

Textile, RMG fairs for networking

STAR BUSINESS REPORT

Stepping into the fair premises, one could hear the sound of humming of different machinery, ranging from sewing machines to the latest version of large multiple head embroidery machines.

From choosing yarn and fabric to sourcing machinery, and from finding the right chemicals for dyeing to value addition with embroidery and other accessories, everything is on display under one roof at Bangabandhu International Conference Centre in the capital.

Makers of textile and garment machinery from 18 countries are getting the chance to know the needs of Bangladeshi clients and local buyers are placing orders directly at the centre where three exhibitions kicked off on Tuesday.

CEMS-Global USA in association with CEMS Bangladesh have simultaneously organised the 13th Textech Bangladesh 2012

International Expo, 12th Dye+Chem Bangladesh 2012 Int'l Expo, and Sixth Dhaka Int'l Yarn and Fabric Show 2012.

It is a great business to business platform for the local readymade garments industry, where entrepreneurs come and can have plenty of opportunities to inquire about the quality and prices of textile machinery, dyes and chemicals, and yarn and fabrics.

Textech is the oldest and biggest textile garment technology and machinery expo of Bangladesh.

Participants are eagerly meeting clients ranging from businessmen to business students, although they had two dull-days of displaying products and services thanks to the late inauguration of the show on Tuesday and a delayed start yesterday, they said.

However, many of them are pretty optimistic.

"This fair brings a unique networking opportunity to fur-

ther promote companies and products of both importers and exporters. And you can enquire about machinery and technology you need in Bangladesh," said Bella Zhu, sales manager of Xinchang Xinchang Textile Machinery Ltd.

The Chinese company displayed different types of machinery for plain socks, and gloves, which prices range from \$ 4,500 to \$6,000. These machines can produce 25 pairs of socks an hour, she said.

A local company has already bought two large machines of Xinchang Xinchang, said Bella.

There were some participants who were looking for local agents at the fairs.

"We need an agent here in Bangladesh, who will introduce our products and manage our sales," said Vincent Xie, sales manager of Shanghai Gaohe Imports and Exports Ltd, another Chinese company manufacturing metal glove holders.

The organiser, CEMS-Global,

hopes to have a good number of visitors on the weekends, and said the majority orders come on the last day.

"We hope to see the maximum number of visitors and potential buyers on Friday, as the fair has been providing a perfect one-stop solution to the visitors and a platform for the exhibitors to interact directly with the buyers and importers," said Gazi Abdur Razzak, operation manager of CEMS Bangladesh.

The Dye+Chem Bangladesh 2012 Int'l Expo is targeted not only to the textile and apparel sector but also to the entire manufacturing sector of Bangladesh, he said.

With the ever-increasing competition in the world market, industries in Bangladesh can expand their share in international markets and could attract more foreign investment in the highly prospective industry, specially the garment and textile industry, according to the organisers.

CEMS-Global's TEXTECH series of exhibition is also organised in Sri Lanka and Indonesia along with the Bangladesh edition and has been serving the textile and apparel sector of Bangladesh for over a decade, said Razzak.

CEMS, launched in 1992, has operations in seven countries and organises over 37 exhibitions annually on trade and economy.

A total of 450 exhibitors from over 18 countries, including Korea, Singapore, China, India, Hong Kong, Japan, Italy, Germany, Turkey, Sweden, United Kingdom, Canada, Taiwan, Malaysia, Switzerland, United States, Russia, France, Spain and Bangladesh, are participating in the fair.

Daily Shamokal and New Age are the media partners for the event.

The exhibitions will remain open only for trade and business visitors everyday from 10:30am to 7:30 pm upon registration at the fair venue.

Basic RMG exports to shape the future

FROM PAGE B1

For instance, the real per capita export of garments in Thailand grew until it reached a threshold per capita GDP of about \$2,000, which was about \$1,000 in the Philippines, and around \$1,150 in Sri Lanka.

"Before reaching this threshold, a country's export basket shows a relatively diversified mix of basic-and-higher-value garments," the study said. This is because the increasing pressure on wages and benefits erodes competitiveness in basic garments, according to the study.

Efficient logistics will give Bangladesh a competitive edge in the export of basic-and-medium value garments, but the lack of skills is becoming a key constraint to growth in exports, and the gap will become more acute as Bangladesh moves into producing higher-value garments, it said.

"The lack of skilled workers could increase the overall cost of production through the high rates of rejection of final products for defects," the study said.

Compliance with internationally-acceptable labour standards is becoming increasingly important for consumers in the US and EU -- the main markets for garment exports from Bangladesh.

Among other reasons, compliance with labour standards is important because it involves externalities; experience in Bangladesh has shown that even if one firm fails to comply with labour standards, the resulting public attention can have negative repercussions for the entire industry, according to the study.

At the launching ceremony, Mustafizur Rahman, executive director of private think-tank Centre for Policy Dialogue, urged the government to strengthen the south-south trade dialogue as new markets are opening up for Bangladesh.

Bangladesh has a lot of opportunity in garment exports, but the country urgently needs enforcement of labour standards. "Owners and labour relations have been underestimated for years," he said.

"Bangladesh's current cost advantage in the garments sector may not be adequate to compete globally as the country moves up the value chain," said Sanjay Kathuria, lead country economist for World Bank Bangladesh and co-author of the report.

The country must improve logistics to ensure that exports as well as imported inputs are shipped in time, cost-effectively and reliably, which are important to ensure sustained growth in existing areas of strength, he said.

"Consumers who buy Bangladesh's products are becoming more discerning about their buying decisions," said Md Abul Basher, an economist at World Bank Bangladesh and co-author of the report.

"The government will need to work closely with the industry to ensure that its labour standards are properly implemented, and also support firms to relocate factories from residential to industrial buildings that are better equipped to provide safe working conditions," he said.

Economic growth hinges on garment: Wahiduddin

FROM PAGE B1

In the current situation, a wage hike is possible if productivity of the factories can be increased, he said.

"In our country only wage is low, but other factors such as energy, infrastructures and bureaucracy are acting as obstacles to higher productivity.

It is possible to pay more to the workers if these obstacles are eliminated, he said.

"Now, the big challenge is that whether we will remain competitive by paying lower wage or will increase the wage by improving infrastructures, productivity and curbing corruption," he said.

He said it is possible to increase productivity by 10 percent to 15 percent by introducing "production re-engineering" and imparting training on skills development to the workers.

"But, here the problem is the trained workers migrate from one factory to another."

So, the government should design training programmes for workers through private-public partnership, he said.

The government can finance the training programmes for the workers, he added.

A competitive market is dominated only by the efficient competitors, he said.

But in Bangladesh, most of the factories are inefficient, but still they are doing well globally.



GM Quader, commerce minister, attends the launch of Veola and Olein edible oil brands of Seven Circle Bitumen and Edible Oil Ltd, at Ruposhi Bangla Hotel in the capital recently. Mohammad Ali Pasha, managing director of Seven Circle, was also present.



Rezaul Karim, managing director of Kohinoor Chemical Co, attends the company's annual sales conference at Hotel Sea Palace in Cox Bazar recently. MA Khair, director for corporate affairs, was also present.

Stocks fall as investors lose appetite for fresh buy

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Stocks fell 1.75 percent yesterday due to lack of action on retail and institutional investors' part.

The DGEN, the benchmark General Index of the Dhaka Stock Exchange, lost 76.66 points to close the day at 4,283.87 points.

The precarious macroeconomic condition has persuaded investors to liquidate their positions to stem further losses, IDLC Investments said in its market commentary.

"Besides, they kept vigilance to the monetary policy statement. It seems that investors are reducing portfolio exposure," it said.

Investors offloaded shares expecting tight monetary policy in the first half of this fiscal

year, said Imtiaz Munna, a member of Bangladesh Share Investors' Association.

Institutional investors made hefty profits from the market but now they are not supporting the market to arrest the unusual downtrend, he said.

But, according to other market analysts, prolonged depression in the market has lent to severe liquidity shortages for institutional investors as most of their investments are stuck.

The absence of institutional investors reduced the turnover of the premier bourse, which in turn discouraged retail investors, said a market director of DSE.

The retail investors want to quit the market, so whenever the market goes up they sell off their shares at a minimum loss, the director said.

The market was going through a bullish trend until World Bank's cancellation of the Padma Bridge loan on Saturday, which had a negative impact on the economy and therefore the stockmarket, he added.

Turnover still rose 13.8 percent from the previous day, to Tk 159 crore.

A total of 0.65 lakh trades were executed with 3.87 crore shares and mutual fund units changing hands at the Dhaka bourse.

Among the major sectors, power lost 2.82 percent, followed by pharmaceuticals at 1.67 percent, telecoms 1.47 percent and non-bank financial institutions 1.43 percent. The banking sector, which represents 30 percent of total market capitalisation, lost 1.23 percent.

Stock enough to curb price spiral during Ramadan

FROM PAGE B1

The CAB shared the concern as businesses hike the prices of various essentials such as sugar, onion, gram, cooking oil and some vegetables, cashing in on increased consumption of these items. Already, traders and processors have hiked the prices of bottled cooking oil, onion and chickpea ahead of the month, according to TCB data.

But the prices of sugar have been steady over the past month influenced by a fall in the prices on the global market, increased imports from India and higher stocks with the government agencies.

BTC chairman Rahman said he is unaware of an increase in the prices of bottled cooking

oil by refiners. "We will take corrective measures if we find any inconsistency," he said.

On the spiralling prices of onion and gram, Rahman said stocks of the two items should be adequate to meet the demand in Ramadan.

According to the tariff commission, 85,373 tonnes of gram have been imported in the July-May period of the just concluded fiscal year, while local production was 9,000 tonnes.

Onion imports stood at 3.51 lakh tonnes in the July-May period of fiscal 2011-12 with domestic production being 16.20 lakh tonnes.

Other than Ramadan, the monthly demand for gram and onion is 4,500 tonnes and 1.62 lakh tonnes respectively.

During the fasting month, the demand for

gram and onion rises to 50,000 tonnes and 2.20 lakh tonnes, according to the estimates of the commission.

The BTC chairman blamed panic buying for an increase in the prices of the two items.

"Retailers hike the prices capitalising on the panic buying," he said, adding that the market monitoring teams formed by the government would remain vigilant in the market during Ramadan and take action in case of any wrongdoing.

The government has already formed 14 teams to monitor the essentials' prices in Dhaka city during Ramadan. For other divisional cities, market monitoring will remain on as well, according to Rahman.

Pran exports rise 65pc in Q1

FROM PAGE B1

PRAN-RFL is the first Bangladeshi company to run commercials on an Indian television channel through sponsoring a reality show.

"We see India as a very potential market for Bangladesh and we need to create a strong foothold for the brands there. That's why we have decided to promote the brands in Indian channels," Kamal said.

"Moreover, Bangladeshi TV channels don't have any penetration in India. That's why we don't have any other option but to use foreign channels."

The agro-processor sells all its products, including juice and drinks, snacks, biscuits and confectionery, bakery and culinary items, in Indian and Bangladeshi markets.

The company aims to strengthen its international business with the launch of customised brand building activities along with diversified



Md Abdul Hamid MP, speaker of parliament, inaugurates the 78th branch of Mercantile Bank in Kishoreganj recently. Md Abdul Jalil MP, chairman of the bank, was also present.



Kazi I Huque, chief executive officer of Grameen Intel Social Business, and Mosleh Uddin Sadeque, executive director of Institute of Microfinance (InM), exchange documents of a deal at Mohakhali in Dhaka recently to deploy shumâtâ, a maternity related software, with InM's Micro Health Insurance pilot in Mymensingh.

Airbus accuses Boeing of destroying jobs in the US

AFP, Paris

European planemaker Airbus on Wednesday rejected claims by its arch-rival that it caused job losses in the United States, and charged that Boeing itself was responsible for destroying employment.

"Boeing repeats its old standby that European reimbursable loans destroyed jobs in America," Airbus said in a blistering statement issued after the firm unveiled plans Monday to open a factory on Boeing's home turf.

"The WTO (World Trade Organization) dismissed such claims and has specifically found that Boeing's own management decisions and its outsourcing/offshoring policy were exclusively