

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DOSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
0.26%	0.10%	\$1,316.80	\$67.38	32,996.76	21,380.97	3,513.31	3,290.46	82.50	100.66	114.68	0.76	
5,648.90	10,539.99	(per ounce)	(per barrel)					BUY TK	83.50	104.26	118.28	0.80

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DHAKA WEDNESDAY MARCH 21, 2018, CHAITRA 7, 1424 BS • starbusiness@thedailystar.net

## Rod prices soar

SOHEL PARVEZ and AHSAN HABIB

Rod prices are spiralling with the soaring prices of melting scraps in the international market in the wake of US's announcement of 25 percent

and 10 percent tariffs on steel and aluminium imports respectively from March 23. The development has left realtors sweating: the price hike of rod, the most important material for the construction

industry, comes at a time when the real estate sector has just started to look up after years of downturn.

"The price hike will affect the sector seriously," said Alamgir Shamsul Alam, president of the Real Estate & Housing Association of Bangladesh.

American millers have been stockpiling scraps, a raw material for steel, upon anticipation of the protectionist move by Trump administration, escalating the prices in the global market.

The US, the world's largest economy, generates 60 percent of the global scraps, according to Manwar Hossain, chairman of the Bangladesh Auto Re-Rolling & Steel Mills Association (Barsma) that represents the country's burgeoning steel industry.

"US President Donald Trump had been talking about levying tariff on steel imports for nearly a year," he said, adding that the prices of rod have risen more than 20 percent since the turn of this year.

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STAR/FILE

Rod prices started to rise at a time when the real estate sector has just started to look up after years of downturn.

## REHAB protests price spiral of construction materials

STAR BUSINESS REPORT

Realtors yesterday said a recent price hike of construction materials such as rods and cements will raise apartment prices, impacting sales.

"One week ago 40 grade rod was selling for around Tk 52,000 a tonne, but now the price went up to around Tk 70,000," said Alamgir Shamsul Alam, president of the Real Estate and Housing Association of Bangladesh (REHAB).

The price of rod jumped at least 30 percent compared to that in last year, he said adding, "Per bag cement is being sold for Tk 420 which was Tk 370 a few days ago."

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## Handset import rises 10pc despite duty hike

MUHAMMAD ZAHIDUL ISLAM

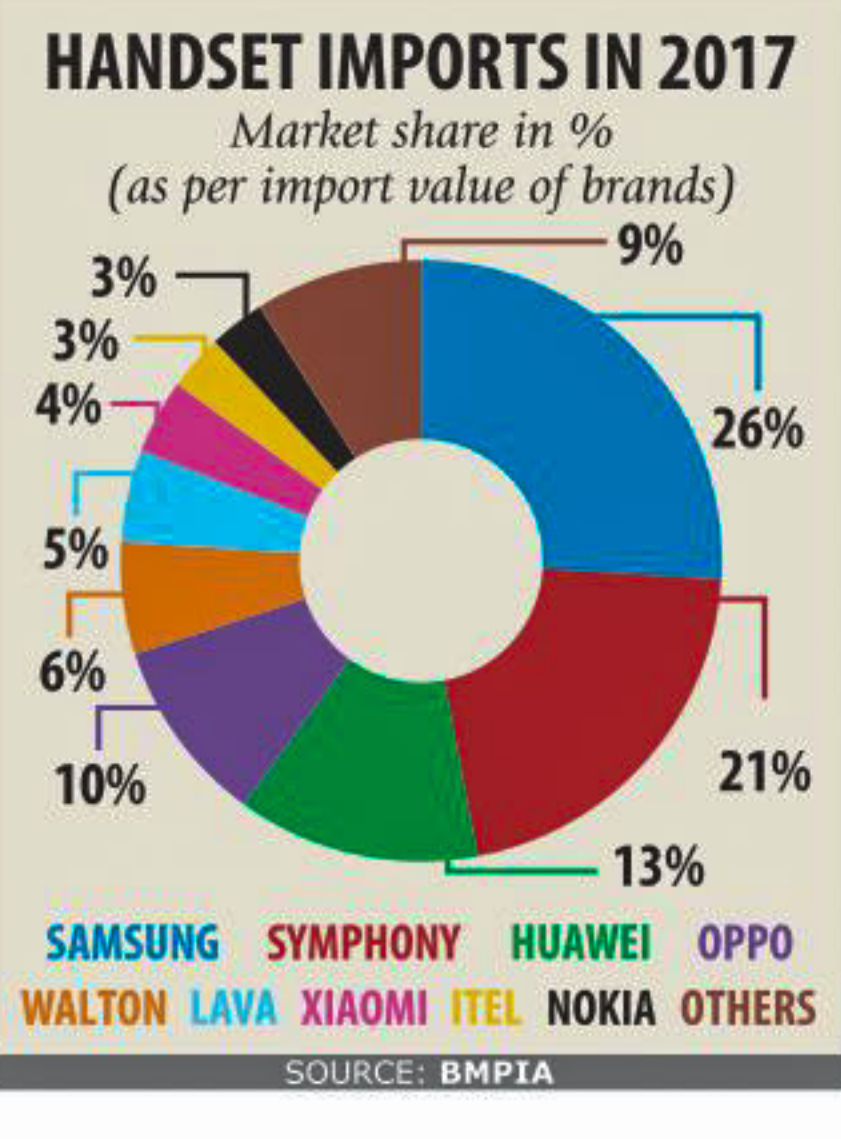
Handset imports rose 9.6 percent to 3.4 crore units last year despite a spike of 5 percentage points in import duty.

However, the number of smartphones brought in to the country did not increase as expected because of the import duty spike, said the Bangladesh Mobile Phone Importers Association (BMPIA).

Given the advent of 4G services and greater use of digital services, the industry was expecting that more than one crore units of smartphones would be imported in 2017. But, 82 lakhs were brought in through the legal channel, which is 23.5 percent of the total imports. In 2016, smartphones accounted for about 26 percent of the total imports.

"Definitely over-taxation is holding the industry back from flourishing," said Ruhul Alam Al Mahub Manik, president of the BMPIA.

With the view to promoting local manufacturing, the government in June last year raised the import duty for handsets to 31 percent.



The move might have spurred more illegal handset imports, Manik said, while citing the number of Samsung devices and iPhones on sale in local markets to further his point.

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## Baraka, Star Ceramics to raise Tk 285cr

With the IPO proceeds, they will set up power plants and pay back loans

STAR BUSINESS REPORT

Baraka Patenga Power, a subsidiary of Baraka Power, is set to go public by using the book building method to raise Tk 225 crore to set up two power plants and pay back loans.

Book building is a process through which an issuer attempts to determine the price to offer for its security based on demand from institutional investors.

Of the proceeds from the initial public offering, Tk 144.33 crore will be used to set up power plants, Tk 74.87 crore for paying back long-term loans and Tk. 5.79 crore for IPO expenses.

The two power plants -- Karnaphuli Power and Baraka Shikalbaha Power -- will have the capacity to generate 215 megawatt. At present, Baraka Power's electricity generation capacity is 50MW.

Baraka Patenga, which will hold 51 percent stakes in both the plants, will have to fork out Tk 1,510 crore to set them up. Of the sum, 70 percent will come from banks and 30 percent through IPO.

Land procurement for Karnaphuli Power is already done and civil work has started, said Mohammed Monirul Islam,

chief financial officer of Baraka Patenga. "Shikalbaha Power is a fast-track project-- its engine is ready to run," he added.

LankaBangla Finance, the issue manager, will hold a road show for eligible institutional investors on March 28 at the International Convention City Bashundhara.

Baraka Patenga's half-yearly profits for financial year 2017-18 stood at Tk 15.29 crore with earnings per share standing at Tk 1.54. The net asset value on December 31, 2017 stood at Tk 17.67.

In another development, Star Ceramics, a manufacturer of tiles and sanitaryware, will also go public using the book building method to raise Tk 60 crore for business expansion and bank loan repayment.

Of the IPO proceeds, Tk 43.31 crore will be used for expansion of its sanitaryware plant and the rest for repayment of bank loans.

The net profit of Star Ceramics last year stood at Tk 20.65 crore, earnings per share Tk 1.38 and net asset value Tk 15.64.

Its road show will be held on March 29 at the Radisson Blu Dhaka Water Garden.

## India scraps export duty on sugar to lift local prices

PALLAB BHATTACHARYA, New Delhi

The Indian government yesterday withdrew the 20 percent export duty on sugar in a bid to boost sales abroad and lift domestic prices amid surplus production in the world's second largest producer of the sweetener.

A notification on scrapping the export duty was issued by the finance ministry which said the estimated revenue implication of the move is Rs 75 crore for a year at the current export volumes.

Sugar production in India is estimated to rise sharply to 29.5 million tonnes in 2017-18 marketing year (October-September) from 20.3 million tonnes in the previous year. The domestic demand is 24-25 million tonnes annually.

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## BGMEA to get 500 acres in Mirsharai economic zone

JAGARAN CHAKMA

The government has decided to provide the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) 500 acres of land inside a special economic zone located in Mirsharai of Chittagong in a bid to boost apparel exports in the years to come.

Bangladesh Economic Zone Authority (Beza), which deals with these zones, believes that the move would help garment makers earn \$50 billion from exports by 2021.

The Beza and BGMEA will sign a memorandum of understanding in this regard today.

"BGMEA has a target to export \$50 billion worth of apparels by 2021, but it has no roadmap to achieve the target," Paban Chowdhury, executive chairman of the Beza, told The Daily Star yesterday.

"The government has decided to provide them the land so that they can set up new factories, create more employment and earn more from exports," he said.

Chowdhury said the Beza was considering an option to give the BGMEA another 1,500 acres of land inside the same zone.

He said the Beza would be able to complete development works inside the zone by this year and would-be investors could start setting up factories by March next year.

According to him, entrepreneurs establishing their industrial units in the zone or relocating there would get all kind facilities, including tax exemptions on business earnings.

Investors will also enjoy exemptions from VAT on electricity and taxes on sale and self-generated or purchased electricity for 10 years.

All purchases, excluding petroleum products, will get VAT and sales tax exemptions, Chowdhury said.

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