

BUSINESS

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Meghna Group teams up with Thai firm to form joint venture

New factory will produce polypropylene for packaging industries

SAJJADUR RAHMAN

Meghna Group of Bangladesh and PM Group of Thailand have joined hands to set up a polypropylene factory that will support packaging industries at home and abroad.

The factory will be the first of its kind in Bangladesh as polypropylene consumers, including garment exporters, now meet their demand by imports.

Polypropylene is smooth surface plastic that cracks easily when bent but is difficult to scratch, used in making bags, battery cases, jar lids and straws.

PM Group will invest around \$150 million, equivalent to around Tk 1,170 crore, to set up the plant at Meghnaghat in Narayanganj. Both sides signed a deal in Bangkok last week. However, the shareholding issue has not been finalised yet.

"Half of the products will be exported,"

Mostafa Kamal, chairman of Meghna Group, told The Daily Star.

Apparel exporters will be benefitted, as it will reduce costs of using biaxially-oriented polypropylene (BOPP).

BOPP is a polymer widely used in place of cellophane, waxed paper, and aluminium foil for packaging consumer products, including garment, food and stationery items.

Meghna Group has 32 companies. The local conglomerate has an annual turnover of \$2 billion and asset worth \$1 billion, while PM Group is a private firm valued at more than \$2 billion.

Meghna wanted to sell all the products from the new factory in the local market, but PM Group wants to export half the products to enjoy the facility of generalised system of preferences (GSP) given to Bangladesh by the European Union.

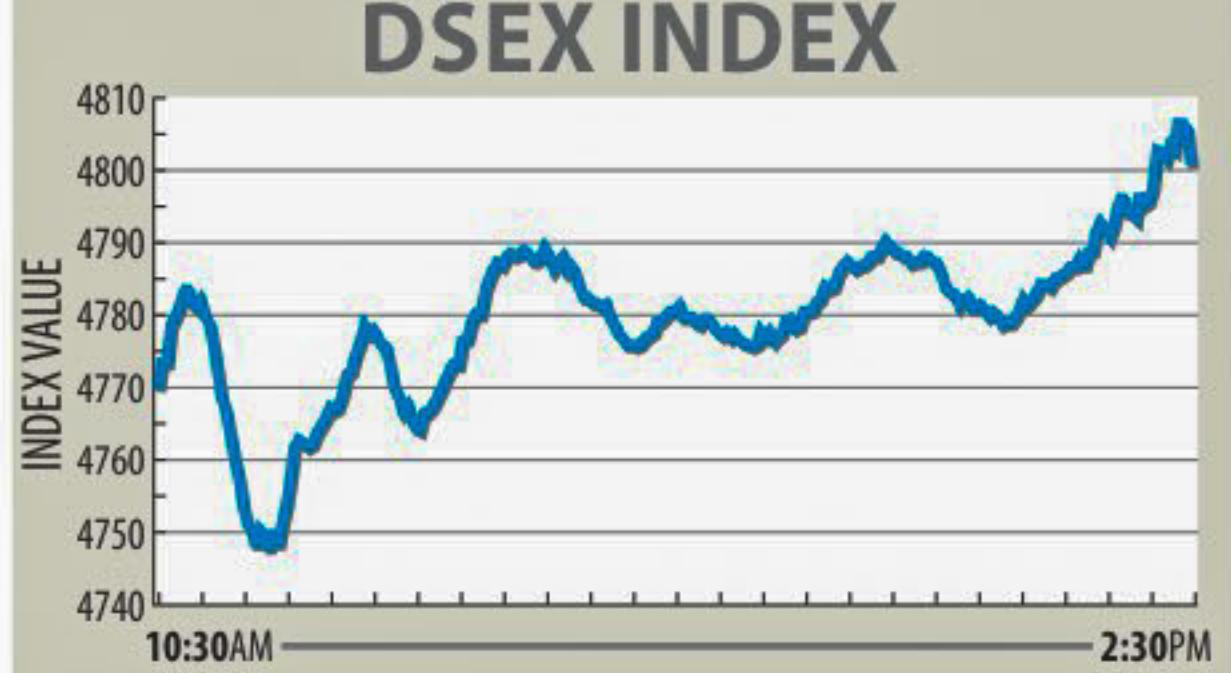
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Stocks break losing streak



STAR BUSINESS REPORT

Stocks returned to the black yesterday, breaking a two-day losing streak, as investors placed buy orders of shares and mutual fund units amid political strife.

DSEX, the benchmark general index of the Dhaka Stock Exchange, went up 30.93 points or 0.65 percent, to close at 4,800.41. DSES, the shariah index of DSE, rose 4.04 points or 0.36 percent, to finish at 1,113.51.

After last session's downturn, the market regained momentum despite the political stalemate, said IDLC Investments.

However, the enthusiasm was not widely seen among all the market participants as turnover fell 11.3 percent to Tk 249 crore from the previous day, the investment bank said.

A total of 0.75 lakh trades were executed with 7.81 crore shares and mutual fund units changing hands on the Dhaka bourse. Gainers took a strong lead over the losers by 178 to 83, while 51 remained unchanged on the DSE floor.

Of the major sectors, telecoms closed in the red with a 0.51 percent fall in market capitalisation.

The food and allied sector gained 2.39 percent followed by banks 0.71 percent, non-bank financial institutions 0.74 percent, pharma 0.68 percent, cement 0.37 percent and power 0.05 percent.

Aamra Technologies featured in the most traded stocks chart with 30.38 lakh shares worth Tk 13 crore changing hands followed by Beximco, Grameenphone, Ifad Autos and Summit Alliance Port.

Exim Bank First Mutual Fund was the highest gainer of the day, as it posted an 8.19 percent gain, while Imam Button was the worst loser, slumping by 10.27 percent.

Chittagong Stock Exchange gained with its selective categories index, CSCX, rising 54.37 points to close at 8,905.

Mend business climate urgently: new US envoy

DIPLOMATIC CORRESPONDENT

The business climate in Bangladesh needs to be fixed at the earliest, new US Ambassador Marcia Stephens Bloom Bernicat said yesterday.

"It's just not for American businesses only but for Bangladeshi businesses as well," she said at her first press conference, held at American Club in Dhaka.

The country also needs to address the infrastructure issues, Bernicat said, adding that the US wants to promote a middle-income Bangladesh.

She also mentioned that she had two roundtables with American businessmen in the US. "We want to create more jobs for Bangladeshi people and Americans. I call it better win-win situation."

Asked whether she would pursue restoration of trade benefits for



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Marcia Stephens Bloom Bernicat, US ambassador to Bangladesh, speaks at her first press conference at American Club in Dhaka yesterday.

Bangladesh during her tenure, Bernicat said: "I can promise you, I will work very hard along with international community and

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Garment makers demand fair price from EU retailers

REFAYET ULLAH MIRDHA

Garment makers yesterday asked European retailers to pay prices which are proportionate with the rising costs of production at factory level.

The exporters raised the issue of fair price at a meeting with the visiting European Union parliamentary delegation in Dhaka.

The cost of production has been increasing by the year at the factories but the prices for per piece of garment remained the same for years or

even declined in some cases, Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association, said after the meeting.

After the industrial disasters of Tazreen fire and Rana Plaza collapse, a lot of progress has taken place in workplace safety and compliance in the garment sector, Islam said at the meeting.

The delegation also wanted to know about the status of factory inspection by Accord and Alliance.

Officials from different ministries and the US embassy in Dhaka were also present at the meeting.

Both the agencies have completed their primary inspection of about 1,700 factories in September last year.

Now the Accord and Alliance are monitoring the progresses made on the feedback given after the primary round of inspections.

The EU is an important trading partner for Bangladesh as 60 percent of the country's exports are destined to this bloc every year.

Officials from different ministries and the US embassy in Dhaka were also present at the meeting.

New open-end fund hits market

STAR BUSINESS REPORT

Subscription of a Tk 50 crore open-end fund -- Rupali Life Insurance 1st Mutual Fund -- started on February 1 and will continue till March 18.

The Tk 50 crore is the initial size of the fund, and it will increase from time to time, said Moin Al Kashem, managing director of Prime Finance Asset Management Company, the manager of the fund.

An open-end fund is a professionally managed collective investment scheme that has unlimited lifetime and size.

Rupali Life Insurance as the prime sponsor of the fund has subscribed units worth Tk 20 crore, which has already been invested in different purposes. The rest Tk 30 crore will be raised from individual and institutional investors, Kashem said at a press briefing in Dhaka yesterday.

Anyone can purchase the units from the designated selling agents, who will also issue certificates. The unit holders can sell their units any time through the selling agents and the fund will buy back the units.

The minimum subscription amount for individual investors is Tk 5,000 or 500 units of Tk 10 each. The fund, however, will not be listed or traded on the exchanges or secondary market.

"Open-end funds are the future of the country's mutual fund industry since these funds always have to offer sale and repurchase price based on the net asset value rather than the supply and demand-based pricing of close-end funds," Kashem said. He said the fund was originally a closed-end type that was later converted into an open-end in nature.

Prime Finance Asset Management Company is the pioneer in introducing unit fund from the private sector. Prime Financial First Unit Fund is the first private sector open-end fund introduced in 2010.

Currently, nine open-end funds are in the market.

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