

## TEXTILE MILLS OF BTMC UNDER PPP

SOURCE: BTMC



**AHMED BAWANY TEXTILE MILLS**  
Demra, Dhaka  
**COMPLETED**



**QUADERIA TEXTILE MILLS**  
Tongi, Gazipur  
**COMPLETED**



**RR TEXTILE MILLS**  
Sitakunda, Chattogram  
**ONGOING/  
TENDER ISSUED**



**DOST TEXTILE MILLS**  
Ranirhat, Feni  
**ONGOING/  
TENDER ISSUED**

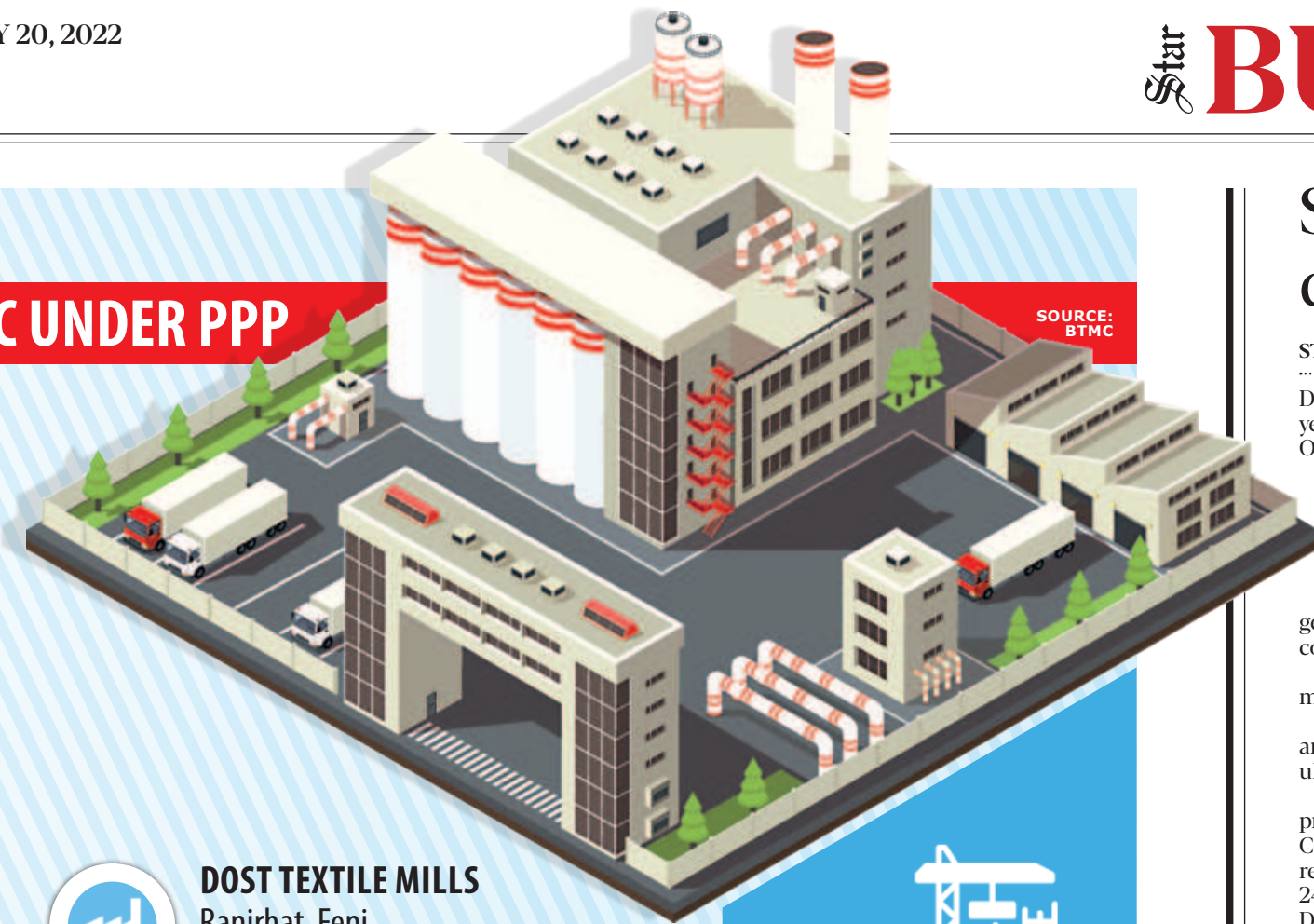


**MAGURA TEXTILE MILLS**  
Magura  
**ONGOING/  
TENDER ISSUED**



**RAJSHAHI TEXTILE MILLS**  
Sapura, Rajshahi  
**ONGOING/  
TENDER ISSUED**

**Bidding has not been completed for 10 other textile mills in different districts**



# Govt moves to reopen textile mills thru PPP

MD ASADUZ ZAMAN

With the goal of attracting local and foreign investment to modernise and reopen closed textile mills, the government has called for open international tenders for four out of 16 textile mills through public-private partnerships (PPP).

The move comes after the Bangladesh Textile Mills Corporation (BTMC) initiated a process of handing over two textile mills through PPP.

As per an announcement from the BTMC, some factories have been lying dormant for the past 30 to 40 years.

The mills were shut down after facing huge losses, according to officials of the BTMC.

However, a business leader questioned the move to open the mills in such a manner, raising doubts over its sustainability.

The four mills are: RR Textile Mills, Dost Textile Mills, Rajshahi Textile Mills and Magura Textile Mill. The tender process has already entered its second phase, according to a BTMC official.

The BTMC will be the major partner of the PPP. The project will be distributed as per the partnership agreement and the government will only issue the land for building infrastructure.

The private parties will implement the project, maintain the mills and market the textile products produced, the official said.

The expected bidders or bidding



consortiums have been asked to submit their proposals by March 7.

The tenure of the partnership may be up to 30 years but could be renewed further.

"The tenders will be offered only for textile related activities, no options to run other activities," said Kazi Feroz Hossain, project director and general manager for commerce of the BTMC.

"We hope that each factory will generate around 5,000 jobs and that thousands of people will be able to benefit financially from it," he said, adding that the use of these mills will

have a positive impact on the country's gross domestic product.

However, Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association (BTMA), criticised the PPP system.

"The PPP project for the state's closed textile mills is not a long-term solution because the government has imposed a complex structure and no 'real' or renowned institutions have come forward to invest here," he said.

"This is because no company can do any work according to their wishes," Khokon added.

Most of the mills' infrastructures have been abandoned or become obsolete and so, they could be demolished first but this contract is also contingent on the government's long-term viability.

But if the government changes, the overall system may change sooner or later.

He did, however, suggest that if any well-known companies or groups wanted to sign on for the partnership, they could do so.

Earlier in the first phase, the first two mills – Ahmed Bawany Textile and Quaderia Textiles – signed deals with Tanzina Fashion Ltd and Orion Consortium respectively.

In 2017, the cabinet committee on economic affairs approved the proposals of textile mills in the textiles ministry. The BTMC has 636.38 acres of land across the country that is perfect for building industrial units.

On October 12, 2014, Prime Minister Sheikh Hasina issued a directive for installing machinery at the mills which were closed down while visiting the Ministry of Textiles and Jute.

Of 16 textile mills, a total of 10 units are waiting for the next phase to call for tenders.

One of the ongoing projects is Magura Textile Mill, which was shut down several times after failing to make profits ever since its inception in 1985.

The mill authorities blamed a shortage of "running capital" and outdated machinery for the losses.

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## Stocks bullish despite Omicron

STAR BUSINESS REPORT

Dhaka stocks rose for the fifth consecutive day yesterday as investors hope that the impact of Omicron variant of Covid-19 would not be as devastating as many previously thought.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), inched 33 points, or 0.47 per cent, to close at 7,089.

Among the major sectors, textile and tannery closed in the positive territory, while general insurance, cement and ceramics faced correction.

"Investors are buying stocks as they hope the market may go up further," said a stock broker.

"This hope will make them more confident and increase their appetite for stocks. This will ultimately push the market higher."

A positive momentum in the key index is prevailing despite the growing threat from Covid-19. At least 9,500 new infections were recorded and 12 people died from Covid-19 in the 24 hours till 8:00am yesterday, according to the Directorate General of Health Services.

On the premier bourse, 169 stocks advanced, 170 fell, and 40 remained the same.

Global Heavy Chemicals topped the gainers' list, rising 10 per cent. Union Insurance, Central Pharmaceutical, Desh Garments, and Shepherd Industries rose between 7.79 per cent and 9.77 per cent.

Beximco Ltd was the most traded stock worth Tk 177 crore. Fortune Shoes, Bangladesh Shipping Corporation, Saif Powertec, and ACI Ltd also witnessed heavy turnover.

Eastern Lubricants was the worst-performing issue on the day, dropping 12 per cent. Renwick Jaineswar, Samorita Hospital, Prime Islami Life Insurance, and Padma Islami Life Insurance were among the heavy losers.

Turnover on the Dhaka bourse rose 1.3 per cent to Tk 1,735 crore.

The Chittagong Stock Exchange also rose. The CASPI, the main index of the bourse in the port city, was up 92 points, or 0.44 per cent, at 20,751.

Of the securities, 133 rose, 131 fell and 42 remained unchanged.

## LafargeHolcim's aggregate operations suspended again

STAR BUSINESS REPORT

LafargeHolcim Bangladesh has again suspended its aggregate production after the industries ministry filed a petition.

The Judge-In-Chamber forwarded the Civil Miscellaneous Petition (CMP) from the ministry for hearing before the Full Bench of the Appellate Division.

Accordingly, the aggregates operations of the company will remain closed until January 24, 2022 with immediate effect, the multinational company said yesterday in a regulatory filing on the website of the Dhaka Stock Exchange.

LafargeHolcim's stock closed 0.88 per cent lower at Tk 78.90.

The industries ministry filed the case before the Judge-in-chamber against the judgment passed by the Division Bench of the High Court Division on January 5. On that day, the multinational cement manufacturer received the final nod from the High Court to resume its aggregate business in the country.

Aggregate is a broad category of coarse particulate material used in construction, including sand, gravel, crushed stone, slag, recycled concrete and geo-synthetic aggregates.

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## UK inflation hits 30-year high

AFP, London

British annual inflation accelerated to a near 30-year high in December, official data showed Wednesday, stoking fears over a cost of living squeeze as wages fail to keep pace.

Economies worldwide are battling decades-high inflation that is forcing central banks to lift interest rates, including the Bank of England which last month raised its key borrowing cost for the first time in more than three years.

The UK's inflation rate hit 5.4 per cent last month, rising further above target on price gains for clothing, domestic energy, food and furniture, the Office for National Statistics said in a statement.

The BoE, whose chief task is to keep inflation close to a 2.0 per cent target, is now expected to hike again at its next meeting in February amid easing concerns over Omicron.

Britain's cost of living is forecast to soar even higher in April due to looming hikes in national insurance tax and domestic energy, analysts say.

"With consumer prices rising at their fastest rate for three decades and wage growth slowing, Britons are being squeezed ever harder by the cost of living," said Jay Mawji, managing director of global liquidity provider IX Prime.

Inflation had already forged a decade-high of 5.1 per cent in November.

The rate had hit 7.1 per cent in March 1992.

"The inflation rate rose again at the end of the year and has not been higher for almost 30 years," said ONS chief economist Grant Fitzner.

"Food prices again grew strongly while increases in furniture and clothing also pushed up annual inflation."



Shoppers wearing face coverings to combat the spread of the coronavirus chat outside a store in Camden Market in London as UK businesses and consumers face mounting fallout from surging inflation, including higher interest rates.

PHOTO: AFP

## German investor morale rebounds

AFP, Frankfurt

Confidence among investors in Germany jumped in January, according to figures published Tuesday, shaking off concerns about global supply chain disruptions and the spread of the Omicron variant.

The ZEW institute's monthly barometer measuring economic expectations rose 21.8 points to 51.7 to begin the new year despite difficult circumstances.

Investors' assessment of the current economic situation dipped, down 2.8 points to minus 10.2, after Europe's largest economy more than likely shrank in the last quarter of 2021.

The period of economic weakness "should soon be overcome", ZEW president Achim Wambach said.

The German economy has been beset by supply disruptions that held back production and growth.