STOCKS		COMMODITIES		ASIAN MARKETS			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.73%	▲ 0.64%	▲ $1,784.96 (per ounce)	▲ $68.21 (per barrel)	▲ 0.26%	▼ 1.62%	▼ 0.63%	▲ 0.03%
6,748.92	11,777.60			55,582.58	27,523.19	3,145.52	3,517.34

CURRENCIES — STANDARD CHARTERED BANK

	USD	EUR	GBP	CNY
BUY TK	83.95	97.90	115.41	12.72
SELL TK	84.95	101.70	119.21	13.38

Star BUSINESS

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New plants stuck in pandemic

Many factories can't kick off production while burden of loans, other expenses gets heavier

Jagaran Chakma

For one and a half years, Premier Cement has repeatedly pushed back its plan to start the commercial production at a newly built manufacturing unit in Chattogram.

The facility with a 270-tonne hourly production capacity was ready to take off in March 2020. But Premier Cement had to halt the inauguration after the coronavirus hit the country.

The cement maker moved the opening of the factory to November. However, it could not do so. Its plan to roll out the unit in March this year also did not materialise because of the second wave of infections.

Premier Cement had planned to start the production in June. Accordingly, it hired technicians from China and Germany. However, six technicians tested positive for coronavirus, forcing the manufacturer to push back the inauguration again.

The delay means sales opportunity losses and pressure to pay back bank loans even though there is no revenue from the new project. In addition, the project cost has risen by 20 per cent, the company says.

"It is a harsh reality, and we have to accept this," said Mohammed Amirul Haque, managing director of Premier Cement.

The unit is one of the two plants that Premier Cement has built by investing Tk 1,300 crore in order to grab a greater share of the fast-growing cement market in Bangladesh.

Demand for cement has gone up, driven by consumption by public and private construction and exports, particularly to the northeastern states of India.

Premier Cement's second unit in Narayanganj, which has a capacity of producing 460 tonnes of the vital construction material per hour, also faces delay. It is yet to get any gas and power connections.

Likewise, the investment of TK Group, Meghna Group of Industries (MGI), Nitol Niloy Group, Asian Paints, McDonald Steel, Nippon Steel of Japan, and many other firms is stuck as their almost ready factories cannot go into operation because of the pandemic.

Yet, the burden of loans and other operational expenses is growing, and the prospect of returns from the new investment is delayed.

This happens when policymakers are trying to attract investors to the country, which has been suffering from sluggish private investment.

Private investment fell to its lowest level in 14 years in the last fiscal year owing to the lingering uncertainty caused by the pandemic and continuing structural weaknesses.

Entrepreneurs say many have kept their investment plans on hold and are waiting for things to return to normalcy. But there is no sign that the pandemic is petering out.

The companies that started the construction of projects before the pandemic have fallen into difficulty. TK Group is one of them.

The conglomerate has not been able to start the commercial operation of two of its factories -- a PVC plant and a blue plant -- at Meghnaghat in Narayanganj due to the impact of the pandemic, said Md Shafiul Ather Taslim, director for finance and operations of TK Group.

The group set up all machinery, and the factories were ready for commercial production in June last year. It also hired 600 workers.

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FIRMS IN A TIGHT SPOT

- Premier Cement pushed back commercial production at a unit multiple times
- TK Group could not start operations of two factories
- MGI's five factories face delays
- Nitol Niloy Group's two projects have come to a halt

REASONS FOR DELAY Pandemic, absence of foreign experts, lack of energy connections

RELIEF Govt may cut interest rate and banks may defer instalment payment for investors

RAW MATERIAL IMPORT

Now terry towel exporters seek easy conditions

Star Business Report

Terry towel manufacturers and exporters are now demanding easing rules for importing yarn through land ports, as had the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), citing that prices of this basic raw material for manufacturing garments have increased in local markets.

The Bangladesh Terry Towel & Linen Manufacturers and Exporters Association (BTTLMEA) yesterday sent letters to the commerce and finance ministers and secretaries, and National Board of Revenue (NBR) chairman in this regard, focusing on imports from India.

M Shahadat Hossain Sohel, chairman of the BTTLMEA, said they currently had a lot of work orders from international retailers and brands and needed a lot of yarn at competitive prices.

"However, the local spinners are facing difficulties in supplying yarn at competitive prices for which we may lose our work orders to competing countries," Sohel told The Daily Star over the phone.

Sohel said factory owners who did not have bond licences should be given the opportunity to import yarn at a concessional rate so that they could be more competitive in the international markets.

Moreover, like the BGMEA, the BTTLMEA also demanded that the government allow import of yarn from India through major land ports, such as that of Bhomra and Sonamasjid.

The government should improve the infrastructure in those land ports, facilitating warehouses and storage of raw materials like cotton, yarn and fabrics for the apparel industry, it said.

Currently, importers can bring over yarn, cotton and fabrics from India only through Benapole Land Port under the bonded warehouse facility as there was a storage.

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New mango varieties gaining ground

Star Business Report

New mango varieties are getting priority on consumers' list of preferences for being tastier and more attractive than the existing ones.

Farmers are also gaining interest in cultivating these varieties, especially the hybrid and those derived through grafting, to avail higher prices for the increase in demand.

According to scientists, the hybrid and grafted varieties are high yielding, colourful and sweeter than the existing varieties. Hybrid mango Bari Aam-3 and Bari Aam-4 are the most popular among them.

Bari Aam-3 is a popular mango hybrid in India developed by crossing Dasheri and Neelum.

It was introduced in Bangladesh in the 19th century. After research, the Bangladesh Agricultural Research Institute (Bari) released it in 1996, said Md Sorof Uddin, a senior scientific officer at the Bari in Gazipur.

This variety has been made available in the markets widely since 2009-10. Now, Bari-3 is being cultivated in at least 30 districts, including the Rajshahi region, the major mango-producing belt.

Bari Aam-3, which starts arriving in the market on June 15 and continues to be available up to mid-August, is getting more popular among the consumers for its flavour, size, colour and taste.

According to the Department of Agricultural Extension (DAE), 25 lakh tonnes of mango have been produced on two lakh hectares of land this season.

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Fazli losing lustre

Akanda Muhammad Jahid

Fazli always seemed to be a cut above other mangoes due to its unique fragrance and taste, but this widely acclaimed 200-year-old variety is losing popularity day by day.

This is because new varieties are entering the market, making it difficult for Fazli mangoes to keep hogging all the demand, according to agriculturists.

"The Fazli variety had the best reputation until 2010, but after the arrival of new varieties, such as Amrapali, the demand started to shift," said Md Sorof Uddin, a senior scientific officer at the Horticulture Research Centre of the Bangladesh Agricultural Research Institute (BARI) in Gazipur.

Fazli mangoes are usually harvested from June 20 onward in Rajshahi and Chapainawabganj, the two main mango producing districts in Bangladesh.

The harvesting of Amrapali mangoes, grown on around 16,000 hectares of land across the country, begins on June 15.

Amrapali mangoes are quickly becoming the preferred variety among consumers as they are comparatively sweeter and juicier.

Other than its flavour, Amrapali is also popular because of its attractive look, say farmers, consumers and experts.

"As the harvesting of Fazli and Amrapali mangoes begins almost simultaneously, the former is falling behind in consumer preferences. This is the main reason," Uddin said, adding that only one out of 10 buyers buy Fazli mangoes while the rest buy Amrapali.

Uddin, who has been working in this sector for a long time, said the Amrapali variety was released in 1996-97, but it hit the market in 2005.

The variety has been cultivated in many districts, including hilly areas, from 2009-10. Thanks to its growing popularity, about 90 per cent of the mangoes ordered online are the Amrapali variety.

"The younger generation prefers Amrapali mangoes, but older people still like Fazli," Uddin said.

It is said that Fazli has been widely admired in the Indian subcontinent for over 200 years.

During the India-Pakistan partition, three upazilas of West Bengal's Malda were included in Chapainawabganj.

At the time, there were big Fazli and Ashwina mango orchards in the areas.

Besides, Fazli has been grown in Rajshahi, especially in Bagha and Charghat upazilas, for a long time now.

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Chinese firm to invest $6m in Dhaka EPZ

Star Business Report

Chinese company Kaixi Fashion Bangladesh Co Ltd plans to invest $6 million to establish a lingerie manufacturing factory in the Dhaka Export Processing Zone.

It will produce 24 million pieces of ladies undergarments annually, Bangladesh Export Processing Zones Authority (Bepza) said in a statement yesterday.

The industry will also create 2,031 jobs for Bangladeshi nationals, according to the statement.

Mohammad Faruque Alam, a member of Bepza, and Xiao Hongxi, managing director of Kaixi Fashion Bangladesh, signed a deal in this regard at the Bepza Complex in Dhaka yesterday.

Major General Md Nazrul Islam, executive chairman of Bepza, was also present.

Trade thru Benapole suspended

Indian traders protest BSF harassment

Star Business Report

Import and export activities through Benapole land port have remained suspended since yesterday morning due to protests from Indian traders for allegedly being harassed by India's Border Security Force (BSF).

As a result, thousands of trucks are stuck on both sides of the Benapole-Petrapole port, reports our local correspondent quoting traders and port sources.

Indian traders said their truck drivers constantly face harassment from BSF men of Jaitpur camp in India, said Benapole Port Director Abdul Jalil. The traders also threatened that they will keep import-export activities shut if such harassment continues.

However, other activities at Benapole port continued as normal, said Md Azizur Rahman, commissioner of the Benapole Customs House.

SOHRAB HOSSAIN

Fishermen engaged in catching hilsa in Agunmukha river at Patuakhali's Golachipa upazila. Market supply in the locality is yet to pick up following a 65-day ban on netting the fish running from May 20 to July 23 to facilitate breeding. Hilsa production nearly doubled to 5.3 lakh tonnes in fiscal year 2018-19, from 2.98 lakh tonnes a decade ago, data from the Department of Fisheries showed. The photo was taken recently.

Govt signs 50m euro financing deal with AFD

Star Business Report

The government recently signed a €50 million credit facility agreement with the Agence Française de Développement (AFD) to accelerate Bangladesh's economic transition to a green economy.

The fund will finance projects related to energy efficiency, renewable energy and women entrepreneurship through Bangladesh Infrastructure Finance Fund (BIFFL).

It aims to increase the volume of investments in energy efficiency and renewable energy production in Bangladesh and the dissemination of such investments in those areas within the private sector, according to a statement.

The project will help promote female entrepreneurship as well.

It is a loan to the government of Bangladesh, with a maturity period of 15 years, including a three-year grace period.

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