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Retailers sell yarn at Bazidpur market in Tangail town. Many weavers left their profession in the district amid spiralling prices of yarn and other raw materials.

Tangail weavers in tight corner

OUR CORRESPONDENT, Tangail

An unusual hike in the prices of yarn, dye and other materials has compelled many weavers to leave their profession in Tangail in a sign of growing trouble in the traditional industry.

Thousands of weavers are now busy producing popular "Tangail saris" to catch up with high demand driven by the upcoming Eid-ul-Fitr and Durga Puja. But soaring prices did not let them make profit in the last two months.

Businessmen sell yarn at Tk 5,000 per bale now, up from Tk 1,000 in July, local traders said.

Yarn trader Aminur Rahman of Bara Kalibari in Tangail town told The Daily Star that the prices of yarn hiked in the last two months.

A bale of Saiham-82, a type of yarn, sells at Tk 72,000 now, up from Tk 68,000 in July. Saiham-40 sells at Tk 36,000, up from Tk 32,000, and Gulshan-74 at Tk 60,000, up from Tk 55,000 two months ago.

Back in 1992, there were around 150,000 weavers against over one lakh handlooms in Sadar, Delduar, Kalihati, Nagarpur, Basail and Mirzapur.

Over 50,000 handlooms faced closure and around 20,000 handlooms went out of order in the last several years due to the sky-rocketing prices of the materials, said Mufakkharul Islam, vice president of Tangail Central Cooperative Artisan Society Ltd and president of Kalihati Upazila Handloom Owners' Association.

"I had to shut 20 out of 40 handlooms in my factory in Balla at Kalihati for the same reason," he added.

According to officials with Tangail Sadar and Kalihati Basic Centres of Bangladesh Tat Board, over 70,000 weavers with around 37,222 handlooms in 10,000 small and big handloom factories are working under them.

Of those, 18,573 handlooms in 3,000 factories in Balla, Rampur, Mominnagar, Darikhashila, Kurail, Kazibari, Kamanna, Singair and Behalabari villages under Balla union in Kalihati upazila are in operation. As many as 20,000 weavers work there.

Weavers sell Tangail sari, Benarasi and Jamdani in several regular weekly markets in Karatia and Bazidpur of the district.

Yousuf Ali, a weaver from Balla, closed his business in 1991, as the prices of clothes did not increase proportionately with the prices of yarn, dye and other materials necessary for production.

A large number of weavers in the region are about to leave the profession due to their failure to make profits.

An organised group of merchants is responsible for all the troubles, some weavers alleged. The syndicate is blamed for stockpiling yarns and making an artificial crisis to increase the prices.

Stocks mark fall

STAR BUSINESS REPORT

Dhaka stocks started the week with a fall, driven by insurance, energy and non-banking financial institutions, which previously gained for four straight days.

The benchmark index of Dhaka Stock Exchange, DSE General Index, lost by 24.49 points, or 0.82 percent to 2960.96 after touching 3006.19.

Market operators said Navana CNG, which made debut directly on the bourses last week, was also a major reason behind the downtrend, as investors swooped on the shares to get good return in future.

Most of the shares of the company were traded at Tk 200 price level. At the end of the day, its share prices lost 2.43 percent to Tk 204 per share, compared to the closing price on the week's last trading day.

A total of 61,04,800 Navana shares worth Tk 123 crore were traded on the premier bourse yesterday, making the company top turnover leader that accounted for 21 percent of the total turnover.

The broader All Shares Price Index also slid 19.59 points, or 0.78 percent to 2490.35.

The market started on high note as the main index crossed 3000-mark, the psychological level that crossed at least ten times over the last one month but could not sustain within the first 45 minutes of the trade.

Almost all sectors, except banks, the market's bellwether, declined.

Most banks performed better with Dutch Bangla Bank gaining highest 2.4 percent.

Losers beat gainers 187 to 18. Three securities remained unchanged.

A total of 3,34,42,514 shares changed hands on the DSE on a turnover of Tk 583 crore, posting a 10.06 percent increase.

Summit Alliance Port, Beximco, Bextex, Summit Power and Islamic Finance were the other turnover leaders on the day.

Apex Spinning, Kohinoor Chemicals, Islamic Finance, Jute Spinning, Gemini Sea Food and Apex Foods were the top gainers.

The top losers were Janata Insurance, Dandy Dyeing, Hakkani Pulp and Paper, Gulf Foods and Meghna Cement.

Chittagong stocks also marked a fall. The CSE Selective Categories Index declined 59.24 points, or 0.88 percent to 6,640.99. The CSE All Share Price Index dropped 89.28 points, or 0.85 percent to 10,392.96.

A total of 55,55,085 shares worth Tk 76 crore changed hands on the Chittagong Stock Exchange. Of the traded issues, 33 advanced, 127 declined and one remained unchanged.

Exclusive tourist zone soon

UNB, Dhaka

Civil Aviation and Tourism Minister GM Quader yesterday said the government has taken an initiative to build an exclusive tourist zone.

The government is working sincerely for the development of the country's tourism sector, and to attract both domestic and foreign tourists, he said while addressing a meeting of the re-constituted Tourism Advisory Committee at the ministry.

The minister said that work is already underway to formulate new laws and guidelines on tourism and to identify the tourism spots.

Highlighting the importance of the Sundarbans, the world's largest mangrove forest, he said the government would make necessary arrangements so that the tourists could enjoy the scenic beauty of the Sundarbans.

In this regard, Quader stressed formation of Tourist Police.

Home Secretary Abdus Sobhan Sikdar, Information Secretary Dr Kamal Abdul Naser Chowdhury, Cultural Affairs Secretary M Sharful Alam, Environment and Forests Secretary Dr Mihir Kanti Majumder, Civil Aviation and Tourism Secretary Hedayetullah Al Mamun and Parjaton Corporation Chairman M Hemayet Uddin Talukder also spoke in the meeting.

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Post and Telecommunication Secretary Sunil Kanti Bose distributes SIM cards among the post-masters of rural post-offices of Dinajpur at a programme recently. The government will provide mobile phone facility to 8,000 village post offices under the project.

Scientists unveil solar water pumps

STAR BUSINESS REPORT

Dhaka University scientists have developed a solar pump by using locally available technologies to help bring more land under irrigation and reduce dependency on diesel- and electricity- driven water pumps in crop fields.

"Solar irrigation pumps can play a significant role in cutting demand for electricity and diesel as well as irrigate a vast portion of lands that are devoid of irrigation facilities," Prof Dr NC Bhowmik, project director of Development of Solar Pumping for Irrigation, told a press conference.

The researchers at the Renewable Energy Research Centre, Dhaka University developed the pumps under a project funded by the Ministry of Science, Information and Communication Technology.

Associate Project Directors Prof Dr Saiful Huque and Dr Md Habibur Rahman were also present at the briefing.

The cost of installing these locally developed solar pumps will be less than the cost for the imported ones. Repair and maintenance costs will also be lower than the imported solar water pumps, they added.

Boro rice is the country's largest harvest, the production of which is largely dependent on proper irrigation facilities.

Irrigation facilities are paramount to ensuring smooth plantation during the current Aman season due to scanty monsoon rain in June and the first half of July.

Bhowmik said, "Around 35 percent of arable land falls under various irrigation projects, with electricity driven pumps covering only a fourth of total irrigation requirements. Diesel based water pumps are used for the remaining."

The Dhaka University professor said the 65 percent lands that are void of irrigation facilities could be brought under the irrigation network by using solar water pumps.

"It will enhance crop production," he said, suggesting that diesel run water pumps could be replaced with solar pumps to save foreign currency.

However, the cost of installing a solar water pump remains high. It would cost about Tk 3,75,000 to install a solar pump with one horse-power capacity, with which a farmer is expected to irrigate about 10 acres of land, the press meet was also told.

It would cost Tk 7,00,000 to install a solar water pump with a capacity of two horsepower, Tk 13,18,000 for four horsepower and Tk 20,00,000 for six horsepower.

"The government should give incentives to install solar water pumps in the same way it helps with fertiliser and electricity," said Bhowmik.

Researchers said farmers can easily install and change the pumps whenever necessary because it is made using local pumps. It will also enable farmers to light their homes at night, when irrigation is not needed on the fields, he added.

Opec to hold oil flow steady amid timid recovery

AFP, Vienna

Major oil exporters will hold the flow steady at Wednesday's Opec meeting but will crack down on those breaching agreed cuts, as energy demand remains weak despite signs of economic recovery, analysts say.

A vicious global economic downturn has slammed demand for energy, dragging crude prices from record highs of above 147 dollars in July 2008 to 32 dollars in December. They have since recovered to around 70 dollars.

Now ministers from Opec, whose economies are highly dependent on oil exports, must steer a careful course, supporting prices but not alarming markets by trying to do so too aggressively, analysts say.

"The current (oil production) quota system should not undergo any changes," Angola's Oil Minister Jose Maria Botelho de Vasconcelos, current president of the Organisation of the Petroleum Exporting Countries (Opec), said this week.

Prices have picked up with tentative signs of a recovery in the world economy while compliance with emergency cuts made last year to support prices has slipped, analysts say. Iran and Angola are seen as the main culprits in exceeding their quotas.

"The decision to cut output further would likely lack widespread credibility because it is unclear which countries would be willing and able to stick with it," analysts at Vienna-based consultancy JBC Energy wrote.

"In addition, a reduction in supply allocations might also be regarded as sending the wrong signal at the wrong time to the markets as it would indicate that Opec has strong doubts concerning the rebound of the global economy."

Opec, whose 12 members pump 40 percent of the world's oil, agreed in late 2008 to remove a massive 4.2 million barrels of daily output from the market as it sought to prop up crumbling prices.

The cartel's official daily output quota has stood at 24.84 million barrels per day since January.

At this week's meeting, "a decision to do anything but leave output targets as they are would come as a surprise," the JBC analysts said.

"However, given the likelihood that economic sentiment will sour in the coming months as the recovery could stall, Opec might try to enforce compliance more strictly."

Analyst Frederic Lasserre at French bank Societe Generale said there was little pressure for change, with current prices acceptable to most producers and consumers given uncertainty about when demand would pick up.

"At 70 dollars there is no pressure to lower production. Everyone is earning well. There is no pressure to lift production either," he said. "Demand has not really recovered," including in the key energy-hungry Chinese market, he added.

Kuwait's oil minister Sheikh Ahmad Abdullah al-Sabah said last month that an Opec output cut was unlikely because oil prices were "not bad at all," adding that he was optimistic demand would pick up in the near future.

Analysts say most member countries are satisfied with prices in the range of 70 to 80 dollars, enough to fund investment in future production, despite calls from hawks such as Iran and Venezuela to push them higher.

Analyst David Kirsch at the PFC Energy consultancy argued however that further output cuts could be considered as a way to counter the effect of high oil stockpiles, which can depress prices, particularly when demand is weak.

"In our view, a cut has to be on the table," Kirsch said.

Opec's most influential member Saudi Arabia is likely to resist pressure for cuts given the delicate economic outlook, however, said John Hall, an independent London-based analyst.

"With the world genuinely struggling to get out of recession and to stay clear long term, the last thing it wants is a higher oil price and Saudi Arabia recognises this," he told AFP.

Late on Friday the New York benchmark oil price, light sweet crude for October delivery, stood at 68.02 dollars in cautious trading.

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Dhaka Stock Exchange President Rakibur Rahman speaks at the inauguration of over-the-counter (OTC) market for trading junk shares on the premier bourse yesterday. Securities and Exchange Commission Chairman Ziaul Haque Khondker (left) and DSE Senior Vice President Saiful Islam are also seen. (Story on B1)

Crackdown on tax cheats heralds global bank transparency

AFP, Singapore

A US-led crackdown by wealthy countries on cross-border tax cheats will promote greater transparency and benefit Singapore and other global financial centres, bankers and analysts said.

A landmark settlement last month under which Swiss banking giant UBS agreed to reveal the names of some 4,450 American clients suspected of hiding assets sends a message that foreign confidentiality laws can no longer shield anyone from the taxman, they said.

Members of the Organisation for Economic Co-operation and Development (OECD), the industrialised nations' club, have also launched their own efforts against citizens who avoid paying taxes by stashing their wealth overseas.

"It is becoming clear that there is no place in any part of the world that can be used for illegal tax avoidance activities," a Singapore-based wealth manager catering to multi-millionaire clients told AFP.

The Swiss-US settlement "sends a clear message around the world's financial centres, including Singapore, that it is now the era of greater transparency in the banking sector," said the wealth manager, who asked not to named.

Singapore, a regional centre for banking, foreign exchange and insurance, has nurtured its wealth management industry as a way of tapping into Asia's growing affluence.

The Monetary Authority of Singapore (MAS) said that in 2007, assets under management in the island-state totalled 814 billion US dollars, up 32 percent from 2006. Figures for 2008 were not yet available.

About 86 percent of the total was sourced overseas, including from Europe, the United States, Middle East and the Asia-Pacific region.

Didier von Daeniken, chief executive of Barclays Wealth Asia Pacific, said "what defines Singapore as a competitive financial and business hub are its long-standing strengths."

These include a well-educated and skilled workforce, highly-developed infrastructure, a well-regulated financial system, political stability, reputation for the rule of law and a pro-business environment.

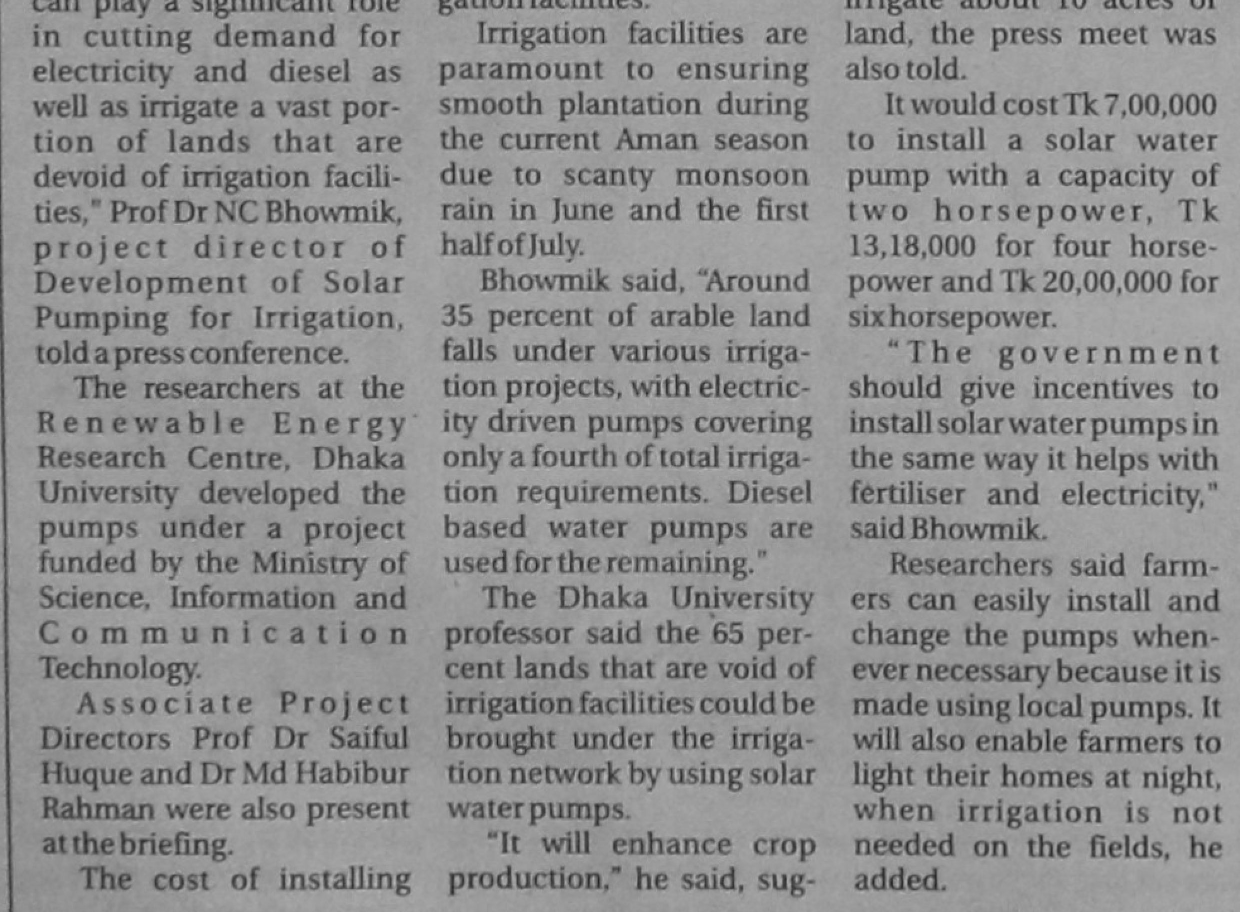
"Unlike tax havens, Singapore has a substantive and well-diversified economy, with manufacturing, services and financial sectors reinforcing one another and penetrating a wide geography of markets," he told AFP.

Earlier this year, the OECD listed Singapore as one of the countries that have not yet fully implemented global standards on the exchange of tax information needed to pursue suspected evaders.

The MAS said in a statement to AFP that Singapore endorsed the OECD Standard for Exchange of Information in March and local laws are being amended to comply with them.

Singapore is also negotiating new tax accords while existing treaties, including with the OECD, are being amended to incorporate changes allowing for better access to tax information.

"Singapore's recent endorsement of OECD standards... will undoubtedly create greater acceptance of Singapore as a wealth management centre from governments of other developed countries," Barclay's Von Daeniken said.



NGICL

Nasiruddin, chairman of Northern General Insurance Company Ltd, presides over the insurer's 13th annual general meeting in Dhaka recently. The company approved 15 percent stock dividend for 2008.

MTB

Samson H Chowdhury, chairman of Mutual Trust Bank, gives the first loan sanction letter to Siddiqur Rahman Moyez, a farmer from Ishwardi, at a programme in Dhaka yesterday. The bank launched 'MTB Krishi', a new loan product that ranges from Tk 2 lakh to Tk 3 crore for farmers.