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DHAKA THURSDAY FEBRUARY 21, 2019, FALGUN 9, 1425 BS • starbusiness@thedailystar.net

Local cement makers edge out global giants

AHSAN HABIB

Local cement manufacturers have comfortably pummeled their foreign counterparts in their scrap for market share in the past seven years -- in a testament of their nous and industriousness.

By 2018 local cement manufacturers had cornered 86 percent of the market, a reversal in scenario from 15 years earlier, when the multinational companies ruled the roost, according to data from the Bangladesh Cement Manufacturers Association.

Local Abul Khair Group's Shah Cement has the most market share, followed by Bashundhara Group and Meghna Group.

"We have beaten the multinational companies with quality and price," said Amirul Haque, managing director of Premier Cement.

The Daily Star conducted a market survey last week and found that local brands' cement was selling for Tk 395 to Tk 420 a bag. In contrast, each bag of cement of the multinational brands' cost Tk 418 to Tk 450.

In the past, there was a perception that the local brands' cement quality was inferior to the multinationals', said Masud Khan, chief executive officer of MI Cement.

"But that notion is gone now," he said, add-



ing that the local brands' strong supply chain has helped them strengthen their market shares.

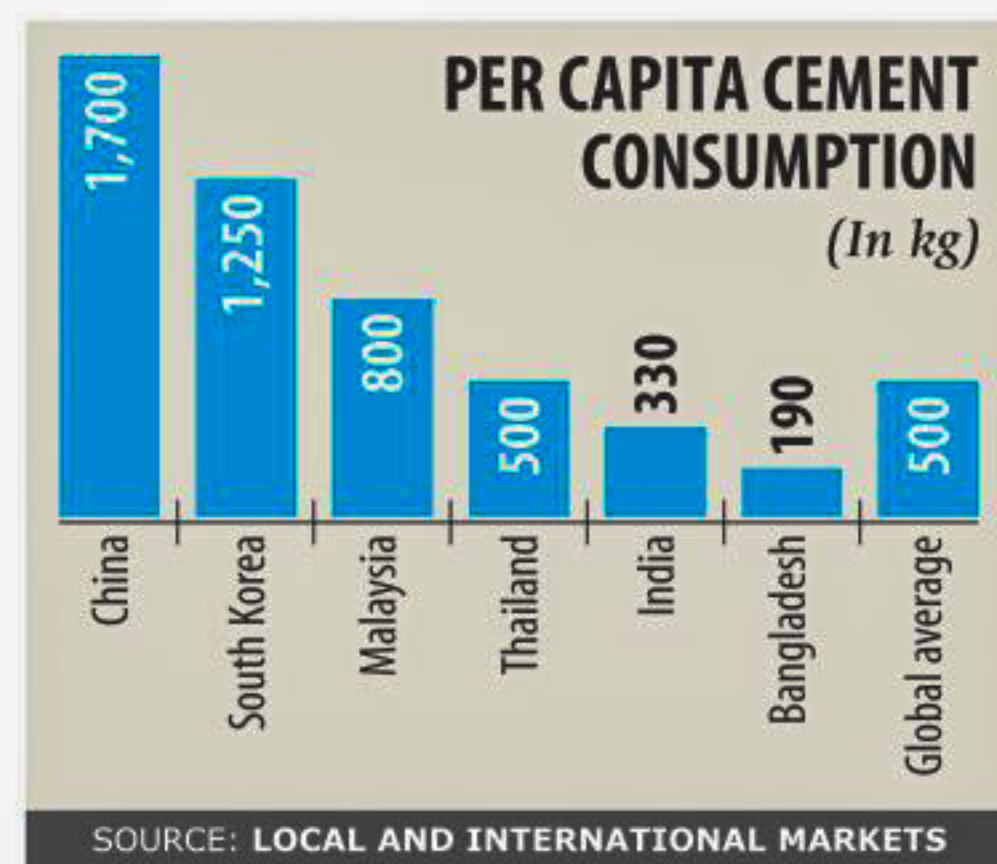
A handful of intrepid local manufacturers introduced state-of-the-art technology, whereas the multinational cement makers are stuck with their old tools, said Khan, also a former chief financial officer of LafargeHolcim Bangladesh.

Local cement manufacturers import the required raw materials including clinker, gypsum, fly ash and iron slag from abroad and use grinding technology to produce cement.

"The Bangladeshi entrepreneurs took a calculated risk and that paid off," said Mostafa Kamal, chairman of Meghna Group of Industries that manufactures the 'Fresh' brand cement.

And given the government's huge infrastructure-building plans, cement manufacturers can brace themselves for even better days ahead.

Asked why the multinationals are



lagging behind in terms of market share, Rajesh Surana, CEO of LafargeHolcim Bangladesh, said the global cement giant is focused more on value addition and providing innovative solutions and services than in market share.

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Grameenphone vents out against SMP restrictions

Says conditions discourage fair competition

STAR BUSINESS REPORT

Grameenphone yesterday griped about the restrictions imposed on it for being a significant market power (SMP) operator, saying the measures penalise efficiency and timely investments rather than enhance competition.

"The purpose of SMP directives must be to build competition and not defeat success," said Hossain Sadat, head of regulatory affairs of Grameenphone, in a briefing session with journalists yesterday.

Earlier this week, Grameenphone was slapped with four restrictions -- that must be implemented immediately -- by the telecom regulator as part of the penalties for becoming an SMP.

The restrictions comprise of bans on signing any exclusive deals with goods and service providers and nationwide ad campaigns, a lower call drop ceiling and a shorter lock-in period when availing the mobile number portability service.

"The objective of the regulations was to ensure healthy competition in the telecom sector but I don't know how it would support competition in the market."

Rather, the restrictions were designed to transfer business from Grameenphone to the other three operators.

"SMP directives should not be used to restrict the ability for entities to grow, innovate and invest."

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CPD to track electoral pledges

STAR BUSINESS REPORT

The Board of Trustees of the Centre for Policy Dialogue (CPD) has advised its professionals to focus on monitoring the implementation of electoral pledges made by political parties ahead of the last national elections.

The board took the decision at its 52nd meeting at the think-tank's office on Tuesday. CPD Chairman Prof Rehman Sobhan presided over the meeting, according to a statement.

The board expressed satisfaction over the CPD's research activities during the July-December period of 2018 on issues such as structural change in readymade garments, youth unemployment, banking sector and

minimum wage.

The trustees were also informed about a number of important events the CPD was planning to organise in 2019.

The events include a national consultation on the Sustainable Development Goals (SDGs).

The think-tank will also be focusing on the theme of localising the SDGs, the statement said. The CPD has been advised to pursue research on power and energy, technological innovation and women empowerment.

The CPD, as the secretariat of international think-tank networks, will be playing a lead role in bringing out the first report on "State of SDGs in Global South".

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Businesses concerned about higher lending rates, default loans

FBCCI, DCCI voice out at separate events

STAR BUSINESS REPORT

The country's two key trade bodies yesterday demanded the central bank bring down the interest rate on lending to single-digit with a view to enabling businesses to flourish.

The call came from the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and the Dhaka Chamber of Commerce and Industry (DCCI) in two

separate events.

The high non-performing loan (NPL) ratio has raised the interest rate by 1 percentage point, said Osama Taseer, the newly elected president of the DCCI, at a press conference at the chamber's office in the capital.

As of September last year, the total NPL in the banking sector stood at Tk 99,370.92 crore, which is 11.45 percent of total outstanding loans -- the highest in

Bangladesh's history.

"The banks do not want to reduce the interest rate to single-digit giving the excuse of higher NPL," Taseer said, adding that the lenders are not following the government instruction of bringing down the interest rate to single-digit.

The central bank should take immediate measures to reduce the mounting NPLs, said FBCCI President Md Shafiqul Islam Mohiuddin in a meeting with Bangladesh

Bank Governor Fazle Kabir.

"This will ultimately help lower the interest rate on lending," he said, while urging the central bank to compel lenders to follow their earlier commitment to keep the interest rate on lending at 9 percent.

Mohiuddin also requested the BB governor to help the businesspeople who have become defaulters for incurring losses.

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FBCCI President Shafiqul Islam along with other leaders meets Bangladesh Bank Governor Fazle Kabir at BB's headquarters in Dhaka yesterday.



DCCI President Osama Taseer speaks at a press meet at the office of the leading chamber in the capital yesterday.

Austria, Bangladesh aim to deepen ties

DIPLOMATIC CORRESPONDENT

Bangladesh and Austria yesterday agreed to work together to deepen and widen the areas of cooperation, particularly in trade, vocational training and renewable energy.

They also expressed hope that a proposed air services agreement would be finalised soon to establish the direct air link between Dhaka and Vienna.

The optimism came forth when Bangladesh Foreign Minister AK Abdul Momen held discussions with Federal Minister for Europe, Integration and Foreign Affairs of Austria Karin Kneissl, who arrived in Dhaka early in the morning on a two-day working visit.

After the meeting, the two ministers told reporters that they discussed current state and prospects of bilateral relations, noting the positive development of cooperation in various areas.

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SHARE PRICE MANIPULATION 16 persons, 3 firms fined Tk 2.29cr

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has fined 16 individuals, including three stockbrokers, and three firms a total of Tk 2.29 crore for manipulating share prices of eight listed companies.

The regulator also warned another 17 individuals for their connection with the manipulation. The decisions came in a commission meeting on Tuesday chaired by M Khairul Hossain, chairman of the BSEC.

In the commission meeting, the BSEC asked its enforcement division to make void or issue a stay on the stock broker licence of Shyamol

Equity Management as the broker still kept Tk 9.56 crore deficit in clients' consolidated accounts.

The BSEC in a statement said Md Saiful Islam, the then assistant vice president of Commerce Bank Securities, was fined the highest Tk 50 lakh as he was directly involved in manipulating share prices of Monno Jute Staffers, Legacy Footwear, Bangladesh Auto Cars, Queen South Textiles, Alif Industries and Eastern Lubricants.

Two other officials of securities firm, Mohammad Saiful Islam, vice president of the stock broker, and Abdul Halim, head of investment, were also fined Tk 25 lakh each.

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Nokia migrates GP users' data to cloud platform

STAR BUSINESS REPORT

Nokia has deployed the country's first hybrid cloud core network in Bangladesh and migrated the data of Grameenphone's 7.2 crore mobile phone subscribers to the platform.

This is Nokia's largest ever migration of customer data to a cloud core platform, according to the officials of the Finnish company.

Nokia deployed the solution in two cities in Bangladesh as part of an agreement with GP's parent company, Telenor, the company said in a statement yesterday.

"This partnership will make Grameenphone's core network ready for 5G," Rashed Haque, head of the Bangladesh customer business team at Nokia, told The Daily Star.

"The partnership will help Grameenphone introduce 5G services quickly when the licence is awarded."

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Three companies return to main market

The stockmarket regulator on Tuesday decided to bring back Monno Ceramics, Monno Jute Staffers and Stylecraft from the spot market to the main one with effect from yesterday.

Last year, the regulator sent the companies to the spot market to rein in their soaring price increase.

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