

Ceramic industry fears 50pc export loss on gas crisis

M ABDUR RAHIM

Bangladesh's ceramic products, which have emerged as significant export items over the last few years on gas availability, now face 50 percent export loss this fiscal year due to gas crisis that started two months back.

Inadequate gas supply to ceramic factories located in Dhamrai, Savar, Tongi and Gazipur in the last two weeks has resulted in almost zero production, industry people said.

"The gas crisis started two months ago and it has become worst over the last 15 days. We cannot run kilns, which need to be functional in 24 hours. We fear losing export orders," Rashed Makshud Khan, managing director

of Bengal Fine Ceramics Ltd, said.

The country's ceramics industry that produces tableware, tiles and sanitary ware has been witnessing over six percent growth for the last five years due to gas availability, Khan said.

"Gas price is increasing in the world market keeping pace with oil price. But gas price is static in Bangladesh which gives us advantage to expand export market," said Khan, a pioneer in the country's ceramic industry.

The ceramic industry earned \$28 million from exports last fiscal year and fixed a target to cross \$100 million by 2008. "But the target is unlikely to be achieved unless government takes urgent steps to restore normal gas supply," the former president of Bangladesh

Ceramicware Manufacturers' Association.

About the inadequate gas supply, Aminur Rahman, director (operations) of Titas Gas Transmission and Distribution Ltd, said low production from Sangu and rising demand of fertiliser factories have resulted in scarcity in Savar and Gazipur areas.

"But we hope we will be able to overcome the crisis in the middle of this month when Sangu will be fully functional and the crisis in Dhaka zone will end entirely when the laying of the Ashuganj-Monohardi bypass line will be complete by early next year," he said.

Khan said average tariff for fertiliser factories is Tk 2/cubic metre, gas-based power plants Tk 3.5/cubic metre and ceramic factories

ries Tk 5.13/cubic metre. "Although fertiliser and gas-based power plants pay lower tariff, they get uninterrupted supply. But export-oriented ceramic industry does not get uninterrupted gas supply," he said.

There are over a dozen of ceramic plants in the country, which produce over 40,000 tonne ceramic products a year. Monno, Shinepukur, Bengal Fine, Standard and Peoples Ceramic and National are engaged in tableware. RAK, Fu Wang, China-Bangla, Mir are engaged in tiles and sanitary ware.

The companies have so far invested over Tk 500 crore and more investments are in the offing, sources said.

Bangladeshi cos invited to take part in Kolkata ICT fair

STAR BUSINESS REPORT

Organisers of international information and communications technology (ICT) exposition to be held in Kolkata during December 1-5 have urged Bangladeshi companies to take in the fair for getting international exposure and exchanging expertise.

The five-day exhibition styled -- Infocom 2004 -- will be jointly organised by leading Indian business weekly Businessworld and NASSCOM, an apex trade body of India's software and services companies.

Urging Bangladeshi IT firms to take part in the fair, Organising Secretary of the exhibition DD Purokaystha said one of the objectives of the show is to enhance collaboration between Bangladesh and India in the field of ICT.

The exposition will also serve as a forum for policy makers and industry stalwarts to have dialogues on global business scenario and policy issues for boosting the sector in the region, Purokaystha said at a press conference in Dhaka on Tuesday.

Speaking at the function, President of Internet Service Providers Association of Bangladesh Akhtaruzzaman Manju said Bangladesh should not be taken just as an IT market of India rather there should be a partnership between the two countries in the field.

President of Bangladesh Computer Samity SM Iqbal said a strong partnership and exchange of expertise with India would facilitate Bangladesh's growth in the sector.

Executive Director of Bangladesh Computer Council AM Chowdhury and President of Bangladesh Association of Software and Information Services Sarwar Alam also spoke at the press conference.

India unveils resource mobilisation measures

PALLAB BHATTACHARYA, New Delhi

Indian government has announced a series of resource mobilisation measures, including a mandatory cut on budgetary allocation for non-development and non-salary expenditure, aiming to save more than 2,000 crore rupees.

The austerity measures

announced on Tuesday asked profit-making public sector undertakings (PSUs) to consider giving bonus shares to the government to help the latter to shore up its finances.

The measures are expected to bridge the resource gap and the government's commitment to adhere to fiscal consolidation stipulated by Fiscal Responsibility and

Budget Management Act, finance ministry officials said.

According to the officials, direct tax collection has shown buoyancy but indirect tax mop-up is yet to show significant improvement while corporate tax target remains tough.

Under the austerity measures, a mandatory ten percent cut has been imposed on the budgetary allocation for non-plan, non-salary expenditure including overtime allowance.

The government also announced to undertake a complete review and evaluation of all ongoing programmes and schemes, both plan and non-plan, by the end of December this year to assess their continued relevance.

No deviation of expenditure would be allowed from the prescribed budgetary ceiling and the austerity measures will be carried into budget-formulation with greater emphasis on explicit recognition of revenue constraints and a realistic projection of budgetary allocation for various projects and schemes.

Oil prices ease slightly

AFP, London

Oil prices traded just below record highs Friday towards the end of a rollercoaster week that saw New York crude futures pierce the psychological 50-dollar level for the first time as unrest in Nigeria stoked supply worries.

Oil prices eased slightly Friday after Nigerian President Olusegun Obasanjo said his government was continuing to hold talks with rebel leaders from the Niger Delta and assured that a "rapprochement" was taking place.

The price of light sweet crude for November delivery fell four cents to 49.60 dollars a barrel in pre-opening electronic trading on the New York Mercantile Exchange.

In London the price of reference Brent North Sea crude oil for delivery in November lost eight cents to 46.30 dollars in early deals.



PHOTO: STAR

Visitors make queries about products displayed at a stall at the first-ever exhibition of cosmetics, toiletries and perfumeries at Dhaka Sheraton Hotel yesterday. Apart from local companies, a number of participants from Thailand, Iran and Pakistan are displaying their products at the three-day fair styled as 'COTOPLEX 2004' that ends today.

Weekly Currency Roundup

September 25-September 30, 2004

Local FX Market
US dollar strengthened against Bangladeshi taka in this week. It was steady in the beginning of the week. Higher demand of greenback for import related transaction pushed the rate up throughout the week.

Money Market
Bangladesh Bank borrowed BDT 9,715.00 million through the Treasury bill auction held on Sunday, compared with BDT 4,266.00 million in the previous week's bid. The weighted average yields of t-bills of different tenors were almost unchanged from the previous bid.

Call money rate was volatile in the week. The rate ranged between 2.75 and 3.25 percent in the beginning of the week. It eased during the middle of the week and came as low as 2.00 percent. But it increased by the end of the week and ended between 3.00 and 4.00 percent.

International FX Market
In the beginning of the week, the dollar touched a six-week high against the yen as the Japanese currency was ground down by weak stock market and oil prices pushing back towards record highs. The euro held steady against the dollar after Germany's IFO business survey came in broadly in line with expectations and the research institute said the survey pointed to a continuation of moderate economic recovery.

The yen pulled back above a 6-week low on the dollar and a 4-month trough on the euro in the middle of the week, as oil prices backed off record highs, while the euro maintained its grip on recent gains against the dollar. US light crude was trading around \$50.00 a barrel on Wednesday after backing down from a peak of \$50.47 the previous day, but analysts said Japan's heavy dependence on oil imports meant the yen remained vulnerable, especially ahead of a key survey on Friday of Japanese business known as the "lankan".

By the end of the week, the yen steadied after bouncing back from recent lows against the dollar and euro as oil prices stepped down from its week's record highs, while investors awaited key economic data from Japan. On Friday, Bank of Japan would release its quarterly corporate sentiment survey which is expected to show a rise to its highest level in more than a decade but signal a less robust outlook for the future.

-Standard Chartered Bank

Southeast Bank okays 20pc cash, 20pc stock dividends

Southeast Bank Limited has declared a 20 percent cash and 20 percent stock dividends for its shareholders.

The declaration was A at the bank's 9th annual general meeting held in Dhaka on Sunday, says a press release.

Chairman of the bank Azim Uddin Ahmed presided over the meeting.