

COMMODITIES		ASIAN MARKETS				CURRENCIES					
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▲ 0.42%	▲ 0.25%	\$1,219.20 (per ounce)	\$45.38 (per barrel)	▼ 1.92%	▼ 0.03%	▲ 0.37%	▼ 0.11%	BUY TK 78.15	82.98	96.50	0.70
4,664.80	8,723.82			26,304.63	17,668.15	2,797.55	3,206.73	SELL TK 79.15	86.38	99.90	0.74

আপনার সংসার গুছিয়ে দিচ্ছি আমরা

এসআইবিএল ইসলামিক কনজুমার ফাইন্যান্স

আপনার সংসার গুছানোর আসবাবপত্র, শিফা সামগ্রী, ইলেকট্রনিক ও অন্যান্য জোগানপত্র কেনার সুন্দর সমাধান দিচ্ছি আমরা।

• ফ্রি অনলাইন সেবা
যে কোন প্রয়োজনে ০৯৬৬২০০৯৯২২



Star BUSINESS

DHAKA WEDNESDAY NOVEMBER 16, 2016, AGRAHAYAN 2, 1423 BS

Steel production to jump on big infrastructure projects

Industry leaders say at a conference in Dhaka

STAR BUSINESS REPORT

Bangladesh will witness a dramatic increase in steel manufacturing in the coming years as consumption is expected to rise rapidly to cater to large infrastructure projects and higher demand across the country, industry leaders said yesterday. Production will rise to more than six million tonnes a year in a couple of years from four million tonnes now, said Manwar Hossain, managing director of Anwar Group.

"The industry is booming," he told The Daily Star on the sidelines of the second and last day of the Coal, Steel and Raw Material Conference at Radisson Hotel in Dhaka.

Some 270 people from 12 countries including India, Singapore, the US, Japan, Korea and some European countries took part in the conference organised by SteelMint Events, an event management company based in India.

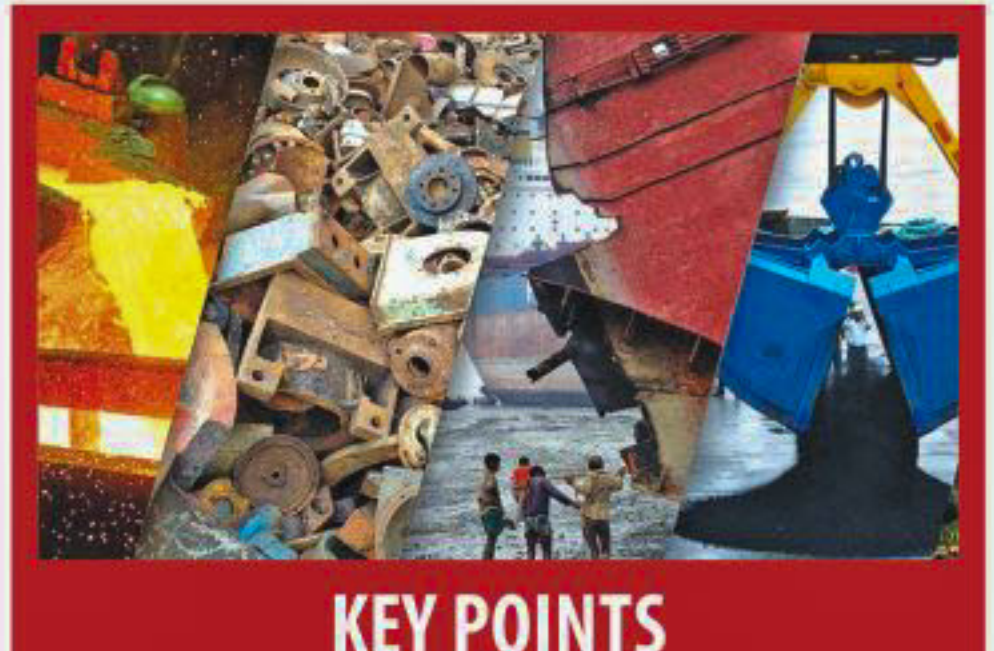
The event enabled major suppliers of raw materials and technology from all over the world to network with steel, cement and power producers and traders in Bangladesh, said Dhruv Goel, managing director of SteelMint.

More than two dozen companies set up stalls at the conference venue to show their products.

The global steel industry is going through a slowdown; however, there are a few countries that have performed extremely well and Bangladesh is one of them, he added.

The steel sector in Bangladesh has recorded 15 percent growth in 2015, riding on infrastructure, both in housing and public utilities, he said.

Bangladesh is one of Asia's most emerging steel markets and has a growing need for raw materials and steelmaking technologies, he added.



KEY POINTS

- Production capacity to go up **50%**
- Current annual production capacity 4m tonnes
- Steelmakers to invest **Tk 5,000cr** in 2 years
- High import tariff on billet a barrier

Scrap, sponge and pig iron will be major raw materials for steel smelting units based in Bangladesh, with imports expected to clock 2.5 million tonnes in 2016 and 4.5 million tonnes in 2018, which will make Bangladesh the second largest scrap importer in the region, after India, and the fourth largest importer in Asia, according to the event organisers.

Hossain of Anwar Group said the whole industry is undergoing a huge change as local manufacturers are replacing old technologies with new ones to ratchet up production.

"Some companies have doubled or trebled their production capacity to cater to the rising local demand."

Steelmakers will invest about Tk 5,000 crore

in the next two years, he said.

Bangladesh relies on local manufacturing to meet the demand for steel, as local producers have developed the capacity to produce high-quality steel products. However, the country has to import raw materials, said SK Masudul Alam Masud, chairman of Bangladesh Auto Re-rolling and Steel Mills Association.

Steel consumption will obviously go up when Bangladesh will carry out unfinished development works, he added.

"Steel consumption is on the rise. So, foreign raw materials and technology suppliers are coming to Bangladesh in large numbers."

Raghavan Somnath, chief of strategy and business excellence at India's Tata Sponge Iron Ltd, said infrastructure projects such as roads, bridges, ports and river tunnels worth at least \$20 billion are going on in Bangladesh. If steel constitutes 15 percent of those projects, an additional four million tonnes of steel will be required, he added.

India and Bangladesh can work together to compete against global players, he said.

Bangladesh imports raw materials from South Africa, Australia, India, the US and the EU, said Mofizul Islam Azad, head of sales and marketing of Macro Shipping Company. Imports will go up 25 percent this year from last year, he added.

Hossain of Anwar Group called upon the government to reduce import duty as the tariff hike from Tk 3,500 a tonne to Tk 13,000 in the current budget prompted small producers to import ingot duty-free and produce low-quality steel products.

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Gas crisis lingers, apparel exporters fear losses

REFAYET ULLAH MIRDHA

A severe gas crisis continues to take a toll on production in garment factories in major industrial zones like Savar, Ashulia and Gazipur, said industry owners.

The crisis deepened further due to a stoppage of gas supply to the factories from CNG stations in those industrial areas, said a garment factory owner asking not to be named.

Savar, Ashulia, Dhamrai and Gazipur are the main industrial hubs for the garment sector.

At least 700 factories, especially the small ones, are in big trouble due to the gas shortage, he said.

Some of the small factories, which used to run by the gas from the CNG stations, stopped production a week ago and are counting losses now.

The factory owner said two types of businesses used to take gas from the CNG stations.

One, the factory owners who have gas connections but the pressure is low. So, they would take gas from the CNG stations to improve the pressure, he said.

Two, the factory owners who built factories many years ago but have not got gas connections from the government yet. They used to take gas from the CNG stations with cylinders to run the factories, he said.

"We stopped supplying gas to factories

from the CNG stations for safety reasons. Also, it is not legal to take gas from CNG stations to run factories," said Mir Mashiur Rahman, acting managing director of Titas Gas Transmission and Distribution Company Ltd.

Titas stopped gas supply to the factories from five to seven CNG stations in Savar, Ashulia and Gazipur areas, he said, adding that Bangladesh Energy Regulatory Commission served show-cause notices on some of the CNG stations in those areas.

As a result, the garment factory owners are in deep trouble, with many lagging behind their production target. Shipment is also being delayed.

"We have been facing a severe gas crisis for more

than one month due to the rupture in a gas pipeline at the Elenga point in Tangail a few days ago. The ruptured line has been repaired by the government but the gas pressure is low," said the owner who runs a factory in Ashulia.

Garment factories in major industrial hubs are running below capacity due to the gas crisis, said Siddiqui Rahman, president of Bangladesh Garment Manufacturers and Exporters Association.

If the gas crisis is not fixed permanently, the garment sector might not reach its target of hitting \$50 billion in exports by 2021, Rahman said.

At least 700 factories, especially the small ones, are in big trouble due to the gas shortage

Bangladesh on the path to GSP Plus with EU

STAR BUSINESS REPORT

Bangladesh is on track to receiving the GSP Plus status from the European Union when it graduates to the developing country bracket in 2021.

As a least-developed country Bangladesh has been enjoying zero-duty benefit to the EU under its Everything but Arms scheme since 1971. But once it becomes a developing country, Bangladesh will no longer be eligible for the privilege.

The GSP Plus scheme will be applicable for Bangladesh then, for which the country will have to fulfil some conditions. Strengthening workplace safety, improved labour rights, saving the environment and reduction of corruption are some of the major conditions for receiving the GSP Plus status from the EU, where 60 percent of Bangladesh's garment prod.

"We are well ahead in comparison to many other countries in fulfilling the conditions for GSP Plus," said Siddiqui Rahman, president of Bangladesh Garment Manufacturers and Exporters Association.

Bangladesh's claim on the GSP Plus status will be stronger after 2017, when all 2,200 garment factories will complete remediation works, Rahman said at a joint press briefing with the visiting EU trade delegation at the capital's Westin Hotel yesterday.

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Farmers harvest aman paddy at a field at Kadimnagar in Sylhet.

Record aman yield in the offing

SOHEL PARVEZ

Farmers are on course to bagging higher paddy from the aman harvesting season thanks to favourable weather and increased plantation, said the Food and Agriculture Organisation of the United Nations.

Aman typically accounts for 38 percent of the country's annual rice production.

This season, about 2.06 crore tonnes of aman paddy would be produced, up 2 percent from last year's record output, said the UN agency. The 2.06 crore tonnes of paddy would yield 1.36 crore tonnes of rice.

"This reflects an increase in the area planted in response to a rebound in prices and continued government support and higher yields due to favourable weather conditions," said FAO in its latest brief on Bangladesh.

The prediction comes at a time when harvesting of aman paddy has started in various parts of the country, leading to a fall in prices of the staple from the record highs in October.

Retail and wholesale prices of rice surged for the fifth consecutive month and reached record highs last month as a result of tightening

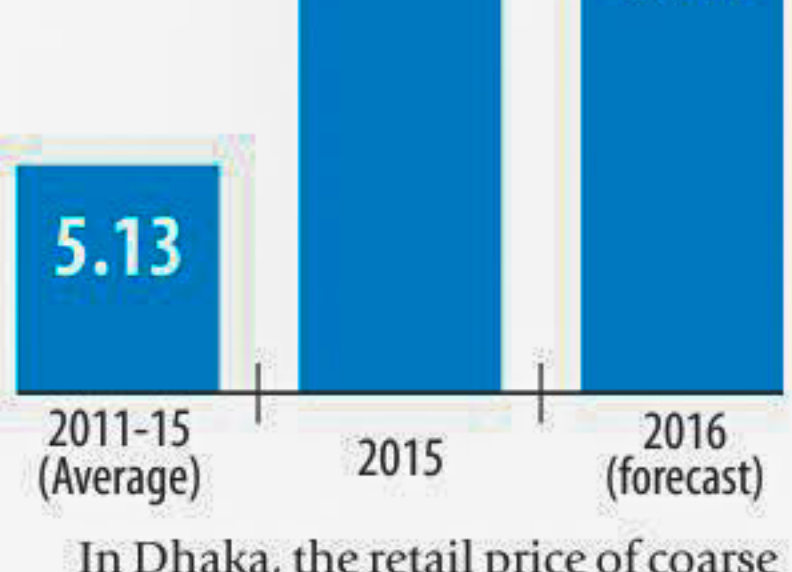
domestic supplies, said FAO in its Domestic Price Warnings on Bangladesh, posted on its website on November 10.

The UN agency put the price warning level at 'high' for Bangladesh.

Annual paddy production

In crores of tonnes

SOURCE: FAO



In Dhaka, the retail price of coarse rice shot up to Tk 40 per kilogram in October, according to data from the Department of Agricultural Marketing and Trading Corporation of Bangladesh.

The price came down to Tk 37 each kilogram yesterday.

In its Domestic Price Warnings, FAO said seasonal upward pressure was compounded by the reduced output in 2016 from the main boro and minor aus crops.

"Government purchases, although of small quantities, also added some upward pressure," it said, adding that another driver for the rising prices was the reduced rice import this year.

Boro paddy production was officially estimated at 2.84 crore tonnes (1.89 crore tonnes of rice), which is slightly below 2015's record level, owing to a contraction in planted areas, mainly in response to low domestic prices at the time of sowing.

Similarly, low prices were behind the reduced acreage for aus crop in 2016, as a result of which its production was lower than a year earlier, said the UN body.

However, the favourable weather conditions during the aman cropping season benefitted sowing activities and crop development.

Farmers have planted seedlings on 56.93 lakh hectares during the aman crop season this year, up 2 percent year-on-year, according to preliminary data of the Department of Agricultural Extension.

A top official of the DAE also predicted good harvest this season.

Paddy production in 2016 will definitely be 5.23 crore tonnes, marginally below the last year's level, according to FAO's estimates.

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Commlink launches automation software for financial institutions

STAR BUSINESS REPORT

Commlink Info Tech, a local IT firm, came up with a new software solution which is designed to automate and streamline operations of financial institutions.

The software—Enterprise Information Management System (EIMS)—was launched at the two-day Bangladesh Banking Summit that began at Le Meridien Hotel in the city yesterday. Fleming, an international event management company, organised the summit in a bid to bring bankers and IT experts on a single platform.

"EIMS is a complete platform for a paperless office. The software will make clients' life easier," said Amjad H Khan, chairman of Commlink Info Tech.

The software will also be useful for other organisations, be it a government and private office, educational institute, law firm or health service provider, he said.

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ICT Division awarded for digital efforts

STAR BUSINESS REPORT

Asian-Oceanian Computing Industry Organisation or ASOCIO yesterday honoured the ICT Division with the Digital Government Award 2016 at a ceremony in Yangon.

ASOCIO, an alliance of IT industry associations representing economies in the Asia and Oceania, handed over the award to State Minister for ICT Zunaid Ahmed Palak at its annual general assembly and ICT summit in Myanmar.

The ICT Division was nominated for the award this year for introducing digitisation in the governing process.

Bangladesh is now recognised as a role model for digitisation, Palak said in a statement, after receiving the award.

"Through this award, Digital Bangladesh activities will get new pace and inspiration."

To select Bangladesh as one of the contenders for this award, ASOCIO said it has taken into consideration the government's development activities in digitisation.

Bangladesh connected 58 ministries and divisions, 222 departments and bodies with all district and upazila offices with fibre optic connectivity under two projects of Bangla gov.net and Info-Sarkar-2 project.

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Yarn maker Shepherd to raise Tk 20cr

STAR BUSINESS REPORT

Bangladesh Securities and Exchange Commission yesterday gave the green light to Shepherd Industries to raise Tk 20 crore from the public.

The sweater yarn manufacturer will float two crore ordinary shares of Tk 10 each through initial public offering (IPO), the stockmarket regulator said in a statement.

The company will use the IPO proceeds for setting up a washing plant, purchasing machinery for the washing plant, expanding the effluent treatment plant and repaying bank loans.

The company's last five years' weighted average earnings per share stood at Tk 1.44 and net asset value per share at Tk 18.70 in June this year. Alpha Capital Management will manage the IPO.

At present, 45 textiles and garment companies are listed on Dhaka Stock Exchange, accounting for about 4 percent of the total market capitalisation.

Located at Bhaluka in Mymensingh, Shepherd Industries is a 100 percent Taiwan invested sweater yarn manufacturer established in 2000. It supplies a wide range of sweater yarns and provides garment dyeing and washing services to export-oriented sweater factories in Bangladesh.

Its daily production capacity is around 22.68 tonnes of cotton and cotton mix yarn and around 18.14 tonnes of acrylic and mix acrylic yarn, while its daily dyeing capacity is 60,000 pieces and washing capacity 50,000 pieces, according to the company's website.

Walmart, Mark & Spencer, C&A, Tesco, Zara, H&M, Gap, Carrefour, Mango, Uniqlo, Primark, Lee Cooper, Aldi and s.Oliver are the international buyers of Shepherd Industries, which is an entity of Shepherd Group.

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