

Second unit of Kudankulam nuclear plant reaches 100pc power level

STAR BUSINESS DESK

The second unit of India's Kudankulam nuclear plant—built with Russian assistance—reached 100 percent power level for the first time recently. Earlier it was operating at 90 percent power level.

The company plans to perform comprehensive dynamic tests for 15 days after the power unit reached the nominal power level, Rosatom said in a statement yesterday.

The test will confirm the design parameters of the power unit's main system and its dynamic stability in certain modes of disturbance of normal operation, according to the statement.

On August 29 last year, the power plant that was constructed with the technical assistance of Russia's ASE Group of Companies was connected to the power grid of India.

Physical start-up of the unit commenced on May 11, 2016 when the first fuel assembly was loaded into the reactor. Loading of 163 fuel assemblies was successfully completed on May 19 the same year.

All the works were conducted jointly by Indian and Russian specialists in automatic mode in strict compliance with the schedule and safety regulations, Rosatom said.

ASE Group of Companies is one of the world leaders in nuclear power engineering and holds over 30 percent of the global NPP construction market.

The group has representative offices, branch offices and operational offices in 15 countries around the world, with almost 80 percent of its portfolio coming from projects abroad. Rooppur Nuclear Power Plant in Bangladesh is being constructed by ASE.

African wealth funds seeking foreign partners to fix infrastructure gap

REUTERS, London

Africa, famously short of new roads, ports and power stations, is increasingly leaning on its own sovereign investment funds to help fix its infrastructure gap.

The funds - which have around \$150 billion between them, according to research firm Preqin - are digging in themselves and offering co-investment opportunities and guarantees to attract foreign capital.

The scale of the problem is huge - some 600 million Africans, or half the continent's population, still lack reliable power, according to a panel discussion at last week's World Economic Forum in Davos.

Meanwhile, consultancy McKinsey has estimated that investment in African infrastructure is so poor it needs to double to \$150 billion a year.

But while investors worldwide are queuing up to finance planned overhauls of transport and energy infrastructure in the West - part of a global search for returns - they have largely bypassed Africa, still considered the preserve of development agencies or specialist funds.

Africa is still viewed in some circles as a difficult investment, ham-

pered by corruption, war and political risk. Now home-grown sovereign wealth funds are seeking to change this perception and kickstart projects themselves.

Morocco's \$1.8 billion Ithmar Capital state fund, for example, is seeking to raise \$1 billion-\$2 billion from infrastructure specialists and other sovereign funds for its Africa green infrastructure fund. This will focus on clean energy and water projects and is co-sponsored by the World Bank.

"Energy is probably the biggest impediment to the development of the continent," said Tarik Senhaji, Ithmar's chief executive, said. "The energy cost is so high you can't develop anything else."

"A lot of the sovereign funds and pension funds we are speaking to are extremely interested in infrastructure - the question is how do you bring the risk perception of Africa down so they can co-invest with us?" Senhaji said.

It is early days. Last year three Africa-focused infrastructure funds raised \$665 million, according to Preqin - just one percent of the total \$61.2 billion raised by 54 infrastructure funds globally. Yet the 15-20

percent returns on offer in Africa are higher than the 8-12 percent offered in developed markets.

"If people haven't invested in the region before, they probably perceive more risk than there actually is," said Adrian Mucalov, a director in the energy business at Actis, an emerging markets investor that has invested over \$3.5 billion in Africa.

Fund managers say the biggest challenge may not be in fact raising capital, but finding investible projects.

Public-private partnerships between government agencies and private companies are under-used, accounting for only 4.5 percent of African infrastructure projects by value between 2000 and 2014, McKinsey estimates.

That compares with 8.6 percent for a group of emerging markets. But there are examples of sovereign funds stepping in.

Angola's sovereign fund, FSDEA, has just committed \$180 million to a new deep sea port project using a PPP structure.

"PPPs are very difficult to carry out because you're talking about two different parties with two different views," FSDEA chairman Jose Filomeno dos Santos told Reuters.



Yusuf B Kassim, energy specialist of the renewable energy division of 3M, speaks at a seminar on the "Necessity of safety, security and sustainability of glass build infra-structures in Bangladesh", at Lakeshore Hotel in Dhaka yesterday when EG Distribution Ltd, a subsidiary of East Coast Group, introduced 3M branded window films.

BSE exchange sees strong demand for \$182m IPO

REUTERS, Mumbai

An initial public offering from India's BSE Ltd, the country's second-biggest stock exchange, was well over-subscribed on the last day of the sale, helped by attractive valuations and expectations of robust growth for stocks in the coming years.

The IPO, which is seeking to raise 12.43 billion rupees (\$182 million), saw bids 15 times the number of shares on offer, data showed.

Although BSE is dwarfed by rival NSE in terms of trading volumes, Asia's oldest exchange is still expected to benefit from a surge of retail investments into mutual funds and government efforts to steer more pension money into stocks.

The strong demand is also a good sign for NSE which last month submitted its own application for an IPO that could raise as much as \$1 billion.

"Financial markets are overall under-penetrated in India. As the working-age population increases, retail investor participation is expected to go up, and this can be a driver for the exchanges," said Rahul Joshi, an analyst for Dion Global Solutions. "It will be a great story going ahead."

More than 250 shareholders, including Singapore Exchange Ltd and billionaire George Soros' Quantum, are selling up to 15.4 million shares in BSE, which was founded in 1875 under a banyan tree as Bombay Stock Exchange.

That represents 28 percent of the company. At its marketed price range of 805 to 806 rupees per share, the exchange will have a market value of some 44 billion rupees.

Dion's Joshi said its price-to-earnings valuation of 25.6 times for the year ended in March 2016 was in line with bourses such as Singapore Exchange and Deutsche Boerse even though it deserved to be much higher given its high growth potential.

Dialogue on expansion plans in India was constructive: Apple

REUTERS

Apple Inc said on Wednesday it appreciates the open and constructive dialogue that it held with Indian officials, around the expansion of its local operations in the country.

Cupertino, California-based Apple, is keen to assemble its signature iPhones in India, one of the world's fastest growing smartphone markets where it still has only a tiny market share.

Apple has demanded a series of tax and sourcing concessions from India, before it begins to assemble iPhones in the country, Reuters reported last week. Sources familiar with the matter had told Reuters that Apple executives were supposed to meet with officials from the industry, information technology and finance departments on Wednesday to discuss their demands.

"We've been working hard to develop our operations in India," Apple said in a brief statement. "We appreciate the constructive and open dialogue we've had with government about further expanding our local operations."



Bangladesh Development Bank's Managing Director Manjur Ahmed poses with the participants of a 23-day foundation training course at BDBL Training Institute in Dhaka on January 24.

Samsung says Q4 profits up 50pc despite Note7 recall

AFP, Seoul

Samsung Electronics' profits leaped in the fourth quarter, it said Tuesday, despite the humiliating Galaxy Note 7 recall that hammered the reputation of the world's largest smartphone maker.

The South Korean tech giant took another blow when prosecutors began investigating its involvement in a corruption scandal, which has seen the country's president impeached, and sought the arrest of the firm's de facto leader Lee Jae-Yong.

In a statement, the group's flagship subsidiary Samsung Electronics said it posted operating profits of 9.22 trillion won (US\$7.9 billion) during the October to December period, up 50.2 percent year-on-year. Net profits for the quarter were 7.09 trillion won, up 120 percent.

Earnings were "driven by the components businesses, mainly the memory business and the display panel segment", it said, with the stronger US dollar also boosting profits.

Analysts say memory chip prices have been driven up by stronger demand as Chinese smartphone makers release devices with high resolution cameras and bigger storage in a bid to catch up with Samsung and Apple.

As the market leader in multiple segments Samsung's own chip division "is the biggest benefactor", said Tom Kang, research director at Counterpoint Technology.

Samsung said it expected "huge growth" in the sector, and looking forward to 2017, Greg Roh, an analyst at HMC Investment

Securities, told AFP: "We are expecting Samsung to post record-high profits this year on the back of rising chip prices."

For the full year 2016, the firm said in a statement, "Samsung achieved solid results despite the Note 7 discontinuation in the second half" -- the only reference to the debacle that saw the company withdraw its much-publicised device, originally intended to compete with Apple's iPhone.

Samsung was forced to discontinue the Galaxy Note 7 in October after a chaotic recall that saw replacement devices also catching fire.

In total 3.1 million smartphones were recalled as authorities in the US and elsewhere banned them from use on planes and even from being placed in checked luggage.

Earlier this week Samsung blamed faulty batteries from two different suppliers for the incidents, which the firm previously estimated would cost it \$5.3 billion.

Samsung has also come up with elaborate step-by-step safety verification procedures for future products to prevent similar disasters, although some analysts remained sceptical.

The findings suggested a lack of attention to product testing and a tendency to rush to market for competitive reasons at the expense of quality control, said Jan Dawson, chief analyst at Jackdaw Research.

"I have confidence that Samsung will make big process changes going forward, but less confidence that the culture that led to these problems will change in the same way," he told AFP.

Airbus says entering dangerous phase due to Brexit

AFP, London

The operations boss of Airbus declared Tuesday that the European aerospace giant was entering a "dangerous phase" because of Brexit, which could complicate its free movement of staff and products.

Tom Williams, Chief Operating Officer and President of Commercial Aircraft at Airbus, made the comments before British lawmakers on parliament's powerful Treasury Select Committee.

The Airbus chief was asked if the company would continue to prosper in the face

of Brexit -- and whether it could survive without a presence in Britain.

"If we didn't have our operations in the UK operating seamlessly, that would be a really big concern for us," Williams told MPs on the committee, indicating this could boost its fierce Seattle-based US rival Boeing.

"And I am sure there would be many people in Seattle and in Washington that would be more than delighted to see this scenario played out, because they will take every opportunity to try undermine the success of Airbus."

Bangladesh to grow 10pc of cotton needs by 2025

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Australia and the US are also turning into big cotton sources for Bangladesh due to better crop quality, he added.

On future trends in cotton production and price, Khokon said cotton yield was good in different cotton producing countries; prices increased by 15 to 20 percent.

Cotton was traded between 73-75 cents per pound in international exchange markets yesterday.

Khokon said there are 430 spinning mills at present in the country, which need more than 10 million bales of cotton.

However, the spinning mills cannot run at full capacity due to an inadequate supply of energy and power, he added.

Khokon said the \$50 billion apparel export target by 2021 can be met if local spinners and weavers can supply yarn and

fabric on time to the apparel makers.

"We are going to hold a two-day global cotton summit in Dhaka from January 27," he said.

The summit organised by BTMA and BCA will be held at Radisson Hotel in Dhaka where cotton producers, traders, spinners, weavers, importers and exporters from home and abroad will meet to discuss global cotton trade issues.

Cotton consumption in Bangladesh rose 4.91 percent year-on-year to 6.4 million bales in 2016 due to higher demand from spinners and garment makers, according to the US Department of Agriculture.

Bangladesh has become the largest cotton importer in the world, as China stopped importing the fibre in recent years.

bKash moves to combat abuse of its logo in eight countries

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"We welcome the move by the UAE government and Bangladesh Embassy in Kuwait to curb illegal money transfers," said Zahedul Islam, spokesman for bKash.

bKash was the first to begin its services in 2011 and currently, there are 19 mobile money providers in the country.

However, bKash and Rocket control more than 94 percent of the total transaction volume, according to a survey report run by the BIBM two months back.

Last year, total mobile money transactions stood at Tk 234,691.79 crore, with 48.75 percent year-on-year growth.

8pc growth within reach: minister

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"As a result, governance will improve much," Shamsur Alam, member of the Planning Commission's General Economics Division, made a presentation on SDGs at the meeting.

"Now our biggest challenge is to utilise the demographic dividends by creating enough employment."

In the seventh five-year plan, 1.29 crore new jobs will be created, which is more than the number of workers waiting to enter the labour market, according to Alam.

Stocks back in the red

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IDLC was the day's best performer, posting an 8.93 percent gain. Premier Bank was the worst loser, plunging 7.58 percent.

Chittagong stocks also went down yesterday with the bourse's benchmark index, CSCX, sliding 170.07 points, or 1.58 percent, to close at 10,571.81.

Losers beat gainers as 191 declined and 71 advanced, while 12 finished unchanged on the Chittagong Stock Exchange. The port city bourse traded 3.2 crore shares and mutual fund units, generating a turnover of Tk 83.94 crore.



Md Abdul Baten, director for operations of the NID Registration Sub Division of the Election Commission, and Md Motaleb Hossain, deputy managing director of Standard Bank, attend a programme where the bank signed a deal with the commission. The bank will get the information of its customers from the commission to prevent money laundering.

NBR takes tough line on tax dodgers

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On revenue collection, Rahman said the NBR is registering average growth of about 20 percent from the beginning of the year. "We see a positive trend in revenue collection," he said, without sharing the total revenue collection amount in the first half of fiscal 2016-17.

The NBR chief said the revenue authority gives the highest importance to IT and takes customs as an integral part of a digital NBR to collect revenue and provide services. He expects the total number of electronically generated taxpayer identification numbers to reach 30 lakh on June 30, the last day of fiscal 2016-17.

Currently, the customs department facilitates trade through ASYCUDA World, the latest automated software

system for customs data, at major customs stations. The NBR is also in the process of finalising a new customs law and taking steps to set up a National Single Window to provide faster services to exporters and importers at reduced costs.

The customs department has also installed scanners at ports to prevent the import of goods through false declaration; it has also taken on a bond management automation project to curb the abuse of goods imported at zero duty under the bond privilege, said the NBR.

The NBR also plans to start online VAT registration for businesses in March so that it can complete re-registration by existing VAT-registered firms ahead of the new VAT law being implemented from July.

Rahman said the government dou-

bled manpower at revenue administration in 2013. To do its task properly, the revenue collector also requires a security force, and better equipped legal and media wings. The revenue authority has also strengthened its research and statistics section.

In response to a query on the steps taken to curb the abuse of duty-free import privilege of goods, including vehicles, he said duties are waived for import by diplomats as per different international convention. There are clear rules that the host country can take measures against the persons who abuse the benefit for his personal gain.

"We want respected, dignified people to ensure their own dignity," he said. "We do not have plenty of time to work unnecessarily."