Ctg customs to auction 182 vehicles as scrap

MOHAMMAD SUMAN, *Chattogram*

Chattogram Customs House earlier this month started dismantling 182 vehicles, which have been abandoned by importers at the Chattogram port, to auction off the parts as scrap.

The vehicles, including pickups, jeeps, sports cars and sedans of several brands, including Toyota, Mercedes-Benz, Tata and Honda, were imported between 2001 and 2012.

The customs law states that importers must take delivery of goods within 30 days of those reaching the port, defaulting on which results in the initiation of auction procedures.

On why goods are abandoned in this way, customs officials and importers cited a number of reasons.

They include a drop in local market prices, failure to submit original

shipment documents and meet clearance permit prerequisites and refusal to pay fines for rule violations.

According to the auction section of the customs, there had been multiple attempts to auction off the vehicles, manufactured 15 to 26 years ago and having engine capacities ranging from 1,200cc to 3,398cc.

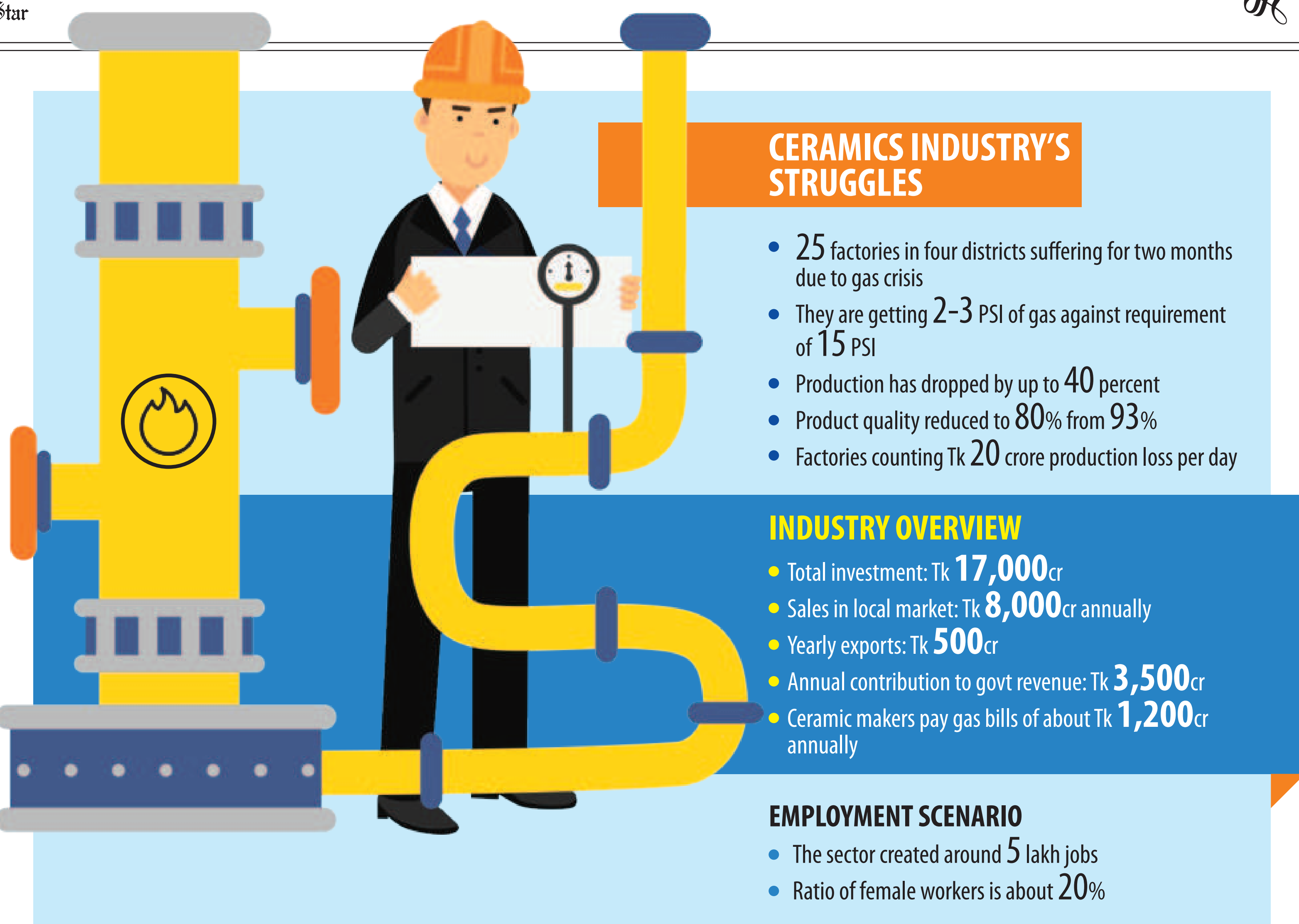
The vehicles have no economic life for being left unused for a long time, Saidul Haque, deputy commissioner of Chattogram Custom House, told The Daily Star.

The port issued several letters to the customs to remove the vehicles from its yard so as to free up space, he said.

Following the demands of the port, the customs started the process of selling these cars as scrap on the recommendation of

A committee was formed comprising several private and government organisations, including customs, port, shipping agents, Bangladesh Road Transport Authority and trade bodies, and it recommended selling the vehicles as scrap.

Initially the parts of 75 vehicles will be auctioned off by weight, followed by another 53 and then the rest in a third auction.



CERAMICS INDUSTRY reeling from three-pronged assault

JAGARAN CHAKMA

The ceramics industry has been desperately seeking respite from a spate of crises in recent months, but their woes have only deepened due to a worsening gas crisis.

One of the major problems facing the industry has been brought on by inflationary pressures, which have eaten away at local demand for ceramics. Annual inflation rose to a 12-year high of 9.73 percent in fiscal year (FY) 2023-24, the highest since 2011-12, according to the Bangladesh Bureau of Statistics.

According to industry insiders, this has caused sales of ceramic products to plunge by 15 to 20 percent over the past four to five months.

Furthermore, there has been no relief from international buyers. On the contrary, exports of ceramic products declined by around 25 percent, according to the latest data.

Exports of ceramic products fell to $30 million during the July-May period of FY24 compared to $39.86 million the prior year, showed data from the Export Promotion Bureau.

Further exacerbating the situation over the past two months is the fact that ceramic industries in four districts have been contending with massive productivity losses due to a gas crisis.

Industry insiders said they were counting production losses amounting to Tk 20 crore per day.

"Around 25 ceramic factories, located in Dhaka, Gazipur, Mymensingh and Narsingdi, have been getting insufficient gas pressure for the past two months," said Md Mamunur Rashid, senior vice president of the Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA).

He said ceramics-makers normally require 15 pounds per square inch (PSI) of pressure to maintain product quality but they are getting only 7 to 8 PSI.

As a result, around 7 percent of products did not pass the quality inspection previously, but that number has ballooned to 20 percent due to the crisis, he said, adding: "Our profit declined by at least 25 percent due to production being hampered."

He also highlighted that production had dropped by as much as 40 percent in some factories due to inadequate gas supply, which comes from the Titas Gas Transmission and

> **Further exacerbating the situation over the past two months is the fact that ceramic industries in four districts have been contending with massive productivity losses due to a gas crisis. Industry insiders said they were counting production losses amounting to Tk 20 crore per day.**

Distribution.

Rashid also pointed to a number of other factors that were keeping the industry from thriving, such as import duty on raw materials ranging from 5 to 25 percent, value-added tax of 15 percent on produced goods, and supplementary duty of 15 percent.

Besides, high interest on working capital and on credit for the procurement of capital machineries pushed the industry into further difficulties.

Against this backdrop, the BCMEA requested the government to take urgent steps to ensure normal supply of gas.

Md Sirajul Islam Mollah, president of the BCMEA, wrote to the Ministry of Power, Energy and Mineral Resources about the gas crisis that has been plaguing the ceramics industry since May.

Mentioning that production was being disrupted, he added that the gas pressure sometimes drops from 2 to 3 PSI to near zero.

Mollah explained that ceramics is a gas-dependent industry and natural gas is one of the primary raw materials. It is used as fuel and accounts for 10-12 percent of the total cost of production.

He also said kilns or furnaces need uninterrupted gas supply for 24 hours to prepare ceramics products since firing is done at 1,200 degrees Celsius.

"Without a certain level of pressure, it is not possible to continue production processes."

When the pressure reduces, all the products inside kilns are immediately destroyed, he stated. Additionally, it takes a minimum of 48 hours to 72 hours to restart the kiln once it shuts down. Sometimes, valuable equipment is destroyed, causing huge financial losses, he added.

Irfan Uddin, director of FARR Ceramics Ltd, said production losses had contributed to lower exports.

"If we do not gas as required, we can't ensure quality of production. It is not possible to export substandard products as it is a matter of the industry's image," he said.

So, the volume of exports reduced substantially this year.

Irfan Uddin, also general secretary of the BCMEA, added that it was unfeasible to use alternative fuel sources like liquefied natural gas or compressed natural gas because it would increase the cost of production by over 25 percent.

Dhaka stocks snap three-day losing streak

Investors place fresh bets on lucrative stocks

STAR BUSINESS REPORT

Shares at the Dhaka Stock Exchange (DSE) rose yesterday, breaking a three-day losing streak as investors made fresh bets on lucrative stocks.

The benchmark index of the country's premier bourse, DSEX, rose 2.17 points, or 0.04 percent, to close the day at 5,484.96.

Likewise, the DSES, the index that is composed with the Shariah-compliant companies, went up 0.73 points or 0.06 percent to 1,203.43 while the DS30, the index that comprises of the blue-chip firms, edged up 7.18 points, or 0.37 percent, to 1,944.29.

Turnover, meaning the total value of shares changing hands, increased 6.43 percent to Tk 662 crore compared to the previous day.

Orion Infusion was the most traded share with a turnover of Tk 57.2 crore.

The turnover's 7.7 percent came from block trades, which are high-volume transactions in a security privately negotiated and executed outside of the open market.

Of the issues that traded on the DSE, 140 closed higher, 191 declined and 66 did not see any price movement.

Information Services Network topped the gainers' list posting a rise of 9.93 percent, followed by Techno Drugs, Far East Knitting & Dyeing Industries, Walton Hi-Tech Industries, and Orion Infusion that also fared well.

Mithun Knitting and Dyeing, Far Chemical Industries, Sonargaon Textiles, Bangladesh Industrial Financial Company and Samata Leather Complex were also on the gainers' list.

Linde Bangladesh shed the worst, losing 3 percent.

Salvo Chemical Industry, Beach Hatchery, Oimex Electrode and Khan Brothers PP Woven Bag Industries performed in the negative territory.

> **A mixed performance by large-cap sectors was the highlight of the day, where the engineering sector booked the highest gain of 3.75 percent followed by pharmaceuticals 0.37 percent, non-bank financial institutions 0.14 percent, and food and allied 0.14 percent.**

ICB Islamic Bank, eGeneration, Jute Spinners, Golden Son, and Shurwid Industries were on the losers' list.

A mixed performance by large-cap sectors was the highlight of the market, where the engineering sector booked the highest gain of 3.75 percent followed by pharmaceuticals 0.37 percent, non-bank financial institutions 0.14 percent, and food and allied 0.14 percent.

Telecommunication, bank, and fuel and power also decreased by 0.09 percent, 0.31 percent and 0.32 percent respectively.

Shares of large-cap and blue-chip such as Orion Infusion, Kohinoor Chemicals, Heidelberg Materials Bangladesh, City Bank, BAT Bangladesh, Square Pharmaceuticals, Delta Life Insurance, Far Chemicals Industries, Acme Laboratory and Taufika Foods and Lovello Ice-cream displayed positive performance, according to LankaBangla Financials.

Of them, Orion Infusion posted a rise of 2.09 percent.

Beximco Pharmaceuticals, Best Holdings, Khan Brothers PP Woven Bag Industries, Linde Bangladesh, Prime Bank, Navan Pharma, Al-Arafah Islami Bank, IFIC Bank, Beacon Pharmaceuticals and Southeast Bank performed on a negative note.

Of them, Beximco Pharma logged a fall of 1.73 percent.

However, Chittagong Stock Exchange also saw a downtrend as the Caspi, the broad index of the premier bourse of the port city, shed 29.02 points, or 0.18 percent, to reach 15,632.05.

China posts disappointing growth

AFP, *Beijing*

China posted on Monday lower than expected growth in the second quarter, with all eyes on how top officials gathering for a key meeting in Beijing might seek to tackle the country's deepening economic malaise.

The world's second-largest economy is grappling with a real estate debt crisis, weakening consumption, and an ageing population.

Trade tensions with the United States and the European Union, which have sought to limit Beijing's access to sensitive technology as well as putting up tariffs to protect their markets from cheap, subsidised Chinese goods, are also dragging growth down.

And on Monday, official statistics showed the economy grew by only 4.7 percent in the second quarter of the year.

It represents the slowest rate of expansion since early 2023, when China was emerging from a crippling zero-Covid policy that strangled growth.

Analysts polled by Bloomberg had expected 5.1 percent.

Retail sales -- a key gauge of consumption -- rose just two percent in June, down from 3.7 percent growth in May.

"The external environment is intertwined and complex," the National Bureau of Statistics said.

"Domestic effective demand remains insufficient and the foundation for sound economic recovery and growth still needs to be strengthened," it added.

The figures came the same day that China's ruling

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People visit a shopping mall in Beijing, China. Retail sales -- a key gauge of consumption -- rose just two percent in June, down from 3.7 percent in May.

PHOTO: AFP/FILE

The main obstacles to Chinese growth

AFP, *Beijing*

China's top leadership meets on Monday to thrash out plans to boost growth, but the country's economy remains weakened by sluggish consumption, a property sector in crisis and deflation fears.

Here AFP looks at the main challenges facing the world's second-largest economy:

FRAGILE CONSUMPTION

A high youth unemployment rate -- 14.2 percent in May -- and economic uncertainties are weakening consumption, one of the driving forces behind the Chinese economy.

China plunged into deflation for four months starting last October, with the sharpest contraction in consumer prices in 14 years taking place in January.

They have since returned

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