STOCKS		
DSEX	▼ 0.77%	4,493.01
CSCX	▼ 1.00%	8,281.25

COMMODITIES		
Gold ▲	$1,583.60	(per ounce)
Oil ▼	$59.12	(per barrel)

ASIAN MARKETS		
MUMBAI	▼ 1.10%	41,155.12
TOKYO	▼ 2.03%	23,343.51
SINGAPORE	Closed	
SHANGHAI	▼ 2.75%	2,976.53

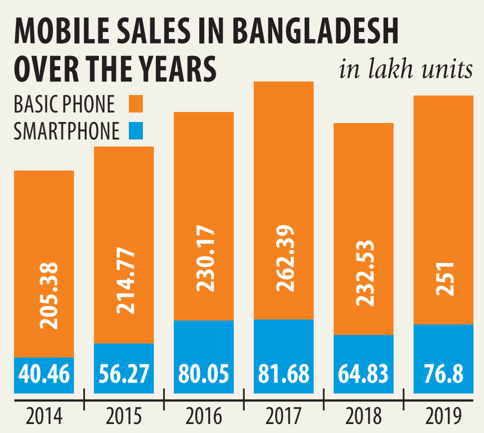
CURRENCIES (STANDARD CHARTERED BANK)	$ USD	€ EUR	£ GBP	¥ CNY
BUY TK	83.95	91.75	108.99	11.91
SELL TK	84.95	95.55	112.79	12.52

Star BUSINESS

DHAKA TUESDAY JANUARY 28, 2020, *MAGH 14, 1426 BS* starbusiness@thedailystar.net

'Made in Bangladesh' smartphones to rule the roost soon

About 62 per cent smartphones now manufactured locally



DEVICE MARKET IN 2019

Total sales 3.28 crore units

Smartphone sales **76.8** lakh units

Basic phone sales **2.51** crore units

Local assembled **1.42** crore units

Imported **1.25** crore units

Gray market **62** lakh units

Average price of smartphone Tk **8,469**

Average price of basic phone Tk **1,394**

Smartphones price range

<Tk **6,000**
23.80 lakh units sold

Tk **6,000**><Tk **8,000**
19.20 units sold

>Tk **12,000**
17.70 units sold

SOURCE: INSIDERS

Muhammad Zahidul Islam

Bangladesh is on its way to becoming self-reliant in smartphone production by the year end, with locally manufactured handsets now ruling the roost.

And by 2022, the country will add another product to its export basket: smartphone, according to estimates.

Most of the top brands have raised their game to meet the entire domestic demand from their plants in the country, while all the basic phones the country needs will be made locally within another one year, plant owners said.

Currently, nine foreign brands have their plants in the country while five of them have stopped importing devices as they are meeting their demand from local production.

Local manufacturers made about 54 lakh smart devices in their plants last year, while another 24 lakh were imported via the legal and grey channels, industry insiders said.

Along with 2.51 crore basic phones, total sales of handsets ran into 3.28 crore in 2019, according to local manufacturers and importers.

Local makers have been doing an excellent job for the last one and a half years, said Mohammad Mesbah Uddin, chief marketing officer of Fair Electronics that assembles Samsung devices in their plant in Narsingdi.

"Within the next few months some foreign brands will go into production in their local plants and Bangladesh will be self-dependent in smartphone production within this year," said Mesbah, who is also the joint secretary of the Bangladesh Mobile Phone Importers Association (BMPIA).

Of the manufacturers, Samsung is on the fore, controlling about one-fourth the market. And the South Korean tech giant make about 97 per cent of their devices in the local plant that opened in 2018.

Home-grown brands Walton and Symphony and China's Transsion Holdings, Vivo and Oppo meet their full demand from their plants in Bangladesh.

Transsion is now making about 90,000 smartphones per month of two separate brands, while its total monthly production is 4.5 lakh units, according to Rezwanul Haque, chief executive officer of Transsion.

"We are faring fine. As time passes, both quality and quantity will grow further," said Haque, a former general secretary of the BMPIA.

Symphony, once the market leader, has not been importing any smart gadgets since June last year, said Jakaria Shahid, managing director of Edison Group, its parent company.

The company is assembling about 1.5 lakh smartphones every month in its plant in Ashulia on the outskirts of Dhaka.

In the plant they are also making 1.25 lakh units of basic phones a month and no imports would be required by the year-end.

"Our target is to export devices by 2022, and to that end, we are in a process to set up two new plants," Jakaria, also the general secretary of the BMPIA, said.

Vivo and Oppo opened their plants in the second half of 2019 soon after the government increased import duties for smartphones to 57 per cent from 32 per cent.

Before that, tax benefits offered in the budgets of fiscal 2016-17 and 2017-18 encouraged brands to go for local manufacturing.

Chinese brands Xiaomi and Huawei now face high taxes as they have no plants in Bangladesh, which is why they are planning to set up factories in the country, said market insiders.

Three other brands -- 5-Star, Winstar and Lava -- have also their plants in Bangladesh.

Both Transsion and Symphony are mulling over opening plants to manufacture mobile accessories, which is seeing a rising demand.

At the end of last year, Bangladesh's active mobile connections stood at 16.64 crore.

Renata to set foot in the US this year

Becomes the third local drug maker to snag USFDA clearance

Ahsan Habib

Renata is set to become the third local drug maker to export products to the tightly regulated US market, in a testament of the advances Bangladesh's pharmaceutical industry have made over the years.

"I hope it will create a huge opportunity for us," said Md Jubayer Alam, Renata's company secretary.

The company got the approval from the US Food & Drug Administration (USFDA) for three products: Risperidone, Metoprolol Tartrate, and Glycopyrrolate, which are prescribed for schizophrenia, hypertension and peptic ulcer respectively.

At present, the pharmaceutical arms of local business giants Square and Beximco have the approval of the USFDA to export their products.

"The US market is so big and so different from us," Alam said.

The task ahead for Renata is to reach out to pharmacists in the US.

"If the pharmacists prescribe our products, consumers will buy them. So, our consultants are working on this area now," he added.

Renata, which raked in Tk 46.68 crore in its last financial year by exporting to 27 countries, is hopeful that shipments to the US will kick off from this year, according to Zaki Chowdhury, the drug makers' general manager for international regulatory affairs.

Asked whether the drugs that are being exported are of superior quality than the ones sold locally, Chowdhury said: "The quality of our drugs are one and the same. There is no reason to think the makers are maintaining separate standards for the two markets."

Some other Renata medicines are in the pipeline for USFDA's approval, he added.

The listed drug maker, which was born out of the American drug maker Pfizer's Bangladesh operations in 1993, currently ships four products to the UK.

In 2013 it set up Renata UK, from which it could ship to the entire EU.

However, following Brexit, the UK entity would no longer be eligible for this purpose as EU regulations stipulate that only European corporate entities may conduct medicines business within its borders.

So, in the middle of last year, it set up Renata Pharmaceutical (Ireland).

Its business is growing briskly at home too.

In the human pharmaceutical products, Renata's net sales soared 19 per cent last year, outperforming a buoyant market that registered a 16.3 per cent growth.

Renata remains market leader in the animal health sector: its sales grew 10.8 per cent against the industry growth of 9.4 per cent.

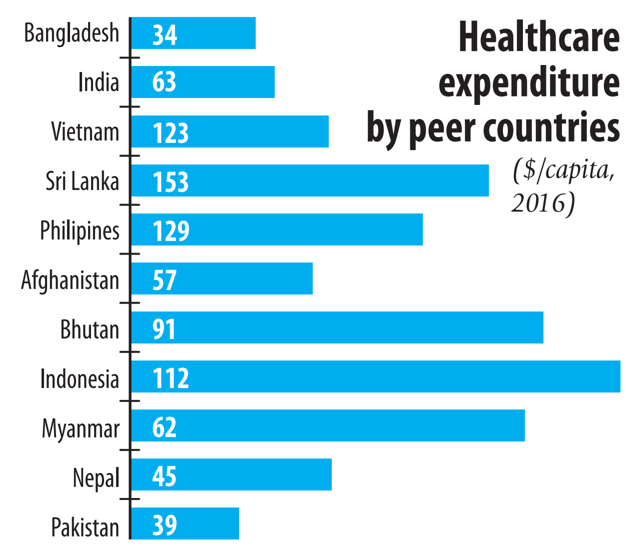
As a result, it is constructing an animal nutrition factory in Bhaluka upazila of Mymensingh.

Despite the all-round solid performance, the company's stock began nosediving from November 13 last year, when it traded at Tk 1,345.

On January 12, it sank to a 54-month low of Tk 1,019. The stock recovered a little from there, closing at Tk 1,153 yesterday.

"Renata's slide was not related to its performance but for the overall depressed state of the market," said a market analyst requesting anonymity.

The pharmaceuticals sector as a whole has great potential ahead given the country's population of 16 crore and the high economic growth.



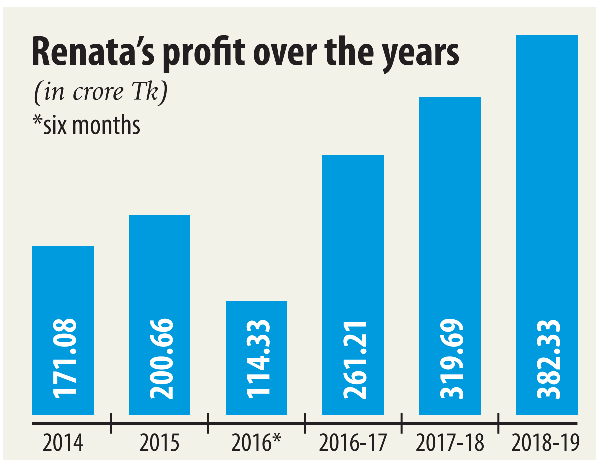
Bangladesh's per capita healthcare spending is nearer the bottom of the list among the Asian countries.

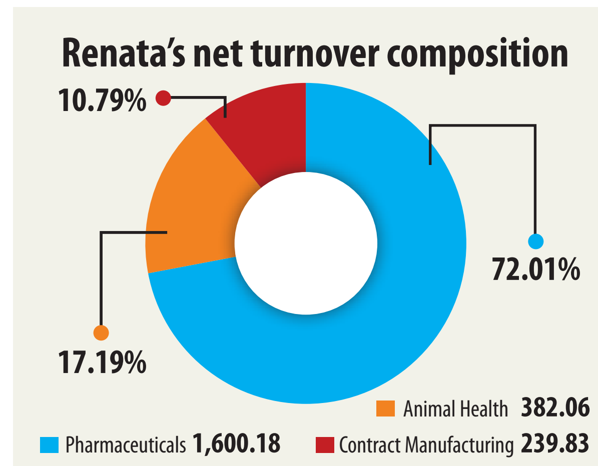
"The country is amongst the fastest growing in the continent. Typically, when people's per capita income rises their spending on healthcare also goes up. This will create opportunities for the drug makers," he added.

Bangladesh's per capita income hit $1,909 in last fiscal year from $1,751 a year earlier.

Hong Kong-based investment firm Asia Frontier Capital (AFC) is equally bullish about the potential of Bangladesh's pharmaceutical market.

In its annual publication -- AFC Asia Frontier Fund: 2019 Review and Outlook For 2020 -- it said the sector has a bright future: the market is under penetrated.





STS Holdings sells controlling stake to British CDC Group

Star Business Report

The majority stakes of STS Holdings (STS), owner of Apollo Hospitals Dhaka, is set to be taken over by the UK's CDC Group (CDC), said a press release yesterday.

The press statement did not mention the ratio of shares and the value of transaction.

However, it said the transaction is expected to close in the first half of 2020.

The investment, made through the Evercare Health Fund, includes financing from CDC Group, a development finance institution owned by the UK government, and support from The Rise Funds.

"As we seek to improve health outcomes for patients, Evercare and CDC are the right partners to help expand our work in Bangladesh," said Bob Kundanmal, chairman of STS.

Commerce Minister Tipu Munshi is a director of STS Group, which also owns the International School Dhaka.

"They will provide the expertise and resources required to strengthen our model and drive enhanced specialist services and quality health outcomes in the underserved market in Bangladesh."

Founded in 2005, STS operates a 425-bed multi-disciplinary hospital in Dhaka with healthcare providers across 29 specialties and is currently developing a new, 400-bed facility in Chittagong.

STS joins the Evercare network of hospitals that operate across South Asia and Africa and will provide immediate additional scale to the Evercare platform, significantly increasing the number of patients served, said the press release.

As part of the Evercare platform, STS will continue to strengthen the healthcare infrastructure in Bangladesh.

By being able to tap into the cross-regional Evercare platform and capabilities, STS will seek to streamline procurement, enhance clinical capabilities and optimise its operations, ultimately strengthening its quality of care, said the statement.

In addition to its existing hospital, STS's new Chittagong facility will further expand their reach.

"Evercare exists to serve emerging markets that need access to quality, comprehensive care that seeks to improve patient outcomes while reducing costs and increasing efficiency," said Andrew Currie, chief operating officer of Evercare, in a press statement issued on January 25.

"STS' strong foothold in the Bangladesh market, quality facilities and services, and strategic and operational alignment with the Evercare network make it a perfect complement to our growing platform in Africa and South Asia."

There is a clear need to improve the quality and availability of healthcare in emerging markets, including Bangladesh, said Matthew Hobart, managing partner of Healthcare Investing for The Rise Funds.

With the latest diagnostic, medical and surgical facilities and commitment to education and research, STS has the potential to drive positive, measurable and sustainable impact for individuals across Bangladesh, he added.

MIRPUR SATELLITE TOWN

Construction poised to start this year

Jagaran Chakma

Construction of a satellite town in Mirpur under public-private partnership (PPP) is likely to take off this year after the maiden initiative of National Housing Authority (NHA) was held up for years, most recently for objections, primarily from people illegally occupying the government-owned land in Section 9.

The cabinet committee of economic affairs had first given the approval in November 2012 to the project.

Land developer Tropical Homes and the NHA had signed an agreement on October 30, 2018 to construct the town to provide affordable housing for middle-income families.

The NHA now expects to hand over the flats to buyers within five years.

At least 400 units will be built of three sizes: 1,000, 1,500 and 2,200 square feet. Prices per square feet will be kept between Tk 4,500 to Tk 5,000 to make it affordable.

A total of 11 multi-storey buildings will be constructed across five acres of land, according to a senior NHA official. There will also be a 12-storey commercial building, to serve as a shopping mall.

Owners will have to pay 50 per cent of the apartment's total value within four years of purchase in order to register flat ownership.

The remaining amount can be paid through equated instalments with a maximum tenure of 16 years. There will be no need to make a down payment but there will be an application charge.

The project has an estimated cost of Tk 650 core, which includes land value. Of that amount, Tropical Homes will invest Tk 350 crore.

There is no major roadblock to the project's implementation aside from design approval, says the NHA.

Only the go-ahead from the legal compliance department is required to start construction, said Abul Fazal Md Tofazzal, general manager and head of marketing of Tropical Homes.

"We will encourage the NHA and RAJUK (Rajdhani Unnayan Kartripakkha) to undertake these types of projects to solve our housing needs," said Muhammad Alkama Siddiqui, chief executive officer of Public-Private Partnership Authority.

The PPPA is ready to cooperate with efficient developers for housing projects in and outside Dhaka city to help reduce apartment prices, he added.

On benefits of using the PPP model, he said the developer would be responsible for the design, construction, operation and maintenance of the complex while the NHA would just provide the land.

MIRPUR SATELLITE TOWNSHIP IN NUMBERS

Project cost	Tk 650cr
Tropical Homes to invest	Tk 350cr
Total land	5 acres
Total no. of buildings	11; 14-storied each
No. of apartments	about 400
Apartment price	Tk 4,500-5,000 per sqf
Apartment size	1,000, 1,500 and 2,000 sqf
Flat hand over	2025