

International Business News

Dollar crawls higher ahead of US jobs data

AFP, Tokyo
The dollar edged higher against the euro and the yen in Asian trade on Thursday on the eve of a key monthly US jobs report. Traders showed a muted response to Federal Reserve chairman Ben Bernanke's remarks to Congress where he acknowledged a possible US recession. The dollar rose to 102.66 yen in Tokyo afternoon trade compared with 102.29 yen late Wednesday in New York. The euro slipped to 1.5623 dollars from 1.5687 and to 160.46 yen from 160.59. The greenback got a boost from a private sector jobs survey released Wednesday that suggested the US economy was not as weak as some had expected, dealers said. Payroll services firm ADP reported an 8,000 increase in private sector jobs in March, against forecasts for a loss of as many as 70,000. But analysts said the report may not be a reliable guide to Friday's all-important US non-farm payrolls report, one of the most closely watched indicators on the health of the world's largest economy.

Bernanke says recession possible, defends Bear Stearns move

AFP, Washington
Federal Reserve chief Ben Bernanke acknowledged Wednesday a US recession may have begun and defended the rescue of investment firm Bear Stearns as a move to avert a potential economic calamity. In remarks to US lawmakers, Bernanke said the economy has weakened since the Fed's latest outlook prepared in January, meaning a contraction is likely. The latest data suggests the economy "will not grow much, if at all, over the first half of 2008 and could even contract slightly," Bernanke told the Joint Economic Committee of Congress. "A recession is possible," Bernanke told lawmakers. But he noted that an independent economic panel will make a determination at a later time on a recession: "So I'm not yet ready to say whether or not the US economy will face such a situation. However, it's clearly a period of very slow growth."

Foreign investors are lining up to bid to operate Chicago's Midway International Airport, the first major US airport to be privatized under a federal initiative launched more than a decade ago. City officials say six consortiums, which include firms from France, Australia, Germany, Canada and Spain, are vying to run Chicago's secondary airport. While many European airports were privatized years ago, all commercial airports in the United States are currently operated and owned by local or state governments. Midway was the first major hub airport to apply for privatization approval since the US congress established a pilot program in 1996 to explore the use of private operators at commercial airports. Yet it remains unclear whether the effort will generate a backlash if a foreign firm is chosen, in light of security concerns raised after a failed effort by a Dubai group to take over major US ports. "This will surely generate debate since there may be perceptions about foreign ownership of sensitive or critical transportation properties like we saw with the Dubai port deal," said Joe Schweitzer, a transportation professor at DePaul University in Chicago.

Privatization of major US airport attracts foreign interest

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Motorola to shut Singapore mobile phone plant

AFP, Singapore
Struggling US telecom giant Motorola will close its mobile phone manufacturing plant in Singapore as part of the company's 500-million US dollar global cost cutting exercise, it said Thursday. Motorola said the move, which will affect 700 employees, is aimed at aligning the company's operations to grow the business. "Motorola confirms that as part of its strategic review of business operations... the company will begin a phased transition of its mobile phone manufacturing operations from Singapore to other Motorola facilities worldwide," company spokeswoman Lynn Chan said. "This transition will enable Motorola to align the organizational structure with long-term plans to drive the business while continuing to provide its customers with high-quality products and services," she said. Motorola will start phasing out the mobile phone plant's operations in the second quarter and expects the exercise to be completed by the end of the year.

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Employees of Motorola manufacturing mobile phone walk out for lunch in Singapore yesterday. Struggling US telecom giant Motorola will close its mobile phone manufacturing plant in Singapore as part of the company's \$500-million global cost cutting exercise, it said.

ENTERTAINMENT

Dhaka goes to Hollywood

JASIM UDDIN KHAN

It took the intervention of James Bond actor Sean Connery, but now the label "Made in Bangladesh" appears on some of the most gruesome make-up products used by Hollywood and on film sets and theatres around the globe. From bloody wounds and oozing gashes, to false chins and devilish horns, Kryolan's small plant on Dhaka's Export Processing Zone is supplying the world's leading professional make-up artists. "When we first started the German owners were concerned about using a Made in Bangladesh label," said Yesmin Ipphat, chief executive of Kryolan Bangladesh. "But one day on a film set someone asked where the make-up came from and people were surprised at the answer. Sean Connery said he didn't care where it was from as long as it was Kryolan quality. Since then we have used the Bangladesh label and I am very proud of that," she added.

It's an odd niche, but according to Yesmin the Bangladeshi plant is a world leader when it comes to providing make-up for cut-throats, split open stomachs and the scars caused by hanging. These 3-D special effects, along with false noses - Kryolan has a range of 18 different types - ears, chins, and bald caps, are crafted in rubber by a team of around 35 skilled workers. The group also makes false eyelashes assembled from human hair brought in from South Korea.

Based in Berlin, Germany, Kryolan set up its Dhaka plant in 2001. "The company wanted to spread its operations into the third world and there was a Bangladeshi German working for the company who convinced them to come here," Yesmin explained. Globally the group produces creams and professional grease paints. "Our company supplied the make-up and costume for the box office hit 'Titanic,' Yesmin said.

"When the heroine Kate Winslet finds her lover frozen to death in the icy water, the make up her and Leonardo di Caprio are using is supplied by Kryolan," she added. The company also produces military camouflage that is used by several armies including the US. "The company plans to talk with the Bangladesh Army to see if they will use the products," she said.

At the Dhaka plant the range is at present limited to around 15 products. Staff sit at desks with paints and brushes carefully decorating rubber wounds and scars. One of them, Jostna Banu, 35, is putting the last dots on a small rubber horn, ready to be used to turn an actor on the other side of the world into a ghoulish beast.

Jostna doesn't know the film it will be used in, in fact she's not really sure where Hollywood is, but she works methodically, ensuring there is no smudging and that the design she is given is followed. Like Yesmin, she is proud that monsters are 'Made in Bangladesh'. Jasim@thedailystar.net

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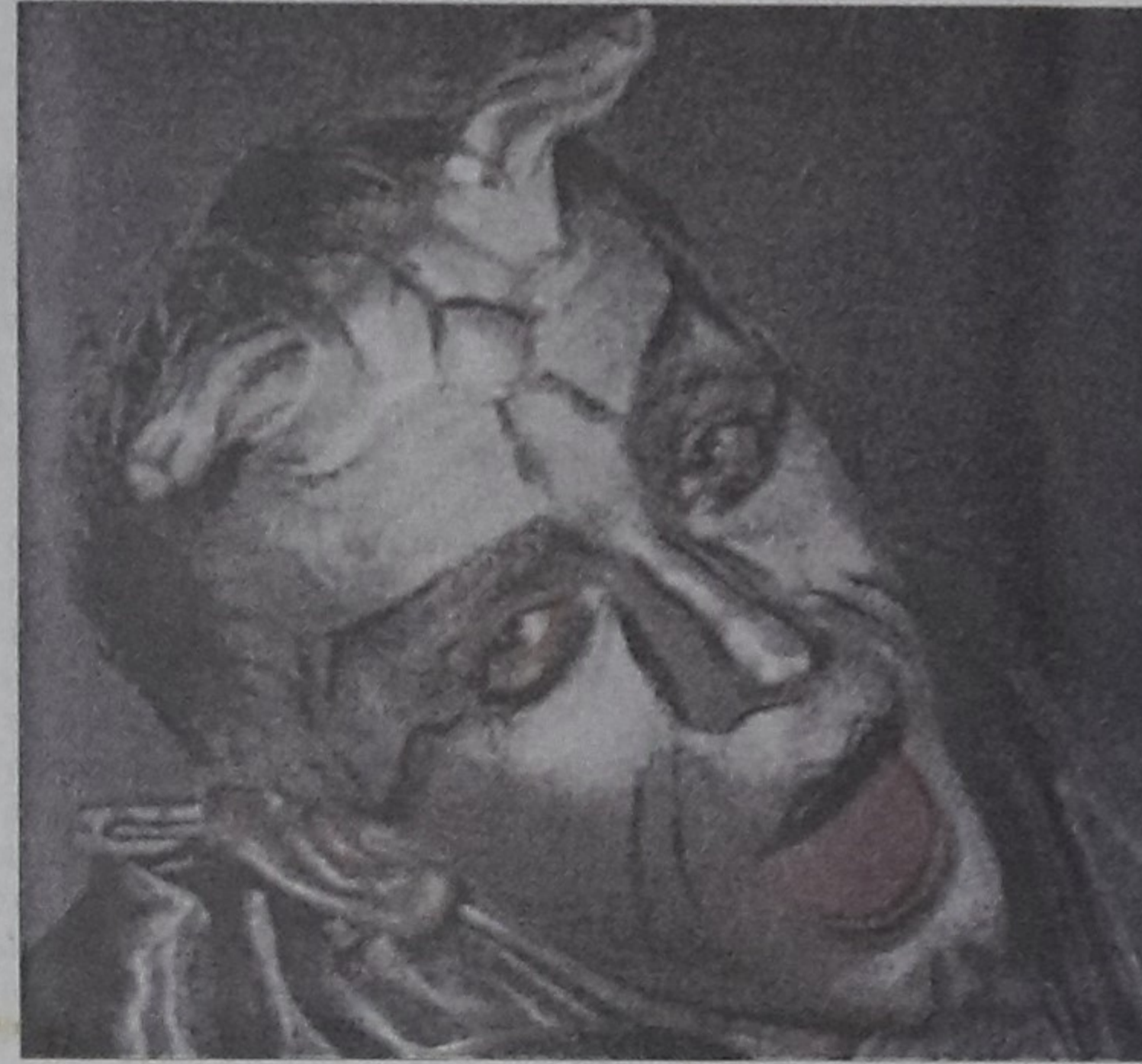
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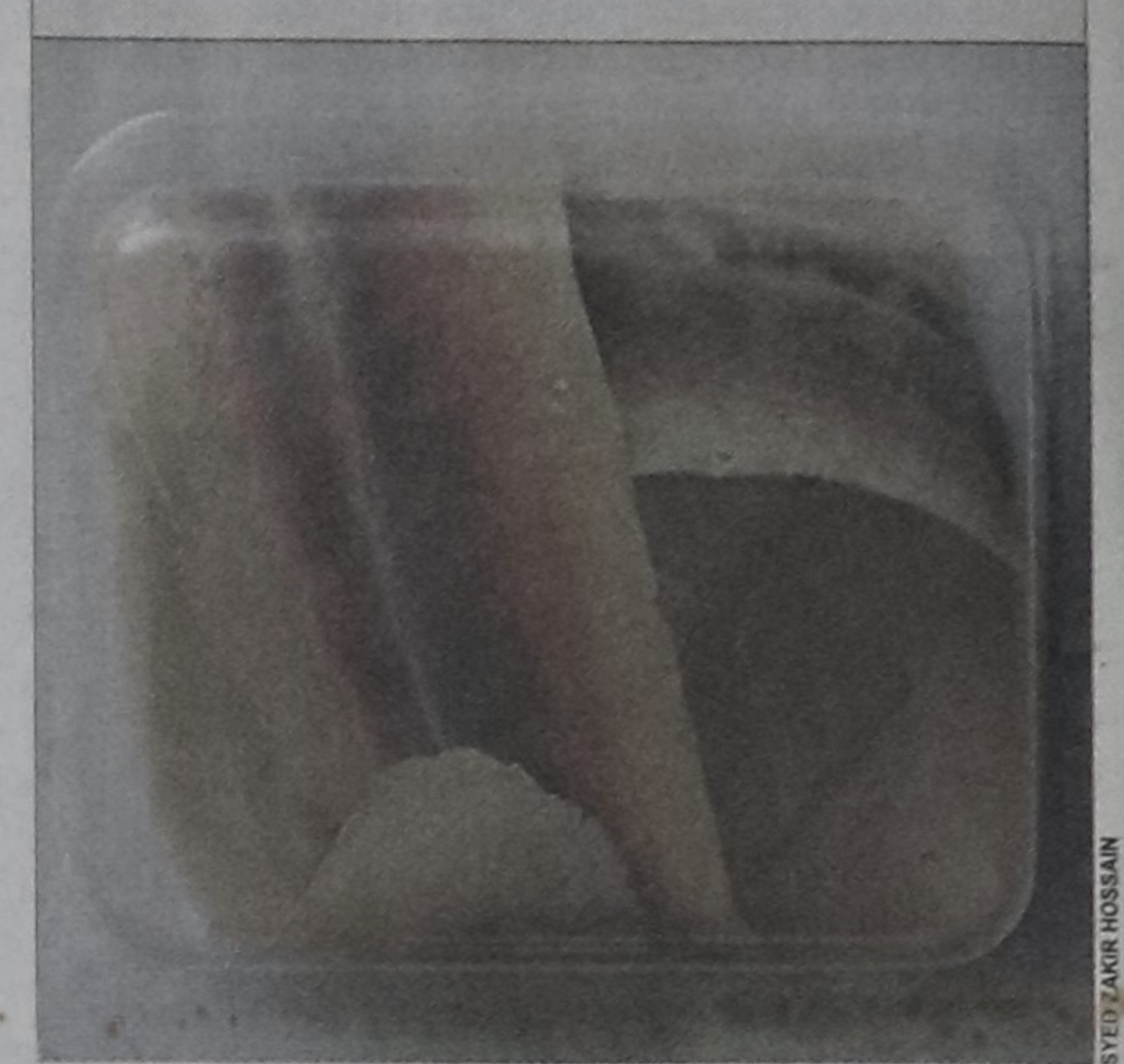
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Monstrous make-up. On Dhaka EPZ Kryolan Bangladesh makes fake wounds in rubber for Hollywood. Top left, Yesmin Ipphat, chief executive officer of Kryolan Bangladesh. Right, a hanging scar made by the company. Bottom left, an actor uses rubber horns produced at the Dhaka plant.



LATEX APPLIANCES FOR MAKE-UP ARTISTS



PRECIOUS METALS

Wedding gold loses its glitter

MD HASAN

Zaman looked very uneasy in the jewelry shop on Thursday evening, but his daughter Joya assured him that she would be happy whatever the amount of gold he managed to buy her to wear in her wedding ceremony. Zaman relaxed a little, but he could not shake the feeling that despite having the same budget, Joya would be wearing considerably less gold than her older sister had five years ago. Soaring prices mean that this time round Zaman has had to cut back on many things surrounding his daughters wedding. It's not a situation a middle class father expected himself to be in. Amullya Malakar, the owner of the jewelry store, Venus Jewelers Ltd of Baitul Mukarram market, said Zaman was far from alone in his predicament. It is a problem known to every family heading for a wedding. The price of 22 carat gold has almost



tripled from Tk10614 per bhroi (11.66 grams) in 2003 to Tk27,468 per bhori in 2008. So, the question is how will Zaman and his daughter manage the upcoming wedding ceremony? The answer is also known by everybody-- buy something that simply looks like gold. "Gold customers now turn to cost effective silver and imitation products," said M A Wadud Khan, president of Bangladesh Jewelry Samity (BJS). He said the demand for gold jewelry decreased by 50 percent

in last five years because of the rising price of the precious metal. This trend has been marked by increased demand for gold plate that is made of low cost silver coated and brighten by liquid gold. And while the gold price now goes beyond the majority of customers, silver remains affordable, yesterday costing Tk583 per bhori. Once buying gold wasn't a big thing,

now it really is a luxury purchase, the BJS president said. Didarul Hoque of Al Harma Jewelers at the Baitul Mukarram market said the demand for silver definitely increased in line with the gold price hike. Sales of silver made jewelry of Al Harma Jewelers, one of the exclusive shops for silver, jumped by more than 30 percent. The customers demand for gold plate and stone set up jewelry are increasing, he said. Asked why he added, "We felt the increased demand at the time when the price of gold increased."

But according to some jewelers, price is not the only reason for the upturn in silver sales with a younger generation appreciating the wide range of designs available. In Venus Jewelers Zaman and his daughter came to a mutual understanding not to buy more than two bhori of gold, considerably less than the five bhori her sister had enjoyed. The rest of Joya's needs would have to be met with silver. But while father and daughter were prepared to compromise, Zaman still had his worries. Would Joya's prospective husband agree with their plans?

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A customer (left) takes a close look at a gold-made necklace at a jewelry shop at Baitul Mukarram Jewelry Market in Dhaka yesterday.

TRANSPORT

Full steam ahead for Vietnam port boom

AFP, Ho Chi Minh City

Japanese naval destroyers making a port call, untold numbers of containers waiting to be unloaded -- and tourists piling out of their cruise ships in the middle of it all. With Ho Chi Minh City port, gateway to booming Vietnam, rapidly becoming overwhelmed, ambitious expansion plans cannot be realised soon enough. Last year, Vietnam witnessed a leap in maritime

cargo of more than 17 percent. Container traffic alone shot up by 30 percent, according to official figures. It's a symptom of one of the world's fastest growing economies, with 8.5 percent GDP expansion last year aided by soaring foreign investment and recent entry into the World Trade Organisation. Such growth translates into a sharp increase in demand for transport, of all types, explains John Cooney, the Asian Development Bank's (ADB)

Southeast Asia infrastructure director. With eight-nine percent GDP growth, "demand for transport of whatever mode will grow at 15-16 percent," says Cooney. "That effectively means that you have to provide double the transport capacity within something like four to five years." For the ports alone, an estimated five billion dollars in investment will be needed up to 2015.

"We are not well prepared," admits Ho Kim Lan, secretary general of the Vietnam seaports association. "After accession to the WTO the situation is changing very rapidly. Cargo volumes increase very quickly. Although we have a masterplan for port development, the development of infrastructure in the country is far behind the demand." Vietnamese ports handled 181 million tonnes of merchandise last year, a figure

estimated to rise to up to 250 million in 2010 and to 550-600 million by 2020, according to maritime authorities. To absorb this traffic, officials are targeting several development zones, such as around this southern economic hub, near tourist hotspot Nha Trang and at Haiphong in the northern reaches of Vietnam's 3,260-kilometre (2,225 miles) coastline. The strategy is to build deep-water ports to accommodate larger vessels which

currently have to drop off Vietnam-bound goods in Hong Kong or Singapore. Saigon port, which retains Ho Chi Minh City's former name, will be moved from its present central location and developed outside the city, quadrupling capacity to more than 50 million tonnes a year. The aim is not only to cope with the explosion in traffic, but also to save time and money for foreign investors who favour Vietnam for its low production costs.

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