

# Businessmen stress export-friendly budget

**They say right policy can help earn more foreign currency**

**STAR BUSINESS REPORT**

The upcoming national budget should help solve the key problems of local export-oriented industries to boost the country's overseas sales, exporters said yesterday.

Exports grew over 40 percent in the first 10 months of the current fiscal year, fetching \$18.24 billion against the \$14.88 billion target. Exporters say they could earn more foreign currency.

"The exports could reach \$50 billion in next three years if we receive adequate support in time," said Abdus Salam Murshedy, president of Exporters Association of Bangladesh (EAB).

Murshedy spoke at a pre-budget press meet at Sonargaon Hotel in Dhaka where he placed a number of proposals, which, he said, could give the country's exports a major boost, if implemented.

He said although Bangladesh has been largely immune from the global economic crisis, the export-oriented industries are currently under pressure due to the energy crisis, high bank interest rates, unusual

taxations and a price hike of raw materials in global markets.

"Management in Chittagong ports, red tape in government offices, lack of skilled workers, tight control in transferring capital abroad, lack of special economic zones and export processing zones-style privileges in services and incentives for factories who run outside the zones are also some other obstacles."

"Although the exports are doing very well now, but we think we can do better if the problems are solved. We want the government solve the problem through the upcoming budget so that we can continue to remain competitive in global markets," Murshedy added.

The former president of Bangladesh Garment Manufacturers and Exporters Association said they also need special economic zones to grow further.

"We have said many times that we need special zones, as local entrepreneurs run on their own. We have not received any support from the government in this regard yet."

He said the government should set up four economic

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zones on the southern part of the river Padma, not in the overburdened capital. "Then we will be able to create more employment and contribute further."

The EAB president urged the government to set aside 25 percent of the electricity to be generated from any future power plant for export-oriented industries.

He said in the last couple of years, many industrial units

have been set up in the country, but they failed to go for production due to non-availability of new gas and electricity connections.

"But they are being forced to repay bank interest rates. Their bank interests should be waived completely until they receive gas and electricity connections," Murshedy said.

He urged the government to prioritise export-oriented industries when the government starts to provide gas and electricity connections to new factories from June this year.

Murshedy said the government should also allocate at least Tk 200 crore for human resources development and to run cash-strapped training centres, as there is a serious dearth of skilled workers. "Alone in the apparel sector, we are running 25 percent below our capacity."

The exporters urged the government to set up a packaging institute, which can play a crucial role in boosting exports volume and ensure quality.

Murshedy said the workers should be given rice, flower, oil, lentil and sugar at a discounted

rate in efforts to avert labour unrest and increase productivity, as they are cornered due to sharp rises in commodity prices, although the business owners have implemented minimum wage.

The group of 37 export-oriented sectors urged the government to put a ceiling on banks' interest rates to help sustain the industries, as the rates have gone up as high as 18-19 percent due to a cap-free regime.

"We will not be able to sustain if such lending rates continue," he said, adding that the government should immediately cap the rates and work towards bringing those to a single digit," said Murshedy.

Exporters said the government should keep tax at sources uniform at 0.25 percent for all industries instead of fixing different rates for different sectors, and withdraw duties on costly chemicals used in effluent treatment plants and imported machinery.

They said the licence renewal for bonded warehouse facility should be extended to three years, as the existing one-year period is not adequate.



Asif Ahmed, head of marketing of GMG Airlines, and Shahriar Kamal, deputy managing director of Concord Group, have recently signed a deal at a programme in Dhaka. The airline's employees and passengers will enjoy discounts in all Concord-owned amusement and theme parks. Concord employees, motel and resort boarders will also enjoy discount on purchasing GMG's ticket on both domestic and selected international routes.

## Bangladesh Lamps Limited

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**Financial Statements**  
**1st Quarter 2011**

**STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT 31 MARCH 2011**

Figures in Taka

Particulars	2011 As at 31 March	2010 As at 31 Dec.
<b>Assets</b>		
Property, plant and equipment	103,715,467	102,652,877
Fixed assets under construction	65,283,701	21,316,156
Intangible assets	80,000	87,500
<b>Investments:</b>		
At cost	41,667,223	41,667,223
Fair value adjustment	484,590,504	778,385,106
Loans and deposits	2,268,140	2,049,302
<b>Total non-current assets</b>	<b>697,605,035</b>	<b>946,158,164</b>
<b>Inventories</b>	<b>141,310,435</b>	<b>128,611,091</b>
Trade and other debtors	366,040,780	236,000,082
Advance, deposits and prepayments	7,626,742	8,971,248
Advance income tax	52,174,980	48,444,611
Cash and cash equivalents	68,908,151	157,370,127
<b>Total current assets</b>	<b>636,061,088</b>	<b>579,397,159</b>
<b>Total assets</b>	<b>1,333,666,123</b>	<b>1,525,555,323</b>
<b>Equity</b>		
Share capital	72,081,600	72,081,600
Reserves and surplus	761,869,121	1,048,657,244
<b>Total equity</b>	<b>833,950,721</b>	<b>1,120,738,844</b>
<b>Liabilities</b>		
Long term loan	75,979,844	40,033,896
Deferred liability - gratuity payable	25,401,260	25,121,780
Deferred tax - liability	14,379,237	15,391,607
<b>Total non-current liabilities</b>	<b>115,760,341</b>	<b>80,547,283</b>
Current portion of long term loan	14,509,444	14,509,444
Short term finance	190,691,736	147,858,218
Trade and other creditors	45,129,074	39,397,112
Accrued expenses	8,832,641	6,737,950
Other liabilities	28,355,422	24,469,658
Provision for taxation	75,164,394	72,595,490
Provision for royalty	21,272,350	18,701,324
<b>Total current liabilities and provisions</b>	<b>383,955,061</b>	<b>324,269,196</b>
<b>Total liabilities</b>	<b>498,715,402</b>	<b>404,816,479</b>
<b>Total equity and liabilities</b>	<b>1,333,666,123</b>	<b>1,525,555,323</b>

**1ST QUARTER STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**

Figures in Taka

Particulars	Jan.-March 2011	Jan.-March 2010
Sales (net of VAT)	105,693,676	149,975,600
Cost of Goods Sold	-88,110,421	-125,642,103
Gross profit	17,583,255	24,333,497
Other Income	2,663,250	2,805,000
Operating Expenses	-8,808,874	-6,740,222
Profit from operation	11,337,631	20,398,275
Finance expense	-7,100,542	-7,697,544
Finance income	4,754,075	5,316,312
Net finance expense	-2,346,467	-2,381,232
Profit before contribution to WPPF	8,991,164	18,017,043
Contribution to WPPF	-428,151	-857,954
Profit before income tax	8,563,013	17,159,089
Income tax:		
Current tax	-2,568,904	-5,463,552
Deferred tax	1,012,370	1,115,320
Net profit for the period	7,006,479	12,810,857
Other comprehensive income		
Change in fair value of available-for-sale financial assets	-293,794,602	-63,308,419
Total comprehensive income / (loss)	-286,788,123	-50,497,562
Earning per share ( par value Tk.100 )	10	18

**1ST QUARTER STATEMENT OF CASH FLOW**

Figures in Taka

Particulars	Jan.-March 2011	Jan.-March 2010
A) Cash flows from operating activities:		
Collection from Turnover	57,588,189	100,000,000
Collection from other income	2,823,250	3,313,021
Sub-Total	60,411,439	103,313,021
Payment to Suppliers	63,549,412	121,375,366
Payment to employees	17,949,500	21,184,882
Income tax payments	3,730,369	3,015,750
Other payments for expenses & services	89,475,377	45,338,439
Sub-Total	174,704,656	190,914,437
Net cash flows from operating activities	-114,293,219	-87,601,416
B) Cash flows from investing activities:		
Payment for purchase of fixed assets	-49,802,322	-513,644
Sub-Total	-49,802,322	-513,644
C) Cash flows from financing activities:		
Dividend payments	-20,900	0
Receipt of long term loan	35,945,948	0
Repayment of long term loan	-3,125,001	-3,125,001
Sub-Total	32,800,047	-3,125,001
Net cash inflows / (outflows) for the period	-131,295,494	-91,240,061
Opening cash and bank balances	9,511,909	2,397,735
Closing cash and bank balances	-121,783,585	-93,637,796

**1ST QUARTER STATEMENT OF CHANGES IN EQUITY**

Figures in Taka

Description	Share Capital	Capital Reserve	General Reserve	Fair value reserve	Retained earnings	Total
Balance as at 1 January 2011	72,081,600	2,305,167	234,526,232	77,385,105	33,440,739	1,120,738,844
Net profit after tax for 1st quarter 2011	-	-	-	-	7,006,479	7,006,479
Other comprehensive income / (loss)	-	-	(293,794,602)	-	(293,794,602)	(293,794,602)
Balance as at 31 March 2011	72,081,600	2,305,167	234,526,232	484,590,504	40,447,218	83,308,521
Restated balance as at 1 January 2010	72,081,600	2,305,167	234,526,232	427,106,234	36,810,841	732,932,874
Net profit after tax for 1st quarter 2010	-	-	-	-	-	-
Other comprehensive income / (loss)	-	-	(63,308,419)	-		