

Ctg traders oppose bid to open tea auction centre in Sylhet

DWAIPAYAN BARUA, Ctg

Amid strong opposition from Chittagong traders, the government has recently initiated a process to set up a tea auction centre in Srimangal of Sylhet.

Tea producers in the area have long been demanding that the auction centre in Chittagong be shifted to Sylhet.

Considering the demand, the parliamentary standing committee on the commerce ministry has recommended setting up a new auction centre in Sylhet.

The committee recommended holding auction in Srimangal once a month on a trial basis aiming to eventually set up an auction centre there.

A tea sales coordination committee on September 11 decided to form a six-member panel comprising tea

traders, producers and brokers. The members of the panel are expected to visit the proposed site in Srimangal by the first week of November to see if the required facilities were there.

However, the tea traders, brokers and business leaders in Chittagong have been opposing the government move to shift the auction centre from Chittagong as the port city already has all the required infrastructures.

Tea Traders Association of Bangladesh (TTAB) recently sent a letter to the chairman of Bangladesh Tea Board opposing the government move.

In the letter, TTAB Chairman Mirza Salman Ispahani said the move would damage the sector.

For the last 60 years tea auction has been taking place in Chittagong which has all the required infrastructures such as an auction centre,

17 warehouses, seven tea-testing centres, and broker houses, Ispahani said.

The Chittagong auction centre is capable of selling 85 to 95 million kilograms of tea a year, while the country's current tea production is around 60 million kgs a year, the letter added.

The traders of Chittagong bought 9.20 lakh sacks of tea out of 10.79 lakh sacks sold in auction in fiscal 2012-2013.

Small tea traders based in Khatunganj, Chittagong, would not be able to participate in the auction in Srimangal, the letter said.

Mridul Kanti Chowdhury, a wholesaler in Khatunganj, said, "We usually purchase 20-40 sacks of tea from the auction for the weekly trade. It's not possible for us to go to Sylhet for such a small amount of tea."

FedEx profits go up 7pc

AFP, New York City

Global package delivery giant FedEx Wednesday reported a 7 percent rise in first-quarter earnings, fueled by growth in some segments and lower operating costs in others.

Profits at FedEx, which is often seen as a proxy for global economic activity, came in at \$489 million on revenues of \$11.0 billion in the fiscal first quarter that ended August 31, up from the year-ago figures of \$459 million on revenues of \$10.8 billion.

The earnings translated into \$1.53 per share, two cents above analyst expectations.

"Growth in overall demand for our broad global portfolio of solutions drove our improved first-quarter results," chief executive Frederick Smith said in a statement.

Revenues at FedEx Express, which covers worldwide delivery, slipped from \$6.63 billion to \$6.60 billion. But expenses dipped 1 percent as fuel and employee salaries declined slightly.

"FedEx Express remains focused on reducing costs while facing challenging global economic conditions," Smith said.

Volumes at FedEx Express rose, but revenue per freight-pound declined. FedEx officials have said customers are turning away from premium deliveries given the tough economy.

Revenues in FedEx Ground, which covers North America, rose 11 percent to \$2.7 billion. Smith said the segment "continues to generate strong profitability on growing customer demand for its services."

FedEx reaffirmed that its full-year profits would rise 7-13 percent from last year's level.



Syed Waseque Md Ali, deputy managing director of First Security Islami Bank, opens a branch of the bank at Uzirpur in Barisal yesterday. Enayet Karim, president of Global Economic Forum, and Azam Khan, head of marketing and development of the bank, were also present.

South African inflation rises ahead of rate decision

AFP, Pretoria

South African inflation rose to 6.4 percent in August, official figures showed Wednesday, posing a quandary for central bankers meeting amid lacklustre growth in the continent's largest economy.

Statistics South Africa said consumer prices ticked up from the corresponding rate of 6.3 percent in July.

That is well above the upper level of the central bank's three to six percent inflation target.

The rise puts pay to any talk of a quick move on interest rates when the bank concludes its latest monetary policy meeting Thursday.

With South Africa experiencing slow growth and the economy beset by a weak rand and labour strife, there have been calls for the central bank to spur the economy through a rate cut.

National poverty database on way

FROM PAGE B1

ICT Secretary Nazrul Islam Khan said poverty database should be prepared by collecting information from the union parishad level as the parishads have Union Information Centres (UICs) that are now equipped with all sorts of information.

WB Country Director Johannes Zutt praised Bangladesh's poverty reduction efforts, saying that the country's 1.75 percent growth of poverty reduction level is good compared to many other countries.

Nonetheless, he pointed out, a good number of people still live under the poverty line.

"Once you have a strong poverty database, you will be able to implement different programmes, including education stipend and healthcare," he said.

Secretaries from 11 ministries also shared their ideas on developing the poverty database

Bangladesh still a magnet for clothing brands: McKinsey

FROM PAGE B1

The new research shows that production capacity and price appear to trump safety and labour when it comes to choosing where to source clothes.

The country is tied with Italy at present for the number 2 spot. "Italy is historically a major producer of fashion and accessories but is declining in importance," the report said.

About China, McKinsey report said for now China remains the world's largest garment producer by far, with more than \$150 billion in annual exports.

But 80 percent of the retailers participating in the survey said they plan on reducing their sourcing from China in the next five years, primarily because of rising labour costs. China's minimum wage is four times that of Bangladesh's \$39 monthly base rate.

The new report was prepared by interviewing 29 European and American retailers representing global sourcing volume of \$40 billion.

The survey was conducted between the months of July and August, meaning not long after the Rana Plaza collapse that killed more than 1,100 and injured thousands.

The South Asian nation has plenty of drawbacks, though. Retailers are facing safety compliance issues and labour unrest, while massive strikes that delay garment production and deliveries are set to increase ahead of the national election.

In addition, the Bangladeshi government has committed to raising the minimum wage, meaning labour costs could increase there too, the report said.

McKinsey also tipped the neighbouring Myanmar to offer stiff competition to Bangladesh. The erstwhile military-ruled South Asian nation came in fourth in the rankings after Bangladesh, Vietnam and Cambodia.

Jute sacks made compulsory for rice packaging

FROM PAGE B1

"We have no reservations about using jute sacks, but the government should be aware that prices of rice will increase for higher packaging costs," he said, adding that the prices may increase by up to Tk 2 per kg.

Ali is also sceptical of the jute mills' capacity to supply the sacks timely and in line with the market demand.

"The government should enforce the law gradually and be well aware of the supply and demand situation before enforcement. Otherwise, problems may arise in the supply chain," he said.



Md Abdul Jalil Chowdhury, acting managing director of Mercantile Bank, and Andrzej Dachman, president of US Money Express Company, exchange documents after signing an agreement in Dhaka recently. The deal will help the Bangladeshis living in the USA send money home through the bank.



Concord Entertainment Company Ltd signed a corporate partnership deal with Prime Bank Ltd at the bank's head office in Dhaka recently. Under the agreement, employees of the bank will get discount at Fantasy Kingdom in Dhaka and Foy's Lake in Chittagong. Anup Kumar Sarker, general manager of Concord Entertainment, and JH Shahedi, head of human resources of the bank, signed the deal, when Ehsan Khasru, managing director of the bank, was present.

Stocks end flat as investors lose appetite for fresh investment

STAR BUSINESS REPORT

Stocks ended flat yesterday due to investors' wait-and-see approach amid a nationwide shutdown by the Jamaat-e-Islami.

DSEX, the benchmark general index of the Dhaka Stock Exchange, closed the day at 4,116.17 points, after falling 2.64 points or 0.06 percent.

Investors crowded brokerage houses in Motijheel from the beginning of trading session defying the strike. But most of them observed the market carefully.

The market gauge successfully caught the positive wave from the very beginning of the trading session, mostly pulled up by buyers' bullishness, but late-hour sell-offs dragged down the benchmark index, LankaBangla Securities said in its daily analysis.

A strong selling spree in most of the large-cap stocks pushed down the market sentiment, IDLC Investments said in its analysis.

The market outlook in line with investors' perception changed a little as average turnover in the last four trading sessions moved past Tk 600 crore, the stockbrokers said.

Turnover, the most

important indicator for judging the market situation, advanced 3.74 percent to Tk 653 crore, compared to the previous day.

A total of 1.7 lakh traders were executed with 15.07 crore shares and mutual fund units changing hands on the premier bourse.

Of the 294 issues that traded, 114 advanced, 161 declined and 19 remained unchanged.

The textile sector emerged as the leading dominator in turnover for the second consecutive session, accounting for 22.48 percent.

Amid major sectors, non-bank financial institutions gained 1.77 percent, power 1.17 percent and telecoms 0.33 percent, whereas non-life insurance declined 2.42 percent, food 0.87 percent and engineering 0.80 percent.

Bangladesh Submarine Cable Company topped the most traded stocks chart with 12.47 lakh shares worth Tk 32 crore changing hands.

Information Services Network was the biggest gainer of the day, as it posted a 9.72 percent rise, while Fareast Islami Life Insurance was the worst loser, as its values were wiped off by 16.32 percent.

Greece crippled by fresh strikes

AFP, Athens

Thousands of striking Greek public sector workers took to the streets Wednesday, closing hospitals, schools and transport links, bringing many parts of the country to a standstill.

In the latest round of strikes, civil servants marched through the capital against a job redeployment scheme demanded by Greece's EU-IMF creditors in return for access to bailout loans, and likely to bring additional layoffs in the recession-hit country.

Banners were held aloft by protesters reading, "No to layoffs" and "No to the dissolution of public services".

"They will abolish permanence and sell whatever they can from the public property, be it schools, hospitals, social insurance funds," said Christos Vagenas, a 39-year-old civil servant.

"Essentially, everything will be given to the private sector," he told AFP.

The protests were held in a tense climate following the killing hours earlier of a left-wing artist allegedly by a suspected member of neo-Nazi party Golden Dawn.

Pavlos Fyssas, a 34-year-old hip hop singer, was stabbed to death early on Wednesday morning in the western Athens district of Keratsini outside a cafeteria, in an apparent ambush.

Government spokesman Simos Kedikoglou blamed the incident squarely on Golden Dawn, condemning the group's "raw violence" and calling on other parties to "raise a barrier to the vicious circle of tension and violence".

Police said a 45-year-old alleged member of the Golden Dawn neo-Nazi group arrested at the scene of the killing had confessed to stabbing Fyssas, who wrote music under the nickname Kilah P.

"The suspect confessed his act and also admits that he has a specific political affiliation," police spokesman Christos Parthenis told a news conference.

Parthenis added that "offices and homes" apparently belonging to Golden Dawn were being searched by police in connection to the murder.

Speaking to reporters, the victim's father said Fyssas had been "hunted down" by a group of assailants and dealt a "professional" stab blow.

Golden Dawn immediately denied any connection, but the incident -- a few days after a group of Communists were beaten by suspected neo-Nazis -- was likely to inflame tensions in Greece where anger is simmering over four years of austerity cuts.

At least 2,000 Communist unionists demonstrated in Athens on Wednesday, rejecting the government cuts but also shouting anti-fascist slogans.

"Block the fascists in every quarter," the crowd chanted.

Wednesday's protests followed strikes earlier in the week. On Monday, at least 17,000 teachers and civil servants took to the streets to protest against plans for massive public sector redeployments and layoffs.

On Tuesday, hospital workers and lawyers joined the demonstrations.

The latest two-day strike over the

job overhaul was called by Greece's union of civil servants, ADEDY.

The country's main union GSEE also ordered a four-hour work stoppage and journalists walked off the job until midday in support.

Overall, Greece has pledged to axe 4,000 state jobs and redeploy 25,000 public sector workers by the end of the year, in return for its much-needed rescue loans.

Civil servants have to accept new posts or spend eight months on reduced salaries as alternative posts are found, with the risk of losing their jobs altogether.

Hard hit by the economic crisis, Greece is experiencing a sixth year of continuous recession and has a staggering 27 percent unemployment rate.

Conservative Prime Minister Antonis Samaras, who heads a fragile coalition with the socialists, this week said the Greek economy is likely to need another six years to return to pre-crisis levels.

Samaras's party is struggling in the polls, with the anti-austerity leftist party Syriza vying with the conservatives for first place.

Despite its implication in violent incidents, Golden Dawn ranks third in opinion polls, capitalising on the country's recession plight and widespread anger towards mainstream parties for failing to tackle decades of corruption.

National elections are not scheduled to be held in Greece for another three years, but there is strong speculation regarding an early ballot in 2014.



RN Paul, a director of RFL, inaugurates an outlet on Pilkhana road in Azimpur in Dhaka recently. Products such as water pump, gas stove, bathroom fittings and sofa sets will be available in the new showroom. Nabanur Islam Khan, chief operating officer, was also present.



Ranjan De Silva, a director of Apollo Hospitals Dhaka, receives the Asian Hospital Management Awards 2013 at the Hospital Management Asia Conference in Bangkok recently -- in recognition of its continuous improvement in corporate governance and high standards of patient safety.



M A Matin, additional managing director of Uttara Bank, and Patricia Riingen, senior vice president of Western Union for East and South Asia, inaugurate a dedicated area at the bank's Badda branch in the capital recently to enable faster and easier access to remittances services. It marks the start of a "Five Minutes or Less" service pledge by the bank.