A fair that promotes networking

Collectibles steal the three-day show: Saarc Trade and Tourism Fair

SAYEDA AKTER

SUDHA Devi, from Bihar, sold 16 pieces of frameless paintings on paper and silk in the first two days of the Saarc Trade and Tourism Fair.

At a fair such as this, showcasing original paintings and artworks is not commonplace. This time, as it appears, art has stolen the three-day show at Bangabandhu International Conference Centre in Dhaka.

"We have brought some Madhubani paintings, which originate in a small village of Bihar, Maithili," Sudha said. "These paintings, sketched by village women reflect a general illustration of their thoughts, hopes and dreams."

"With time, the paintings have become a part of festivity in parts of India," she added.

She brought the paintings to the fair through the Council for Advancement of People's Action and Rural Technology, a promoter of rural development in India that assists over 12,000 voluntary organisations across the country.

Prices of Sudha's works range between Tk 1,000 and Tk 5,000 apiece.

"These paintings have unique art value, at the same time they are competitive in prices, so people like them," she said.

She has received few orders from Bangladesh and Nepali entrepreneurs at the fair.

At the other end of the tent, Azem Ahmed, coming from Maharashtra, appeared unhappy as he sold fewer items on the second day than the first.

"Usually the Paithani sari is popular in the region, and today's working women like them very much because they are easy to wash and maintain," he said. "The opening day was a Friday and may be that is the reason for bigger sales."

Tamanna Khaled, from Pakistan, came with a wide range of pashmina ware, and was satisfied with the response she received.

"Before coming I thought pashmina sales may not be satisfactory in summer. But sales are very good, as the clothing pattern in this country has changed and people use pashmina as an alternative to stoles," she said.

She also brought salwar-kameez, home textile products and decorative items such as wall hangings, which were on display.

Most of the foreign participants feel the fair helps improve trade relations. They said the duration of the Saarc trade and tourism should be extended to at least seven days to enhance the objective of the fair.

Sonam P Wangdi, director general of Department of Trade Ministry of Economic Affairs of Bhutan, said the fair would promote business contacts among Saarc countries.

"The aim of the fair is to explore new markets for our products. It's a good place to showcase products and meet new buyers. It is a great opportunity to develop business contacts," he said.

A Bhutanese delegation of 50 members came to Bangladesh. Some members participated in the fair showcasing handicrafts, vegetables and wood furniture, Wangdi said.

He stressed the need to extend the list of duty-free items among neighbours to increase the bilateral trade volume.

Apart from that, local participants received a good response from visitors, in terms of both sales and future orders at the fair.

However, organisers see the sales turnover as the least important objective of the event.

"We aim to expand businesses among neighbouring countries. The fair will help introduce our products to the new clients," said Mohammad Abdur Rouf, deputy director of Export Promotion Bureau (EPB).

"So we emphasise less on sales volume of local participants. We prioritise the volume of orders they receive from the event," he added.

Exhibitors from seven countries in the region, except Afghanistan, are showcasing garments, textiles, leather, jute, handicrafts, herbals, foods, spices, jewellery, toys and agricultural machines.

Around 350 stalls have been set up at the annual event, with the host country displaying their products in 120 of them.

Jointly organised by the EPB, Ministry of Commerce, Ministry of Civil Aviation and Tourism and Bangladesh Tourism Board, the fair will remain open to all from 10:00am to 8:00pm.

The visitors will enjoy free-entry to the exposition.

STAR

Exhibitors showcase products at the three-day Saarc Trade and Tourism Fair at Bangabandhu International Conference Centre in the capital yesterday.

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Last roll of dice by Kingfisher boss

ANURAG KOTOKY

IT'S always spectacular when things go horribly wrong for the rich and famous. When Vijay Mallya -- the king of good times -- launched a high-profile airline in 2005, his primary motive was to use the platform to promote his best-selling Kingfisher beer.

"I can't advertise my brand. I have to live my brand," he said then.

Owning an airline was probably far more glamorous than being a liquor baron, particularly in India, where drinking still is a taboo. On top of that, a premium airline in one of the fastest growing economies with business travel growing at an even faster speed would ensure additional revenue and add another feather to Mallya's cap.

It was a perfect plan. It indeed was moving swiftly as Kingfisher soon occupied over a fifth of India's traffic and Mallya's kingdom expanded.

But not all good things stay forever. After his airline nosedived, he is now said to be mulling selling a stake [3] in his alcohol business to pocket some much-need cash for his ailing carrier.

This is irony at its best. And sad for business in general.

The airline he wished would become his way of promoting his alcohol brands, has now forced Mallya to potentially lose control of his prized company.

Vijay Mallya

He tried everything else he could to save the airline, to arrange for half a billion dollars at least to pay its creditors, airports, lessors and tax authorities.

Mallya, a lawmaker himself, lobbied hard to convince the government to allow foreign carriers to invest in local airlines, but that could still take some time to materialise.

His promises of coming up with investors and a recovery plan are now taken with a pinch of salt, and industry watchers agree nothing short of a miracle can save Kingfisher Airline from an imminent demise.

In a slowing economy, raising funds is a tough job, even for healthy companies.

Mallya's clout with top politicians in New Delhi surely has helped him delay the inevitable till now, but with no investor in sight and a debt burden of $1.3 billion, selling his alcohol assets could be his last and arguably the best bet.

There is business logic in that too.

Kingfisher's loans are secured in part by a combination of guarantees by the UB group, as well as Kingfisher shares, Mallya's personal guarantees, Mumbai real estate assets and the Kingfisher brand itself.

If Kingfisher fails, all UB Group companies will be in trouble too. Debtors will go after the alcohol giant to recover their money, further diminishing Mallya's sheen.

Somehow saving the airline, if need be by selling his alcohol assets, can still save some pride for Mallya.

This will be a hard decision for the man, but it will at least answer sceptics who fail to understand how Mallya, who owns one of the costliest yachts in the world, apart from cricket, soccer and Forumla One teams, does not have the money to pay Kingfisher's pilots or crew.

The writer covers Indian company news for Reuters

Indian tribunal puts $12b POSCO plant in limbo

REUTERS, *New Delhi*

A tribunal on Friday suspended the environmental licence for POSCO's $12 billion steel project in Orissa, India's biggest foreign direct investment, in a fresh blow to business confidence in Asia's third-largest economy.

"The National Green Tribunal has suspended the environment clearance," environmental lawyer Ritwick Dutta with activist group Green Panel told Reuters.

South Korea's POSCO signed the agreement for the mill in 2005 and was scheduled to begin production by the end of 2011. Protests, environmental concerns and government inquiries into alleged illegalities at a related mining concession have delayed it.

POSCO spokesman Chung Jae-woong in Seoul said he could not immediately comment on the ruling and it was not clear if the company would appeal. POSCO said it had received no official notification of the court's decision.

Foreign firms vying for a place in one of the world's fastest-growing markets have been rattled by a series of decisions and policies governing investment in recent months, including the cancellation of more than 100 telecoms licenses by India's Supreme Court hearing a corruption case.

The setback for the South Korean steelmaker, the world's third largest, came just days after Prime Minister Manmohan Singh told a group of CEOs in Seoul his country was a stable location for their money.

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On a state visit to South Korea this week, Singh tried to convince more Korean businesses to invest in India despite the recent dents to investor confidence.

"The government is keen to move forward with the POSCO project," Singh told the business leaders on Monday. "I believe that India is a stable and profitable long-term investment opportunity. I urge Korean industry to have faith in India," he said.

Environmental groups have long complained that POSCO's plant would destroy large areas of forest in the poor state and would hurt the livelihoods of indigenous tribes in the area.

Dutta said there were serious discrepancies in the way the government issued a conditional approval for the project last year.

The company said it would build a 12 million tonne-per-year mill. Dutta said that was three times the size of project approved by the environment ministry.

"Strangely enough the environmental impact assessment studies are done only for a 4 million tonne project," the lawyer told the CNN-IBN television station.

POSCO is seeking to expand overseas as it faces a growing threat from home rival Hyundai Steel, challenging POSCO's dominance in high-end steel used in autos and ships.