

Stocks

DGEN 0.87%
3,040.69

CSCX 0.73%
5,913.77

Asian Markets

MUMBAI 2.17%
15,087.99

TOKYO 2.23%
14,130.17

SINGAPORE 1.56%
2,992.66

SHANGHAI 6.5%
2,748.87

Currencies

Buy TK. Sell TK.

USD 68.10 69.10

EUR 104.50 109.09

GBP 131.83 136.98

JPY 0.63 0.66

SOURCE: STANDARD CHARTERED

Commodities

Gold \$892 (per ounce)

Oil \$137 (per barrel)

SOURCE: AFP

More News

The business of beauty



Beauty parlours are doing brisk business nowadays. The reason for the sector's growth, the industry people say, is the increased beauty consciousness among women and a desire to take care of one's appearance, especially among the middle classes. B-4

Used car import up

18.3pc in 11 months

Import of reconditioned vehicles increased by 18.3 percent in the past 11 months of the current fiscal year (FY) 2007-08, compared to the same period of the previous year what importers said due to increased remittance inflow in the country. B-3

International

Billion-dollar microchip plant opens in Singapore

South Korea's Samsung Electronics and Siltronic AG of Germany said they had opened Thursday their one-billion-US-dollar joint venture microchip plant in Singapore.

Siltronic Samsung Wafer Pte Ltd will produce 300 mm wafers and aims to reach a monthly capacity of 300,000 by 2010, a statement said. B-4

Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

Local firm to build 10 ships for Japan

JASIM UDDIN KHAN

Highspeed Shipbuilding & Engineering Co, a local shipbuilder, has won a US\$50 million order from Japan to build ten small ships, further evidence of the country's booming shipbuilding industry.

This is the first time the country has won a Japanese contract and underlines the increasing global acceptance of Bangladesh as an emerging shipbuilding nation.

The buyer is Japan based Tokyo Freighting Ltd, a shipping company. The agreement was signed on Wednesday in Dhaka.

"Since the Japanese firm is very conscious about standards and compliance, Tokyo Freighting experts will constantly supervise the overall manufacturing of these ships," said KM Mahmudur Rahman, managing director of Highspeed Shipbuilding & Engineering, who signed the deal with Shigeki Date, managing director of Tokyo Freighting.

As per the agreement Tokyo Freighting Ltd will also provide technical support to Highspeed in developing its Narayanganj dockyard, in line with Japanese standards.

Highspeed, which is to invest around US\$ 5 million in the coming months to upgrade the manufacturing facility of its dockyard, will supply the ships by October 2010.

Shigeki Date, managing director of Tokyo Freighting Ltd, along with Executive Director Yoshiteru Ikeda visited Highspeed dockyard recently and expressed their satisfaction, as it is well equipped with modern machinery.

Manufacturing of the first four ships will start by December this year and will be

delivered to Tokyo Freighting by March next year.

The size of the ships, including dry cargo carriers and oil tankers, will vary from 2,000 tonnes to 4,000 tonnes. The Japanese company will supply all raw materials and other equipment.

Rahman said Japanese manufacturers are currently outsourcing small ships, as it is not cost effective now to manufacture them at huge dockyards.

"It is a great development for the country's shipbuilding industry as Japan, the most advanced shipbuilding nation in the world, starts building in Bangladesh. It may inspire other advanced shipbuilding nations to come to Bangladesh," Rahman hoped.

Currently local shipbuilders including Ananda Shipyards and Western Marine Shipyards are working on about US\$ 400 million worth of orders for over 40 vessels for buyers from Germany, Denmark, Netherlands and Mozambique.

The success of these two companies have encouraged other local companies such as Meghna Group of Industries, Rang Group, Khan Brothers and Narayanganj Engineering & Shipbuilding to jump on the bandwagon of global shipbuilding market.

Behind the current boom of the industry is the global rise in the demand for new ships, especially smaller ones with a capacity below 15,000 dead weight tonnes (DWT). This has helped Bangladesh attract the attention of international shipping companies as traditional shipbuilding countries such as Japan, China, South Korea and Vietnam are not interested in building ships with under 20,000 DWT.

jasim@thedailystar.net



SYED ZAKIR HOSSAIN

A file photo shows workers painting a ship at Ananda Shipyards & Slipways. Local Highspeed Shipbuilding & Engineering Co on Wednesday in Dhaka signed an agreement with technologically advanced Japanese ship maker Tokyo Freighting Ltd to build 10 small ships. Industry insiders say the local company's tie-up with the Japanese firm is a boost to Bangladesh's shipbuilding industry.

Bagerhat-based firm starts exporting coconut yarn

KAWSAR KHAN

A Bagerhat-based firm has started exporting coconut yarn on limited scales to South Korea and Nepal, a non-traditional item in the country's 'not-so-rich' export basket.

Nurjahan Agro Processing Industries (Pvt) Limited uses coconut husks to manufacture different types of yarn meant for export.

Coconut yarn-made rope, also known as coir yarn, is being exported to South Korea. Coir yarn is used in agriculture, especially for growing hops, a climbing plant that is a major ingredient in beer, giving the drinks bitter taste.

Around 76 percent of the country's total export earning comes from the apparel industry. Other major export items include shrimp and jute products, while other non-traditional items include atar (traditional perfume), pearl, honey and sauce.

In July-March period of 2007-08 fiscal year, Bangladesh earned Tk 14.45 crore.

The company began exports seven months ago and till now has exported coir yarn worth Tk 17 lakh to South Korea. It also received export orders worth Tk 1.8 crore for the next year. Simultaneously, it exported four tonnes of curl yarn worth Tk 5.4 lakh to Nepal



Workers busy at Nurjahan Agro Processing Industries busy making different types of coconut yarn.

and received orders for Tk 12 lakh for the next year.

"Husk is a by-product of coconut and is presently disposed of in the country. We are exporting this product with substantial value additions," said Mir Alamin, managing director of the company.

The size of the global coir market is estimated at \$ 5 billion. The Philippines, Indonesia, Sri Lanka, Mexico, India, Vietnam, Papua New Guinea and Brazil are the major exporters of the product in the global scenario.

Alamin is also producing nata de coco, a jelly like substance, made from coconut water, in the country for the

first time. This is mostly used as a confectionary ingredient (litchi flavour) and five-star hotels are the main customers of this product. They supply 50 tonnes of nata per month to the local market and the cost of each tonne is Tk 70,000, according to the company officials.

Nurjahan Agro receives financial assistance from Palli Karma Sahayak Foundation (PKSF) and from their partners, Habitat and Economy Lifting Programme (HELP), a local NGO.

Alamin, who attended a coconut conference in Colombo in 2002, feels that Bangladesh is ignorant of the

numerous uses of coconut husk.

In the near future, they will manufacture coconut husk mattresses, as there is a huge demand in the domestic and international markets. Currently, the country imports mattresses from Sri Lanka and India at \$10 per square feet.

The company also wishes to produce vinegar, using coconut water as the best type of vinegar is produced with coconut oil. "Coconut oil factories just throw out coconut water, which can be used to produce vinegar," said Hasan Ali, an official of HELP.

kawsar@thedailystar.net

Trendy clothing logo profiles Bangladesh

REFAYET ULLAH MIRDHA

G-STAR, a Dutch-based global clothing brand, has introduced a Bangladeshi logo in its trend setting products, in order to make it even clearer to customers where their garments are produced.

G-STAR uses a picture of Bangladesh's Shatgumbad Mosque (The Sixty-dome Mosque) as the logo inside the collar of its clothes in a move aimed at assuring customers of transparency in the manufacturing process.

At present hundreds of foreign brands like Wal-Mart, JC Penney, PVH, H&M and Tesco source products in Bangladesh. Many print 'Made in Bangladesh' on labels but only G-STAR has adopted the logo.

"This is really something special, that such a good brand is profiling Bangladesh as a producer," said KM Rezaul Hasanat, chairman and managing director of Viyellatex Group, the largest direct supplier of garment items to G-STAR in Bangladesh.

G-STAR selected the Shatgumbad Mosque, one of the country's oldest and biggest mosques based in Bagerhat district, 300 km south-west off Dhaka as it is



Global clothing brand G-STAR uses a picture of Bangladesh's Shatgumbad Mosque as the logo inside the collar of its clothes.

now a UNESCO world heritage site.

Shatgumbad Mosque was founded by saint Khan Jahan Ali in the early 15th century. The mosque is decorated mostly with terracotta and bricks.

In the case of products made in India G-STAR uses a picture of the Taj Mahal and for those made in China it uses a picture of The Great Wall as the logo.

Industry people said in most cases companies with strong brands do not want to use other logos as they are concerned it will create confusion.

Some companies are also reluctant to show Bangladesh as the source as they do not want customers to know the products are manufactured in a developing country.

Hasanat said Viyellatex Group supplies garments to G-STAR worth US\$20 million annually. This includes items such as T-shirts and Polo shirts. Amsterdam headquartered, G-STAR RAW was founded in the Netherlands in 1989 and deals in fashion products apparel and accessories.

reefat@thedailystar.net

Telenor says it is 'actively' seeking acquisition targets

AFP, Oslo

Norwegian telecom operator Telenor said on Thursday it was "actively" seeking merger and acquisition targets, but made no specific mention of TeliaSonera, which is for sale and being courted by France Telecom.

In documents presented at a capital markets day meeting, Telenor said it wanted to expand "within existing regional clusters" in Northern and Eastern Europe and Southeast Asia, as well as "complementary businesses in existing markets."

The Norwegian operator is widely rumoured to be pursuing a merger with TeliaSonera, but has only admitted it is closely monitoring France Telecom's bid to purchase the Swedish-Finnish company.

Analysts have meanwhile said a merger between the two Nordic rivals is unlikely since Telenor would have to sell off a number of operations in overlapping business areas for regulatory reasons.

Telenor, which has refused to comment on the synergies with TeliaSonera, also said Thursday it was "selectively looking at Africa" for acquisitions.

India inflation could hit double digits

AFP, Bangalore

India's inflation could hit double-digits percent in coming weeks if global oil prices rise further, the head of the prime minister's economic advisory council warned on Thursday.

And those soaring oil prices could spell "serious trouble" for the booming Indian economy, the chairman of Premier Manmohan Singh's Economic Council said.

C. Rangarajan forecasted spiralling prices could push up inflation by three-quarters of a percentage point on Friday, when the latest data is due to be released.

"There will be a steep 0.75 percent hike to 9.5 percent," Rangarajan said in Bangalore, India's IT hub.

Inflation jumped to 8.75 percent for the week ended May 31 -- the highest since February 2001 -- from 8.24 percent a week earlier, according to the Wholesale Price Index, India's most watched cost-of-living measure.

Rangarajan warned inflation could reach 10 percent soon on the back of a sharp rise in state-set domestic fuel prices by the government, which said publicly owned oil firms could no longer sustain

huge losses caused by record global crude costs.

"As a result of higher fuel prices, if prices of food articles, goods and services go up, the inflation rate will touch 10 percent in the coming weeks," Rangarajan said.

Many private economists have made similar forecasts.

"If (global) oil prices rise (further), as has been feared in some quarters, the Indian economy is going to be in serious trouble," he added.

India imports some 70 percent of its crude oil needs to feed its fast-expanding -- and Asia's third-largest -- economy.

The Congress party, which heads the national coalition, has suffered a string of state poll defeats with inflation, which has hit India's poor the hardest, blamed as a key culprit.

It is anxious to reduce inflation with general elections due to be held by May 2009 but a series of aggressive monetary tightening measures by the central Reserve Bank of India has failed to tame prices.

Rangarajan forecast inflation would remain significantly above the central bank's comfort level of 5.5 percent in coming months, though it could recede a little.

Star Business

JOIN THE DEBATE

Do you have views on what you read in Star Business? What do you think of the state of the economy? Was it a good or bad budget? Should we be using more hybrid rice? Why do RMG workers riot? What are the new growth sectors? How do we encourage more foreign investment? Can we re-brand Bangladesh? Free trade or protectionism? Potatoes or rice?

So many issues, so little space. From next week Star Business will run a weekly letters column to make the space to hear your voice.

The new Star Business. Join the debate.

Write to: Biz Letters
Star Business
The Daily Star, 19 Karwan Bazar, Dhaka - 1215
Email: bizletters@thedailystar.net

Letters will only be considered if they carry the writer's full name, address and telephone number (if any). The identity of the writers will be protected. Letters must be limited to 300 words. All letters will be subject to editing

