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12.11pc fall in ceramic tableware export in 10 months of FY06

Industry people blame power, gas crises

KAWSAR KHAN

Country's export earnings through ceramic tableware has reduced by 12.11 percent over target during the July-April period of the 2005-06 fiscal due to persisting power and gas crisis, said industry insiders.

Ceramic manufacturers lamented that they had to lose a portion of the export market for the item as its output witnessed a sharp decline, which resulted from low voltage of electricity and low gas pressure.

Bangladesh exports ceramic tableware mainly to the EU and the US markets.

According to the EPB (Export Promotion Bureau), export earning target through ceramic tableware was fixed at $ 33 million in the last fiscal while it fetched $ 23.22 million during the first 10 months of the previous fiscal year.

Describing the reasons behind this, Rashed Mowdud Khan, president of Bangladesh Ceramic Wares Manufacturers Association (BCWMA), told the newspaper that they needed uninterrupted power and gas supply round the clock to maintain the required 380-degree temperature in a ceramic tableware factory.

"When power voltage or gas pressure is low, such temperature reduces", he said, adding "if temperature falls it takes at least 12 hours to bring it back to previous level, causing a huge loss".

A low heat in any plant causes fault to colour and quality, BCWMA president said, demanding uninterrupted power supply.

"Our competitors like Sri Lanka, Malaysia and Thailand are capturing our export markets as we are losing competitiveness," he added.

According to the industry people, to harness power during the shortfall period they used diesel-run generators, but due to high oil prices it was very expensive.

"For running high cost generators, the prices of our products also rises and we have lost competitiveness in world market, Rashed Maksud Khan, chairman of Bengal Fine Ceramics Limited, said.

Preferring not to be mentioned officials of a ceramic industry said in July, the first month of the just concluded financial year, the industry experienced a load-shedding of total 206.25 hours that is equivalent to nine days.

They also said it had a five-day load-shedding and low voltage in December, 2005, 6.5-day load-shedding in March 2006 and five-day load-shedding in May.

Industry insiders said that the government should patronize the potential ceramic industry, which witnessed a considerable rise in export for the last few years.

According to the EPB, in FY 2004-05 fiscal, the ceramic industry fetched US$ 28.75 million against the target of $20 million while the industry earned $20.07 million in FY 2003-04.

Ceramic tableware, which is eyeing $ 100 million export earning within 2010, also saves local currency by feeding the Tk 700 crore domestic market.

Rashed Mowdud Khan hoped that the government should take steps to ensure uninterrupted power supply to save the industry.

Safa int'l confce begins today

STAR BUSINESS REPORT

An international conference of the South Asian Federation of Accountants (SAFA) begins in Dhaka today.

Prime Minister Khaleda Zia is expected to inaugurate the conference at BCFC Centre in Dhaka.

More than 600 delegates from Bangladesh, India, Pakistan, Sri Lanka and Nepal will attend the Safa conference jointly organised by the Institute of Cost and Management Accountants of Bangladesh (ICMAB) and the Institute of Chartered Accountants of Bangladesh (ICAB).

The theme of this year's conference is 'Resource Mobilisation and Management of Economic Growth.' Eminent economist Dr Wahid Uddin Mahmud will make keynote presentation at the inaugural session.

There will be six technical sessions where experts from home and abroad will pinpoint on trade, fiscal policy and management, infrastructure, education, poverty elimination, social and human resource development. Finance and Planning Minister M Saifur Rahman is scheduled to attend the valedictory session to be held on July 16.

Safa was formed in August 1984 before the regional bloc Saarc got a shape and it now enjoys the status of a regional grouping of the International Federation of Accountants (IFAC), a conglomerate of 163 member bodies in 119 countries.

PHOTO: STAR

Hua Du, country director of Asian Development Bank (ADB), speaks at a policy seminar on 'Local Business Dynamics: Ground Realities and Policy Challenges' in Dhaka yesterday. Prof Wahiduddin Mahmud, former adviser to the caretaker government, and Mir Nasir Hossain, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), among others, are seen. (Story on page 1)

Malaysia Airlines announces further route cuts

AFP, *Kuala Lumpur*

Malaysia Airlines on Friday announced further cuts in its routes, dropping some flights to China, Indonesia and Japan as part of cost-saving measures aimed at reversing its flagging fortunes.

Over the next three months, the airline will drop twice-weekly return flights from Kota Kinabalu in eastern Sabah state to Shanghai, and twice-weekly services from Tawau in Sabah to Tarakan in Indonesia.

Its thrice-weekly Airbus A330-300 return service from Kuala Lumpur to Fukuoka, Japan will be cut, as will the twice-weekly Airbus A330-300 direct service between Kuala Lumpur and Chengdu in China, the airline said in a statement.

PHOTO: GLOBAL INSURANCE

The sixth annual general meeting (AGM) of Global Insurance Ltd was held recently in Dhaka. Chairman of the company Syed Badrul Alam presided over the AGM, which was attended, among others, by directors and other senior officials.

New chairman of Jalalabad Telecom

Nasir A Chowdhury has been made chairman of Jalalabad Telecom Ltd.

He was unanimously nominated the chairman of the company at its third annual general meeting held in the city on Monday, says a press release.

Chowdhury is also the managing director and CEO of Green Delta Insurance Company Limited.

Under the brand name of 'Bijoy Phone', Jalalabad Telecom is providing fixed phone services for the people of the country's north-east region, including Sylhet.

China to allow foreign exploration in key oil, gas blocks

AFP, *Beijing*

China will allow foreign companies a rare chance to conduct exploration for oil and gas in parts of the resource-rich Tarim Basin in the northwest of the country, the country's top energy company said Friday.

The China National Petroleum Corp (CNPC), the nation's largest oil and gas producer, said it will invite bids from foreign companies for exploration in nine potential oil and gas blocks in the basin.

"We're inviting foreign partners to jointly explore the largest gas and oil basin in the Chinese mainland," CNPC, the parent of PetroChina, said in a statement on its website.

It said several foreign oil companies had already expressed an interest in participating in projects in the Tarim Basin but provided no names.

The statement suggested that a major motive of permitting foreign participation was to attract technological know-how from overseas.

"CNPC plans to introduce the latest exploration concepts and advanced technology to raise the level of proven reserves," it said.

The nine blocks now opened to foreign exploration involve a total area of 110,000 square kilometers (44,000 square miles), the CNPC statement said.

The CNPC did not provide the exact location of the blocks but said they were located in the southwest, the center and the east of the basin, located in the vast Xinjiang region.

The basin is considered key in China's efforts to boost its energy security in the coming years and as a possible replacement of oil fields such as Daqing in northeast China, which are approaching exhaustion.

CNPC is an active participant in China's efforts to secure enough energy for the future and is cooperating with several large foreign majors.

It is expected to reach a consensus with Gazprom, Russia's state-owned natural gas monopoly, by the end of the year for the import of gas through two cross-border pipelines, the China Daily newspaper reported Friday.

The two companies have reached an initial agreement to build two pipelines to transport up to 68 billion cubic meters (2.4 trillion cubic feet) of Russian gas to China annually, according to the newspaper.

Global Insurance approves 10pc cash dividend

Global Insurance Ltd has approved a 10 per cent cash dividend for its shareholders for the year 2005.

The dividend was approved at the sixth annual general meeting (AGM) of the company held recently in Dhaka, says a press release.

Chairman of the company Syed Badrul Alam presided over the AGM, which was also attended by directors, shareholders and other senior officials.

Pakistan plans to buy 1000 MW power from Central Asia

APP, *Islamabad*

Around 1,000 MW power would be imported from Tajikistan and Turkmanistan via Afghanistan within a period of four to five years.

Advisor to Prime Minister on energy Mukhtar Ahmad Thursday told PTV that the talks were continuing with both central Asian States for finalising the deal.

He said efforts were underway to utilise maximum indigenous resources including oil, gas, nuclear energy and hydro electric.

The imported electricity would help in bridging the gap between demand and supply of electricity, he said.

Long term focus however was to enhance indigenous electricity production upto maximum.

Pakistan wants to buy gas from Iran on reasonable rates. Talks would hopefully be fruitful soon.

INCOMING CALL FROM BTTB

Cellphone operators to cut charges soon

MONJUR MAHMUD

Mobile phone users will no more have to pay for incoming calls from BTTB land phones as cellphone operators at long last have agreed to withdraw the existing tariff and sign a deal with the state-run telecom agency shortly.

"All the cellphone operators have agreed to withdraw incoming call charges from the BTTB fixed phones. We are going to sign a revised revenue-sharing agreement with the BTTB this week," a top official of GrameenPhone, a leading cellphone operator in the country, told The Daily Star yesterday.

After signing the deal, all mobile phone operators will fix a date and announce withdrawal of incoming call charges, he added.

The Bangladesh Telegraph & Telephone Board has a revenue-sharing agreement with Teletalk Bangladesh, the state-run mobile phone operator, and the Teletalk users do not need to pay incoming calls from its fixed phone service.

Presently, mobile phone users who have access to the BTTB land phones pay as high as Tk 2 per minute excluding tax for receiving calls from those fixed phones. The mobile phone operators have repeatedly said they will not take any money for incoming calls from BTTB phones once a new revenue-sharing agreement comes into effect.

According to the agreement, in case of making a call from a mobile phone network to BTTB land phone, cellphone operators will have to pay Tk 0.70 per minute, but the BTTB will continue to take an advantage for a couple of years.

After withdrawing incoming call charges, the BTTB will have to pay at a rate of Tk 0.40 up to December in 2006, Tk 0.50 in 2007, Tk 0.60 in 2008, and Tk 0.70 in 2009 for calling from its network to the cellphone networks.

"BTTB revenue is on sharp decline but the revenue sharing with mobile phone operators will be equal from 2009 onwards," said a BTTB official.

The mobile phone operators will also be able to offer economic overseas calls to 25 countries at a flat rate of Tk 7.5 per minute like the state-owned BTTB. Sources said the BTTB may need to pay the cellphone operators Tk 2 per minute for outgoing international calls from mobile phones and Tk 1 for incoming international calls to the mobile networks.

The BTTB imposed Tk 1.50 per minute tariff on April 19, 2006 for making calls to any mobile phone from its fixed phones without signing any agreement with the cellphone operators. Before imposing new tariff, the state-run agency used to charge Tk 1.50 for five minutes during peak and 8-to-10 minute during off-peak.

In absence of a revenue-sharing agreement, the BTTB land phone users are now paying four times more than what they used to pay in case of calling from BTTB land phone to cellphone.

In a bid to settle the revenue-sharing between the BTTB and the mobile phone operators, the Bangladesh Telecommunications Regulatory Commission (BTRC) earlier proposed a revenue-sharing agreement after a meeting with them and the finance ministry has already approved it.

PHOTO: GRAMEENPHONE

Kafil HS Muyeed, director (New Business) of GrameenPhone (GP) Ltd, cuts a cake to mark the inauguration of a GP centre at Gulshan in Dhaka on Tuesday. Other senior officials are also seen.

Asia stocks down sharply on record oil prices

AFP, *Hong Kong*

Asian stock markets were hit badly Friday as escalating violence in the Middle East pushed oil prices to record highs and added to a litany of geo-political concerns sapping investor confidence.

Dealers said the backdrop was uniformly negative, with the losses an unwelcome reminder of the dark days of May and June as investors moved from one concern to another with little hope of early relief.

They noted first that oil prices at 78 dollars a barrel and talk of 100 dollars if Israeli attacks on Lebanon spark a wider Middle East conflict, rattled nerves given the likely impact on inflation and interest rates.

TOKYO: Japanese share prices sank to a three-week low on concerns over escalating violence in the Middle East and record high oil prices, while the end of Japan's zero interest rates had little impact, dealers said.

Market sentiment was shaken after oil prices shot up to record highs on increased tensions in the Middle East as Israel launched a series of attacks into Lebanon.

The Tokyo Stock Exchange's benchmark Nikkei-225 index fell 252.71 points or 1.67 percent to 14,845.24, the weakest finish since June 21. The broader TOPIX index of all first-section issues lost 29.32 points or 1.89 percent to 1,521.71.

SEOUL: South Korean share prices closed 2.33 percent lower, with sentiment hit by high oil prices and the Bank of Japan's rate hike, dealers said.

Second quarter results from tech giant Samsung Electronics were the worst in three years but better-than-expected although on the day this was not enough to provide any support.

The KOSPI index closed down 29.89 points at 1,255.13, coming off a low of 1,246.65. Volume was 193 million shares worth 2.7 trillion won (2.84 billion dollars). Falls overwhelmed rises by 607 to 150.

HONG KONG: Hong Kong share prices closed 1.04 percent lower as oil prices hit a fresh record, triggering renewed worries over inflation and interest rates, dealers said.

The Hang Seng Index lost 169.77 points at 16,135.71, off a low of 16,062.60. For the week, the index was down 324.07 points or 1.97 percent.

Turnover was 28.13 billion Hong Kong dollars (3.6 billion US).

SHANGHAI: Chinese share prices closed 0.57 percent higher, steadying as investors picked up bargains selectively after Thursday's sharp losses, dealers said.

They said banks and the real estate developers, a favourite for rotational play, attracted support but the tone remained cautious after Thursday's 4.84 percent fall in the A-shares undercut confidence after months of sustained gains.

For the moment, the market was largely indifferent to the heavy regional sell-off sparked by fresh tensions in the Middle East and record oil prices but those concerns were likely to make themselves felt in due course.

SINGAPORE: Singapore share prices closed 1.38 percent lower as record high oil prices of more than 78 dollars a barrel weighed on sentiment amid an escalation of violence in the Middle East, dealers said.

The Straits Times Index fell 33.09 points to 2,363.55 on volume of 1.09 billion shares worth 1.06 billion Singapore dollars (666.67 million US).

Losers beat winners 95 to 520, with 571 stocks unchanged.

KUALA LUMPUR: Malaysian share prices closed 1.39 percent lower in line with weaker regional markets as investors fretted over record oil prices and tensions in the Middle East, dealers said.

The Kuala Lumpur Composite Index shed 12.92 points to 913.63. Volume was 1.16 billion shares worth 1.24 billion ringgit (338 million dollars).

Losers beat gainers 827 to 90, with 164 stocks unchanged.

BANGKOK: Thai share prices closed 1.60 percent lower, in line with weaker regional markets amid fears that record high oil prices could trigger a global economic slowdown, dealers said.

The Stock Exchange of Thailand (SET) composite index fell 10.75 points to 661.59 points while the blue-chip SET 50 index was down 7.67 points to 459.22 points.

Losers led gains 299 to 52 and 71 stocks were unchanged on turnover of 1.7 billion shares worth 11.3 billion baht (297 million dollars).

JAKARTA: Indonesian share prices closed 2.28 percent lower amid fears over a fresh spike in the price of oil, which hit record highs of 78 dollars per barrel amid an escalation of violence in the Middle East, dealers said.

The Jakarta Stock Exhange Composite index lost 30.444 points at 1,303.585 on volume of 978.465 million shares worth 1.23 trillion rupiah (135 million dollars).

Losers led gains 107 to 15, with 49 stocks unchanged.

MANILA: Philippine share prices closed 2.27 percent lower as record-high oil prices due to escalating violence in the Middle East sparked a massive sell-off across the region, dealers said.

The composite index ended down 51.42 points at 2,210.15, its lowest finish since July 3. The high was 2,197.75. Volume reached 719.1 million shares worth 1.08 billion pesos (20.7 million dollars.)

MUMBAI: Indian share prices closed 1.66 percent lower on concerns of higher inflation led by crude oil prices and an escalation of tensions in the Middle-East, dealers said.

India's financial capital was also still recovering from deadly blasts on commuter trains Tuesday which killed 179 people and injured hundreds.

The benchmark 30-share Mumbai stock exchange index finished down 180.28 points at 10,678.22.

US, Russia confront major differences on WTO deal

AFP, *Saint Petersburg*

US and Russian negotiators were locked in talks Friday to overcome "important" differences holding up a deal enabling Russia to join the WTO, a senior US official said.

But the drive to end Russia's 13-year-old quest to become part of the World Trade Organization could get a high-level boost later in the day when US President George W. Bush and Russian counterpart Vladimir Putin hold bilateral talks in Saint Petersburg.

Russian officials are anxious to get an agreement with Washington ahead of or during a Group of Eight summit that opens Saturday, the first time Russia has hosted such a gathering.

"Negotiations are ongoing. There are some important issues still on the table and there is no resolution at this point," Sean Spicer, spokesman for US Trade Representative Susan Schwab, said in a statement in Moscow.

He said Schwab and Russian Economy Minister German Gref "will continue discussions throughout today."

Russia has already signed bilateral agreements with its other key trading partners and now needs the green light from the United States to join the 149-member Geneva-based WTO, which sets global rules.

Energy-rich Russia is today the only major power operating outside the WTO. Agreement on its membership here would constitute a major success for Putin and serve to confirm Russia's rising stature as a global commercial and economic powerhouse.

Russian Finance Minister Alexei Kudrin on Thursday said negotiators had cleared a key obstacle, with Washington dropping a demand that Russia allow foreign banks to open branches -- rather than legally-registered Russian subsidiaries -- on its territory.

US-ROK FTA talks end inconclusive

AFP, *Seoul*

Free-trade talks between the United States and South Korea ended in stalemate Friday as US negotiators boycotted discussions in protest at South Korea's new medical policy.

US officials did not attend the final day of the second round of negotiations that began Monday to forge a free-trade agreement (FTA), the South Korean Ministry of Foreign Affairs and Trade said.

"US negotiators did not take part in today's discussions. Our side also told them that there would be no meeting today," it said in a statement.

The boycott came after the United States stopped a session on pharmaceuticals in protest at South Korea's new policy on drug-pricing which reimburses patients when they buy medicines listed by the government.