

STOCKS		COMMODITIES		ASIAN MARKETS		CURRENCIES						
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
▲ 1.42%	▲ 1.45%	\$1,532.00	\$100.08	▲ 0.24%	▼ 1.18%	▼ 1.02%	Closed	BUY TK	73.75	105.91	119.11	0.91
5,844.72	10,456.73	(per ounce)	(per barrel)	18,420.11	9,380.35	3,113.73		SELL TK	74.75	111.66	124.85	1.00

Star BUSINESS

DHAKA TUESDAY JUNE 7, 2011, e-mail: business@thedailystar.net

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CNG use rises in industries

SAJJADUR RAHMAN

The use of compressed natural gas as an industrial fuel has been growing in the wake of continued uncertainty in supply of low-cost natural gas.

In the past few months, several factories, such as Abul Khair Cement, Dhaka Tobacco, Paragon Ceramics and Bengal Plastics have started using CNG to run their production.

Another big conglomerate Nasir Group has also decided to use CNG to begin production at its Tk 700 crore concern, Nasir Glassware and Tube Industries, which has been idle for more than two years without any gas connection.

CNG will push up the fuel costs four to five times compared to natural gas, industrialists said. A unit of natural gas costs Tk 4 for industries, while it is more than Tk 20 for CNG.

"We have no option but to go for costly CNG. Our factory remains unproductive for over two years for want of gas connection," said Nasiruddin Biswas, chairman of Nasir Group of Industries.

Biswas has to spend Tk 2.5 crore a month for loan instalment and salaries of some staffs. He has spent nearly Tk 50 crore in the last two years without producing anything.

Like Nasir Glassware and Tube Industries, newly established Paragon Ceramics and Abul Khair Cement also went for CNG to run their factories.

Dhaka Tobacco has been facing gas shortage for the past couple of years. It is now being run 50 percent on CNG.

These businesses import CNG kits and other equipment and source CNG from local stations. Though the use of CNG in industries is not legally allowed, the government does not discourage using it.

There is no quick respite in gas crisis facing the country for the past several years. The shortfall in gas supply now stands at around 500 million cubic feet a day (mmcf), sufficient to generate power to meet one third of the country's electricity demand, according to

Petrobangla officials. Hundreds of applications of different factories are now lying with the authority for gas connection. But there is no headway in giving the connections.

Amid this critical energy crunch, Finance Minister AMA Muhith is going to place the national budget before parliament. Though the businesses hailed the government for its contribution to electricity generation, they are unhappy with the efforts to improve gas situation.

"We can survive as we have other business units. Entrepreneurs, who have no backup to help a unit that is incurring losses due to gas crisis, will be wiped out," said a senior official of Abul Khair Group.

Woven and knitwear manufacturers and yarn producers all are suffering badly for want of gas. Bangladesh Garment Manufacturers and Exporters Association (BGMEA) said, due to the gas crisis several factories have been lying inoperative for long, which may affect their growth prospects.

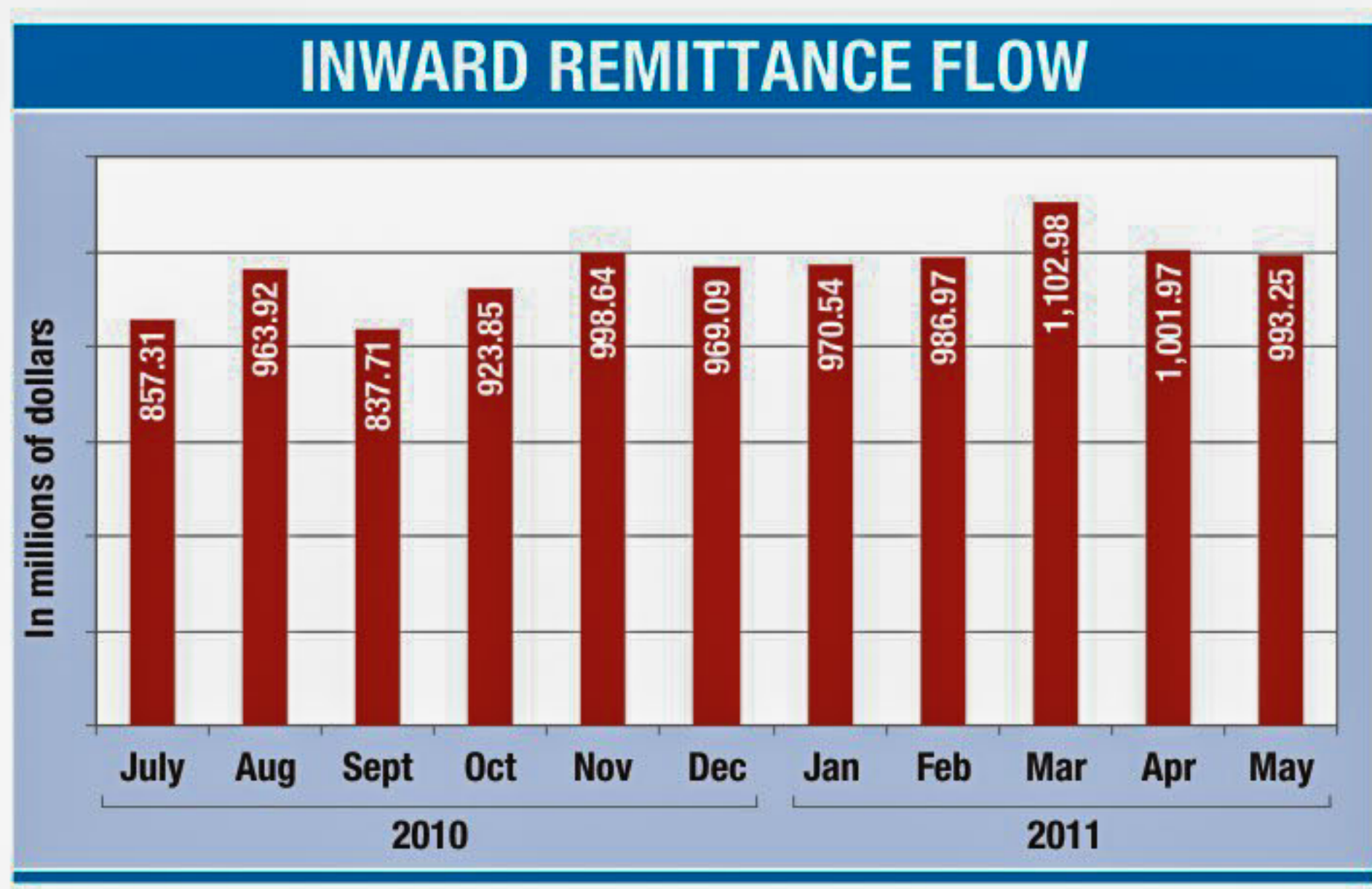
BGMEA President Shafiul Islam Mohiuddin said the gas and power crunch has forced the sector to adapt to the use of diesel, following which the industry used 245 million litres of diesel last year. The use of alternative fuel costs the industry a loss of Tk 760 crore.

Investment proposals registered with the Board of Investment (BoI) cannot be implemented due to an acute gas crisis, officials said.

BoI data shows that 1,436 domestic investment proposals worth Tk 39,542 crore were registered during the July-April period of the current fiscal year. Some 163 proposals worth \$3.83 billion from foreign investors were registered with the BoI this year.

"The government should concentrate heavily on the gas supply and exploration of new fields to meet the growing demand," said a senior Akij Group official. "Available gas can change the fate of the country and people will not need to go abroad for work."

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Remittance growth losing pace

STAR BUSINESS REPORT

Inward remittance growth fell for a second month in May due mainly to the ongoing unrest in the Middle East and North Africa that has sent home thousands of migrant workers recently.

In May, migrant workers remitted \$993.25 million, down from \$1,001.97 million a month ago, registering a 0.9 percent fall.

The remittance, however, grew 9.9 percent in May compared to the same month last year when it was \$903.05 million, according to statistics of the Bangladesh Bank.

The remittance growth in the first 11 months of the current fiscal year stood at 5.06 percent. During the July-May period, Bangladesh received \$10.6 billion in remittance, up from \$10.09 billion in the same period the previous fiscal year.

Remittance growth started slowing

down due to a significant decrease in the net outflow of migrant workers over the past year and a half.

The number of workers going abroad in the first 11 months dropped 10.9 percent compared to the same period last year.

Also, a number of migrant workers returned home following political unrest in the Middle East countries such as Egypt, Libya, Bahrain and Yemen.

Mustafa K Mujeri, director general of Bangladesh Institute of Development Studies, said the uncertainty in the Middle East is one of the major causes behind the declining trend in remittance inflow.

The number of outgoing workers is also declining as some countries have stopped fresh manpower recruitment from Bangladesh, he added.

"We need to look for new destinations like Latin American, African and European countries," he said, adding that giving training to the workers is necessary to gain the market in Europe.

BBS defends growth estimate

STAR BUSINESS REPORT

Bangladesh Bureau of Statistics (BBS) yesterday said it has no weakness in calculating gross domestic product (GDP), but admitted the lack of updated information vital for economic growth.

"BBS calculates GDP and its growth on the basis of system of national accounts-93 and the International Monetary Fund monitors it every year," said the agency in a statement protesting the news on the GDP growth projection questioned by the Centre for Policy Dialogue (CPD) on Saturday.

"But our country lacks updated information because it is an informal-based economy," BBS said in a statement.

It said the final account for the previous fiscal year and estimated account of the current FY are normally published in April-May before the announcement of the national budget after approval by the planning ministry.

In line with the practice, the final account for FY2009-10 and estimated account of FY2010-11 were published in May.

According to BBS, the estimated GDP growth rate stood at 6.66 percent for fiscal 2010-11. In preparing the final account based on the trend, it may be more or less than the estimated 6.66 percent, which happened in the estimated figure of GDP growth for fiscal 2009-10.

BBS also supported the growth projection for fiscal 2010-11, saying medium and large industries, readymade garments and the growth in public administration sector pushed the growth estimate upwards.

Santos, Seadrill team up

STAR BUSINESS REPORT

Australia gas and oil exploration company Santos yesterday said it has signed an agreement with Seadrill for jack-up drilling in Block 16 of the Bay of Bengal.

The two companies signed the deal at a ceremony in Singapore on Sunday, said a Santos official. Seadrill is a Norwegian-Bermudan offshore drilling company.

Officials of Santos said the assignment for Seadrill in the Bay of Bengal involves drilling three wells with an option for extension for making another two wells. The company will start drilling in October, deploying a new rig, which could continue until March next year.

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The stage is set
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Seeking to recognise the excellence of the exporters of Bangladesh, five enterprises will be honoured on the Awards Night* - **Tuesday, 7 June 2011**. Selected in five categories, by a panel of distinguished jury, these exporters will be recognised for their achievement and excellence.

Air Vice Marshal (rtd) **A K Khandker** Bir Uttam, Honourable Planning Minister - Government of the People's Republic of Bangladesh, will grace the occasion as the Chief Guest.

Making the occasion even more special, **Dr Philip Kotler** - S C Johnson & Son Distinguished Professor of International Marketing at the Kellogg School of Management - will attend the Awards Night as a guest speaker.

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