

Plastics summit starts tomorrow

STAR BUSINESS REPORT

A four-day international plastics summit and exhibition will begin in Dhaka tomorrow.

Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA) in collaboration with Taiwan-based Chan Chao International will organise the event at Bangabandhu International Conference Centre.

The 25th council meeting of Asia Plastic Forum (APF) will also be held on the sidelines of the event, organisers said in a media briefing yesterday.

Industries Minister Amir Hossain Amu will open the plastics summit, while Planning Minister AHM Mustafa Kamal will address the closing ceremony as the chief guest on January 23.

An international seminar on the 'problems and prospects of plastic waste recycling in Bangladesh' will be held on the second day.

Experts from home and abroad, and policymakers, including environment minister, and Dhaka city mayors are expected to attend the seminar, BPGMEA

President Md Jasim Uddin said.

Two other seminars on 'plastic waste management: international experience' and 'plastic waste management and way forward' will also be held on the same day.

There will be some 350 stalls in the fair that will display plastic household items, packaging materials, plastic mould, toys, furniture, melamine, garment accessories and PP woven bags.

The exhibitors will also showcase machinery such as plastic injection moulding machine, PP woven bag machine, packaging machine, flexographic machine, PET blow machine and plastic bag making machine.

Some 5,000 factories in Bangladesh make and market plastic products worth Tk 20,000 crore a year, Jasim Uddin said.

"About 12 lakh people are dependent on the sector, which contributes around Tk 2,000 crore in tax to the state coffers," he said, adding that the use of plastic products is increasing by 20 percent a year.

Jasim Uddin also thanked the government for allotting a 50-acre land for setting up a plastic industrial park at Sirajdikhan in Munshiganj.

FTA with Malaysia this year: Tofail

The commerce minister offers economic zone to Malaysians

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Bangladesh plans to sign a free trade agreement with Malaysia this year to boost bilateral trade, Commerce Minister Tofail Ahmed said yesterday.

He spoke at a meeting with Malaysian International Trade and Industry Minister Mustapa Mohamed at the latter's residence in Kuala Lumpur, according to a statement from Bangladesh's commerce ministry.

Bangladesh's exports to Malaysia will go up if Dhaka is granted duty-free market access for garments, pharmaceuticals and vegetables, Ahmed said.

"There is a trade deficit with Malaysia now, and the process to sign an FTA with Kuala Lumpur is underway. It will be possible to sign the FTA this year," he added.

"But the trade gap between the two countries will narrow if Bangladesh is awarded duty-free export facility until the FTA is signed."

Bangladesh will set up 100 special economic zones by 2030. "If sought, an economic zone will be allocated for Malaysian investors who will benefit from investing in Bangladesh."

Ahmed also urged the Malaysian authorities to simplify the visa procedure for Bangladeshis, to deepen people-to-people contact and boost commerce.



Humayun Rashid, managing director of Energypac Power Generation, hands over winter clothes to Wadud Sarker, a representative of Rotary Club of Dhaka North, for distribution among the poor.

Tata Steel to cut 1,050 more jobs in Britain

AFP, London

Indian steel giant Tata Steel said Monday it will cut 1,050 more jobs in Britain following thousands of cuts in the industry announced last year, blaming China for plunging steel prices.

Tata Steel is planning to cut 750 jobs at its Port Talbot site in Wales and 300 more at other plants around the country.

"The proposed changes follow continued falls in the European steel price caused by a flood of cheap imports, particularly from China," the company said.

Tata Steel has 4,000 people at Port Talbot, which also employs 3,000 contractors and temporary workers.

Karl Koehler, chief executive of Tata Steel's European operations, said the cuts were "unsettling... but critical in the face of extremely difficult market conditions" and called on the European Union to tackle cheap imports.

"We need the European Commission to accelerate its response to unfairly traded imports," he said. "Not doing so threatens the future of the entire European steel industry."



Iqbal Ahmed OBE, chairman of NRB Bank, poses with Sir Fazle Hasan Abed, chairman of Brac; and Nasir A Choudhury, founder of Green Delta Insurance, during a customer evening of the bank in Dhaka.

National Insurance gets nod for IPO subscription

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The stockmarket regulator yesterday allowed Bangladesh National Insurance Company to start its initial public offering subscription on February 17 and continue it to February 25.

Earlier on June 29, Bangladesh Securities and Exchange Commission postponed the insurer's IPO subscription, without mentioning any reason.

The latest permission came at yesterday's meeting, with BSEC Chairman Khairul Hossain in the chair, the regulator said in a statement.

The insurer will raise Tk 17.7 crore from the public by issuing 1.77 crore ordinary shares of Tk 10 each. It will use the IPO funds to invest in

fixed deposit receipts and treasury bonds.

The company's earnings per share, excluding extraordinary income, stood at Tk 1.07 with a net asset value per share of Tk 15.65 as of July 2014. Prime Finance Capital Management is the issue manager of the IPO.

Presently, 46 insurance companies are listed on the Dhaka Stock Exchange, accounting for about 3.5 percent of total market capitalisation.

At yesterday's meeting, the BSEC also approved Summit Alliance Port's application to raise Tk 51.53 crore by way of a rights issue.

The inland container service provider, which was listed on the stock exchange in 2008, will issue 3.44 crore rights shares of Tk 10 each, in addition

to Tk 5 as premium, to its existing shareholders.

A rights issue is the option given to a company's existing shareholders that entitles them to buy additional shares directly from the company in proportion to their existing holdings within a fixed time period.

Summit Alliance Port will offer one rights share for existing five shares. The raised fund will be used to purchase land and repay loans, the BSEC said in the statement.

LankaBangla Investments is serving as the manager of the rights issue.

In another move, the regulator fined Shyamol Equity Management and Saad Securities Tk 15 lakh and Tk 2 lakh respectively for violating securities rules.

Under-pressure Opec sees 'rebalancing' this year

AFP, Vienna

Opec said Monday that it expects a "rebalancing process" to begin in 2016 as the sharp fall in the oil price causes production from non-cartel competitors such as the US to fall after seven years of "phenomenal" growth.

If the prediction is accurate, it would make a victory of sorts for Opec's strategy of keep the oil flowing despite crude sliding to below \$30 a barrel -- from over \$100 in 2014 -- to defend its market share.

"The analysis indicates that 2016 will be a supply-driven market. It will also be the year when the rebalancing process starts," the Organization of the Petroleum Exporting Countries said in its January monthly report.

"After seven straight years of phenomenal non-Opec supply growth, often greater than two million barrels per day, 2016 is set to see output decline as the effects of deep capex (capital expenditure) cuts start to feed through," it said.

It hiked by 270,000 barrels per day to 660,000 barrels per day its forecast for the drop in 2016 non-Opec production to 56.21 million barrels (mbpd) per day.

"Non-Opec marginal barrel production in the next six months will be sensitive to sustained low oil prices, whereby its breakeven point would not be able to tolerate the price conditions at that time," it said. Opec's forecast for global oil demand growth this year was tweaked slightly upwards to 1.26 million barrels per day to reach 94.17 mbpd.

For December, Opec said that global oil supply fell 0.34 mbpd to average 95.20 mbpd. Non-OPEC supply declined by 0.13 mbpd and Opec supply by a faster 0.21 mbpd, cutting Opec's share of global production to 33.8 percent from 33.9 percent the previous month.

Oil prices, which plunged below \$28 a barrel early Monday, have fallen sharply in recent months due to the slowdown in the Chinese economy and the prospect of Iran returning to the market after last July's nuclear deal.

Despite a minor recovery in London trade, oil prices were trading below \$30 per barrel Monday after the US and EU lifted sanctions on Iran after last year's nuclear deal with big powers came into force.

The country is now free to start shipping crude, adding to a supply glut, which -- along with weak demand and a slowing global economy -- has slashed prices by about three quarters since mid-2014.

Farmers Bank hits controversy

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The branch sanctioned Tk 19 crore for Berek Ware Industries and Engineering Works, over Tk 10 crore to East Way Fashion and Tk 3 crore to Safa Community Centre without following due diligence.

On the irregularities, Muhiuddin Khan Alamgir, chairman of the Farmers Bank, said: "We are examining the BB reports. We have time until the 12th of next month to take actions against the officials responsible for the irregularities."

He said it is not just his bank that is under the BB scanner: a total of 17 banks were investigated.

German businesses put on brave face amid China's economic slowdown

AFP, Frankfurt

German companies are trying not to let themselves be spooked by the economic slowdown in China, even if they concede they are currently seeing a drop in demand for their products there.

"Of course we're experiencing a fall-off in demand in China at the moment," said Franz Hampel, head of Garant-Moebel, a furniture wholesaler.

"Our Chinese partners have become jumpy. Business has been good for them the past few years. But they're now asking themselves what the future will bring," Hampel said.

Employing a workforce of around 230 and active in around 20 countries, Garant-Moebel opened an office in Hong Kong two years ago where it employs a dozen people.

However, the strong fluctuations in the Chinese currency, the yuan, resulting from the country's recent financial woes, are leading Chinese furniture retailers to roll back business, Hampel said.

Garant-Moebel is not alone in watching economic developments in

People's Republic with a wary eye.

"It seems obvious that the period of double-digit growth is behind us," said Jan-Christoph Block, head of international sales at drive systems specialist Getriebebau Nord in Bargteheide, north Germany.

"It's still possible to achieve growth, but it's become more difficult," he said.

Both companies can be seen as representative of the mostly family-owned small and medium-sized enterprises (SME) that form the backbone of the German economy and were quick to establish a foothold in China.

It is not just big companies like Volkswagen, BMW and BASF that are suffering from China's woes, the SMEs are feeling the pinch too.

China's economic growth is projected to slow to 6.7 percent in 2016 -- its lowest growth rate since 1990 -- from 6.9 percent in 2015, according to the latest forecasts from the World Bank.

The slowdown is worrying for German exporters, since China is their most important market after Europe and the United States.

In 2014, Germany exported a total

74 billion euros (\$81 billion) worth of goods to China, not including the sales generated by companies' local subsidiaries in China.

According to the specialist consultancy firm EAC, some of the major players listed on the Frankfurt stock exchange generated combined turnover in China of 131 billion euros in 2014, an increase of nearly 10 percent over the previous year.

So it hardly comes as a surprise that the market turbulence in China has left its mark on Germany's blue-chip DAX 30 index, too. It has lost more than seven percent since January 1.

Nevertheless, China's "enormous growth potential remains," said Block of Getriebebau Nord.

"Currently, more than 5,200 German companies are active in the People's Republic, employing a combined workforce of more than one million there," said Alexandra Voss, head of the German Chamber of Commerce in China.

"The economic slowdown in China will certainly not be painless. But the huge growth potential remains," Voss told AFP.



Md Shafiqur Rahman, managing director of Social Islami Bank, and officials of Platinum Jubilee Jute Mills, Crescent Jute Mills, and Daulatpur Jute Mills pose during the signing of payroll agreements at an event in Khulna.

Mobile users rise 11pc in 2015

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Robi, the third largest mobile operator, said the trend of using 'alternative SIM' intensified in 2015.

"Significant growth in digital space and innovation contributed to the increase in subscribers, as the industry worked to minimise the digital divide and increase rural penetration," said Ekram Kabir, vice president for communications and corporate responsibility at Robi.

Robi invested significantly last year, which also boosted its performance, he said. The company added 30.28 lakh new connections to reach 2.83 crore, with 11.97 percent subscription growth. But in terms of new acquisitions, market leader Grameenphone beat the competitors to grab the highest 51.75 lakh new connections, though its growth was 10.05 percent.

Grameenphone had 5.67 crore active connections at the end of December, BTRC report said.

Airtel, the fourth largest operator, grew a stunning 42.71 percent, to add 32.05 lakh new customers to their network in 2015, and crossed the one-crore customer landmark. It now has 1.07 crore active connections.

Banglalink saw 6.36 percent growth last year, with just 19.65 lakh new connections. Its total number of subscribers reached 3.29 crore. State-owned Teletalk witnessed 7.33 percent growth in 2015, with 2.83 lakh new clients, to reach a total of 41.43 lakh by the yearend.

Citycell suffered 22.12 percent negative growth, losing 2.86 lakh customers, to reach 10.07 lakh.

The industry added 1.66 crore new SIMs in 2013, while in 2012 there were 1.17 crore new users. In 2011, the six mobile operators added 1.68 crore customers, and in 2010 they sold 1.62 crore new connections.

Though the regulator's numbers show some 5.41 crore internet users by the yearend, a World Bank report last week said about 148 million people of Bangladesh are yet to connect to the internet, and the country has the fifth largest offline population in the world.

However, the government defended the BTRC data and criticised the World Bank report.

Women to be trained to run digital centres

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Technology-based modern centres from every union, district, municipality and different wards of city corporations are now called digital centres.

So far, about 20.60 crore services were provided through these centres. More than 20 lakh people applied online for visits abroad, and 4.5 lakh people applied from the centres and got their land records, according to the joint statement from a2i and Microsoft.

These centres allow people to see public exam results, apply for university admissions and birth-death certificates, use email and the internet and get IT training.

Each centre employs one woman and one man.

Some 400 women entrepreneurs from 11 city corporations and 1,500 women entrepreneurs from 15 districts have already received training from Microsoft. The rest will get training throughout 2016.