

DHAKA TUESDAY JUNE 2, 2009

Stocks

DGEN ▲ 0.96%
 2,597.00

CSCX ▲ 0.95%
 5,732.29

Asian Markets

MUMBAI ▲ 1.47%
 14,840.63

TOKYO ▲ 1.63%
 9,677.75

SINGAPORE ▲ 2.19%
 2,380.07

SHANGHAI ▲ 3.36%
 2,721.28

Currencies

Buy TK Sell TK
 USD 68.45 69.45

EUR 94.84 100.42

GBP 109.15 114.81

JPY 0.71 0.79

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold ▲ \$987.28
 (per ounce)

Oil ▲ \$68.29
 (per barrel)

SOURCE: APP
 (Midday Trade)

More News

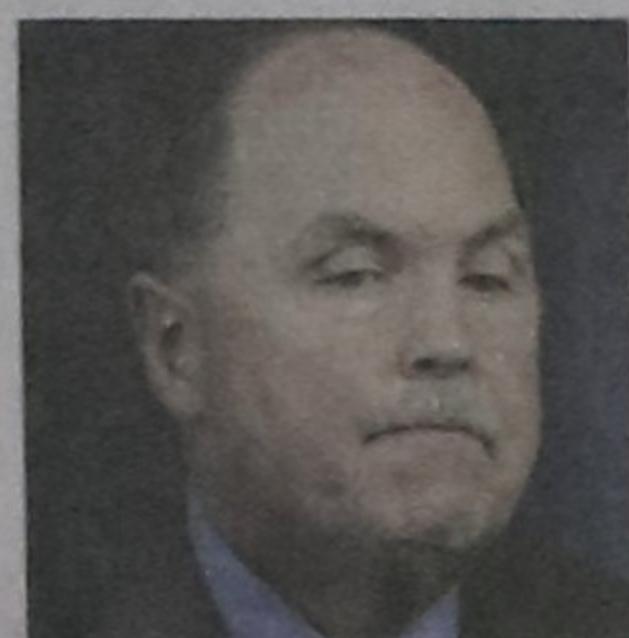
Mango may go beyond easy reach

Savouring the season's king fruit, mango, may not be a common man's delight this year as low production levels in the north has pushed its prices up, said growers and traders. Mangoes are selling at 1.5 times higher prices in the local markets, while growers anticipate prices to soar by 30 percent.

B-3

International

Plenty of risks to GM


 It's an outcome that was nearly unthinkable just six months ago. General Motors, a company once synonymous with America's industrial might, has followed its smaller rival Chrysler into bankruptcy court for a government-forced reorganisation.

Indian exports dive for seventh month

India's exports of jewellery, garments and other goods slid 33 percent in April, shrinking for the seventh straight month, hit by a demand slump in major global markets, official data showed Monday. Exports slumped to 10.74 billion dollars in April from 16.08 billion dollars a year ago as the global appetite for made-in-India goods contracted.

B-4

Contact Us

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

Low price worries RMG exporters

REFAYET ULLAH MIRDHA

A low price now being offered for apparels from international buyers has become a concern for Bangladesh exporters, on the back of ongoing global financial meltdown and higher costs of doing business.

The exporters lament they are offered a price that is 10 percent lower than they were offered before the recession, for which they could hardly make any profit.

However, some exporters see the new buyers' leaning towards Bangladesh as a positive side. A considerable number of buyers arrive here to place export orders because they find the RMG prices in other countries higher.

Reazuddin Al-Mamoon, managing director of Epylion Group, a leading exporter, pointed to the fact that every year buyers are cutting prices of Bangladesh made readymade garment (RMG) products, although raw material prices are on the rise.

"We must improve our negotiation capacity with foreign buyers in fixing the RMG prices. Otherwise, we will continuously be denied fair prices of

our products," Mamoon said.

Meanwhile, Export Promotion Bureau data show a 0.22 percent decline in the price index of all products, including RMG, in March, while the February decline was 2.29 percent.

In the case of primary products, the price index declined to 4.90 percent in July-March period, compared to the 14.08 percent in the first eight months of the outgoing fiscal year.

In the case of manufactured goods, the price index declined to 0.50 percent in the first nine months of this fiscal, while the July-February decline was 1.62 percent.

"We are really worried about RMG price cut. We are just losing our competitiveness," said Ghulam Faruque, chairman of SQ Group, a leading sweater and garment manufacturer.

"As a result, we can hardly make profit after paying workers' wage and other business costs," Faruque said.

Despite around 20 percent rise in the cost of doing business last year, an intense competition in the sector meant producers had been unable to pass the higher costs on to buyers, industry insiders said.

The central bank capped the bank interest rate at 13 percent from its previous 14 percent.

Erratic gas and power supply, higher cost of fund, higher freight charges--both in local and international markets, yarn price hike, implementation of the minimum wage for workers, higher transport costs, weak infrastructures and higher prices of capital machinery caused such a higher cost of doing business.

Iqbal Latif, managing director of Design World International, a local buying house, said the local manufacturers are just running their factories for survival, as they get low prices.

The knitwear trade body chief also expressed despair over the present situation.

"It has become difficult to survive now for a price pressure from international buyers," said Fazlul Hoque, president of the Bangladesh Knitwear Manufacturers and Exporters Association.

In this connection, Hoque pointed to the recent lending rate cut and said only 1 percent cut is very insignificant to tackle the situation stemming from global crisis.

The central bank capped the bank interest rate at 13 percent from its previous 14 percent.

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STAR
 Exporters are concerned as international buyers are now offering lower prices for Bangladeshi apparels against the backdrop of global financial meltdown and higher costs of doing business.

Aila piles losses for shrimp farmers

Low-cost fund demanded

SOHEL PARVEZ

Shrimp farmers in the southwestern coastal region are in a dire crisis due to losses in their investments as almost all of their farms were swept away by cyclone Aila-led tidal surge last week.

Many opt for a restart, but scopes to fight back appear bleak because of capital dearth, and damages in the government-built dams and embankments.

The farmers now expect government assistance such as low-cost loans and speedy repair of ravaged embankments to guard tidal waters of the region, which provides bulk of the country's total produce of export-oriented shrimps, the second biggest earner after garment.

"All have gone away in the river. Good days seem far away now," Asheque Ibrahim, a small shrimp farmer at Kachua upazila in Bagerhat district, said after losing all of his investment at Tk 2 lakh in a shrimp farm.

"It's a serious disaster. I don't know how I will repay debts, land rent and dues to shrimp fry sellers," said the 30-year-old farmer, who had planned to repay a major portion of his debts by catching matured shrimps by end-May.

"I have been able to sell only Tk 15,000 of shrimps this season. If I want to restart farming, I will have to repair farm infrastructure and buy shrimp fries, but I have not enough fund for that," he lamented.

His grief was also echoed in



Shrimp farmers in the southwestern coastal region, hit hard by cyclone Aila last week, want low-cost fund to resume their business.

other districts of the region as tens of thousands of his mates now sit on the ruins of cyclone Aila-led tidal surge that wiped away shrimp from farms by damaging farm infrastructures and Wapda (Water and Power Development Authority) embankments.

The blow came at a time when farmers were preparing to get their returns from investments. Many of them, especially smaller ones, started shrimp farming by either borrowing from relatives or banks or by keeping dues to landowners and shrimp fry sellers.

"It's the time for getting return

from investment. But the disaster has ruined the chance," said Md Nurul Alam, a medium shrimp farmer who invested more than Tk 30 lakh in two of his shrimp farms, covering more than 100 acres of land in Ashashuni upazila of Satkhira district, another major hub for shrimp cultivation.

"Not only mine, none of the shrimp farms stays alive," said Nurul who owed around Tk 8 lakh to banks.

Primary estimates by Department of Fisheries in Khulna division reveal that total losses in shrimp, fish and farm infrastructures stood at Tk 352.61 crore. Bulk

of the losses was incurred in the salt-watershimp enclaves.

The latest hit came when shrimp exports were suffering from a slump for reasons such as demand cuts in the Western economies, and suspension of fresh-water shrimp exports to European Union for six months on fear of health hazardous antibiotic nitrofurant's presence in exported consignments.

Exporters feared the losses caused by Aila will hurt them further.

Abdul Majid, a relatively large shrimp farmer in Gabura union of Shamnagar upazila in

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