



Sheikh Mohammad Maroof, deputy managing director of City Bank, and Farzana Choudhury, president-elect of the Entrepreneurs' Organisation (EO), pose at a programme at the head office of the bank in Dhaka on Monday when the bank hosted an interactive session on "Neuroscience of success" with Tanya Chernova in partnership with EO.

## Ehsan Khasru joins Global Economist Forum as adviser

STAR BUSINESS DESK

Md Ehsan Khasru has been elected as an adviser to the Global Economist Forum-Bangladesh, a consultant organisation of the United Nations.

He is an adviser to the board of Premier Bank, the bank said in a statement yesterday.

Khasru started his banking career in 1983 as a probationary officer at National Bank, according to the statement.

He obtained an MBA degree from the Institute of Business Administration under Dhaka University after complet-



Md Ehsan Khasru

ing his graduation in economics from the same university, the bank said.

Before joining Premier Bank, he served Prime Bank as managing director and City Bank as additional managing director. He has also worked with American Express Bank, RBC Royal Bank of Canada and Bank of Montreal.

He has 30 years of experience in the banking sector and he has held various responsible management positions in credit risk management, risk management, credit administration and relationship management in different banks.

# LNG demand, prices surprise, but wave of new supply yet to crest

REUTERS, Launceston, Australia

China's record imports of liquefied natural gas (LNG) in December, and the doubling in spot Asian prices in the past six months, appear to contradict the prevailing market view that supply is overwhelming demand for the super-chilled fuel.

But while demand for LNG has definitely firmed in recent months, and not just from China, it's still likely the case that the wave of new projects will push the market into surplus - just perhaps not by as much as some observers had feared.

Similar to other commodities, spot LNG prices in Asia surprised on the upside in the second half of 2016 and early this year, peaking at \$9.75 per million British thermal units (mmBtu) in the week ended Jan. 6.

This is more than double the 2016 trough of \$4 per mmBtu from Apr. 15, although the gains should be seen in context of the all-time high of \$20.50, hit in February 2014.

LNG's slide from the record high three years ago seemed inevitable given the seeming over-investment in the sector. New projects are expected to add 50 percent more capacity between 2016 and 2020, taking global output to about 370 million tonnes.

This figure should be seen in the context of global shipments in the region of 278.5 million tonnes, according to vessel-tracking and port data compiled by Thomson Reuters Supply Chain and Commodity Forecasts.

This represented a 7.8 percent increase, or 20.2 million tonnes, on the 258.3 million tonnes shipped in 2015, the data showed.

Demand was largely led by China, where customs data show that imports rose 32.6 percent in 2016 from the year earlier to 26.06 million tonnes, a gain of 6.4 million tonnes in volume terms.

Strong growth of almost 3 million tonnes was also reported from India, with other countries boosting volumes including Pakistan, Egypt and Jordan.

Top importer Japan was largely steady, with imports down 1.5 percent in the first 11 months of 2016 from the same period a year earlier. Number two buyer South Korea saw a small increase for the year, to 33.417 million tonnes, from 2015's 33.365 million.

Overall, demand growth was a positive story for LNG, and it was sufficient to absorb all the new supply brought on during 2016.

However, the issue for LNG in 2017 and beyond is whether demand can continue to grow strongly enough to meet the supply still to come.

The wave of new LNG plants started to come on line in 2015 and 2016, but the big surge is largely still ahead.

In 2016 Australia, which is in the final stages of building eight new plants, added the 15.6 million tonnes per annum Gorgon project, which followed three coal-seam gas to LNG facilities in the country's east coast that added total capacity of 24.8 million tonnes.

Of course, these new facilities were producing at below capacity, as new LNG trains take several months to ramp up and some experienced problems, such as a month-long outage at one of the Gorgon units in December.

But in 2017, it's likely that Australia will add the Wheatstone, Ichthys and Prelude projects, which have a combined capacity of 20.9 million tonnes.

Again, these will take time to ramp up, but all things being equal they should be fully operational by the beginning of 2018, making Australia the world's largest producer of LNG as it overtakes Qatar.

The other major source of new LNG is the United States, where the first two trains at Sabine Pass are already in production, with two more slated for this year.

Five more projects are currently under construction, with start dates slated between 2018 and 2020, bringing the total new capacity expected from the United States to around 66 million tonnes per annum.

It's virtually assured that this capacity is coming given that it is already being built, although the actual production may end up being less than nameplate capacities.

Nonetheless, it's clear that the challenge for the LNG industry will be in finding buyers for the new output.

As developments in China, India and Pakistan in 2016 showed, it's possible for demand to surprise on the upside, but the trick is converting what may be just a short-term surge into sustained long-term demand.

The best way of doing so is to ensure that LNG remains price competitive as well as politically attractive.

In practical terms it will be hard for LNG to become cheaper than coal when it comes to generating electricity in Asia, but it does have the advantage of being cleaner-burning, and more in line with goals to limit climate-affecting pollution.

# India sugar output forecast to drop to lowest in 7 yrs

REUTERS, Mumbai

India's sugar production may fall to 21.3 million tonnes for the 2016/17 crop year, the lowest in seven years and 9 percent lower than previously forecast, as drought has curtailed cane supplies in key producing states, a trade body said on Wednesday.

The production drop could lift local prices and prompt the world's biggest sugar consumer to allow duty-free imports of the sweetener, supporting global prices that are trading near their highest level in one-and-a-half months.

Sugar mills in the top producing state of Maharashtra and the third-biggest producing state of Karnataka are closing earlier than initial expectations, the Indian Sugar Mills Association (ISMA) said in a statement.

As of January 15, Indian mills have produced 10.5 million tonnes of sugar, down 5.3 percent compared to the

same period a year ago.

"Sugar mills, in the drought affected areas, have started closing down, the difference from last year will be higher as the season progresses," the trade body said.

Sugar mills typically operate between November and April, but this year mills have stopped crushing as back-to-back droughts cut cane supplies.

On Tuesday, a government official said the country could produce 22.5 million tonnes of sugar during the 2016/17 season that started on Oct. 1.

But traders said production could fall below 20.5 million tonnes in the current season.

"The government's and ISMA's production estimates are optimistic. The way sugar factories are closing in Maharashtra, I don't think it can produce more than 4.5 million tonnes," said a Mumbai-based dealer with global trading firm.

Maharashtra produced 8.41 million

tonnes of sugar in the 2015/16 season, while India's total output was 25.1 million tonnes. India's demand is pegged around 25 million tonnes.

"In summer months prices will rise due to lower production. It may then force government to allow duty-free imports," said a New Delhi-based trader with global trading firm.

But the ISMA said there is no need to import the sweetener as stockpiles are ample and production is expected to jump in the next season.

India started the 2016/17 season with carry-forward stocks of 7.75 million tonnes, the ISMA said. That is down from 10.2 million tonnes the year before though higher than the typical level of about 6 million.

"Sugar production in Maharashtra and Karnataka in the next season should be back to normal. Therefore, there will be surplus sugar production as compared to domestic requirement in 2017/18 season," it said.



Mercantile Bank's Managing Director Kazi Masihur Rahman and General Manager of Bangladesh Development Bank Ltd (BDBL) Md Khalid Hossain and Country Manager of Xpress Money Services Zakaria Mahmud attend a programme in Dhaka when BDBL launched the services of Xpress Money at all of its outlets across the country in association with Mercantile Bank.

## Novartis to buy back \$5b in shares

AFP, Zurich

Swiss pharmaceutical giant Novartis announced Wednesday a \$5.0 billion share buyback even though competition from generics ate away at sales and earnings last year.

Net profit plunged by 62 percent over the previous year to \$6.7 billion, although 2015 earnings were doped by a series of sales of units to rivals as Novartis refocused its portfolio.

Compared against continuing operations, net profit was down by 5.0 percent, and up by 1.0 percent when currency fluctuations were stripped out.

Sales from continuing operations were up by 6.0 percent in volume, but in value dipped by 2.0 percent to \$48.5 billion, although they were flat when corrected for currency changes.

"Novartis delivered a solid performance in 2016," chief executive Joseph Jimenez said in a statement, noting that sales of new products helped absorb the loss of exclusivity in the United States on its Gleevec chemotherapy drug.

Sales of new products jumped by 20 percent.

## Taiwan economy rallies thanks to electronics demand

AFP, Taipei

Taiwan's economy notched up its best performance in almost two years in the final quarter of 2016, with strong demand for electronics offsetting a plunge in mainland tourists, according to official data released Wednesday.

Growth was 2.58 percent year-on-year in the October-December period, the fastest expansion since the first quarter of 2015 when the economy grew 4.01 percent.

It was the third consecutive quarter of growth since Taiwan came out of recession in the April-June quarter last year.

Traditionally an export-driven technology hub, the island is home to industry giants such as Foxconn and Taiwan Semiconductor Manufacturing Company (TSMC) -- key suppliers for Apple's iPhone.

TSMC announced earlier this month better-than-expected earnings in the same period thanks to the launch of the iPhone 7 series.

President Tsai Ing-wen is pushing for Taiwan to foster its own "Asian Silicon Valley" as one of her five initiatives to kickstart the economy.

"Production of electronic components continue to increase, driven by the expansion of smart technology product applications," the Directorate-General

of Budget, Accounting and Statistics said in a statement Wednesday.

However, growth has been dampened by slowing tourism from mainland China, that saw a slump of 40.39 percent in the fourth quarter.

The number of Chinese visitors has fallen since Beijing-sceptic Tsai was elected last January, with speculation China is turning off the taps as a means of pressure on the Taiwanese leader.

Local tourism operators who once catered to droves of mainland tourists complain of half-empty hotels and tour buses sitting idle.

While tourism to Taiwan from other countries rose 17.47 percent in the fourth quarter, overall visitor numbers still declined 3.99 percent.

Analysts are also concerned about whether the strong export demand will continue.

"With weak global demand set to drag on exports and limited scope for more policy support, the recovery is likely to run out of steam soon," Capital Economics economist Gareth Leather said, according to Bloomberg News.

Wednesday's release brings 2016 full-year growth to 1.4 percent, beating the government's estimate of 1.35 percent.

It is forecasting economic growth of 1.87 percent in 2017.

### Government of the People's Republic of Bangladesh

Land Reforms Board

Section-4 (Budget)

141-143, Motijheel C/A, Dhaka-1000

### Invitation for Tender (Goods)

e-Tender Notice-05/2016-17

e-Tenders are invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the procurement of following goods (details are given below):

| Sl No. | Reference No.   | Brief description of goods         | Last selling/ downloading (date & time) | Closing date & time  | Opening date & time  | e-Tender ID No. |
|--------|---|------------------------------------|---|----------------------|----------------------|-----------------|
| 1.     | 31.02.0000.014.01.021<br>.2016.3774<br>Date: 29-12-2016 | Supply of Brand Laptop (250 Nos.)  | 12-Feb-2017<br>14:00                    | 13-Feb-2017<br>13:00 | 13-Feb-2017<br>14:00 | 83130           |
| 2.     | 31.02.0000.014.01.021<br>.2016.3775<br>Date: 29-12-2016 | Supply of Brand Printer (250 Nos.) | 12-Feb-2017<br>17:08                    | 13-Feb-2017<br>13:30 | 13-Feb-2017<br>14:30 | 84036           |
| 3.     | 31.02.0000.014.01.021<br>.2016.3776<br>Date: 29-12-2016 | Supply of Brand Scanner (250 Nos.) | 12-Feb-2017<br>17:21                    | 13-Feb-2017<br>14:00 | 13-Feb-2017<br>15:00 | 84040           |

These are all online tenders where only e-Tenders will be accepted in the National e-GP Portal and no offline/hard copies will be accepted.

To submit an e-Tender registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required.

The fees for downloading the e-Tender document from the National e-GP System Portal have to be deposited online through any registered bank's branch.

Further information and guidelines are available in the National e-GP System Portal and e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

Assistant Land Reforms Commissioner-4

Land Reforms Board

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