

Stocks

DGEN 1.58%
3,071.11

CSCX 0.33%
5,585.65
(Thursday closings)

Asian Markets

TOKYO 0.58%
13,476.45

SINGAPORE 0.04%
3,124.87

SHANGHAI 3.97%
3,094.67
(Friday closings)

Commodities

Oil \$116.69
(per barrel)
SOURCE: AFP (As of Friday)

More News

Beyond human resources



Innovation and education; a human resources manager at the Sonargaon Hotel has much to do, as our columnist Sarwar Ahmed discovered.

B-4

IMF team due tomorrow

An International Monetary Fund (IMF) mission will arrive in Dhaka tomorrow to discuss with top government officials the next fiscal year's national budget and banking reforms including fresh initiative for privatisation of the Rupali Bank.

Laws needed to protect Arable land

The country needs to make laws to protect cultivable land from unplanned use to ensure adequate food production, a roundtable was told in Dhaka yesterday.

B-3

International

Citigroup posts \$5.1b loss, to cut 9,000 jobs

US banking giant Citigroup reported Friday a 5.1 billion dollars net loss during the first quarter and said it would cut an additional 9,000 jobs as it struggles with bad bets on subprime mortgages.

It was the second consecutive quarterly loss for the banking titan.

B-4

Iran says oil price Too low

Even at 115 dollars a barrel, oil is priced too low, Iranian President Mahmoud Ahmadinejad said in comments published on Saturday adding that the commodity "should find its real value".

B-4

Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

Export zone strike ban extended for two years

JASIM UDDIN KHAN

The government has decided to extend the ban on strikes and lockouts in the country's Export Processing Zones (EPZ) for another two years to keep the specialised investment areas aloof from worker or management agitation.

The Bangladesh Export Processing Zones Authority (Bepza) board with the Chief Adviser as chairman, in a recent meeting took the decision to extend the tenure until 31 October, 2010. The current restriction will end October 31 this year.

Industry sources said Bepza has extended the restriction for another two years following requests from many foreign investors who felt insecure after the formation of workers association at many factories.

Workers associations have been formed this year in order to ensure that Bangladeshi labour conditions comply with international standards.

However, labour leaders said the extension of the strike ban would make the associations meaningless, as they will not enjoy full freedom in bargaining about their rights with management.

Ashish Chakraborty, assistant general manager of Mamiya-OP, a Chittagong based foreign factory, said this rule will give investors confidence that they will be able to run their factories smoothly despite having workers associations in place.

Contrasting this view, Shahdat Hossain, a leader of Worker Association of Envice Textile at Dhaka EPZ, said workers will not enjoy full freedom of their rights. He sought discontinuation of the ban in the interest of the workers.

According to the Bepza rules, the workers associations formed at Bepza areas are not permitted to have link with other trade unions outside EPZ, nor to organise procession or agitation until October 31, 2008. The rules also allowed the Bepza to extend it further.

Bepza Executive Chairman Brigadier General Ashraf Abdullah Yussuf said Bepza is extending the restrictions under its existing rules and for safeguarding the investment of local and foreign investors at EPZ.

He said if any disputes among owners or management with workers arise it is mandatory to solve the problem through consultation



File photo shows agitating garment workers who brought out procession in support of their demands at the DEPZ in Savar on June 3 in 2006. The government has decided to extend the ban on strikes in export processing zones for another two years.

among the parties.

The Bepza rules also incorporate another clause which empower the factories concerned to sack any worker or mid management without any payment who is found liable to create labour unrest at EPZs.

The Bepza board found

some of the workers and mid management involved in creating labour unrest in the recent past, which prompted it to incorporate the rule.

The board also incorporated new articles at the Bepza Rules 1980 which empowered the Bepza to realise the dues from

defaulting or closed factory directors from their personal properties.

The Bepza management is hopeful that this process will expedite realisation of crores of taka from sick and closed factories in EPZs.

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Steel inspectors 'panic' business

REFAYET ULLAH MIRDHA

Plans to send government inspectors into steel plants to check stock levels will create panic and disrupt production, business leaders warned yesterday.

The government hopes that the prices of steel and rod will come down following the implementation of such plans.

But the steel makers say it will create panic as many of them will be scared to disclose their stock level before any government inspector.

Commerce Adviser Dr Hossain Zillur Rahman Thursday last said the government officials will inspect the bigger factories to know the current stock level of raw materials in their factories in the wake of soaring prices of steel and rod in the local market.

Meanwhile, a high-powered committee that has been assigned to find out the reasons for the recent hike in the prices of mild steel (MS) rod is scheduled to submit its report April 25 next.

Talking to The Daily Star, a leading businessman in the steel and re-rolling sector, said although the government's new move is good, it will create yet another panic among businessmen resulting in both price crisis and scarcity of materials.

"Because many small and medium scale businessmen will stop importing raw materials," he said, requesting anonymity.

Admitting that so many mechanisms are in government's hand to contain the price hike of this basic construction material, he vehemently opposed the plan to take an inventory of raw materials stock by government officials.

As per the government probe plan, if any factory owner is found involved in price manipulation, he will be brought to book.

When asked, BSRM Group of Company Chairman Ali Hussain Akberali said prices of steel and rod will obviously decline by at least Tk 10,000 per tonne if the government can ensure a level playing field between melting scrap importers and ship breakers.

BSRM is the country's biggest steel manufacturer. "The government should remove unhealthy competition to keep the prices of steel and rod at a reasonable level," he said.

General Secretary of Bangladesh Steel and Re-rolling Mills Association Masadul Alam Masud said on Thursday they fixed the price of 60-grade rod has been fixed at Tk 72,000 per tonne and Tk 70,000 per tonne for 40-grade rod at the retail level.

WB, IMF must focus on food supply: Lamy

AFP, London

The head of the World Trade Organisation, Pascal Lamy, called on the World Bank and International Monetary Fund to take action to help tackle rising food prices in an interview Saturday.

Factors contributing to the rise include the increasing demand for biofuels, since certain crops are used to make them, and the rising cost of oil and transportation.

"Medium and long-term, developed countries can use their power in places like the World Bank, the IMF...to make sure that these big donors refocus part of the aid they give to developing countries to improving supply in agriculture," Lamy said in a BBC radio interview.

In the short-term, he said developed countries should help the World Food Programme with more cash so they can provide emergency relief to those countries worst hit.

But he added: "The only long-term policy response to

that is adjust in supply."

In a related move France pledged Friday to double its emergency food aid in 2008, as the United Nations agency charged with relieving world hunger made a second urgent appeal for funds inside a month.

President Nicolas Sarkozy told an international climate change gathering in Paris that he would release 60 million euros (100 million dollars) this year -- with a warning that the world's food crisis was breeding violence.

"We must act urgently to strengthen food security at a time when 37 countries are going through a very serious food crisis," Sarkozy said.

"We cannot remain indifferent to the unrest among those people who, in the developing countries, can no longer satisfy their hunger."

The World Food Programme (WFP) request for 256 million dollars came on top of another "extraordinary emergency appeal" for 500 million dollars launched in March.

Hygiene fears reshaping meat market

SOHEL PARVEZ

BRAC and Aftab, two of Bangladesh's leading poultry farmers, have started large scale marketing of processed chicken, in a move that could change the landscape of the country's meat industry.

The decision comes in the wake of increased concerns by customers over food hygiene following numerous reports on food adulteration and the outbreak of bird flu.

At present the chicken meat market is dominated by live bird retailers who slaughter the animals in their market stores, often in unhygienic conditions.

Industry insiders said the yearly market for processed chicken is still very small in comparison with the overall live chicken market. However, the market for processed chicken has the potential to grow about 15 percent a year, they added.

"We are processing and marketing chicken considering people's increasing interests to get hygienic product. It will also be a good support for working couples and families, who do not have time to slaughter and dress the birds themselves," said Md A Saleque head of BRAC's Agro and Salt Industries.

BRAC now sells processed chicken of



AMRAN HOSSAIN

Processed chicken is on sale at a store in Dhaka. Bangladesh's leading poultry farmers have begun a large scale marketing of processed chicken that could change the landscape of the country's meat industry.

one of its subsidiaries BRAC Broiler Marketing, which has already made room for itself in five star hotels, international fast food shops and supermarkets such as Agora and Nandan.

Aftab Processed Chicken, a subsidiary of Aftab Poultry, has also entered in

fast food restaurants, super markets and hotels and is expecting to export its chicken products.

Together the two firms are now supplying between 6.0-8.0 tons of processed chicken a day and said they will expand their networks.

The attempt to supply packed chicken is also attributed to the recent outbreak of bird flu.

The disease not only led to the closure of thousands of poultry farms but also pushed down the poultry consumption especially broiler chicken amid deterioration of consumer confidence.

"We are processing the meat in hygienic manner to win over consumer confidence," said the official of BRAC, which is processing 4.5-5.0 metric tonnes of broiler chicken a day.

Shah Habibul Haque, director of Aftab Poultry, which is marketing dressed chicken, said, "Our ultimate goal is to export. We hope to start exporting after total elimination of bird flu disease from Bangladesh."

The official said, the market demand is still in favor of live chicken, the market segment controlling about 90 percent of the total demand.

"However, the market for dressed chicken will expand," he said, adding, "People ultimately will not accept the dressed chicken done in a crude manner in the open market. Hence, a section of consumers will shift to packed chicken."

He said the company has plans to expand its network to other divisional cities such as Chittagong and Sylhet.

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