



Stocks

DGEN ▼ 1.91%
6,309.44

CSCX ▲ 0.58%
11,974.27
(Week-on-week)

Asian Markets

MUMBAI ▲ 0.26%
17,955.92

TOKYO ▼ 2.86%
9,408.36

SINGAPORE ▲ 0.17%
2,948.69

SHANGHAI ▼ 0.03%
2,424.27
(Friday closings)

Commodities

Gold ▼ \$1,209.00
(per ounce)

Oil ▼ \$76.38
(per barrel)
SOURCE: AFP (As of Friday)

First solar irrigation project launched

STAFF CORRESPONDENT, Patuakhali

Central Bank Governor Atiur Rahman yesterday opened the country's first solar energy-based irrigation project in Kumarkhali village in Barguna.

The project, powered by 48 solar panels, will be able to lift eight lakh litres of water a day. It was set up at a cost of Tk 38 lakh.

"The water will help bring 40 acres of land under cultivation benefiting 83 families," said Golam Mostafa, executive director of Rural Development Forum that implemented the project.

The project was brought to light with financial help from Mutual Trust Bank and technical support from Rahimafrooz.

Bangladesh Bank Deputy Governor Murshid Kuli Khan was present at the inauguration.

Yarn prices spiral up

REFAYET ULLAH MIRDHA

Yarn prices have spiralled back up, marking a rise of around 6 percent in a week on the back of a cotton price hike, industry insiders said.

The widely consumed 30-count yarn, used for knitwear products, was selling at \$3.70-\$3.75 per kg yesterday. The price was \$3.50-\$3.55 per kg a week ago, they said.

The yarn price hit a record high in May this year when the 30-count yarn was selling at \$4.50 per kg due to a shortfall in yarn supply and the price hike of cotton in the international market.

A yarn trader in Pabna said yesterday that 80-count yarn was selling at Tk 17,000-Tk 19,000 per 100 pounds. The rate was Tk 16,000-Tk 17,500 a month ago.

The trader also said 60-count yarn was selling at Tk 15,000-Tk 18,000 per 100-pound, up from Tk 15,000-Tk 16,000 a month ago.

The upward trend in yarn prices will hamper export growth, said the outgoing president of Bangladesh Knitwear Manufacturers and Exporters Association, Fazlul Hoque.

"We can hardly make any profit



A worker stacks bobbins of yarn at a factory in Gazipur. An increase in yarn prices reflects an adverse effect on the export growth of apparel items.

AMRAN HOSSAIN

when the prices of yarn go up." The garment industries suffer from a production shortfall due to acute gas and power crises, he added.

"It's time for a rebound in exports as the largest apparel supply country, China, is losing its international buyers to Bangladesh. The higher prices of yarn will hamper export growth."

Abdul Hai Sarker, president of

Bangladesh Textile Mills Association, said the yarn price started rising because of a poor supply of the item. "Also spinning mills can't utilise their full production capacity due to power and gas crises."

The prices of cotton increased in the international market over the last few months, he said.

Cotton now sells at \$1.01 per pound in the local market, while the

price was 60 cents a few months ago.

"But, the yarn market is still stable compared with the previous higher prices."

He said import of raw cotton from India is yet to resume officially. The Indian government imposed a ban on export of raw cotton in April 21.

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Difference of opinion on industrial policy

REJAUL KARIM BYRON

The Finance Division has differed with a proposed industrial policy on different aspects, including privatisation.

The policy said a committee would be formed to decide on what to be done regarding the closed industrial units. However, no initiative will be taken for new project or reviving the old ones without settling the dues.

In line with the new policy, state-owned industrial units, if necessary, will be turned into corporate organisations or public limited companies to ensure their efficient management.

But the Finance Division has recommended dropping the proposal off the policy.

This is part of a series of recommendations the Finance Division made in its written reaction to the industrial policy.

Another major difference is, the

industrial policy underscores attempts to turn loss-making public organisations into profitable ones before privatisation. But the Finance Division thinks there is no need for this. It says alternative employment for the existing manpower should be ensured before privatising any state organisation.

A Finance Division official said there is no need for efforts to turn the closed or loss-making industries into profitable ventures, because such attempts would mean a further waste of public funds.

The proposed policy suggested division of sick industries in two categories. It also said initiative should be taken to reopen the industries, which have some prospects, and the rest should be excluded from the industrial sector.

But the Finance Division opposed taking any initiative to revive some industries.

The Finance Division official said the industries that have been sick for the last 15 years or more have no

possibility of becoming viable. If those are given any facility, they will only take the benefits and become sick again, the official said.

The proposed policy said steps will be taken to revive all types of state-owned jute mills, but the Finance Division suggested favouring the mills that are now in operations.

The proposed industrial policy recommended taking a package programme to rehabilitate the industries that have gone bankrupt, while the Finance Division suggested roles of the banking sector.

The existing tax break facility can continue in future depending on the area, according to the proposed policy. But the Finance Division said the facility should continue for a specific period.

The proposed policy said if the National Board of Revenue does not give its decision to the applicants for getting tax holiday benefit within 45 days of receipt of such application, it would be considered as granted. No application can be rejected

without hearing the applicant. The Finance Division suggested the whole provision go.

The proposed policy also said export earnings from cottage industries and jute goods would be 100 percent tax-free till June 30, 2015. But the Finance Division suggested dropping the provision and said it would be right to continue the scope given in the present income tax act for the sector.

An official of the industries ministry said they have recently sent the draft industrial policy to the Cabinet Committee on Economic Affairs for approval, incorporating some recommendations of the Finance Division.

After discussion in the committee, the proposed policy will be finalised.

However, officials said finalisation of the industrial policy was delayed because of the privatisation policy. The initiative to formulate the industrial policy was taken in 2008.

Micromax makes Bangladesh debut

STAR BUSINESS DESK

Indian handset maker Micromax has set foot in Bangladesh by launching a series of mobile sets.

Reach Distribution Ltd, a sister concern of Giant Group in Bangladesh, will distribute the handsets through more than 2,500 sales outlets.

Micromax launched 12 models -- nine GSM and three CDMA -- priced between Tk 2,000 and Tk 16,000, the company said in a statement yesterday.

The phone models will include feature-rich mobile phones, ranging from 30-day battery backup, dual SIM, QWERTY chat-phones, music-touch phones, lifestyle phones to utility phones.

Micromax already has a presence in Hong Kong, US, Dubai, Nepal and Sri

Lanka. "We have been keenly observing the Bangladesh telecom market for the tremendous growth it has undertaken over last few years. We are sure that wireless communication has a great future in the country," said Vikas Jain, business director of Micromax Informatics Ltd.

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