

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▲ 1.49%	▲ 1.01%	\$1,434.50 (per ounce)	\$107.01 (per barrel)	▼ 0.13%	▼ 0.48%	▲ 0.47%	▲ 1.34%	72.75	103.45	117.19	0.86
6,447.00	11,575.02			19,420.39	9,708.39	3,120.47	2,967.41	BUY TK			
								SELL TK			

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# star BUSINESS

DHAKA MONDAY APRIL 4, 2011, e-mail: business@thedailystar.net

## Aluminium business pulls in newcomers

**SAJJADUR RAHMAN**

The market of aluminium extrusion products used in doors, windows and curtain walls has been growing rapidly as wood is getting scarce by the day.

Nearly half a dozen companies have hit the market in the past two years to cash in on the growing market size now estimated at around Tk 600 crore a year.

Of the new entrants, PHP Group, which is one of the biggest conglomerates in the country, is the latest, and started selling products in February. Aramit, Nikki Thai, Bikrampur and Dhaka Thai are some other companies, which have come into the market in recent years.

"It is less capital intensive and matches with our existing product line, such as float glasses," said Mizanur Rahman, head of marketing of PHP Float Glass and PHP Aluminium, explaining the group's entry into the business. PHP is producing "premium-quality" aluminium extrusion products.

Aluminium extrusion products like doors, windows, staircase handrails and supports, railings for verandas and corridors have become popular. The use of aluminium in business and office complexes, buildings, theatres as well as decorative purposes is common. Shops built with lighter materials are also consuming aluminium products.

Market players said the advantages of aluminium such as lightweight, strength, corrosion resistance, durability, easy in fabrication, attractive appearance and

easy maintenance make it a popular material for use in modern buildings.

"The market is growing at a double digit rate. Scarcity of wooden materials has been prompting buyers to go for aluminium extrusion products," said SM Sohrab, senior manager, sales of Bangladesh Thai Aluminium (BD Thai), one of the two biggest players in the market.

After KAI Bangladesh Aluminum, BD Thai has the largest share in the market. Chung Hua (former Fu-Wang Aluminum) and Dhaka Thai are other major players.

KAI Aluminum, which started production in 1997 with an annual capacity of 6,000 tonnes, has set up a second plant with over 5,000 tonnes of capacity a few years ago to meet the growing demand.

BD Thai is the oldest company established in 1979 under a joint venture with a Thai businessman. Since then it is known as Thai Aluminium in Bangladesh.

Although the market has been expanding steadily, players are concerned with the quality as some manufacturers are marketing low-cost items.

"Lower end consumers are going for low-cost products, which is very risky," said a senior official of KAI.

Low-cost items are made of around 1 mm (millimetre) thickness against the standard thickness of minimum 1.5 mm, according to major players.

"We are also making low-cost items in line with the demand," said a BD Thai official.

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## ME unrest to hurt realtors

**SAYEDA AKTER**

Real estate may have to feel the pinch of the ongoing political unrest in Middle East countries, as realtors fear land sales may slide by 10 percent in the coming months.

Moreover, the soaring prices of MS (mild steel) rod and other construction materials also contribute to a drop in sales of apartments and lands, said homebuilders and developers.

Some thousands of Bangladeshi migrant workers came back home from Libya last month due to the unrest, which now spreads to other Middle East countries, stoking a fear of further returns.

Last fiscal year, Bangladesh pulled in remittances worth \$10.99 billion, of which \$7.22 billion was sent by workers in the Gulf nations including Saudi Arabia, United Arab Emirates (UAE), Kuwait, Bahrain, Oman, Qatar, Libya and Iran.

Around 60 lakh Bangladeshi expatriates live in the Middle East and most of them are skilled and semi skilled construction labourers.

Bangladesh had more than 60,000 nationals working in Libya before the violence erupted in the oil-rich North African nation in February.

The realtors said migrant workers are one of the big clients of their land projects, while the expatriates in the US and European countries mainly buy mid-size and costly apartments.

They also fear the sales volume in the land projects will fall sharply.

"If the number of returnees from the Middle East increases, land sales will be affected. Because this group of remitters is the main client of lands across the country," said MA Baten Khan, managing director of Building Design and Developments Ltd (BDDL).

"This will also affect the sales of low-cost apartments in Dhaka, as

these remitters want a toehold in the city within their limited earnings," he said.

He, however, said the sales of medium and premium apartments would not be affected due to the political crisis in the Middle East.

Khan also said the soaring prices of construction materials have slowed down the growth of the sector in the recent months.

"When the prices of land and building materials are on the rise, we have few options but to go for developing low-cost products to overcome the situation."

The BDDL chief called upon the government to take initiative to make the market of construction materials stable, so the other relevant industries can survive.

At present, the turnover of the real estate sector stands at around Tk 100,000 crore a year, while the sector contributes 14 percent to gross domestic product (GDP), according to industry leaders.

They said land sales account for a fourth of total annual sales.

Mohammad Farhaduzzaman, marketing manager of Eastern Housing Ltd, also echoed the views of Khan, and said the land sales may drop significantly in Dhaka and its neighboring districts such as Gazipur and Mymensingh.

"I think the sales of land will drop by 10 percent. But this situation will mainly affect the developers who work with small projects," he said.

But some see good signs in the situation. "Some positive things will happen now. We lack skilled construction workers who can handle high tech equipment. Now that problem can be solved if some of these workers join the local industry," said Tanveerul Haque Probal, managing director of Building for Future Ltd.

"These skilled and semi skilled workers can save our money that we spend to hire construction labourers from abroad."

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## S Lanka raises fuel prices

**AFP, Colombo**

Sri Lanka raised fuel prices Saturday by up to 7.5 percent in a bid to offset higher crude oil import costs. Gasoline prices increased by 10 rupees to 143 rupees (\$1.3) a litre.

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