Yarn price hike rattles knitwear exporters

STAR BUSINESS REPORT

Knitwear exporters yesterday expressed concern that they will lose competitiveness on the international markets for an unusual price hike of yarn.

They demanded that the government form a monitoring cell soon to check any inconsistency in the price hike of yarn and raw cotton.

Yarn producers are doing brisk business, taking the opportunity of high price of raw cotton and the Indian ban on export of cotton, said Fazlul Hoque, president of Bangladesh Knitwear Manufacturers and Exporters' Association, at a press conference in Dhaka.

He said the manufacturers were selling 30-count yarn at $4.20 per kilogram, up from $3.60 per kg 15 days ago.

"The current prices of yarn are abnormal. We will fail to compete with other countries if such prices continue," he said.

Hoque said the prices of raw cotton on the international markets increased by seven cents over the last 15 days, but the local yarn manufacturers have increased the yarn prices manifold. The price of raw cotton was quoted at 86.08 cents per pound on the international market yesterday, he added.

"The difference of yarn price between India and Bangladesh is 60 cents now."

Hoque said the abnormal price hike of yarn -- in an excuse of a price rise of raw cotton on the international markets and the ban on export of raw cotton by India -- is unacceptable.

STAR

Mark Maipakai, labour and industrial relations minister for Papua New Guinea, poses for photographs at a meeting with some local businessmen in Dhaka recently. The minister came here to explore the concept of developing a trade house in Bangladesh to facilitate bilateral trade between the two countries.

NBR stresses transparency in CSR

STAR BUSINESS DESK

The government is eager to promote corporate social responsibility (CSR) through tax incentives but transparency and accountability of the activities have to be maintained, said National Board of Revenue Chairman Nasiruddin Ahmed yesterday.

He was speaking at a meeting with Management and Resources Development Initiative (MRDI) on expanding policy support to CSR in terms of scope, areas and potentials of it in fostering social development.

Ahmed highly appreciated the CSR advocacy initiatives of MRDI.

Referring to the tax exemption offered by the government, the discussants stressed proper monitoring of fair and proper use of the rebate by the corporate sector.

Earlier, the MRDI team proposed that the government introduce a system of inviting corporate sector to submit their annual CSR plan and apply for tax rebate. A committee will review the applications and recommend for tax rebates, it suggested.

Another proposal put forward by the team was inclusion of specific activities on population programme, bio-diversity and climate change in the NBR's list of tax exemption on CSR.

The meeting decided that NBR and MRDI will discuss further to clarify the CSR issue to the corporate sector, expand the scope and area of CSR interventions and make the qualifying conditions easier.

Among others, NBR members Jahan Ara Siddiqui, Syed Aminul Karim and Aminur Rahman, Editor of The Financial Express Moazzem Hossain, Director (Governance) of Manusher Jonno Foundation Farzana Naim, Deputy Editor of The Daily Star Inam Ahmed, Executive Director of MRDI Hasibur Rahman, External Relations Head of World Food Programme M Emamul Haque and Adviser Planning of MRDI Md Shahid Hossain were present during the meeting.

ROBI

Bidyut Kumar Basu, chief marketing officer of Robi, cuts a cake at the inauguration of the mobile phone operator's new customer care centre, Robi Sheba, at Paltan in Dhaka on Thursday.

Demand for duty-free access to US gets boost

BSS, Dhaka

Bangladesh has built a deserving case for consideration of duty-free access for its products to the US market.

This assurance came from US Congressmen Jim McDermott and Keith Ellison at meetings with Bangladesh Ambassador to the US Akramul Qader on Friday.

McDermott mentioned his brief stopover in Bangladesh during his recent visit to the region and said he would visit Bangladesh again.

Commerce Secretary Golam Hossain, leader of the Bangladesh business delegation, briefed McDermott on the steps taken by the government to ensure compliance with labour rights and standards on trade issues.

He also spelled out the government's readiness to consider any suggestion, according to a message received here yesterday.

Executive Director of the Centre for Policy Dialogue Mustafizur Rahman elaborated on Bangladesh's continued economic growth and reasonable rate of inflation. He also requested the US Congressman for quick passage of the NPTDA (New Partnership for Trade Development Act 2009).

NPTDA aims to put more fairness in US preference programmes by creating a new model that extends duty-free, quota-free preferences, as well as encouraging trade and capacity building among least developed countries.

It has been designed to simplify and extend the generalised system of preferences by instituting a new single rule of origin and reviewing the current GSP statutory exclusions that were first established in 1974.

Second Vice President of Bangladesh Garment Manufacturers and Exporters Association Shafiqul Islam briefed the US Congressman on the current status of Bangladesh's RMG industry.

Managing Director of Bangladesh Export Processing Zones Authority Azizur Rahman highlighted the better working conditions prevailing in the EPZs.

McDermott expressed his keenness to see further progress so that US Congress could have a favourable consideration of the NPTDA.

McDermott assured the Bangladesh delegation of his efforts for the passage of NPTDA and hoped Bangladesh would get its share of benefits when the law is in place.

McDermott sponsored the bill in the Congress and has now been working for its passage.

Chittagong port ready to open up to neighbours

Says CPA chairman

STAFF CORRESPONDENT, Chittagong

Chittagong port is ready to carry out the government's decision to open it to neighbouring countries, said Chittagong Port Authority Chairman RU Ahmed yesterday.

To enhance the port's dynamism and efficiency, various development projects are now under implementation, the CPA chief added.

He was speaking at a ceremony on the port's 123rd founding anniversary at the Chittagong Port Training Institute auditorium.

Focusing on the port's performances, he said the port handled a record number of container and cargo in 2009 when the number of vessels reported at the port was also a record.

During the period, the port handled 11,61,470 TEUs (Twenty Equivalent Units) of containers, up from 10,69,999 TEUs the previous year, and 3,48,44,574 tonnes of cargos against 2,81,97,569 tonnes in 2008.

Two thousand one hundred and sixty seven vessels reported at the port in 2009. The numbers were 2,099 and 1,945 in the past two years.

CPA also succeeded in bringing down the container dwell time (average stay time of container) to 16.68 days from 18.28 days and 22.92 days in 2008 and 2007 respectively and sustained the ship turnaround time at 2.48 days from 5.02 days in 2007, the port authority chairman said.

However, the volume of export and import container handled at the inland container depot (ICD) in Dhaka decreased to 63,780 TEUs from 82,454 TEUs in 2008 and 80,714 in 2007.

Chittagong port earned Tk 1133.72 crore in 2008-09 fiscal year in revenues that were Tk 1057.04 crore in 2007-08 and Tk 830.02 crore in 2006-07.

"We had a revenue surplus of Tk 464.41 crore after paying Tk 273.56 crore in taxes," RU Ahmed said.

Giving details on ongoing projects, he said installation of container terminal management system (CTMS) and MIS, which aims at computerising container terminal operation at the port, is expected to complete by the year-end.

"Sixty percent of the projects has already been done."

If CTMS is implemented, electronic or automation system will replace the paper-based documentation and increase the port's efficiency by several times, RU Ahmed added.

To enhance handling activities, an agreement was signed to procure 16 handling equipment. Some of the equipment, including six straddle carriers, five reach stackers and five forklifts, are expected to reach the port in a month or two, Ahmed further said.

"CPA has got approval of the cabinet purchase committee to engage contractors to develop backward facilities behind the berth number four and five to ensure utmost use of New Mooring container terminal."

Tender has been floated for pre-qualification bidding to appoint a contractor for the much awaited capital dredging and bank protection project, he added.

Replying to a query of a journalist the CPA chairman also said tender processing might be completed by May or June to procure a floating crane with a capacity ranging from 400 tonnes to 600 tonnes by the middle of next year.

Regarding steps to strengthen security, he said a two-stage gate was set up and opened on December 19 last year as part of introducing digital system in maintaining security.

2.6 tonnes sugar seized at Mongla Port

STAFF CORRESPONDENT, Khulna

Mongla Port has recovered 2.6 tonnes of sugar, imported under false declaration, from a fertiliser-laden foreign ship.

The intelligence wing of the port customs seized the sugar in 52 bags -- each containing 50 kilograms -- on Tuesday.

The Vietnamese ship, MV Sturdy Falcon, arrived at Mongla port on April 16, carrying TSP fertiliser imported from Thailand by state-owned Bangladesh Chemical Industries Corporation.

India's Reliance announces net profit up 30pc

AFP, Mumbai

India's largest private sector firm, Reliance Industries, said Friday its sales more than doubled but net profit rose only 30 percent in the quarter to March due to pressure on its refining margins.

The oil and gas giant said net profit was 47.10 billion rupees (1.02 billion dollars) for the three months ended March, from 36.2 billion rupees a year ago, while turnover jumped 125 percent to 602 billion rupees.

Analysts expected Reliance's quarterly profit to reach nearly 49 billion rupees, but lower-than-expected refining margins hit performance.

MARICO

Rishi Pardal, managing director of Marico Bangladesh Ltd, launches Saffola Gold, a special blended vegetable oil, at a ceremony at Radisson Water Garden Hotel in Dhaka on Friday. Soumendra S Das, head of marketing, and Kunal Gupta, head of sales of Marico Bangladesh, are also seen. (Story on B1)

US, Europe struggle to impose bank tax plan

AFP, Washington

Americans and Europeans failed Friday to convince G20 partners to approve a financial sector tax aimed at reimbursing bail-outs of banks that sparked the global economic crisis.

The initiative was first floated in November at a meeting of finance ministers from 20 leading developed and developing countries in Saint Andrews, Scotland, but sparked dissension at their latest meeting in Washington.

A G20 statement called on the International Monetary Fund to continue work on the issue ahead of a G20 summit scheduled in June in Toronto.

The IMF presented finance ministers and central bankers with a report that proposed two taxes, one on each financial institution according to its level of assets, risky ones in particular, and another on profits and pay.

Fund experts said the taxes must be coherent among all G20 members to prevent banks from avoiding them by moving operations to countries where the levies were not applied.

But one of the meeting's hosts, Canada, led opposition to the idea, refusing to impose a charge on institutions that made it through the financial crisis relatively unscathed.

"Some countries are in favour of that, some countries quite clearly are not," said Canadian Finance Minister Jim Flaherty, who declared his own opposition to the idea.

He received backing from Brazilian counterpart Guido Mantega, who said: "I would prefer to curb risk by demanding that banks maintain higher reserves.

"The crisis did not originate in our financial systems," Mantega noted.

Their arguments were opposed by four major countries that support a financial sector tax: Britain, France, Germany and the United States.

"We explained to the Canadians that although the risk did not materialize this time, it could the next time around," French Finance Minister Christine Lagarde said.

EBL

Md Musa, executive vice president and area head of consumer banking of Eastern Bank Limited, inaugurates the bank's 56th ATM booth on Baily Road in Dhaka recently.