

# RMG exporters oppose hike in carton handling charge

STAFF CORRESPONDENT, Chittagong

Garment makers yesterday urged Bangladesh Inland Container Depot Association (BICDA) to reverse its decision to hike labour charges by about 88 percent in handling export cartons.

BICDA increased the charge to Tk 3 from Tk 1.6 a carton, effective from January 1, without any discussion with Bangladesh Garment Manufacturers and Exporters Association, said Nasir Uddin Chowdhury, first vice president of BGMEA.

"We have sent letters to the president of BICDA to resolve the issue through discussion," Chowdhury said in a press briefing organised by BGMEA's Chittagong unit in the port city.

A meeting with BICDA was also scheduled for December 30 at the head office of BGMEA in Dhaka, which was postponed as the BICDA leaders were absent, he said.

The fee hike came as a double

blow to exporters as the global recession is already taking a toll on the readymade garment sector, he said.

Moreover, spiralling production costs due to increasing charges of electricity, transport, bank interest, tax at source and wages are piling pressure on the sector, Chowdhury said.

BICDA's illogical and unilateral decision of increasing the labour charge came as a big shock to the entrepreneurs, he said. "The sector will not survive if the exporters have to pay this charge."

The labour cost of handling a carton should not be more than Tk 0.20 in Bangladesh, he said.

BICDA should have discussed with all stakeholders before increasing the charges, said Morshed Murad Ibrahim, president of Chittagong Chamber of Commerce and Industry.

"When the country is progressing towards a middle-income group,

such a hike without any consultation with exporters will hamper the export sector," Ibrahim said.

Ruhul Amin Sikder, secretary of BICDA, has an explanation. The rate was reduced to Tk 1.6 from Tk 2 on July 16, 2007 due to the global economic crisis, according to a memorandum of understanding signed between BICDA and BGMEA, he said.

The charge was supposed to be revised up in January 2008, he said.

"And from Tk 2 to Tk 3, the increase is only 50 percent."

It is completely in sync with the average labour charge that increased by 80 percent to 105 percent in the last five years, he said.

As per the international shipping law, inland container depots cannot charge a single penny on exporters; they should take the fees from freight forwarders instead, said Mahbub Chowdhury, vice-president of Chittagong Metropolitan Chamber of Commerce and Industry.

## BB's e-commerce week starts Saturday

STAR BUSINESS REPORT

The central bank along with Bangladesh Association of Software and Information Services (BASIS) is going to organise an e-commerce week on Saturday to create mass awareness and increase the volume of e-transaction in the country.

People are not buying online even when the opportunity exists, and mass awareness is required to encourage online shopping, said Nazneen Sultana, deputy governor of Bangladesh Bank, at a press briefing at BASIS office in the capital yesterday.

The inauguration of the e-commerce week will be held at The Westin Hotel in Dhaka.

Sultana said currently people can do online shopping domestically. The central bank does not permit overseas shopping, she said. "But in some cases, banks can allow its account holders to do that."

She said the central bank has already established national payment switch and connected three banks, which will help online payment.

"Other banks will be connected too. After a couple of months, Bangladesh Bank will set up national payment gateway," she said.

Online shopping is more secure than with debit or credit cards at any shop as the customers pay directly to the banks rather than the online portal, said Shameem Ahsan, convenor of the week.

The central bank has developed infrastructure and it is time to use it for electronic business or trade, said Ashim Kumar Dasgupta, executive director of Bangladesh Bank.

More than two crore people are involved in mobile banking which will increase the opportunity of online shopping, Dasgupta said.



PRAN  
Ahasn Khan Chowdhury, deputy managing director of PRAN-RFL Group, receives the IMS certificate from Golam Kibria, country director of Bureau Veritas, at a ceremony held yesterday. PRAN received the certificate for good environmental and health management at its factories.

## Etihad crosses target for 10m passengers

STAR BUSINESS DESK

Etihad Airways has surpassed its target of carrying 10 million passengers in 2012, the airline said in a statement yesterday.

"Etihad Airways has achieved significant expansion in 2012 and therefore it's very satisfying to pass our target of flying more than 10 million passengers during a year for the first time," said James Hogan, Etihad Airways' president and chief executive officer.

The increase in passenger numbers -- up to a total of 10.29 million -- represents an additional 1.88 million passengers travelling on the carrier's global network that now covers 87 of its own passenger and cargo destinations, and 245 codeshare destinations.

Etihad's busiest route was Bangkok, followed by

## TICFA: not now, says govt again

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The commerce ministry official said the Bangladesh government sat in a meeting after receiving a letter from Bangladesh embassy in Washington in December. In the letter, the US government urged Bangladesh to sign the deal as soon as possible.

"But, Bangladesh cannot do so in absence of a consensus regarding the labour rights issue," the official said. "The US wants to see the practice of trade unionism in Bangladeshi factories soon, which is not possible for the country right away," he said.

After the meeting, Muhith said TICFA is a matter of negotiation and it is still continuing.

"This is the seventh or eighth round of meeting. We have no plan to place the TICFA issue in the cabinet meeting now," he said.

During her visit to Bangladesh in May last year, the immediate past US secretary of state Hillary Clinton also discussed the TICFA issue.

Ahead of Hillary's visit, Bangladesh had finalised the draft of TICFA agreement and it is now awaiting Prime Minister Sheikh Hasina's approval, the commerce ministry official said.

In the first US-Bangladesh partnership dialogue in Washington during September 19-20, both the countries discussed the TICFA issue.

The TICFA came as a second effort from the US after the first one -- the Trade and Investment Frame-



EMIRATES  
Satish Sethi, Emirates area manager in Bangladesh, and Tarek Reaz Khan, general manager for retail banking products and wealth management at Standard Chartered Bank, attend a programme recently when the bank signed a deal with the airliner. The bank's credit cardholders can now buy Emirates tickets in instalments.



ENVOY  
Kutubuddin Ahmed, chairman of Envoy Textiles, attends the company's 17th annual general meeting at the factory premises in Mymensingh on Monday. The company declared 15 percent cash and 5 percent stock dividends for 2012. Abdus Salam Murshedy, managing director, was also present.

## Turnover on DSE dips to six-month low

STAR BUSINESS REPORT

Turnover on the Dhaka Stock Exchange (DSE) yesterday dipped to Tk 120 crore, a six-month low, as investors lost confidence in stocks due to gloomy market data.

Turnover on the premier bourse declined 21.25 percent, compared to the previous day.

DGEN, the benchmark general index of DSE, finished the day at 4,139.07 points, after falling 51.92 points or 1.24 percent.

"New Year looks like a sudden turnover crunch," IDLC Investments said in market comments.

Logically, with no major change in overall fundamental scenario within a span of only three sessions, such sudden dry market puzzled investors' confidence once again, the merchant bank said.

In the gloomy market scenario, investors preferred to keep watching the trading screen instead of investing, it added.

A total of 0.45 lakh trades were executed with 3.6 crore shares and mutual fund units changing hands on the Dhaka bourse.

"Most of the sectors saw their vol-

ume dip significantly as the investors remained reluctant from trading," LankaBangla Securities said in a report.

Among the major sectors, power lost 1.75 percent, followed by non-bank financial institutions 1.61 percent and telecoms 1.20 percent.

Banks and pharma went down 1.17 percent and 0.60 percent.

United Airways featured in the most traded stocks chart with 37.32 lakh shares worth Tk 7.71 changed hands.

Beximco and Unique Hotel and Resorts were the next popular stocks of the day.

Of the 261 issues that traded on the DSE, 40 advanced, 192 declined and 29 remained unchanged.

Bangladesh Lamps was the biggest gainer of the day, as it gained 6.48 percent, while Midas Financing was the worst loser, plunging by 9.96 percent.

CSCX, the selective categories index of Chittagong Stock Exchange, closed the day at 8,050.90 points, after falling 81.1 points or 0.99 percent.

Losers beat gainers 135 to 21 with nine issues remaining unchanged on the port city bourse that traded more than 46.95 lakh shares and mutual fund units with Tk 15.89 crore in turnover.

## Remittance sets new benchmark

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In September, manpower export stood at 33,161 persons, down from 52,939 in September last year.

A Bangladesh Bank official said the central bank has taken all measures to send remittances quickly to the recipients. BB monitors the forex market cautiously to save the recipients from being affected from the depreciation of the taka.

"An increase in the outflow of workers and the steps taken for quick and safe transfer of money bolstered the inflow," a central bank official said yesterday.

The official also said the government should take steps to keep up the trend of the manpower export. He said efficient ambassadors need to be appointed in the

countries which have prospects and in those which have problems.

Saudi Arabia stopped renewing visas to fresh workers in 2008 while Abu Dhabi stopped such renewal in September last year.

Observers feel that if the government takes diplomatic efforts, it will not be difficult to solve this problem, and in this regard the ambassadors will have to play a bold role.

A WB official said remittance has a multiplier effect on Bangladesh's economy. He said in the recent times, the foreign currency reserve of the country increased mainly due to the increased remittance inflow.

Foreign currency reserves reached \$12.76 billion yesterday.

## More climate-smart rice seeds to reach farmers

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All these newly developed rice seeds have been placed at the technical committee of the National Seed Board for approval.

"We expect to release these seeds this year," said Faruque, the seed wing DG.

Of the already released stress-smart seeds, crop performance of the two submergence-tolerant seeds -- BRRI Dhan-51 and 52 -- are good, he said.

Bina Dhan-8 also got popularity among farmers in the south, he said.

Wais Kabir, executive director of Bangladesh Agricultural Research Council, said new seeds of wheat, pulses and oilseeds will also be

released in 2013.

"All are climate change-resilient crops. At the same time, attention will be given to develop crops to bring down farmers' production cost," said Kabir, also the head of the technical committee of the National Seed Board.

"These will give us comfort in rice production. Our wheat output will also rise due to the new varieties," he said.

Bangladesh is almost self-sufficient in rice production. The country bagged 3.38 crore tonnes of rice in fiscal 2011-12, up from 3.35 crore tonnes the previous year -- enough to feed its 15 crore population.



TRUST BANK  
Ishtiaque Ahmed Chowdhury, managing director of Trust Bank, and Begum Rokeya Din, director, receive a tax card on behalf of the bank from Finance Minister AMA Muhith on Monday.



MTB  
Selim Mohammed Jahangir, principal of Chittagong Medical College Hospital, opens the 86th branch of Mutual Trust Bank (MTB) at the college premises at Panchlaish in Chittagong recently. Arif Dowl, chairman of MTB, was also present.



PUBALI BANK  
Safiu Alam Khan Chowdhury, deputy managing director of Pubali Bank, inaugurates the bank's 414th branch at Baroiarhat in Chittagong recently. Md Sirajul Islam Miah, general manager, was also present.