

Stocks

DGEN 0.04%
3,069.93

CSCX 0.06%
5,497.72

Asian Markets

MUMBAI 1.3%
15,790.51

TOKYO 1.05%
13,111.89

SINGAPORE 1.30%
3,089.72

SHANGHAI 5.5%
3,413.91

Currencies

Buy TK. Sell TK.
USD 68.20 69.20

EUR 105.57 110.19

GBP 132.44 137.59

JPY 0.66 0.69

SOURCE: STANDARD CHARTERED

Commodities

Oil \$108.63 (per barrel)

SOURCE: AFP

More News

Asia's 'biggest' mall in Dhaka

Jamuna Group is constructing a giant shopping mall, Jamuna Future Park, in the capital.

Bangladesh: Running on empty?

FUEL SOURCES FOR BANGLADESH POWER GENERATION

8% COAL 7% LIQUID FUEL 2% HYDRO 85% GAS

The lack of power could derail Bangladesh's goal of becoming the next Asian tiger economy, says columnist Ify Islam.

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International

China becomes world's biggest gold producer

China became the world's biggest producer of gold last year, overtaking South Africa which held top spot for 100 years.

Euro strikes record high against British pound

The euro hit an all-time high against the British pound on Wednesday as the market expects the Bank of England to cut interest rates this week.

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Govt to fix yarn prices to save handlooms

40pc of handlooms now idle

JASIM UDDIN KHAN

In a desperate attempt to save the struggling handloom industry the government will take the unprecedented step of imposing a maximum price for handloom yarn, with the cost to be printed on each 2.5kg pack.

The volatility of the yarn market that witnessed a 25-30 percent price rise recently has destabilised the already weak industry, with around 2 lakh of the just over 5 lakh handlooms now closed down.

The National Board of Revenue will set the maximum price as well will ensure tagging the price by issuing statutory regulatory order (sro) soon to comply the decision taken recently by the government.

"We have got the direction from the Jute and Textile Ministry this month and it will take another month to implement, a high official of the NBR said.

"As many as 1,92,311 handlooms out of the 5,05,556 remained inoperative due mainly to the non-availability of yarn. The abnormal price hike however has thrown the handloom industry into a crisis," Dr. Md. Ahsan Ullah, a joint secretary and member (Supply and Marketing) of Bangladesh Textile Board said.

The country's handloom sector consumes around 3.7 lakh bales of yarn annually, 80 percent of which is produced locally, he added.



AMRAN HOSSAIN

A file photo shows a man working at a handloom. The volatility of the yarn market that witnessed a 25-30 percent price rise recently has destabilised the already weak handloom industry, with around 2 lakh of the just over 5 lakh handlooms now closed down.

Local yarn producers are generally blamed by textile millers and knitwear manufacturers for the artificial crisis in yarn market that resulted in the closure of around 40 percent handlooms and joblessness of about 10 lakh workers.

Market sources said the '20 count' yarn, popularly known

as 'open-end' and is mainly used by handloom producers, is now selling at \$2.45-\$2.55 per kg compared with its previous rates of \$1.90-\$2.0 per kg.

The National Board of Revenue will ensure attaching a maximum price tag with each of the yarn pack soon.

The Standing Vigilance

Team that has recently been formed to monitor the yarn price at field level suggested the government inscribe the maximum price to check any artificial crisis of yarn.

The government is also mulling many other options that include easing import of yarn through Benapole land

port and leasing of five closed mills under Bangladesh Textile Mills Corporation (BTMC) at Naryanganj to yarn manufacturers.

A first track customs clearance will be introduced at the land port for the exclusive import of yarn to ensure availability of the product.

The Textile Board also requested the National Board of Revenue (NBR) to release the yarns that have long been stockpiled at the customs after the seizure of those as smuggled goods, and to allocate those to handlooms.

"The handloom workers who faced hardship for the devastation of the cyclone Sidr should get priority in getting these seized yarns," Ahsan Ullah said in a letter sent to the NBR recently.

The '30 count' variety of yarn is now selling at a price ranging from US\$ 3.0-\$3.10 per kg compared with its rates at \$2.75-\$2.80 per kg in December.

Yarn producers said the price of 30-count variety of yarn was sold at \$2.40 per kg in January last year, which reached around \$2.45 in July. It increased to \$2.50 in August and the rate continued upwards in September, manufacturers said.

At present, in neighbouring India '30 count' variety of yarn is selling at \$2.20 per pound, sources said.

jasim@thedailystar.net

Rice procurement in boro season to offset price surge

Says agriculture adviser

STAR BUSINESS REPORT

The agriculture adviser says the government will procure adequate rice from the local market during the coming boro harvesting season in an attempt to offset the already surged price of the food grain.

The plan to create food stocks came hot on the heels when the low-income people are struggling to get rice at a cheaper price.

"We will procure sufficient quantity of rice during the current boro season. We will soon fix the price and quantity based on the capacity of storage," CS Karim told a discussion on 'Food Security and Modernisation of Agriculture' at BRAC auditorium in Dhaka yesterday.

The Weekly 2000 and BRAC jointly organised the programme.

The adviser, referring to the declining trend of price of paddy now-a-days, hoped that the price of rice might decrease in the coming days if the trend is continued.

Bangladesh, in normal season, has to import about 2.0 million tonnes of food grains a year to meet its yearly demand for about 250 million tonnes. But recurrent flood and cyclone last year damaged crops and pushed the import demands up.

To come out of the situation and devise a long-term plan, experts suggested the government bring the agricultural issues at the focal point of any policy formulation to raise the farm productivity.

They stressed the need for higher allocation in agricultural research, transfer of knowledge on producing the high yield variety (HYV) to the farmers. Speakers also suggested an enhanced budgetary allocation for the agriculture sector.

"Agriculture has got low attention in the policy making level after 1980s. But we now have to bring the issue at the focal point of our discussion," said Commerce Adviser Hossain Zillur Rahman.

"We should take preparation to avoid any shortages in the September-October period," said Mahabub Hossain, executive director of BRAC which among other programmes promotes hybrid seed in Bangladesh.

Former agriculture minister Motia Chowdhury said, "The government should consider more subsidy for farmers."

Mk Anwar, also a former agriculture minister, stressed the need for lowering interest rate for farm loans.

Among others, Professor Abdul Bayes, who teaches Economics at Jahangirnagar University, and MA Hamid, IRRRI liaison scientist for Bangladesh, spoke on the occasion.

Indo-Africa summit pledges close ties



AFP

Indian Prime Minister Manmohan Singh (C) gestures to South African President Thabo Mbeki (3-R) as Nigerian Vice-President Goodluck Jonathan (2-R) and Algerian President Personal Representative Ahmed Ouyahia (2-L) look on during the first India-Africa Forum Summit that concluded in New Delhi yesterday.

AFP, New Delhi

India on Wednesday ended its first-ever summit with African nations, aimed at deepening ties with the resource-rich continent and trying to ensure it is not eclipsed by Asian rival China.

The two-day meeting, attended by leaders of 14 African countries and regional economic groupings, identified food security, high oil prices and climate change as top concerns in a joint declaration as India and Africa pledged to work as partners to solve economic and development challenges.

"The partnership will be based on the fundamental principles of equality, mutual respect and understanding... for our mutual benefit," said the declaration issued at the summit's close in the Indian capital.

Tanzanian President Jakaya Kikwete noted "food security and high oil prices clearly impact on our economies."

"We agreed there was need for intervention... that we should bring these two matters to the attention" of the United Nations, the World

Bank and the International Monetary Fund in particular, he said.

On climate change, Kikwete said that since nations contributed differently to global warming, it was necessary to "uphold the principle of common but differential responsibility."

He thanked Indian premier Manmohan Singh for offering increased project aid and preferential market access for African exports.

African Union head Alpha Oumar Konare said the meeting had "truly understood" the continent's needs and aspirations.

5 int'l firms ready to lease Biman new aircraft

UNB, Dhaka

Five international companies have started to provide aircraft to Biman Bangladesh Airlines Limited on ACMI lease as the national flag carrier is planning to increase flights to its Middle East destinations.

"Five (international) companies have submitted their tender papers to Biman. Our evaluation committee is evaluating the papers," Biman Managing Director and CEO MA Momen told UNB yesterday.

He said the evaluation committee, headed by Biman Director (Planning) Nafiz Imtiaz, will submit its evaluation report after holding a meeting today.

"We are very much hopeful of reaching a deal with one of the companies by April 15," said the Biman MD.

Biman Bangladesh Airlines Limited, now spreading its wings in a turnaround, is likely to have another Boeing in its fleet in May to increase flights to its Middle East and gulf destinations.

The latest procurement is part of its ongoing renovation process to make the national flag carrier a world-class airliner. Then Boeing 747 will be incorporated under the Aircraft, Crew, Maintenance and Insurance (ACMI) lease process for one year.

This latest aircraft will be used to operate flights to the Middle Eastern countries.

A tender was floated in this connection on March 10 where it was stated that the manufacturing year of the aircraft must not be earlier than 1980.

Knitwear makers mull Turkish partnership

REFAYET ULLAH MIRDHA

The country's knitwear makers have started conducting a feasibility study on a proposal by Turkish apparel manufacturers to forge a partnership in producing garments in Bangladesh.

With production costs going high in the European country, president of Turkish Knitwear Industrialists Association Mustafa Balkuv on Monday met the country's readymade garment entrepreneurs and expressed willingness to make apparel items on the basis of joint ventures.

The minimum wage of garment workers in Turkey has already crossed US\$ 400 a month compared to the government fixed minimum salary of Tk 1,662 (US\$ 25 approximately) in Bangladesh.

President of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) Fazlul Hoque said he will go to Turkey next month to discuss the issue more as Turkish investors are desperately seeking strategic partnership in Bangladeshi entrepreneurs.

BKMEA has already started collecting relevant data for analyzing the proposal.

Hoque said Turkey, the second largest apparel exporter to European countries after China.

President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) Anwar-Ul-Alam Chowdhury Parvez said since Turkey has technology, own brands and a huge market Bangladesh will be benefited.

TURKEY APPAREL FACTS



- Minimum monthly wage for RMG workers in Turkey is \$400,
- Turkey exports \$20b apparels a year to European countries
- Europe's knitwear market is worth \$36 b

Turkey exports apparels, mostly knitwear, to the tune of \$20 billion every year. Turkey exports \$6 billion garments to Russia alone.

Europe's knitwear market is worth \$36 billion.

If the country can become a strategic partner of Turkey in apparel business, Bangladesh has a huge potential to exploit the EU markets, Hoque said.

He said Turkey is now trying to ensure supply to its existing customers.

"It is not possible for Turkey to retain its existing markets by

paying higher wages to workers," Hoque said.

He said Bangladesh's collaboration with Turkey will help local entrepreneurs grab more market shares.

Major market player China is now facing two major problems-- currency appreciation and higher wages of workers.

Recently, rising costs and an appreciation of the yuan are squeezing Chinese cotton textile companies, making nearly half of them want to quit, said a new industry survey conducted by China Cotton Textile Association.

According to the survey, 49.2 percent of the companies said they want to quit and start other businesses.

Meanwhile, for the first time ever exports of knitwear overtook woven products this year as the country's largest export item, with the industry benefiting from large-scale investment in the sector over the past decade.

In the July-January period of this fiscal year Bangladeshi manufacturers exported knitwear items worth \$3.014 billion against the total target of the year \$5.465 billion.

Behind the leap is the creation of a vibrant yarn and dyeing industry that provides 'backward linkage' as well as the introduction of innovative fashion and design.

These developments are especially attractive for international buyers as domestic production of yarn increases flexibility and greatly reduces lead times, the industry people said.

reefat@thedailystar.net