

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

Gold	▲	\$1,061.75 (per ounce)
Oil	▲	\$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.

Landline maker set for automation

STAR BUSINESS REPORT

Telephone Shilpa Sangstha Limited (TSS), the state-run telephone equipment manufacturer, is set to go under an automated production system by December, eyeing production of more than a thousand landline sets a day.

"An automated system by the year-end will enable our company to make telecom equipment," TSS Managing Director Mohammad Ismail told The Daily Star.

TSS is the prime supplier of land phone sets and analog system equipment to Bangladesh Telecommunications Company Limited (BTCL), formerly Bangladesh Telegraph and Telephone Board (BTB).

After being inactive for a long time, TSS restored its production last week.

In the late 1980s, the introduction of digital telephony by the government but the absence of any initiative to raise capacity has led to such inactiveness of the lone telephone equipment maker in the public sector.

The last caretaker government tried to find a strategic partner for the company. But no local or foreign company suitably responded to this move.

Meanwhile, the latest move by the present government, in line with its electoral pledge to make Bangladesh a digital one, will breathe a new life.

With the automation, TSS handset production capacity is expected to rise to 1,000 units per day from the existing 50.

Presently, 14.61 lakh customers are using land phones. BTCL enjoys a 8.72 lakh customer base, while private

landline operators hold the rest.

Besides the automation move, a Tk 25 crore project has been taken up for the TSS under which base stations will be supplied to TeleTalk, the state-owned mobile operator.

According to TSS officials, this project may create a momentum in the company's activation further.

The parliamentary standing committee on the telecommunication ministry earlier announced a plan to reinvigorate the government entity. This body recommended manufacture of mobile phone sets and low price laptop by the TSS in association with a foreign company.

TSS was established in 1967 as Telephone Industries Corporation under a joint venture.

ETP issue irks apparel buyers

REFAYET ULLAH MIRDHA

A delay in setting up effluent treatment plants (ETPs) is annoying international apparel buyers as they have been putting pressure on manufacturers over the years to make products following internationally recognised compliances, industry insiders said.

Although most of the apparel factories are already following other compliance issues like avoiding child labour in line with the demand of the buyers, very few have set up ETPs until now, said an international buyer.

"The progress in setting up ETPs at the factories is very slow. It needs pace as the customers are becoming more environment conscious," the buyer said.

Meanwhile, the government has made it mandatory to set up ETPs in industrial units such as textile and dyeing factories that involve wet processing.

A previous government decision has directed the industrial units to set up ETPs within June 30 this year, but many factories failed to do so within the stipulated time.

Recently, Bangladesh Textile Mills

Association (BTMA) in a letter informed the parliamentary standing committee on environment and forest ministry that a total of 205 out of 1,300 members of the BTMA need to set up ETPs.

The BTMA also informed the standing committee that 64 factories have already set up ETPs, 24 are constructing the plants, three are importing machinery, six are making infrastructure and five have opened letters of credit for importing machinery.

The association in the letter recommended that the government set up four central ETPs in four zones -- Dhaka, Narsingdi, Savar and Joydevpur -- that the industrial units can use.

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,"

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 ETP.

President of Bangladesh Paribesh Andolon (a movement to protect environment) Muzaffer 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.

Speaking at the 7th Global Editors' Forum titled 'The Politics of Climate Change and Energy Security' in Denmark on October 11, State Minister for Environment Hasan Mahmud had said the government will shut down the factories that will not set up ETPs.

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Bangladesh ranks low in South Asia mobile use

STAR BUSINESS REPORT

Bangladesh's mobile penetration rate stood at 28 percent in 2008 lagging behind war-ravaged Afghanistan's 29 percent in South Asia, according to a regional report.

"Of course, the fact that Afghanistan is ahead of Bangladesh in mobile penetration should cause all sorts of palpitations in government offices in Dhaka," said the report titled 'Telecom Access Rankings in South Asia'.

LIRNEasia posted the report Saturday on its website based on statistics of UN International Telecommunication Union.

LIRNEasia is an ICT policy and regulation think tank active across Asia Pacific.

Bangladesh was one of the earliest in South Asia to adopt mobile and is one of the most densely populated countries in the world.

"How the country was overtaken by Afghanistan, a war-torn country with difficult terrain, should cause serious re-examination of policies such as the Tk 800 SIM (subscriber identity module) tax," the report said.

Pakistan's surge to overtake Sri Lanka has petered out, leaving the Maldives (143

active SIMs/100 people) as the undisputed leader in mobile connectivity and Sri Lanka second with 52 SIMs per 100 people.

Both Pakistan (50/100) and Bhutan (37/100) are ahead of India (29/100) in mobile. "This shows that India cannot afford to let up the pace of 10 million connections a month for some time. If it does, it might be overtaken by Afghanistan (29/100) and even Bangladesh (28/100)," the report said.

On the fixed side, assisted by CDMA (code division multiple access) phones that are counted as fixed, Sri Lanka is the leader (17 connections per 100 people), followed by the Maldives (15 per 100).

In the fixed ranking, Afghanistan is occupying the cellar (0.37/100 people) behind Bangladesh (0.84/100), while Pakistan (2.5/100) is behind Nepal (2.8/100).

India is the only country showing negative growth (-2 percent) in fixed side over the 2003-2008 period.

From 2003 to 2008, the number of active SIMs has increased by over 12 times, while the number of fixed connections has decreased marginally.

The negative growth in India is wiping out all the gains in the rest of South Asia.

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