



Piles of wood are seen stacked outside a brick kiln in Patuakhali sadar upzaila. Factories like these are having to increasingly turn back to wood for fuel during the brick baking process amid higher coal prices.

PHOTO: SOHRAB HOSSAIN

Higher coal prices add more woes for brickmakers

Many of them are using firewood

SOHRAB HOSSAIN, Patuakhali

The price of coal in Bangladesh has flared up by some 78 per cent over the past year, hitting Tk 32,000 per tonne at present compared to Tk 18,000 per tonne previously, as depreciation of the local currency against the US dollar has made imports costlier, according to industry people.

As such, brickmakers in the country are facing higher input costs, including that of transport and labour, which is why many of them are using firewood despite official instructions to the contrary.

Bangladesh heavily depends on coal shipments from abroad to meet its annual demand of about 80 lakh tonnes, 70 per cent of which is used by brickfields while the rest go to garment markets and the power sector, importers say.

Shahidul Islam Mridha, owner of A&B Bricks in Patuakhali sadar upazila, said local brickmakers have to go all the way to the Tamabil and Bhomra land ports to collect coal, which increases transport costs considering the higher prices of fuel.

With this backdrop, prices of the key construction material have increased by an average of about 50 per cent year-on-year with prices now standing at about Tk 12,000 for 1,000 pieces while the same amount had cost Tk 8,000 in 2021.

Falah Uddin Ali Ahmed, a major coal importer, said even though the price of coal is stable in global markets, Bangladesh is having to pay more for imports due to higher US dollar rates.

As a result, importers that are financially weaker than big business houses have been unable to import coal for the past month, especially since Bangladesh Bank has tightened the rules on opening letters of credit (LCs) to relieve pressure on the country's depleting forex reserve.

It currently costs between \$115 to \$130 to buy a tonne of coal from international sources with Bangladesh mainly importing the low-quality variety for use in brickfields, he said.

Ahmed went on to say that some 10 or 12 companies, including Partex,

Bashundhara, Akij and Uttara Traders, are currently importing coal from Australia, Indonesia, India and South Africa.

The government had made it mandatory to use coal for baking bricks under its "Brick Prepare and Bhata Control Law" back in 2013 in bid to curb environment degradation.

Of the 72 brick kilns active in Patuakhali, 46 have received environmental clearance certificates.

These kilns require about 4 lakh tonnes of coal each year but as prices of the fossil fuel have increased, many are shifting back to the use wood, which causes significant deforestation.

Md Gias Uddin, president of the Patuakhali Chamber of Commerce and Industry, said many kilns are ignoring the production rules by burning wood.

Sill, law enforcement agencies are struggling to take appropriate action as the owners of most brick kilns hold influential position.

"So, the owners are breaking rules and regulations despite the district administration's mobile court drives," he

added.

Uddin then said there are some brick kilns in the vicinity of settlements and educational institutions but as most of the owners are influential, they simply pay fines to avoid any real punishment.

This correspondent found that several bricks kilns on the banks of the Laukathi and Lohalia rivers in Patuakhali sadar upazila were found using wood instead of coal to continue production.

Kazi Saifuddin, assistant fire chief of the Patuakhali Environment Department, said they would not allow wood to be burned in the kilns.

"We are monitoring regularly. If any irregularities occur, legal action will be taken," he said, adding that the offending kilns could be shut down.

Mohammad Kamal Hossain, deputy commissioner of Patuakhali, said they are taking strict actions to prevent wood burning at kilns.

Last year, five brickyards were closed due to various irregularities, including wood burning, and fined of Tk 30 lakh in various kilns.

MJL raises guarantee for offshore arm

Will help bring LPG straight to Bangladesh

STAR BUSINESS REPORT

Mobil Jamuna Lubricants (MJL) Bangladesh has decided to increase its corporate guarantee from \$20 million to \$40 million in favour of MJL (S) PTE so that it can take more working capital loans.

A corporate guarantee is an agreement in which one party, called the guarantor, takes on the payments or responsibilities of a debt if the debtor defaults.

MJL (S) PTE, the offshore trading and investment arm of East Coast Group, sources, procures, supplies and transports hydrocarbons, including fuels such as liquefied petroleum gas (LPG).

Md Rokibul Kabir, company secretary, said MJL (S) PTE needs more working capital loans, so it decided to increase the amount of the corporate guarantee.

About the use of the loans, he said it would now send LPG straight to Bangladesh.

Earlier, tankers first went to India and then came to Bangladesh, which was quite costly and time consuming, he said.

MJL Bangladesh will give the guarantee to Standard Chartered Bank Singapore and Hongkong Shanghai Banking Corporation Singapore for securing repayment of credit facilities availed by MJL (S) PTE, said MJL Bangladesh in a disclosure at Dhaka Stock Exchange (DSE) yesterday.

It also decided to change its registered name from MJL Bangladesh Limited to MJL Bangladesh PLC in accordance with the Companies Act 1994 (amended in 2020).

Stocks of MJL Bangladesh remained the same at Tk 86.7 yesterday at the DSE. Its paid-up capital was Tk 316 crore, according to the DSE data.

Its total revenue advanced 11 per cent to Tk 1,047 crore in 2021-22. The company's profits rose 1.8 per cent year-on-year to Tk 218 crore, according to the company's financial reports.

Opec+ agrees to keep output levels unchanged

AFP, Austria

Major oil-producing countries led by Saudi Arabia and Russia agreed Sunday to maintain their current output levels in a climate of uncertainty and ahead of fresh sanctions against Moscow coming into force next week.

The representatives of the thirteen members of the Organization of the Petroleum Exporting Countries (Opec) led by Riyadh, and their 10 allies headed by Moscow, decided to stick to their course agreed in October of a production cut of two million barrels per day until the end of 2023.

Opec+ described its October decision to cut as one "which was purely driven by market considerations", adding that it had been "the necessary and the right course of action towards stabilising global oil markets", a statement said.

BIDS study finds flaws in NBR names beneficiary selection

FROM PAGE B1

The study -- Micro Savings, Poverty Reduction and Economic Empowerment: Evidence from Amar Bari Amar Khamar Project -- was conducted among 4,800 households with 2,880 beneficiaries and 1,920 non-beneficiary households from across the country.

The project was one of the special initiatives of the government aimed at alleviating poverty in 2009 and based on a new concept of micro-savings and matching grants.

The government also set up Palli Sanchay Bank to provide an institutional structure for the activities carried out under the project in 2014.

Although the targeting was not perfect, a large majority of poor households were included in the project, according to Ali.

"Despite several challenges, results show that the project has contributed significantly to the wellbeing of the beneficiary households."

He went on to say that the project contributed significantly to increasing income, asset accumulation, poverty reduction, willingness to save, crisis coping, etc.

The majority of the beneficiary households are satisfied with the outcome of the project with 52 per cent being fairly satisfied and 32 per cent being very satisfied.

Had the project been implemented properly, it would have contributed further, according to Ali.

"The very beginning idea of "home-based farming" is still far from reaching its desired level," he said.

This was not the first time the project faced question.

In 2021, the Implementation Monitoring and Evaluation Division (IMED) of the planning ministry prepared an impact evaluation

report.

Although the target group was poor and unprivileged people who were constantly facing a food crisis, the guideline on the selection process was not followed properly, it said.

"As a result, some non-poor families have been included in the scheme."

Each association, consisting of 60 members, has an average of 9 to 10 members who are not eligible, according to the report.

The IMED said there is no adequate workforce to properly monitor the large-scale economic activity being implemented across the country.

It suggested more effective training on business ventures, saying self-employment should be ensured among beneficiaries and that a rural savings bank should take appropriate steps to increase the loan amount.

The report said the project activities have a clear impact on improving the quality of life of beneficiary families.

"Poverty-focused projects of this kind are still relevant, especially after the Covid-19 pandemic, and given the fact that there are significant spatial and social inequalities," said Ali.

Under the project, 1.20 lakh VDOs were established and the number of households stood at 56.77 lakh. A total of 33.63 lakh family farms were established.

Talking to The Daily Star, Bazlul Haque Khondker, a professor of economics at the University of Dhaka, called 10 ineligible recipients in a group of 60 a huge number.

"As a result, the project must have failed to achieve its goals," he said.

"Due to a lack of a proper database, we usually face such a problem. If we could develop a community-based selection system, it will resolve the problem."

NBR names

FROM PAGE B1

The NBR also announced the names of 120 businesses which came up as top VAT payers at district levels.

In Dhaka, the NBR named 22 companies as the highest VAT payers in three categories -- manufacturing, trading and services.

Of those, Eskayel Pharmaceuticals, Fair Electronics, Orion Infrastructure, Hamco Corporation and Edison Industries were named as the highest VAT payers at the Dhaka district level of the VAT administration.

The NBR has been making public names of top VAT depositing entities in line with a policy framed in 2005 to encourage compliance among businesses.

The policy states that a firm would qualify if it pays 10 per cent higher VAT than in the previous fiscal year.

The revenue authority is expected to honour the top VAT paying firms through a ceremony next week.

The VAT, which is paid ultimately by consumers, accounts for 37 per cent of the total revenue collected by the NBR.

BB to open

FROM PAGE B1

hefty profits.

Munshi said the commerce ministry would form a coordination committee soon to strengthen market monitoring of essentials, especially their supply and demand so that consumers can avail affordable prices.

"We will sit again within a week," the minister said.

Md Shafiqul Islam Mohiuddin, a former president of the FBCCI and a current member of parliament, said the whole business community was blamed only for the actions of two or four black sheep who were involved in capital flights.

He recommended exemplary punishment for business-people involved in capital flight.

Mohiuddin also said business-people would lend their support to the commerce ministry for arresting the skyrocketing of prices of some basic commodities, including sugar.



Mohammad Feroz Hossain, managing director of Exim Bank, received an ICMAB Best Corporate Award 2021 in a private commercial bank (Islamic operation) category from Commerce Minister Tipu Munshi at InterContinental Dhaka recently for its capital adequacy, asset quality, corporate governance, adequate earning and profitability. Shibli Rubaiyat-Ul-Islam, chairman of the Bangladesh Securities and Exchange Commission, Md Jasim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, Md Mamunur Rashid, president of the Institute of Cost and Management Accountants of Bangladesh (ICMAB), Shah Md Abdul Bari, additional managing director of Exim Bank, and Maksud Khanam, deputy managing director, were present. PHOTO: EXIM BANK

US hiring tops expectations as wages pick up

AFP, Washington

US job gains were unexpectedly robust in November despite efforts to cool the economy, while unemployment held steady and wages ticked up, the government reported Friday.

The figures provide little relief to officials who have been fighting to tamp down decades-high inflation amid concerns that elevated costs could become entrenched.

The world's biggest economy added 263,000 jobs in November, Labor Department data showed, down from a revised 284,000 figure in October.

The unemployment rate remained low at 3.7 per cent.

The US central bank has raised its benchmark interest rate multiple times this year to ease demand, with higher lending costs making it more pricey to borrow funds to buy cars and homes, or expand businesses.

While such policy tightening may ordinarily lead to job losses, economists have noted that firms are reluctant to shed workers they may have struggled to find since the Covid-19 outbreak.

Demand remains resilient as well, with recent data showing that household spending picked up in October, another reason for firms to

avoid job cuts.

Average hourly earnings for private sector workers rose 18 cents to \$32.82 last month and over the last 12 months, wages have grown 5.1 per cent, according to Friday's data.

The report also said there were notable job gains in leisure and hospitality, health care as well as in government.

But employment dipped in retail trade, and in transportation and warehousing.

Noting the uptick in wages, President Joe Biden told reporters Friday that things are "moving in the right direction."