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TOKYO	▲ 0.52% 9,585.32
SINGAPORE	▲ 0.69% 2,917.17
SHANGHAI	▲ 2.31% 2,470.92 (Friday closings)
Commodities	
Gold	▲ \$1,208.75 (per ounce)
Oil	▲ \$75.87 (per barrel) (As of Friday)

SOURCE: AFP

Frozen food exports hit rough patch

SOHEL PARVEZ

Frozen food exports have suffered a downturn for a second year as the industry still bears the brunt of global recession that dampened demand and prices.

A six-month voluntary ban on prawn exports to Europe and the rampage of cyclone Aila through farming areas weighed on frozen food shipments, exporters said.

In the 11 months to May, frozen food exports slumped 9.61 percent to \$381.18 million from the same period a year ago, Export Promotion Bureau data shows.

"The recession is over, but not its sequel. Prices fell last year after demand declined in the West," said Masudur Rahman, director of Fresh Foods Ltd that fetches nearly \$40 million in exports a year.

In fiscal 2008-09, frozen food exports plummeted 14.89 percent to \$454.53 million from the previous year after recession cut into demand for the food item. The latest data indicates further deterioration of the sector's export performance.

Rahman said demand for shrimp and prawn that account for about 85 percent of the frozen foods sector's export earnings is yet to fully recover, although the global economy returns from downturn.

The slide in a sector that provides more than 900,000 jobs continues at a time when exporters face various non-tariff barriers on health and safety standards from Europe, one of the main export destinations.

Recently, a certification requirement from buyers on crystal violet (dye) has left nearly 200 containers of



frozen foods stranded at different ports in Europe.

In line with new rules, exporters will have to make sure that fishes contain crystal violet less than 0.5 parts per billion.

The exporters expect that the problem will ease soon as the government has started issuing certificates.

In June last year, Bangladesh imposed a six-month voluntary ban on prawn exports to the Eurozone after more than 50 consignments to the region had been cancelled due to the detection of nitrofurans, a health hazardous antibiotic. Prawn exports to Europe resumed in January.

But processors said the self-imposed ban hurt exports earnings in fiscal 2009-10.

"Production still remains lower. We cannot meet specific demand from

foreign buyers as the supply is slow," said Khan Habibur Rahman, senior executive director of Lockpur Group that earns nearly \$71 million (about Tk 500 crore) a year.

But large shrimps (up to 20-25 pieces per pound) are in high demand, and exporters said the production of such shrimps is 40 percent of the annual domestic output.

"The prices of smaller shrimps (from 26-100 pieces a pound) are low because of increased availability of vannamei from other countries," said Rahman of Fresh Foods.

But Maqsudur Rahman, vice president of Bangladesh Frozen Foods Exporters Association, expected that the industry would recover from the downturn in a year.

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Deal on 100MW rental plant in Keraniganj

STAR BUSINESS DESK

Power Development Board (PDB) has signed a deal with a private company to set up a 100 megawatts quick rental power plant in a bid to ease the energy crisis.

Under the deal, Powerpac and Malaysian company Mutiara will build the plant in Keraniganj in a joint effort.

The furnace oil-run plant will come into production in nine months, PowerPac said in a statement yesterday.

PDB Secretary Azizul Islam and PowerPac Chairman Rick Haque Shikder signed the deal on Thursday.

The government will buy power from Powerpac-Mutiara Keraniganj Power Plant Ltd at Tk 7.78 a unit.

The cabinet committee on public purchase approved the company's proposal on May 26.

According to the government's fast-track plan, contracts of rental plants will be awarded to qualified firms without tender.

The government aims to add 1,220 megawatts of power by year-end under the plan.

The government accepted proposals from 12 companies. A high-powered committee deals with the quick rental power proposals. The committee includes representatives from PDB, the National Board of Revenue, law ministry, power ministry and the Prime Minister's Office.

Rahimafrooz exports \$5.5m car batteries

SAYEDA AKTER

Rahimafrooz Globatt Ltd exported 1.75 lakh pieces of car batteries worth \$5.5 million during October-June last fiscal year.

The company is a flagship project under Rahimafrooz's global expansion plan.

The batteries, which will be free of maintenance costs, were exported to 12 countries, including all Saarc nations except Pakistan. The other countries are Singapore, Kuwait, Qatar, United Arab Emirates, Tanzania, Angola and Namibia.

In addition, Globatt plans to export one million pieces of batteries to the Australian and European market this fiscal (2010-11).

"This was the first-ever initiative of the company's global expansion plan. And we have been producing batteries that are designed specially for the markets of developed nations, including US, Europe, Korea, Australia," said Munawar Misbah Moin, the company's managing director.

"We've started exporting from October, and initially, we've received huge responses from our clients in 12 countries," he said.

Rahimafrooz has doubled its annual automotive battery production capacity to reach 25 lakh units, Moin said, adding that the establishment of a world class manufacturing plant is part of the company's global strategic plan.

The Tk 110 crore project situated in Ishwardi EPZ, which is using the latest technology including business software solution applications and services, went into production in May, 2009.

The project received the country's first-ever equity investment from Frontier Fund, a local partner of Brummer and Partners, Sweden's largest hedge fund manager, in January, 2009.

Rahimafrooz is the pioneer in producing industrial batteries, solar power and IPS (instant power system) in the country.

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BKMEA polls today

STAR BUSINESS REPORT

Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) goes to the polls today.

The election for 27 directors for 2010-12 will be held from 9am to 4pm without a break in Dhaka and Narayanganj.

Forty-four candidates will vie for the election from two panels. A total of 511 voters, including 332 from Narayanganj, will cast their votes.

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