

International Business News

EU says China top source of risky goods

AFP, Brussels

China is the main source of risky products in Europe and toys are the product most commonly found to pose a risk to consumers, the European Commission said Thursday.

More than half of all dangerous products detected last year by EU authorities originated in China with notifications for some 700 goods, according to the European Union's executive arm.

With 80 percent of all toys sold in the EU made in China, toys were the product most often found to pose a serious risk, the commission said in an annual report on its so-called RAPEX system for detecting risky goods.

The commission put the poor safety record of Chinese goods down to the sheer number of imports from the country and the fact that European authorities have ramped up monitoring following waves of recalls of Chinese-made toys last year.

Lakshmi Mittal eyes Bulgarian steelmaker

AFP, Sofia, Bulgaria

Indian steel tycoon Lakshmi Mittal is looking to buy Kremikovtzi, the troubled Bulgarian steel maker belonging to his youngest brother and competitor Pramod Mittal, the Bulgarian Economy and Energy Ministry said Wednesday.

A delegation from ArcelorMittal headed by board member Michel Wurth met with Economy and Energy Minister Petar Dimitrov on Wednesday.

The Kremikovtzi steel mill is Bulgaria's largest and is situated outside Sofia. It accounts for nearly 10 percent of Bulgarian exports but is currently facing deep financial problems. Workers demonstrated earlier this week to protest delays in their wage payments.

EU trade chief warns against food export bans

AFP, Brussels

EU trade chief Peter Mandelson warned on Thursday against restrictions on food exports in the face of soaring prices, arguing that they could trigger a "spiral of protectionism."

"By chasing an illusion of food security these policies throttle domestic production, choke off supplies to others and risk leading to a spiral of protectionism and dwindling production," Mandelson said.

The food crisis has fuelled protests in some countries and even spilled over into violence in several nations, including Egypt, Cameroon and Haiti, where the prime minister was ousted as a result.



Indian members of the Communist Party of India-Marxist (CPI-M) and the Telugu Desam Party (TDP) participate in a joint protest against the UPA government for the price hike of essential commodities in Hyderabad yesterday.

India targets hoarders in bid to wrestle down inflation

AFP, New Delhi

India's government, battling to wrestle down soaring inflation, vowed stiff action on Wednesday against food hoarders and accused industry of forming cartels that have driven up prices.

The Congress party-led government is seeking to cut inflation running at over three-year highs of 7.41 percent with national polls looming within a year.

Inflation is seen as hitting the poor masses -- the Congress party's biggest supporters -- hardest.

Finance Minister Palaniappan Chidambaram told parliament the government, which has already slashed food duties and banned exports of pulses and other foods, would not hesitate to further "sacrifice revenues to control prices."

The government could take "fiscal steps, monetary steps and supply-side measures" to tame prices in Asia's third-largest economy, he said.

Singapore's key exports down 5.9 pc

AFP, Singapore

Singapore's key non-oil domestic exports fell 5.9 percent in March against a year earlier as shipments to key trading partner the United States slumped further, government data showed on Thursday.

The fall was steeper than the average 0.3 percent drop forecast by analysts.

Economists have cautioned that Singapore's growth could slow in the face of a possible US recession, a slower world economy, and reduced demand for Asian exports that would likely result.

A growing number of analysts believe the US, the world's largest economy, has already fallen into a recession.

TRANSPORT

The rickshaw economy

KAWSAR KHAN

Nur Islam, arrived at the Kutubkhali garage, near Jatrabari, at 2pm to pick up his rented rickshaw for his second shift of the day. Ahead of him lines another 8 hours in the saddle, pulling people through the sweltering heat, dust and fumes of Dhaka.

"I get up at around 5am every day to pull my rickshaw as it is less tiresome to work during the early hours of the day when it is cooler. I work till 9am and then go for a rest. I start my second spell at around 2pm and work till 10pm," said Nur Islam.

Like hundreds of thousands of men in Dhaka, and millions across Bangladesh, Nur Islam earns his living pedaling the three wheelers. It is one of the country's most visible jobs, supporting millions of families, but its very existence is a source of both pride and anguish for many Bangladeshis.

For some it is a way of providing a livelihood to those who have nothing else, and offers a chance of social mobility. It is also lauded as an environmentally friendly and convenient means of transport in a city where buses and cars belch filthy fumes into the air.

Others scoff at such romanticism. "Behind every rickshaw there is a tragedy, of lost land or of a dowry that needs to be paid. This is as much a sign of our poverty as the beggars. It leads nowhere," said one Dhaka resident.

For Nur Islam there seemed little choice. Landless in his home district of Baghabari, Pabna, he came to Dhaka in search of work. Like thousands of other landless agricultural day laborers reliant on seasonal employment, rickshaw pulling is seen as offering a more stable income.

Relatively young and fit, Nur claims to earn more than Tk300 a day for his 13 hour days, more than the figure given by his colleagues who put their earning at closer to Tk200. Of this between Tk80 to Tk100 has to be paid to rent the rickshaw.



A sea of rickshaws on a Dhaka road. Some see the non-motorised three wheelers as a source of livelihoods to many who have nothing else, others as a symbol of poverty.

According to Sharifa Begum, co-author of a report on rickshaws for Bangladesh Institute of Development Studies, only 20 percent of pullers own their own vehicles. The vast majority hire from 'mahazan' who normally own small fleets of rickshaws and may also give accommodation to pullers on the floors of their garages.

The exact rent depends on the duration of hire and the condition of the rickshaw. New and well-decorated rickshaws

cost more as they are often easier to pull and can command higher fares.

Few rickshaw pullers move up to become owners, partly because of the relatively huge cost of a rickshaw, now around Tk14,000, but also because of the risks involved in ownership. Few have the margins needed to cope if a rickshaw is stolen or damaged in an accident.

There are no set fares, and the price that can be charged depends largely on the bar-

gaining power of the rickshaw driver. "It's intuition," Nurislam said. "If a passenger wants to go somewhere I consider the distance, the traffic, the road conditions, and the time it will take."

"The fare is less during dull hours and more at the beginning and closing hours of offices and schools," he added.

Officially there are 79,602 registered rickshaws in Dhaka, but in reality the figure is estimated to be between 400,000 and 500,000. There have been

attempts to limit their use on some main roads, notably under a World Bank backed scheme. However the scheme has faltered, with opponents saying it favoured a few wealthy car drivers at the cost of the poor.

The numbers on the road is somewhat seasonal, swelling during Ramadan as rural labourers seek cash to celebrate the festival, while during harvest times the numbers fall. Shamsul Alam, the owner of 35 rental rickshaws, said: "Today 19 of my rickshaws were not hired as the number of rickshaw pullers is less in the city as it is rice (boro) harvesting season and many drivers went back to their villages for work."

The vehicles themselves are assembled and decorated in Bangladesh, although around 80 percent of the parts are imported. The rising cost of components has pushed up their price and has hit sales, according to manufacturers.

Are rickshaws a good thing? Dhaka City Corporation seems to have few doubts. "It is such a vehicle, which keeps the environment free from pollution. It can move easily even in a narrow lane. It is an easy, cheap and comfortable transport for every body," DCC states on its website.

But it is grueling work. While in perfect conditions the power to move a rickshaw is manageable, the slightest wind or gradient, worn wheels, poor road conditions and constant stopping and starting sharply increase the effort needed. According to research in the early 1990s under such conditions pullers need to work as hard as 'Olympic athletes'.

"Being as physically fit as these athletes is an absurd proposition for rickshaw pullers who are poor, often malnourished, and living in unhealthy environments. Fatigue and exhaustion therefore, are the natural outcome of hours, days and years of rickshaw pulling," wrote Sharifa Begum and Binayak Sen in their BIDS report.

This means that after around 8-10 years of working as a puller incomes tend to decline, at a time when the individual often faces increased demands from a growing family. This is one of the reasons why the BIDS report had the title, "Unsustainable livelihoods."

The present economic problems in the country are not helping. "The costs of every product has increased, so passengers prefer to walk instead of hiring a rickshaw for traveling short distances. This means rickshaw pullers' incomes have also shrunk," said Abdul Berek, a rickshaw puller.

And the increased prices also make it harder for the pullers to make ends meet. Montu Mia, who runs a mess for rickshaw pullers at Kutubkhali, said previously he took Tk 40 for two meals of a driver for a day, but now he takes Tk 60.

Yet whatever the views on the trade all agree that if they are to be phased out, or at least limited, alternative livelihoods need to be found to provide for the millions who now rely on the trade.

"Normally a rickshaw is run by two pullers so that two families are dependent on a single rickshaw. Then come the manufacturers, artists, and parts importers and parts manufacturers," said Mahtab Uddin, general secretary of Dhaka City Corporation Rickshaw Owners Society.

Prof. Atiur Rahman, who teaches at the Department of Development Studies at Dhaka University, said, "Rickshaw pulling is a symbol of the non-formal economy and when our economy will totally be formal, then rickshaw pulling will also vanish."

"The government and NGOs can come forward to relocate the rickshaw pullers to other professions after proper training. Rickshaw pulling hardly helps to improve the quality of life," he said.

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HOUSING

Mumbai slum earmarked for oblivion

AFP, Mumbai

John James gestures from his rooftop terrace over the panoramic view he commands of Asia's largest slum -- a labyrinth of lanes crammed with shacks in India's financial capital of Mumbai.

"Do you believe they'd be interested in rehousing us if we weren't sitting on prime real estate?" asks James, 71, a retired steel contractor who arrived here 40 years ago and built his own business.

The first inhabitants of Dharavi, as the slum is known, are expected to be rehoused within the next two years, said Mukesh Mehta, the government-appointed architect in charge of the 2.3-billion-dollar project he calls a "pioneering effort" to bring people decent living conditions.

But opponents say they want to stay put until a redevelopment scheme is worked out that suits them -- and not just the developers who are planning to move in with a mix of public housing, luxury condos, offices and parks.

Maharashtra state officials plan to transform Mumbai, where 60 percent of the population of 18 million are slum dwellers, into a "world-class" financial hub by 2015.

To attain that goal, Dharavi -- and dozens of other shantytowns in the sprawling city --

must go.

Last month, a Forbes survey rated Mumbai the seventh filthiest city in the world.

"It's certain that this project will change Dharavi into a heaven, but we won't have a place in that heaven," said journalist Raju Korde, who writes for the leading local language newspaper the Marathi Times and is a resident of Dharavi.

Last May, newspaper advertisements were published in 20 countries offering developers "the opportunity of the millennium" to take part in the Dharavi project. Five developers from a shortlist of 19 are expected to be chosen within the next couple of months, Mehta told AFP.

Under the plan, 57,000 families or about 300,000 people will be moved into free but small -- 225-square-foot (21-square-metre) -- one-bedroom apartments in seven-storey blocks on the 551-acre (200-hectare) site surrounded by some of the world's costliest real estate.

"The developers will make a lot of money by developing Dharavi," Korde said. Mumbai used to be known as an industrial city, he said. "Nowadays it's a (financial) service city so Dharavi is not needed. They want to destroy the city's old face."

As Mumbai sits on a peninsula jutting into the sea, prop-

erty prices rival those of London or New York.

Dharavi, once malarial swamp land on the city's edge, sits between two main suburban railway lines and in the shadow of the swanky Bandra-Kurla Complex, a new commercial centre, making it a very desirable location.

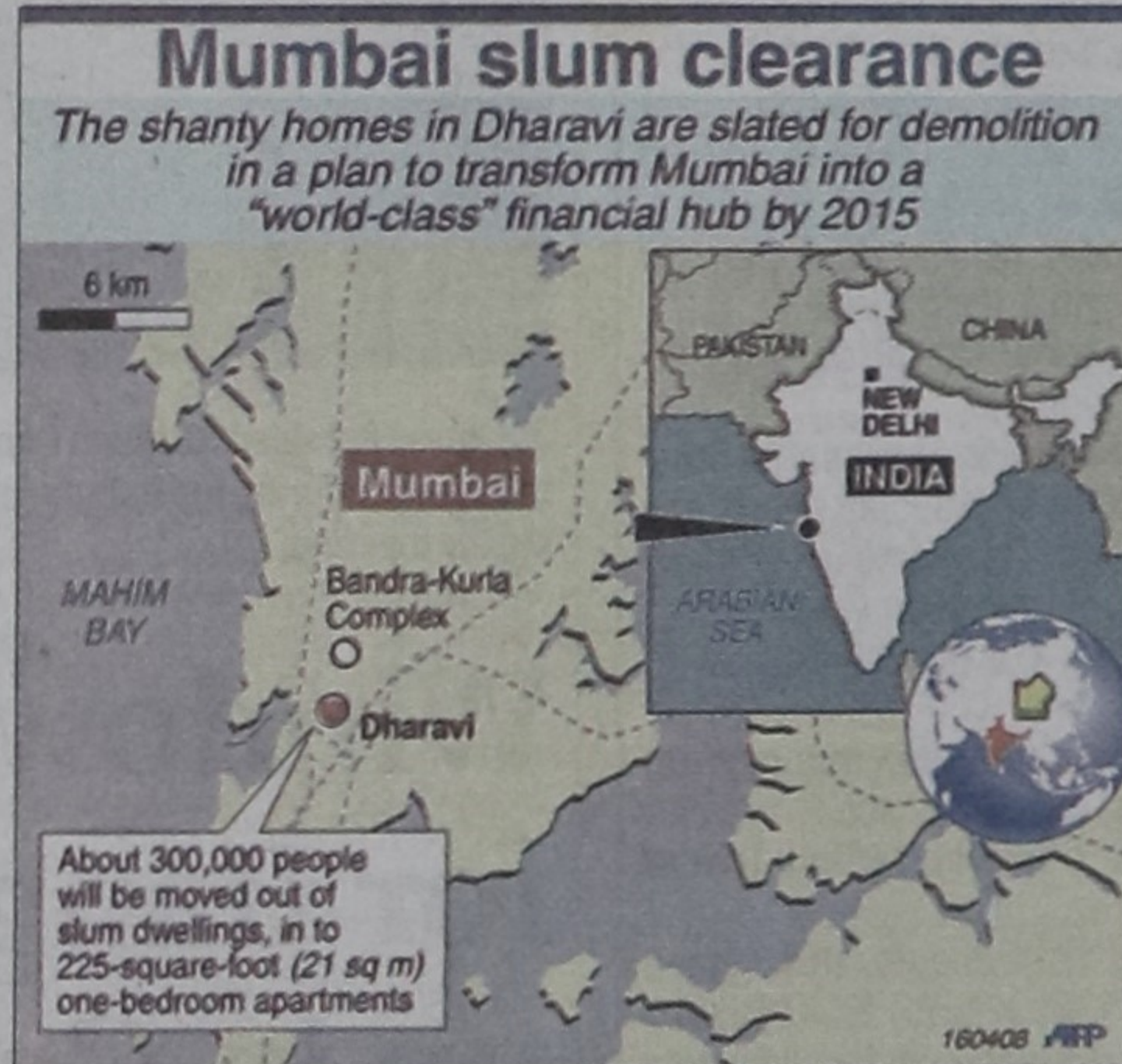
The plan calls for Dharavi to have 20 million square feet of new housing for Mumbai's well-heeled, 30 million square feet for the slum dwellers, and 20 million for commercial use such as offices and shopping malls.

"When people first settled here, it was marshland" next to the Mithi River where people caught fish to sell to city-dwellers, said James, who lives in a sturdy two-storey 1,500-square-foot house with his wife, an adult son, a daughter and her husband, and a grandson.

Later the area became a haven for poverty-stricken workers and penniless migrants who needed a cheap roof over their heads.

The project, in which developers will be compensated for building the free flats by constructing buildings to be sold at market rates, has been condemned by many residents who have created a self-sustaining economy.

Dharavi, a religious and cultural melting pot which every year draws thousands



Map locating Dharavi in the Indian city of Mumbai

more migrants seeking to make their fortune, is a flourishing industrial centre.

"Seventy percent of the families are self-employed," said Jockin Arputham, head of the National Slum Dwellers Federation.

There are potteries, tanneries, garment workshops and other micro industries. The 15,000-odd cramped one-room factories and hundreds of cottage industries have an estimated total turnover of around half a billion dollars a year, according to federal government figures.

The area is also famed for its thriving recycling industry in which workers break up computers, shred plastic, flatten cardboard and stack paper.

"How will I earn a living?" asked potter Hira Lal Rathod, gesturing to his 1,000-square-foot home where his four children live and he works. "To give us 225 square feet is not workable."

Architect Mehta says those running commercial operations can get extra space at a "concessional cost," but the price has not been disclosed. "Why should we have to pay

for space we already have now -- it doesn't make sense," said Rathod.

The Dharavi Bachao Andolan -- an all-party forum set up to fight for bigger houses -- is insisting that residents get free homes of between 400 and 800 square feet.

Government officials readily praise Dharavi as a model of in entrepreneurial initiative and say they aim to conserve that spirit.

But the tanneries and other workshops pollute Mumbai's already filthy waterways, they say, and the redevelopment, which includes environmentally friendly businesses, will ensure less pollution.

The slum dwellers will "get 225 square feet to live in -- many live in places much smaller. They won't have to line up for an outside toilet, they'll have their own bathroom with running water and electricity," said Mehta.

"There's no reason for them to be unhappy," he said.

And of course some Dharavi residents agree.

Suresh Chaudhary, a balding taxi driver from northern Uttar Pradesh, has lived here for 15 years. He is squeezed into a second-storey room of just 150 square feet with his wife, 14-year-old daughter and mother. It is blisteringly hot during the summer and they have to line up for a communal toilet.