

Govt plans to hand over largest depot to food department

Move to ease food grain storage crisis

ABDULLAH AL MAHMUD, Ctg
In a bid to ease food grain storage crisis and ensure food security, the government has decided in principle to hand over the country's largest state-owned depot in Chittagong to food department.

The Central Storage Depot (CSD) at Halishahar in the port city is now under the management of Bangladesh Export Processing Zones Authority (Bepza).

Following the decision taken at an inter-ministerial meeting last week, food and disaster management ministry in a letter directed the Chittagong Regional Controller of Food Office for taking necessary steps in this regard, sources said.

As per the directive, a three-member committee was formed to assess the latest condition and capacity of the godowns inside the CSD.

The committee headed by Assistant Regional Controller of Food SM Kaiser started working on Friday to examine the existing state of different physical structures and assess the properties inside the CSD, the sources said.

The BNP-led 4-party government in 2006 handed over the CSD, set up in over 57.5 acres of land with a storage capacity of over 80 thousand tonnes, to Bepza from food department.

The CSD had 94 godowns -- 72 for storing food grains and 22 for salt storage -- before Bepza demolished 32 godowns for extending the Karnaphuli EPZ there, according to sources.

Besides ensuring full security, the CDS godowns of FAO-approved standard charge only Tk 4.25 for per sq-ft space a month, whereas the cost is Tk 8.10 in private warehouses.

Sources said shortage of good quality godowns has created a serious crisis for the food grain importers, as they have to store their items in private warehouses.

Presently, most of the 75 percent food grains imported through Chittagong Port are stocked at some 500 private godowns here in the port city.

But, most of these godowns having a total storage capacity of around two lakh tonnes of food grains are substandard, as those are mainly located on the rented premises of abandoned mills, factories or in semi-pacca or concrete structures.

These warehouses often cause damage to the food grains, sources said.

The godowns in the low lying areas of Port Colony, Alonker, Sagarika, Nasirabad, Majhirhat, Chaktai-Khatunganj and Kalurghat go under water causing a huge damage to food grains during the rainy season every year, said the sources in Godown

Businessmen and Contractor Commission Agent Association.

Association leaders said many of these warehouses went under water damaging around 20 thousand tonnes of food grains last year.

The storage crisis eased to some extent when the importers at the initiative of Chittagong chamber and joint forces were allowed to use some godowns at Halishahar CSD last year, the leaders said.

But, the crisis arose again when Bepza in May forced the importers to vacate the godowns and stock their food grains elsewhere, said Commission Agent Association Vice President Neazur Rahman, also the proprietor of M/s N Rahman of Majhirhat.

Meanwhile, Godown Businessmen and Contractor Commission Agent Association has made an appeal to the commerce adviser to allocate government khas land to the association members to let them make godowns at their own costs.

"In the appeal we have mentioned nine such spots that could be developed as a separate zone to set up godowns," said association leader Neazur, adding that now the godowns situated at different places cause delay in delivery and create transportation problems and traffic jam.

Regulator blamed for delay in IP telephony licence

STAR BUSINESS REPORT

The country's internet service providers yesterday held the telecom regulator responsible for delaying the licence issuance process of Internet Protocol (IP) telephony, a technology that uses the internet protocol's packet-switched connections to exchange information.

They said although the licences for IP phone services were to be issued along with other telecom related licences, it is yet to happen. The other licences have already been issued recently.

"We don't know exactly why the telecom regulator is reluctant to provide the IP telephony licences," said M A Salam, president of Internet Service Provider Association of Bangladesh (ISPAB), urging the regulator to provide the licences by this month.

The ISPAB members also urged the Bangladesh Telecommunication and Regulatory Commission (BTRC) to allocate the WiMAX services to the local internet service providers rather than awarding it to foreign companies.

In its recent draft WiMax policy, the BTRC keeps a provision where the foreign firms can go for a maximum of 60 percent share in introducing WiMax in Bangladesh.

WiMAX is a wireless digital communications system, which can provide broadband wireless access across 30 miles for fixed phones, and 3 to 10 miles for mobile stations.

Salam said as per the International Long Distance Telecommunication Services (ILDTS) Policy 2007, the

telecom regulator has to issue IP Telephony licences to the country's internet service providers. But BTRC issued all other telecom service licences, other than the IP telephony.

IP telephony is a general term for the technologies that use the internet protocol's packet-switched connections to exchange voice, fax, and other forms of information that have traditionally been carried over the dedicated circuit-switched connections of the public switched telephone network (PSTN). Using the internet, the calls travel as packets of data on shared lines, avoiding the tolls of the PSTN.

Nepal oil corp warns of fuel supply shortage

XINHUA, Katmandu

The Nepal Oil Corporation (NOC) has warned that the long running fuel supply shortage can become worse as there is no concrete plan to address NOC's deepening financial crisis due to soaring global oil prices.

NOC officials told Tuesday's The Kathmandu Post that the supply situation has become more vulnerable as the corporation eyes losses of about 1.30 billion Nepali rupees (about 19 million US dollars) for the month of July.

"The Indian supplier passed on the international crude prices of 137 dollars a barrel to Nepal in July 1. While this has further widened our financial gap, things could go really bad later this month," a senior NOC official told the daily.

Most of flood-hit handlooms in Sirajganj yet to resume production

HASIBUR RAHMAN BILU, back from SIRAJGANJ

Thousands of handlooms that faced a severe damage during the last year's flood are yet to resume production due to financial constraints, according to owners and official sources.

"The month-long flood had damaged thousands of hand looms. Of those, about 40,000, mostly located in Shahazadpur and Belkuchi upazilas in Sirajganj district, are lying idle as owners face financial problems to repair," said Sultan Mahmood, liaison officer at the Bangladesh Hand Loom Board's Sirajganj unit.

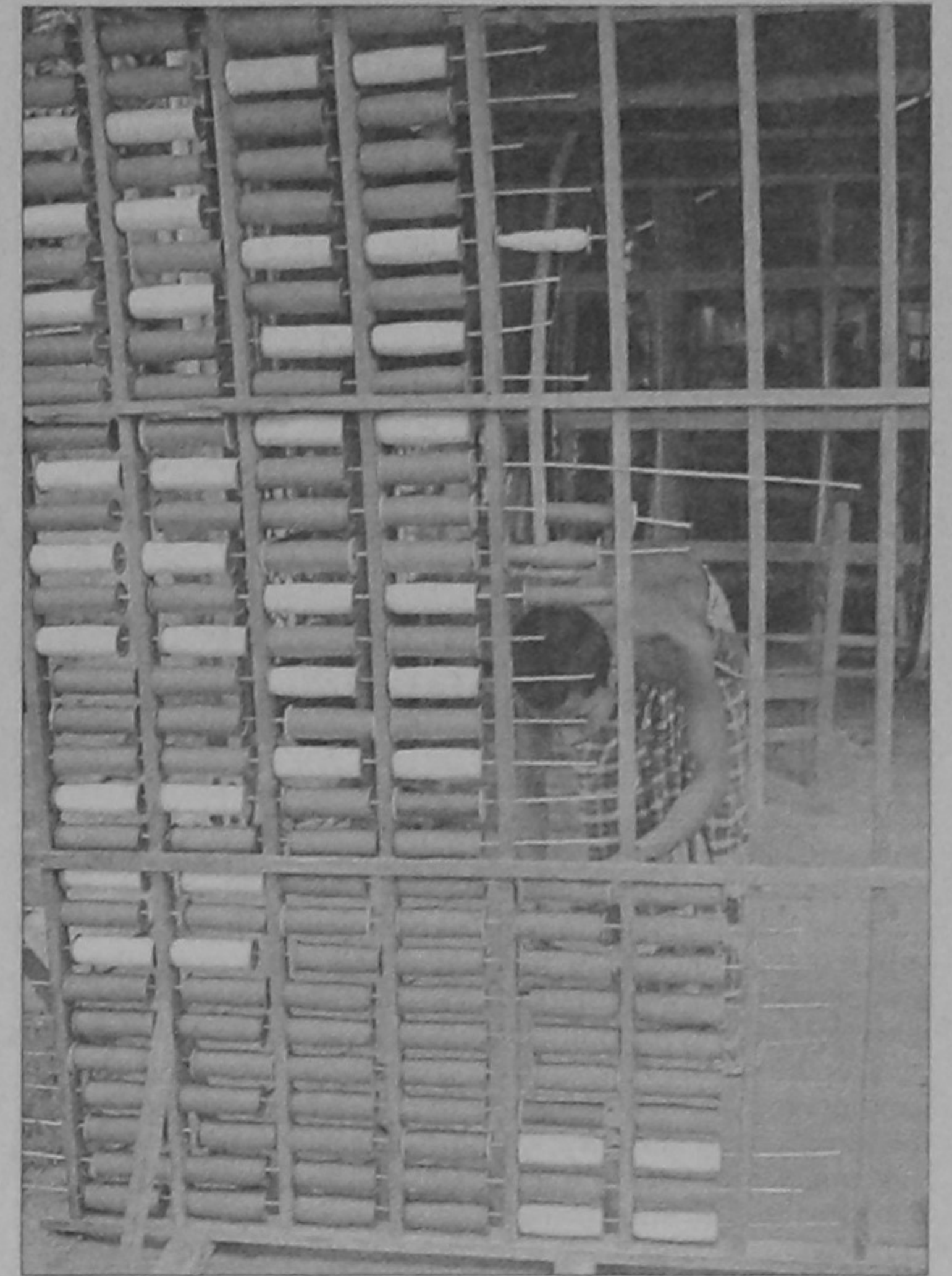
Echoing Sultan's view, Haider Ali, president of Sirajganj Zila Thant Malik Samity, said, "Majority of the loom owners are suffering from fund constraints to repair the damaged looms. It has also resulted in the joblessness of many, especially women."

Sirajganj, over 100 kilometres northwest off Dhaka, is one of the biggest hubs for loom-based textiles such as sharee, lungi and towels. Around 1,50,000 handlooms are located in the district.

The board estimated that the flood caused a Tk 100 crore loss to the handloom industry in the district.

Sultan said about 2 lakh workers, who lost their jobs due to the closure of the flood-hit factories, have long been facing hardship.

"These looms can be repaired if the owners are provided with adequate funds," he said, adding that the board had earlier sought Tk 28 crore from the government.



A weaver arranges yarn in Haripur area in Sirajganj district. Thousands of handlooms that faced a severe damage during the last year's flood are yet to resume production due to financial constraints.

"I am unable to repair 16 looms for want of fund. It's tough to sustain in the business," a flood victim loom owner Masud, who is operating looms at Chhayadhangora Moddhapara in the district town.

Claiming a loss of Tk 3 lakh due to the flood, Masud said he had to sack 60 workers for the failure of repairing the damaged looms.

"I need at least Tk 1,60,000 If I want to make these looms fully operational, he added. Elderly Mohammad Ali of Garidha Natun Para under Shahazadpur Upazila however had been able to manage funds by borrowing and made half of the 16 looms operational.



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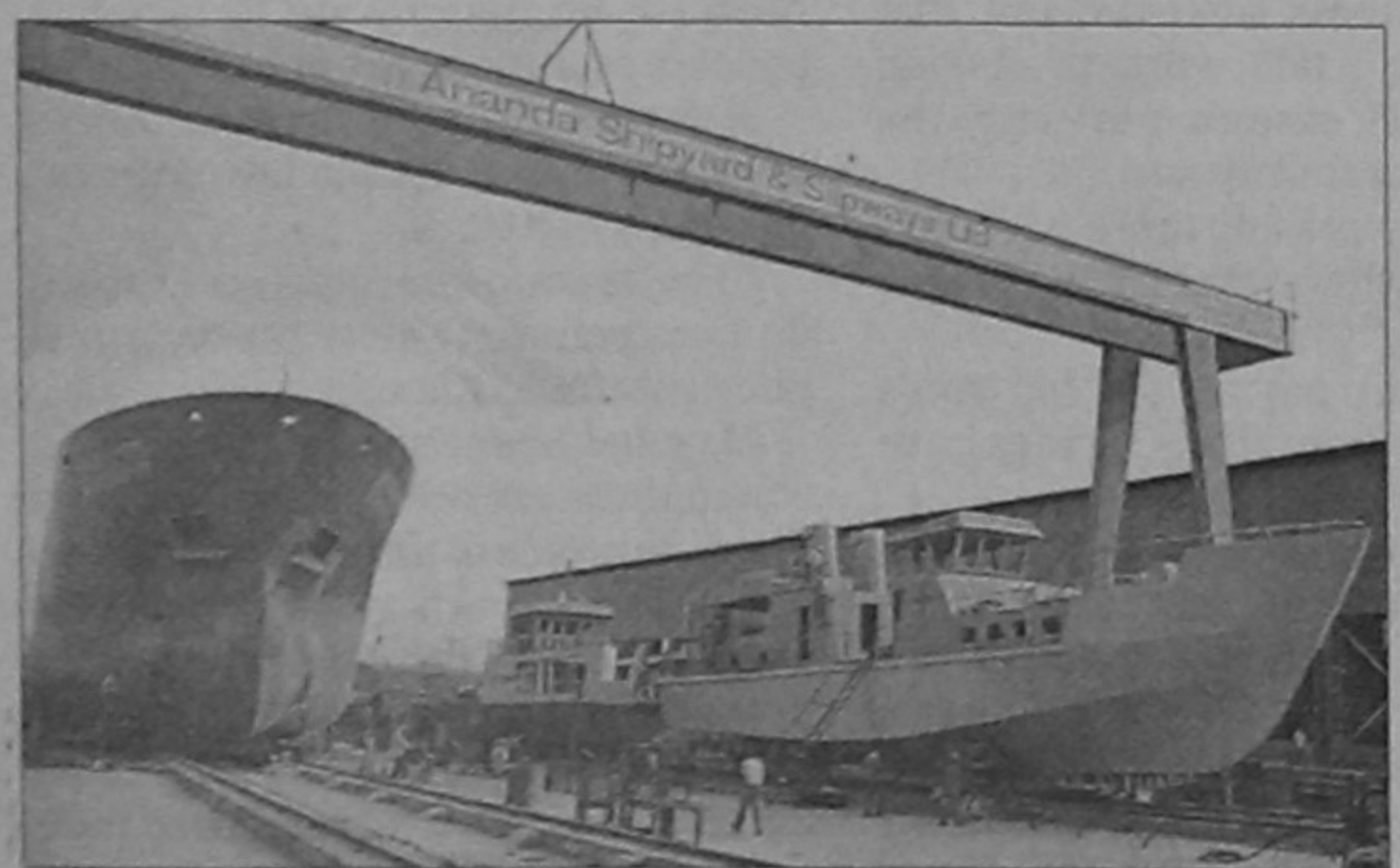
Letters will only be considered if they carry the writer's full name, address and telephone number (if any). The identity of the writers will be protected. Letters must be limited to 300 words.

Ship building: A new way of earning forex

Bangladesh has branded itself as a readymade garments (RMG) exporting country. In the face of numerous challenges in the RMG sector, a new horizon of re-branding Bangladesh has been explored, and that is the 'ship building industry'.

It seems to amaze many as to how Bangladesh can be a ship building country, as the industry is heavily based on technology and skilled labour.

History shows us that in the 18th and 19th century, Chittagong was famous for building large ships. But as technology is becoming



an integral part of the ship building industry, we have moved backwards in this industry.

Our dreams have finally come true as a Bangladeshi company is getting orders for building giant ships of four to twelve thousand tonnes. But this opportunity did not come to Bangladesh by chance. The ship building industry is currently dominated by China, Japan, Korea etc. But these countries have no scopes to get into any new agreement of building ships until 2020.

So, a new horizon has been opened for Bangladesh. As this is a highly labour intensive industry, and Bangladesh can gain competitive advantage because of cheap labour.

Experts are forecasting that even if Bangladesh can meet only 1 percent of the whole demand of the industry, our country can earn \$400 crore per year. Local companies have already received orders of sixty crore dollars from foreign buyers.

This industry can also help lower the unemployment problem of our nation to a great extent. However, success in this industry largely depends on the government's initiatives.

To attain success in this fast growing industry, the government of Bangladesh should declare proper guidelines and take all the economic affable steps. Who knows, hopefully in the near future, we will be able to construct the ships of our dreams and our country will be sailing into the sea of economic growth.

Md. Abu Sufian
Dhaka.

A positive Bangladesh

Ok, here's the good news; the per capita income of the people of Bangladesh raised to \$599 this fiscal year, which was just \$523 last year. The trend shows that it is increasing year after year, which is an excellent sign. The per capita income of the people has increased mainly due to the growth in remittance, sent by the expatriates.

Why does our government not promote intensive international investment from the Bangladeshi expatriates and why has the government only just woken up to the possibilities of a market driven economy in the wake of China and India? The government has already taken steps to promote the economy, such as the privatization of Biman, which shows that the government is keen on bringing about a positive change.

The tourism industry, in other countries worldwide, provides a substantial boost for any economy. And although Cox's Bazaar is one of the most visited tourist destination in Bangladesh, it is yet to become a major international tourist destination. This is our very own natural wonder, having the world's longest unbroken natural sandy beach, which is a selling point in itself. So, why is the government so reserved in allowing the international community to share its beauty? After all, it has the potentials of creating thousands of much-needed jobs, it could help develop the infrastructure of the country and it could help to make huge economic gains.

Bangladesh is capable of becoming the next land of opportunities. Our people are hard working and intelligent. But what is missing from our country is a good charismatic leader, to bring out our potentials and propel us into the future.

There is no justification for the suffering the people of Bangladesh have had to endure under our former leaders. This is the time to lift us out of poverty and be counted as a substantial cultural base and as an economic power in Asia.

Minhaj Ahmed,
Dhaka.

Better late than never

It is better late than never that our government has started to think about the agriculture sector and the farmers, as such. We should salute Mr. Shaik Shiraj, for he managed to get the Adviser and the high officials into the fields to reveal what our farmers actually demand.

Accordingly, the government has made some pragmatic plans and taken effective steps in regards to fertilizer management and to timely provide services to the farmers. This led us to have 'Bumper Production'.

Autonomy also has to be given to the farmers as to their farming practices. We also have many fantastic scientists, like Horipoda Kapali, who can help with their knowledge. Agriculture was also given the highest priority in this year's budget. Even though, it was ambitious, it was unrealistic. It all depends on how it will be implemented.

Every nation's economy has some competitive advantages and core competences in certain areas. Our policy makers should identify Bangladesh's core competences and competitive advantages first and then they can focus on those. Two of the sectors to focus on may be the agriculture and tourism sector. This is because we have a lot of work force, natural and cultural spectrum and heritage.

In order to develop these sectors, we have to carry out research and development activity. It is easier to earn revenues in this sector, because it only needs maintenance of social security and infrastructure developments as regular inputs.

Nowadays, a crisis in the economy is no longer a single country problem - it is a global problem. But Bangladesh is passing an even tougher time because of the evolution of the 1/11. Factors, such as the infancy of the economy and politics and social laws, are too closely inter-related. After the anti corruption drive by the interim government, we witnessed how badly the economy was affected.

The government did not think ahead as to how the situation will be handled after the anti-corruption drive.

Now it is the time to 'think globally, act locally'. Although the Ready Made Garments (RMG) sector cannot be a strong base for an economy, it is still the highest export-earning source for Bangladesh. The long lasting debate regarding 'the RMG riot is a conspiracy (external threat) verses an internal threat' can be resolved by the intervention of the government with the help of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and Bangladesh Garments Manufacturers and Exporters Association (BGMEA).

An uninterrupted supply of power and gas, infrastructure development, especially transportation services, and political stability are the main elements needed to attract foreign investment. Furthermore, in case of 'Protectionism verses Free Trade', we must strike a balance between both, like China. The Chinese economy is booming because they adopted the positive elements of globalisation.

Alamgir Sujat
Chittagong.

Ridiculous speculations of foreign involvement in RMG riots

Whenever the Ready Made Garments (RMG) workers takes to the streets to demonstrate their demands for wage increments, timely payment, weekly holidays, overtime payment, or for anything to express their state of distress, there is a rumour put out by businessmen, media and the government that there was foreign involvement in the matter.

A variety of speculations are spread that India, Pakistan or Vietnam somehow bribed these workers to come down on the streets and created havoc to reduce the competitiveness of the Bangladeshi RMG sector! The government partly adds colour saying that the opposition party paid the street goons to disgrace the credibility of the country.

However it seems that nobody notices the fact that the latest minimum wage rate at Tk 1662 per month was announced against a backdrop of a demand for at least Tk 3000 per month. Neither are the workers allowed to form unions in the Export Processing Zone (EPZ). The difference in the level of power between the management and the workers is such that a union is the only way through which the workers can put forward their issues of grievance, concerns, etc, through representatives they can trust. One can never contemplate a labour walking to his boss to talk about a raise.

The only focus should not be on increasing productivity and developing better business processes. They should also improve the supply chain mechanisms and invest in training high skilled workers. Bangladesh is currently relying on the only competitive advantage that they have, i.e., cheap labour. The real wage rates have decreased every year starting from 1994 till 2006 and the trend seems to continue with no adjustments for inflation. Furthermore, wage rates are not being implemented anywhere.

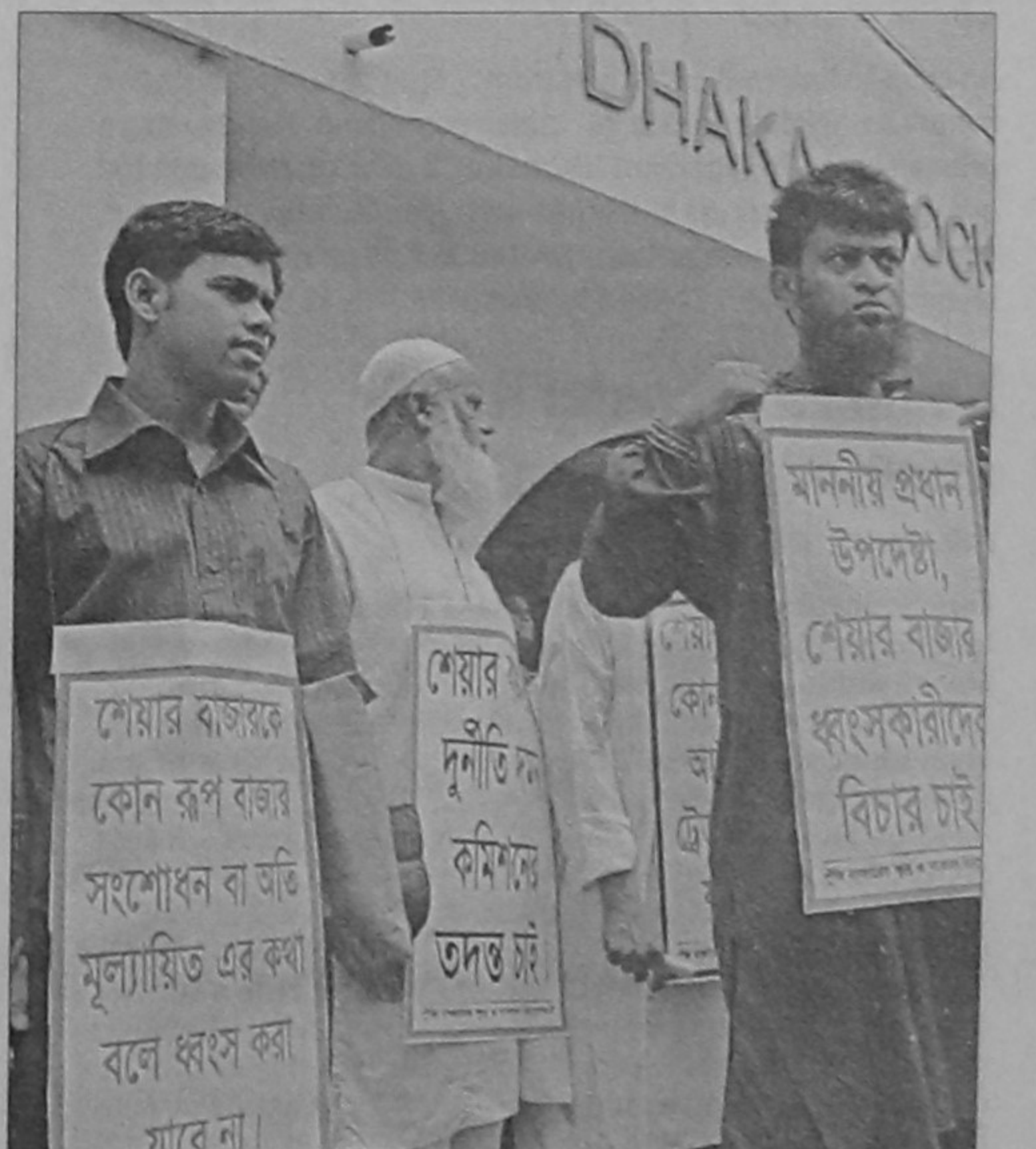
If cheap labour is the only way the RMG sector can maintain their sales, then there is no doubt that this industry will be on the verge of obliteration, as soon as Bangladesh reaches its goal of becoming a middle income country. This is because any country can surpass this competitive advantage.

Syed Munzir Hussain
Dhaka.

SEC's Thursday syndrome!!

The Securities and Exchange Commission (SEC) has been frequently indulging in a phenomenon called the 'Thursday's syndrome'. Let me acquaint you with the concept. By taking different measures, the SEC creates a volatile situation and ultimately backtracks when brick battling commences with boisterous protests, invariably on Thursdays.

Such brinkmanship indulgences have serious repercussions in the stock markets, leading to raking in of crores of takas by some members of the Dhaka Stock Exchange (DSE).



Recently the SEC abruptly imposed an embargo on any further opening of branch offices for trading in the DSE.

I personally know of several branch offices all over Bangladesh being left high and dry for such embargos. An ultra-modern branch office, with state-of-the-art fittings, located in the commercial heartland of Chittagong, having invested Tk 5 million or more, has been paying scores of officials for the past 2 to 3 months, while trading remains nil due a non-receipt of orders from the SEC/DSE.

Why should they discourage the youths of other cities in Bangladesh due to such whimsical suspension orders, from opening branch offices? This is the only avenue left open which promises enormous employment opportunities for our educated youth, who are flocking in droves all over Dhaka & Chittagong. There are several such branch offices in Cox's Bazaar, Feni, Comilla, Paharalli in Chittagong, etc, still unsure of their standing. Is anybody listening or bothered about such important matters?

Sal Yacoob Jamal,
Chittagong.