

Save bidi workers, urge analysts

STAR BUSINESS REPORT

The government's plan to raise the prices of bidi in the next fiscal year would send the industry of hand-rolled cigarettes on the verge of collapse, analysts said yesterday.

The price hike will take a heavy toll on the businesses in the bidi industry, who are now struggling against the spiralling costs of production, said Prof Mesbah Kamal, chairperson of Research and Development Collective, a research organisation.

Kamal spoke at a seminar on the national budget and bidi workers, organised by the research firm at The Daily Star Centre in Dhaka.

In the proposed budget for the next fiscal year, the government set the price of a 25-stick pack of non-filter bidi at Tk 6.14, up from Tk 5.35 now.

The price of a 20-stick pack of filter bidi was raised to Tk 6.94 from Tk 6.05.

A worker can make nearly 6,000 sticks of bidi a day and earn Tk 28 from every 1,000 sticks, said Kamal, who is also an economics professor at Dhaka University.

Around 25 lakh people are now



Centre, Monirul I Khan, chairman of Dhaka University's sociology department, speaks at a seminar on national budget and bidi industry, organised by Research and Development Collective (RDC), at The Daily Star Centre in Dhaka yesterday. Left, Lawmaker Kazi Rozi and Prof Mesbah Kamal, right, chairperson of RDC, were also present.

engaged in 90 bidi factories in the country, while there were 218 such factories in 2001, he said.

More than 127 bidi factories faced closure in the last 12 years and 27 lakh workers became jobless.

"Any type of tobacco is injurious to health. If the government wants to ban tobacco, it can do that," said Monirul I Khan, chairman of the sociology department at Dhaka University.

"But the government must protect the bidi workers until alternative employments are created."

Bidi workers face various health hazards, but the government neglects their interests, said Advocate Delwar Hossain Khan, general secretary of Bangladesh Labour Federation.

MK Bangali, general secretary of Bidi Sramik Federation, and lawmaker Kazi Rozi were also

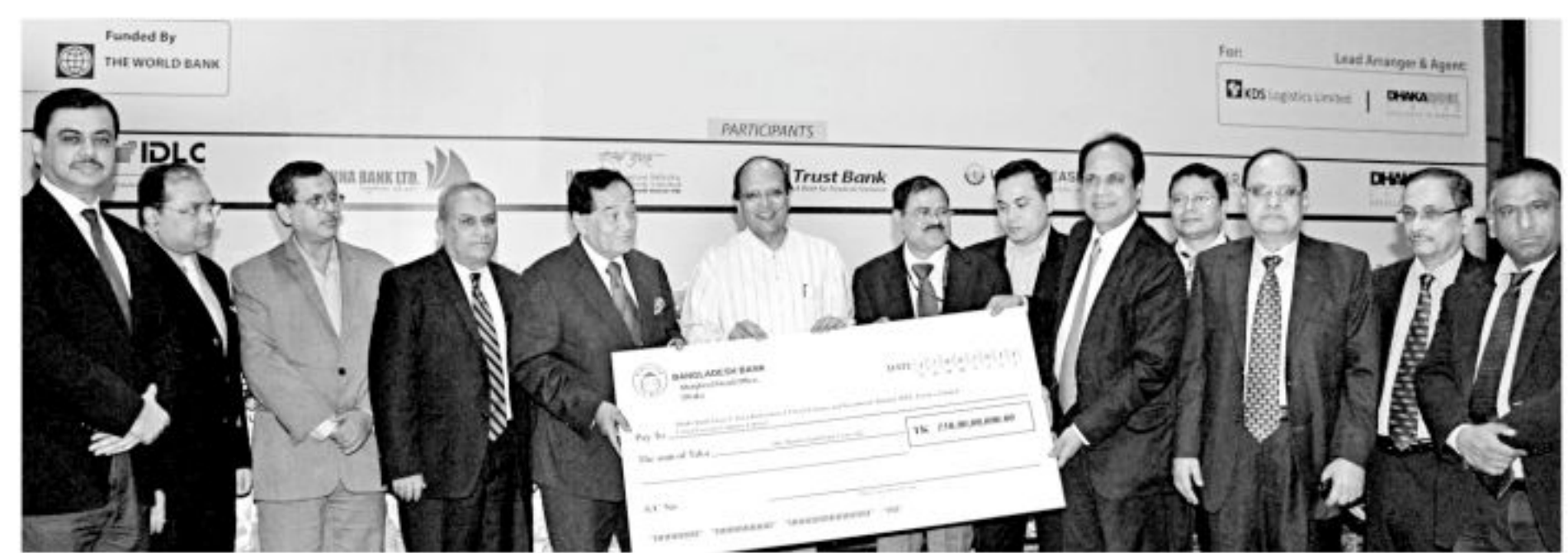
Tourism fair begins in town today

STAR BUSINESS DESK

A three-day tourism fair begins at Bangabandhu International Conference Centre at Sher-e-Bangla Nagar in Dhaka today.

The event will be organised by Bangladesh Foundation for Tourism Development, and Association of Travel Agents of Bangladesh in collaboration with the civil aviation and tourism ministry, Bangladesh Tourism Board, the Federation of Bangladesh Chambers of Commerce and Industry, Bangladesh Inbound Tour operators Association and Bangladesh International Hotel Association.

Civil Aviation and Tourism Minister Rashed Khan Menon is scheduled to open the fair where businesses from USA, Europe, Middle East and South Asia, including Indian states, are expected to take part occupying over 150 stalls.



Bangladesh Bank Governor Atiur Rahman attends a ceremony to announce Dhaka Bank's syndicated term loan facility of Tk 198 crore for KDS Logistics Ltd. Dhaka Bank is the mandated lead arranger and agent bank for the syndication.

556 JV projects approved in five years

STAR BUSINESS REPORT

The government green-lit 556 joint venture investment projects worth Tk 82,000 crore in the last five years, Prime Minister Sheikh Hasina said yesterday.

It has also approved 306 industrial projects with a total investment of Tk 6,500 crore during the period, she said.

On foreign investment, she said a host of countries including Spain, Germany, Thailand, Australia, Japan, Singapore, China, France, Italy, South Korea, UK and India have made investments in various industrial and commercial sectors of Bangladesh during her previous tenure.

In a scripted reply, Hasina also said different industrial entrepreneurs of foreign countries have shown their keen interest to invest in the country's agro-based industries, engineering industries, food, leather

products, textile industries, service sectors and chemical industries.

The premier said her government has taken various measures to provide timely services to investors.

"Various infrastructural and investment related services are being provided to the investors through a one-stop service centre," she said, adding that two private export processing zones and five economic zones are on way.

Hasina also informed the House about her government's plan to eradicate poverty, welfare for freedom fighters, develop tourism sectors, ensure women rights and to increase fish production.

Replying to lawmakers' queries, Hasina, also the leader of the House, said 233 foreign nongovernmental organisations, including 76 from the US, are operating in Bangladesh, where 342 foreign nationals



Bank Asia Chairman A Rouf Chowdhury poses with the participants of a foundation training course at its concluding ceremony, at Bank Asia Institute for Training & Development in Dhaka recently. Executive Vice President Md Sazzad Hossain, Senior Vice President Mamun Mahmud and Vice President Md Azharul Islam were also present.

Five-day trade fair kicks off

FROM PAGE B1

The company has no sales booth at the fair, Huda said. "We are suggesting our customers at the fair to visit our electronics retail outlets around the country."

"The expo is an opportunity for us to showcase renowned consumer electronics brand," Huda said.

"We want to make the people of Bangladesh more aware of the advantages of Asian products and services," said Meherun N Islam, managing director of CEMS, while inaugurating the fair.

The fair will help reduce the trade gap with the neighbouring countries, she added.

Nitol Motors, a distributor of Tata vehicles, is showcasing two cars—Indigo ECS and Manza—at the fair to increase brand visibility, said Mohammad Raihan Reza, senior officer of corporate sales, passenger car business unit of Nitol Motors.

"We are offering a gift for each car sales to promote products and boost sales."

Customers will get a 19-inch light-emitting diode television upon buying cars at the fair, he said.

The price of the Indigo ECS is Tk 15.75 lakh and the Manza is Tk 21.75 lakh.

Over 100 exhibitors from 10 countries opened 120 stalls at the fair.

Nitol Electronics, an authorised dealer of a number of global brands, including Taiwanese Atashi and Chinese Boss.

"We are showcasing light-emitting diode televisions, refrigerators, air conditioners and microwave ovens at the fair for promotion," said Moniza Islam, senior executive of Nitol Electronics. "We want gain popularity through the fair."

The fair has created an opportunity for us to reach out to many consumers, said Debashis Kumar, sales and marketing executive of Leo King, an interior decorator.

Sharmin Sultana, proprietor of Dhrupodi Fashion, is also participating in the fair to promote her products.

Govt plans to introduce genetically modified cotton

FROM PAGE B1

Kamal Uddin, executive director of BARC, said Bangladesh would be unable to make its cotton production sustainable without research.

The three-day meeting aims to create an opportunity for cotton scientists and experts from the public and private sectors in Asia to share their experience, views and ideas for development of the research network among the cotton growing countries in the continent.

About 120 scientists and experts from countries such as China, Egypt, India, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Thailand, Turkey, Uzbekistan and Bangladesh are taking part.

"Asian countries need to deepen collaboration among themselves to boost productivity, to meet growing demand for the raw material," Abid Mahmood, chairman of ACRDN.

M Rafiq Chaudhry, of International Cotton Advisory Committee, urged the minister to take steps for become a member of the inter-governmental body.

SM Nazmul Islam, secretary of the agriculture ministry, and Md Farid Uddin, additional director of CDB, also spoke.

FAO forecasts bumper rice output

FROM PAGE B1

Citing remote-sensed data, the United Nations agency said plantation of aus completed by mid-May and the above-average rainfall from early March to early June over the main rice-producing areas has facilitated land preparation and early crop development.

It puts current season's aus paddy output at 36 lakh tonnes, 3 percent higher from the corresponding season of last year.

Wheat output may also rise 2 percent year-on-year to 14 lakh tonnes, it said.

"This reflects a slight expansion in area planted due to high prices at sowing time and improved yields, following adequate supplies of irrigation water," said FAO.

Production of maize is also likely to increase in the current year.

Despite high rice production last year, cereal imports are forecasted to surge 70 percent to 32 lakh tonnes in fiscal 2013-14.

"The projected increase mainly reflects higher wheat imports," said FAO, citing that

wheat imports are expected to soar 40 percent to 26 lakh tonnes from last year's low level.

The increased wheat import reflects the government efforts to restore stock for public distribution programmes and stabilise domestic prices.

Rice imports, mainly by private traders, may increase to 6 lakh tonnes this year, prompted by lower prices in international market, it said.

Meanwhile, the UN agency said rice and wheat prices fell slightly in May with the start of the 2014 Boro harvest.

"Rice prices are expected to decline further in the coming months when the bulk of the harvest will enter the markets," it said.

Similarly, wheat flour prices weakened in May, as a result of the record 2014 wheat harvest and continuing distributions by the government through open market sales.

However, the ongoing procurement programme, which is set to end in June,

Inflation creeps up on rural food price spirals

FROM PAGE B1

"Though the target is not likely to be achieved, the fact that inflation has remained stable in recent months is a good sign," Hussain said, adding that containing inflation to 7 percent should be the main focus of the upcoming monetary policy, due to be announced next month.

He went on to support the central bank's monetary stance, saying Bangladesh Bank took a cautious stand in the past several years so that inflation remains in control and it succeeded.

If inflation remains in control, economic growth will increase, he added.

Finance Minister AMA Muhith in his budget speech said food inflation sneaked up as there was disruption in supply due to continued strikes and blockades at the beginning of the fiscal year.

He however said the declining trend in

food price in neighbouring India and in other countries will bring down the price of food grains in the coming days.

Factoring in the declining trend in food and energy prices in the international market along with the satisfactory domestic agricultural production and supportive monetary policy, he said inflation will be hovering around the 7 percent-mark come June.

Hopeful that inflation would reduce further in the coming months, Muhith set the inflation target for fiscal 2014-15 at 6 percent. However, what is alarming is that food price has started creeping up in both India and the international market most recently.

Inflation in India reached a five-month high of 6.01 percent in May, driven largely by increase in prices of basic foodstuffs. Food inflation stood at 9.50 percent in

Rod, cement makers eye big business

FROM PAGE B1

Holcim contributed to some big infrastructure projects such as Bhairab and Rupsha bridges, Hatirjheel project, and Kuril and Jatrabari-Gulistan flyovers.

Bangladesh's cement production capacity is almost double its requirement at 18 million tonnes a year, Khandaker said. "Quality also matches international standards."

M Firoze, head of marketing and product development of BSRM Steels, said whether the local companies will qualify for supplying rods for the bridge project will depend on quality and timely delivery.

"We are already providing rods for culverts and bridges on the approach roads," he said. They hope to supply

construction materials for the main bridge as well.

Mohammed Jahangir Alam, chairman of MI Cement Factory that produces Crown brand cement, said they have experiences of supplying quality construction materials -- both cement and rod -- for mega infrastructure projects.

"We have participated in the Jatrabari-Gulistan and Kuril flyovers and are now supplying materials for the approach road," said Alam, also managing director of GPH Ispat, a steelmaker.

"We have confidence that we can provide quality products in time for the bridge project."

Bangladesh has the capacity to produce around 70 lakh tonnes of rod a year, while

GDP growth: the numbers game

FROM PAGE B4

I draw three policy implications moving forward. They are all very important and deserve serious attention of the policymakers.

First, the government's GDP growth assumption for FY2014-15 is optimistic. The shortfall in private and public investment observed in the first three years of the Sixth Five Year Plan has constrained the increase in the economy's capacity to go beyond the 6 percent growth rate during the four years of FY2010-FY2014. The political turmoil in FY2014 is likely to have prevented an improvement in the national rate of investment from the 24-25 percent of GDP observed in the first three years of the Plan. As such, even if the investment rate goes up by 1-2 percent of GDP in FY2014-15, which is optimistic, the GDP growth is not likely to reach the 7 percent plus range in view of the lag between investment and increase in production. Yet, policy effort must continue to achieve a 6 percent plus growth rate, which is certainly feasible. A 6 percent plus GDP growth rate would be a superior performance if achieved.

Second, renewed focus on higher investment from both public and private sectors is essential to lay the foundations for 7 percent plus GDP growth in the Seventh Five Year Plan. The government should learn from the experience of the Sixth Plan. The mid-term review of the Sixth Plan provides a useful analysis of the reasons for the shortfall in the investment effort and policies that would help increase the investment rate.

Third, the BBS is an essential national institution that provides public good. It must be treated as such rather than as an arm of the government. It must be equipped with resources that make it possible to generate the best possible data and verify the quality of data it produces. The data must be based on best available information and internationally acceptable methods. The resulting information must be accepted gracefully by the government even if they are not consistent with its expectations. The government must welcome independent reviews of data quality from other clients of BBS and use these reviews to improve its own understanding and inform policy making accordingly. Institutions like UNDP, World Bank and the IMF have considerable data management capabilities and BBS can benefit from technical assistance from these institutions to upgrade its capabilities.

The writer is vice chairman of the Policy Research Institute of Bangladesh. He can be reached at sadiqahmed1952@gmail.com.

Bangladeshis in Saudi Arabia to get MRPs at lower fee

FROM PAGE B1

Earlier, the government took a decision to deliver MRPs to the Bangladeshi workers in Malaysia and the UAE with the help of an outsourcing company.

In Malaysia, the service charge per MRP is \$18 and in the UAE, it is \$13, besides the normal fees.

After printing, the MRPs will be sent to the Bangladesh mission in Saudi Arabia, from where the selected company will deliver the booklets to the expatriates.



Shamsur Rahman, chairman of Bay Group, and MA Quader, chief executive officer of Bay Emporium Ltd, open a new shop of Bay Emporium at Uttara sector 9 in Dhaka recently.



Md Sami Al Hafiz, chief communications officer of Mutual Trust Bank Group; Tapan Kumer Roy, junior assistant vice president; and Md Haider Ali, manager of the bank's Dagonbhuiyan SME/agri branch, receive the silver award from Md Motiur Rahman, business development manager of Western Union, Bangladesh, at the Western Union Ambassador Programme 2013 recently.



Exim Bank Chairman Md Nazrul Islam Mazumder presides over the 15th annual general meeting of the bank at Raowa Complex in Dhaka recently. The bank declared 11 percent stock dividend for 2013. Managing Director Mohammed Haider Ali Miah was also present.