

# Iran says it sealed Boeing plane deal at half price

REUTERS

Iran said on Sunday it had negotiated to pay only about half the announced price for 80 new Boeing airliners in an order that the American planemaker had said was worth \$16.6 billion.

Boeing and its European rival Airbus (AIR.PA) have both signed huge contracts this month to supply airliners to Iran, the first such deals since international sanctions were lifted under a deal to curb Tehran's nuclear program.

Replacing Iran's antiquated civil aviation fleet is one of the biggest economic opportunities of the 2015 accord to lift sanctions, which was negotiated by the outgoing administration of US President Barack Obama. President elect Donald Trump is a vocal critic of the pact.

Despite Iran's great need for new planes to replace those from the sanctions era, it has entered the market at a time when Boeing, Airbus and smaller planemakers have all faced a downturn in orders and are therefore expected to offer deep discounts.

Boeing said this month it was cutting production of its 777 long-haul jet due to a drop in demand.

"Boeing has announced that its IranAir contract is worth \$16.6 billion. However, considering the nature of our order and its choice possibilities, the purchase contract for 80 Boeing aircraft is worth about 50 percent of that amount," said Deputy Transport Minister Asghar Fakhrieh-Kashan, quoted by Iran's IRNA state news agency.

A Boeing spokesman in Dubai was not available to comment.

Airbus's contract to sell 100 jets to IranAir, signed on Thursday, would be worth \$18-\$20 billion at list prices, but the head of IranAir has been quoted as saying the value of the contract would not exceed \$10 billion.

The government of President Hassan Rouhani, a pragmatist, has pushed to finalize aircraft deals to show results from the nuclear accord with world power to end sanctions. He faces criticism at home from hard-liners over the cost of the purchases.

Fakhrieh-Kashan also said on Sunday that IranAir may exercise an option to buy 20 more aircraft from ATR, a European maker of regional turboprops, in addition to a planned firm order of 20. A team from the planemaker would arrive in Tehran next week for final talks.

"The final round of talks will be held with ATR representatives (next) week and we expect the IranAir contract to be signed ... in the following week," he told IRNA.

"The purchase of 20 planes has been finalised and Iran may buy 20 more planes," said Fakhrieh-Kashan, adding that the contract for 20 planes was worth less than \$500 million.

In February, ATR, co-owned by Airbus and Italy's Finmeccanica, reported preliminary orders from Iran for 20 ATR 72-600 aircraft and options for another 20. IranAir said on Twitter that a new ATR turboprop would join its fleet "soon".

# Chinese electric car battery maker charges for global market

REUTERS, Ningde, China

A dusty village on the outskirts of Ningde, a third-tier city in China's southeast, seems an unlikely place for the headquarters of a potential global leader in future automotive technology.

Yet China's top-down industrial policy dictates - move up the value chain, clean up polluted urban skies, and shift to plug-in cars - have Contemporary Amperex Technology Ltd (CATL) poised to go from hometown hero to national champion, and beyond.

China's answer to Japan's Panasonic Corp and South Korea's LG Chem Ltd has tripled its production capacity for lithium-ion car batteries in the past year to keep up with a surge in China's sales of electric cars.

After a second major funding round completed in October, the company's value quadrupled to 80 billion yuan (\$11.5 billion), CEO Huang Shilin said last week.

CATL, which hopes to list on Beijing's over-the-counter exchange as part of plans to raise at least another 30 billion yuan by 2020, could be a dominant force globally.

It has already overtaken LG Chem in lithium-ion car battery output, and is chasing down Panasonic and Warren Buffett-backed BYD Co Ltd.

CATL plans to grow its battery capacity sixfold by 2020 to 50 gigawatt hours, which could put it ahead of Tesla Motor Inc's gigafactory in Nevada.

"We continue to walk where the country guides us," Huang said. "We hope by 2020 we can achieve performance and price that lead the world."

The company, founded just five years ago, is already pushing beyond China's borders, with offices in Sweden, Germany and France and plans to build a factory in Europe. Company representatives say that because of non-disclosure agreements they can only list BMW as a customer for now.

Despite the ambitious expansion, the emerging segment's dependence on government policy and rapidly evolving technology is not without risk.

A123, a US automotive battery maker, went from IPO to bust in just three years as battery costs remained stubbornly high and orders dried up.

"People think we're a big successful company, but we think we're in jeopardy every day," marketing director Neill Yang said. "The market environment and technology changes so fast that if we don't follow the trend we could die in three months."

To become a Chinese champion, a battery maker must first shed any foreign investment to be eligible for subsidies and other policy support, people in the industry say.

Before he set up CATL, Robin Zeng had started Amperex Technology Ltd (ATL), a company now majority-owned by Japan's TDK.

ATL initially had a 15 percent stake in CATL, but liquidated that holding last year, Yang said, when electric vehicle sales first started to take off. He declined to elaborate on the circumstances of that divestment.

TDK separated from CATL to focus on batteries for mobile consumer electronics, but still collects royalties on some intellectual property used by CATL, a spokesman for the Japanese company said.

"The reason is strategic and confidential. ATL still keeps a close relationship with CATL," said a person familiar with the situation, who was not authorized to speak to the media.

ATL and CATL still share a Ningde campus, although the front gate and main office bear only the ATL name.

Zeng, a Ningde local with a doctorate in chemistry, appears to be the remaining link between the two companies he founded. He declined an interview request.

While government support for electric cars has driven demand for components such as batteries, Beijing is also rolling out other policies that could benefit leading producers like CATL, by forcing smaller firms to consolidate or go out of business.

The Ministry of Industry and Information Technology (MITI) said last month it is considering a rule that would increase minimum production requirements for battery makers by around 40 times to 8 gigawatt hours.

Only BYD and CATL are roughly in line with that minimum, though Chinese media reports suggest Hefei Guoxuan High-Tech Power Energy Co Ltd and Tianjin Lishen Battery Joint-Stock Co Ltd may be close to or above that level by next year.

Yang said subsidy support for batteries is fairly modest compared to those for producing electric vehicles, which totaled \$4.5 billion last year alone.

CATL has been nominated as one of three battery makers - with Guoxuan and Lishen - for incentives under China's 13th Five-Year Plan, promising around \$15 million if it can meet targets, Yang said. He noted, though, that a single production line costs \$40 million.

Among national 2020 targets: to halve battery costs to below 1 yuan (\$0.144) per kilowatt hour, and improve energy density by two-thirds.

To get there, CATL is ramping up spending on research and development, where it employs more than 1,000 people with advanced science degrees.

"The strength of their R&D investment is quite large," said Fu Yuwu, chief of the Society of Automotive Engineers of China, adding he hopes the company can become a global leader.

"They have such large scale and the support of China's huge market, all the more reason they should do a good job of internationalizing," he said.



Ahmed Kamal Khan Chowdhury, managing director and CEO of Prime Bank Ltd, receives the first prize for corporate governance excellence in the banking category declared by the Institute of Chartered Secretaries of Bangladesh for the year 2015 from Mashiur Rahman, economic affairs adviser to the prime minister, at a programme in Dhaka recently.

PRIME BANK

# British companies keen on Bangladesh

FROM PAGE B1

"Partnerships in infrastructure as well as business partnerships between Bangladesh and Britain are very important for growth."

The British MP termed the preliminary agreement signed between the Bangladesh Railway and British company DP Rail Ltd as a case in point.

DP Rail Ltd will help set up a 240-kilometre rail line between Dhaka and Payra seaport in Patuakhali's Kuakata, making it one of the biggest infrastructure projects in the country.

The project will be funded by China and Bangladesh as well. "I hope you will find that it is a winning combination. It is a great alliance." The British government has increased its aid to Bangladesh every year.

"There are lots of important opportunities that we need to see being pursued for the betterment of the people of Bangladesh and continuous fight against poverty and inequality, which is a global challenge and not just a challenge for Bangladesh."

About the safety and working conditions in the garment sector, the British lawmaker said there has been a lot of progress since the Rana Plaza disaster, and there can always be more progress.

"At the UK side, our consumers are very keen to make sure that they are purchasing ethical goods -- goods that are produced in decent conditions and human rights are being respected and decent wages are being paid."

Alison Blake, British high commissioner in Dhaka, said there are half a million British Bangladeshis in the UK who can act as ambassadors and help form links.

"So, this is the moment to make all those things come together in order to drive economic growth in Bangladesh and also create opportunities for the UK. It is not a one-dimensional relationship."

The British MP also touched upon the issue of Brexit, saying the UK cannot start negotiations with any country on bilateral relations or trade yet as it is still part of the European Union.

Britain is using the period leading to the final departure from the EU to talk to its partners to know what their expectations are, Blake said.

"We want the Brexit to work not just for Britain but also for its partners. Our visions of our relationships with Bangladesh and other countries in the Commonwealth are that it would be even better, closer and deeper," the British high commissioner added.

When asked about her comments on recently passed Foreign Donations (Voluntary Activities) Regulation laws in Bangladesh, Ali said she does not have much idea about the issue.

But she went on to hail Bangladesh for being at the forefront of domestically established NGOs.

"Some of the best innovations have happened in this country. Other countries look to Bangladesh when they want to see new models -- and Bangladeshis should be proud of that."

She named microfinance and production of ethical goods as examples.

British NGOs have been in Bangladesh for a long time and have been strong partners in tackling the challenges.

"It is really important for us that our NGOs can operate and work in partnership with others here. We want to make sure that the achievements that have been made continue because there is so much more work to be done in relation to health and education."

But the NGOs need to be held to account and transparent as well as the government, the British MP said.

When asked about the latest on withdrawing direct air cargo ban, Ali said lots of progress has been made but there are other steps that need to be followed still.

Talking about Bangladesh's politics, Ali said she is working on trade but one cannot look at it in isolation.

"We need democracy, good governance and respect for human rights and labour standards and civic activism. Lots of these elements are in this country. Obviously, there are political challenges."

But political challenges can only be resolved domestically with the will of key players.

"The international community is there as your friends to provide the appropriate backup and support."

# Stocks could suffer as Trump trade policy takes shape

REUTERS, New York

The year-end stocks rally on the heels of the election of Donald Trump as US president was built on expectations of reduced regulations, big tax cuts and a large fiscal stimulus.

Now signs are emerging from the Trump camp that harsher trade policies that could jeopardize the honeymoon are likely in the offing, and investors would be well advised to give those prospects more weight when gauging how much further an already pricey market has to run.

By naming China hawk Peter Navarro as head of a newly formed White House National Trade Council, the incoming administration is signaling Trump's campaign promises to revisit trade deals and even impose a tax on all imports are very much alive.

# Realtors get Tk 1,433cr bookings at REHAB fair

FROM PAGE B1

A huge number of visitors thronged the fair venue on the last day of the event thanks to the public holiday on account of Christmas.

About 25,000 visitors came to the fair buying tickets. The number of visitors and potential buyers at the fair this year was much more than that of last year, said the organiser.

The participating companies offered discounts to attract buyers. The realtors said prospective buyers mostly looked for small and medium-sized flats.

The realtors showcased their products and projects in 175 stalls and said they received a good response.

The visitors, who were mostly from the lower-middle and middle income groups, were looking for offers of small apartments, according to the association.

Financial institutions that have lending operations in the housing sector also took part in the fair to offer additional benefits to the visitors.

"We got a huge response this time," Kamal Mahmud, co-chairman of the REHAB media committee, said earlier. "The number of visitors beat our expectations."

Since 2012, the once-burgeoning real estate sector has been in difficult times due to political instability, squeezed bank loans, a bearish stockmarket, and a lack of adequate gas and electricity supplies.

But riding on recent political stability and price corrections, Bangladesh's real estate sector may make a comeback this year, said a number of developers.

# Correction

FROM PAGE B1

The court also directed BTCL to call for a fresh international bidding.

Both BTCL and TSS then went to the Supreme Court seeking a stay on the HC order. On the other hand, Netas sought to stay a part of the order i.e. a fresh tender, so that they can complete a complaint process initiated earlier. The SC upheld the verdict until further orders.

The full bench of the SC will hear it on January 2.

**OUR STANCE**

Following the publication of our report, we further investigated the matter and additional information came to light which proved that our original story was based on wrong information. We deeply regret our error and withdraw our first report.

# Tk 976cr plan to liven up tea industry

FROM PAGE B1

Tea production can be raised to 110 million kg by 2025 from 162 gardens by increasing land usage to 55 percent and production to 1,500 kg per hectare, new plantation in very old and economically unprofitable section of gardens and bringing in new areas under tea cultivation.

The roadmap plans to construct 15,000 houses for workers, 15,000 toilets, 40 deep tube-wells and 4,500 hand-driven wells in order to improve the living standards of workers.

An additional 30,000 permanent jobs will be created for at least the next 50 years, according to the draft.



Ahasanul Islam, managing director and CEO of Sandhani Life Insurance Company Ltd, and Md Ahsan-uz Zaman, managing director and CEO of Midland Bank Ltd, exchange documents after signing a memorandum of understanding. Midland Bank will provide integrated banking facilities to Sandhani Life Insurance for collection and payment through Bangladesh Electronic Fund Transfer Network.

# Expression of Interest (EOI)

One of the leading Group of Companies of Bangladesh engaged in wide range of construction both in public and private sector has decided to procure and implement an Enterprise Resource Planning (ERP) solution. For this purpose, 'Expression of Interest' is invited from renowned software vendors/developers for development, installation and maintenance of ERP to cater current and growing needs of the Group. The Group intends to enter into a Software Licensing Agreement with the selected software vendor/developer for development and implementation of ERP.

Interested software vendors/developers are hereby requested to submit 'Expression of Interest' to GPO Box # 509 on or before 10th January 2017 along with following documents:

1. Profile of the vendor
2. List of client served as per format (1. Name of the client 2. Contact person with phone number 3. Address 4. Nature of work done 5. Contract value & 6. Duration of assignment)
3. Work completion certificate from at least two similar clients
4. Copy of trade License
5. Copy of VAT registration certificate
6. Copy of TIN certificate