

# India's wheat imports to slow after March on fumigation rule change

REUTERS

India's wheat imports from Russia, France and Ukraine could come to a halt after March, as New Delhi has asked exporters to fumigate their cargoes with methyl bromide, an insect control gas banned in Europe and the Black Sea region.

Currently, food shipments are fumigated at India's ports. After March 31, the plant quarantine authority will only accept cargoes fumigated with methyl bromide at the country of export.

The decision is aimed at curbing wheat imports to help local farm-

ers, who will harvest the new-season crop from next month.

"Since the government does not apprehend any shortage, the idea is to limit imports when local wheat harvests are round the corner," said a government source with direct knowledge of the matter.

The source did not wish to be identified as he is not authorised to talk to the media.

India has bought more than five million tonnes of wheat since mid-2016, its biggest annual purchase in a decade, after it turned to the world market to meet a supply shortfall left by two years of droughts.

New Delhi is slowing imports ahead of the harvest in April and purchases in the months ahead will depend on production this year.

The farm ministry last week forecast wheat output at 96.64 million tonnes in 2017, up from 92.29 million tonnes in the previous year.

"It is a non-tariff barrier, which will affect cargoes from Europe and Black Sea. But supplies, if any, will continue from Australia, which allows the use of methyl bromide," said Tejinder Narang, a trade analyst in New Delhi.

India probably does not need

imports until October because of its local harvest, said a European trader.

But both Moscow and Kiev are in talks with New Delhi to reach an agreement, traders in Russian and Ukraine said.

Other than wheat imports from Europe and the Black Sea, India's imports of yellow peas from Canada will grind to a halt.

Although India imports yellow peas, a sharp rise in local production of chickpeas, pigeon peas and black gram has bumped up local supplies of protein-rich pulses, mostly consumed in curries.



**MA Latif, a lawmaker; Mahbubul Alam, president of Chittagong Chamber of Commerce and Industry, and Mohammed Nurun Newaz Salim, chairman of Electro Mart Ltd, inaugurate a sales and display centre of the company in Halishahar, Chittagong on Sunday. The company sells air-conditioners, LED TV, refrigerators, and home appliances of global brands in the local market.**

# Gold steady awaiting clues on Fed rate rise schedule

REUTERS, London

Gold held steady on Monday after ending the previous week little changed, as traders awaited further clues on the pace of U.S. interest rate rises from a raft of Federal Reserve officials due to speak this week.

The precious metal is highly sensitive to rising U.S. rates, as they increase the opportunity cost of holding non-yielding bullion, while boosting the dollar, in which it is priced.

Spot gold was at \$1,235.21 an ounce at 1030 GMT, little changed from \$1,235.22 late on Friday. U.S. gold futures for April delivery were down 0.2 percent at \$1,236.60.

"It's still wait and see for the gold market right now," UBS analyst Joni Teves said. "Conviction levels are low, so there's no sense of urgency to get involved among investors yet."

The Federal Open Market Committee meeting in mid-March will be the next likely trigger for price moves, she said.



**HM Mainuddin Ahammed, founder and chief executive of Listeners & Speakers Forum; Prof M Rezwan Khan, vice-chancellor of United International University; Ashraf Kaiser, CEO of Benchmark Group, and Sabbir Hasan Nasir, executive director of ACI Logistics Ltd, witness the signing of a memorandum of understanding between the university and the forum on public speaking and soft skills development in Dhaka recently.**

# Debt-saddled Mongolia agrees \$5.5b IMF bailout

AFP, Ulan Bator

Mongolia has reached an agreement with the International Monetary Fund on a \$5.5 billion bailout package, officials announced, as the debt-wracked country tries to stabilise its economy.

The landlocked north Asian nation has been hit hard by a more than 50 percent fall over the past five years in the price of copper, its main export.

Billions of dollars' worth of natural resources lie buried beneath Mongolia's sprawling steppes, but development has been delayed for years and slowing growth in its biggest customer China has hobbled the economy.

Mongolia's economy grew 1.0 percent in 2016, while its budget deficit exploded to

3.7 trillion tugrik (\$1.5 billion) according to its national statistics office.

The rescue package will include a \$440 million loan over the next three years, Koshy Mathai, the IMF's Asia-Pacific deputy division chief, said in a statement issued Sunday.

The Asian Development Bank, World Bank, Japan and Korea are expected to provide another \$3 billion in support, while the People's Bank of China will extend its 15 billion yuan (\$2.2 billion) swap line for another three years.

The bailout package is intended to "restore economic stability and debt sustainability as well as to create the conditions for strong, sustainable, and inclusive growth, while protecting the most vulnerable citizens", Mathai said.

# Second undersea cable to be launched today

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Initially, this cable will provide 200 Gbps of bandwidth, which can ultimately go up to 1,500 Gbps, said Ashraf. The country currently receives 200 Gbps of bandwidth from its first connection -- SEA-ME-WE 4.

At present, India has eight submarine cable connections, Pakistan has four and Sri Lanka three.

Industry insiders are questioning if the belated operations of SEA-ME-WE 5 is inadvertent or deliberate. Currently, two Indian carriers, Tata Telecommunications and Bharti Airtel, supply a huge amount of bandwidth, as an alternative to the supply line of SEA-ME-WE 4, through six international terrestrial cable operators to Bangladesh.

"The delayed operation of SEA-ME-WE 5 equally benefits the two Indian carriers and their Bangladeshi counterparts," said Khan.

Total bandwidth consumption in the country is around 400 Gbps at present and of it, 280 Gbps is imported from the two Indian companies.

Bangladesh joined the SEA-ME-WE 5 consortium in March 2014, spending Tk 660 crore. Of the total cost, the government has provided Tk 166 crore while BSCL contributed Tk 142 crore; the remaining money was borrowed from Islamic Development Bank.

It signed the deal to build a state-of-the-art undersea cable, which will span approximately 20,000 kilometres, connecting 17 countries.

The cable has connected Singapore, Malaysia, Indonesia, Thailand, Myanmar, Bangladesh, India, Sri Lanka, Pakistan, United Arab Emirates, Oman, Qatar, Djibuti, Yemen, Saudi Arabia, Egypt, Italy, Turkey and France via 19 landing points.

Initially, the lifespan of the cable has been set at 20 years, but it can be extended by five years.

Apart from the BSCL, the SEA-ME-WE 5 consortium includes China Mobile International Ltd, China Telecommunications Global Ltd, China United Network Communications Group Company Ltd, Emirates Integrated Telecommunications Company, Orange, Myanmar Post and Telecom, PT Telekomunikasi Indonesia International, Saudi Telecom Company, Singapore Telecommunications Ltd, Sri Lanka Telecom PLC, Telekom Malaysia Berhad, Telecom Italia Sparkle, TOT Public Company Ltd, and Yemen International Telecommunications Co.

# Snap bets on hardware as Facebook threat looms

REUTERS, San Francisco

Snap Inc takes to the road in London on Monday to promote its initial public offering with a daring proposition: that it can build hot-selling hardware gadgets and ad-friendly software features fast enough to stay one step ahead of Facebook.

No longer just a purveyor of a smartphone app for disappearing messages, Snap has hired hundreds of hardware engineers, built a secretive product development lab and scoured the landscape for acquisitions as it pursues its newly stated ambition to be "a camera company."

These efforts, which are aimed at developing hardware and so-called augmented reality technologies, are central to the strategy of a company that is seeking a valuation of up to \$22 billion in its early March IPO despite heavy losses and the specter of stiff competition for advertising dollars with a far-larger Facebook.

It is a big gamble and the odds against Snap are long.

There is little precedent for a company with its roots in software and social networking succeeding in the notoriously difficult consumer hardware business. Few US firms aside from Apple have made big profits on hardware, and camera and wearable gadget makers have much lower valuations than Snap is seeking. Once-hot camera start-up GoPro is a cautionary tale: its stock sits 61 percent below its 2014 IPO price.

More broadly, creating new products and features that have mass-market appeal and cannot be readily mimicked is a huge challenge, analysts say.

"It's worrisome," said Paul Meeks, chief investment officer at Sloy, Dahl & Holst, which manages more than \$1 billion in assets. "Snapchat is going to have to continue to be really innovative and distinctive. It's going to be very tough to trump Facebook."

Snap declined to comment for this story.

Snap first signaled its new focus with the September reveal of Spectacles, funky sunglasses with an embedded video camera for posting to the Snapchat app. The company spent \$184 million on research and development last year, nearly half its revenue.

Augmented reality, which refers to computer-generated images overlaid on real surroundings and viewed through a smartphone or special glasses, is a big part of the plan. Snap's "lenses" image-overlay feature has been a hit, and gives Snap an advertising format that's unique, at least for now.

"If you're going to make the bet longer-term on Snap, you are betting they are going to come up with innovative products that Facebook can't copy," said Nabil Elsheshai, senior equity analyst at Thrivent Financial, who is considering whether to recommend that his firm buy Snap's IPO.

Facebook-owned Instagram last year rolled out a feature called Stories, modeled after Snapchat's feature by the same name. Snapchat had about 100 million fewer downloads than Instagram in 2016, according to market research firm App Annie.

Snap had 158 million daily active users in the fourth quarter, up just 3 percent from the previous quarter, compared to 14 percent growth during the same period in 2015, accord-

ing to Snap's IPO filing. New gadgets that offer more ways to interact with Snapchat could help attract new users and get existing users to spend more time on the app.

"Ultimately, that's what advertisers are going to be looking at," said Douglas Melsheimer, managing director at investment bank and consulting firm Bulger Partners. Snap, along with Facebook and host of online rivals ranging from Google to BuzzFeed, is capitalizing on the shift of video advertising dollars from traditional television to the internet.

Snap's IPO filing reads "as if all the hard things in front of them that they have to do are already done," said Rett Wallace, cofounder and chief executive at Triton Research. But, he said, that's not the case. "How will they hold up against all the guys you don't want to be fighting against in the world - Facebook, Google and Apple?"

Hardware is part of the answer. Snap has recruited hardware experts from Apple, Alphabet Inc's Google, Nest and Motorola, according to an analysis of LinkedIn profiles. One former employee described ample resources and support from management for the hand-picked hardware teams.

Last spring, Snap set out to hire up to 300 hardware, augmented reality and virtual reality specialists in a single month, according to another former employee. It also set up Snap Labs, a group dedicated to working on secretive projects. Its members have reviewed acquisition targets in areas including wearable cameras, facial recognition and 3D scanning technology, according to people close to the discussions.

# Kuwait Airways raises flights from Dhaka

STAR BUSINESS REPORT

Kuwait Airways has increased its weekly flights on the Dhaka-Kuwait route to nine to take advantage of the strong demand from passengers travelling to the Middle Eastern country as well as North America and Europe.

In the second half of 2017, the airline will raise the number of weekly flights to 12, said the company in a statement.

The carrier said it will further widen its international network.

"The airline is working to improve convenience for passengers by optimising the number of routes, flights and aircraft types to take advantage of demand trends in light of the competitive environment."

# Cooking oil imports likely to drop

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Bangladesh has to meet nearly 90 percent of its annual requirement of oil through imports from Malaysia, Indonesia, Brazil and Argentina.

"Imports are unlikely to decline," said Asif Iqbal, executive director of marketing of Meghna Group of Industries, another importer.

Consumption is increasing owing to income growth and a shift to packaged oil on health grounds for vitamin A fortification by a section of consumers, he added.

But AKM Fakhru Alam, regional manager for Bangladesh and Nepal of Malaysian Palm Oil Council, was in somewhat agreement with the USDA forecast.

The volume of import might decline this fiscal year for sluggish consumption growth of edible oil in rural areas.

Consumption grew fast in rural areas over the last five to seven years because of higher remittance inflows and relatively better prices of agricultural produce, he said.

The imports during the July-December period of the fiscal year were the same as a year earlier, he said, adding that it is likely to decline in January.

However, overall imports may rise this year, he added.



**Shadab Ahmed Khan, managing director of Coca-Cola Bangladesh, along with a number of officials attends the launch of 'Matribhasha Chhoriye Dao, Bhalo Basha Bhooriye Dao' campaign which aims at celebrating the International Mother Language Day, at a programme in Dhaka recently. As part of the campaign the beverage company has introduced special bottles with labels in Bangla and a quiz for consumers.**

# Sovereign funds pulled \$38b from global markets in 2016

REUTERS, London

Sovereign wealth funds pulled \$37.8 billion from global stock and bond markets in 2016, data from research firm eVestment showed on Monday, although fourth quarter flows showed a slowdown in the rate of

redemptions.

Oil-backed sovereign wealth funds (SWFs) have been under pressure since oil prices tumbled from their mid-2014 highs of \$115 a barrel, and 2016 marks their third year of net selling.

However, sovereign investors'

redemptions from third party fund managers have slowed year-on-year, down from \$45.7 billion in 2015. The rate of selling steadily reduced over the course of 2016, with fourth quarter redemptions of \$4.9 billion, down from a revised \$7.2 billion in the third quarter, eVestment said.

# Ctg port faces lengthy container congestion

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Nasir Uddin Chowdhury, a former first vice-president of Bangladesh Garment Manufacturers and Exporters Association, said the port lacks container handling equipment which is affecting its operation.

However, CPA Chairman M Khaled

Iqbal, during a recent meeting, said the port has capacity to deliver 4,000 TEUs containers daily but it receives only clearing requests for up to 2,800 TEUs containers from users.

The National Board of Revenue organised the meeting participated by top officials of the port and the Customs House as

well as port users. Fourteen recommendations were placed at the meeting to make the operation of the port smooth and ease the customs procedures.

A senior CPA official said they lessened the congestion to a great extent in the last few weeks. He hoped the situation would be normal within a week.