Rangpur jute growers on edge

Price falls by more than 40 percent in one month

OUR CORRESPONDENT, *Rangpur*

Jute prices dropped sharply -- by more than 40 percent -- in the last one month, keeping the growers in the district on edge.

According to the farmers, a mound (40kg) of jute is now selling at Tk 800 to Tk 1,000 against Tk 1,400 to Tk 1,800 a month back.

"We never thought the prices could fall so sharply in a span of 30 days," said Nurul Huda, a farmer who went to Jaigirhat in Mithapukur on Friday to sell 10 maunds of his jute, but returned home without selling his produce.

Jute is aplenty in the market but there are a few buyers now compared to last month. As a result, many farmers like Nurul Huda cannot sell their jute.

Mominul Islam, a farmer of Payerabond under Mithapukur upazila, told this correspondent that he went to Jaigirhat last week to sell his seven maunds of jute but could not sell it due to a fall in prices. He kept the jute at a kin's house in Jaigirhat.

Many of the farmers in the district are facing the same fate as Huda and Islam.

Jute dealers said state-owned Bangladesh Jute Mills Corporation (BJMC) is yet to pay the dealers their outstanding money this year, but last year the corporation cleared all the bills immediately after they had supplied jute to the mills. This year they completed supplying jute in July and August.

Officials at different jute mills under the BJMC said the government is yet to disburse money to the mills to purchase jute due to a fund crisis. So, the jute mills under the corporation have adopted a 'go slow' policy, they added.

But Mozammel Hoque, depot in-charge of Rangpur purchasing centre of Crescent Jute Mills, denied the government's fund crisis. He said, "The BJMC wants to buy good quality (tosha) jute which is not available in the region. If we get good quality jute, we will buy unlimited quantity of it whatever the price is."

Mohshin Ali, a BJMC dealer who supplied jute to Crescent Jute Mills, said he got regular payment from the mills last year, but this year the payment became irregular. So, he is unable to buy jute from the market, he added.

Raju Poddar, a leading jute exporter in Sayedpur under Nilphamari district, said the BJMC factor apart, there are other reasons behind the price fall.

He said, "This year India will not import as much jute as it did in the last three years. This is why the exporters are not purchasing jute from the market, causing a fall in the prices."

Moreover, the devaluation of the taka against the dollar is one of the major reasons behind the shrinking export of jute from Bangladesh this year, Poddar added.

"In the past we made a good profit by exporting jute mainly to India because the rate of the dollar was less than what it is now," he said.

Last year the price of jute surged to Tk 2,200 a maund during the July-September period. But the price went down at the end of the year.

Also traders maintained a good stock last year, which they cleared at the beginning of the season this year.

Rangpur district also saw a bumper production this season.

According to the Department of Agricultural Extension (DAE) of Rangpur, the farmers almost doubled their acreage this year to around 45,000 hectares.

"The jute price was high last year. A maund of jute was selling at Tk 1,400 to Tk 2,000, which made us encouraged to cultivate the crop in more lands this year," said Abdul Baten of Mahiganj in Rangpur.

Aurup Kumar Roy, proprietor of a private jute mill, said the private mills in the north are purchasing jute slowly which also pushed down the prices.

WINDMILL

Windmill Infotech Ltd and Global Brand Pvt Ltd, local distributor of ASUS, have recently signed a deal at a programme in Dhaka. Call centres of Windmill will be used to ensure after sales service of ASUS products in the country.

BPGMEA

Members of Bangladesh Plastic Goods Manufacturers and Exporters Association bring out a rally in Dhaka yesterday to protest the government's recent decision to impose power factor charge on small and medium enterprises.

3G in Thailand, still a far cry

AFP, *Bangkok*

While BlackBerrys and iPhones are fast becoming must-have accessories for many urban Thais, mobile Internet in the kingdom is still struggling to get out of the slow lane.

A long-running business tussle means that as other nations -- including impoverished Laos -- move to introduce faster 4G technology, Thailand has yet to fully roll out 3G, a decade after it was first launched in Japan.

Third-generation -- 3G -- technology allows mobile phone users to surf the Internet and download music and videos, and Thailand is the only country in Southeast Asia not to have full 3G apart from military-dominated Myanmar.

"I bought this phone about three years ago because I thought I could use 3G but it has taken me three years to be able to actually use (the service)," said 25-year-old Bangkok resident Tiabtawan Limjittrakorn.

In contrast Cambodia has had 3G network since 2006, enabling mobile users there to access online content at a faster pace than their Thai neighbours.

A year ago a Thai court halted a 3G licence auction at the last minute after state-owned giant CAT argued that then-regulator the National Telecommunications Commission, had no authority to conduct the bidding.

Bangladesh must speed up productivity to cut poverty

Analysts speak at seminar on productivity management

STAR BUSINESS REPORT

Bangladesh must boost productivity to free itself of hunger and poverty by 2021 and achieve true development, an economist said yesterday.

"We have to go for enhanced productivity. We have to look at productivity as movement," said Abul Barkat, a professor of economics at Dhaka University.

"It is not our desired development what we are seeing now. We have to recoup what opportunities we have missed in the last 30 years. We need accelerated development," he said.

Barkat spoke at a seminar of the "Multilateral Conference on 'Productivity Movement in Bangladesh: Strategy for 2021" at Ruposhi Bangla Hotel in Dhaka.

Barkat said productivity is a crucial prerequisite for increasing the living standards of people. "Higher per capita incomes reflect the higher levels of productivity," said the economist during a presentation.

He said productivity is also necessary for macroeconomic management. "It has an effect on inflation, GDP and exports."

He said the government would have to achieve higher productivity and provide jobs to the people. "In the short-term, productivity suffers if we target to increase employment, as marginal and unskilled workers are recruited."

Barkat said Bangladesh has to tap its high number of working age people, who makes up 62 percent of the population. "This can give huge dividends."

The trend shows that productivity of both public and private sectors has not yet surpassed the 2001 level.

Barkat said the labour force in the informal sector accounts for 88 percent of the total labour force. "It is a national challenge to transform them from informal sector to formal sector."

"Individuals alone will not be able to achieve it. The government, members of civil society and private sector will have to work together to reach the target."

He said the government should also fix up infrastructure bottlenecks, as "it directly contributes to increasing productivity, facilitate indirectly to increase productivity and also indirectly affects the productivity of other inputs."

Industries Minister Dilip Barua said: "We have to boost up productivity in the industrial, agriculture and services sectors. When we talk about cost effectiveness we actually talk about productivity. We have to modernise our labour force."

Prof Shafique-uz-Zaman, who teaches economics at Dhaka University, said the gap between the rich and the poor is actually the gap between productivity and non-productivity.

"We cannot move forward without productivity."

He said Bangladesh must invest heavily in research and development. "We only spend 0.03 percent of our GDP for R&D. We have to develop skills and generate ideas. Otherwise we will not develop much."

"We have to increase access to resources and inputs to have higher productivity," said Toufic Ahmad Chowdhury, general secretary of Bangladesh Economic Association.

The industries ministry and Asian Productivity Organisation Society for Bangladesh jointly organised the event chaired by Industries Secretary KH Masud Siddiqui.

Ryuichiro Yamazaki, secretary general of APO and ABM Khorshed Alam, additional secretary of the industries ministry, also spoke.

SEAGULL

Rashed Sattar, director for sales and marketing of Seagull Hotel, and Shofiul Alam Shohan, chief executive officer of Hammer, exclusive card sales agent of Seagull Privilege Club membership programme at the hotel premises in Cox's Bazar recently. Members of the club will get exclusive offers and discounts round the year in the hotel.

SEC rolls out guideline on private placement of shares

STAR BUSINESS REPORT

The Securities and Exchange Commission yesterday announced a guideline on placement of shares with private investors.

The SEC restricted the mass-scale distribution of shares through private placement with a one year lock-in period in the sales of stocks, mandatory tax identification numbers of subscribers and submission of the subscribers' list to the regulator.

The proposed capital may be raised from no more than 100 investors, including institutions, according to the guideline.

Private placement is a way of raising funds from chosen or selected private investors without an initial public offering. In Bangladesh's stockmarket, only an issue manager can sell shares under private placement on behalf of an issuer company.

According to the guideline, shares allotted through private placement will be subject to lock-in for one year, before which, it cannot be transferred to another person or entity.

Before raising capital through private placement, a company must obtain approval from the SEC.

"Applications should be submitted to the SEC through a merchant bank along with an information memorandum," it said.

"A complete list of subscribers should be submitted to the SEC within 15 working days of closing of the subscription," the guideline said.

Sponsor or promoter group should maintain a minimum post-issue shareholding of 30 percent of the total paid up capital of the company at least for three years from the date of according consent, it said.

STOCKS SLIP

Stocks returned to the red as investors took profits from the previous day's gains.

The benchmark General Index -- DGEN -- the indicator of the premier bourse closed to 5,901, after declining 8.46 points or 0.14 percent.

Turnover rose 18.19 percent to Tk 427 crore, which reflects a greater extent of investors' partici-

Project launched in Dhaka to create waste awareness

STAR BUSINESS REPORT

The Energy and Resources Institute (TERI) and Tetra Pak South Asia Markets launched a project in Dhaka yesterday in an effort to create awareness among students about waste management and recycling.

The duo launched the project SEARCH at a ceremony at the Lake Shore Hotel in the city.

The programme aims to create awareness among 12 identified schools in the capital by emphasising waste management and encouraging students and teachers to practise the 4Rs: refusing, reducing, reusing and recycling.

The project started in 2009 in India.

TERI is a not-for-profit, independent research organisation, while Tetra Pak is a food processing

Porsche sells German castle

AFP, *Berlin*

German luxury sportscar maker Porsche is putting up for sale a Bavarian castle snapped up for six million euros ($8 million) in 2006, a spokesman for the manufacturer of the iconic 911 car said on Sunday.

"We are parting company with this estate," the spokesman told the Frankfurter Allgemeine Sonntagszeitung (FAS), after the paper said Porsche was selling Schloss Bullachberg, near the famous Neuschwanstein Castle in Bavaria.

Porsche had purchased the castle five years ago, under previous boss Wendelin Wiedeking, hoping to transform the 180,000-square-metre (1.9-million-square-feet), building into a luxury hotel.

SIBL

Kamaluddin Ahmed, chairman of Social Islami Bank, opens an ATM booth in the bank's New Eskaton branch in Dhaka recently. Muhammad Ali, managing director, was also present.

NCC BANK

Md Nurun Newaz Salim, chairman of NCC Bank, inaugurates an ATM booth of the bank in Bogra recently. Mohammed Nurul Amin, managing director, was also present.

FSIBL

Md Abdul Quddus, deputy managing director of First Security Islami Bank, opens the Dinajpur branch of the bank yesterday.