STOCKS		COMMODITIES (As of Friday)		ASIAN MARKETS (Friday closings)				CURRENCIES (STANDARD CHARTERED BANK)				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI		USD	EUR	GBP	JPY
0.73%	0.43%	$1,247.30 (per ounce)	$97.91 (per barrel)	0.08%	0.62%	Closed	Closed	BUY TK	77.20	102.71	125.45	0.75
4,787.66	9,407.02			20,513.85	14,914.53			SELL TK	78.20	106.73	129.46	0.78

Star BUSINESS

DHAKA MONDAY FEBRUARY 3, 2014, e-mail:business@thedailystar.net

Improve trade ties among developing nations: analysts

STAR BUSINESS REPORT

Bangladesh has immense potential to enhance trade among the developing countries by focusing on information technology, renewable energy and creative industries, analysts said yesterday.

"We can promote our creative industries, such as software, computer games, crafts, design and advertising with South-South Cooperation," said Md Ashadul Islam, additional secretary of Economic Relations Division.

Preferential trade agreements, such as SAFTA, removing trade barriers by India, Chinese soft loans for infrastructure development and $800 million credit from India are some examples in South-South cooperation, he added.

He spoke at a workshop organised by Economic Relations Division on effective south-south triangular cooperation in Dhaka.

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Stimulus drives RMG exports to new destinations

Apparel shipments to non-traditional markets rise to $3.5b in 2013 from $800m in 2008

STAR BUSINESS REPORT

Garment exports to non-traditional markets advanced more than four times over the last six years following the government's incentive package in 2008 to offset the impact of the global financial crisis on the sector.

The financial crisis started off in the US and then spread to the European Union—both of which happen to be the chief destinations of the country's garment exports.

In a bid to offset any significant drop in garment export figures, the government in 2009 introduced a financial package to encourage garment manufacturers to explore new destinations.

Under the scheme, the government gave 5 percent cash incentive to garment exporters in fiscal 2009-10, 4 percent in fiscal 2010-11 and 2 percent in fiscal 2011-12. The exporters are still receiving 2 percent cash incentive for exporting to the new destinations.

Subsequently, exports to India, China, Russia, Japan, South Africa, Turkey, Brazil, Chile, Mexico, South Korea, Malaysia, Australia and New Zealand, took off.

In 2008, garment exports to destinations other than the US, EU and Canada stood at $800 million; in 2013 the figure crossed $3.5 billion.

"We are trying to concentrate on new destinations along with our traditional export destinations," Reaz-Bin-Mahmood, vice-president of the Bangladesh Garment Manufacturers and Exporters Association, said at a workshop at the office of Economic Relations Division.

The South-South Cooperation, a broad framework for collaboration among countries of the south, will bring a new dimension in garment exports from Bangladesh, he added.

Monowara Hakim Ali, vice-president of the Federation of Bangladesh Chambers of Commerce and Industry, moderated the session, while Mozibur Rahman, chief executive officer of Bangladesh Foreign Trade Institute, presented the keynote paper.

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Local firms look to make tyres for big vehicles

SAJJADUR RAHMAN

Local companies have moved to make tyres for long-haul buses and trucks, a sector that is dominated by imports.

Gazi Tyre, a concern of Gazi Group, is the first to make large tyres for the rapidly growing transport sector.

"We have started producing tyres for big buses and trucks. We are now doing it on a trial basis," said NG Saha, senior general manager of Gazi Group. "We will soon start commercial production."

At present, four local companies are making light automotive tyres, taking advantage of a surging market that fully relied on imports a decade ago.

These companies—Apex Husain, Gazi Group, Meghna Group and Rupsha Tyre—manufacture tyres for light trucks, minibuses, microbuses, motorcycles, autorickshaws and easy bikes.

Some other companies, such as Seraj Cycle, Anwar Group and Update Group, are in the pipeline to make tyres for the local market.

In addition, Indian Ceat is setting up a factory here to produce tyres for the Bangladesh market.

"Bangladesh is a small country, but it is emerging as a very big and lucrative market for the tyre industry," said Lutful Bari, director for operations of Meghna Innova Rubber Industry.

Demand for tyres has been increasing, driven by the growing urban population and use of motorised vehicles across Bangladesh, industry insiders said.

Monthly demand for motor cycle tyres has increased to 50,000 pieces at present, up by over 15 percent from the previous year.

The market size for CNG-run three wheelers goes up to 60,000 tyres a month.

However, Nosimons and Korimons, locally-made three-wheeler small vehicles that run in villages across the country, have also driven demand for tyres; nearly 20,000 tyres for these vehicles are sold a month.

Despite high demand for large tyres, the big local companies did not make an entry into the sector, as it requires large capital investments and consistent power supply.

Almost a decade ago, two big names—Rahimafrooz and Nitol—moved to produce automotive tyres, but their plans fell through for high capital investment requirements and dependence on the import of raw materials.

India's JK Tyre also tried to set up a joint venture to make tyres in Bangladesh.

According to Bangladesh Road Transport Authority, 54,492 motorised vehicles were registered in Dhaka in 2013 alone; the number was 137,109 countrywide.

"If we become successful in making tyres for big buses and trucks, Bangladesh will be able to save huge sums of foreign currency, which are spent on imports," said Saha of Gazi.

Bangladesh spends around Tk 1,000 crore to import over 15 lakh pieces of tyres a year mainly from India, Japan and China, according to importers, distributors and sellers. Bangladesh also imports tyres from Vietnam, Thailand and Indonesia.

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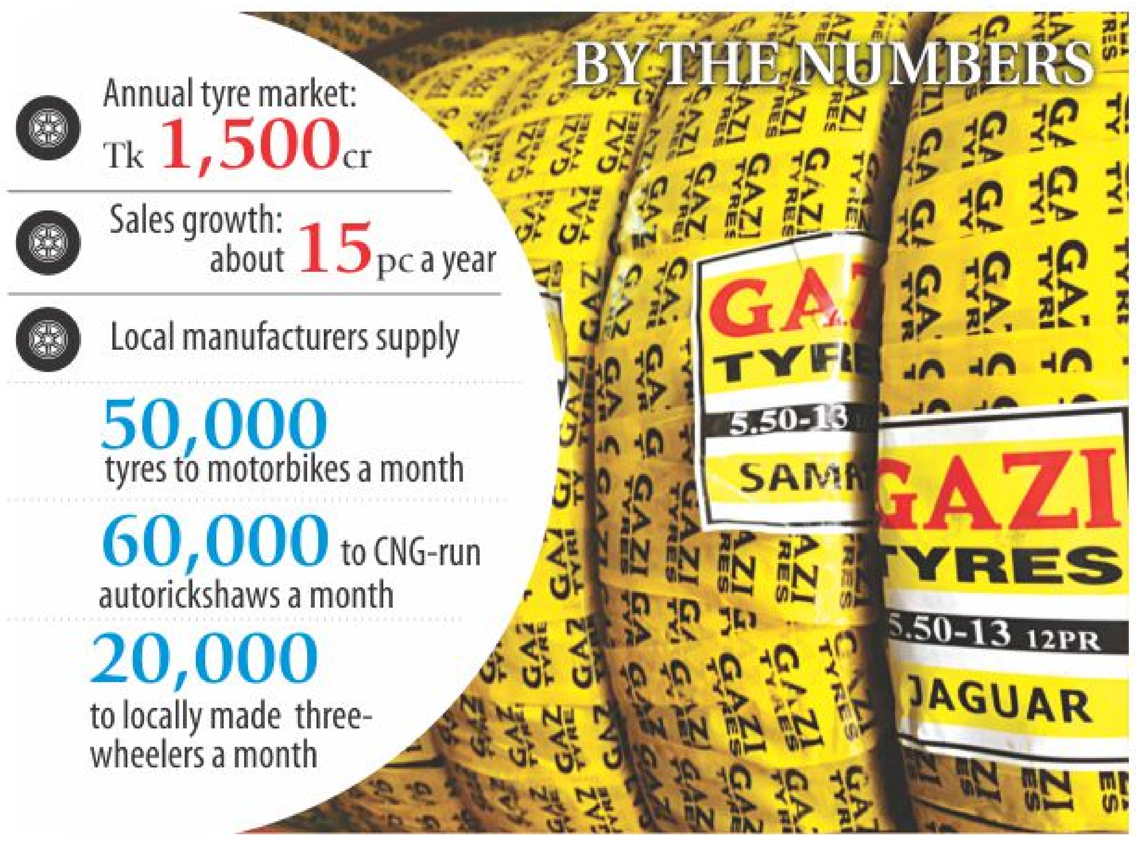


Oilcrop farming reverses years of decline

SOHEL PARVEZ

Oilcrop cultivation is on the rise again, thanks to increased availability of short-duration seed varieties which now leave farmers with time to cultivate boro rice later in the winter season.

The short-duration oil seeds, namely BARI Sarisha-14 and BARI Sarisha-15 take 80-85 days to harvest in contrast to 100-110 days for the normal varieties.

In fiscal 2011-12, acreage of oilcrops stood at 9.72 lakh acres, according to Bangladesh Bureau of Statistics. Seven years ago, it hovered around 8.41 lakh acres. Production also rose: oilseed output stood at 7.87 lakh tonnes in fiscal 2011-12, while it was below 6 lakh tonnes in fiscal 2005-06.

Md Rafiqul Islam Mondal, director general of Bangladesh Agricultural Research Institute (BARI), said farmers' inclination towards irrigated boro rice is the major reason behind the decline in acreage of oilseed in the past.

"The expansion in acreage in recent years is due to the release of shortly maturing seeds of mustard."

Agriculture scientists, however, say production can be raised further by increasing the supply of quality seeds, a move which would help reduce the country's edible oil import dependency.

The domestic demand for edible oil and fats stands at 18 lakh tonnes, nearly 85 percent of which is met through imports, according to oil refiners and official data. In fiscal 2012-13, Tk 11,185 crore worth of edible oil was imported.

The supply of quality oilseeds at present is 13.5 percent of the total demand of 17,000 tonnes, according to Agriculture ministry estimate.

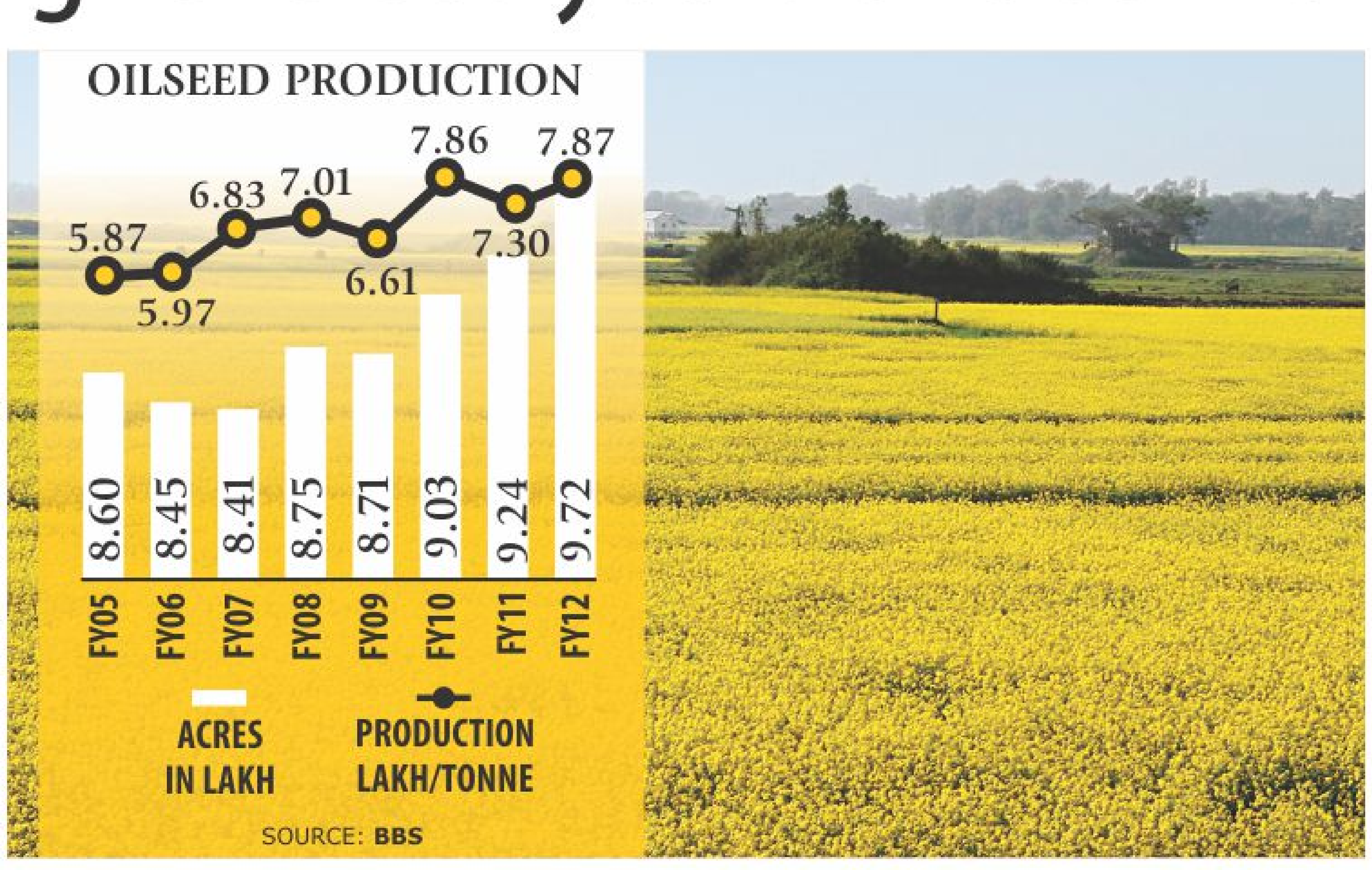
"We can save huge amount of foreign currencies by paying attention to boosting domestic production," said Md Lutfor Rahman, a former professor of Bangladesh Agricultural University.

Mondal suggested expanding the short-duration varieties of boro seeds, while Rahman called for increasing research support, encouraging organised cultivation by farmers with buy back assurance and utilising the potential of soybean and sunflower cultivation.

Sitesh Chandra Biswas, programme specialist of Brac Agricultural Research and Development Centre, said farmers are not so much interested in growing oilcrops because of low yield and return on investments.

He said production can be increased by focusing on research and extension.

"So far, too much attention has been given to rice production to ensure food security. But rice alone cannot ensure nutritional food security."



Lenovo signals global ambitions with Motorola deal

AFP, *Beijing*

In 1984, with only $25,000 in Chinese government funding and a dusty 20-square-metre bungalow as their headquarters, a small group of scientists in Beijing founded a firm called New Technology Developer Inc.

Thirty years later, the tech company -- which went on to become Legend and later, Lenovo -- is the world's biggest personal computer maker, and has just completed two major deals with IBM and Google that analysts say will help it to diversify away from the sagging PC market and boost its expansion overseas.

Lenovo's $2.3 billion purchase of IBM's low-end server business and its $2.91 billion acquisition of Motorola from Google are evidence of the Chinese tech giant's "global ambitions", said Jean-Francois Dufour at DCA Chine-Analyse.

Square Pharma's profits rise 33.61pc

GAZI TOWHID AHMED

Square Pharma experienced a 33.61 percent year-on-year rise in profits in the October-December period last year on the back of higher operating efficiency.

Revenue growth and lower cost of sales also accounted for the profit of Tk 159 crore during the quarter. The medicine manufacturer saw revenue growth of 13.4 percent, while cost of sales went down to 51.1 percent.

The earnings per share stood at Tk 3.30 during the quarter in contrast to Tk 2.48 a year ago. The price earnings ratio of the company stood at 20.88 until yesterday.

Amongst the top ten stocks by market capitalisation, the company's net profit after tax rose 26.5 percent year-on-year to Tk 410 crore in the nine months to December.

The company's shares traded at Tk 237 yesterday, with some 6.16 lakh shares worth Tk 14 crore exchanged on the trading floor.

Deadline for share credit applications extended

Investors can seek loans from Tk 900cr scheme

STAR BUSINESS REPORT

The surveillance committee of a government refinancing scheme for affected stockmarket investors once again extended the deadline for credit applications by two months to March 31.

Retail investors, who lost money to stockmarket downswings in 2011, can apply for credit from the government's Tk 900-crore scheme.

The finance ministry approved the guideline of the refinancing scheme in August last year.

The committee extended the deadline considering the overall situation, said Saifur Rahman, a committee member and an executive director of Bangladesh Securities and Exchange Commission.

The panel, comprising representatives from the central bank, BSEC and Investment Corporation of Bangladesh, is responsible for monitoring the scheme operations and submitting a report to the finance ministry every quarter.

The affected retail investors with smaller than Tk 10 lakh in exposure from January 2009 to November 2011 are eligible for the fund.

As of last Thursday, some 14,000 retail investors applied for share credit worth around Tk 300 crore through 19 merchant banks and 20 stockbrokers.

Scrutinising the applications, ICB, the scheme manager, has already sanctioned Tk 84.89 crore for 3,030 retail investors through seven merchant banks and stockbrokers.

The state-run investment company received the fund at 5 percent interest from Bangladesh Bank and lent it to merchant banks and stockbrokers at 7 percent.

The merchant banks and the stockbrokers then disbursed the funds among retail investors at 9 percent interest.

The borrowers will have to repay the loans every three months.

On August 25 last year, the central bank released the first instalment of Tk 300 crore in favour of the ICB. The remaining Tk 600 crore will be released in two equal instalments later.

In March 2012, the government announced a compensation package, which also included an interest waiver on margin loans for the investors who suffered losses during the price debacle in 2011.