



A ship-breaking yard at Kumira Ghata area in Chattogram. Small steel millers -- who source copper, iron and aluminum before converting them into billets, bars, beams and rods -- are dependent on ship-breakers to source raw materials.

PHOTO: RAJIB RAIHAN

Ship-breakers, re-rolling mills at loggerheads over price hike of scrap

JAGARAN CHAKMA

A dispute between ship-breakers and steel re-rolling mills over the hike in price of scrap steel has led to an impasse in the production of steel goods for the past seven days.

Consequently, re-rolling mills are struggling to run operations due to a shortage of raw materials.

Neither side could give any indication about when they would reach a consensus regarding the price of ship-breaking products, including scrap steel.

The Bangladesh Ship Breakers and Recyclers Association (BSBRA) said they would not be able to sell steel, scrap or otherwise, at losses.

However, both sides stressed the need for a fast resolution, ideally through a discussion between the two sides, in order to protect business interests.

"We are facing trouble as ship-breakers have suddenly increased the price of scrap steel from Tk 65,000 to Tk 68,000-Tk 70,000 per tonne," said SK Masadul Alom Masud, managing director of Shahriar Steel Mills Ltd.

He alleged that ship-breakers had stopped the supply of scrap steel, saying

they would not sell if the higher price they had set was not met.

According to Masud, small millers -- who source copper, iron and aluminum before converting them into billets, bars, beams and rods -- are dependent on ship-breakers to source scrap steel.

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SK MASADUL ALOM MASUD
Managing director of Shahriar Steel Mills Ltd

Most small re-rolling mills do not have the ability to import scrap steel directly, so they have to source raw materials from ship-breakers at a higher price, he said.

He added that purchasing scrap steel at the price demanded by ship-breakers would cause the costs of production to reach nearly Tk 1,00,000 per tonne.

Some small re-rolling mills have already shut down production due to a shortage of capital, he said.

Alom demanded the intervention of the tariff commission to fix the price of scrap steel.

Rakibul Hasan, managing director of Danyal Steel and Re-rolling Mills, said there are at least 150 small-scale mills who are dependent on re-rolling mills.

He also alleged that ship-breakers would continue to abstain from supplying scrap steel unless their demand for a higher price was met.

If ship-breakers do not provide scrap steel to re-rolling mills, it will hamper production seriously and will cause financial losses because they must continue to pay salaries.

He said there are around 12,000 workers in re-rolling mills who do not have any work at hand at the moment but must be paid wages. The government will also be deprived of revenue, he added.

Hasan said ship-breakers provide around 12 lakh tonnes of scrap steel, which is at least 15 percent of the demand for the raw material in the steel industry.

He also alleged that ship-breakers had increased the price suddenly and without any negotiations.

Md Arifur Rahman, managing director of Padma Steel Re-Rolling Mills, said ship-

breakers had been supplying scrap steel at a rate of Tk 65,000 per tonne over the past two months. They had reduced the price from Tk 76,000 to Tk 78,000 per tonne in line with price decreases of scrap steel on the international market.

However, he said ship-breakers suddenly increased the price of scrap steel a week ago without informing them in advance.

According to Rahman, the ship-breakers' excuse was that their profit margin had declined from Tk 5,000 per tonne to Tk 2,500 per tonne, which made the business unviable.

"Against this backdrop, the re-rolling mills who are dependent on ship-breakers are in trouble," he noted.

Md Abu Taher, president of BSBRA, said that the rate of the scrap steel had dropped from Tk 75,000 to Tk 65,000 during the past two months, which was not practically or commercially viable.

For this reason, ship-breakers increased the price to cover losses, he said.

Taher, also managing director of ship-breaking company Taher and Co., said the supply postponement was a temporary issue and would be resolved through negotiations with re-rolling mills.

Traders flee shops during DNCRP drive

SUKANTA HALDER

The officials of the Directorate of National Consumers' Right Protection (DNCRP) did not find any trader in many shops during their drive at Karwan Bazar yesterday afternoon.

The DNCRP went to the capital's largest kitchen market to check whether eggs, potatoes and onions are sold at rates fixed by the government.

This correspondent did not find any sales representative, trader or worker in 22 shops during the raid at around 1.30 pm.

In a first, the government on September 14 fixed the prices of eggs, onions and potatoes in its bid to contain the runaway food inflation, which hit a 12-year high last month.

Then the DNCRP launched a drive to monitor prices in the country.

Asif Al Azad, assistant director of the DNCRP's Dhaka divisional office, and Abdul Jabbar Mondol of the Dhaka district office, conducted the drive yesterday.

"Traders somehow came to know that we were conducting a drive. They left their shops before our arrival. They might return once we leave," Mondol said.

"We came to the market not only to impose fines. We also wanted to exchange views with the traders to stabilise the market situation. But they are not cooperating with us."



PHOTO: SUKANTA HALDER

There were no traders or workers in 22 shops during the raid at around 1.30pm yesterday.

The DNCRP officials will discuss the issues with the market committee members, he said.

Yesterday, the DNCRP fined two traders Tk 11,000 for selling garlic, ginger and potato at higher than government-fixed rates and for showcasing older price list of products.

Across the country, the DNCRP conducted drives in 73 markets at 48 districts and fined 131 trading houses Tk 7.5 lakh in total yesterday.

Oil price rises

REUTERS, Singapore

Oil prices rose for a third straight session on Monday, buoyed by forecasts of a widening supply deficit in the fourth quarter after Saudi Arabia and Russia extended cuts and by optimism about a recovery in demand in China.

Brent crude futures rose 71 cents, or 0.8 percent, to \$94.64 a barrel by 0622 GMT while US West Texas Intermediate crude futures were at \$91.55 a barrel, up 78 cents, or 0.9 percent.

Tesla reinvents carmaking with quiet breakthrough

REUTERS, Austin, Texas

Tesla has combined a series of innovations to make a technological breakthrough that could transform the way it makes electric vehicles and help Elon Musk achieve his aim of halving production costs, five people familiar with the move said.

The company pioneered the use of huge presses with 6,000 to 9,000 tons of clamping pressure to mold the front and rear structures of its Model Y in a "gigacasting" process that slashed production costs and left rivals scrambling to catch up.

In a bid to extend its lead, Tesla is closing in on an innovation that would allow it to die cast nearly all the complex underbody of an EV in one piece, rather than about 400 parts in a conventional car, the people said.

The know-how is core to Tesla's "unboxed" manufacturing strategy unveiled by Chief Executive Musk in March, a linchpin of his plan to churn out tens of millions of cheaper EVs in the coming decade, and still make a profit, the sources said.

While Tesla has said its unboxed model involves producing large sub-assemblies of a car at the same time and then snapping them together, the size and make-up of the modular blocks is still the subject of speculation.

Terry Woychowski, president of US engineering company Caresoft Global, said if Tesla managed to gigacast most of the underbody of an EV, it would further disrupt the way cars are designed and manufactured.

"It is an enabler on steroids. It has a huge implication for the industry, but it's a very challenging task," said Woychowski, who worked for US automaker GM for more than three



Members of the media take pictures of Tesla Model Y during its unveiling for the first time in Kuala Lumpur on July 20.

PHOTO: AFP

decades. "Castings are very hard to do, especially the bigger and the more complicated."

Two of the sources said Tesla's previously unreported new design and manufacturing techniques meant the company could develop a car from the ground up in 18 to 24 months, while most rivals can currently take anywhere from three to four years.

The five people said a single large frame - combining the front and rear sections with the middle underbody where the battery is housed - could be used in Tesla's small EV which it aims to launch with a price tag of \$25,000 by the middle of the decade.

Tesla was expected to make a decision on whether to die cast the platform in one piece as soon as this month, three of the sources said, though even if they do press ahead the end product could change during the design validation process.

Neither Tesla nor Musk responded to questions from Reuters for this story.

The breakthrough Tesla has made centres on the how the giant molds for such a large part are designed and tested for mass production, and how casts can incorporate hollow subframes with internal ribs to cut weight and boost crashworthiness.

In both cases the innovations, developed by design and casting specialists in Britain, Germany, Japan and the United States, involve 3D printing and industrial sand, the five people said. All spoke to Reuters on condition of anonymity because they are not authorised to speak to the media.

So far, automakers have shied away from casting ever-bigger structures because of the "gigacast dilemma": creating molds to make parts of 1.5 metres squared or more boosts efficiency but is expensive and comes with myriad risks.

FBCCI worried

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open letters of credit (LCs) as they are not getting the American dollar at Tk 110, a rate fixed by the Bangladesh Foreign Exchange Dealers Association and the Association of Bankers Bangladesh.

On August 31, the two associations decided to buy the US dollar at Tk 109.50 and sell them at Tk 110 from the first working day of this month.

Although a number of importers are getting the dollar at the fixed rate, many others are being compelled to cough up an additional amount to open LCs, Alam added.

"We told the central bank that small and medium-sized businesses are facing trouble in opening LCs owing to the higher USD rate."

Md Mezbaul Haque, spokesperson of the BB, said businessmen expressed their concerns about the interest rate.

The governor assured them that the interest would not rise much, he added.

Haque said the governor requested the business leaders to bring their export proceeds to the country as early as possible.

After the meeting, the FBCCI issued a press release, saying women entrepreneurs would be able to secure loans by showing women as guarantors after the BB governor assured it.

Little-known

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of a merchant bank, preferring anonymity. Rumours of manipulators mainly fuelled the rise of the share price, he said.

"When such a company with an indistinguishable performance tops the stock market in stock price, it ultimately chips away at the image of the market," he said.

While the Himadri's performance does not support its stock price, the good performance continuously showcased by the Reckitt could not propel its price, he said.

This indicates that investors of the market are paying heed to rumours when rushing for stocks, he added.

Ticfa meeting

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will seek simplifying procedures for registering pharmaceutical products alongside investment from the US International Development Finance Corporation and in Bangladesh's energy sector, he said.

Issues of labour rights, trade union registration, existing labour practices, labour law reforms, including amendments to Bangladesh labour act, and labour rights in special economic and export processing zones will also be discussed in the meeting, he said.

The issues of labour inspection and enforcement will also be discussed, according to the negotiation agenda.

A recent fall in exports from Bangladesh to the US will be discussed at the Ticfa meeting, Ghosh also said.

Shipments to the country's largest export destination slipped 6.82 per cent year-on-year to \$9.70 billion in fiscal year 2022-23, as per data from the Export Promotion Bureau.

Issues such as support for Bangladesh's status graduation to a developing nation from a least developed country (LDC) and support for establishing quality certification infrastructure will be discussed in the meeting, according to the agenda.

Bangladesh will also seek US support for extension of the LDC trade benefits for six years past the LDC graduation, reasoning severe fallouts of the economy from the pandemic and Russia-Ukraine war, said Ghosh.

Support of the US is very much needed for the extension of the LDC trade benefit after the LDC graduation in 2026, he said.

World Trade Organization (WTO) will discuss the LDC trade facilities extension issue in its next ministerial meeting in February next year, he said.

Issues such as intellectual property rights in pharmaceuticals and extension of Trade-Related Aspects of

Intellectual Property Rights (TRIPs) for Bangladesh up to 2033 will also be discussed, he said.

The copyrights act amendment, industrial design act, patent bill and implementation regulation and IPR enforcement rules will also be discussed, he said.

Foreign direct investment of the US in Bangladesh, delays in profit repatriation and non-payment by the US companies in accordance with digital trade policies such as draft data protection act and draft regulation for digital social media and OTT platforms will be discussed, he said.

Cooperation in agriculture sector development, agricultural biotechnology dialogues, WTO customs valuation agreement and support for trade facilitation agreement issues are also in the agenda for discussion.

Brendan Lynch, acting assistant of the USTR for South and Central Asia, is expected to lead the American team in the Ticfa meeting.

Mighty dollar

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In July, the number of credit cards stood at 2.27 lakh, up from 2.01 lakh a year ago, BB data showed.

Transactions involved Tk 2,674 crore in July, an increase from Tk 2,577 crore a year ago.

Foreign currency transactions stood at Tk 769 crore in July, which was Tk 440 crore in the identical month of 2022.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, attributed the recent spike in card transactions and users to the lower USD rate offered by credit cards than in the kerb market.

"The USD costs Tk 118 in the unofficial market whereas it is much lower in the credit card. That's why people are using credit cards while visiting abroad amid the volatility in the forex market."