

Stocks

DGEN	▲ 0.62%	2,653.42
CSCX	▲ 0.33%	5,303.61

Asian Markets

MUMBAI	▲ 2.81%	9,257.47
TOKYO	▲ 0.56%	8,106.29
SINGAPORE	▲ 4.80%	1,766.08
SHANGHAI	Closed	

Currencies

	Buy Tk	Sell Tk
USD	68.35	69.35
EUR	88.75	93.43
GBP	95.31	100.22
JPY	0.76	0.80

SOURCE: STANDARD CHARTERED

Commodities

	Gold	▼ \$884.10 (per ounce)
	Oil	▼ \$42.02 (per barrel)

SOURCE: AFP
(Midday Trade)

More News

Women drivers gear up



The age-old stereotype of "dangerous" women drivers is shattered and more and more women now take to the road. Many have taken up driving as a profession and are ready to face oddities head-on.

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Stocks shake off losses

Dhaka stocks broke away from bearish trade and posted some gains yesterday, buoyed mostly by energy and pharmaceuticals shares. The prices of fuel and power shares, which are considered bellwethers in market capitalisation, rose by more than 3 percent, backed by their half-yearly financial disclosures, market analysts said.

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International

Singapore Airlines suspends flights

Singapore Airlines (SIA) said Wednesday it will suspend some international flights as the worsening global economy takes its toll on travel demand. Flights to India, Southeast Asia, the United States and Europe will be affected, SIA said in a statement. "Singapore Airlines is making further adjustments to its route network to better match capacity with demand," it said.

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

Recession creeps into ceramic tableware

SAJJADUR RAHMAN

Local ceramic tableware manufacturers have become the latest victim of the ongoing global financial crisis as their exports have been slipping constantly for the last few months.

"Our exports came down by around 20 percent in December compared to the previous month," said Iftekhar Uddin Farhad, chairman and managing director of FARR Ceramics Ltd.

He said his company exported Tk 2.6 crore worth ceramic tableware in October 2008, which dipped to Tk 2.19 crore in November and to Tk 1.48 crore in December.

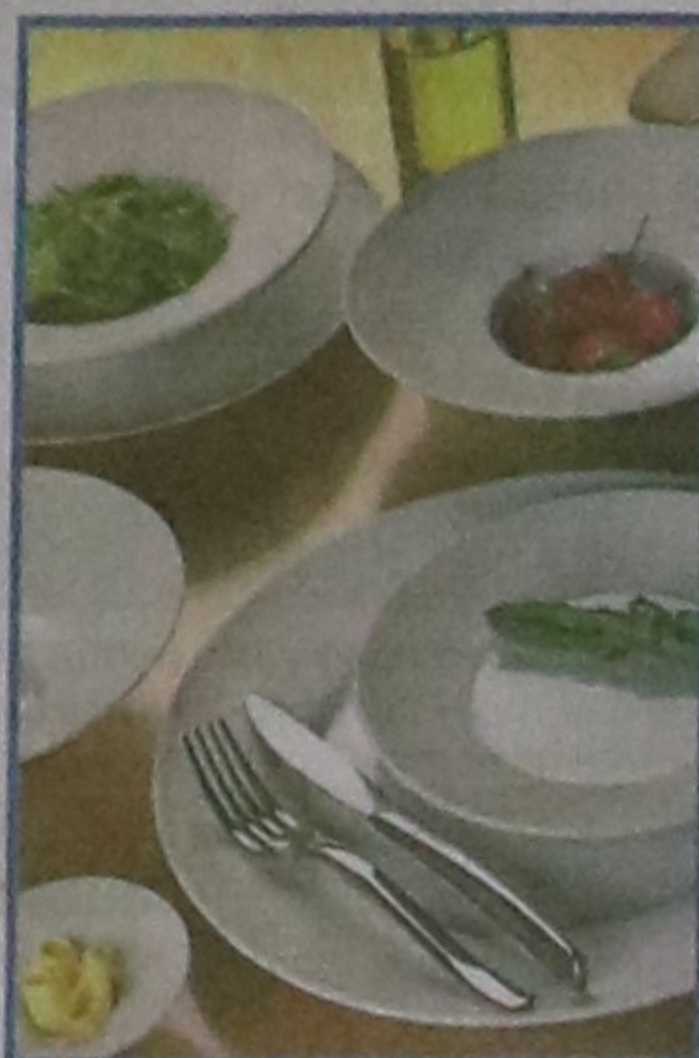
According to statistics of Export Promotion Bureau (EPB), Bangladesh exported ceramic tableware worth Tk 24.5 crore in September 2008, which came down to Tk 21 crore in October and Tk 16.6 crore in November.

However export earning from ceramic tableware in the July-November period of the current fiscal year was higher by Tk 7 crore than that of the same period of fiscal 2007-08.

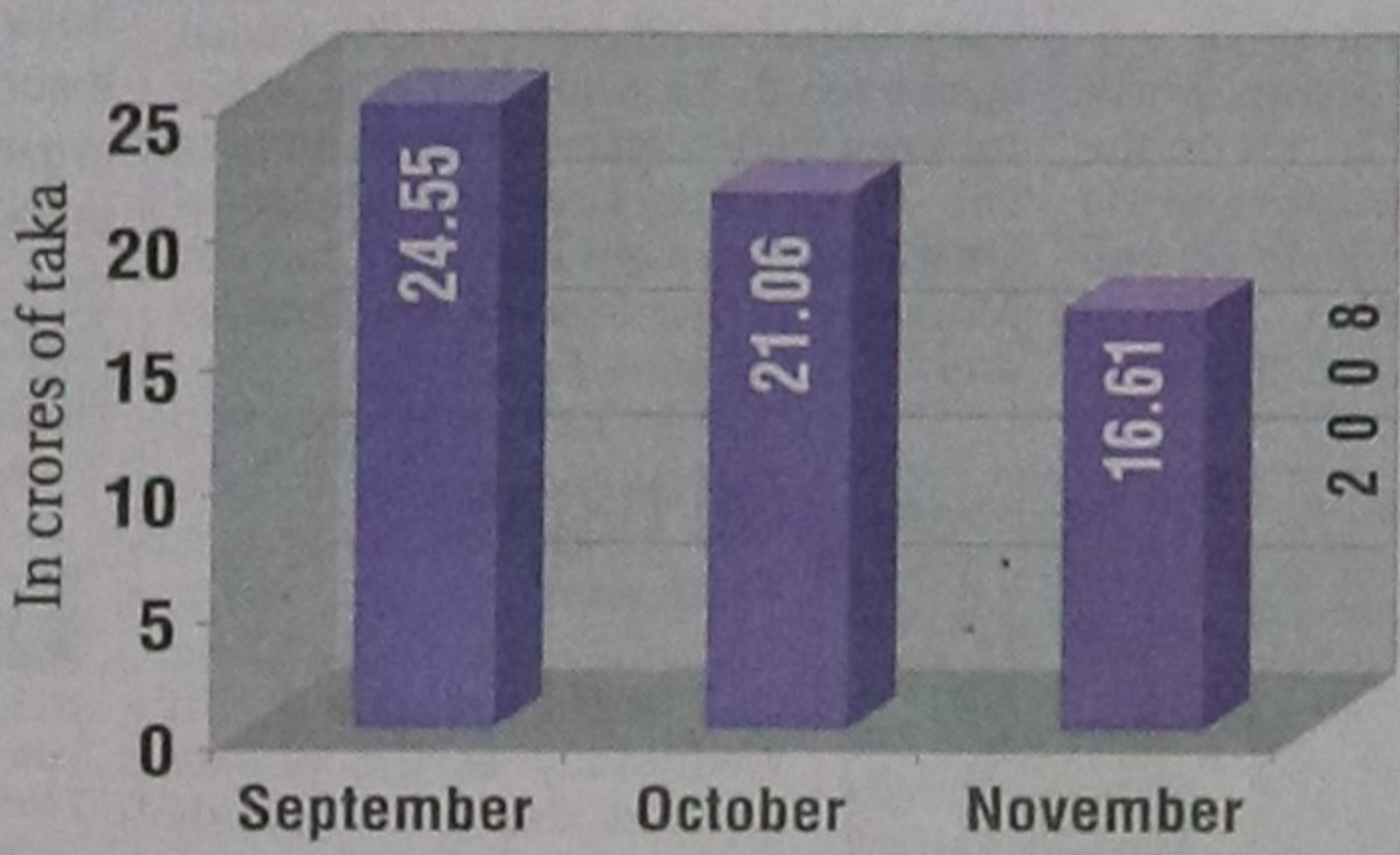
Bangladesh has got a huge opportunity in ceramic tableware market because of increasing demand from the developed countries in Europe and the US where the production cost of ceramic tableware has increased significantly due to an enormous rise in labour cost.

Here the manpower is cheap. Bangladesh has also made skilled people in the sector, industry people said.

Bangladesh's export markets include the UK, the USA, Spain, Italy, Australia, New Zealand, Norway, Sweden, Russia, the UAE, Denmark, Germany, France, Mexico, Turkey and the



CERAMIC TABLEWARE EXPORTS



Middle East countries.

But the exporters have expressed concern over the deteriorating condition of export of the products for the last few months due to the global recession.

"We are yet to hit hard by the global financial crisis, but we may suffer in the days to come," said Ashek Alam, general manager (marketing) of Shinepukur Ceramics Limited.

"We will be affected if our buyers suffer," he said.

Shinepukur Ceramics is one of the two largest manufacturers of ceramic tableware in the country. The second one is Monno Ceramics.

Ashe Alam said Shinepukur exported \$18 million worth ceramic tableware in fiscal 2007-

08. The company accounts for about half of the total tableware exports from Bangladesh.

When contacted, Mainul Islam, vice chairman of Monno Ceramics, declined to make any comment on it.

Iftekhar Uddin Farhad of FARR Ceramics said the industry is facing increasing challenges with the rise in prices of raw materials in addition to the global turmoil in financial sector.

He said Bangladesh needs to import 100 percent raw materials for producing ceramic tableware. The total tax for import of the raw materials stands at 30 percent that includes 7 percent import duty and 15 percent VAT (value added tax).

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RMG trade bodies seek fund to appoint lobbyist

REFAYET ULLAH MIRDHA

Trade bodies sought financial assistance from the government for reappointing a lobbyist firm to work for the passage of a bill, NPDA, by the US Congress that will help products from least-developed countries (LDCs), including Bangladesh, get duty- and quota-free access to the US market.

Such trade bodies as BGMEA (Bangladesh Garment Manufacturers and Exporters Association), BKMEA (Bangladesh Knitwear Manufacturers and Exporters Association) and others held an important meeting with the officials of the WTO (World Trade Organisation) cell under the commerce ministry on Sunday for taking decision in this regard.

A trade body source said they sought Tk 1.242 crore assistance for appointing M/S Sorini Samet and Associates LLC (SS & A), a US-based lobbyist firm, for the second time to

continue lobbying for the passage of the bill styled New Partnership for Development Act 2007 (NPDA).

Earlier, in a letter the Finance Division asked the BGMEA and BKMEA to bear 50 percent costs for appointing the lobbyist firm. The Daily Star obtained a copy of the letter.

Faisal Samad, a director of the BGMEA who attended the first hearing of the bill last year, said they want to appoint SS & A for the second time.

"We have been paying lobbyist firms on an average US\$15,000 per month over the last 10 years for the passage of the bill," he said.

Now the BGMEA and related trade bodies need government help to bear the expenses, Samad said, adding that Bangladesh attended a hearing last year through the lobbyist firm, but unfortunately the bill was not passed.

He said they would take the initiative again for appointing the same

lobbyist firm from March or April as a new board of directors of the BGMEA will take over the leadership soon.

Meanwhile, the commerce ministry source said the government paid Tk 25.52 lakh on behalf of the BGMEA and BKMEA as the expenditure for the first review of the bill although they were supposed to bear the expenses.

Earlier the government formed a 19-member taskforce, headed by the commerce secretary, and comprising representatives from the line ministries, trade bodies and independent think tanks to review the actions taken in respect to passage of the bill by the US government before holding of the first review last year.

At a meeting on Sunday Commerce Minister Faruk Khan sought cooperation from US Ambassador in Dhaka James F Moriarty in passage of the bill in US Congress.

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Workers are busy at a garment factory. RMG trade bodies have sought funds from the government to reappoint a lobbyist to help a bill get through the US Congress.

Gloom shrouds Davos summit

AFP, Davos, Switzerland

The annual Davos political and business summit started Wednesday with new warnings over the gravity of the global recession and the impact of the damage already done.

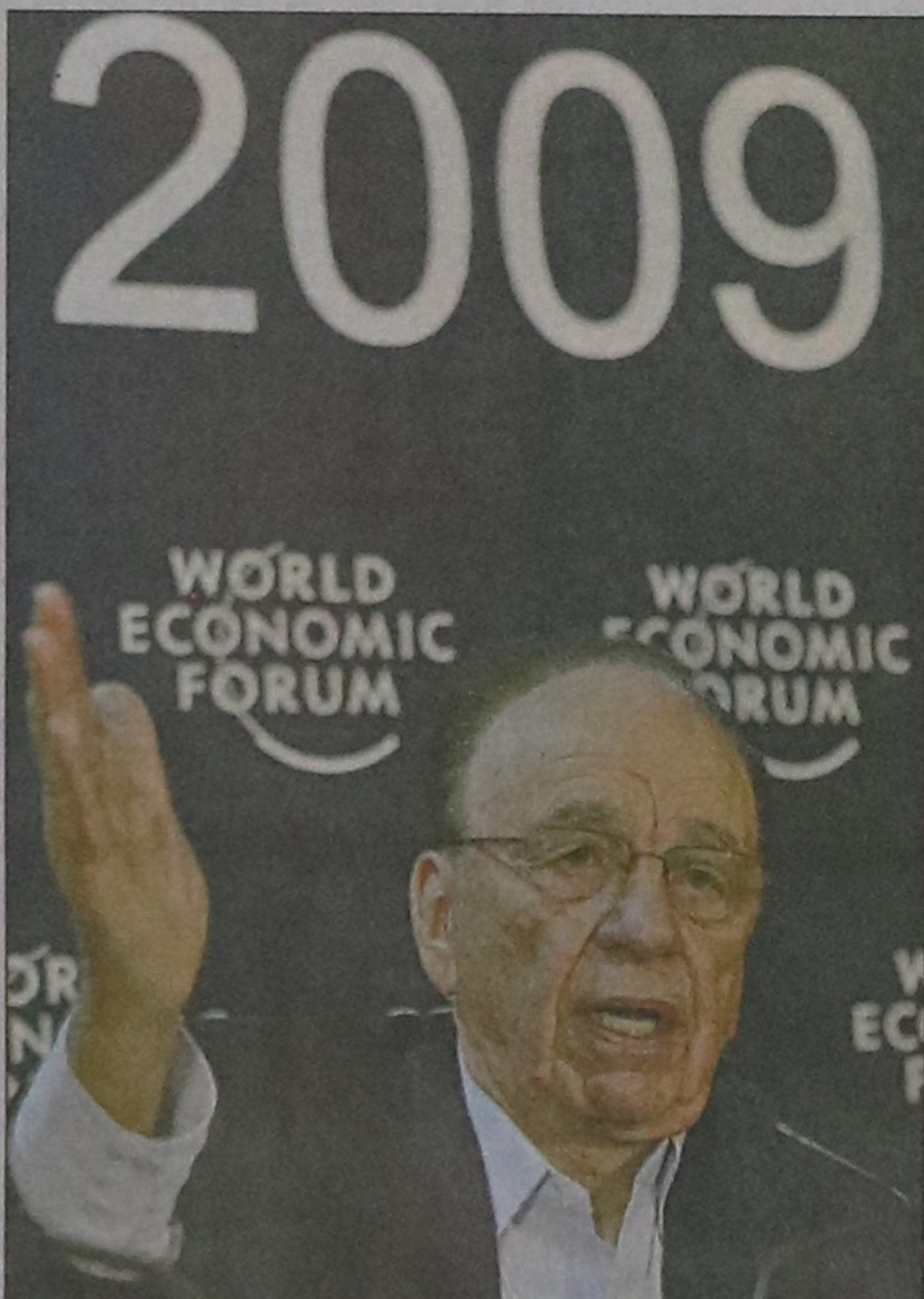
The avalanche of bad news in recent months has turned this World Economic Forum into one of most gloomy held since the elite meetings at the Swiss mountain-top resort started nearly four decades ago.

Chinese and Russian premiers Wen Jiabao and Vladimir Putin took centre stage on the first day of the meeting as they were chosen to make keynote speeches.

Germany's Chancellor Angela Merkel and the British and Japanese prime ministers Gordon Brown and Taro Aso -- who have between them spent hundreds of billions of dollars battling the crisis -- were also among about 40 heads of state or government who will speak this week.

But with much attention on US President Barack Obama's efforts to get a 825 billion dollar (621 billion euro) stimulus package through Congress, grim predictions for the efforts made so far to repair the world economy were made as soon as debates started.

South Africa's Finance Minister Trevor Manuel said wealthy nations appeared to be adopting a "lemming-like" approach, trying to get to the precipice without knowing what their money would buy. He said there was a real risk



Rupert Murdoch, co-chair of the World Economic Forum annual meeting, attends a press conference in Davos yesterday.

developed countries would come out of the crisis with massive debts.

"The crisis is getting worse," said the News Corp media tycoon Rupert Murdoch. "It's going to take drastic action to turn it around, if it can be turned around quickly. Personally, I believe it will take

some time."

He added: "The great majority of the people in the world are depressed and traumatised by the fact that their savings, the wealth in their homes or pension funds... a big percentage of it has disappeared."

Former UN secretary general Kofi Annan told reporters: "I

believe we are facing three interrelated crises: a global recession, energy insecurity and climate change."

Stephen Green, chairman of HSBC bank, one of few high-profile financiers to attend, said: "There are no magic wands and even crystal balls are in short supply."

Davos delegates were also seeing new signs that the battle against the worst recession since the Great Depression of the 1930s was becoming ever tougher.

Confidence among chief executives at more than 1,100 top companies around the world has "plummeted", according to a survey by consultants PricewaterhouseCooper released in Davos.

"The speed and intensity of the recession has rocked the psyches of CEOs and created a global crisis of confidence," commented PwC chief executive Samuel DiPiazza.

The main theme of the forum will be "Shaping the Post-Crisis World" and its founder Klaus Schwab said the crisis highlighted the need to reform financial institutions and systems.

Correction

In a report published yesterday with the headline 'Spinners in the shadows of recession', it was inadvertently mentioned that the country has Tk 2,700 crore worth of spinning mills. Actually the amount is Tk 27,000 crore. We regret the mistake.

EPB moves on duty-free garment export to India

REFAYET ULLAH MIRDHA

Export Promotion Bureau (EPB) is taking some initiatives to encourage apparel manufacturers to fully utilise the opportunity of exporting eight million pieces of readymade garment (RMG) products to India a year under a South Asian Free Trade Area (Safat) agreement.

The EPB will send letters to Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) soon so the apparel manufacturers make the best use of the opportunity.

Bangladesh could export only three million RMG pieces to India under the quota in 2008.

"Of the last year's eight million quota, Bangladesh so far exported three million pieces of RMG and the rest remained unutilised," said Shahab Ullah, EPB vice chairman.

He said India may also import this year the rest five million pieces allocated for 2008 as the EPB earlier sent letter to the Indian side in this connection.

"So Bangladesh may have the opportunity to export a total of 13 million pieces this year," Shahab Ullah said.

As the exporters refrained from grabbing such an opportunity blaming some non-tariff barriers (NTBs) from Indian side, the BGMEA has relaxed some of its rules earlier to encourage them to take the advantage and meet the deadline.

After finalisation of the agreement, BGMEA and BKMEA were

instructed to issue certificates only on the basis of letters of credit, but the trade bodies started issuing certificates in line with the contracts signed between the Bangladeshi exporters and Indian importers, the EPB official said.

Talking to The Daily Star a local buyer said the exporters do not feel encouraged to send RMG products to India mainly for two reasons -- delayed payment and frequent changes in fashion in India.

A senior BGMEA official said the response is so far good this year. "The pace of issuing certificates this year is stronger than last year. I hope the full quota of eight million pieces will be fulfilled this year," he said.

Under the Safat deal signed in September 2007, India will import eight million RMG pieces per annum allowing a zero tariff facility for Bangladesh.

Of the total quota, affiliated BGMEA members will get a 70 percent share, while BKMEA members will have the rest.

According to guidelines, all applications of intending RMG exporters must be forwarded to the EPB through BGMEA and BKMEA.

An apparel unit owner will get allocation for supplying as high as two lakh RMG pieces a year after submission of required documents, including confirmed irrevocable letter of credit.

According to EPB data, Bangladesh exported knitwear products worth US\$8.99 lakh and woven products worth \$4.094 million to India in fiscal year 2007-08.

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