

DAKKA MONDAY OCTOBER 26, 2009

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## Stocks

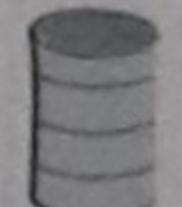
DGEN	▲ 1.16%
	3,356.51
CSCX	▲ 0.77%
	7,249.84

## Currencies

Buy Tk	Sell Tk
USD 68.55	69.55
EUR 100.78	106.56
GBP 109.73	115.64
JPY 0.73	0.82

SOURCE: STANDARD CHARTERED BANK

## Commodities

	<b>Gold</b>	▲
	\$1,061.75	(per ounce)
	<b>Oil</b>	▲
	\$81.29	(per barrel)

SOURCE: AFP

AS OF FRIDAY

## Asia mulls common position in G20

AFP, Hua Hin, Thailand

Asian countries should club together to boost their influence on the global financial stage and find "co-ordinated positions" ahead of key world meetings, a summit statement said Sunday.

Leaders of 16 countries agreed at the East Asia Summit (EAS) in Thailand that they should try to work out how to increase their influence in important decision-making bodies like the G20.

## Gas crisis forces Monno Fabrics into layoff

### Titas promises to improve supply pressure

#### STAR BUSINESS REPORT

The gas supplying authority yesterday approved a solution for Monno Fabrics to ease a severe gas pressure crisis that forced the leading textile factory to suspend operations from October 22.

Established in 1994, Monno Fabrics was the largest customer of Titas Gas Transmission and Distribution Company Ltd (TGTDCL) in Manikganj area, said Moynul Islam, the company's vice-chairman.

"We had contacted relevant ministries and the Titas Gas office to increase gas pressures in our factory, but no-one responded," he told The Daily Star.

"Ultimately, we suspended operations."

Influenced by news of the lay-off, shares of Monno Fabrics dropped 10.16 percent to Tk 108.25 on the Dhaka Stock Exchange yesterday.

Islam said although workers were sitting idle because of "zero gas pressure", Monno Fabrics paid them for the last six months as they expected the situation to improve.

TGTDCL Managing Director Aziz Khan told The Daily Star that a proposal to solve Monno's problems with gas pressure reached him on September 24, and he sought clarifications on who will bear the costs of the solution.

With the clarifications now available, TGTDCL was to pass a judgment in favour of Monno Fabrics, where a kilometre of extra gas pipeline will be installed and the district regulatory station will be modified, through which gas is supplied to the two main factories in the area: Monno Fabrics and an unit of Akiz Group.

"We are approving Monno's proposal tonight (last night)," said Khan. "It is our responsibility to keep Monno Fabrics alive."

#### COMPANY'S KEY FACTS

- Established in 1994
- Number of workers: 2,500
- The company says total investment has reached Tk 500 crore
- Share prices decline 10.16 percent on DSE

Islam said if TGTDCL ensures a continuous gas supply, it will take the factory a month to reopen. He also said the company will have to follow a "legal process" required to reopen a suspended factory.

Low gas-pressure has come as a huge setback to the manufacturing sector. The boiler of the factory needs a supply of gas at a pressure of 15 pounds per square inch (PSI) while the generator requires 20 PSI -- which TGTDCL was unable to ensure.

In March, TGTDCL attempted to resolve the problem by installing pressure-related equipment -- low differential regulator, but it did not work.

The total investment by Monno Fabrics has reached Tk 500 crore, Islam said. Prior to the suspension, the total number of workers at the factory was 2,500.

The factory's production capacity was 15-lakh yards of fabric a month, Islam said.

Shares of Monno Fabrics have been falling over the last four trading days. On October 20, Monno Fabrics shares came down by 4.29 percent to Tk 145 on the DSE, while the price declined by 6.21 percent to Tk 136 on October 21 and by 11.40 percent to Tk 120.50 on October 22.

Sarker said.

Meanwhile, the central bank on August 3 ordered all commercial banks to provide loans up to Tk 1 crore at a 9 percent interest rate for setting up ETPs.

The president of Bangladesh Paribesh Andolok (a movement to protect environment) Muzaffar Ahmed said the international buyers have been putting pressure on the manufacturers for years to set up ETPs for protecting the environment.

He said it requires some local and international technologies for setting up ETPs at the factories and many small units have no capacity to set up such plants.

This is true that some new factories are starting their production with new technologies and ETPs, he said. The small factories, which are unable to set up ETPs, can relocate their units near a central ETP, he added.

The BTMA also suggested allowing duty-free import of chemicals used in the ETPs to reduce the costs of production, according to the letter.

BTMA President Abdul Hai Sarker claimed that 70 percent factories have already set up ETPs.

He said it takes a lot of money and time to set up ETPs and many small factories have no capacity to build the ETPs on their own. They need collective efforts, he added.

"So we are demanding central ETPs and loans at a lower interest rate,"

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