

Onion importers face losses as India slaps ban on exports

RABIUL HASAN, Chapainawabganj

Onion importers are worried as Indian exporters are not releasing the item against the previously placed orders, said importers in the Sonamasjid land port area in Chapainawabganj.

Earlier, India on Thursday banned onion exports to curb rising prices in its domestic market.

Also, the Indian National Agricultural Cooperative Marketing Federation (NAFED) on the same day hiked the rate for opening letter of credit for a tonne of onion to \$475 from \$300 before, said Babul Hasnat Durul, a trader who imports onion through Sonamasjid land port.

He said onion export would be difficult at the new rate of \$475 even if India lifts the ban.

"I will incur a huge loss if the Indian exporters don't release onion in time, as I have opened LCs for 100 tonnes of onion," he added.

Toufikur Rahman Babu, another importer in the Sonamasjid land port area, said he opened LCs much before and would face a huge loss due to the Indian decision.

Importers and clearing and forwarding agents said onion import through the Sonamasjid land port came to a halt on Saturday after the Indian government banned export.

They said, a total of 80 onion-laden trucks entered the Sonamasjid land port on Sunday and 50 trucks entered till Monday noon.

After two to three days no trucks of onions would enter the port area, they added.

They said the Indian traders are not supplying onions against the previous orders, and if onions are not exported against the already opened LCs, they will incur huge losses.

Shariful Islam Swadhin, president of Sonamasjid land port C&F agents' association, said, "We are requesting the Indian exporters to release onions against the previous orders. If they don't do so, the importers of Bangladesh will incur huge losses."

"We are now talking with the Indian businessmen about the matter."

He also said the onion prices are likely to rise sharply in the local market ahead of Eid-ul-Ajha.

Eurozone crisis acute on eve of vital Greece talks

AFP, Brussels

Eurozone nations headed into fresh turbulence on Monday with alarm rising over a potential Greek default only days before vital talks to save Athens and contain the debt crisis.

Stocks tumbled in Asia and nosedived in early trading in Europe as markets appeared to dismiss weekend promises by Greece on deficit cuts as too little too late, while worrying about stretched European banks.

After powerhouse Germany warned of a possible worst-case "orderly default" for Greece, the Greek Finance Minister Evangelos Venizelos on Sunday announced plans to slice an extra two billion euros (\$2.7 billion) off the deficit.

The pledge of fresh action, via a real estate tax and month-long salary cut for elected officials, came amid concerns Greece might fail to meet the terms of the first 2010 bailout by the International Monetary Fund and 17-nation eurozone.

In Brussels, EU Economy Commissioner Olli Rehn hailed the Greek decisions and said a troika of IMF, European Commission and European Central Bank experts would head to Athens in coming days to look at releasing a new eight-billion-euro tranche of loans from the 2010 rescue package. "Once Greece meets the conditions, I expect the review by the troika could be concluded by the end of September," he said.

And Internal Markets Commissioner Michel Barnier said in Paris that the EU was doing all it could to prevent a country default.

The so-called troika of lenders left Greece in displeasure early this month due to slippage on targets for debt and deficit reduction set under the 110-billion-euro rescue.

"It's very clear to us that this situation in Europe is not going to end well," said Charlie Aitken of Bell Potter investment brokers in Sydney.

After a summer of market havoc, the single currency was under pressure after a bleak week of pessimistic pronouncements evoking the implosion of the eurozone.

Next Friday and Saturday will see the first post-summer talks, in Poland, of finance ministers from the increasingly divided nations sharing the euro.

Split over how to address a crisis exacerbated by global economic gloom, the ministers are to discuss obstacles holding up a second 160-billion-euro bailout for Greece, agreed in principle at a July 21 summit.

But barely seven weeks on, pressure on the 12-year-old currency is seeing historic highs amid fears divided Europe could fail to stem debt contagion.

Top economists such as Nouriel Roubini and even Germany's former chancellor Gerhard Schroeder have warned only full "political union," something approaching a "United States of Europe," can keep the euro on its feet.

And US Treasury Secretary Timothy Geithner said at a weekend meet of the G7 powers in Marseille that European states needed to do more to prove they had the political will to deal with the financial crises roiling the continent.



TRUST BANK
Trust Bank Chairman General Md Abdul Mubeen inaugurates two ATM booths of the bank at the army headquarters in Dhaka yesterday.

Tax fair kicks off in Ctg Sept 17

STAFF CORRESPONDENT, Ctg

A six-day income tax fair will begin on September 17 in Chittagong to boost tax receipts and bring more people under the tax net, officials said yesterday.

Primary and Mass Education Minister Afsarul Amin is expected to inaugurate the fair at MA Aziz Stadium.

Income Tax Day will be observed on September 15. Industries Minister Dilip Barua will inaugurate a programme to mark the day, Ramendra Chandra Basak, a tax commissioner, told reporters in Chittagong.

The National Board of Revenue is going

to organise the fair as part of an awareness campaign in all divisional cities. The fair emphasises awareness about the importance of income tax payment.

Two other tax commissioners Habibur Rahman Akand and Sultan Mahmud also briefed the media.

New taxpayers will be able to obtain TIN certificates. People will be able to pay their returns at the fair easily, the officials said.

The fair will offer taxpayers suggestions about obtaining TIN certificates and income tax payments while officials will help the payers fill out the forms of income tax returns.



DHL
Officials of DHL, the world's leading logistics company, pose for photographs with students of Jaago Foundation, which provides free-of-charge international standard education to underprivileged children, as part of its annual Volunteer Day event at Wonderland Park in the city on Sunday.



EMIRATES
Rumana Hoque, head of service operations of Grameenphone, and Ismail Bhuiyan, Emirates' Sales Manager Bangladesh, exchange documents after signing a corporate agreement at Emirates office in Dhaka. Under the deal, the employees of the mobile company will enjoy corporate fares on business trips by the airline.

India's industrial output growth slowest since 2009

AFP, Mumbai

India's industrial output grew just 3.3 percent year-on-year in July, its slowest in nearly two years, official data showed Monday, indicating a wider slowdown in Asia's third largest economy.

The lower than expected figure -- the worst since October 2009 and following 8.8 percent growth in June -- will provide another headache for the central bank as it tries to tame inflation as economic growth eases.

Output at factories, utilities and mines was hit by manufacturing activity, which grew at 2.3 percent year-on-year, down from 10.8 percent in the same period in 2010.

Capital goods production, meanwhile, shrank 15.2 percent against growth of 40 percent a year earlier, the Central Statistical Office said.

Indian shares, which had already opened weak on the back of global losses, slid 2.75 percent to 16,403.94 points in afternoon trade, after the data came in.

The figures are fresh bad news for the Reserve Bank of India (RBI), which has been under pressure from worried businesses to pause its cycle of hiking interest rates.

The bank has raised benchmark lending rates 11 times since March 2010 to curb stubbornly high inflation currently at 9.22 percent, stoked by rising food and fuel prices.

However, RBI has said higher rates are necessary even if it means sacrificing some economic growth.

Last month, India posted its slowest gross domestic product (GDP) growth in six quarters, up 7.7 percent year-on-year, as expansion was hit by the longest stretch of monetary tightening in a decade.

And despite the below-par output and voices growing for a pause in monetary policy tightening, the RBI is still likely to raise rates once again later this week before it decides on a pause, economists say.

The hawkish RBI will look to annual inflation data due Wednesday more closely as it continues to maintain its anti-inflationary stance.

Industrial output data trends have followed no clear pattern in recent months, see-sawing due to the volatility of capital goods.

Cement machinery and cables contributed to lower capital goods growth but demand for consumer goods at 6.2 percent was still high.

Siddhartha Sanyal, India's chief economist with Barclays Capital, expects the RBI to hike rates 25 basis points at its next meeting on Friday.

"But the hawkish stance could soften slightly," Sanyal said, as private experts and other economists have started to revise down their India growth forecasts for the current fiscal year ending March 2012.

"Controlling inflation will remain the overriding concern for the RBI," added Ritika Mankar, economist with Mumbai's Ambit Capital, who also predicted a quarter of a percentage point hike in rates.

Policy makers on Monday downplayed concerns over the weak data, saying industrial activity may pick up in the second half of the fiscal year.

Oil tumbles in Asia on eurozone debt fears

AFP, Singapore

Crude prices sank in Asia on Monday as eurozone debt fears were compounded by disunity within the European Central Bank even as Greece announced a new round of budget cuts, analysts said.

New York's main contract, light sweet crude for delivery in October, dived \$1.23 to \$86.01 per barrel.

Brent North Sea crude for October delivery fell \$1.02 to \$111.75.

All eyes were on Europe's debt crisis yet again as Greece announced a fresh round of budget cuts in a renewed bid to stave off a debt default that traders fear would bring the region's banks to their knees.

"What's causing the fall is fear about the eurozone debt issue, fear about Greece going into default, hence pulling European banks into a collapse like the Lehman situation," said Victor Shum, senior principal of Purvin and Gertz energy consultants in Singapore.

"That's the fear driving the markets, it's all eurozone debt related," he told AFP.

US banking titan Lehman Brothers was forced to declare itself bankrupt in 2008 after its risky bets on the US housing market turned bad, precipitating the global financial crisis that year which ravaged economies worldwide.

BANGLADESH'S EXPORTS OF 46 GARMENTS TO BE TAKEN OFF INDIA'S SENSITIVE LIST

| HS CODE | Product Description |
|---------|--|
| 620342: | Men's/boys' trousers and shorts, of cotton, not knitted |
| 620520: | Men's/boys' shirts, of cotton, not knitted |
| 610910: | T-shirts,singlets and other vests, of cotton, knitted |
| 611090: | Pullovers, cardigans & similar articles of both textile materials, knitted |
| 620920: | Babies' garments and clothing accessories of cotton, not knitted |
| 620462: | Women's/girls' trousers and shorts, of cotton, not knitted |
| 610510: | Men's/boys' shirts, of cotton, knitted |
| 611030: | Pullovers, cardigans and similar articles of man-made fibres, knitted |
| 611020: | Pullovers, cardigans and similar articles of cotton, knitted |
| 620332: | Men's/boys' jackets and blazers, of cotton, not knitted |
| 610791: | Men's/boys' bathrobes, dressing gowns etc of cotton, knitted |
| 620333: | Men's/boys' jackets and blazers, of synthetic fibres, not knitted |
| 621710: | Clothing accessories nes, of textile materials, not knitted |
| 621210: | Brassieres and parts thereof, of textile materials |
| 620590: | Men's/boys' shirts, of other textile materials, not knitted |
| 610342: | Men's/boys' trousers and shorts, of cotton, knitted |
| 610711: | Men's/boys' underpants and briefs, of cotton, knitted |
| 620630: | Women's/girls' blouses and shirts, of cotton, not knitted |
| 611120: | Babies' garments and clothing accessories of cotton, knitted |
| 610343: | Men's/boys' trousers and shorts, of synthetic fibres, knitted |
| 611130: | Babies' garments and clothing accessories of synthetic fibres, knitted |
| 610900: | T-shirts, singlets and other vests, of other textile materials, knitted |
| 621111: | Men's/boys' swimwear, of textile materials not knitted |
| 610462: | Women's/girls' trousers and shorts, of cotton, knitted |
| 620452: | Women's/girls' skirts, of cotton, not knitted |
| 610610: | Women's/girls' blouses and shirts, of cotton, knitted |
| 620821: | Women's/girls' nightdresses and pyjamas, of cotton, not knitted |
| 620721: | Men's/boys' nightshirts and pyjamas, of cotton, not knitted |
| 610821: | Women's/girls' briefs and panties, of cotton, knitted |
| 621133: | Men's/boys' garments, of man-made fibres, not knitted |
| 621050: | Women's/girls' garments, of impregnated, ctd, cov, etc, textile woven fab |
| 621040: | Men's/boys' garments, made up of impreg, ctd, cov, etc, textile woven fab |
| 620930: | Babies' garments & clothing accessories of synthetic fibres, not knitted |
| 620530: | Men's/boys' shirts, of man-made fibres, not knitted |
| 620413: | Women's/girls' suits, of synthetic fibres, not knitted |
| 611699: | Gloves, mittens and mitts, of other textile materials, knitted |
| 611420: | Garments, of cotton, knitted |
| 611300: | Garments made up of impreg, coated, covered or laminated textile knitted fab |
| 611241: | Women's/girls' swimwear, of synthetic fibres, knitted |
| 610831: | Women's/girls' nightdresses and pyjamas of cotton knitted |
| 610822: | Women's/girls' briefs and panties, of man-made fibres, knitted |
| 610721: | Men's/boys' nightshirt and pyjamas, of cotton, knitted |
| 610520: | Men's/boys' shirts, of man-made fibres, knitted |
| 610463: | Women's/girls' trousers and shorts, of synthetic fibres, knitted |

The 46th item is silk fabrics



First Security Islami Bank Managing Director AAM Zakaria opens a branch of the bank in Narayanganj yesterday. Other senior officials of the bank were also present.