

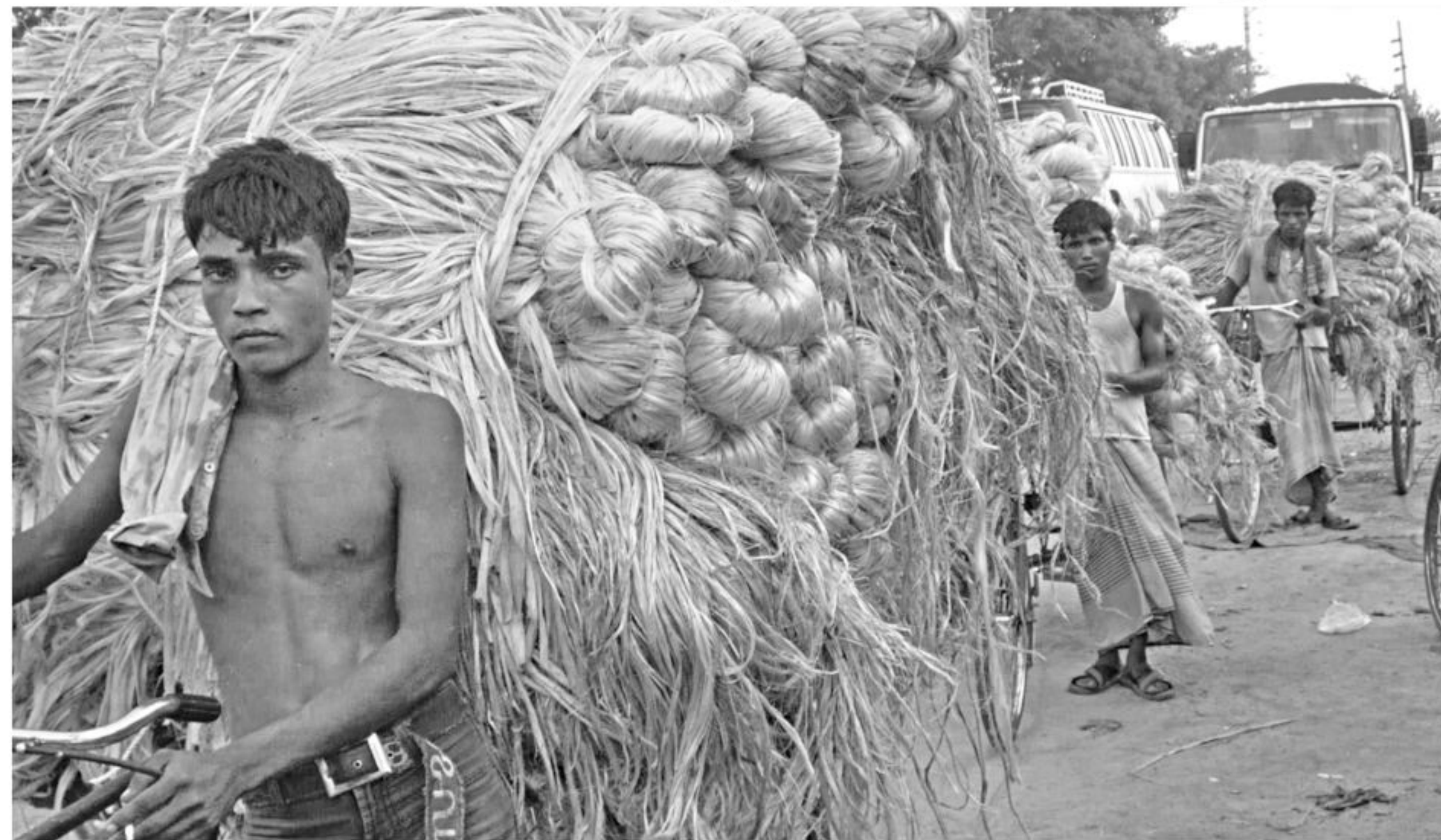
Tailors face slump in Eid orders

GAZI TOWHID AHMED
Tailors this year did not see the usual rush of clients ahead of Eid-ul-Fitr thanks to the escalating cost of living, with orders falling by around 20 percent from last year.
"People look for new outfits when they have enough money. But the middle-class does not get any chance to save after paying off their basic expenses," said Jahangir Hossain, secretary of Dhaka Mahanagar Tailors and Readymade Shops Union.
And it is the same story for branded tailoring stores according to Hossain, whose orders too experienced a marked decline from last year.
"We are getting fewer orders this year than last," said Anwar Ahmed, an employee of Bangkok Tailors and Fabrics at the city's Elephant Road, citing peoples' low incomes as the reason for the drop.
Aktaruzzaman, proprietor of

The Bashir Tailors and Fabrics at Nilkhet in Dhaka, blamed the rise of readymade garment shops and boutiques for their slack business.
"I have so far received around 800 orders for this Eid, down from the 1,000 orders of last year," he said.
Most of the tailors at Nilkhet were sitting idle, an unlikely scenario in the lead-up to Eid, Aktaruzzaman said.
"It seems I have to continue taking orders until the last day of Ramadan to make up for the sluggish business."
The New Market, Nilkhet and Elephant Road area of the city have a total of 350 active tailors, the data from Dhaka Mahanagar Tailors and Readymade Shops Union suggest.
Cheap readymade garments from China along with high of fabrics are to blame for the drop in orders, said Nahida Arefin Nitu, proprietor of Moon Tailors and

Fabrics in Mothijheel.
So dismal is the situation that many owners are struggling to pay their employees, according to Hossain.
"We pay our tailors as per their production, and that depends on the clients' orders. But people are spending less on clothes this Eid," he said.
The tailors, naturally, are not disheartened by the low income, with many saying theirs will be an unhappy Eid.
"My target is to earn Tk 20,000 this month to go to my village," said Md Kaiser, who works on subcontract at Elephant Road.
"Usually during Ramadan I work at night as well to meet the orders. But this year, the day is enough to fulfill the clients' orders."
Most of the tailors who work on subcontract are now looking for second jobs to make ends meet.
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Low prices frustrate jute farmers in Mymensingh



Workers carry jute to different markets in Mymensingh. Low prices of the fibre have created worries for growers. STAR

AMINUL ISLAM, Mymensingh
Low prices of jute have frustrated growers in Mymensingh.
Two types of jute, locally known as deshi and tosha, are available in the market, and are selling at Tk 750-1,200, down from Tk 1,800-2,200 a maund (40kg) last year, depending on quality.
Abul Kalam, a farmer of Bishka village, said he harvested an average four maunds from cultivating 2 kathas of land.
"I sold my produce at Tk 885 a maund," said Kalam. "But I am set to lose Tk 500-600 per katha if jute prices do not increase."
He said he might opt away from jute production next season if that happens.
Suruj Ali, a farmer of village Char Bhawanipur, said he cultivated jute on 10 kathas of land in 2010, and got a good profit. But low prices in the last

two years have ruined his hope for better business this year. He has sold four maunds of low-quality jute for Tk 900 a maund so far.
Abu Hanif, a sharecropper of village Char Iswardia in Sadar, said he sold jute for Tk 750 a maund as the quality of his produce was not good.
"It is a serious loss for me and all my hard work has been in vain."
Growers at the market said production was comparatively good this year and they spent Tk 800-900 for each maund of harvest, as the cost of daily labour has gone up.
Habibur Rahman, a businessman at Shambhuganj Bazar, he was buying jute at Tk 750-1,200 depending on quality, which is lower than last year.
The government purchase centres are yet to start work, which is disappointing farmers further.
Every year the government fixes purchase rates early in the season, but it has not done so yet. It will affect

farmers and businessmen as well, said Mahtab Uddin Bepari, another trader.
A chronological overview of jute trends shows a decrease in jute farming in the district over the last 12 years.
Farmers used 9,570 hectares for jute cultivation in the district this year but the targets were not achieved, according to data from the Department of Agricultural Extension (DAE).
The cultivation was 2,363 hectares less than the last year.
Narayan Chandra Basak, deputy director of DAE, said the DAE distributed good quality jute seeds and fertilisers among the farmers to inspire them this season. The production will be close to the target this year, the official said.
Farmers cannot get reasonable prices for their produce without improving its quality, Basak said.



Shohel Aman Chodhury, officer-programme procurement and supply chain at Save the Children International, and ASM Mashi-ur-Rahman, managing director of MIDAS exchange documents of a deal at a ceremony in Dhaka yesterday. MIDAS will conduct a "study for marketable trades and job opportunities".

Sahara eyes stake in LA's Beverly Hilton

REUTERS, Mumbai
Sahara Group is in talks with US-based Oasis West Realty to buy a majority stake in the Beverly Hilton hotel in Los Angeles for about 19 billion rupees (\$341 million), the Economic Times newspaper reported on Wednesday.
Beny Alagem, the owner of Beverly Hilton, had approached Sahara to sell a 55-percent stake, the

Maruti to restart riot-hit India plant next week

REUTERS, Tokyo
India's largest car maker Maruti Suzuki India Ltd will restart production at its Manesar factory early next week after a deadly riot shut the plant last month, the Nikkei business daily reported.
The 550,000 vehicles-a-year factory in Haryana, where the unit of Japan's Suzuki Motor Corp makes its best-selling Swift hatchback, has been idle since the July 18 clash between workers and management over pay left one dead, scores injured and parts of the plant burned out.
The shutdown of the factory, which made about 1,700 cars a day before the unrest, is costing the company tens of millions of dollars, and more than 2,500 workers have taken to hiding, fearing punishment from Maruti or police, say residents and unions.
Production at the plant will take one to two months to return to pre-shutdown levels as the Indian carmaker ensures the safety of the facility, the Nikkei reported on Wednesday, citing an unidentified Maruti official.
Maruti plans to enlist about 500 guards to help bolster security at the plant, which will restart in stages beginning with welding and press operations, the Nikkei said.
Two phone calls to the plant's spokes-

man seeking comment went unanswered.
"This announcement did not come from us, so we are unable to comment on its validity," said Ei Mochizuki, a spokesman for parent Suzuki Motor.
A one-month shutdown would cut parent Suzuki's operating profit by around 6 billion yen, equal to 5 percent of the Japanese car maker's 120 billion yen forecast for the year to end-March 2013, analysts estimate.
"However, if the company can recoup production after reopening the plant, losses could diminish further on a fiscal year basis," Goldman Sachs said in a report.
"Additionally, in light of India inventories of 110,000 vehicles in early August, we would expect sales opportunity losses to be limited."
Suzuki Chairman and CEO Osamu Suzuki is slated to visit India next week, but has no plans to visit the Manesar facility, the Nikkei wrote. A Suzuki spokesman declined to comment on the travel plans of its head.
Shares of Suzuki were unchanged against a 0.7 percent dip in the Nikkei 225 average in afternoon Tokyo trade.
The July 18 clash has rattled corporate India and shone a light on outdated and rigid labour laws in a country where cheap labour drives manufacturing and draws foreign investment.

Fresh funds pour into shoemaking

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Sultan said his firm also opened shoe and bag units a year ago after making finished leather for a long time.
Bengal Leather has been exporting shoes and bags for the last eight months, he said, adding that accessories factories are also being set up to support the shoe industry.
M Fayaz Taher, managing director of Fortuna Leather Craft Ltd, said many tannery owners are now going for further value addition.
"Future is very bright," he said.
New footwear ventures are coming up and Bangladesh will be the next footwear destination, he added.
Their optimism came at a time when economic turmoil in Europe has slowed down demand for footwear and leather goods.
However, rising inquiries from buyers give them the hopes that the fall in demand would be short-term.
"We are all under stress. Buyers are getting more and more interested in our products. We are trying to upgrade our factories to meet their requirements," said Ziaur Rahman, managing director of Bay Footwear Ltd.
In fiscal 2011-2012, export growth of the entire leather industry slowed to 17 percent from 41 percent a year ago,

according to Export Promotion Bureau.
Exporters bagged \$765 million in fiscal 2011-2012, up from \$651 million in the previous year.
The leather industry, which has grown on local hides and skins, now emerges as the third largest sector to contribute to exports after garments, and jute and jute goods.
Rahman said small and new entrants might find some difficulties due to the sluggish global demand.
"But future looks bright. We may have to struggle in the current year only," he said.
Footwear and leather goods accounted for one-fifth of the total export earnings of the leather industry a decade ago.
The share of the two sub-sectors rose to 56 percent in fiscal 2011-2012.
The rise was due to buoyant growth in footwear exports and a recent surge in exports of leather goods such as bags, purses, wallets and belts, according to the EPB.
Saiful Islam, a former president of Leathergoods and Footwear Manufacturers and Exporters Association of Bangladesh, said improved quality has helped win confidence of more buyers.
He said the customs authority should cut time in giving clearance to imported raw materials for shoes and leather goods.

Singapore Airlines revamps cabins as rivals catch up

AFP, Singapore
Singapore Airlines has said it plans to introduce revamped seats and cabin interiors with an upgraded in-flight entertainment in a bid to stay ahead of Asian and Middle East rivals in the premium travel market.
SIA is regarded as a trendsetter in aviation and is famous for its cabin service, but rivals like Cathay Pacific in Asia and Etihad, Emirates and Gulf Air from the Middle East have been closing the gap while offering lower fares.
It said Tuesday it has hired BMW Group subsidiary DesignworksUSA and James Park Associates, two renowned design companies, to develop "next generation of inflight cabin products" slated to be introduced next year. The changes will include revamped seats, redesigned cabins and upgraded entertainment platforms as new passenger planes from Boeing and Airbus begin arriving.
Emphasis will be on first and business class which generate the bulk of its revenue but the airline said it will not overlook its economy class which will offer improved seat and headrest comfort.
New Boeing 777-300 ERs are expected to enter service in the second half of next year, followed progressively by Airbus A350s and Boeing 787s, the airline said.
But the airline said its current fleet, which includes Airbus A380 superjumbos, can also be retrofitted with

NBFIs see clouds over profits

FROM PAGE B1
He said the higher provisioning requirements for non-performing loans also dented profits of many.
"The stockmarket was a major source of income for the financial institutions. But almost all the NBFIs incurred losses from stock investment," said Sannamat.
Since the price debacle in January last year, DGEN, the benchmark index of the Dhaka Stock Exchange, has been on a decline. At the end of June, the price index came down to 4,572 points from 8,304 points on January 2 last year. The index closed at 4,256 points yesterday.
Asad Khan, managing director of Prime Finance, said if the NBFIs are allowed to take short-term deposit, the liquidity shortage in the money market would not affect their business.
"Presently, we can receive deposit for not less than six months, but we want the limit to come down to three months," said Khan, also president of Bangladesh Leasing and Finance Companies Association.
However, the central bank that regulates the NBFIs thinks that long-term investment by taking short-term deposit will create a mismatch.
IDL Finance was one of the financial institutions that saw a rise in their profit.
"Unlike other NBFIs, our focus was on non-bank business, as the stockmarket was highly volatile," said Selim RF Hossain, managing director of IDLC whose half-yearly net profit jumped by 40.57 percent.
For others, provisioning requirements against loans and losses from stock investment increased their costs. "The stockmarket business was difficult," said Hossain.
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Shamsuzzaman Helal, mayor of Chittagong city, attends the inauguration of a Panasonic showroom at Nasirabad in Chittagong recently. Kabir Bhuiyan Kenedi, director of Panna Electronics, was also present.

Holcim sees growth in emerging markets

AFP, Zurich, Switzerland
The Swiss cement group Holcim unveiled a slight rise in first half profits Wednesday thanks to growth in developing markets but struck a pessimistic note on its European activities.
Net profit for the world's second biggest cement maker rose nine percent to 389 million francs (324 million euros) between January and June, in line with analysts' expectations.
Operating profit rose 1.9 percent to 1.9 billion francs, while total sales were up 2.1 percent to 10.4 billion francs over the same period.
Growing demand from Asia, north and Latin America as well as Africa and the Middle East boosted sales and should

continue to do so in 2012, the firm said in a statement.
Excluding Russia and Azerbaijan, "this positive picture contrasts with the negative market development in Europe, caused by the debt crisis", where sales were down 9.8 percent, it said.
"Holcim now expects a decline in Europe," it added.
In addition to depressed sales in Europe -- a market three times larger than North America -- Holcim cited restructuring costs in Spain, Great Britain, Brazil and Mexico worth 37 million francs (31 million euros).
Traders reacted negatively to the news and shares in Holcim were down 1.83 percent at 58.90 francs in morning trade.