

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.75%	▼ 0.80%	\$1,947.31	\$51.68	▲ 0.54%	▼ 0.37%	▲ 0.03%	▲ 0.73%	BUY TK 83.95	101.96	113.14	12.83
5,609.70	9,791.47	(per ounce)	(per barrel)	48,437.78	27,158.63	2,859.68	3,528.68	SELL TK 84.95	105.76	116.94	13.49



# Star BUSINESS

DHAKA WEDNESDAY JANUARY 6, 2021, POUH 22, 1427 BS • starbusiness@thedailystar.net

## Hyundai cars to be assembled locally

Fair Tech to invest \$125m for plant, signs deal for land

STAR BUSINESS REPORT

Fair Technology yesterday came one step closer to realising its plans to assemble Hyundai vehicles in Bangladesh to catch up with the demand from a burgeoning middle class.

The concern of Fair Group signed a contract with Bangladesh Hi-Tech Park Authority (BHTPA) to establish a plant on six acres of land.

"We hope to invest \$125 million in the next three to five years to develop facilities. Our target is to start commercial production by the second quarter of 2022," said Chief Marketing Officer Mohammed

Mesbah Uddin.

The plant will be able to annually churn out 5,000 vehicles. Plans are to initially assemble 1,000 vehicles, he said after signing the agreement at The Westin Dhaka in presence of State Minister for ICT, Zunaid Ahmed Palak.

BHTPA Managing Director Hosne Ara Begum and Fair Technology Managing Director Ruhul Alam Al Mahub represented their respective sides, according to a press statement.

South Korean Ambassador to Bangladesh Lee Jang-keun and Senior Secretary to the ICT Ministry NM Zeaul Alam were also present.

READ MORE ON B3



Fair Technology signed a contract with Bangladesh Hi-Tech Park Authority

It will invest \$125m in the next three-five years

Production may begin in 2022

The plant will have capacity to assemble 5,000 cars a year

Initial production capacity will be 1,000 units

Fair Tech estimates that 25,000 to 30,000 cars are sold annually in Bangladesh

## Importers get nod to buy 330,000 tonnes of rice

SOHEL PARVEZ

The government has given the nod to private firms to import 330,000 tonnes of rice as it looks to increase the supply of the staple grain in the domestic market to curb spiralling prices.

Until yesterday, the food ministry approved 29 applications from rice millers and traders to import rice. The food ministry is likely to permit more traders in the coming days.

"We will continue to import until the market becomes stable. We will stop if we see farmers do not get fair prices for their produce," said Food Secretary Mosammat Nazmanara Khanum.

The approval came less than a week after the government, apart from buying through the Directorate of Food, announced its decision to allow the private sector to buy rice from international markets to contain prices, which have been soaring for the last one year on the speculation of a reduced

yield.

Prices of coarse rice, mainly consumed by low-income groups, registered the sharpest increase.

The retail price of the coarse grain was Tk 46-Tk 50 a kilogram yesterday, up 48 per cent from a year ago, data from the Trading Corporation of Bangladesh showed.

On December 28, the food ministry wrote to the commerce ministry and the National Board of Revenue to take steps to cut the import tariff on rice to 25 per cent from 62.5 per cent to facilitate the import.

It said it would permit to import based on the application from the private sector.

In its permission issued on January 3, the food ministry allowed 10 firms to bring in 105,000 tonnes.

Twelve firms got the consent to buy 160,000 tonnes on January 4, and another seven yesterday to import 65,000 tonnes of rice.

READ MORE ON B3



## Sino-Bangla investment summit on January 25

STAR BUSINESS REPORT

Bangladesh Investment Development Authority (Bida) yesterday joined hands with Standard Chartered Bangladesh to work together to bring in more foreign investment.

The country's apex investment promotion body and the British multinational bank will collaborate on marketing and trade exchange initiatives that will help companies invest in Bangladesh.

Abdul Hamid, secretary to Bida, and Mohammad Enamul Huque, head of local corporate at Standard Chartered Bangladesh, signed a memorandum of understanding in this regard at Bida's office in the capital's Agragaon.

READ MORE ON B3

## Keya up the creek

Potential bad debts of Tk 705cr loom over the cosmetics company

STAR BUSINESS REPORT

Keya Cosmetics is now in deep trouble, as potential bad debts of around Tk 705 crore in the form of trade receivables loom over the once popular household name.

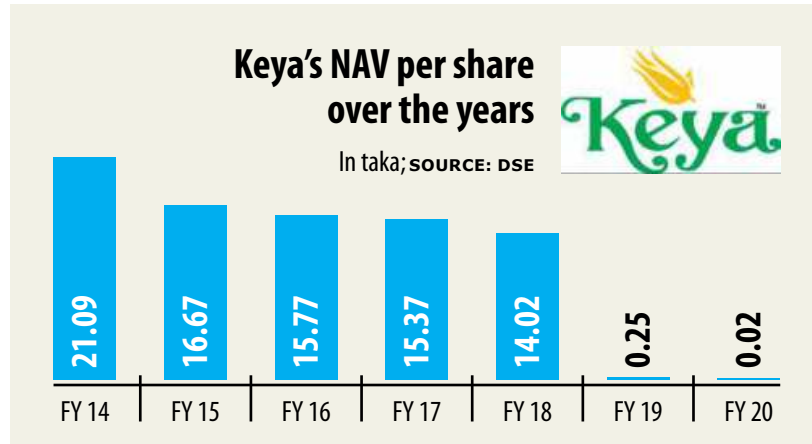
Trade receivables are amounts owed to a business by customers following the sale of goods or services on credit.

The company kept a provision for the "remarkable amount" in its financial reports for the year ending on June 30, 2019 as bad and doubtful debts against recovery of trade receivable, said the company's auditor in an observation.

"It is now under consideration for a final declaration as bad debt after detailed investigation by the management," read the remark published by Dhaka Stock Exchange (DSE) on its website yesterday.

Incorporated in 1996, the company came to stand out as one of the popular cosmetics brands but its glory days are now fading.

Subsequently, repeated announcements were made for its



shareholders informing that its sponsors, including Chairman Abdul Khaleque Pathan, want to offload their shares.

Though it declared 2 per cent stock dividend for the year ending on June 30, 2020, the auditor revealed that it has been suffering from a huge amount of trade receivables.

The dividend declaration caused

its stocks to rise to Tk 8 from Tk 2. However, the stocks dropped 1.56 per cent to Tk 6.30 yesterday.

"We are trying to recover the amount so if it returns then it would show in income. But if it is not possible then a final declaration would come," said its chief financial officer, Humayun Kabir.

READ MORE ON B3

## Stock turnover hits decade high

Index drops on profit booking

STAR BUSINESS REPORT

Stock prices dropped yesterday as investors were more inclined towards profit booking but turnover rose to Tk 2,546 crore, a decade high, led by trade of Robi, Grameenphone, Beximco Pharmaceuticals and banking shares.

The DSEX, the benchmark index of Dhaka Stock Exchange, fell 42 points, or 0.56 per cent, to 5,609.

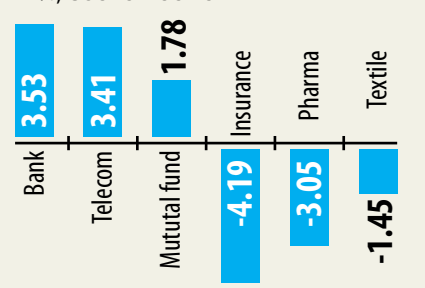
The telecom and banking sectors saved the day in preventing a deep fall although the first half hour of trade made gains of around 140 points. Banking stocks normally rise in the December-January period because it marks the end of their financial year, said a merchant banker.

But this year banking stocks stayed nearly dormant because investors' trust on their assets' quality has waned, he said, adding that the pandemic intensified the tension.

Investors poured some funds into banking stocks yesterday considering the fact that the sector remains at a very low level, he said.

### SECTOR-WISE RISE ON DSE

In %; SOURCE: UCB CAPITAL



Of 30 listed banks, 27 witnessed a rise, one a drop and two stayed as they were.

Banking stocks rose 3.53 per cent while telecom 3.41 per cent, according to UCB Capital Management.

If banks can return to good business then stock investors will again invest here and the stock market will also be benefited because this is still a large sector in terms of capital, added the merchant banker.

READ MORE ON B3

## Inflation averages 5.69pc in 2020, a 3yr high

AKM ZAMIR UDDIN and REJAUUL KARIM BYRON

Average inflation rose to a three-year high of 5.69 per cent in the just-concluded calendar year as food prices maintained an upward trend for most of 2020.

In December, the average Consumer Price Index (CPI), however, fell to 5.29 per cent, the lowest in 47 months, driven by a significant drop in food prices.

December's figure was 23 basis points lower than the CPI in November as it fell to its lowest level since February 2017, data

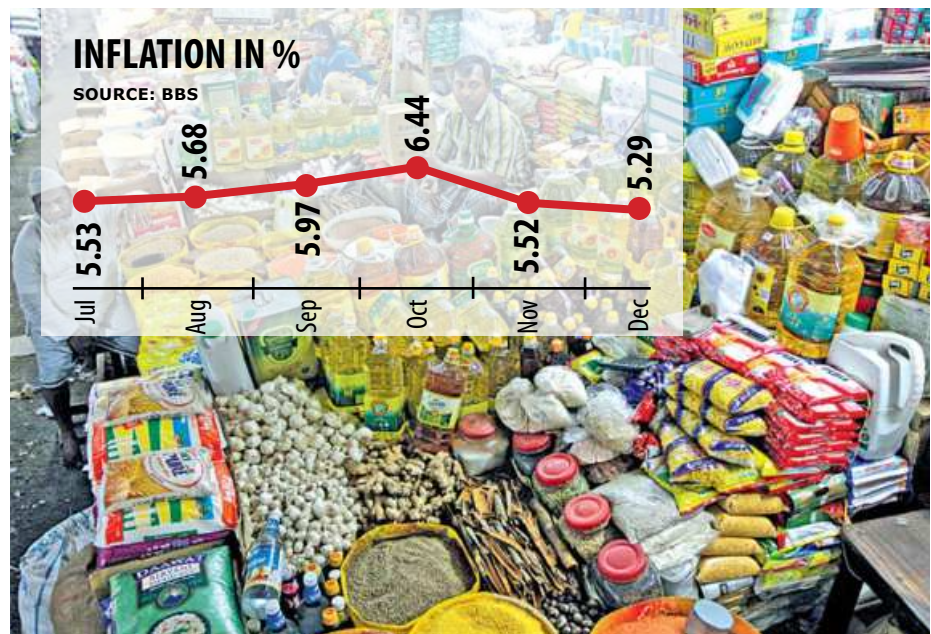
from the Bangladesh Bureau of Statistics (BBS) and the central bank showed.

In December, food inflation declined 0.89 percentage points to 5.34 per cent compared to the previous month.

Non-food inflation increased 19 basis points to 5.21 per cent.

Inflation had continued the upward trends between July and October due to a price hike of rice and vegetables in the wake of crops damaged by floods and rains.

READ MORE ON B2



## Exports slip slightly

Fetch \$19.23b in Jul-Dec

STAR BUSINESS REPORT

Merchandise shipment declined 0.36 per cent year-on-year to \$19.23 billion in July-December 2020 as Bangladesh's major export destinations continued to struggle to tame the rising coronavirus infections, official data showed.

Earnings from the apparel shipment, which typically contributes 84 per cent to the national exports, dropped 2.99 per cent to \$15.54 billion, according to data from the Export Promotion Bureau (EPB).

Of the export receipts, \$8.52 billion came from knitwear shipment, up 3.9 per cent from a year ago. Woven exports declined 10.22 per cent to \$7.01 billion.

Despite the pandemic, the knitwear shipment rose as people mostly wear casual dresses as they stay indoors and work from home because of the health crisis.

Merchandise exports in December declined 6.11 per cent year-on-year to \$3.3 billion. Last month's receipts were 6.13 per cent shy of the monthly export target of \$3.5 billion.

Garment export was down 9.64 per cent in December as the pandemic continues to batter the global economy.

Last month, woven garment



export posted the worst performance since June plummeting 18.07 per cent. Knitwear export fell 0.45 per cent.

Overall, the garment export witnessed an unprecedented 16.94

per cent year-on-year decline in 2020, according to exporters.

"Given the effects of the lockdowns in Europe and the US and their impact on retail and demand, the worst-ever Christmas

sales, and the effect of price decline, it was a dark year for the industry," said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association.

READ MORE ON B3