

Furnace oil-run factories face closure as govt stops supply

STAR BUSINESS REPORT

Previously struggled with high price, furnace oil-fired small and medium industries are now heading towards closure as government has stopped supplying the cheaper fuel to the industrial units.

Due to high price in the last few years, some 6,000 small industrial units, mostly located outside Dhaka having no access to gas, were shut down. The shutdown resulted in job loss to six lakh people, leaders of Bangladesh Industrial Power Gas and Furnace Oil Consumers Association said yesterday at a press conference in Dhaka.

"Stopping supply of furnace oil from March 15 following a sharp price rise during the last three years has fixed the final nail in the coffin of the furnace oil-based industries," said Md Hasan Salam, president of the association.

Price of each litre furnace oil stood at Tk 6.50 in 2000 but the energy ministry increased it to Tk 12.50 in 2001 forcing many entrepreneurs to shut their units down, he said.

Following the prime minister's intervention, the price was fixed at Tk 10 in 2003 and later at Tk 8 in the same year. The rate of Tk 8 was also not viable to the industries, as the

hitting value of the same amount of gas was Tk 5.83, he pointed out. Amid protest, the energy ministry finally adjusted the rate at Tk 6.

"But surprisingly, the energy minister increased the price of furnace oil to Tk 12 from Tk 6 on June 7 last year without any discussion with the industry owners," Salam said.

Baghabari oil depot used to supply 8,000 ton furnace oil monthly for the local industries, but now not a single litre of oil is being sold due to rapid price hike, said the furnace oil consumers association's Chief Advisor Delwar Hossain.

Instead of retail market, the

government now supplies the furnace oil to Power Grid Company of Bangladesh Ltd, he said.

"Furnace oil is a by-product that has no production cost, so why the ministry should increase its price," association's General Secretary Anwar Hossain questioned. He urged the government to bring down the price to Tk 6 immediately.

"We will hold a meeting with the leaders of Federation of Bangladesh Chambers of Commerce and Industry on March 31 and decide on the next move if the government does not consider our demand," Hossain warned.

Oil prices scale new highs

Opec may consider output increase again
REUTERS, London

Oil prices scaled fresh highs on Thursday, forcing Opec to consider a second output increase just a day after its deal to raise supplies failed to halt crude's record-breaking advance.

US light crude broke above \$57 for the first time, gaining 56 cents to \$57.03 a barrel. London's Brent crude, benchmark for European imports, added 68 cents to a record \$55.56 a barrel.

With its output already near a 25-year high, Opec is stretched to meet rapidly rising demand, leaving investors betting that oil's bull run has further to go.

"It's not in our hands, prices are determined by the market," said UAE Oil Minister Mohamed al-Hamli.

Opec President Sheikh Ahmad al-Fahd al-Sabah said ministers might start telephone consultations as early as next week over a second output rise if prices do not ease.

Commercial Bank of Ceylon opens new branch at Dhanmondi

Commercial Bank of Ceylon Ltd opened its new branch at Dhanmondi in Dhaka on Wednesday.

Amitha Gooneratne, managing director of Commercial Bank of Ceylon, formally inaugurated the branch at BEPZA complex.

Gamini Munasinghe, Sri Lankan envoy to Bangladesh, Zakir Hossain, executive chairman of Bangladesh Export Processing Zones Authority (BEPZA), and Renganathan, country manager of Commercial Bank of Ceylon, were also present at the function.

Office bearers of plastic goods manufacturers' association



President General Secretary

Jasim Uddin Khan and KM Iqbal Hossain have been re-elected president and general secretary of Bangladesh Plastic Goods Manufacturers & Exporters Association (BPGMEA) for the term 2005-2006.

They were re-elected at the annual election of executive committee of the association, says a press release.

Other office bearers are Ferdous Wahed, senior president, Md Shahedul Islam Helal, vice-president, Md Yeaqub, joint general secretary, Md Nur Hossain, assistant general secretary, Md Mohosin Bhuiyan, treasurer, Md Delewar, organising secretary, Md belayet Hossain, publicity secretary, and Jahangir Alam, sports and cultural secretary.

Tea output likely to miss target on bad weather

IQBAL SIDDIQUEE, Sylhet

The country is likely to miss this year's tea production target due to unfavourable weather, industry sources said.

Tea production target has been fixed at 57.5 million kg for this season. The production was 54.5 million kg last season against a target of 57 million kg.

The tea gardens suffered major setback due to the June-August floods and a drought-like situation during November-December period.

The average rainfall in September-October period was good for the highly sensitive crop which helped a bit to recover from

flood and heavy rain. But there was no rains in the months of November and December deteriorating the situation.

Director of Bangladesh Tea Research Institute (BTRI) AFM Badrul Alam said sensitive industry like the tea sector depends highly on the weather behaviour with a measured distribution of rainfall and sunshine, especially during its peak season.

He said the government will try its best to help tea producers achieve this year's target of 57.5 million kg.

BTRI in association with DFID, Bangladesh Krishi Bank and other donors have worked out a Tk 15 crore programme to revive the sick gar-

dens to increase production. There are some 44 sick tea gardens in the country now.

The country's tea production was 58.3 million kg in 2003 which was highest in recent years. Favourable weather was credited to the big harvest.

There are 160 tea estates in the country covering 1,14,000 hectares of land. The total production capacity is 55 million kg. Per hectare production capacity is 1200 kg.

Two thirds of the total production are consumed domestically while the rest goes abroad fetching foreign exchange to the tune of Tk 1500 million a year.

South Asia Ins net premium income rises 154pc

South Asia Insurance Company Ltd's net premium income increased by 154 percent last year, says a press release.

This business information was announced in a board meeting of the company held recently in Dhaka.

The meeting was also told that the company's 5th annual general meeting (AGM) will be held on May 14, 2005.

Ghulam Akbar Chowdhury, chairman of the company, presided over the meeting.

DHL launches Oceania hub in Sydney

DHL, the world's leading express and logistic company, has inaugurated a modern Oceania hub at Sydney International Airport.

The \$16 million purpose-built facility is the largest of its kind in the Oceania region, says a press release.

The hub includes a 5,900-square-metre warehouse, which will employ some 200 staffs. The facility will handle 50 flights and 20,000 shipments a day.

Bol teams up with DSE to encourage companies to offload shares

UNB, Dhaka

Board of Investment (Bol) has joined hands with the country's main bourse -- the Dhaka Stock Exchange (DSE) -- to encourage companies both from home and abroad to offload their shares in stock market.

A Bol-DSE meeting yesterday agreed to co-operate in four areas as part of the stock market development efforts for bringing more scrips to the stock-hungry market.

"The DSE has the potential to become a big one like the Bombay and Karachi stock exchanges, as the local market now got a momentum," Bol Executive Chairman Mahmudur Rahman told reporters following the meeting at the DSE conference room.

Bol will arrange within a month a meeting with the investors, both existing and negotiating ones, so that the DSE could make a presentation to encourage the investors to

offload stocks.

Bol will also include representation from the DSE in any of its delegation abroad as well as installing a web-link between the web sites of the two organisations to facilitate investors with easy access to information of the two organisations.

Besides, the Bol executive chairman said, he would try to convince the foreign investors, including Tata, Orascom and Abu Dhabi group, to mobilise a portion of their capital requirement from the local equity market.

He said he would also take up with the government authorities the issue of government shares in the multinational companies and the state-run companies.

"There is a lot of potential of the capital market to grow, as I have been informed that the market has the capacity to mobilise a capital between Tk 1,200 crore to Tk 1,500 crore through primary offers," Mahmudur Rahman said.

Servier receives Frost & Sullivan award

Frost & Sullivan, a world-renowned consultancy, presented Osteoporosis Therapeutics Industry Innovation & Advancement Award for the year of 2004 to Servier for the development of its new dual acting osteoporosis treatment drug namely Protelos.

Servier, an independent French research-based pharmaceutical company, discovered and developed Protelos that has recently been licensed across Europe in the treatment of postmenopausal osteoporosis to reduce the risk of vertebral and hip fractures, says a press release.

Singapore export growth slows

AFP, Singapore

Singapore's non-oil domestic exports (NODX) grew at a slower pace in February as orders for key electronics products from the United States and Europe fell, the government said Thursday.



PHOTO: COMMERCIAL BANK OF CEYLON
Amitha Gooneratne, managing director of Commercial Bank of Ceylon, formally inaugurates a new branch of the bank at Dhanmondi in Dhaka on Wednesday. Gamini Munasinghe, Sri Lankan envoy to Bangladesh, Zakir Hossain, executive chairman of Bangladesh Export Processing Zones Authority (BEPZA), and Renganathan, country manager of Commercial Bank of Ceylon, were also present at the function.

Mongla port remains idle

No cargo ship in last 7 days

UNB, Bagerhat

The country's second marine port in Mongla remains virtually idle for the last one week with no cargo ship anchoring in the problem-ridden port, officials here said Wednesday.

"Even till tomorrow (March 17) there is no schedule for any ship in the port," one official concerned said, stressing that if the situation continues, there will be adverse impact on export and import activities through this sea port.

On March 9, port sources said, MV Banga Barta and MV New Hope left the port after downloading goods and since then no ship anchored in the port.

Several thousand port workers

employed on 'no-work no-pay' basis are passing hard days.

Mongla Port remained virtually inoperative due to various problems.

Meanwhile, Chairman in-charge of Mongla Port Mohammad Ruhul Amin Sheikh said the authorities have taken steps to increase the number of ships touching the port in coming days.

Malaysia's migrant crackdown backfires on economy

AFP, Kuala Lumpur

A crackdown which sent hundreds of thousands of illegal workers fleeing from Malaysia has left industries with crippling labour shortages which could hurt economic growth, reports and officials said Thursday.

The government has called a special meeting on the issue for next week, Home Affairs Minister Azmi Khalid told AFP.

The move comes after the cabinet was told Wednesday that losses run into hundreds of millions of ringgit (3.8 ringgit to a US dollar), the New Straits Times reported.

The paper, which is close to the government, said about 200,000 workers are needed in the manufacturing sector, 150,000 in construction, 50,000 in plantations and 20,000 in the services sector.

The president of the Malaysian Malay Businessmen and Industrialists Association, Moehammad Izat, told AFP the shortage could "disturb the growth of the economy".

The labour crunch follows the departure during a three-month amnesty programme which ended on March 1 of nearly 400,000 illegal immigrants, mostly from

Indonesia but also from the Philippines, Myanmar, Bangladesh, India and Sri Lanka.

A similar number are believed to remain in the country, but many are in hiding as the authorities are now hunting them down and dozens have been sentenced to prison terms and whipping.

The government had proposed that the Indonesians could return to work here legally once they had been processed in their own country, but has complained of delays in the system.