

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.32%	▲ 0.16%	\$1,844.36	\$55.56	▲ 1.72%	▲ 1.39%	▲ 0.18%	▼ 0.83%	BUY TK 83.95	100.51	113.31	12.73
5,820.80	10,193.34	(per ounce)	(per barrel)	49,398.29	28,633.46	2,995.92	3,566.38	SELL TK 84.95	104.31	117.11	13.39



Star BUSINESS

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Jute exports on the mend Jute prices go thru the roof

SOHEL PARVEZ

Bangladesh's jute industry is passing exceptional times.

With raw jute trade at a historic high amid scarcity resulting from low yield, export earnings are surging.

However, millers said much of the growth in export receipts of jute yarn, twine, sacks and bags are the result of a price increase.

The volume of shipments increased too but the extent of growth was not as much as the spike in value growth.

Data from the Export Promotion Bureau (EPB) showed that export earnings from the main exportable yarn and twine soared 42 per cent year-on-year to \$449 million in the July-December period of fiscal 2020-21.

Similarly in case of jute sacks and bags, exporters fetched 56 per cent higher earnings to \$92 million in the fiscal's first half.

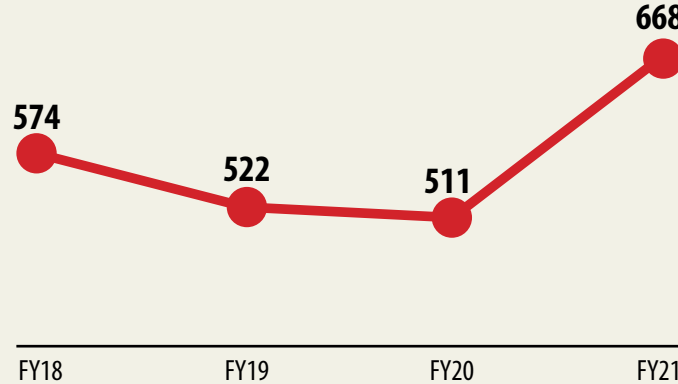
Millers said sales of 100,000 bales of previous stocks of jute sacks by state-run Bangladesh Jute Mills Corporation and private mills and higher demand for new carpets in the West amid increasing stays at homes for lockdowns buoyed shipments of jute yarn.

Yet the extent of growth has been much lower than the spike in value of exports.

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EXPORT EARNINGS FROM JUTE AND JUTE GOODS

In million \$; July-Dec period; SOURCE: EPB



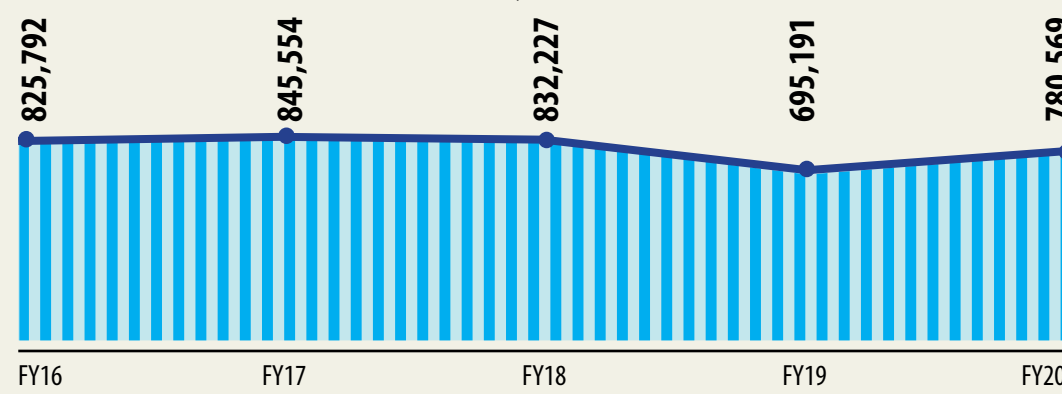
THINGS TO KNOW

- Production affected for floods, unfavourable weather
- Prices of raw jute soared to highest levels
- Export earnings balloon
- Millers say growth in export quantity is lower than value
- High prices to affect small and weak mills
- Some millers warn of production cut, suspension



JUTE GOODS EXPORT OVER THE YEARS

In tonnes; SOURCE: BJSJA



Hit record high amid supply crunch in Faridpur markets

SUZIT KUMAR DAS, Faridpur

Jute prices have doubled to hit Tk 4,000-4,200 a maund in Faridpur, the biggest grower of the fibre in Bangladesh.

Traders in the district have blamed the price spiral on the poor supply of the item in the market.

"The price per maund of jute was Tk 2,200-2,400 during the harvesting season in the July-August period, which has increased to Tk 4,200 now. But the growers are not getting the benefit," said Jewel Munshi, a jute trader of Nagarkanda bazar.

The 30-year-old trader also alleged that a group of middlemen has created the crisis by storing a major portion of jute, which they collected during the harvesting season at low prices.

"They are now releasing the jute at high prices. Some of them are even mixing water and sand with the jute to make them heavier and bag more profits."

Most of the jute growers sold their produce during the harvesting season, when the government exported a big amount of jute abroad, said Ananda Saha, another jute trader of Kanaipur bazar under Sadar upazila.

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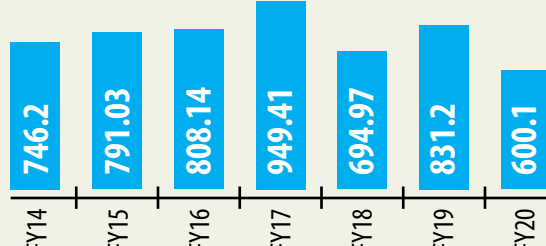
DUTY-FREE ACCESS FOR 97PC GOODS

Export potential in China market remains untapped for pandemic



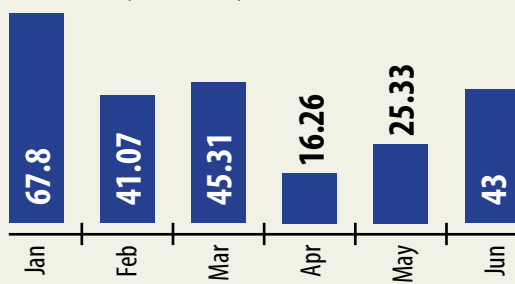
EXPORT TO CHINA OVER THE YEARS

In million \$; SOURCE: EPB



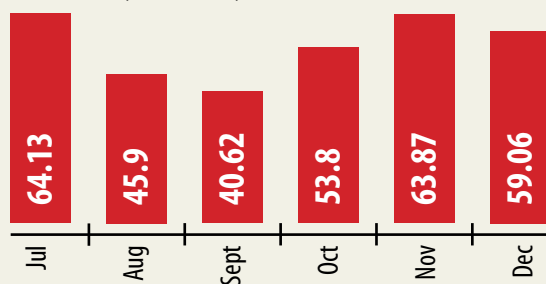
EXPORT BEFORE DUTY-FREE ACCESS

Jan-Jun 2020; in million \$; SOURCE: EPB



EXPORT AFTER DUTY-FREE ACCESS

Jul-Dec 2020; in million \$; SOURCE: EPB



REFAYET ULLAH MIRDHA

Despite the duty-free market access for 97 per cent goods, Bangladesh could not seize the opportunity for most of last year because of a lack of diversified goods and the fallouts of the coronavirus pandemic.

Beijing extended the duty-free access to 97 per cent of Bangladeshi goods in July last year, bringing 8,256 products under the tariff-free regime. Shipment to China stood at \$566.15 million in 2020, according to data from the Export Promotion Bureau (EPB). It was \$238.77 million in the January-June period and rose to \$327.38 million in the second half.

"The export to China in the second half was supposed to jump massively because of the duty privilege. But unfortunately, the fallouts of the Covid-19 impacted the overall business badly last year," said MA Razaque, research director of the Policy Research Institute of Bangladesh (PRI).

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BSEC to ensure proper distribution of dividends

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has ordered issuers to maintain detailed information on shareholders in a bid to ensure the proper distribution and utilisation of dividends.

This includes information on a shareholder's BO account and bank account as well as their mobile phone number, email and home address.

The information must be updated at least once a year, according to the BSEC order issued recently.

The Central Depository of Bangladesh will provide such information to the issuer for the purpose of proper distribution of cash or stock dividends, it said. At present, undistributed dividends amounting to around Tk 21,000 crore remains idle in the accounts of listed companies.

Prof Shibli Rubayat Ul Islam, chairman of the BSEC, recently said the amount would be given to the Investment Corporation of Bangladesh (ICB) as a stabilizing fund.

"If the owners don't claim the money then it will be used for fund management," he added. The BSEC also issued a directive saying that issuers should have a dividend distribution policy and it should be disclosed in the company's annual report or official website.

The listed companies shall pay off the annual or final dividend within 30 days of approval. Within ten days of declaration of cash dividends, an amount equivalent to the declared dividend payable for the concerned year shall be kept in a separate bank account dedicated for this purpose.

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Foreign-owned firms can get funds from abroad easily

STAR BUSINESS REPORT

Bangladesh Bank yesterday eased the rules for service sector industries that are owned or controlled by foreign entities to avail short-term working capital loans from their parent companies or shareholders.

Previously, only manufacturing companies were allowed to enjoy the facility but the new rule has widened the scope to a large extent, according to a central bank notice.

The companies concerned can avail short-term loans from their parent companies or shareholders abroad for up to 6 years after beginning their service output activities, as per the revised rules.

This means the central bank has extended the timeframe by three years from the previous eligible period of 3 years.

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Royal Enfield bikes may hit Dhaka roads soon

Ifad Autos signs primary deal with the manufacturer

JAGARAN CHAKMA

Bikers in Bangladesh are one step closer to ride a high-capacity motorcycle after Ifad Autos signed a memorandum of understanding with British-bred Royal Enfield to import the famous two-wheelers.

Founded in 1955, Royal Enfield is one of the world's oldest two-wheeler brands still in operation. Since 1994, it has been owned by India's Eicher Group.

Ifad Autos will market the bikes of Royal Enfield, said Taskeen Ahmed, managing director of Ifad Autos.

The local company is the distributor of India's TVS-branded motorcycles and the commercial vehicles of Ashok Leyland.

However, the government has to change rules to allow the import of high-capacity bikes. Currently, bikes with a capacity of up to 165cc can be imported, according to the Import Policy Order 2015-2018 of Bangladesh.

Royal Enfield makes motorbikes in the mid-segment market with a capacity of 250cc to 750cc, according to a news article of the BBC.

Bike manufacturers and assemblers have



requested the government to allow them to manufacture up to 500cc motorcycles for the export market. The government has said it would allow them to make bikes of up to 350cc, Ahmed said.

"After the government approval, we will bring in some bikes of higher capacity. Then we will decide what can be done," he said.

Ifad Autos is thinking of manufacturing high-capacity bikes to keep the price within the buying power of consumers. Royal Enfield bike will cost Tk 3.5 lakh to Tk 4 lakh.

Some 500,000 units of motorcycles are sold in Bangladesh every year. Of them, 35,000 are high-end.

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Runner to bring KTM motorcycles



JAGARAN CHAKMA

The famed KTM motorcycles will be available in Bangladesh from January 25, thanks to Runner Automobiles.

In early August 2020, the Runner announced an agreement with Bajaj Auto that part-owns the Austrian bike brand to become its authorised distributor.

Initially models Duke 125 and RC 125 will be launched. "Both models are premium and the price range will be between Tk 3.5 lakh to Tk 4 lakh," said Amid Sakif Khan, marketing director of Runner Group.

According to him, around 15 per cent of current motorcycle sales in Bangladesh were of the premium segment and their target was to acquire an around 4 per cent market share.

Now, the annual demand for motorcycles is around 500,000 units and from the premium segment it is around 35,000 units.

Khan said the demand for premium motorcycles was going to increase in line with the economic development of the country.

Thereby, he believes their two models will win over motorcycle enthusiasts. He said initially the two models will be available at their Tejgaon showroom in the capital. "Gradually we will appoint dealerships across the country to enhance the market," said Khan.

Runner is even committed to make spare parts and after sales service available for the consumers, he noted.

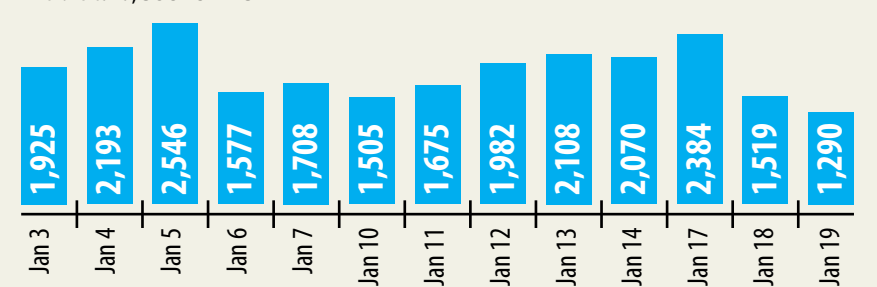
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Insurance leads stocks' gain

Energypac Power soars 50pc on debut

DHAKA BOURSE'S TURNOVER

In crore taka; SOURCE: DSE



STAR BUSINESS REPORT

Insurance stocks led the capital market yesterday thanks to a regulatory order to abide by rules, including maintaining the minimum paid-up capital requirement.

The DSEX, the Dhaka Stock Exchange's (DSE) benchmark index, rose 19 points, or 0.32 per cent, to 5,820 yesterday.

Among the listed 49 insurance stocks, 46 advanced and the rest remained unchanged. The Insurance Development and

Regulatory Authority (IDRA) issued an order on January 17 asking all insurance companies to raise sponsor shareholdings to 60 per cent and maintain a minimum paid-up capital of Tk 30 crore to 40 crore.

The regulator also asked them to inform of compliance within 30 working days.

Life insurance companies need to maintain a minimum paid-up capital of Tk 30 crore. For non-life insurers it is Tk 40 crore.

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