

Govt for RMG workers' pay hike, owners fear export price-drop

STAR BUSINESS REPORT

The government has started reconstituting the wage board for garment workers, but manufacturers and exporters say they do not have any scope to increase wages now, as they apprehend price falls because of the global economic recession.

"It is time to review the salary structure. The minimum salary should make sure the workers are able to lead a good life," Labour and Employment Minister Engineer Khandakar Mosharraf Hossain told reporters after a BGMEA team met him yesterday.

The team was led by Anwar-ul Alam Chowdhury Parvez, president of the Bangladesh Garments Manufacturers and Exporters Association.

The minister said tripartite negotiations will begin after the is reconstitution of the Wage Board.

RMG workers now demand a hike in the existing Tk 1662.50 minimum wage in the wake of the soaring prices of essentials.

Parvez, however, expressed the owners' unwillingness to go for such a hike on the plea that RMG exports might face a price-drop, pointing to buyers' insistence on a 15-17 percent decline in the prices of garments.

"Our exports have not been affected yet. But we may no longer be able to escape the fallout from the global financial recession in March-April," he told reporters.

To offset the possible affects, BGMEA demanded that the government provide cash incentives on export performance. This benefit may also come in the form of funds allocated for technical upgrades, the sectoral trade body chief said.

Parvez said they also demanded bank rate cut and loan repayment time extension.

When asked about any retrenchment move, he said in the negative. "Rather, we face a 25 percent shortage of skilled workers," Parvez said.

Regarding BGMEA demands, the labour minister said those will be forwarded to Bangladesh Bank and the finance ministry.

Earlier, Canadian High Commissioner Robert McDougal called on the minister and discussed the possibilities of hiring Bangladeshi workers in his country.



BPC to bear extra cost as tankers charge high

STAFF CORRESPONDENT, Ctg

Bangladesh Petroleum Corporation (BPC) is poised to count an additional transportation cost of Tk 70 lakh annually as the owners of tankers, engaged in carrying petroleum oil across the country, show reluctance to cutfare.

To carry petroleum in the diesel-run coastal and shallow tankers they are still realising an increased fare fixed before the price of diesel decreased in three phases on October 27 and December 22 last year and on January 15 this year.

Against this backdrop, BPC officials would hold a meeting with Bangladesh Tanker Owners Association (Batowa) leaders tomorrow to negotiate re-fixation of tanker fare at a reduced rate, sources said.

Coastal tankers each with a carrying capacity ranging from 1,000 tonnes to 1,200 tonnes carry petroleum oil from BPC main depot in Chittagong to different depots including those at Godanile-Fatulla, Daulatpur, Barisal, Jhalakathi and Chandpur.

Shallow tankers with 500-600 tonnes of capacity carry petroleum oil from these

depots (Godanile-Fatulla) to other depots in different areas of the country like Baghabari, Chilmari and Balashi.

Fare of the tankers is fixed through negotiation between Batowa and BPC. Apart from increasing fare as overhead cost due to rise in maintenance cost and workers' wage after every two years, the tanker owners increased fare following the price hike of diesel on different occasions.

But, although the price of diesel decreased in three phases in the last four months, the coastal tankers are charging Tk 2.92 per kilometre on each tonne of petroleum oil and shallow tankers Tk 3.95 per km as per the latest increased fare fixed in July last year.

The Batowa leaders are now rather insisting on a further increase in the tanker fare, alleged some BPC officials seeking anonymity.

With 28 lakh tonnes being carried in coastal tankers and 4 lakh tonnes in shallow tankers annually, BPC would be forced to count an additional transportation cost of Tk 70 lakh unless the fare is reduced following the decrease in the diesel price, the officials said.



New MD for Jiban Bima Corporation

STAR BUSINESS DESK

Kaosar Zahura, a joint secretary to the government, has been made the managing director of Jiban Bima Corporation, it said in a statement yesterday.

Prior to the new assignment, Zahura was the director general of the Academy for Planning and Development.

Zahura joined the government services in 1982.



Green Delta gets new addl MD

STAR BUSINESS DESK

Green Delta Insurance Company Ltd has recently appointed Farzana Chowdhury as its new additional managing director.

Prior to this appointment, Chowdhury was the senior vice president of BRAC Bank Ltd, the company said in a statement yesterday.

Temasek portfolio falls 31pc in six months

AFP, Singapore

The portfolio of Singapore sovereign wealth fund Temasek Holdings, which helped bail out Wall Street icon Merrill Lynch, fell 31 percent over six months last year, a minister said Tuesday, according to local radio.

Senior Minister of State for Finance Lim Hwee Hua told parliament that Temasek's portfolio of investments fell to \$127 billion (\$84.7 billion), 31 percent down from \$185 billion, in the six months up to November, 938Live radio reported.

Desco posts Tk100cr profit, offers dividends

STAR BUSINESS DESK

The Dhaka Electric Supply Company Limited (Desco) has recorded more than Tk 100 crore in profit in fiscal 2007-08.

In a statement, the company said it held its 12th annual general meeting at the Bashundhara Convention Centre in Dhaka yesterday.

Desco paid Tk 45.88 lakh in taxes to the government in the same period, according to the press statement.

The meeting announced 25 percent cash and 5 percent stock dividends against each Tk 100 share. The company's total subscribers increased to 385,037.

Desco Chairman Safar Raj Hossain presided over the meeting, while directors Monjur Rahman and K u d r a t - E - K h u d a , Managing Director Saleh Ahmed, shareholders and other senior officials were present.

Australians urged for more investment

UNB, Dhaka

President Iajuddin Ahmed urged Australians to invest more in Bangladesh taking advantage of the investment-friendly atmosphere here.

The call came when the newly appointed Australian high commissioner, Dr Justin Lee, presented his credentials to the President at Bangabhaban yesterday.

Welcoming the new envoy, Iajuddin expressed his satisfaction at the existing bilateral relation between Bangladesh and Australia. There are further opportunities to increase relations, especially in the fields of trade and commerce, agriculture and information technology, he said.

During the meeting, the President said Australian

businessmen could import more products from Bangladesh, including readymade garments, jute, leather, ceramic and melamine at competitive prices.

Lee assured the President that he would try his best to boost trade and commerce between the two countries through increasing the import of Bangladeshi products to Australia.

EU wants budgets balanced

AFP, Brussels

All European Union nations should balance their budgets by 2012, the Czech EU presidency said Tuesday, saying there was a joint will to cut deficits after the emergency stimulus spending is over.

"There is a common determination to ensure swift fiscal consolidation," said Czech Finance Minister Miroslav Kalousek, whose country holds the EU's rotating presidency.

"Obviously there will be certain differences and different possibilities in different countries. Nonetheless, I fully support the (European) Commission's original idea. In 2012 all budgets should be consolidated," he said after chairing talks with his EU counterparts in Brussels.

However EU Economic and Monetary Affairs Commissioner Joaquin Almunia, mindful of the political and economic sensibilities in the recession-hit EU, swiftly noted that there was no 2012 deadline.

'Neo-liberal' globalisation is over: ILO chief

AFP, Lisbon

The head of the International Labour Organisation on Tuesday declared "neo-liberal globalisation" over and called for Europe to take the lead in easing the fallout from the economic crisis.

"Now that neo-liberal globalisation no longer exists, the European social model remains," Juan Somavia told an ILO conference in Lisbon.

Europe should play "a bigger role" in easing the crisis, he said. Neo-liberal policies are widely seen as favouring deregulation, privatisation and a drive for a smaller state role in the economy. The European social model is based on a larger role for government and generous social welfare provisions.

"We have to put in place a dialogue in order to act

better to soften the impact of the crisis" through contact between governments, workers and employers, he said, adding that 50 million jobs were under threat worldwide.

The ILO chief said workers must be at the centre of government decisions on anti-crisis measures and that there should be a special UN council coordinating national responses to the economic downturn.

Portuguese Prime Minister Jose Socrates also spoke about Europe's role in the crisis at the conference, ahead of a summit of EU leaders later this month expected to make a joint effort to beat the crisis and avoid protectionism.

"The European social model has to influence the new economic and financial order, a new system of regulations that will protect the world," he said.

Pabna Sugar halts production on sugarcane crunch

OUR CORRESPONDENT, Pabna

Production came to a halt at Pabna Sugar Mill without reaching this fiscal year's target due to a crunch of sugarcanes in the district, officials said yesterday.

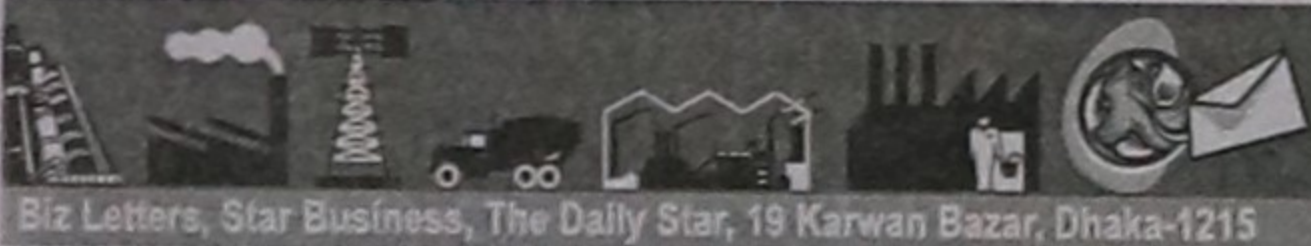
Pabna Sugar Mill produced 4,298 tonnes of sugar for fiscal 2008-09, down from 12,985 tonnes a year

ago. The mill had set a target of producing 6,000 tonnes of sugar and crushing 80,000 tonnes of sugarcanes for fiscal 2008-09.

"The unavailability of sugarcanes led to a poor production of sugar at the mill," Lokman Hossain, factory manager of Pabna Sugar Mill, told The Daily Star.

Meanwhile, officials with the agriculture section of Pabna Sugar Mill said farmers had failed to produce adequate sugarcanes due to an "immense" fertiliser crisis.

"Farmers didn't get the expected sugarcane output," said Md Azizur Rahman, general manager of Pabna Sugar Mill's agriculture section.

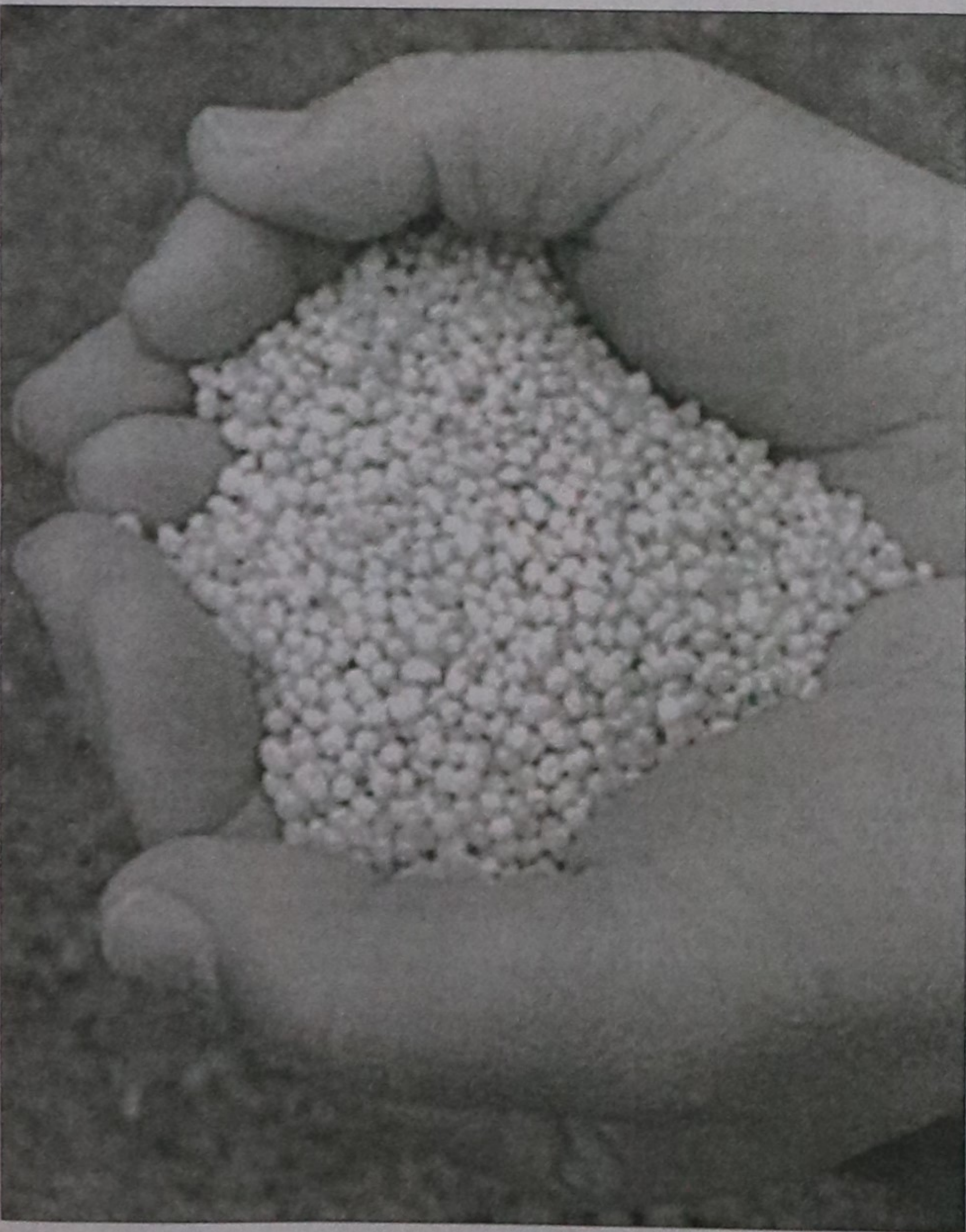


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Letters will only be considered if they carry the writer's full name, address and telephone number (if any).

BIZ LETTERS

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Urea, a far cry for farmers

Urea fertiliser production in the factory at Ghorasal, Narshingdi was suspended on August 11, 2007 due to an unavoidable carbon dioxide (CO2) compressor explosion.

Ever since, the produces of the factory has been out of the farmers' reach. In 1968, Toyo Engineering Corporation from Japan, the patent manufacturer, set up the modern and sophisticated industry. It resumed its production in 1972. In 36 years of its operations, a total of 1 crore tonnes of urea production has brought prestige to the area.

As many as 3 crore farmers now await the resumption of production in the factory. They are reluctant to use imported fertilisers. But it is regrettable that the Bangladesh Chemical Industries Corporation (BCIC) authorities are unable to restore the factory's operation.

Experts suggested that for the sake of the country's economy, BCIC should give the work permit to TEC, Japan. Furthermore, the Bangladesh government has to face economic pressures to meet the crisis.

MZ Haider Narsingdi



DITF eyes local business only

The recently concluded 14th Dhaka International Trade Fair (DITF-2009), organised by the Ministry of Commerce and the Export Promotion Bureau (EPB), needs to take some urgent steps.

The month-long fair was expected to garner a good number of business deals, according to the organisers of the event. EPB website says a total of 467 exhibitors from 22 countries like India, Pakistan, USA, Japan, Germany and Thailand showcased their products in the fair. Was it really an international trade fair? The scenario was just the opposite. Every year, only a few countries participate in the fair. Our so-called EPB has failed to welcome more countries to participate.

The commerce ministry and EPB could easily welcome traders and firms from African countries and South American countries. For the last 14 years, we have not seen any country from Africa and South American that took part in the exhibition.

We also saw that Bangladeshi business people owned most stalls and yet we name it the 'International Trade Fair.' I think we could rather change the name to 'Dhaka Local Trade Fair'.

I strongly believe that in order to maximise our country's exports, we must invite more countries from different continents to the fair. Only then we will get good feedback from abroad.

Minhaj Ahmed Dhaka