

star

BUSINESS

DHAKA FRIDAY AUGUST 22, 2014, e-mail:business@thedailystar.net

Panel formed to pay back Jubok victims

REFAYET ULLAH MIRDHA

The commerce ministry yesterday formed a seven-member panel to find ways to return funds to the clients of Jubok, a multi-level marketing company that embezzled deposits, said Hedayetullah Al Mamoon, senior commerce secretary.

The committee is headed by Abdul Mannan, a joint secretary of the commerce ministry. The panel, which is scheduled to submit the report by September 30, will review the recommendations of the two commissions formed to earlier to investigate the forgery by Jubok, Mamoon said.

"We will take action as per the recommendations of the committee."

It is not possible to turn Jubok into an MLM company as it was formed before the formulation of the MLM law last year, he said. "So the clients should get their investment back."

Around 3.03 lakh clients of Jubok have been waiting for years to get back the money they deposited, mainly because of the government's indecision.

READ MORE ON B3

Bajaj to make motorcycles at Bangladesh plant

Uttara Group to set up Tk 150cr plant in Gazipur

SUMAN SAHA

India's popular Bajaj motorcycles will be manufactured in Bangladesh from June next year, a move touted to make the brand's vehicles 30 percent cheaper.

Uttara Group, Bajaj Auto's local assembler, is set to build a plant at a cost of Tk 150 crore, to be operated by the leading Indian two-wheeler manufacturer. Bajaj will provide all technical support including product design, research and development.

Matiur Rahman, managing director of Uttara Group, said the unit price of Bajaj-branded motorcycles may decline around 30 percent once production starts at the plant. The factory will span 10 acres of land at Zirani Bazar in Gazipur.

Some 20-25 components including chassis, chain, swing arm, suspension, battery, tyre and plastic accessories will be manufactured at the plant, sufficient to give the motorcycles the 'manufactured in Bangladesh' tag.

The other components such as engine will be brought over from India, he said.

As per custom rules, an assembler will be termed a manufacturer if its value addition is at least 30 percent and if it can locally produce at least seven components: frame, main stand, side stand, real swing arm, handle bar, tension rod and engine clamp.

A manufacturing unit should also have to have power coating plant and



KEY POINTS

Uttara Group will build a motorcycle manufacturing plant in Gazipur in collaboration with India's Bajaj Auto

Uttara to invest Tk **150cr** in the factory that plans to start production by June next year

The plant with an annual production capacity of **1.5** lakh units will employ about **450** people

Four models – **Platina 100, Discover 100, Discover 125** and **Pulsar 150** -- will be made at the plant

Local production may reduce motorcycle prices by **30%**

other facilities for injection moulding, dye casting, salt spray testing, pipe bending, and hydraulic press, according to a notice from the

National Board of Revenue.

The factory, whose layout plan is currently being finalised, will initially manufacture four models -- Platina 100, Discover 100, Discover 125 and Pulsar 150.

Its annual production capacity will be 1.5 lakh units and it will employ around 450 people including 2-3 foreign employees, said Rahman, also the chairman of Uttara Group.

Bajaj Auto's move though comes on the heels of its rival Hero MotoCorp's arrangement with the local Nitel Niloy Group, in response to the fast rising demand for motorcycles in the country.

Hero MotoCorp, India's largest motorcycle manufacturer, will set up its manufacturing plant in Jessore by 2015 in a joint venture with Nitel Niloy Group and invest \$40 million in five years.

Rahman credited the increasing purchasing power and development of rural economy for the growing demand for two-wheelers.

Around 60 percent of Uttara Group's motorcycle sales come from rural areas, he said, adding that farmers, small traders, wage earners and pharmaceutical companies are the main buyers of two-wheelers.

The industry sold 10,000-15,000 motorcycles annually 15 years ago, which is just a monthly sales figure these days, he said, adding that payment in instalments is one of the reasons for the rise in sales.

READ MORE ON B3

Goldman Sachs seeks to be adviser on sovereign bonds

Govt can raise up to \$3b

STAR BUSINESS REPORT

Bangladesh can raise \$2-\$3 billion from the international market through sovereign bonds, Goldman Sachs, the world's leading investment bank, said as it seeks to advise the government on its first sovereign bond issue.

The disclosure came at a meeting yesterday between Goldman bankers Jonathan G Donne, Paul Rhodes and Ryad Yousuf and Finance Minister AMA Muhith at the latter's office in Dhaka.

"They said now is the opportune moment to issue sovereign bonds as the interest rate in the international market is

low and the image of Bangladesh is very good," Muhith told reporters after the meeting quoting the Goldman bankers.

Besides, raising funds from external sources now will help as the country prepares to implement mega-projects such as Padma bridge and a new pay-scale for about 16 lakh civil servants, according to the finance minister.

The current foreign exchange reserves of over \$22 billion can feed seven months' import bills. "If the reserves go up further it would be good for the economy," he said, adding that the government is looking to issue the bond this fiscal year.

READ MORE ON B3

Envoy plans to set up Tk 235cr spinning unit

SARWAR A CHOWDHURY

Envoy Textiles plans to set up a spinning unit at a cost of about Tk 235 crore to produce yarn, 80 percent of which will be used for its own consumption.

The unit, which is expected to start commercial operation in the first quarter of 2016, will sell the rest 20 percent of its production to others.

HSBC and Brac Bank will finance about Tk 156 crore of the project cost and Envoy will provide the rest, the company said in a posting on the website of Dhaka Stock Exchange yesterday.

Envoy, a denim maker, has already finalised the plan for the unit that will have a production capacity of 17,500 tonnes yarn a year.

"We will be a full-fledged textile manu-



facturer after completion of the unit at Bhaluka in Mymensingh," said Abdus Salam Murshedy, managing director of Envoy Textiles that supplies clothes to Wal-Mart, H&M, JC Penney, Gap, Carrefour, Zara and Next.

READ MORE ON B3

2nd Bangladesh Investment Summit

Unlocking opportunities for Asia's investors

4th September 2014
Four Seasons, Singapore

The Bangladesh Investment Summit is now open for registration.

Join over 200 international investors, asset managers, bankers, engineering and construction companies together with Bangladesh's leading banks and corporations and hear the latest trade and investment trends across Bangladesh.

Headline Platinum Sponsors

Standard Chartered

city bank™
making sense of money

BRAC EPL
STOCK BROKERAGE LTD

LankaBangla™
SECURITIES

LR GLOBAL
BANGLADESH ASSET MANAGEMENT COMPANY LTD.

Platinum Sponsor

Silver Sponsors

BRAC EPL
STOCK BROKERAGE LTD

LankaBangla™
SECURITIES

LR GLOBAL
BANGLADESH ASSET MANAGEMENT COMPANY LTD.

Media Partners

ASIA FIRST™
THE FINANCIAL INTELLIGENCE PLATFORM

Bloomberg

CHANNEL

EUREKAHEDGE

MERGERMARKET

The Daily Star

Presented by

FinanceAsia

In Association with

AsianInvestor