



Unrefined salt collected from the fields being loaded onto a pickup truck for transportation to refineries. At the wholesale hub of Nitaiganj in Narayanganj, each sack or 74 kilogrammes (kg) is selling for Tk 1,080-Tk 1,150, having undergone a price rise of Tk 100-Tk 150 within just a month. The photo was taken from Islampur union in Cox's Bazar sadar upazila.

PHOTO: COLLECTED

Salt prices shoot up

Just weeks to go for Eid-ul-Azha when demand soars

SUKANTA HALDER and SANAD SAHA

With just around two weeks left for Eid-ul-Azha, price of unrefined salt has shot up, at least in the wholesale hub of Narayanganj's Nitaiganj, in what appears to be an attempt at cashing in on the upcoming seasonal rise in demand for preserving hides of sacrificial animals.

Nitaiganj caters to different districts including Dhaka, Narsingdi, Gazipur, Tangail, Mymensingh, Feni, Cumilla, Chandpur and Munshiganj. But new markets have been established at various places whose traders buy salt directly from Chattogram and Cox's Bazar.

In Nitaiganj, each sack or 74 kilogrammes (kg) of unrefined salt has gone up in price by Tk 100-Tk 150 to Tk 1,080-Tk 1,150 within just a month, said traders predicting further hikes.

Meanwhile, wholesale prices of iodised salt have gone up by Tk 20-Tk 30 per sack (25 kg). Among the brands, ACI salt costs Tk 780, Confidence Tk 765 and Molla Super Salt Tk 660 while non-branded ones Tk 460.

The traders said the reason was a mix of supply being unable to keep up with demand, increase in production and transport costs and formation of a syndicate of salt farmers and traders in

Cox's Bazar.

The country's demand for salt this fiscal year stands at 23.35 lakh tonnes, BSCIC Chairman Md Mahubur Rahman told The Daily Star last month.

As of the second week of May, 18.30 lakh tonnes had been produced this season, according to the Bangladesh Small and Cottage Industries Corporation (BSCIC). The salt production season runs from November to May.

The government figure was contradicted by Poritosh Kanti Saha, president of Narayanganj Salt Mill Owners Association and proprietor of Pubali Salt Industries. He said the annual demand is 30 lakh tonnes.

The government has estimated a demand of 23 lakh tonnes this fiscal year but some 18.5 lakh tonnes has finally been produced, he said.

Demand has increased from other sectors, including ice cream, bakery, dyeing and soft drinks, said Jamal Dewan, owner of Garib E-Newaz Salt Industry.

Big companies at the local level are buying huge quantities of salt and storing it for future use, leading to price fluctuations, he said.

Retail salt traders, however, accused salt mill owners, big traders and farmers of Cox's Bazar, Teknaf, Islampur, Patia and

Kutubdia regions of resorting to hoarding. This was refuted by the farmers, who say they neither have the infrastructure nor the financial ability to sit on stocks.

"A record amount was produced... why should we store salt?" asked HM Shahid Ullah, president of Bangladesh Salt Farmers Association, adding that they got "fair prices" this year compared to last year. Some unscrupulous traders are raising prices forming a syndicate with the intent to import salt, he said.

This was not the case according to the calculations of Poritosh Kanti Saha of Pubali Salt Industries, who claimed a production deficit of 9 lakh tonnes to 10 lakh tonnes.

"We don't know what the government is doing for the production deficit. We said at least import the deficit amount. The government is indecisive," he said.

Prices are rising as production is less than demand. If demand is not met through imports, there is a possibility of the price doubling, Saha added.

Adding to the woes, the hiring cost of a truck, capable of transporting 20 tonnes of salt, has gone up from Tk 20,000 to Tk 30,000.

TANNERS WORRIED

Tanners require 80,000 tonnes of salt just during the Eid season, said

Shakawat Ullah, general secretary of Bangladesh Tanners Association.

For the rest of the year, the need is around 70,000 tonnes, he said.

Traders are increasing prices on various pretexts and the cost of storing hides will increase, said leather traders.

Rahman Sheikh, a leather trader in Dhaka, said a lot of salt would be needed to preserve rawhides this Eid. "If the price of salt increases, the cost of preserving the hides will go up. No one will buy rawhides at a higher price for fear of loss," he said.

WHAT AUTHORITIES SAY

There is no shortage of both iodised and unrefined salt ahead of Eid-ul-Azha, said Ashikur Rahman, assistant general manager of BSCIC Narayanganj.

Legal action will be taken against anyone who artificially increases prices, he said.

BSCIC Chairman Mahubur Rahmansaid when demand for salt throughout the year was assessed, it was done in consultation with all concerned, including farmers and traders.

"Now what can we do if traders say different things?" he said.

He said a letter has been sent to the commerce ministry to import salt in advance considering a possible increase in use around upcoming Eid.

Sunamganj mobile connectivity restored

STAR BUSINESS REPORT

One week into the devastating flood that engulfed the Sylhet region, mobile connectivity has been restored in most areas of the worst-hit Sunamganj district.

According to Bangladesh Telecommunication Regulatory Commission, functionality of 447 out of 629 network towers were restored as of Saturday evening. On June 16 and June 17, 1,904 out of a total of 2,528 network sites of Grameenphone, Banglalink, Robi and Teletalk in Sylhet, Sunamganj and Netrakona were made inoperative for a blackout forced by the flood.

According to officials of the operators, network towers usually run on commercial electricity. While there are batteries and generators as a standby power supply, they can only run for a couple of hours.

Telecom Minister Mustafa Jabbar earlier told The Daily Star that the main problem was ensuring access to electricity for the network towers. "Transporting the required fuel is also difficult," he added.

Mastercard names winners of 'spend & win' campaign

STAR BUSINESS REPORT

Mastercard has concluded its recent Spend and Win campaign, titled 'Mystical Maldives' with an award ceremony.

The campaign aimed to bolster domestic and international retail transactions by providing cardholders the opportunities to win attractive prizes on spends using their Mastercard credit, debit, or prepaid cards during the monthlong Ramadan.

Mohammad Nazrul Islam, a Mastercard cardholder of Mutual Trust Bank, won the 'Top Prize' of a luxurious trip for two to the Maldives.

Additionally, the other top 50 participants will receive exciting prizes such as vouchers for electronics, gadgets, and dining and lifestyle, Mastercard said in a statement.

Japan inflation hits 7-year high

AFP, Tokyo

Japan's core consumer prices jumped 2.1 per cent again in May, the second consecutive monthly jump of a level not seen in seven years, official data showed Friday.

The core consumer price index, which excludes fresh food, jumped 2.1 per cent year-on-year in May, according to figures released by the internal affairs ministry.

The rise follows a 2.1 per cent jump in April, the first time since March 2015 that the figure breached the 2.0 per cent set by the Bank of Japan (BoJ) as its long-term inflation target.

The reading, in line with market expectations, comes after the Japanese central bank last week stuck to its monetary easing policy even as other central banks raise interest rates to tame inflation.

Appetite for forming One Person Co

FROM PAGE B1 entrepreneurs in this regard.

As per the law, the minimum capital required to set up an OPC is Tk 25 lakh and maximum is Tk 5 crore.

To be eligible for opening an OPC, entrepreneurs also have to record at least Tk 1 crore turnover in the previous year before filing for registration.

However, there is no minimum paid up capital requirement for establishing public and private companies, which RJSC officials said may be a reason for the lack of interest to open OPCs despite the huge number of sole proprietorships in

Bangladesh.

Registration fees to open OPCs are another factor because at present, entrepreneurs have to count Tk 50 for every Tk 100,000 of paid-up capital from above Tk 10 lakh to Tk 50 lakh during registration.

The rate goes up to Tk 80 for every Tk 100,000 if the paid-up capital exceeds Tk 50 lakh, according to the fees schedule issued by the commerce ministry.

Sheikh Shoebul Alam, registrar of the RJSC, said OPC is a new concept here and many people are yet to know about the opportunities presented by registering single ownership companies. "We expect the number

of companies will increase gradually," he said.

Snehasish Barua, partner of Snehasish Mahmud & Company, said the conditions for opening OPCs are quite stringent. For example, the requirement for minimum turnover is Tk 1 crore, as well as the minimum paid-up capital of 25 lakh, whichever is high.

"These types of conditions do not exist in other countries," he said.

He further added that the National Board of Revenue (NBR) took the right initiative by reducing the tax rate of OPC from 25 per cent to 22.5 per cent but the condition of taking all receipts and income

through the banking channel would be tough for them. He proposed withdrawing this condition for OPC to bring them under the tax net.

"There is also inadequacy of campaigning by the government. Increased campaigns would encourage people to take the opportunity and besides, this would help the government monitor businesses better," he added.

Barua went on to say that opening an OPC provides a number of benefits, particularly regarding the scope to transfer shares.

"If anyone wants to exit the business, that person can do so easily as

the fixation of assets and liabilities in a company is easier than that of sole proprietorships," he said.

"So, doing business by opening an OPC would be helpful for succession."

Besides, OPCs provide the scope to create a culture of governance as business will be run by separating shareholders and management, he added.

Md Shahadat Hossain, president of the Institute of Chartered Accountants of Bangladesh, said most of the registered companies in Bangladesh are family-owned. This may be a reason behind the low interest to form OPC, he added.

Padma Bridge to reduce

FROM PAGE B1 "Now this problem is solved."

Besides, low-income people will have more job opportunities as the increased connectivity will spur industrial growth in the region, Dowla added.

Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, said Padma Bridge will contribute to the country's overall gross domestic product (GDP) growth by creating both domestic and international trade opportunities, especially in South Asia.

It is expected that Padma Bridge will add 1.5 per cent to the GDP and change the lives of more than 3 crore people in the country.

Several other development projects were also undertaken centring Padma Bridge and so, the completion of all these initiatives will lead to extensive development in the country's infrastructure.

With the construction of this bridge, southwestern districts, which are lacking in technology and industry, will be able to catch up with other parts of the country, and regional trade will flourish.

The president of Bangladesh's apex trade body said the bridge will make significant contributions towards agriculture, industry and communication in the region.

Besides, the regional education and healthcare systems will also be developed.

"This will result in enhancing the socio-economic conditions and living standards of

southwestern people."

Padma Bridge, which will connect 21 southwestern districts with the capital, will bring a revolutionary change in the agriculture industry of Khulna as it would reduce transportation costs and save time.

"I think the inauguration of Padma Bridge will result in the setting up of new industries, economic zones, high-tech parks and multiple tourist spots," Uddin said.

Investors will be more motivated to expand their businesses in the region as Padma Bridge will increase the ease of doing business and reduce the travel time to other parts of the country.

With the launch of Padma Bridge, an integrated communication system will be developed across Bangladesh. Padma Bridge will revolutionise industries by connecting the Mongla and Payra ports.

The land ports will gain huge benefits from the bridge by handling increased trade between India and Bangladesh. Export and import through Mongla land port are expected to gain pace now that Padma Bridge is open.

This is because imported goods can reach Dhaka within three-and-a-half to four hours from Mongla port due to the wider roads and rail connectivity.

But to ensure that this does indeed occur, the capacity and services of the ports need to be enhanced and improved, Uddin added.

Firoj Alam, chief marketing officer of Walton Hi-Tech Industries PLC, said Padma Bridge will greatly contribute to the

country's overall economic development and that it is definitely a positive for companies like his.

"It will be easier and faster to transport our goods to southwestern districts because of this bridge," he added.

Mostafa Kamal, chairman of Meghna Group of Industries, said Padma Bridge will be helpful in facilitating poverty alleviation through economic growth starting in the southern region.

Kamal said Bangladesh's economy has undergone major changes in the last 10 years.

"Economic activities have increased much more than before. In view of this, the significance of Padma Bridge is now much more," he said.

The major aspect of Padma Bridge is that it will save time, fuel consumption and labour hours for people in the mid-west, southwest and southern regions, Kamal added.

Humayun Rashid, managing director of Energypac Power Generation, said the high voltage transmission lines that run along Padma Bridge will transmit electricity generated in southern districts, especially by the Payra power plant, to the rest of the country.

He said Padma Bridge can help offset certain worries for export oriented-industries if Chittagong Port becomes dysfunctional due to any natural disaster as products could still be shipped through Payra port.

"Khulna was once an industrial zone and this bridge will help revive that past glory," he added.

Now time to invest in logistics

FROM PAGE B1 transformation in the coming years.

For example, industrial units could be set up there. So, a mega project for logistics development may be taken for further improvement, Reaz said.

He thinks an immediate investment of \$7 billion in logistics is needed to utilise the economic potential of the region by using the connectivity of Padma Bridge.

The Dhaka-Chattogram corridor, which consists of roads and highways, is already overburdened since it controls more than 85 per cent of Bangladesh's \$160 billion international trade.

"The Padma Bridge has opened another economic corridor and we need to utilise it by improving the logistics services as soon as possible," Reaz said.

For instance, farmers in Munshiganj produce a lot of

potatoes but many of them don't get fair prices. If the farmers get the chance to store them for a few months at a cheaper rate, they may get a better price.

Both AK Azad, chairman of Ha-Meem Group, an exporter and importer of garment and textile goods, and Md Fazlul Hoque, managing director of Plummy Fashions Ltd, said the use of the Mongla port will reduce the turnaround time. But the port needs to be readied, Hoque added.

Chowdhury Zafar Ahmed, secretary general of the Bangladesh Covered Van, Truck, Prime Movers Goods Transport Owners Association, thinks the use of any port depends on the importers and exporters.

There is no doubt that the use of the Mongla port will reduce the transportation time, he said. Abul Kasem Khan,

a former president of the Dhaka Chamber of Commerce and Industry, says nearly 40 per cent of perishable goods go to waste because of the delay in transportation.

"Establishment of cold chains in the southwestern region is important to extend the shelf life of perishable goods."

Cold chains are even more important for the southwestern districts since the region is one of the hubs of agriculture products and related businesses.

Md Rezaul Alam, chief operating officer of Nippon Express Bangladesh, a joint venture logistics company of Bangladesh and Japan, is hopeful that his company may invest in logistics in the region as road connectivity has been established thanks to the Padma Bridge.

"If the proposed airport is built on the other side of the

bridge, logistics companies will go there."

He urged the government to allocate land to logistic companies so that they can build large warehouses and other facilities for the storage and transportation of goods.

Syed Ershad Ahmed, president of the American Chamber of Commerce in Bangladesh, suggested using the potential of Benapole, Mongla and Payra ports to attract international logistics companies.

He says Jashore produces a lot of flowers, which have export potential. But foreign sales have remained at a negligible level.

"If cold chains can be constructed, the flowers can be preserved for exporting later. So, setting up of infrastructures is very important now," said Ahmed, who is involved in the logistics business.