Clean energy investment hits lowest level in Q1

Slow movement of large deals in China, Europe and Brazil is the main reason

REUTERS, *London*

Global clean energy investment in the first quarter of this year fell to its lowest quarterly level for two years, as large deals slowed in China, Europe and Brazil, research showed on Friday.

Investment in renewable energy such as wind and solar power and biomass fell to $50.5 billion in January to March compared with $59.3 billion in same quarter last year, Bloomberg New Energy Finance (BNEF) said in a report.

The last quarter to show weaker investment was the first quarter of 2013 at $43.1 billion.

The first quarter tends to be the weakest in terms of clean energy investment as banks and equity investors pause after a busy year-end and as project developers digest any changes in renewable energy support mechanisms.

But this year the strengthening of the U.S. dollar against many currencies also impacted financing and there were fewer large-scale wind investments compared with the first quarter of 2014.

Asset finance of utility-scale renewable projects fell 19 percent in the first quarter from a year earlier to $27.9 billion, while venture capital and private equity investment in clean energy fell by 21 percent to $1 billion, the report showed.

"There's a lot of ground still to cover this year. No one knows whether the oil price is going to bounce back or collapse further. There is good momentum towards some sort of climate deal in Paris in December," said Michael Liebreich, chairman of the advisory board at BNEF.

Geographically, clean energy investment in Brazil slumped by 62 percent to $1.1 billion compared with the first quarter of last year, while investment in Europe fell by 30 percent to $9.7 billion and China investment was down 24 percent to $11 billion.

On the other hand, clean energy investment in South Africa surged to $3.1 billion from almost nothing in the first quarter last year, and investment in India rose by 59 percent to $1.6 billion.

H&M inspects more textile suppliers in quest for improved conditions

REUTERS, *Stockholm*

World no.2 fashion retailer Hennes & Mauritz said half its clothes will by year-end be made of fabric from mills which it has inspected, marking progress in a programme to improve working conditions in plants typically in India and Bangladesh.

Poor working conditions in the textile industry were thrust into the limelight by the collapse in 2013 of the Rana Plaza garment factory in Bangladesh in which more than 1,100 workers were killed.

H&M, which ranks second globally by sales to Spain's Inditex , has extended its inspections from factories making its clothes to those supplying fabric and yarn.

H&M's social sustainability manager Hanna Hallin said its purchasing policies would benefit those sub-suppliers who measure up to its code of conduct.

In its annual sustainability report published on Thursday, H&M said the proportion of its clothes being made from fabric made by audited mills would rise to 50 percent this year from 35 percent last year.

"It's about them having a safe work environment and ensuring human rights with regards to remuneration and overtime for example, and that there is no child labour," Hallin said.

"We will place more orders and book more material with those that take responsibility and where we see a continuous development," Hallin said. "So, this is our business tool to drive a positive development. Of course it will make a difference for workers."

H&M said that unlike direct suppliers in the garment industry, most mills have never been exposed to demands or compliance standards from brands and its challenge was to educate them.

India's February industrial output grows at 5pc

REUTERS, *New Delhi*

India's industrial output growth accelerated to 5 percent in February, its fastest pace in three months, mainly driven by growth in capital goods and consumer goods sectors, government data showed on Friday.

Analysts polled by Reuters were expecting the output to grow 2.4 percent compared with an upwardly revised 2.8 percent growth in January.

India plans to release industrial output data based on a new methodology and use a different base year for calculating the index in the next few months, a senior government official at the statistics ministry told Reuters on Thursday.

The industrial output data with 2004/05 as base year has become less relevant now after the government changed the methodology as well as the base year for GDP calculations in February.

Exim Bank appoints new deputy MD

STAR BUSINESS DESK

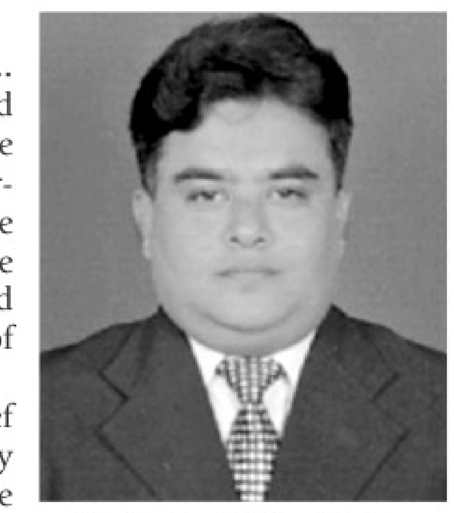
Mohammad Feroz Hossain has been promoted to deputy managing director of Exim Bank, the bank said in a statement yesterday.

He was working as a senior executive vice president of the bank prior to this promotion and has also served as head of several departments during his 15-year career with Exim Bank.

Hossain was also the recipient of the bank's 'best manager award' for three consecutive years.

ICMAB elects new office bearers for Dhaka branch council

STAR BUSINESS DESK



SM Zahir Uddin Haider

SM Zahir Uddin Haider and Md Mushfiqur Rahman have recently been elected as chairman and vice-chairman of the Dhaka branch council of the Institute of Cost and Management Accountants of Bangladesh for 2015.

Haider is the current chief financial officer of Energy Confidence Power Venture Ltd, the institute said in a statement yesterday.

Rahman is now serving ASCENT Group (Scholastica) as general manager for finance, according to the statement.

MEGHNA BANK

Mohammed Nurul Amin, managing director of Meghna Bank, inaugurates the bank's ATM booth--Meghna AnyTime--on the premises of its Chawkbazar branch in Dhaka on Thursday. Abdul Alim Khan, vice chairman, was also present.

LG

Mahbubul Haque Sufyani, executive director of Butterfly, and Micheal Lee, managing director of LG Electronics, pose during the launch of LG Inverter AC at Hotel Sarina in Dhaka on Thursday.

Toyota to build plant in China in investment splurge

AFP, *Tokyo*

Toyota is planning to build a new plant in northern China as the world's top automaker ramps up investment after a two-year freeze, reports said Saturday.

Proposals for the plant in Tianjin -- due to open in 2018 at the earliest with a capacity of 100,000 cars a year -- should be finalised by the summer, Jiji Press and Kyodo News agency reported.

The news comes after reports that Toyota is planning to invest a combined $1.3 billion to build new plants in the Chinese city of Guangzhou and Guanajuato, Mexico.

The Japanese carmaker began operating a new Thai plant in 2013, but since then it has halted investment as the global car market has struggled with oversupply and weak demand.

At the new plant, Toyota will likely produce fuel-efficient passenger vehicles under a local brand through a joint venture with a Chinese firm, the reports said.

Rice prices fall below last year's level

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However, the prospects of getting such a price look dim in the backdrop of increasing supply, said traders.

Private imports of rice have so far exceeded last year's total imports, as traders find the foreign produce cheaper.

Between July 1 last year and April 7 this year, rice imports stood at 12.76 lakh tonnes against 3.74 lakh tonnes in the same period last fiscal year, according to food ministry data.

Traders and millers blamed it on the zero-duty benefits for rice import and higher production of medium-quality rice in India.

Apart from import, domestic production also rose this fiscal year. Farmers bagged 1.319 crore tonnes of aman rice in the immediate harvest, up 1.28 percent year-on-year.

Aus output also edged up slightly after record boro production last year, according to Bangladesh Bureau of Statistics.

As a result of increasing supply, paddy prices have fallen by up to Tk 200 each maund since the aman harvest, said Saha, adding that millers are reluctant to buy paddy fearing further losses.

The prices of paddy are likely to fall further because of increased supply, Md Layek Ali, general secretary of Bangladesh Auto, Major and Husking Mills Association, said.

"Many farmers including some of my relatives are yet to clear their aman paddy. There are stocks also at millers' end, as increasing imports from India have made things worse."

Md Abdur Rashid, president of the association, said the millers have been calling for measures to discourage imports for the last several months.

"We have submitted memoranda to nearly two dozen deputy commissioners, appealed to food and commerce ministries for steps to impose duty on imports to protect millers and farmers from losses. But the government is yet to pay heed to our pleas."

Ali said the farmers' costs of production increased compared to last year. "One should consider what the farmers will be left with if they are to sell their produce below production cost."

Economist Mahabub Hossain, who closely follows agriculture and rural economy, said the price decline will hurt poor farmers more than the relatively large ones.

The government should buy higher quantity of rice from the domestic market to support farmers, he said, adding that it should also consider imposition of duty on rice imports to provide a cushion to farmers.

Hossain, also a former director general of Bangladesh Institute of Development Studies, said the imposition of import duty might lead to a spiral in the prices of rice in the local market.

Duty should be imposed in a way that farmers get fair prices for their produce and consumers do not find rice beyond their purchasing capacity, he said.

Asked, Commerce Secretary Hedayetullah Al Mamoon said his ministry is assessing the whole situation.

"The issue of rice is under discussion at the higher level -- we will take appropriate measures after reviewing the pros and cons."

China: next big garment export destination

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Overall exports to China have also been on the rise: $746.19 million came in 2013-14, with a whopping 63 percent rise year-on-year. In July-March, total exports to China were worth $579.13 million.

Because of the duty benefits and low production cost in Bangladesh, Chinese consumers can save up to 15 percent if their garments are bought from Bangladesh.

In July 2010, China offered a zero-duty benefit for exports of 4,721 types of Bangladeshi products, of which the majority are garments.

Exporters said they enjoy an added advantage in the Chinese market as 90 percent of the garments they ship to China without paying any duty include T-shirts, jeans, sweaters and casual trousers, and Bangladesh has an edge over its competitors for these products.

Bangladeshi garment items enter China in three ways -- by international retailers such as H&M and Walmart, by Chinese manufacturers operating in Bangladesh, and by Chinese retailers and brands, exporters said.

China is losing its share in the global apparel business due to its higher production cost, including labour wage, a lack of skilled workforce and a shift of its manufacturing base towards technological products.

The average wage for Chinese garment workers is around $500 per month, while the amount is between $70 and $100 in Bangladesh.

This is why Chinese businesses source garments from countries like Bangladesh and Vietnam.

The apparel market size in China is $300 billion a year, of which more than $150 billion is export-oriented, according to China National Garment Association.

China has a population of 1.3 billion, most of whom fall in the middle-income bracket and rely on low-end clothing.

"We have a big opportunity in the Chinese market," said Shahidullah Azim, vice-president of Bangladesh Garment Manufacturers and Exporters Association, the garment exporters' platform.

"We are trying to remove the barriers to exports to China," Azim said.

The balance of bilateral trade between the two countries is heavily in favour of China due to higher imports by Bangladesh.

In fiscal 2012-13, Bangladesh imported goods worth $6.32 billion from China, against $6.44 billion in the previous year, according to the commerce ministry.

Before the duty benefits were offered, Bangladesh's main export items to China were jute, jute goods, fish and frozen fish, leather and leather goods, Azim said.

India is another major Asian market that is becoming lucrative for Bangladeshi apparel exporters.

Garment exports to India have also been rising, though at a slower pace than those to China, since the neighbour allowed zero-duty benefits for Bangladeshi garment items in November 2012.

In fiscal 2013-14, Bangladesh exported apparel items worth $96.26 million to India, with a 21.86 percent rise year-on-year.

Pakistan gets $1.2b offers for HBL shares

AFP, *Karachi*

The Pakistani government has had offers of more than $1.2 billion for its remaining stake in the country's largest private bank HBL, exceeding expectations, a minister said Friday.

The deal to offload the government's 41.5 percent share in HBL, likely to be approved on Saturday, would be the country's largest privatisation deal in the past decade.

HBL, formerly known as Habib Bank Limited, was part-privatised in 2003, with the Agha Khan Foundation buying the bulk of the shares.

The government Privatisation Commission recommended divesting the remaining shares earlier this year and offerings were made at stock markets in London, New York, Singapore and Dubai.

"This is an absolutely outstanding response from international investors and it was beyond our expectations," Mohammad Zubair, Pakistan's Minister for Privatisation told AFP by telephone from London.

The government had planned to offer 250 million base shares, with an option of selling 390 million more depending on the response.

The minister said the cabinet committee on privatisation would meet to approve the share price and green-shoe sale on Saturday in Islamabad.

Analyst Mohammad Sohail, the head of Topline Securities, said he was surprised by the level of international interest.

"The offers are quite astounding and that shows that international investors are keen to invest in Pakistan -- not only in the stock market but other sectors as well," he told AFP.

Exchange rate remains stable

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At the same time, the central bank sold $357 million to the market to stabilise the exchange rate.

The central bank official said, during November-December last year there was a great demand for dollar in the forex market. At the time, the central bank started selling dollar.

In the first eight months of the current fiscal year, import grew 14.2 percent and export 2.4 percent, according to central bank statistics.

Despite the huge mismatch in export and import growth at the end of February, the deficit in the current account compared to that in January decreased around 20 percent.

On February 28, the current account deficit stood at $1.10 billion, which reached $1.36 billion on January 31.

Though export growth was slow, since the remittance and foreign direct investment were high, the foreign currency reserves were satisfactory.

In the first eight months, remittance grew 7.62 percent, which declined 6.93 percent in the same period last fiscal year.

During the same period, FDI rose 7.15 percent.

On April 2, reserves were $23.19 billion, enough to foot six months' import bill.

At the end of June last year, the reserves were $21.55 billion.

As imports increased more than exports, in the revised budget the target of forex reserves was also cut down.

The budget made a projection that at the end of the fiscal year, forex reserves would stand at $25.7 billion. But in the revised budget it has been lowered to $22.5 billion.

Carrefour sales boosted by Latin America

BBC NEWS

Europe's biggest retailer Carrefour has reported a 3.2 percent rise in underlying first quarter sales, beating analysts' expectations. The retailer posted total sales of €21 billion helped by strong growth in Latin America.

Sales in its home market of France rose 2.5 percent, with sales at its hypermarkets - which account for nearly a quarter of group revenues - up 2.1 percent.

However, Carrefour performed less well in China, where sales fell by 13 percent.

The company said sales in China suffered from an "environment that continued to be marked by frugal consumption".

The retailer has had problems in Asia before. It shut down its operations in India last year, and withdrew from Singapore in 2012.

However, there was better news from Latin America, with like-for-like sales up 26.1 percent in Argentina and 8.4 percent higher in Brazil.

Carrefour confirmed it would continue with its plan to float its Brazilian business on the stock market later in the year.

SSG

Aftab Mahmud Khurshid, chief marketing officer of Super Star Group, poses with the company's employees at its stall in Electric, Power & Renewable Energy Malaysia 2015 -- an international exhibition of transmission, distribution, and electrical engineering technology -- held in Kuala Lumpur recently.