

Tofail invites US trade chief to see safety progress

REFAYET ULLAH MIRDHA

Commerce Minister Tofail Ahmed yesterday invited USTR chief Michael Froman to visit Bangladesh and witness first-hand the improvements the country has made over the last one year in workplace safety and labour standards.

"It was a welcoming gesture on our part," Hedayetullah Al Mamoon, senior secretary to the commerce ministry, told The Daily Star.

"At the same time we also want to have the opportunity to show him the progresses made in safety standards and labour rights in the garment sector against the US-provided 16-point action plan."

The move comes after Froman, as the head of the United States Trade Representative, Obama administration's chief trade negotiating body, early this month said the country needed to do more to win back trade benefits to the US.

"We are seeing some improvements that move us closer to our shared goal of protecting workers from another workplace tragedy such as the April 2013 Rana Plaza building collapse, including a significant increase in the registration of unions."

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Eid shoppers crowd an outlet of local shoe brand Bay Emporium in Dhaka yesterday.

Local footwear brands on a roll

MD FAZLUR RAHMAN

The footwear market is brimming with high-quality local brands as a number of exporters entered the scene to capitalise on the growing demand from domestic consumers.

Furthermore, a number of companies opened stores in recent days in a bid to grab their own share of the country's biggest spending season—Eid.

One such company is HAMKO Group. Largely known as a leading producer of batteries, it made its foray into the local footwear market this Ramadan, opening its first store at the capital's Farmgate on July 10 under the moniker of HAMKO Leathers Ltd.

Since then, it has opened stores at the capital's Gulistan, Shewrapara and Sadarghat areas and also in Rajshahi and Jamalpur, said Manjurul Islam, the company's general manager for marketing.

The company plans to open about 50 stores in parts of the country after Eid to grab a sizeable slice of the local market, which is flush with imports from China.

"The local market is huge and is growing tremendously. If we can offer quality products we will be able to stop the imports," he said, adding that HAMKO is making 500 to 1,000 pairs of shoes a day for the local market only, with plans to treble the production by next year.

While the exact statistics on retail footwear sales are hard to come by, one estimate puts the annual sales figure at Tk 2,400 crore on the basis of per capita shoe consumption of nearly one pair.

Abu Taher, chairman of Bangladesh Finished Leather, Leather Goods & Footwear Exporters Association, said the local sales will total Tk 7,000 crore a year.

Meanwhile, a number of industry people say the home market, which has long been dominated by multinational Bata and local brand Apex and shunned by exporters producing high-quality wares for Western buyers is progressively becoming more attractive for footwear makers, as exports entail a lot of complexities.

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Potato exports treble

SOHEL PARVEZ

Potato exports saw a quantum leap in the recently concluded fiscal year, buoyed by higher shipments to Russia amid a tight supply from Pakistan and India to the global market, exporters said yesterday.

Exports crossed the one-lakh-tonne mark for the first time in fiscal 2013-14, rising threefold from only 28,416 tonnes in the previous year, according to the Department of Agricultural Extension (DAE).

Earnings also trebled to \$33.82 million in 2013-14 compared to the previous year, Export Promotion Bureau data shows.

"This is a milestone. We want to perform better in the days to come. We are trying to consolidate in Russia, which is a big market for potato," said Shaikh Abdul Quader, president of Bangladesh Potato Exporters Association, which recorded the total exports at 116,000 tonnes in the last fiscal year.

Of the quantity, nearly 20,000 tonnes were exported to Russia, where Bangladeshi exporters enjoyed wider market opportunities due to a ban on Pakistani potatoes over pest risks.

Exports to other traditional markets such as Malaysia, the Middle East and Sri Lanka also rose owing to a slow supply from Pakistan and India where unfavourable weather took a toll on production.

The surge in exports came on the back of low prices in the domestic market during January-February, when prices fell below the production cost of around Tk 6 a kilogram.

An increased demand for exports and a build-up of stocks later caused the prices to swell, helping many of the country's seven lakh farmers narrow down losses they had suffered earlier due to a supply glut.

Prices that fell below Tk 2 a kilogram at the farmers' level in January are now Tk 22-25 in Dhaka markets. On January 23, potato was selling at Tk 10-12 a kilogram in the capital, according to Trading Corporation of Bangladesh.

ANNUAL POTATO EXPORTS IN TONNES

Year	Exports (Tonnes)
2007-08	5,412
2008-09	407
2009-10	9,687
2010-11	39,539
2011-12	18,862
2012-13	28,416
2013-14	103,000

SOURCE: PLANT PROTECTION WING, DAE

Frustrated by sliding prices, farmers in many northern districts had staged protests and dumped their produce on highways during the harvesting season, prompting the government to explore opportunities for export. Currently exporters get 20 percent cash incentives.

"Low prices in the domestic market were one of the main factors behind the rising exports. The government initiatives to create wider market opportunities have also helped," said Md Ahsan Ullah, quarantine entomologist at the DAE's plant protection wing.

However, retaining the markets, especially Russia, depends largely on ensuring consistent quality and export of disease-free vegetables.

In May, Russia denied entry of a potato shipment from Bangladesh after detecting brown rot disease, according to Fresh Plaza, an online portal on global fresh produce.

"At the moment, we are working to eliminate the disease. We have taken huge programmes to ensure smooth exports to Russia," said Quader of the exporters' association.

The government, too, has prepared an action plan to ensure production of disease-free potato, he added.

Diseases apart, production of exportable potato varieties is low although the country produces potato more than its annual demand.

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Lafarge teams up with Metrocem to boost presence in Dhaka

SARWAR A CHOWDHURY

Lafarge Surma Cement has tied up with local Metrocem Cement in a bid to increase its market share in the Dhaka region.

The multinational company, whose plants are located at Chhatak, Sunamganj, will supply its clinker to the Muktarpur-based cement manufacturer, which will add other raw materials to manufacture Portland composite cement for Lafarge. The cement will be marketed and distributed under the brand name of 'Duracrete'.

Lafarge is one of the top three market leaders and the new deal will help the company to increase its market share from its existing 7.5 percent. Though the Duracrete brand cement will be manufactured at the Metrocem factory, Lafarge's specification and quality will be maintained.

"One of the core objectives of this agreement is to increase our capacity and capability to serve our customers in Dhaka and its adjoining regions better and faster," said Masud Khan, finance director of Lafarge Surma Cement.

Apart from the location advantage, the reduction in distribution costs will also be an added advantage, considering the fact that distribution cost is generally higher for cement, he said.

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Workers of Shishir Group, Tuba stage protests for wages, bonuses

STAR BUSINESS REPORT

Workers of a knitting and dyeing factory in Tongi yesterday came to the company's headquarters at Bangla Motor in Dhaka to demand their due wages and festival bonuses.

Owners closed Shishir Knitting and Dyeing Factory, a unit of Shishir Group, on July 14, without notice, workers said.

"We waited for 10 days but nobody from the management came to pay our dues," said Md Mizan, a worker.

About 300 workers of the factory that employs around 1,000 demonstrated in front of Planners' Tower around 1pm and looked for the owners and top management of Shishir Group to demand their dues.

Mina Khanom and Halima Khatun, two of the workers, looked exhausted as they travelled to the protest site through heavy traffic on the roads ahead of Eid-ul-Fitr.

"I am yet to buy any clothes for my two daughters."

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Workers of Shishir Knitting and Dyeing Factory, a unit of Shishir Group, demonstrate in front of the company's head office at Bangla Motor in Dhaka, demanding their due salaries and festival bonuses.

IDLC's half-yearly profits rise 52pc

GAZI TOWHID AHMED

The net profit of IDLC Finance rose 52.84 percent year-on-year to Tk 31 crore in the January-June period on the back of growth in deposit and lending.

"Our deposit and lending businesses—corporate, small and medium enterprises and consumer division client segments—recorded good business growth in the first half of the current year," said Selim RF Hussain, managing director of IDLC Finance.

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