000 patients went from Bangladesh in 2007, up from 4,500 in 2006 and 3000 in 2005.

Rezaul Haque, an executive of a liaison office of a Singaporean Hospital said businessmen and other executives prefer foreign treatment as they have yet to gain confidence in the standard of local medical services.

Foreign hospitals do not like to see themselves as in direct competition with the emerg-

ing group of local high end private medical facilities, such as the Apollo, United, Square and AHCL hospitals, all of which have opened in the past few years.

Between them the hospitals account for well over \$100m of investment and have attracted both medical and administrative staff from outside the country.

The new Dhaka hospitals claim that many of their patients would otherwise of gone abroad. Brig. General (ret) John Gomes, General Manager' Management Support Service said Square hospital was equipped with

TOTAL NUMBER OF MEDICAL TOURIST VISITS				
COUNTRY	2002	2004	2005	2006
THAILAND	390,000	520,000	680,000	730,000
SINGAPORE	210,000	320,000	374,000	410,000
MALAYSIA	117,000	179,000	210,000	227,000
INDIA	100,000	150,000	185,000	235,000

SOURCE: INTERNET

high-tech new generation equipment and apparatus.

This meant Bangladeshi patients are getting treatment directly under foreign doctors, surgeons, physiotherapists, nurses and experts, he said.

"Under strict foreign management, the hospital offers services ranging from simple medical consultation to complex brain, spine, bone, kidney, eye, heart and even plastic surgeries by foreign doctors. This enables many Bangladeshi patients to avoid costly and troublesome trips to neighbouring countries," he added.

Brigadier Shaheed of United Hospital said: "Many of the patients, who gained admission to the hospital, would have been admitted to foreign hospitals. So definitely, a certain amount of foreign exchange has been saved."

He said many Bangladeshis patients would prefer to stay at home but feel they have no choice but to go to Singapore, Bangkok, Kolkata and New Delhi, which is very costly, because in addition to the treatment, patients have to pay travel and hotels expenses, including those of the person accompanying them.

But for all the confidence expressed by the leadership of the new local hospitals, the visa figures show they have so

far been unable to stem the tide of patients heading abroad. This can be seen as one of the reasons why some of the newcomers have failed to live up to their original expectations in terms of patient numbers. For example the Apollo is running at 50 percent of its envisaged capacity, according to hospital officials.

Experts say this is also partly due to the price levels of services in Dhaka. An executive checkup including chest X-ray, electro-cardiogram, a blood test and tests for blood pressure and diabetes costs around Tk 18,000, in Dhaka but is just Tk 15,000 in many Indian and Bangkok hospitals.

Bypass surgery at different high end hospitals in Dhaka costs over Tk 2 lakh 50 thousand, while it can be conducted at below Tk 2 lakh in Indian hospitals, sources said.

Of course such comparisons may be misleading, as it is very difficult to judge care levels or the skills of the medical staff involved.

But such considerations are too late for Kaium and his son. "I did inquire about getting Ovi treated at some of the local high-end hospitals in Dhaka but they were very costly. In the end I decided to go to India."

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GARMENT

Clothing with a conscience

REFAYET ULLAH MIRDHA

Look inside any TAC Social garment on sale in the group's Gulshan store, be it a designer t-shirt or a pair of ladies trousers and you will find a label with a unique number.

Type the number into the company's website and you will see a picture of the worker who has put the garment together, along with details about how old she or he is and some of the conditions under which they work.

"The workers' conditions are not bad, but we want to improve them further," said David Mayor, the Spaniard behind TAC. "As we do this we will be able to be more transparent on the website, give details of wages, of what the workers actually do and how they live."

David Mayor came to Bangladesh several years ago, working as an auditor for garment buyers. "On several occasions, I found working conditions not so good and I thought it was possible to make them better."

Set up with a local partner, TAC began exporting clothes to the Spanish market, but realised that it was difficult for a small supplier to compete simply on price.

"Margins are very small if you are a straight forward supplier. It is very easy to set up a factory if you have money, and there is always someone who is willing to charge less than you," Mayor said.

The group started designing its own range to add value, bringing in a designer from Spain, and tried to profile its clothes as being manufactured in a socially responsible way. But they soon discovered that selling clothes with a social conscience was not that easy and the company needed something more to attract buyers.

"You will get some people who are very committed to socially responsible clothing, but they are not enough. By using the numbered label we give more than this. We give



the idea of exclusivity and in a way you are selling an experience," Mayor added.

"Everybody has a nice design and a good price, but we have something else," he said.

In addition to this, around five percent of the sale price of each item goes to a school for garment workers in Dinajpur.

Last week the group opened its first retail store in Gulshan's road 72 underneath the Cafe Mango. The group's first outlet in Spain is due to open in September.

"We know a lot about manufacturing, but not so much about retailing. To start with we thought a shop in Dhaka would be a good way of learning the trade and testing out designs.

"Initially the idea was to aim the shop at expats but the response has been so good from Bangladeshis as well that we can see it as a business in our own right."

TAC is now considering setting up other stores in Dhaka, joining a growing group of locally produced brands, such as Cats Eye, Yellow and Ecstasy who are benefiting from the expanding local market.

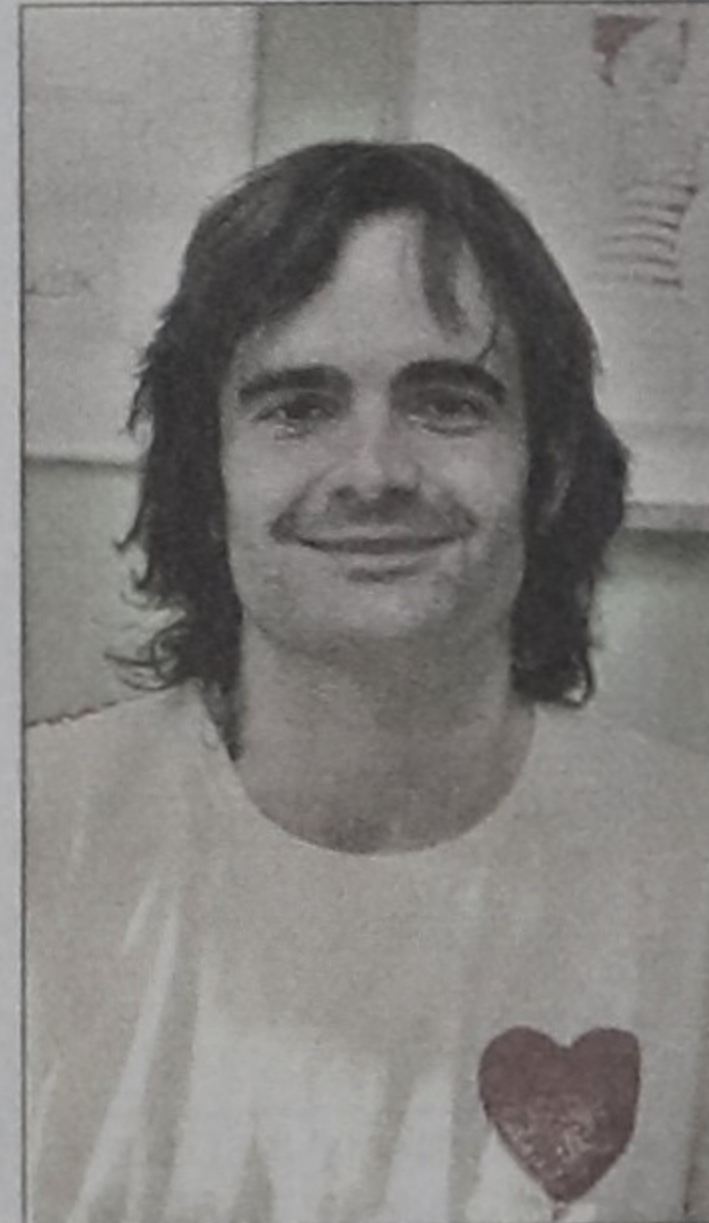
To supply the stores, the group is building a new factory in Savar that will allow it to increase production from around 1,000 pieces a day to 6,000.

Controlling the whole chain from design through manufacture to retail is also a key means to improving workers' conditions, David said.

"We looked at this issue carefully and worked out that we would have to charge an extra 10 cents a piece to improve conditions, but when you are a manufacturer negotiating orders with buyers that 10 cents becomes very important, it is very competitive and 10 cents becomes a lot," he said.

"However when you look at 10 cents on a retail price, it is nothing," he added.

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David Mayor, the Spaniard behind TAC Social.



Some of the company's trendy textiles.



Clothing available in Gulshan store of TAC Social, which opened last week.

AMRAN HOSSAIN