Usmania Glass resumes production after one year

MOHAMMAD SUMAN

Usmania Glass Sheet Factory has a daily production capacity of 20-22 tonnes.

MOHAMMAD SUMAN, *Ctg*

Usmania Glass Sheet Factory Ltd (UGSFL), a state-owned glass manufacturer, resumed production yesterday after a one-year gap.

After successfully producing 1 lakh square feet of glass under a trial operation, the company had returned to production in full swing, said Md Al Amin Munshi, executive engineer (chemical) of the company based in Chattogram.

The production of the company, a subsidiary of the Bangladesh Chemical Industries Corporation (BCIC), came to a halt after its reactor was damaged in a fire incident on June 23 last year.

The BCIC repaired the reactor at the cost of Tk 3 crore, and the heating resumed in the middle of June. It needs one-and-a-half months to come into production after the beginning of the heating.

UGSFL officials said that the authorities had taken several initiatives to modernise and expand to survive the competition. A proposal was awaiting approval from the government.

The company plans to make container glass (bottle) from next year. The BCIC has recently called for tenders to conduct a feasibility study to set up the plant inside the factory.

Twenty-nine companies took part in the bidding. But the awarding of the work could not be completed because of the ongoing coronavirus pandemic.

"If we can establish the new plant, it will be possible to make glass bottles in the factory from next year," Md Akhtaruzzaman, managing director of UGSFL, told The Daily Star.

"We hope we will return to profit if it is implemented."

He said the quality of the glass made by UGSFL was good even after using the technology of 1959.

"However, if modern technologies are used, it will be possible to produce internationally standard glass."

UGSFL started its operation in 1960. The second unit began producing glasses in 1970. UGSFL was the only domestic source of glass till 1995.

Later, the state-run firm faced stiff competition when several private groups, including PHP Family, Nasir Glass and MEB Group, made a foray into glass manufacturing, breaking the monopoly of Usmania Glass.

It has a daily glass production capacity of 20 to 22 tonnes. The company sold three million square feet of glass in the last one year from its previous stock.

Listed on the Dhaka Stock Exchange since 2004, Usmania Glass incurred a loss of Tk 30 crore in the last five years. As a result, it could not pay any dividend in the last two fiscal years.

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Losses piling up for flower growers

They call for easing Covid restrictions

MOHSIN MILON, *Benapole*

COLLECTED

Flowers worth Tk 300 crore are grown in the country each year but due to the Covid-19 pandemic, the industry has incurred serious losses, according to growers and traders.

Sumon Biswas cultivated roses and Gerbera daisies on four bighas of his land in Gadkhali village of Jhikorgacha upazila in Jashore district.

During the pre-pandemic era, he could earn an average of Tk 50 lakh per month.

But ever since the Covid-19 outbreak began last March, business has taken a steep dive.

"I invested Tk 4 lakh to cultivate these flowers but I was only able to sell Tk 2 lakh worth so far this year," Biswas said.

Biswas had aimed to recover the losses incurred during the initial stage of the pandemic last year.

"However, even this year has turned to losses and I cannot even go for alternative cultivation," he added.

Before the advent of Covid-19, flowers were sold across the country all year round. At the time, fresh cut flowers would be taken to Gadkhali market, where they would sell out immediately, especially on national holidays.

Wholesalers played a big role in making this happen but due to the restrictions on public movement amid a rising infection rate, few come to see the flowers.

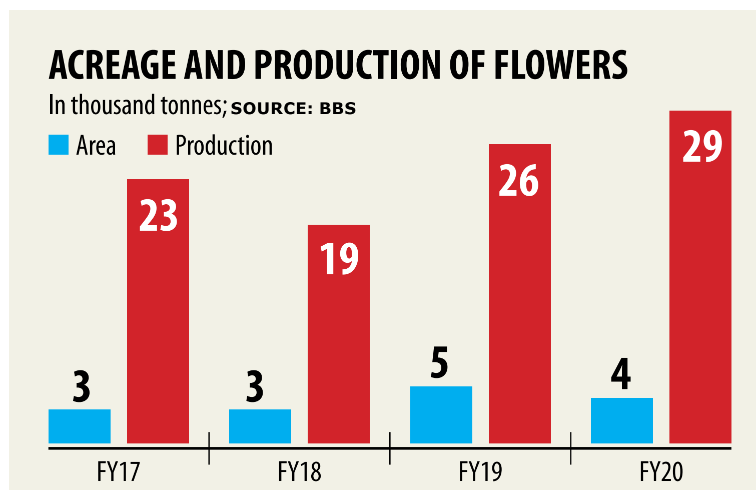
"That's why I travel far and wide by cycle to sell my flowers but still, buyers are hard to come by," Biswas said.

Like Biswas, another 6,500 growers in Gadkhali area, known as the flower capital of Bangladesh, are being forced to travel by cycle or van to various towns and villages to sell their flowers.

Meanwhile, growers who are unable to do the same are being forced to use their flowers as food for cows and goats.

Flowers worth Tk 300 crore are grown in the country each year but due to the Covid-19 pandemic, the industry has incurred serious losses, according to growers and traders.

Considering the situation, industry people have asked for low interest loans with two-year repayment tenures alongside other support from the government.



There are about 20,000 flower farmers in Bangladesh, of which about 6,000 are based in Jashore, producing a lion's share of the total demand.

Flowers have long been recognised as the main cash crop for farmers in the region but the repeated waves of coronavirus infections across the country has led to a disaster for them.

During the December-February period of fiscal 2020-21, when the Covid-19 situation had died down a bit, the demand for flowers began to recover since social events were back on.

But farmers' hopes of a turnaround in fortune was short-lived as the situation began to deteriorate again from March. After that, restrictions on public movement and recent nationwide lockdown took a toll on the industry.

Another farmer, Sher Ali Sardar, said growers started cultivating flowers again this year on their own initiative since they expected the situation would improve further.

"But its all over again because of the lockdown, I have never seen such an incident in my 42 years of flower cultivation," he said.

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GLOBAL BUSINESS

China's export slowdown may signal more bumps ahead

REUTERS, *Beijing*

China's export growth unexpectedly slowed in July following outbreaks of Covid-19 cases, while imports also lost momentum, pointing to a slowdown in the country's industrial sector in the second half even as easing global lockdowns boost commerce.

The world's biggest exporter has staged an impressive economic rebound from a coronavirus-induced slump in the first few months of last year after quickly containing the pandemic, and its rapid vaccination rollout has helped drive confidence.

But new infections in July, mainly caused by the highly transmissible Delta strain have spread to tens of Chinese cities, prompting local authorities to lock down affected communities, order millions to be tested and temporarily suspend operations of some businesses, including factories.

Seasonal floods and bad weather last month also affected industrial production in some areas such as central China.

Exports in July rose 19.3 per cent from a year earlier, compared with a 32.2 per cent gain in June. Analysts polled by Reuters had forecast a gain of 20.8 per cent.

"The pandemic worsened in other Asian developing countries, which may have led to a relocation of trade toward China. But leading indicators suggest exports may weaken in coming months," said Zhiwei Zhang, chief economist at Pinpoint Asset Management.

Outbreaks of Covid-19 cases in eastern and southern Chinese provinces, the country's main export hubs, had crimped factory output.

REUTERS/FILE

A worker drives a truck carrying a container at a logistics centre near Tianjin port in Tianjin, China.

Aside from the drag from efforts to counter the spread of the Delta variant, Chinese exporters also struggled with an ongoing global semiconductor shortage, logistics bottlenecks, and higher raw material and freight costs.

"Although orders are recovering, there are too many uncertainties in the second half of the year, like how the domestic epidemic develops and the cost of raw materials. And at the same time, foreign production capacity is slowly picking up," said an exports sales manager based in Suzhou surnamed Ye.

Imports in July rose a slower 28.1 per cent from a year earlier, lagging a 33 per cent increase forecast in the Reuters poll, and 36.7 per cent growth the previous month.

US labour market powers ahead with strong job gains

REUTERS, *Washington*

US employers hired the most workers in nearly a year in July and continued to raise wages, giving the economy a powerful boost as it started the second half of what many economists believe will be the best year for growth in almost four decades.

The Labor Department's closely watched employment report on Friday also showed the unemployment rate dropped to a 16-month low of 5.4 per cent and more people waded back into the labor force. The report followed on the heels of news last week that the economy fully recovered in the second quarter the sharp loss in output suffered during the very brief pandemic recession.

"We are charting new economic expansion territory in the third quarter," said Brian Bethune, professor of practice at Boston College in Boston. "The overall momentum of the recovery continues to build."

Nonfarm payrolls increased by 943,000 jobs last month, the largest gain since August 2020, the survey of establishments showed. Data for May and June were revised to show 119,000 more jobs created than previously reported. Economists polled by Reuters had forecast payrolls would increase by 870,000 jobs.

The economy has created 4.3 million jobs this year, leaving employment 5.7 million jobs below its peak in February 2020.

President Joe Biden cheered the strong employment report. "More than 4 million jobs created since we took office," Biden wrote on Twitter. "It's historic - and proof our economic plan is working."

Hiring is being fueled by pent-up demand for workers in the labor-intensive services sector. Nearly $6 trillion in pandemic relief money from the government and Covid-19 vaccinations are driving domestic demand.

But a resurgence in infections, driven by the Delta variant of the coronavirus, could discourage some unemployed people from returning to the labor force.

July's employment report could bring the Federal Reserve a step closer to announcing plans to start scaling back its monthly bond-buying program. The US central bank last year slashed its benchmark overnight interest rate to near zero and is pumping money into the economy through the bond purchases.

"This is the last employment report Chair (Jerome) Powell sees before Jackson Hole, and we have to imagine that he lays the groundwork for a potential September tapering announcement," said Conrad DeQuadros, senior economic advisor at Brean Capital in New York.

"We think the odds continue to rise that tapering begins before the end of 2021."

Stocks on Wall Street rose, with the Dow Jones Industrial Average and the S&P 500 index hitting record highs. The dollar jumped against a basket of currencies. US Treasury prices fell.

A 'Now Hiring' sign advertising jobs at a hand car wash is seen along a street in Miami, Florida, US.

REUTERS/FILE

Shipping giant Maersk buys e-commerce firms

AFP, *Copenhagen*

Danish maritime transport giant Maersk said Friday it was buying two e-commerce companies as surging demand for shipping led to another bumper profit in the second quarter.

The group is acquiring Visible Supply Chain Management, a US e-commerce logistics provider valued at $838 million, and B2C Europe, which specialises in cross-border parcel delivery services and is valued at $86 million.

"Our earnings and cash flow enable us to further accelerate our transformation, invest in growing the business, also through targeted acquisitions," chief executive Soren Skou said in a statement.

"These two companies will further accelerate our logistics growth particularly in e-commerce by adding technology and last mile delivery capabilities for our customers in the United States and Europe.

"Maersk's net profit rose to $3.7 billion between April and June, a nearly ninefold increase from the same period last year, beating expectations.

That was higher than what the group made in the full-year 2020.

As a result of the pandemic, demand for shipping has surged since mid-2020 and especially since the end of the year, in particular from Asia to the US and Europe.

Shipping companies and analysts attribute the rise to consumers purchasing more manufactured products, instead of spending their money on trips and restaurants and other experiences.

Additionally, many companies are still in the process of restocking after reducing their orders in the first months of the pandemic.