

Closed Magura Textile Mills counting loss

Hossain SERAI, Magura

State-run Magura Textile Mills incurs a loss of about Tk 3 crore a year although it is officially shut down.

"Though the mill is kept closed, it suffers the loss due to maintenance costs that include taxes, salaries, electricity bills and machinery depreciation," said Jamir Hossain, assistant accounts officer of the mill.

The factory that failed to make profit since its inception in 1985 was shut down for four times in 1999, 2002, 2005 and August last year and incurred an accumulated loss of Tk 115.82 crore, official record says.

The mill under Bangladesh Textile Mills Corporation (BTMC) with an accumulated loss of Tk 106.14 crore was reopened for the fourth time in September 2006 with new management.

Under the new management, the mill earned Tk 6,000 per bale for producing yarn for Ali Traders of Magura on the basis of payment of 'service charge'. But due to unwillingness of Ali traders to renew contract, the authorities were compelled to lay off the mill that time with a loss of around Tk 9.68 crore, officials said.

The factory failed to give salaries to its employees in the last 41 months because of facing repeated closure. In the meantime, a total of 150 employees were compelled to go into voluntary retirement.

Five permanent employees, including Abu Hanif, assistant manager (Labour) and present



State-run Magura Textile Mills, which was shut down for the fourth time in August last year, has failed to make profit since its inception in 1985. The mill authorities blame shortage of 'running capital' and old machinery for the losses.

acting chief executive, and Jamir Hossain are still on their services, while twelve employees are working on temporary basis.

About 350 workers who had been working on a no-work-no-pay basis are now jobless.

After reopening in 2006, the authorities on several occasions expressed optimism that the mill would make profit if trade union was not allowed and smooth power supply was ensured.

The mill authorities now

blame shortage of 'running capital' and old machinery for the recent losses. According to them, production was interrupted as many old spindles ground to a halt. "These needed repair but that could not be done due to a

lack of spares," Hanif said.

But most of the officials and employees said the mill would be able to make profit only under private ownership.

Local businesspeople also support privatisation of the mill.

"As the mill failed to make profit in the last 24 years under government management, it would be better to privatise it," said Akhter Hossain, president of Magura Chamber of Commerce & Industry.

The mill with 25,056 spindles was set up on 16 acres of land at Vitasair in Magura town at a cost of Tk 37.77 crore.

The mill was closed in 1999 with a loss of Tk 67.14 crore. In the wake of continued loss, BTMC decided to lay off the mill.

In such a situation, the workers urged BTMC not to privatise the mill and agreed under government management on 'any condition'.

From March 2000 to January 2002, the mill produced yarn for Karnaphuli Traders in exchange of service charge. Workers were on a no-work-no-pay basis. But the mill failed to make profit and was closed again. The loss during the period was about 18.47 crore, officials said.

BTMC then again decided to privatise the mill. But failing to do so due to pressure from different quarters and non-availability of buyer, BTMC reopened the mill on September 23, 2004 under new terms and condition for workers and started producing yarn for Karnaphuli Traders in exchange of 'service charge'.

News in Brief

Indian exports slide for 10th straight month

AFP, New Delhi

India's exports fell for a 10th straight month in July as the country's key Western markets remained in the grip of the global economic downturn.

Shipments overseas slid 28.4 percent to 13.6 billion dollars, data released Tuesday by the Commerce Ministry showed, while imports tumbled 37.1 percent to 31.2 billion dollars.

The lower import figure mainly reflects lower oil costs due to the slide in crude prices, but it also shows the domestic economy remains sluggish.

Exports for the first four months of the financial year to March 2010 were down 34.1 percent from a year earlier at 49.7 billion dollars.

The data came days after India announced plans to boost trade with emerging markets in a bid to wean itself off dependence on economically struggling developed nations that buy more than 60 percent of its exports.

The government has also announced a slew of steps such as cheaper finance, better infrastructure, tax relief and reduced transaction costs to spur shipments.

The country is aiming for export growth of 15 percent over two years to achieve sales of 200 billion dollars by March 2011, up from 168 billion dollars for the year to March 2009.

Dollar higher in Asia ahead of US factory data

AFP, Tokyo

The dollar was higher against the yen in Asia Tuesday as traders anticipated upbeat results from a survey of the giant US manufacturing sector due later in the day.

But the greenback lost ground against the euro after German retail sales rose for the first time in three months, adding to hopes of a recovery in the eurozone economies.

The dollar gained to 93.26 yen in Tokyo afternoon trade from 93.08 in New York late Monday. The euro climbed to 1.4357 dollars from 1.4341 and to 133.89 yen from 133.47.

Investors were hoping for fresh signs of an economic recovery from the Institute of Supply Management's survey of the US factory sector, following relatively rosy figures on the Chicago and Milwaukee areas.

"Since the regional figures were positive, markets are expecting an improvement in the overall figure," said Hachijuni Bank forex trader Yoshifumi Suzuki.

The euro was higher in response to official data showing that German retail sales increased 0.7 percent in July from the previous month -- the first improvement since April.

Investors were also looking ahead to key monthly employment figures in the United States slated for release on Friday, amid concerns that a weak labour market could stymie a recovery in the world's largest economy.



Foreign employees work on perfume bottles at the Dubai-based Ajmal factory late on Monday. More than 585 employees work at Ajmal, that along with three other perfume companies control the United Arab Emirates' roughly one-billion-dollar perfume market and compete with global brands. Ajmal perfumes, with 200-million-dollar annual turnover is considering acquiring a famous French perfume manufacturer.

German unemployment edges up, surge feared

AFP, Frankfurt

The German unemployment rate rose slightly to 8.3 percent in August, official data showed on Tuesday and experts said it might soon surge when job subsidies run out.

The data showed the lagging effects of the economic crisis on Europe's biggest economy, despite figures on Tuesday pointing to a rise in retail spending.

The Federal Labour Agency said the number of people unemployed rose by 9,000 people from July to a total of 3.47 million on an adjusted basis, with a government scheme to subsidise shorter working hours 'stabilising the labour market.'

Analysts polled by Dow Jones Newswires had forecast an increase of 30,000 unemployed workers and a jobless rate of 8.3 percent.

Labour Minister Olaf Scholz said in Der Spiegel magazine on Monday that unemployment would rise further in the coming months, but remain below four million.

Australia holds rates steady at 3.0pc

AFP, Sydney

Australia's central bank left interest rates unchanged at a 49-year low of 3.0 percent for the fifth successive month on Tuesday, citing strong growth in China and improving global sentiment.

In a widely-tipped move, Reserve Bank of Australia (RBA) governor Glenn Stevens said the world's major economies appeared to be reaching a turning point, with growth resuming across the globe.

"Growth in China has been very strong, which is having a significant impact on other economies in the region and on commodity markets," Stevens said.

Stevens offered an upbeat assessment of conditions in Australia, which has weathered the worldwide downturn with the best performance of any advanced country, saying its performance had been "stronger than expected".

"Overall, it now appears that investment may not be as weak over the year ahead as earlier expected," he added.

Govt to distribute 1.05cr CFL bulbs in February

UNB, Dhaka

The government will distribute 1.05 crore compact fluorescent light (CFL) bulbs free of cost to households across the country in February next to save 350-400 MW electricity under a belt-tightening measure forced by frequent power outages.

The saved electricity will be diverted to the rural areas to supply more power to facilitate next dry season's irrigation for farming.

Power and energy ministry at a high-level meeting yesterday finalised a plan for handing out the energy-saving bulbs.

In line with the plan, initially 1.05 crore CFL bulbs will be distributed in a single day in February 2010. Under a project, each of the household families in both rural and urban areas will get two CFL bulbs for free.

According to power experts, CFL bulbs save about 30 percent to 50 percent energy compared to normal bulbs.

About Tk 117.60 crore will be spent on this project to distribute the bulbs in the first phase. For the project, the World Bank will finance Tk 104.99 crore, while the rest will come from the government fund.

In the second phase, another 1.6 crore CFL bulbs will be distributed at a cost of

Tk 178.04 crore.

Normally, Boro cultivation starts in the country in February and electricity demand rises in the rural areas for operation of irrigation pumps from the middle of February.

"We've adopted this plan targeting the next irrigation season. Under this plan, we are hopeful of saving 350-400 MW electricity and will divert it to the rural areas," Prime Minister's Adviser Dr Taufiq-e-Elahi Chowdhury told reporters while briefing on the outcomes of the meeting.

State Minister for Power and Energy Enamul Haque, who presided over the meeting, said the effort of the government would be successful if it is done in a coordinated manner.

Top officials of all the power-distribution entities, including PDB, DPDC, DESCO, REB and WZPDC, attended the meeting.

All these organisations will distribute the CFL bulbs to their respective consumers in a single day.

However, the Rural Electrification Board (REB) will implement the project styled Efficient Lighting Initiative for Bangladesh as the lead agency.

It was known from the meeting that a tender has already been floated to procure the bulbs from abroad.

Lack of policy support hinders energy-saving lamp growth

Makers point fingers at NBR

UNB, Dhaka

Local manufacturers cannot make sufficient energy-saving lamps for a lack of policy support from the National Board of Revenue (NBR), while the government is frantically trying to save power to mitigate a nagging crisis, entrepreneurs lamented.

According to the 2009-10 budget, the complete circuit of an energy-saving lamp is exempted from duty, while the components of that circuit are subject to 7 percent import duty.

"That means the NBR wanted to import the lamp and not allow us to manufacture those," Kazi Mahbubur Rahman, managing director of Macro Fabricators Limited, told the news agency yesterday.

Moreover, the import price of an energy-saving lamp circuit ranges from US\$ 0.95-0.98. But the standard Chinese energy-saving lamps are imported at a cost of US\$ 0.45.

"How this is possible. We urged the NBR to look into this matter, but they didn't pay any heed to our plea," said Rahman.

He also observed that the Chinese lamps are very much short-lasting, although the price is little bit

below the locally manufactured energy-saving lamps.

"This kind of lamps don't last more than one month. But people in the rural areas think that all types of energy-saving lamps are same," he said.

Currently there are ten manufacturers in the country with an aggregate capacity of manufacturing around 20 million energy-saving lamps annually. They are Energy Pac, Delta Macro Fabricators, Navana, Philips, Superstar, Toshiba, BD Lamps, Rangs, Power and Pathan, and Osaka.

The government recently has announced that it would provide free energy-saving lamps to 20 million families for free because the traditional lamps consume huge amount of electricity.

To collect the energy-saving lamps, the government recently published a tender.

"But in the advertisement it was stated that the supplier has to supply 20 million lamps within next two months. This is totally absurd for the local manufacturers...the government published such a tender just to give facility to the importers," said Rahman.

He alleged that the government by this kind of advertisement indicated to

the manufacturers that they are not interested to patronise the local manufacturers.

"The government could collect the lamps in phases. For instance, they could allow the local manufacturers to supply as many as they could."

Then the rest could be imported from abroad," he said.

The government is worried about the power outages and working hard to provide better power supply to the people. Prime Minister Sheikh Hasina at Monday's cabinet meeting directed government, non-government and semi-government offices not to press office temperatures down under 24 degrees Celsius in order to save electricity.

Spelling out another austerity measure while presiding over the cabinet meeting, she also asked people to attend office wearing shirt and pants instead of suit and tie.

This was the second time the Prime Minister asked people to fix their AC temperature over 24 and wear just shirt and pants instead of suit during the hot weather.

The Parliamentary Standing Committee on

Power, Energy and Mineral Resources is also paying utmost attention to the mitigation of the power crunch in the country.

On Sunday, Chairman of the Parliamentary Standing Committee on Power, Energy and Mineral Resources Subid Ali Bhuiyan informed reporters that an additional quantum of 752 MW electricity would be added to the national power grid by this coming December and another 1500 megawatts by December 2011, as the present government has taken a crash course to resolve the long-standing power crisis.

From the Standing Committee they decided to put emphasis on generating wind, solar and wave power and use of the generated electricity for household purposes.

The lawmakers on the committee asked the ministry concerned to prepare a master plan for using solar and wind sources for generating electricity and submit the report within the next three months.

"When everyone is very much concerned about the power crisis, the attitude of the NBR and the ministry concerned is totally disappointing," said Kazi Mahbubur Rahman.

BB-Brac deal on farm credit today

UNB, Dhaka

The Bangladesh Bank (BB) and non-government organisation Brac will sign an agreement today on disbursement of agriculture credit to sharecroppers.

Under the deal, Brac in association with 150 other organisations will distribute the credit across the country, said a BB official.

Early this fiscal year, the central bank had announced an allocation of Tk 500 crore as agriculture credit dedicated exclusively for the sharecroppers. This is the first ever credit allocation for the sharecroppers in the history of Bangladesh.

The BB earlier decided to disburse a total agriculture credit of Tk 12,000 crore, including allocation for the sharecroppers for fiscal 2009-10.

The allocation of increased farm credit is to support the government's desperate bid to boost agricultural production and keep food prices at an affordable level.



Anisul Huq, president of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), signs a document to launch FBCCI Foundation at a ceremony in Dhaka on Monday.

Head of Boeing's commercial jets to step down

AP

Boeing Co said Monday that Scott Carson will step down as head of its commercial airplane division, ending a tenure marked by costly problems with the company's much-delayed 787 jetliner.

The Chicago-based company said Carson will be succeeded Tuesday by the head of its defence business, Jim Albaugh. Carson will help with special projects until the end of the year, when he will retire after 38 years with the company.

Carson's departure comes as Boeing struggles with sharply lower orders amid the global economic downturn, which has hurt demand for air travel. It's also grappled with its forthcoming 787, a next-generation aircraft that's been delayed five times due to parts shortages, supplier glitches and other production problems. Its shares, which topped \$100 just two years ago, have been pummeled by the problems and market collapse, falling below \$30 earlier this year.