

Stocks

DGEN	▼ 0.74%	2,944.05
CSCX	▼ 1.22%	6,613.85

Asian Markets

MUMBAI	▼ 5.83%	14,043.40
TOKYO	▼ 1.38%	9,680.87
SINGAPORE	▼ 1.46%	2,266.09
SHANGHAI	▲ 1.18%	3,124.67

Currencies

	Buy Tk	Sell Tk
USD	68.45	69.45
EUR	93.57	99.24
GBP	109.66	115.57
JPY	0.71	0.78

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold	▼	\$923.50	(per ounce)
Oil	▼	\$63.85	(per barrel)

SOURCE: AFP

(Midday Trade)

More News

A clarion call to HRM



It is not the quantum leap in technology that is crucial to business growth. It is the 'humanware' -- the core asset -- that drives business. Yet in Bangladesh's garment industry, human elements are on the back burner. The latest industrial rioting that killed two workers in Ashulia threw into relief human resource management, or lack of it, in the sector. B-4

International

Bankruptcy judge okays GM sale plan

A bankruptcy judge has ruled that General Motors Corp can sell the bulk of its assets to a new company, potentially clearing the way for the automaker to quickly emerge from bankruptcy protection. US Judge Robert Gerber said in his 95-page ruling late Sunday that the sale was in the best interests of both GM and its creditors, whom he said would otherwise get nothing.

Britain new car sales fall 15.7pc in June

Sales of new cars in Britain dropped 15.7 percent in June from the figure 12 months earlier, the smallest fall for nearly a year, industry body the Society of Motor Manufacturers and Traders said on Monday.

Local ceramics maker rides out global recession

FARR Ceramics now eyes capacity building

SAJJADUR RAHMAN

A local ceramics maker, in a span of less than two and a half years, has touched a credit mark of fetching around Tk 31 crore from porcelain tableware exports in the immediate past fiscal year (2008-09), riding out the ongoing global recession.

FARR Ceramics Ltd, which has now a 10 percent market share in the Tk 300 crore exports of ceramics, went into commercial production in February 2007, exported nearly Tk 20 crore in FY 2007-08.

Despite a tremendous growth rate, Iftakher Uddin Farhad, the company's chairman and managing director, believes Bangladesh has more scope than what it now exports.

"I am going to double my factory's capacity soon to meet the growing export demand," he said. "Quality and competitive price have helped us boost our exports."

Bangladesh's competitiveness enhances day by day. Farhad said rising energy and labour costs in competitor countries might turn Bangladesh into a global hub of ceramics tableware after China.

Ceramics and tiles are an emerging industry in Bangladesh. Some Tk 2,000 crore has been invested in the sector, both from home and abroad. Ceramics' local market size was Tk 700 crore in FY 2008-09.

Bangladesh's export earnings from ceramics reached \$33 million last fiscal from a meagre amount of \$1 million in 1991. Besides FARR, other major exporting companies are Shinepukur, Monno and Artisan Ceramics.

However, many local manufacturers and exporters could not remain immune from global crisis fallout, as exports have marked a decline.

During July-March in FY 2008-09, ceramics exports declined to \$25.60 million from \$28.43 million in the same period a year earlier.

FARR is among the few companies that are showing resilience in the international export market. The company exports to Italy, Germany, Switzerland, Poland, Spain, Turkey and India.

"India is growingly becoming an important export destination for our tableware. We export on an average \$70,000 ceramics to the neighbouring country a month," Farhad pointed out.

FARR Euro Fine Porcelain, FARR Fine Ivory and FAAR High Alumina Porcelain are some of the company brands. Renowned five star hotels in India such as Marriott, Taj, Grand and Ramada use FARR ceramics tableware, the company's MD claimed.

Higher energy and labour costs in China and Sri Lanka, the two major competitors, have paved the way for the company to cement its foothold in the global export market, Farhad said, lamenting government's lax attitude towards the industry.

"Turkey is becoming a major importer of Bangladeshi ceramics, but the country requires a health certificate, which our testing institution BSTI is not giving to us," Farhad said.

He said China gives 22.5 percent incentives to its ceramics exporters, but Bangladesh gives nothing.

FARR Ceramics Ltd was established in 2005 with Tk a 120 crore investment. Some 1,000 workers are employed in the factory.

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FARR Ceramics that bags a 10 percent share in Bangladeshi ceramics exports is among the few now showing resilience against global recession.

Eggs get costlier as middlemen cash in

SOHEL PARVEZ

Retail prices of eggs have shot up to a record high of Tk 32 for a set of four and industry operators blame the hike on middlemen.

A section of traders were also alleged to have created an artificial crisis in the market by spreading a rumour that egg prices would surge further. Panic buying reigned, as the prices of other sources of proteins, like fish, are already on the rise.

Other factors such as a low level of production in summer and rainy seasons and a decline in the production of duck eggs also contributed to the rise in egg prices.

The overall price for four eggs rose by 14 percent last week to Tk 32 from Tk 28.

To curb eggs prices, the poultry industry has moved to open 15 stores in Dhaka city, where four eggs will be sold for Tk 26, according to operators.

"Egg prices are soaring due to the activities of middlemen, like retailers and hawkers," said Taher Ahmed Siddique, president of Bangladesh Egg Producers Association, claiming that the wholesale price of eggs has declined but traders are not cutting back on their prices.

Egg wholesalers in Tejgaon, one of the main markets for eggs, claimed that the price for 100 pieces of eggs stood at Tk 660-670, down from Tk 700 a couple of days ago.

Customers are yet to benefit from such a drop in prices. Some traders at Karwan Bazar said that they bought a hundred eggs for as much as Tk 700. They were demanding Tk 720 for the same yesterday.

"We bought 100 eggs for Tk 700. You will get 100 eggs (brown) for Tk 720," said Mohammad Razu, an egg-seller at the Karwan Bazar kitchen market.

"Egg prices have increased due to an increase in the cost of transportation during the downpour last week. On Sunday, the wholesale price for a hundred eggs was between Tk 660-670," said Nurul Islam, an egg wholesaler at Tejgaon.

The prices of eggs were stable for nearly a month at Tk 28 for four eggs but it began to rise towards the end of June, amid a gradual decline in the supply of duck eggs.

Industry insiders said demand for eggs is now high and the daily production of 1 crore units does not meet demand. The supply of eggs was affected heavily after bird flu ravaged tens of thousands of layer poultry farms.

"Retailers follow simple methods to determine the prices of eggs. They increase Tk 1 if price increases by Tk 0.20 per egg," said Mizanul Islam Khan Masum, owner of Techno Poultry.

"Everybody in the trade knows that egg price increases this season. It creates an upward pressure on prices as middlemen want to buy more," he said.

Syed Abu Siddique, president of Bangladesh Poultry Industries Association (BPIA), said egg production remains low during the summer and rainy seasons.

He however complained of foul play by middlemen such as retailers.

"Rumours in the market exist that the prices of four eggs would rise to as much as Tk 40. This has also influenced market prices," Siddique said.

"But prices would soon fall as we are opening fair price shops," said the BPIA president.

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India increases defence, infrastructure spending



Indian Finance Minister Pranab Mukherjee holds up a briefcase containing annual budget documents as he arrives in parliament to present the Union Budget in New Delhi yesterday.

PALLAB BHATTACHARYA, New Delhi

India yesterday made a steep hike in its defence spending and outlined measures to boost farmers and the poor and infrastructure as Finance Minister Pranab Mukherjee presented in parliament the first budget of the Congress-led UPA government in its second term.

Apparently to put procurement of defence equipment on a fast-track and plug security gaps after the deadly terror attacks in Mumbai, the country's financial hub, last November, the budget raised the budgetary allocation for defence to Rs 141,703 crore (\$28.4 billion), a 34 percent increase over the previous fiscal year.

The 34 percent increase is substantial compared to the increase of only 10 percent in last year's budget over Rs 96,000 crore allocated in 2007-08.

Despite the hike this year, India's defence spending is still at about 2 percent of GDP, compared to China's 7

percent and Pakistan's 5 percent.

Adhering to the theme of "inclusive growth" espoused by the Congress party-led alliance in recent parliamentary polls that returned it to power with a clear mandate in May, the budget unveiled direct subsidies for farmers, breaks in income tax for salaried class, commodity transaction and fringe benefit tax for the corporate sector and service tax incentives for exporters hit by global economic downturn.

In his two-hour budget speech, Mukherjee said "the first challenge is to return the GDP growth rate of 9 percent per annum at the earliest" and "the second challenge is to deepen and broaden the agenda for inclusive development".

The first budget of Prime Minister Manmohan Singh's new government is viewed as the economic roadmap for how he will govern for the next five years after its electoral triumph.

Senior citizens (above the age of 60) and women were given income tax breaks, as the slab for computing taxable income has been pushed up by Rs 15,000 and Rs 10,000 respectively.

Among the highlights of the budget are increased allocation for national highways development, for urban poor schemes to Rs 39.73 billion in 2009-10, targeting agriculture credit of Rs 3.25 trillion, payment of additional interest subvention of 1 percent to farmers who pay short-term farm loans on schedule, additional Rs 10 billion over interim budget for irrigation, extension of waiver of agriculture debt by six months, allocation of Rs 40 billion to encourage lending to small firms.

The budget provided more funds to some of the flagship programmes of the UPA government for rural and urban development, allocating Rs 391,000 crore for national rural employment guarantee programme, extending farm loan waiver scheme by six months and envisaging Rs 12,887 crore for Jawaharlal Nehru Urban Renewal Mission scheme.

Mukherjee, who announced a total investment of Rs 100,000 crore for infrastructure development, called on states to remove bottlenecks for infrastructure projects, and outlined plans for more flexible financing for infrastructure and development of long-distance gas pipelines.

The budget has extended the tax holiday for exporters to the year 2012 and for textile units till April next year.

Not constrained by its previous alliance with Left parties who suffered their worst defeat in recent polls, the budget announced offloading of government equities up to 49 percent in public sector undertakings but ruled out privatisation of banks and insurance companies.

At the same time, the finance minister promised "inclusive growth" to support social programmes and rural development.

India's economy, Asia's third-largest, grew at 6.7 percent in the most recent fiscal year, held back by the global downturn, after expanding at least 9 percent for three straight years.

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