

International Business News

New outbreak of bird flu hits India

AFP, Kolkata

Bird flu has spread to the hilly Darjeeling district of eastern India which has been hit by avian influenza several times already this year, a minister said Saturday.

Blood samples from dead chickens from the Himalayan foothills of West Bengal state tested positive for the H5N1 strain, the state's animal resources development minister Anisur Rahaman said.

A mass cull of some 20,000 chickens would begin soon, he added.

West Bengal borders Bangladesh, where the virus has been detected in poultry in more than half of the country's 64 districts.

The disease was first detected in Bangladesh in February 2007 near the capital Dhaka. It was almost dormant by late 2007 but made a forceful comeback in January this year.

West Bengal reported the first outbreak of the virus in January, when health workers culled 3.8 million chickens.

The state reported two more outbreaks in March, leading to the culling of tens of thousands of chickens.

So far, no human cases have been reported in India.

Humans typically catch bird flu by coming into direct contact with infected poultry, but experts fear the H5N1 strain may mutate into a form easily transmissible between people and lead to a pandemic.

Vietnam starts construction on \$6b oil-refinery

AFP, Nghi Son, Vietnam

Energy-hungry Vietnam started building its second oil refinery on Saturday, a 6.2 billion dollar complex, in a bid to feed the nation's booming economy, the State Oil company announced.

Vietnam Oil and Gas Corporation (PetroVietnam), the oil monopoly in the communist nation, set up a joint-venture with its counterparts from Japan and Kuwait to build Nghi Son refinery in the north of the country.

Vietnamese Prime Minister Nguyen Tan Dung hailed the project at the ground-breaking ceremony, saying it was the country's most important and biggest power scheme, attracting capital investment of 6.2 billion dollars.

Petrovietnam said the refinery, with a targeted capacity of up to 10 million tonnes a year, is located in Thanh Hoa province, about 200 kilometres (125 miles) south of the capital Hanoi.

Petrovietnam will hold a 25.1 percent stake, Japan's Idemitsu Kosan Co (IKC) and Kuwait Petroleum International (KPI) will each hold a 35.1 percent share, and Mitsui Chemicals Inc (MCI), also of Japan, will have the remaining 4.7 percent.



AFP

Female Indian labourers help load a basket of sand onto a colleague's head at a road construction site in New Delhi on Friday. The women, who are daily wage rate labourers, earn approximately US\$3 per day.

Worry creases in Chinese textile industry

ANN/ China Daily

The Chinese government's priority has been to curb the skyrocketing trade surplus in formulating policies. But now that exports have indeed slowed down, more problems have surfaced and both industry and government bodies are worried.

Chinese textile companies have been hit the hardest as many of them rely on exports for profits and the profit margin for most is narrow. Faced with rising raw material costs, no export tax rebate and rapid yuan appreciation, many textile manufacturers are saying this is going to be the toughest year ever.

If a lot of these labour-intensive textile companies do go under, the government will be faced with a rising unemployment rate. Official figures show the textile industry alone employs over 20 million people across China, most of whom are migrant workers.

Textile and garments exports make up nearly 13 per cent of China's total exports. Total export value of textile and garments in the first quarter of this year was US\$38.5 billion, up 19.47 per cent over the corresponding period last year. Experts say that although it is still increasing, the pace of growth has slowed down.

Nissan to make lithium-ion batteries with NEC

AFP, Tokyo

Nissan Motor Co and NEC Corp will join forces in the world's first mass production of lithium-ion batteries for hybrid and electric vehicles, a newspaper said Saturday.

The two companies plan to spend 20 billion yen (194 million dollars) to build a plant in Kanagawa Prefecture, south of Tokyo, the Nikkei business daily said.

Production will begin early next year under Automotive Energy Supply Corp. (AESC), an equally owned joint venture Nissan and NEC established in April 2007, the newspaper said.

The venture will mass-produce enough lithium-ion batteries for 10,000 electric vehicles at the initial stage and plans to raise production capacity by six-fold in the future, it said.

RECYCLING

From PET bottles to nylon thread

REFAYET ULLAH MIRDHA

If you pass through Matuail by any chance, the waste dumping site will not spare your eyes. And also, you will find almost all along some children and women who are busy in collecting something in the garbage.

There are lot of left-out items over there, which are certainly enough to endanger environment, but their target is polyethylene tube (PET) bottles.

It may appear to be unbelievable, but this hazardous job is a livelihood of these people who turn out to be the major source of the raw materials for a cent percent export-oriented industrial product.

Nowadays, you or somebody else have surely experienced knocking at your door by vendors who collect left-out bottles in exchange for money or some daily necessities like onion.

The poor street scavengers first take out the labels from the different bottles of soft drinks, edible oil and water that were dumped in the garbage, and then, sell out those to big buyers. These big buyers, who mainly control the raw material market, ultimately supply the PET bottles to as many as 220 grinding mills, sprang up across the country in a span of only six years.

According to Mohammad Babul, a big buyer of PET bottles, thousands of poor children and women now live on collecting at least 100 tonnes of such bottles a day.

The first-hand collectors, who procure the bottles from roadside dumping sites or from different houses, generally sell those at Tk 20-25 a kg to small shop owners.

The small shop owners sell those at Tk 30-32 per kg to big buyers like Babul.

The big buyers sell those at Tk 35-38 per kg to different recycling factories.

Babul buys these bottles from different corners of the country and supply 300 kg a day to different factories, whose main job is to grind and export those either directly or via some other parties to different countries, especially China and Thailand.

Babul, who has been supplying such bottles for the last six years, said primarily the industry had faced many odds.

Once he used to collect the PET bottles to supply those to different water purifying companies, who refilled the bottles after cleaning those up for marketing bottled water.

At factory level a group of workers are engaged in taking out the labels attached on the bottles collected and in cleaning those, while another group's job is to put those for grinding. The grinding is over, the items are dried in the sun and packed for exports.

Aminullah, a worker of a recycling industry at Savar, said he gets Tk 3600 per month as his remuneration. At least 50 workers are employed at this factory.

There are around 220 such factories across

the country.

But how the industry came into being in Bangladesh where China is the key player in this sector globally?

Industry insiders said at least seven years ago some businessmen visited China and Taiwan from where they got the idea of developing this business in their own country.

Sarwar Wadud Chowdhury, president of Bangladesh PET Flakes Manufacturers and Exporters Association (BPFMEA), said this industry was not in such a good shape even a few years ago.

He said he set up his PET bottles grinding industry in 2002 at Matuail after he toured of China and Taiwan. His total investment in K M Chowdhury Recycling Industries Limited is Tk 4.50 crore.

After overcoming a lot of hurdles, the grinding industry is now booming. Different countries import such grinded PET bottles to make nylon thread and fabrics.

The processing of the left out PET bottles, a 100 percent value added product, has contributed in generating employment for more than 10 lakh people, especially for women and urchins.

The size of the industry is more than Tk 250 crore.

According to Tareque Bin Yousuf, a senior official of the Solid Waste Management Division of Dhaka City Corporation (DCC), when the DCC in collaboration with Japan International Cooperation Agency (JICA) took up a master plan for the recycling industrial units in 2005, there were 20 small, 50 medium and 130 big plastic shoe factories in Dhaka. The number of small plastic product factories was 25, medium 70 and big 205 during that period.

"A major source of raw materials for such plastic shoe and plastic products factories is PET bottles," Yousuf said, adding that there is no separate DCC project for PET bottles.

Terming the urchins who collect the PET bottles as 'environment heroes', he said they are contributing in the national economy through natural scavenging.

Meanwhile, Sarwar Wadud Chowdhury, the leader of the trade body for PET bottles grinding industries, lamented that the sector lacks any government policy support, although it has a bright prospect. He said some entrepreneurs from Canada and France are lobbying here to invest in this sector.

He demanded immediate release of the 20 per cent export incentives for the sector.

The Export Promotion Bureau (EPB) has already sent a strong recommendation to the finance ministry to release the cash incentives for the exporters of grinded PET bottles, but still there is no decision, Sarwar added.

"Of course, such indecision is discouraging fresh investment in the sector," he said.

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A group of workers are seen taking out the labels from the PET bottles for grinding at a factory at Savar.



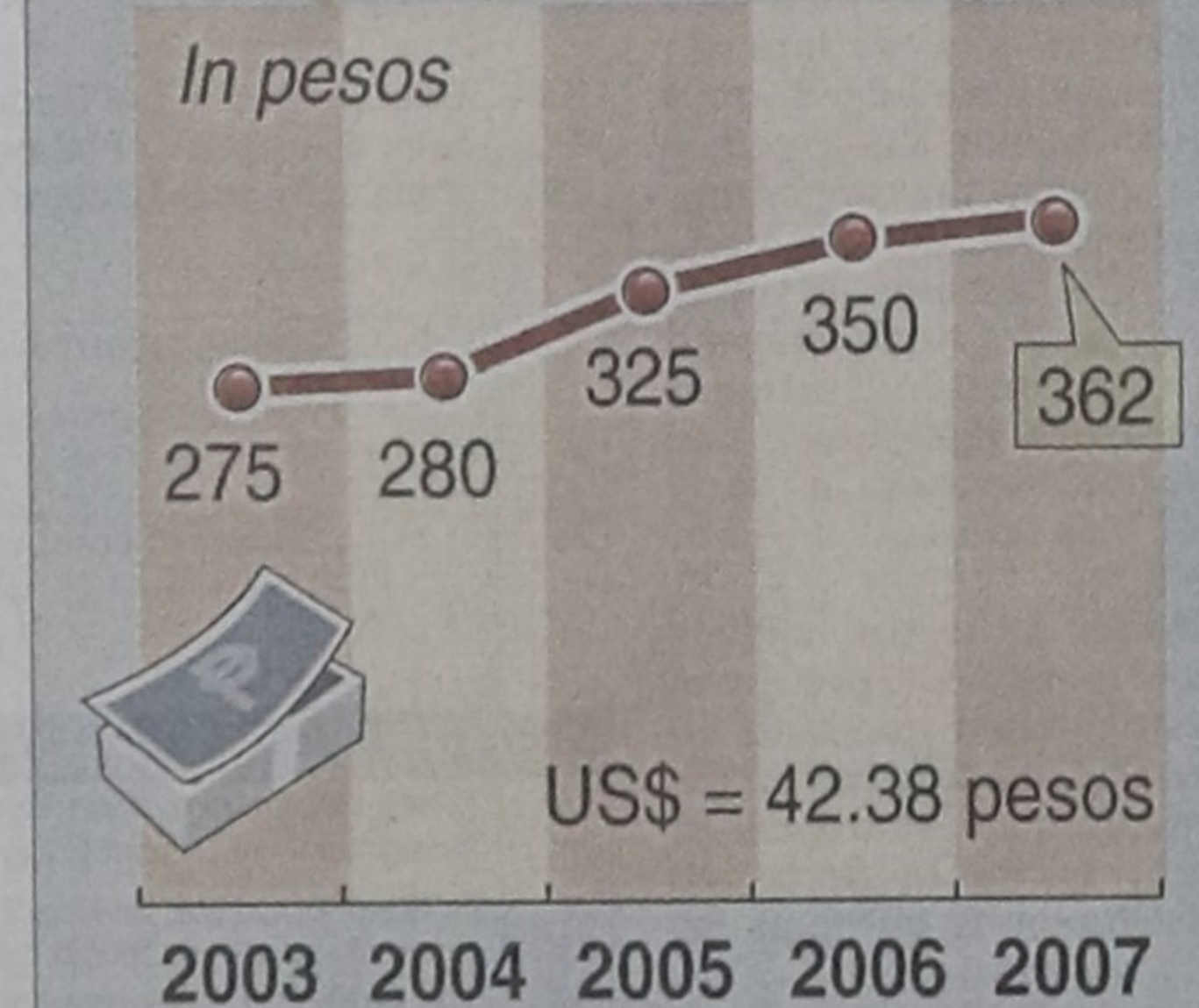
Workers are grinding PET bottles.

SOARING FOOD PRICES

Philippines workers push for higher wages

Philippines wage

Minimum wage for salaried workers in factories, offices and construction sites



Graphic charting the minimum wage for non-agricultural workers in the Philippines.

AFP, Manila

Already struggling to make ends meet, millions of ordinary Filipinos living on the minimum wage are seeking a pay increase just to keep up with the rising cost of food.

Workers such as Manila office messenger Arthur Manibale who earns just 362 pesos (8.64 dollars) a day says he is just keeping his head above water financially.

He no longer buys new clothes, is sometimes forced to borrow from friends and has largely given up eating meat because he can no longer afford it.

But one thing he cannot do without is rice, the national staple.

"That is my top priority. I must always have rice. I can save on other things," he says.

The rising price of food -- especially rice, for which the cheapest variety has gone up to 33 pesos (78 US cents) a kilogramme (2.2 pounds) from 25 pesos two months ago -- has made things harder for workers like Manibale and has forced the government to consider increasing the minimum wage to ease the pain.

If it does so the government knows it will contribute to inflation, which in March stood at a 20-month high at 6.4 per cent, and will bring down growth just when the Philippine economy was showing signs of improving.

The sight of long lines of people waiting for hours to buy subsidised rice has exposed the economy's vulnerabilities, despite growth of 7.3 percent last year, the highest in three decades.

"There are business sectors that are having difficulty. And if the workers ask for additional wages, they (businesses) could collapse and the workers will be the ones to suffer," said Ciriaco Lagunasad, executive director of the National Wages and Productivity Commission.

Even conservative businessmen acknowledge the need for pay increases in the face of rising fuel, rice and flour prices. But they are against a legislated wage hike that would force them to raise salaries across the board.

Unions are demanding salary increases but are also aware that the resulting inflation could erase whatever gains higher wages might bring. President Gloria Arroyo is

said to be opposed to a legislated wage hike and instead wants any increase to be negotiated through the country's regional "wage boards" which are made up of representatives from business, unions and government.

But there is political pressure for Congress to impose a wage hike, particularly from the opposition in the legislature which is eager to seize any opportunity to upstage Arroyo.

In highly-urbanised Metropolitan Manila, where most of the country's large companies are based, the minimum wage set by the board is 362 pesos a day.

The Trade Union Congress of the Philippines (TUCP), the country's largest labour federation, is seeking an 80-peso raise in Metropolitan Manila. Alex Aguilar, spokesman of the TUCP, acknowledges that the wage boards do "balance the interests of the general public".

"When it comes to wages, unions can be over-aggressive while employers are against any increase. Government is there to balance the issue," he said. There is speculation the

wage board will only allow an increase of about 20 pesos in Manila.

Gwen Gailo, a records assistant and minimum wage employee, says "a small minimum wage increase would be meaningless. The prices would just go up".

Business groups are staunchly opposed to a legislated minimum wage increase.

"Let us not court disaster. A legislated wage increase would do more harm than good," said Sergio Ortiz-Luiz, president of the Employers Confederation of the Philippines (ECOP).

"If lawmakers give in to populist demand for a legislated wage hike, many businesses will have no choice but to trim down their workforce," he said.

Victor Abola, head of the strategic business economics programme of the University of Asia and the Pacific says his statistical model shows that with every 10-peso increase in the national minimum wage, inflation will go up by one percentage point.

Higher inflation in turn will bring down economic growth, although he will not specify by how much.