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	Buy Tk	Sell Tk
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EUR	86.28	90.34
GBP	103.68	108.02
JPY	0.76	0.82

SOURCE: STANDARD CHARTERED BANK

Commodities	
Gold	▼ \$1,212.00 (per ounce)
Oil	▲ \$77.44 (per barrel)

SOURCE: AFP (Midday Trade)

Power loom workers strike in Narsingdi

STAFF CORRESPONDENT, Narsingdi

Some 10,000 power looms remained closed yesterday in Narsingdi after workers went on strike for a wage increment, bonus and job regularisation.

The protesters who pressed a 13-point demand paraded through streets in Narsingdi. They led a procession from Tarowa to Shapla Chhatter in the district town. The demonstration was wrapped up with a small meeting.

Narsingdi Textile Workers' Federation President Abdur Rahman spoke at the meeting.

The speakers urged textile mill owners to accept their demands and threatened to continue the strike for an indefinite period if the demand remains unmet.

On the other hand, President of Narsingdi Power Loom Owners Association AK Fazlul Hoque said the power loom owners are counting losses because of rising yarn prices.

Hoque alleged that a vested quarter had instigated the workers to continue the strike.

He asked the workers to withdraw the strike immediately so that the demands could be met in discussion with the mill owners.

M&S faces down protest over executive pay

REUTERS, London

British retailer Marks & Spencer comfortably saw off protests at its annual shareholder meeting over the 15-million-pound (\$22.8 million) pay package awarded to new chief executive Marc Bolland.

Britain's biggest clothing retailer, which also sells homewares and food, said on Wednesday its executive pay report was endorsed by 83.8 percent of voting shareholders, with 7.9 percent opposing and 8.3 percent abstaining.

Dhaka, Kathmandu put transit deal on course

Bangladesh and Nepal finalise modalities

STAR BUSINESS REPORT

Bangladesh and Nepal have finalised the modalities of putting a decades-old transit agreement into operation.

The governments have to ratify the modalities to allow Nepal to use Bangladesh's Mongla Port, which is more convenient for the South Asian neighbour than the Kolkata Port it uses now for shipments.

Nepal will not have to pay any entry or transit fee for the facilities in line with the agreement of 1976.

But Bangladesh will receive other fees and charges, including carrying costs, port charges and labour wages.

The transit route for Nepalese cargo will meander through Banglabandh-Panchagarh-Thakurgaon-Syedpur-Rangpur-Bogra-Natore-Dhahuria-Pakshi-Kushitia-Jhenidah-Jessore-Khulna-Mongla.

The latest development came at a meeting of the commerce secretaries of both countries at the commerce ministry in Dhaka.

Commerce Secretary Md Ghulam Hussain and his Nepalese counterpart Purushottam Ojha led their delegations to the two-day talks that concluded yesterday. The last such meeting between the two was held in 2007.

Other major issues discussed at the meeting were tariff references, the Dhaka-Kathmandu bus service, harmonisation of the sanitary and phytosanitary measures, technical barriers to trade

KEY FACTS	
● Bangladesh and Nepal signed a transit deal in 1976	
● Modalities finalised in 2010 now need approval from governments	
● Route identified for Nepalese cargo: Banglabandh-Panchagarh-Thakurgaon-Syedpur-Rangpur-Bogra-Natore-Dhahuria-Pakshi-Kushitia-Jhenidah-Jessore-Khulna-Mongla	
● Bangladesh will have to sign a separate deal with India on modalities for its entry to Nepal	
● Bangladesh asked Nepal to reduce duties on 184 products. Nepal pressed for 146	
● Direct bus service between Dhaka and Kathmandu to be discussed further	
● Visa barriers to be removed for nationals of both countries	
● Next commerce secretary-level meeting will be in Kathmandu in March 2011	

and on-arrival visa for the Nepalese.

Leaders of the negotiation teams briefed journalists on the meeting developments.

"It is a goodwill gesture of Bangladesh to one of its tested friends (Nepal)," Hussain said, on allowing Nepal a fee-less transit facility. "Nepal was a true friend to us during the liberation war. It is also a landlocked poor country."

"The 1976 transit agreement

with Nepal doesn't allow Bangladesh to charge fees."

But Bangladesh will get all other fees and charges that it is entitled to, he added.

In response to a query, Hussain said Nepal would not invest in developing the road infrastructure it will use in Bangladesh.

On whether or not Bangladeshi trucks could enter Nepal, the secretary said Bangladesh and India will have to agree on separate

modalities as the trucks have to pass through the Indian territory.

Ojha said the move would help reduce transportation costs of exports and imports.

"It will also help the region become economically integrated."

Other issues, such as driving licences for Nepalese trucks and sealing of goods, will be finalised before February next, when the commerce secretaries would sit in Kathmandu.

Bangladesh asked Nepal to import more from Bangladesh to reduce the trade gap that favours Nepal.

"Tariff reduction is the best way to increase business between the countries," Hussain said, adding that they have placed a list of 184 products to Nepal for duty reduction against 146 by Nepal.

A joint secretary-level meeting between the two countries would settle the tariff issues by December, he said.

On Nepal's demands to build cold storages on Bangladesh's side to preserve perishable goods, Hussain said it is not feasible as Nepal is exporting, and not Bangladesh.

Launching direct bus services between the capitals has not been finalised yet, he said.

Both sides have agreed to promote tourism between them.

Nepal's exports and imports were nearly \$1 billion and \$4.5 billion last year. Bangladesh's export to Nepal was \$8 million, against imports of nearly \$70 million last year.

Soaring yarn prices hit Tangail weavers

OUR CORRESPONDENT, Tangail

Rising yarn prices frustrate weavers in Tangail, as they can hardly make profit from sales amid soaring production costs.

On average, the prices of a bundle (40 bundles=1 bale) of different counts of yarn have increased by Tk300 to Tk600, and pushed up the production costs of such items as sari.

"The price of a bale has gone up by Tk 10,000 to Tk 20,000 in a month after the national budget for fiscal 2010-11 was announced," said Mohammad Solaiman, general secretary of Kalihati Upazila Yarn Merchants Association.

Also, the prices of other raw materials such as dye, chemical, paper and barley are increasing by the week, he said.

Hekmat Ali, a weaver at Balla Paschimpara in Kalihati upazila, said he had to keep his small handloom factory closed because of losses. Six workers of the factory also lost their jobs.

Not only the workers at Ali's factory, but many at Kalihati, Delduar and Sadar upazilas have now become unemployed.

Zinnat Ali, president of Ward 2 Balla Weavers Association, said hundreds of handlooms are lying idle in Kalihati due to the recent abnormal price hike of yarn. "I have already sold all my eight handlooms."

According to officials of Tangail Sadar and Kalihati Basic Centres of Bangladesh Tant Board, there are 37,222 handlooms in 10,000 small and big handloom factories and over 70,000 weavers are working under the Basic Centres at several upazilas in the district. Of those, 18,573 handlooms in 3,000 factories are at Balla, Rampur, Mominagar, Darikhashila, Kurail, Kazibari, Kamanna,



Weaver Zinnat Ali looks at the machinery of his closed handloom factory at Rampur in Kalihati upazila under Tangail. Frustration grips weavers in the district as yarn prices are spiralling by the day.

Singair and Behalabari villages under Balla union at Kalihati upazila, where about 20,000 weavers including handloom owners are working.

The weavers in the district make famous Tangail saris, including Benarashi and Jamdani. The saris are sold across Bangladesh, especially at several regular weekly markets, and exported, mainly to India.

However, weavers in the district said they are incurring losses as sari prices have not increased at the same rate.

In 1990, there were over 120,000 handlooms and 2 lakh weavers in the districts, including Sadar, Delduar, Kalihati, Nagarpur, Basail and Mirzapur upazilas, said Mufakharul Islam, vice president of Tangail Central Cooperative Artisan Society Ltd and president

of Kalihati Upazila Handloom Owners' Association.

At present only a third of the handlooms remain in the district and the rest shut down operations in the last few years due to a rapid increase in the cost of production, he said. "Many of the efficient weavers have already gone to India."

On the poor condition of the local weavers, Mohammad Asaduzzaman, liaison officer of Balla Basic Centre under Bangladesh Tant Board, told The Daily Star that they have nothing much to do as the mill agents of Narayanganj mainly control yarn prices.

"It's surprising to see that yarn prices can increase by Tk 4,000 to Tk 5,000 in a week," said Abu Aiyub, president of Balla Bazar Business-

men Association.

"The government should sincerely take care of the weaving industry, otherwise, it will be destroyed completely," he added.

The weavers in the district said Prime Minister Sheikh Hasina in an election meeting in Tangail, before the last parliament election, had pledged to make Tangail a "Tant Nagari" (handloom town).

Although the prime minister took a lawmaker from the district as the textile minister, nothing much has improved so far.

The weavers in Kalihati said they held agitation programmes at Balla recently to draw the attention of the local lawmakers and Jute and Textile Minister Abdul Latif Siddique to the sorry state of the weaving industry and weavers in the area.

Deals on 100MW rental power

PDB teams up with Bangladesh Army company, Sinha Power

STAR BUSINESS REPORT

Power Development Board (PDB) yesterday signed agreements with two quick rental power companies to purchase 100 megawatts (MW) of electricity for the national grid.

DPA Power Generation International Ltd, a newly formed company of the Bangladesh Army, will set up a 50MW diesel-run power plant at Pagla Army Camp in Narayanganj district within the next four months.

Sinha Power Generation Company Ltd, a concern of Sinha Group, will set up a 50MW furnace oil-based power plant near Amnura Railway Station in Chapainawabganj district.

Sinha Power will join the national grid within the next nine months.

The PDB will purchase power from DPA at Tk 13.96 per unit (kilowatt-hour) for the next three years, and from Sinha Power at Tk 7.77, according to the agreements.

DPA Power Generation International is a joint initiative of the Army-run Bangladesh Diesel Plant, Primordial Energy Ltd and Germany-based Aggretech AG.

Mamun Haider, executive director of Sinha Power Generation Company, Col Mohammad Ali, managing director of Bangladesh Diesel Plant, and Azizul Islam, secretary of the PDB, signed the agreements at PDB office in Dhaka.

Abul Kalam Azad, secretary to the Power Division of the Ministry of Power, Energy and Mineral Resources, said the two companies will supply power to the national grid for the next three years.

He said the government has already completed agreement signing with different companies for purchasing 1,117MW of electricity under its 1,200MW power purchase plan from the quick rental power plants.

"At least 75MW of electricity has already been added in the national grid from the quick rental power plants. I hope another 100MW will come within August 15," he said.

PDB Chairman ASM Alamgir Kabir said the government had a plan to sign 13 agreements with different rental power companies.

"We have already signed 11 such agreements, and the rest will be complete within the next two to four days," he said.

Lt Gen Iqbal Karim Bhuiyan, chairman of Bangladesh Diesel Plant Ltd, said the Pagla plant is the first of its kind for the army. "We will purchase modern equipment for setting up the plant," he said.

Govt moves to calm chick prices

SOHEL PARVEZ

The government has asked poultry breeders to charge Tk 30 as the retail price for a day-old broiler chick and Tk 32 for layer chick amid demand from poultry farmers to cut down the existing high prices.

The government also made it mandatory for the poultry breeders to quote the prices on the boxes of the chicks.

Now a broiler chick sells at Tk 50-Tk 55 and a layer chick at Tk 25-Tk 30.

However, the poultry breeders, who are yet to abide by the instruction that came on Sunday, said the directive was issued unilaterally and without their consent.

Sunil Chandra Gain, director general of Department of Livestock Services (DLS), said the DLS issued the directive, observing that the prices did not come down in line with the promises made earlier by the breeders.

"We held a meeting couple of months ago with the poultry sector stakeholders. At the meeting, the breeders promised to bring down the prices. But they didn't. That's why we have issued the directive," he said.

The DLS instruction came at a time when the farmers in some parts of the country have started agitation against the high prices of the chicks.

Recently, a group of poultry farm owners at Laxmipur burnt broiler chicks of a Bhola-bound truck of Usha Poultry, a concern of Paragon Group.

The government earlier formed a 16-member committee involving the sector stakeholders including farmers and breeders to ensure a reasonable price of the chicks.

The committee later recommended the prices at Tk 30 and 32, said Gain.

"On the basis of the data we have collected from hatcheries and other organisations, we have estimated that breeding cost for a day-old chick stands at Tk 25-Tk 26," he said.

Earlier the prices went up to Tk 70.

"We want them to make marginal profit instead of unusual profit. Why will they take around 200 percent profit for a day old chick?" said Gain.

The breeders said they are now charging Tk 50-Tk 55 for a day-old broiler chick as demand still remains high, while higher supply of layer chick has brought down its price to Tk 25-Tk 30.

"It's because of a demand-supply gap," said Moshir Rahman, adviser of Breeders Association of Bangladesh.

He said the government has set the prices based on the costing of five years ago.

"Our production cost has increased due to a hike in feed, vaccine and medicine prices," said Rahman, claiming that the average cost of hatching a broiler chick is around Tk 40 and of a layer chick is Tk 45.

He said the hatchery owners have appealed to the government to review the decision.

"We have objections with the prices. The committee, which has fixed the prices, has no jurisdiction to determine the prices (of day-old chicks)," said Kazi Zahedul Hasan, president of Breeders' Association of Bangladesh.

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