

Russia keen to invest in Bangladeshi JVs

DIPLOMATIC CORRESPONDENT
The Russian private sector is eager to invest in joint venture projects in Bangladesh, Ambassador of the Russian Federation Alexander Ignatov said yesterday.
The Russian ambassador also expressed his country's willingness in importing medicine from Bangladesh and also showed interest in joint venture investment in pharmaceutical sector.
Ignatov shared the info at his meeting with Foreign Minister AK Abdul Momen at the foreign ministry. During the meeting, the foreign minister sought Russia's support in dealing with the Rohingya crisis,

the ministry said in a statement.
Momen also thanked the Russian government for extending support in establishing the Rooppur nuclear power projects and also for the active collaboration in gas field.
Bangladesh has an investment-friendly environment, the minister said, urging the Russians to invest in different sectors of the south Asian country.
Ignatov assured the foreign minister that his government would continue its cooperation with Bangladesh in power, energy, information communication, trade, defense and other areas of mutual importance.

CPTU gets new director general



Md Ali Noor

STAR BUSINESS DESK
Additional Secretary Md Ali Noor has recently taken over charge as director general of the Central Procurement Technical Unit (CPTU) under IME Division of the planning ministry.
He had previously been serving as managing director of Jibon Bima Corporation since May 7 last year, according to a statement.
Earlier, he worked as additional secretary to the social welfare ministry. Noor completed his graduation and post-graduation in sociology from the University of Dhaka.

India's economy seen losing momentum ahead of election

REUTERS, New Delhi

India's economy appeared to be losing momentum in the approach to a general election that must be held by May, as a Reuters survey of economists forecast that growth slipped to 6.9 percent annually in the October-December quarter.

If the forecast proves accurate, India will post its slowest growth in five quarters, making it harder for Prime Minister Narendra Modi's Bharatiya Janata Party (BJP) to persuade voters that government policies were delivering economic success.

The gross domestic product and the second advance estimates for the 2018/19 fiscal year ending in March will be released on Thursday around 1200 GMT.

Weaker domestic and external demand were key factors behind the economists' expectations of sub-7 percent growth. India would still be growing faster than China's 6.4 percent growth in the same quarter, but its economy has decelerated from the more than two-year high of 8.2 percent growth posted in the April-June quarter.

The current growth numbers may look respectable, but Modi faces a criticism that he has not done enough for the manufacturing sector and create enough jobs for millions of youth entering the jobs market every month.

Growing signs of weakness in India, most alarmingly the desperation of rural communities whose income have been hit by falling prices for farm pro-



A worker cleans the exterior of an office building in Mumbai's central financial district.

duce, forced Modi earlier this month to increase state spending, and make direct cash transfers to farmers. That could marginally help growth rates, but it will increase the government's debt.

This month, the Reserve Bank of India (RBI) cut its policy interest rate by 25 basis points to 6.25 percent, and changed its stance to "neutral" to boost a slowing economy as inflation has come down sharply.

"The economic growth slowed in December quarter following weaker consumption as reflected by auto sales and slowdown in credit after a crisis in

non-banking financial company sector," A. Prasanna, chief economist at ICICI Securities Primary Dealership in Mumbai said.

Prasanna said economic growth in December quarter could fall to as low as 6.4 percent. Economic growth could suffer from a possible slowdown in state spending in the two months before the election.

But, Prasanna and other analysts still expected a pick up in coming quarters due to rising private investments and consumer demand, helped by lower interest rates and a fall in global oil prices.

Govt plans \$1b bond for power, energy

FROM PAGE B1
If one such three-wheeler consumes even only one kilowatt-hour power for recharging, then 50 percent of the vehicles will need about 500 megawatts of electricity every day for recharge purposes, said Khan.

"If we modify the charging system, 10 to 15 percent power can be saved," he said.

Ghulam Mohammed Alomgir, chairman of Max Group, said Bangladesh has solved the problem of power generation. But 80 to 90 percent of the power is generated from imported oil, which is a risky option, he said.

"We need to explore gas and coal mines

and use it for the development of the country," he said. Max Group runs two power plants.

He said a few years ago, there was a huge scarcity of power, but now everybody was talking about smart power systems. "This is the progress in this field."

Khandakar Abdus Saleque, an energy expert based in Australia, urged the government to extract coal.

The conference, the first of its kind in Bangladesh, was jointly organised by the Bridge to Bangladesh, the Economic Relations Division and the Access to Information programme. Some 300 NRB engineers attended the event.



Sabrina Imam, director for IT and corporate marketing at Praava Health Bangladesh Ltd, and Dewan Imteaz Ahmed, head of retail lending products at Brac Bank, attend a deal signing ceremony in Dhaka recently facilitating discounts at Praava Health for the bank's customers.

NRBs seek to develop microchip industry

FROM PAGE B1
SBIT Inc President and Chief Executive Officer Jahangir Dewan, also an NRB, said they were in talks with three to four prospective local investors and they could choose a suitable partner from Dhaka within one week.

"We have concerns over patent issues and the government needs to assure us that none will copy our products," said Dewan.

Both Dewan and Muzumder were talking with The Daily Star on the sidelines of a two-day conference of NRB engineers ending at Pan Pacific Sonargaon Dhaka yesterday.

They met prospective local partners in different meetings on giving two presentations at a session styled "Entrepreneurship in Hi-Tech Industry".

Another prospective investor, Md Enayetur Rahman, president and CEO of Ulkasemi Inc, also plans to invest in the segment and set up an office in Dhaka.

"We need to invest \$200,000 within a year to start the business and that will help employ 50 engineers initially, which will ultimately reach up to 500 within the next five years," he told The Daily Star.

All the investors raised concerns on

patent issues, seeking protection of their ideas and technologies from being copied illegally.

Addressing the session as chief guest, Salman F Rahman, private industry and investment adviser to the prime minister, said they were welcoming and waiting to embrace NRBs and all of the investors' concerns would be mitigated.

"We have a copyright law and if needed, we will modernise it to address copyright issues," said Rahman.

Every businessperson needs to understand that the IoT and artificial intelligence will change the whole business of the world and if Bangladesh fails to sync with it, it will miss the train of the fourth industrial revolution, he said.

Presiding over the session, Hosne Ara Begum, managing director of Bangladesh Hi-Tech Park Authority, urged the NRBs to return with their expertise and invest as the country was running with huge demographic dividends.

"Some 65 percent of our total population's age is less than 35 years and this is our strength and you are in a position to grab the business," she said.

The park authority has created a world-class investment ecosystem while huge tax benefits already exist, she said.

Asian gasoline gets a lift from demand

REUTERS, Singapore

Asia's gasoline margins have recently swung back to a premium after mainly being at discounts since the start of 2019 as rising demand from Indonesia and upcoming refinery maintenance raised supply concerns.

The so-called gasoline crack spread, or the price difference for the fuel versus Brent crude oil, rose to nearly \$1 a barrel on Tuesday, according to data on Refinitiv Eikon. The spread has rebounded from minus \$2.85 on Jan. 30, the lowest since November 2011.

The spread typically trades at a premium to Brent but fell to a discount to the benchmark crude at the end of 2018 because of a supply glut of gasoline in Asia.

Some demand is now appearing to soak up some of that excess supply.

Indonesian state-owned energy firm Pertamina is seeking 2.1 million barrels of 88-octane gasoline for March delivery in two tenders, one being awarded on Feb. 21 and another on Feb. 28, according to the offer documents that were reviewed by Reuters.

Elections and lower fuel prices could be among the reasons behind the additional demand, said four traders who participate in the market, who added that Indonesia's March gasoline imports could reach up to 12 million barrels versus a monthly average of 10 million barrels.

When asked about the higher imports, Pertamina's spokesman said that "everything is in normal condition" and declined to comment further.

Economic zone for Indians gets nod

FROM PAGE B1

The Mirsarai economic zone will be developed with funds from a third line of credit of \$4.5 billion from India. The disbursement of the fund has not started yet.

Besides, Bangladesh is going to set up two more economic zones for Indian investors in Mongla and Bheramara.

After the meeting, Planning Minister MA Mannan told reporters at a briefing that the government has been allocating the special economic zones for investors of different countries like Japan and China to attract more foreign direct investment.

So, there will also be a special economic zone for Indian investors, the minister said.

He said to have instructed the authorities concerned to refrain from acquiring land through the eviction of locals when the economic zone's construction starts.

The area selected for the Indian investors in Mirsarai is empty and has no habitat yet. The Ecne also approved 50 percent additional allowance for 369 specialised officials, including scientists employed at the Rooppur nuclear power plant.

The nuclear power plant project is worth Tk 113,092 crore and is scheduled to be completed by 2025.

The project officials have been working day and night to implement it on time, Mannan said. This is why the government has decided to increase the allowance of those officials, he added.

The government also approved a project revised for a third time on the construction of Lebukhali bridge on the Payra river to facilitate communication between Barishal and Kuakata.

The project's deadline and cost have

both increased.

The cost of Lebukhali bridge's construction was Tk 413 crore and it was supposed to be completed by December 2016.

Now the cost of the construction of this bridge stands at Tk 1,447 crore and the completion of the bridge's construction is scheduled for June 2022.

The cost of the project escalated because of changes in the design and additional land acquisition, according to the planning ministry proposal.

The Ecne also approved a project involving Tk 3,322 crore to set up an electricity transmission line for importing power from India, Nepal and Bhutan. Of the cost, 52 percent will come from a second Indian line of credit.

The 140-kilometre high-voltage electricity transmission line between Barapukuria and Kaliakair is to import 1,600 megawatts of power from Indian conglomerate Adani Group.

Earlier, Bangladesh's power division and Adani Group signed a memorandum of understanding to allow the Indian firm to invest \$2.5 billion to build a 1,600-megawatt coal-fired power plant in the country.

Later, Gujarat-based Adani Power, the largest private sector electricity producer in India, changed its plans. The power will now be generated in Jharkhand of India.

Adani Group is expected to start producing the electricity between 2022 and 2023, said a planning ministry official.

In the future, the proposed transmission line would be used to import electricity from Nepal and Bhutan as well, the official said.

Set up office in Dhaka, pay taxes

FROM PAGE B1

There are more than three and a half crore Facebook users in Bangladesh, helping the firm generate about Tk 1,000 crore every year.

"We told them that we have no intention to block Facebook. If you help us, we will cooperate with you in running your business," said Jabbar.

The minister also asked them to comply with Bangladesh's laws for social issues.

Jabbar also reminded them of the country's laws, cultures, values, rules and regu-

lations and urged the Facebook authorities to abide by those while maintaining all contents.

He also urged them to give an immediate response whenever the government asked to filter any content, which did not match local laws and is harmful for the country.

Bangladesh Telecommunication Regulatory Commission Chairman Md Jahurul Haque and senior officials of the telecom ministry were present.

Most stocks fail to attract foreign funds

FROM PAGE B1

"So, foreign investors cannot trust these companies to go for investment," he said.

Another top stock broker, preferring anonymity, said foreign investors look at the skills of the management, board members, political scenario, and resilience of a company in the event of a shock as well as the growth potential of the related sector.

According to the DSE data, net foreign portfolio investment totalled Tk 8,002 crore as on January 31, which is only 1.92 percent of the total market capitalisation of the DSE.

Brokers, who deal with foreign investors, say when they ask foreigners to invest more on the DSE, they always receive a common reply from investors: there is a scarcity of good stocks.

"Researchers can recommend names of only 30 to 35 companies to meet foreigners' criteria. So, how can they invest more even if they want? Initiatives are needed to enlarge the

list of good companies," Pasha said.

Investors' scope to invest in good companies is also limited, as they cannot buy more than 5 percent of shares of a company, he said.

Rahman recommends that the regulators and merchant bankers work together to bring more stocks that performed well to the market to attract more foreign investment.

Foreign investors hold over 10 percent of stakes in 17 companies while their participation is insignificant in multinational companies, the DSE data showed.

As most of the multinational companies are not going for expansion, their growth potential is not very high though their dividend history is good, Pasha said. "But, foreign investors do not look at the history only; they put more emphasis on potential."

Foreigners own nearly 40 percent of stakes in three of the companies -- Delta Brac Housing Finance, Brac Bank and Olympic Industries.

Rahman said some well-performing companies were listed on the stock exchanges but their price was not lucrative compared to their potential. "Foreign investors don't buy overvalued shares."

Saifur Rahman, spokesperson of the Bangladesh Securities and Exchange Commission, said the commission has already issued a corporate governance code to compel all of the listed companies to follow rules.

"We have already fined some companies for breaching the code," he said, adding that he was hoping for the corporate governance situation to improve.

Mohammad Mohiuddin Ahmed, executive director of Financial Reports Monitoring Division at Financial Reporting Council, agreed that there were some problems in the financial statements of some companies.

"We have already started working to bring truthfulness in financial reporting," he said.



ANM Ziaul Islam Mithu, CEO of Kantar MRB, and K Ramakrishnan, general manager and country head for South Asia at Kantar Worldpanel, attend a tie up of Kantar Worldpanel, which analyses shoppers' behaviour, with Kantar MRB at The Westin Dhaka on Tuesday. A new Kantar Worldpanel service, covering 5,150 households across the country, will provide more granular insights to assist brands and marketing decisions.