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Star BUSINESS

DHAKA TUESDAY JULY 27, 2004 E-mail: dsbusins@gononet.com

Business Lunch
@ Tk. 250
(VAT & Service Charge Included)

Heritage
Bangla Fusion Cuisine
By master chef Tommy Miah
8829359
01715414412

Road # 109, House # 10, Gulshan 2, Dhaka - 1212

Floods put business to a pause

50pc factories in Savar submerged

M ABDUR RAHIM back from Savar

Engulfed by floodwaters and crippled by absence of workers, over 50 percent industrial units in the low-lying parts of Savar have been forced to stop production.

The owners of other flooded factories have shifted heavy machines to upper floors to keep production going but they can manage only partial operation as 40 percent of their workers are abstaining from duty due to the flood.

However, Dhaka Export Processing Zone (DEPZ) in Savar is still safe from flood, M. Kamal Akhter, general manager of DEPZ, said yesterday.

Refat Ullah, chairman of Savar Pourashava, said the magnitude of flood has already crossed the 1998-level and the industries in the area will suffer huge loss due to the continued disruption of production.

"Half of the factories have already stopped production. The machines of garment, textile, spinning, dyeing and finishing factories are highly expensive and the owners are concerned more about the machines than production," he told The Daily Star.

Attendance in factories is also low as most of the workers' houses have gone under water. Crops on 4,000 hectares of land have been damaged and fishing farms will suffer Tk 10 crore loss as dikes are inundated by water, he said.

Though the Dhaka EPZ is yet to be affected by the flood, the DEPZ authorities are taking precautionary measures to face possible inundation.

The EPZ compound is two feet above flood level and if the factory basement is taken into account the EPZ is five feet above the level, the DEPZ general manager said.

The water level was 9.10 metres high yesterday around the EPZ while the water level needs to rise to 10.25 metres to enter EPZ and 12.25 metres for factory premises.

"We had meeting with investors to review the situation. At present, they have no problems other than low attendance of workers. Some investors are asking for space inside the EPZ for their workers whose

houses have gone under water," Akhter said.

The DEPZ authorities are taking help from Water Development Board and met office to continuously monitor the situation.

The investors are however concerned about the condition of partially inundated Dhaka-Ashulia road connecting the EPZ, the DEPZ official said.

The 355-acre exclusive industrial zone houses 72 local, foreign and joint venture enterprises providing employment to 50,000 people.

Established in 1993, DEPZ has a total investment of \$304 million. In 2003-2004, \$667 million worth of products were exported from the EPZ.

Emran Hossain, an official of Modhumoti Tiles at Hemayetpur, said, "We were forced to stop production when water reached the ground floor last week."

The premises of Pride Textiles, Navana Furniture, Aftab Automobiles, Anlina Dyeing and Printing, Kazi Mahi Hatcheries and Poultry, Samal Pharmaceuticals, National Beverage, Surma Foods and other factories in Hemayetpur area are now under waist-deep water and production has come to a halt.

"We are in distress. We don't know when we can resume production," Mizanur Rahman, an officer of Pride Textiles, said.

Pakja Textiles and Garments, Five Star Poultry, Universal Poultry and Hatchery and Yarakib Poultry farm, in Imandipur area, are also affected by the deluge.

Hamidul Haque of Five Star Poultry said the sector is still suffering from the loss of bird flu scare and the flood has come as a final blow. "Farm owners having upper floors have huddled chickens there and who have not, are being forced to sell poultry birds at cheap rate due to shortage of space. We have stopped procuring new chicks for rearing."

Industrial units at Palashbari, Bank Town, Nama Bazar, Rajashan, Pandua, Islannagar, Nababinbari and in and around Savar municipal area have been fully or partially submerged by floodwaters.

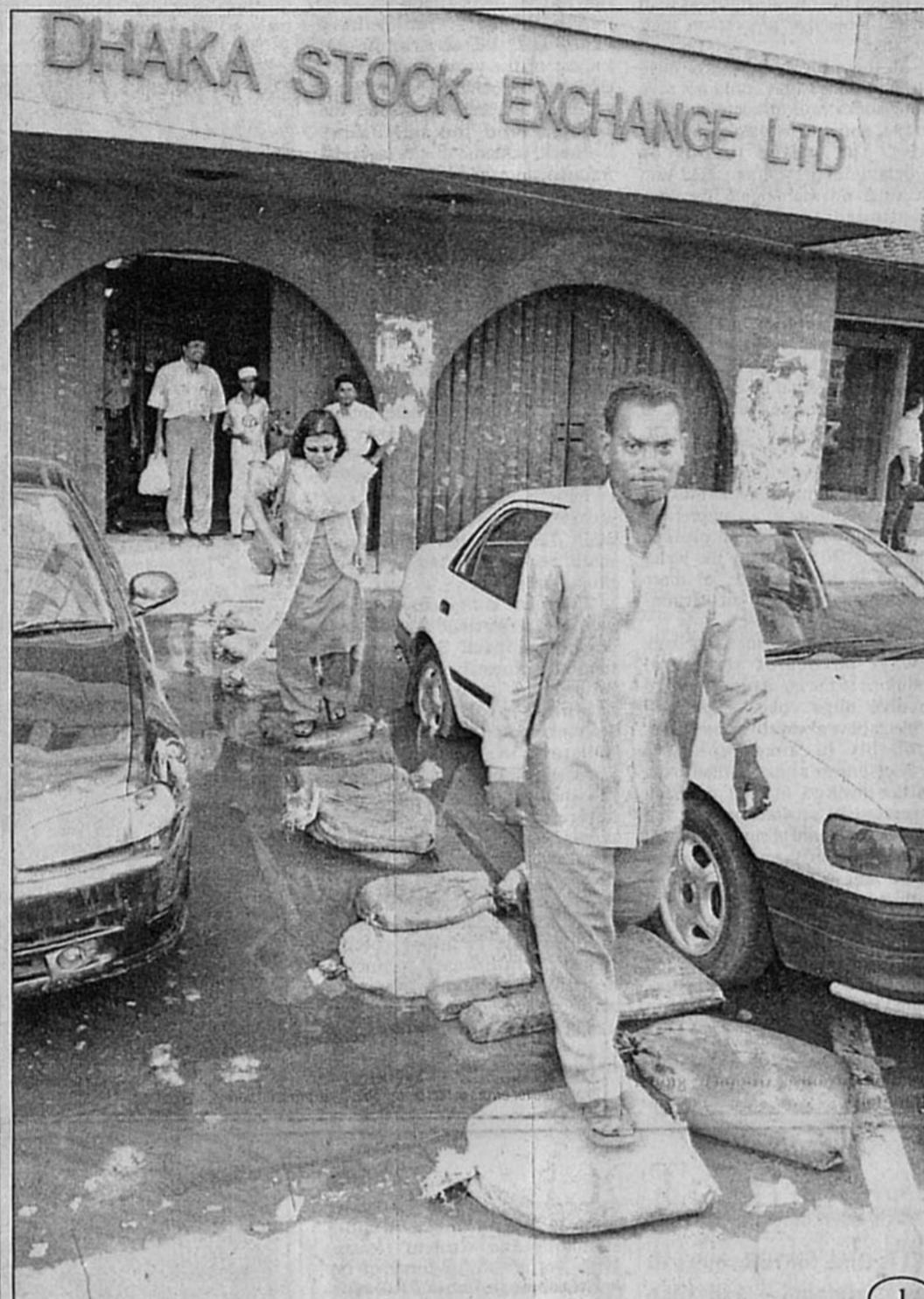


PHOTO: SK ENAMUL HAQ

WOBBLING BUSINESS... (Clockwise from left) Investors walk on sandbags to come out of the country's premier bourse Dhaka Stock Exchange, as rainwater and effluent from sewerage create waterlogging; water engulfs the secretariat of apex trade body Federation of Bangladesh Chambers of Commerce and Industry; and a man wades through water in front of the road at Dhaka Chamber of Commerce and Industry building. Most of the roads in Motijheel, the commercial district of the capital, have gone under floodwaters, disrupting business and economic activities.



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Blow to fresh water shrimp farmers

Flood threatens first non-coastal farms in Mymensingh

ZAHIDUL HAQUE

The raging flood has dashed hopes of shrimp farmers in Mymensingh to turn the district into the first non-coastal area to cultivate fresh water lobsters.

Shrimp farms on some 30 acres of land at Sobulia village in Fulpur upazila were completely washed away by the flood last week. And farms on around 20 acres of land at Kamaria, Balia and Bakhali villages in same upazila are in peril.

Fisheries Department officer at Fulpur Arifur Rahman Tarafdar said the farmers released 6,000 to 10,000 fries in a pond stretching one acre and one fry cost them Tk 5 to Tk 7.

Farmers in the villages started shrimp farming in 2003. They made good harvest last year, although they failed to make their farms profitable.

They were hoping for better harvest this year but it now appears

Agrani Bank to disburse 100cr more credit

Agrani Bank will disburse agricultural and rural credit of Tk 100 crore supplementing Tk 400 crore earmarked earlier among the farmers handicapped by the recent flood.

The nationalised commercial bank will disburse the credit on an emergency basis within the shortest time after recession of floodwater, says a press release.

With this addition, Agrani Bank's total allotment in the agricultural sector stands at Tk 500 crore in the current year.

The loan recovery from the flood-affected farmers will remain postponed and the loan accounts will be rescheduled in response to petition from borrowers.

Besides, all the legal proceedings against the farmers hit by the flood will come to a halt.

Agrani Bank has asked all of its branches to render absolute cooperation to the affected farmers of the flood-hit areas.

BKB halts loan recovery drive

Bangladesh Krishi Bank (BKB) has been up recovery of agricultural credit until the next crops harvesting in view of the prevailing flood situation.

The bank has also taken a vast and quick disbursement programme in crops, cattle, poultry, goat, gourds, fisheries, nursery, goat breeding farm and socio-economic activities for Aman cultivation, says a BKB press release.

During his visit to Habiganj, Moulvibazar, Sylhet and Sunamganj, the flood affected areas of greater Sylhet, BKB Managing Director AKM Sajedur Rahman gave special directives for quick and transparent disbursement of agricultural credit for post flood period so that the Aman production may not be hampered.

BKB has allocated Tk 2400 crore for credit disbursement in fiscal year 2004-2005.

Raging flood casts shadow on knitwear industry

Manufacturers apprehend Tk 1000cr loss

SARWAR A CHOWDHURY, back from Narayanganj

Knitwear manufacturers yesterday forecast an alarming outlook for the industry apprehending a possible loss of Tk 1,000 crore because of the current flooding that has inundated several hundred factories stopping their production.

They said the worsening flood situation across the country especially in Narayanganj where 75 percent knitwear factories are located, has threatened the industry, the second biggest foreign exchange earner after woven garments.

"We may face an export loss of Tk 600 crore as we are failing to maintain shipment in due time because the transport system has collapsed," Fazul Hoque, president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) said.

The knitwear manufacturers will also incur an estimated loss of Tk 400 crore as the flood has inundated their factories and warehouses damaging machinery, raw materials and infrastructures, he told a press conference at BKMEA office in Narayanganj.

The BKMEA president apprehended cancellation of orders from the foreign buyers due to shipment failure, which would reduce export income from knitwear products which earned \$1.88

Queens Garden to use Holcim cement in its projects

Queens Garden will use Holcim brand cement in all its future projects including Queens Garden Homes and Queen Garden Plaza.

An agreement to this effect was signed between Holcim (Bangladesh) Limited and Queens Garden Homes recently in Dhaka.

PN Iyer, vice-president of Marketing and Sales, Holcim (Bangladesh), and Rezaul Karim Chowdhury, managing director of Queens Garden, signed the agreement, says a press release.

About 300 knitting and another 300 dyeing units in Dhaka, Narayanganj and Savar areas have so far been inundated by the flooding.

The BKMEA chief demanded immediate payment of cash incentives amounting to Tk 500 crore which the government is yet to release.

For ensuring smooth transportation of knitwear products to Chittagong Port during the flood he urged the government to take special measures such as shipping arrangements through the river route from Kanchpur to Chittagong.

Hoque also sought repairing of the damaged road from Panchaboti BSCIC Hosiery Estate to Shashgaon road on urgent basis for easing transportation of export-oriented knitwear products from Narayanganj industrial area.

BKMEA vice-presidents Habibur Rahman and Abdur Rashid, and members Shamsul Haque, Abdur Rahman and GM Haider Ali were present at the press conference.

AM Faruque has been appointed managing director of Eskayef Bangladesh Limited with effect from July 15.

Prior to this, he was executive director of the company, says a press release.

Faruque started his career in pharmaceuticals with Fisons Bangladesh Limited in 1974.

In his long pharmaceuticals career, he also served in different positions in Smith Kline & French, ICI & Hoechst, Gulpharmaceuticals Industries, UAE, and SK&F Sri Lanka.

Export from EPZs posts 12.83pc growth

Low cost lures investors

STAR BUSINESS REPORT

Export earnings from the export processing zones (EPZs) marked 12.83 percent growth in the last fiscal, thanks to low production cost.

According to Bangladesh Export Processing Zones Authority (Bepza), the regulatory body of the EPZs, export earnings from industrial units based in the six EPZs stood at \$1353.91 million in 2003-04, which was \$1200.22 million in 2002-03.

Bepza Executive Chairman Md Zakir Hossain attributed the success to the low production cost in the EPZs.

"We provide utility and other services to the investors at the lowest cost in South Asia," said the executive chairman while talking to The Daily Star yesterday.

He said investors from India and Sri Lanka have moved to Bangladesh EPZs in recent years, as cost of production in their countries is comparatively higher than Bangladesh's.

"The low cost and other attractive incentives offered by the Bepza is also luring Japanese investors who have shown keen interest to set up plants in Bangladesh," Hossain added.

Encouraged by last year's performances, the Bepza had set a target of \$1500 million for the current fiscal. Last year, the target

was \$1225 million.

Of the six EPZs, two EPZs -- Chittagong and Dhaka -- have contributed 99 percent of the total export earnings.

According to Bepza, enterprises in Chittagong EPZ earned \$679.01 million and Dhaka EPZ fetched \$667.60 million during 2003-04 fiscal.

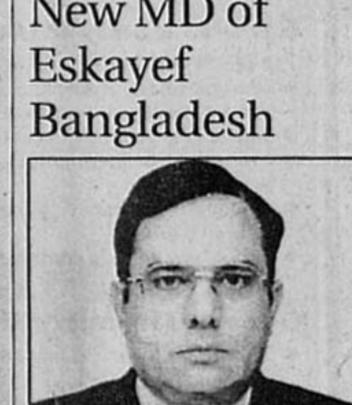
During the last fiscal, Bepza approved 56 industrial units to launch their production of which 21 are owned by Bangladeshis, 18 are foreign-owned and rest are in joint venture with Japan, Pakistan, China, Taiwan, India, UK, Italy and the US entrepreneurs.

Among the 56 units, 12 were given permission to start operation in Chittagong, 14 in Dhaka, 13 in Mongla, eight in Comilla, seven in Ishwardi, and two in Uttara in Nilphamari. "Eight units have already gone into production," said a high official of Bepza.

Bepza official said the new ventures have created employment opportunity for 10,045 Bangladeshi nationals last year.

The companies in business are of agri-products, garment accessories, metal products, terry towel, textile, knitting, electronics, chemical and fertiliser.

At present, 203 industrial units are now in operation at the six EPZs. Of them, 126 are fully foreign-owned, 27 are joint venture and 50 are fully owned by Bangladeshis.



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Bangladesh Lamps Limited

Sadar Road, Mohakhali, Dhaka - 1206

Half Yearly Report - 2004

Based on the SEC directives, this is notified for general information that the statement of unaudited half yearly results of the Company as on 30th June 2004, has duly been despatched to all our shareholders and also the SEC, DSE and CSE within the stipulated time limit.

Dhaka
July 26, 2004

Abdullah Ismail
Company Secretary

PHILIPS

Official Licensee of Philips Electronics N.V. for lighting products