

# Shah Cement's vertical roller mill world's largest

The Muktarpur plant sets a Guinness World Record

STAR BUSINESS DESK

Shah Cement Industries has set a Guinness World Record for commissioning the world's largest vertical roller cement mill.

Vertical roller mills are used to grind materials into extremely fine powder.

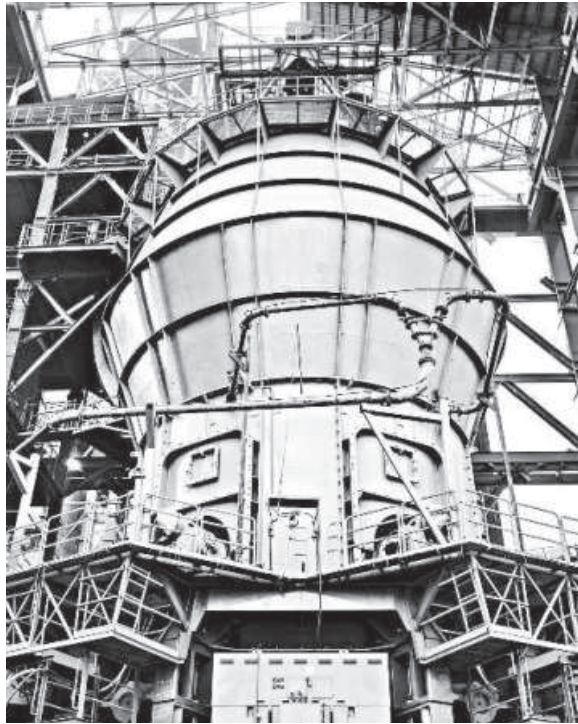
The FLSmidth OK81-6™ vertical mill was manufactured by FLSmidth of Denmark.

It has a grinding table 8.08 metres (26 feet 6 inches) in diameter and six rollers, each 2.64 metres (8 feet 7 inches) in diameter, said the Guinness World Records in its website.

Set up in Shah Cement's Muktarpur plant in Munshiganj, the grinder can produce 15,000 tonnes of cement per day and 60 lakh tonnes per year, the company said in a press release yesterday.

Shah Cement Industries is a concern of Abul Khair Group, a business conglomerate in Bangladesh.

The group's brand and marketing director, Naushad Chowdhury, said the



vertical roller mill was set up to expand the cement maker's capacity, produce customised cement for mega development projects and "ensure consistent high quality in every bag" of cement.

## India's sugar output drops 54pc as mills delay crushing

REUTERS, Mumbai

Indian mills produced 1.9 million tonnes of sugar between Oct. 1 and Nov. 30, down nearly 54 percent from a year earlier, with many yet to start crushing operations, the Indian Sugar Mills Association (ISMA) said on Tuesday.

The country is the world's biggest sugar producer and lower output could support global prices.

By the end of November, 279 sugar mills had started crushing operations, down from last year's 418 mills, the ISMA said in a statement.

Mills in the western state of Maharashtra, which was hit by drought and then floods, have produced 67,000 tonnes of sugar during the two-month period, compared to 1.9 million tonnes a year ago, the ISMA said.

India's sugar output in 2019/20 could fall 20 percent to 26.3 million tonnes, the lowest level in three years, a senior industry official said in September, after drought last year forced farmers to curb cane planting and flooding damaged crops in key growing areas in August.



STANCHART

Md Abdul Kader Joaddar, chief financial officer of Standard Chartered Bank Bangladesh, poses with a Bank of the Year Bangladesh 2019 award presented by English international financial affairs monthly The Banker at an event in London recently.

## Private credit growth falls to nine-year low

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The central bank official went on to express fear that the private sector will face more impediments in the days ahead as the government is in a mad rush to borrow from the banking sector in the face of falling revenues.

As of November 21, government

borrowing from the banking sector was 90 percent, Tk 42,607 crore, of its annual limit set in the budget. In contrast, Tk 26,446 crore was borrowed in the entire 2018-2019 fiscal.

Now, the government plans to borrow an additional Tk 4,555 crore in December as its account had

around Tk 6,000 crore deficit on November 28.

The private sector will be crowded out if the government continues its borrowing from banks at the current pace, the BB official said, adding that the government should speed up revenue collection in the interest of banks and the private sector.

# US may increase tariffs after WTO rejects EU claims over Airbus

REUTERS, Paris/Brussels

The World Trade Organization on Monday rejected European Union claims that it no longer provides subsidies to planemaker Airbus, prompting the United States to say it could increase retaliatory tariffs on a wider range of European goods.

A new compliance report from the Geneva trade watchdog found that the Airbus A380 and A350 jetliners continue to be subsidized as a result of past European government loans.

US Trade Representative Robert Lighthizer said the decision affirmed that European subsidies to Airbus continued to harm the US aerospace industry, and strong action was required to eliminate such market-distorting subsidies.

It was the latest salvo in a record transatlantic trade dispute involving mutual claims of illegal aircraft subsidies, which comes to a head at a time of rising global trade tensions and has grabbed the attention of financial markets this year.

The United States was in October awarded the right to impose tariffs on \$7.5 billion of annual EU imports in its case against Airbus. It placed partial tariffs on most Airbus jets and products from cheese to olives and single-malt whisky.

A decision on retaliation rights for the EU in a parallel case on aid for Boeing is due next year.

Officials on both sides have expressed support for a negotiated settlement, while accusing the other of failing to take the prospect of a negotiated solution seriously.

In Monday's finding, a three-person panel

rejected EU claims that a recent decision by Airbus to stop producing the slow-selling A380 meant the giant airliner could no longer be seen as a threat to Boeing, whose competing 747 is also out of fashion.

While the WTO no longer faulted Airbus for causing lost sales to Boeing with the A380, which is no longer marketed, it ruled that the superjumbo would cause market-share damage to Boeing for as long as it is produced and delivered.

Airbus plans to shut production in mid-2021.

The WTO appeared to strengthen findings against the A350, saying it had both cost sales and damaged Boeing's market-share prospects - a process called impedance - in the busier twin-engine long-haul market where Boeing offers its 787 Dreamliner.

A previous WTO ruling had focused only on lost sales.

The latest report put the world's largest corporate trade dispute squarely on the agenda for new EU Trade Commissioner Phil Hogan, who started his term on Sunday.

The Commission said the new findings contained serious legal errors and that it would consider its next steps, including a possible appeal, while seeking an accord with the United States.

USTR, which imposed tariffs of 10 percent on large civil EU aircraft and 25 percent on selected farm and other products in October, said it would look at raising tariff rates and subjecting additional EU products to the tariffs. It gave no immediate details on the size of the possible increases, or which products could be added to the current list.

As so often following the dozens of rulings in the 15-year-old trade case, Airbus and Boeing were left starkly at odds.

Boeing claimed a complete loss for its European rival Airbus, which it said continued to harm the US aerospace industry by receiving billions of euros in illegal aid.



REUTERS/FILE

An Airbus A350 takes off at the aircraft builder's headquarters in Colomiers near Toulouse, France.

## India's November gold imports jump to 5-month high as prices retreat

REUTERS, New Delhi/Mumbai

India's gold imports in November jumped 78 percent from a month earlier to the highest level in five months as jewellers in the world's second-biggest market for the metal restocked after a fall in prices, a government source said on Tuesday.

Higher imports by the South Asian country could support global prices that have risen more than 12 percent so far in 2019, but could also widen India's trade deficit and put pressure on the rupee. India fills nearly all of its gold demand through imports.

India imported 71 tonnes of gold in November, compared with 40 tonnes in October, the source said on condition of anonymity as he was not authorised to speak to media.

Imports were down 16 percent from November 2018, however, he added.

Gold prices corrected after the Diwali festival, giving an opportunity for jewellers to replenish inventory, said Mukesh Kothari, director at Mumbai bullion dealer RiddiSiddhi Bullions.

Indians celebrated the Dhanteras and Diwali festivals in October, when retail demand for gold peaks as it is considered auspicious and invokes lasting prosperity.

In November, local gold futures fell to 37,477 rupees (\$522.18) per 10 grams after hitting an all-time high of 39,885 rupees in September. In value terms, November imports totalled \$2.94 billion, slightly higher than last year's \$2.76 billion, the source said.

Gold started trading at a premium in India to the official domestic price last month for the first time in 5-1/2 months on an improvement in demand from jewellers, which prompted refiners to increase gold dore imports, said a Mumbai-based bullion dealer at a gold importing bank.



REUTERS/FILE

A sales person shows a gold ring to customers at a jewellery showroom in Ahmedabad.

## Tractor sales drop

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In October 2017, the government asked Bangladesh Road Transport Authority to restrict vehicles on highways that are incapable of running at 60 kilometres per hour, to reduce road accidents.

Though the highway bar was imposed for the vehicle's slow pace, it could reach speeds of up to 40 to 50 km/hour.

Sadid Jamil, managing director of The Metal, whose TAFE and Eicher branded tractors have around 38 percent market share, attributed the sales decline to the stagnancy of the sector, which is an outcome of the falling prices of agri products.

He too spoke of the growers not getting fair prices, which was prompting many to lose interest in farming.

Moreover, banks do not provide loans for tractor purchase and while The Metal does make sales on credit, he said.

AK Sarkar, executive director of Karnaphuli, the distributor of India's Mahindra tractors, said the charge for ploughing has dropped to around Tk 800 or Tk 900 an acre from Tk 1,500 four to five years back.

This drop has caused some tractor owners to miss instalment payments, he said. The tractor owners are now struggling to earn enough money from just ploughing land because of the higher availability of tractors in the market, Sarkar said.

The government could impose the highway ban just on tractors which are carrying loads, he recommended.

## Chile unveils \$5.5b stimulus plan as economy shrinks

AFP, Santiago

Chile launched a massive \$5.5 billion stimulus package after data showed its economy contracted 3.4 percent in October -- the largest year-on-year drop in a decade -- as widespread social unrest continues.

The package unveiled by Finance Minister Ignacio Briones on Monday includes boosting 2020 public spending by \$3.03 billion, to support small, medium and large businesses.

Another \$525 million are earmarked for other initiatives like the renovation of the metro system in Santiago, which has sustained serious damage since protests erupted on October 18. "Estimates show that this agenda will generate 100,000 new jobs next year," Briones said.

But the measures will mean a real increase in public spending next year of 9.8 percent as compared to 2019, pushing the fiscal deficit up to 4.4 percent of gross domestic product. "Like any Chilean household that faces unforeseen trouble, we will turn to our savings and our borrowing capacity, while remaining aware that both have limits that cannot be exceeded," Briones said.

The government announced the stimulus measures after the central bank reported the worrisome GDP figures for October. The 3.4 percent drop was far greater than the one percent decrease anticipated in official estimates, and represented the economy's worst performance since 2009 at the height of the global economic crisis.

"Economic activity during the month was affected by the drop in services, commerce and manufacturing," the central bank said.

Mining activity -- Chile accounts for nearly a third of the world's copper production -- grew by two percent, but non-mining sectors contracted by four percent, the bank said.

## Bandwidth export to India grinds to a halt

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Initially, the price was \$10 per Mbps and BSCCL earned Tk 9.6 crore in the first year. Later, the price was revised down twice to bring it to \$6 per Mbps. Still, BSNL has been unable to pay dues since September 2018.

The deal will be over on February 8 and the bandwidth transmission to India's Northeastern state of Tripura will be suspended on the same day, said Rahman.

The Indian company owes Tk 6.39 crore to BSCCL and Rahman said they are not sure how they would recoup the dues.

But when the deal was struck, BSNL had said it wished to increase its bandwidth intake up to 100 Gbps within a year, according to Rahman. But BSNL never consumed 10 Gbps bandwidth despite huge demand in Tripura. India's private sector has outplayed BSNL, whose consumption has never exceeded more than 8 Gbps.

BSCCL was receiving Tk 5.46 crore annually from its business with BSNL, whereas there are local clients in Bangladesh that contribute about Tk 50 crore in revenue to the lone submarine cable company in Bangladesh.

"So, business-wise, it was not so big, but it was a matter of pride for the country," Rahman said.

Posts and Telecom Minister Mostafa Jabbar said he has no knowledge about the recent development but if the neighbouring country discontinues the business it will not be a matter of concern for BSCCL.

BSCCL now supplies about 800 Gbps of bandwidth to the local market and another 600 Gbps is coming from India through the western border of Benapole, he said.

"Therefore, 10 Gbps is tiny volume and we shouldn't be worried about it," said Jabbar.

BSCCL is a profitable company and raked in Tk 58.58 crore in net profits in 2018-19 fiscal year. Its revenue will grow in the coming days, the minister said.

"When we commenced exporting the bandwidth, Tk 10 crore mattered, but at this moment, Tk 6 crore is not a big issue for BSCCL."

BSNL has been reporting losses since 2010, and the loss is estimated to balloon to 14,202 crore rupees in FY19, according to a report of Indian news agency Business Standard.

The public sector firm's provisional loss was 4,859 crore rupees in 2015-16, which was 4,793 crore rupees in 2016-17, and 7,993 crore rupees in 2017-18.

Rahman said though BSNL asked to discontinue the deal, the state governments of Meghalaya and Assam are contacting them to import a huge volume of bandwidth.

"One of the consultants of the state governments has already sought a proposal from us and a Bangladeshi company is in talks with us to fast-track the process," he added. The government owns 73.84 percent stake in BSCCL, a listed company, while institutional investors own 11.20 percent, foreign investors 3.03 percent, and the general public 11.94 percent.

It currently has two undersea cable connections - SEA-ME-WE 4 and SEA-ME-WE 5 - with a combined capacity of 2,600 Gbps. The state-owned firm is now planning for a third cable to meet the growing demand.

## DSE loses 65 points in two days

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On the other hand, foreign investors are worried over chances of further depreciation of the local currency against the greenback. So, they are selling their stocks, he added.

Yesterday, the DSEX, the benchmark index of the DSE, edged down by 37.24 points to 4,697.35. Turnover, another important indicator, dropped by 14.53 percent to Tk 412.37 crore.

Of the traded issues, 118 advanced, 199 declined and 32 remained unchanged.

LafargeHolcim Bangladesh dominated the turnover chart with transactions of Tk 16.13 crore, followed by Sonar Bangla

Insurance, Stylecraft, Dutch-Bangla Bank and Sinobangla Industries.

Zaheen Spinning Mills was the day's best performer with a 9.78 percent gain while Samorita Hospital was the worst shedding 7.82 percent.

Chattogram stocks also edged down with the bourse's benchmark index, the CSCX, decreasing 64.84 points, or 0.74 percent, to finish the day at 8,685.67.

Losers beat gainers as 78 advanced and 187 declined while 32 finished unchanged on the Chittagong Stock Exchange.

The port city bourse traded shares and mutual funds worth Tk 22.19 crore.