

Stocks

DGEN ▲ 0.89%
2,634.48

CSCX ▲ 0.81%
5,209.01

Asian Markets

MUMBAI ▼ 1.21%
9,090.88

TOKYO ▼ 1.11%
7,949.65

SINGAPORE ▼ 0.16%
1,704.60

SHANGHAI ▼ 0.46%
2,098.02

Currencies

	Buy Tk	Sell Tk
USD	68.40	69.40
EUR	86.21	90.81
GBP	97.00	101.93
JPY	0.76	0.80

SOURCE: STANDARD CHARTERED

Commodities

Gold ▲
\$911.74
(per ounce)

Oil ▼
\$40.42
(per barrel)

SOURCE: AFP

(S Midday Trade)

More News

Hope beyond salinity



For years, Israil Mallick kept his low-lying salinity-prone land fallow during the boro season, missing out on tons of opportunities. The 46-year-old never imagined growing rice on his piece of land in the southwestern coastal district of Bangladesh. Today, Mallick opts for a new high yielding variety (HYV) of rice, BRRI Dhan-47, known for its strength to withstand even brackish water during the boro season.

B-4

International

India's fraud-hit Satyam names new CEO

Fraud-hit Indian information technology giant Satyam announced Thursday a new chief executive for the fraud-hit company and said it had lined up funds to help tide it over a cash crunch. The announcement followed a two-day meeting of the government-appointed board in the southern city of Hyderabad where Satyam Computer Services is based.

Sanyo posts quarterly loss

Japan's Sanyo Electric Co. reported Thursday a quarterly loss but said it expected to avoid ending the year in the red, unlike many rivals, thanks to brisk sales of rechargeable batteries.

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Contact Us

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

Footwear a bright spot in dim exports

SAYEDA AKTER

Local leather footwear manufacturers see a better prospect ahead, after an increase in exports by 39 percent in the July-November period of the current fiscal year, which pins a hope of overcoming losses from declining leather exports in the recent months.

During the period export earnings from locally made footwear stood at around \$85 million, which is a rise from \$61 million in the same period of the last fiscal year, according to Export Promotion Bureau (EPB) statistics.

"The cost of production of quality leather shoes is lower in Bangladesh than in China and India, and this is the main reason for getting more orders from European countries that increases the demand of local shoes in the international market," said Tipu Sultan, former chairman of Bangladesh Finished Leather, Leather Goods and Footwear Exporters Association.

China, India and Vietnam were the largest leather shoe exporters in the world, but in recent years these countries are failing to make and sell quality low-cost leather shoes on WTO anti-dumping rules.

Sultan said now Bangladesh is getting more orders from Germany, Italy, France, Japan and Canada that earlier used to go to India and China.

"Another big reason behind this growth is that the technology we are using now is from Italy, which creates trust about the quality of the products among the buyers," he added.

The growth came at the time when the country is struggling with its falling leather export, which is one of the biggest foreign exchange earners. Exports of finished leather and leather goods declined by around 18 percent in the July-November period of the current fiscal year.

The demand for fashionable and costly leather shoes is declining in international market on recession, bringing an opportunity for the country to make shoes that are ordinary but essential.

Sultan said Bangladesh mainly exports crushed and finished leathers, whose demand and sales dropped in international markets on the back of recession.

Crushed leather is the main raw material of the locally made footwear. Sultan said manufacturers can



Employees are busy at a footwear manufacturing plant. Bangladesh's leather shoemakers see an increase in their exports, as the country's major competitors are facing a demand dearth in global recession.

produce diversified leather products to minimise the losses that might come from a fall in finished leather exports.

The country started exporting leather footwear in 1994 in a small scale to neighboring countries including India and Nepal that increased in recent years.

Currently the total market size of locally made leather footwear stands at around Tk 1,700 crore of which at least 45 percent is exported. The country exports around six million pairs of leather footwear per year.

Bangladesh mainly exports men's footwear, ladies sandals and shoes and sport shoes to European countries, China, Canada, Saudi Arabia, Dubai, Iraq, Jordan, India and Nepal.

Bata, the leading shoe company, exports the largest amount of locally produced leather shoes.

Ruhul Amin, merchandising manager of Bata, said they export shoes to Gulf countries and Nepal.

"We export footwear mainly to Saudi Arabia, Dubai, Jordan, Turkey, Egypt, Iraq and Nepal," he said.

"We mainly export men's and ladies shoes and a small amount of children's shoes," he said, adding that the company exports around 5-7 lakh pairs of shoes per year.

He also said Bata is planning to make its export size bigger by the end of this year.

Apart from the branded shoes, the country also exports non-branded shoes.

Currently there are around 120 companies involved in exporting footwear mainly in small amounts.

ASM Hamidur Rahman Chowdhury, managing director of Titas Footwear Bangladesh, said they have been exporting fashionable leather sandals and slippers for women from 1998.

"We started exporting in a very small amount at that time, but gradually the demand increased among the clients of Japan, Canada and the Maldives," he said.

The company received a big export order from Italy last month and set to deliver by July, he added.

However the main problems the industry faces are lack of skilled people and quality designs, said the industry insiders.

"The demand for leather jackets, furniture and shoes is still steady in international markets, but we have a few skilled people," said Sultan.

He said the government should take initiatives to develop expertise and train people in the sector.

Sultan also urged the government to take steps to reduce the rising cost of leather processing, which makes Bangladeshi leather more expensive.

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Yunus seeks US credit union licence

AFP, Washington

Microfinance pioneer Muhammad Yunus, who won the Nobel Peace Prize for his work in alleviating poverty, said Wednesday he wants to open credit unions in the recession-gripped United States.

Yunus, who opened Grameen America bank in New York a year ago in the bank's first implant in the developed world, said he was seeking a US credit union licence to "work in any state."

The global financial crisis is an "exciting, great opportunity... to redo our life, our institutions, our policies," Yunus, nicknamed "Banker to the Poor," told a forum in Washington to promote his latest book, "Creating a World Without Poverty."

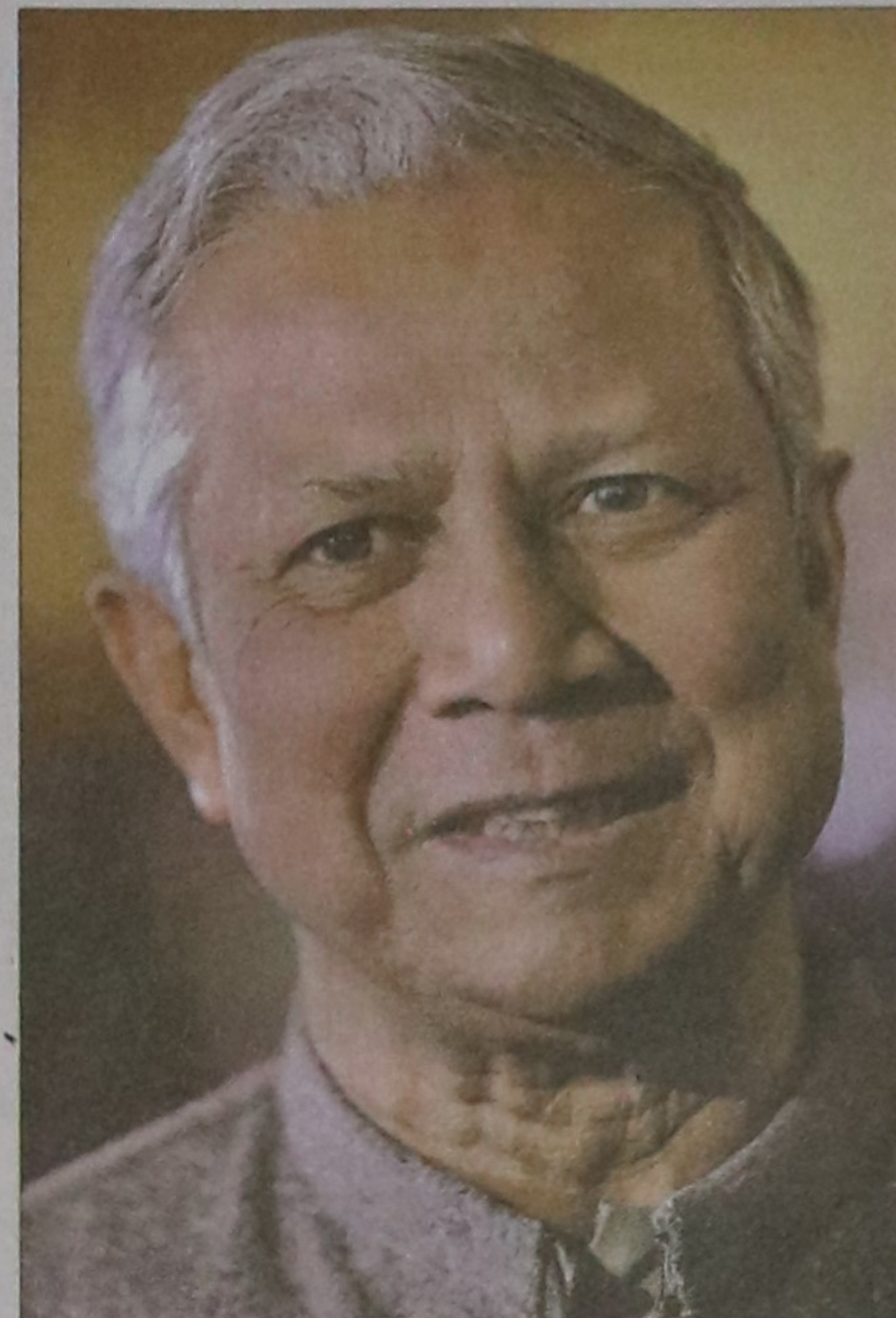
Yunus said he had met earlier in the day with Federal Reserve chairman Ben Bernanke and they had discussed microfinance, which extends small amounts of credit to the poor so they can start businesses, and the US government's bailout plan aimed at averting a meltdown of the world's biggest economy.

Yunus said he had told Bernanke the US bailout "should have some section left for the people at the bottom."

"The real victim of the financial crisis is not the rich people," but "the people at the bottom, globally, three billion people," he said in a speech at International Monetary Fund headquarters.

Yunus recalled meeting Bernanke once before, in October 2007, and the Fed chief had been "very supportive" of Grameen Bank, the microfinance bank he started in Bangladesh in 1983. Yunus and Grameen Bank shared the Nobel Peace Prize in 2006.

With the global economy in a slump and the financial system in tatters, Yunus said the crisis casts the question of "who is creditworthy?" in



a new light and argued that policymakers should use the opportunity to establish "a new normal point."

He said reform of the financial system should "make it an inclusive financial system," and not a club for the rich. "Poverty is created by the system that is built," he warned.

The goal of reform should be that "anyone can open a bank account," unlike current banking that leaves out almost two-thirds of the world's population, he said.

Such a "social business" concept is based on the principle of selflessness, but that did not rule out profitability, he insisted, noting the Grameen Bank has been "always profitable."

Yunus said his latest book focuses on the concept of "business means business to make money" interprets human beings too narrowly, he said. Humans are "not money-making robots."

Yunus opened Grameen America, whose slogan is "Banking for the Unbanked," in New York city in January 2008.

He said it has some 500 clients, all women, who on average have borrowed 2,200 dollars, without providing collateral or a guarantee. Nearly all -- 99.6 percent -- make their weekly repayments.

He said Grameen America operates under the same model as Grameen Bank in Bangladesh.

According to its website, Grameen America wants to open branches in five US states: Arkansas, California, Florida, Louisiana and Nebraska.

Grameen America said its principal source of revenue is the interest paid by borrowers on their loans and that eventually it wanted to establish itself as a bank or credit union "with the ability to accept savings and banking deposits."

BTI's Tk 100cr project in the making

STAR BUSINESS REPORT

Building Technology and Ideas (BTI) Ltd, a leading real estate company, has undertaken a construction project at a cost of Tk 100 crore.

BTI is constructing the complex, named Premier Plaza, consisting of five towers with both residential and commercial spaces, over a land of 68-katha in Dhaka. Off Pragati Sharani, the 14-storey towers have a combined 117 apartments, ranging from 1,007 square feet to 2,303 square feet.

The first three floors of the project will be used for commercial purposes, the ground and basement for car parking, the fourth will be common to all for recreation and the remaining floors (5th-13th) are marked for residential purposes. The complex will have a 156-car

parking facility.

"The construction of the project has already begun. We have so far invested Tk 25 crore in it," said a BTI official. He also said the apartments would be ready for handover by 2012.

BTI will formally announce the project on February 14, Valentine's Day, with attractive gifts for raffle draw winners for the first-day clients. However, work began in July 2007, said Rumana Malik, an architect of BTI.

The location chosen for the project was initially a ditch. The company had developed it for construction. The company, established in 1984, has so far handed over 2,000 apartments to customers.

"Of the total 49,000 square feet land, there will be 33,000 square feet of space on each floor. The rest of the space will be used as playgrounds,

open to sky spaces and walkways," said AKM Sahadat Hossain, general manager (sales) of BTI.

Dwellers will enjoy the benefits of a good location, near the diplomatic areas of the capital, the US Embassy and the under-construction Jamuna Future Park, touted as the biggest shopping mall in Asia, project officials said.

Describing other features of the site, officials said though the buildings will be segmented from each other, all the roofs of the towers would be attached. This will allow the residents to use the rooftop space for common purposes, such as jogging.

The buildings will also have a helipad on the rooftop, officials claimed. Each building will be also equipped with lifts, fire escape, gardens, prayer rooms and a gymnasium.

"Though the first three floors of the project will be dedicated for commercial purposes, we have decided not to sell those initially. This is because we want to wait for a few years to study what type of businesses best suits the location," the BTI official said.

Hossain said: "Commercial space in the project won't tread on the privacy of residents. There will be separate entrance points for the commercial and residential floors and inhabitants will not be able to enter the other floors except through the main entry points."

Project officials claimed that the buildings would be able to absorb earthquakes of a magnitude of 8 on the Richter scale and wind speeds of 200 kilometre per hour.

According to an estimate, the prices of each apartment will range from Tk 55 lakh to Tk 1.20 crore.

Radisson profit up

SAYEDA AKTER

Radisson Water Garden Hotel posted an 8.92 percent rise in gross operating profit to \$7.33 million year-on-year in 2008, driven by a high occupancy rate.

The jump in profits, a record for a five-star hotel in Bangladesh, came despite intense competition in the sector, with two new rivals, the Westin and Regency, arriving on the scene.

Radisson earned \$14.71 million in revenue in 2008, a 10 percent rise from a year ago, the hotel said in a statement yesterday.

The hotel gained a 40 percent share of the total market of five-star hotels in the capital and achieved an occupancy rate of more than 80 percent in 2008.

Industry insiders say part of the reason that drives revenues for the hotel is its location in the north of the city, exploiting better access to Zia International Airport and the garment belt in Ashulia-Savar.

Radisson's main competitors in Dhaka are Sonargaon and Sheraton hotels, located at the heart of the city, and the Westin in Gulshan.

Total foreign currency revenue earned in 2008 was \$9.95 million (cash and credit cards).

Radisson was inaugurated in February 2006 with partial operation. The hotel went into full operation in 2007.

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