

## Stocks

DGEN ▲ 1.40%  
3,364.26

CSCX ▲ 0.60%  
7,293.49  
(Week-on-week)

## Asian Markets

MUMBAI ▼ 0.97%  
15,896.28

TOKYO ▲ 1.45%  
10,034.74

SINGAPORE ▲ 0.71%  
2,651.13

SHANGHAI ▲ 1.20%  
2,995.85

(Friday closings)

## Commodities

**Gold** ▲  
\$1,040.00  
(per ounce)

**Oil** ▼  
\$78.11  
(per barrel)  
SOURCE: AFP  
(As of Friday)

## Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at [business@thedailystar.net](mailto:business@thedailystar.net)



A ship built by Ananda Shipyard and Slipways Ltd is seen anchored. The shipbuilder has already exported eight vessels and is expecting more after a brief lull in orders.

## Shipbuilders hope for comeback

SOHEL PARVEZ

Bangladeshi shipbuilders look to better days as Ananda Shipyard and Slipways has recently received signals about a revival of its 'frozen' orders from buyers, the chairman of the company said yesterday.

"It's a relief. We have come out of a big problem. Orders for making four vessels, which were suspended earlier, have been revived recently," said Abdullah Bari, chairman of Ananda, one of the largest shipbuilders in the country.

"We also expect to get a go-ahead to start construction for 10 vessels, whose orders were held up earlier," he told The Daily Star by phone.

Bari's expectation about a possible recovery from troubled times came after his company held discussions with agents of the buyers during the

visit of a German business delegation to Bangladesh last week.

The delegation, comprising representatives from shipping companies, not only raised hopes for Ananda but for other shipbuilders as the mission, especially its leader Peter Clasen, praised skills of local shipbuilders, their openness to adopt modern technology and cost effectiveness.

Bari said Ananda was the victim of global recession that had earlier dried up demands for new ships and prompted cancellation of previously placed orders in shipyards including in Bangladesh.

Ananda fell in trouble after one of its German buyers Wessels Reederei GmbH & Co in May cancelled some \$42 million orders for making four ships of 5,500 DWT (deadweight tonnage) capacities.

Bari said Wessels had placed orders

for making six vessels of about \$65 million.

The shipyard, which has already exported eight vessels, witnessed a holdback in orders for constructing 10 vessels of about \$169 million for German buyers due to financial turmoil.

Referring to the discussions with the buyers during the visit of German delegation, the Ananda Shipyard chairman said the company representatives would visit Germany to finalise issues relating to beginning works for vessels, orders of which were kept on hold.

He blamed recession for a dip in the flow of new orders but expected that more orders from Germany would come in the months ahead as the business delegation found good quality of ships made in Bangladesh.

"We also expect to receive orders for making six new vessels with about

2,000 DWT capacity each," said Bari.

Since 2005, two local shipbuilders -- Ananda and Western Marine Shipyard -- received orders for more than 40 vessels worth about \$600 million from buyers including those from Denmark and Germany.

Md Saiful Islam, chairman of Western Marine Shipyard Ltd, also expected a boost in getting new orders from Germany following the latest visit of the delegation.

"They have shown keen interest in our shipbuilding industry because of our technical know-how, cheap labour and communication skill compared with those in other Asian countries," said Islam.

"If political situation remains stable, we expect to receive orders worth about half a billion dollars within the first quarter of next year," he said.

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## Bangladesh losing edge in tea exports

SHAHIDUL ISLAM, Chittagong

Bangladesh continues to lose edge in tea exports because of increasing domestic consumption that takes up around 90 percent of annual production, a reversal of a two-decade trend.

Once a global competitor to tea giants such as Kenya, India and Sri Lanka, the country saw the export volume coming down to 10 percent in recent years. Total domestic consumption is around 50 million kilograms.

Industry insiders assume that Bangladesh will require tea imports in five to six years if the current pace of internal consumption continues.

The annual tea output remains static for the last 10 years -- between 53 and 56 million kg -- barring 2005 and 2008 when the figures were 60 million and 58 million kg respectively.

Around 56 million kg of tea is also this year's projected production.

Even in a period between 1985 and 1990, Bangladesh used to export up to 90 percent of its total tea and the importers include Pakistan, Afghanistan, former USSR (Union of Soviet Socialist Republics), Iraq, Iran, Jordan, Sudan, Kuwait, Bahrain and the United Arab Emirates.

But domestic tea consumption has increased so much in the last five years and the country exports only five to six million kg. As a result, most previous importing countries lost interest in Bangladeshi tea, exports of which are now confined to Pakistan and Kazakhstan and Uzbekistan.

Other factors that contributed to the present tea sector scenario include low hectare-wise production, lack of development initiatives and replacement of century-old saplings. Some gardens in Moulvibazar and Sylhet region in recent times however showed a remarkable improvement in quality and raising per-



hectare production because of their adherence to pragmatic initiatives, according to the sector people.

Taking the current rate of domestic consumption into consideration, the figure in Bangladesh will stand at 500 gram after five to six years, meaning the country will need to import around 20 million kg of tea to meet internal demand.

Bangladesh is also lagging in hectare-wise production of tea, compared to major tea producing and exporting countries such as Sri Lanka, India, China and Kenya, said Abu Taher, vice-chairman of Tea Traders Association of Bangladesh.

He said the local tea gardens on an average produce 1200 to 1250 kg per hectare, some a maximum of 2500 kg and a few selective ones 3000 kg and more. On the other hand, per hectare production ranges from 3000 to 3500 kg or more in Sri Lanka, India and Kenya.

Arif Rahman Shahin, senior executive of Purba Bangla Brokers Ltd, observed that the country failed to make any great leap in hectare-wise production in the last 62 years since the 1947 partition.

## DSE, investors seek lifting of SEC ban on Arafat trading

SARWAR A CHOWDHURY

The Dhaka Stock Exchange management has requested the market regulator to adjourn a trade suspension order on a brokerage house for 10 days to allow the firm's clients transferring or withdrawing their securities or investment.

"Such adjournment can protect interests of the general investors seeking transfer or withdrawal of their securities or money," the Dhaka bourse said in its letter sent to the Securities and Exchange Commission on October 20 following a plea from some 30 investors who do their share business through Arafat Securities.

Earlier on October 19, the SEC suspended trading of the brokerage house for one month for violating rules. Arafat was found involved in short selling, which is prohibited in Bangladesh's capital market.

Short selling is the sale of securities that are not owned by the seller.

An SEC high official, meanwhile, said the issue will come up for review in its next meeting. He, however, pointed to the SEC probe that detected a gross violation of rules by Arafat Securities.

The 30 investors, anxious about their money invested through Arafat Securities, pleaded for lifting the SEC suspension to enable them to go back to their normal transaction.

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## US consumer spending dips

AFP, Washington

US consumer spending, a critical growth driver, fell for the first time in five months in September, official data showed Friday amid fears the economy may slow just after exiting recession.

Household spending decreased 47.2 billion dollars or 0.5 percent last month, as expected by most economists, following a revised 1.4 percent jump in August, the Commerce Department said. It was the biggest drop since December 2008.

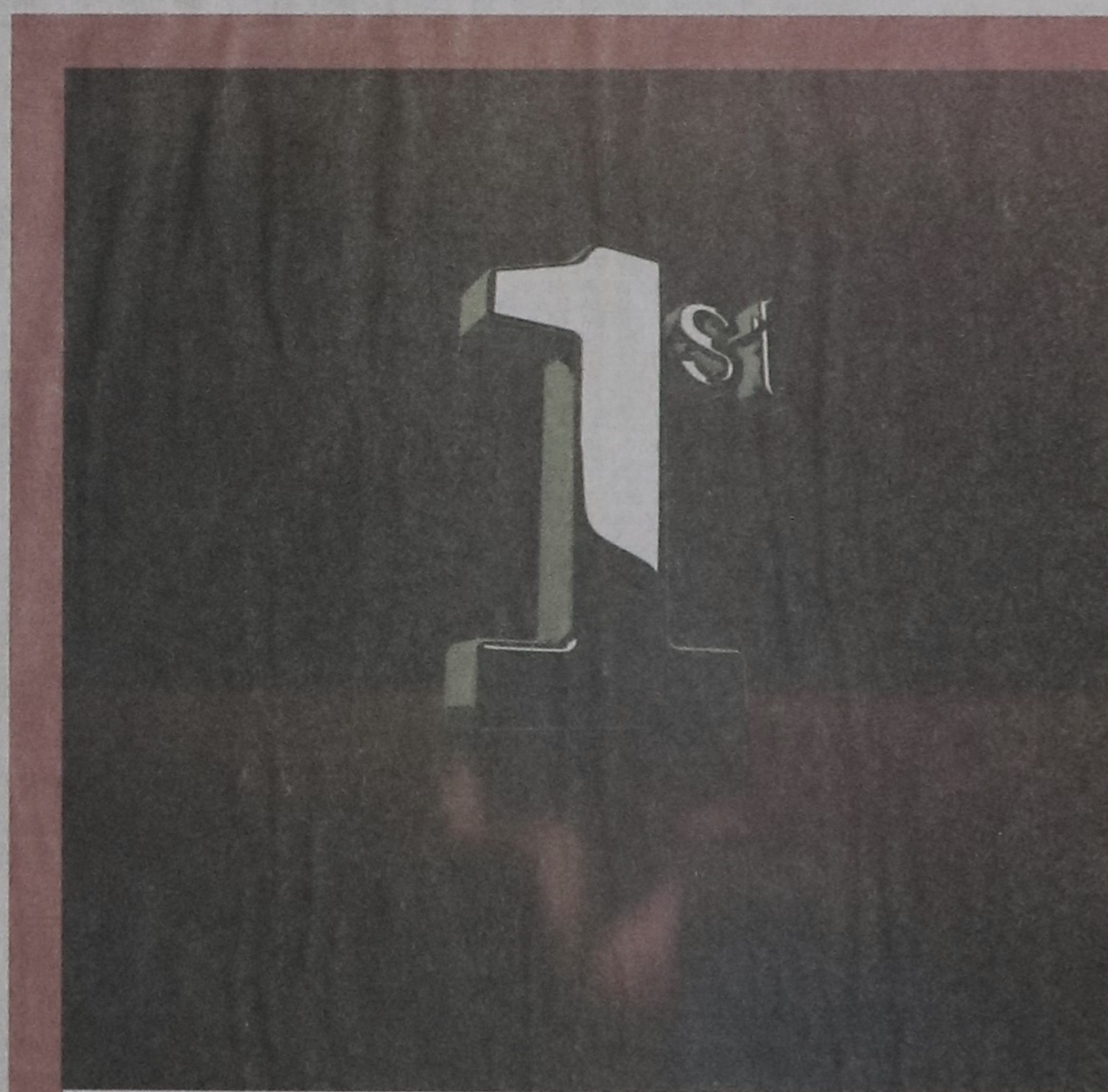


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