

Ceramic industry fears 50pc export loss on gas crisis

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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 worse 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 facto-

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

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 bring 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.

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.



PHOTO: STAR

Visitors make queries about products displayed at a stall at the first-ever exhibition of cosmetics, toiletries and perfumery 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 'COTOPEX 2004' that ends today.

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