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A major portion of the cement, steel and paint used in the construction of Dhaka Elevated Expressway was manufactured by 10 local companies. Local products in place of imported alternatives are also being used in around a dozen mega projects being implemented by the government at present. This is not only saving foreign currency but also building the capacity of the local companies. Exporters believe the Hazrat Shahjalal International Airport-Farmgate segment of the expressway, which was opened yesterday, would boost their sales through competitive advantages gained from time and energy savings. The photo was taken at Kuril last week.

PHOTO: NAIMUR RAHMAN

# Construction materials industry thriving on mega projects

Cement, steel production saw significant growth in past decade

JAGARAN CHAKMA

The construction materials industry of Bangladesh has registered massive growth over the past decade as some mega projects are providing ample opportunity for capacity building and ensuring world-class products, according to industry insiders.

Local companies need to ensure quality products as well as display sufficient production capacity and operational efficiency to participate with international firms in implementing mega projects, they said.

At present, the government is implementing around a dozen mega projects using locally made construction materials instead of imported alternatives.

For example, at least 10 local companies are contributing materials, such as cement, steel and paint, for constructing the country's first elevated expressway in Dhaka.

And if the products being provided by these local companies were substandard in any way, then the international firm implementing the project would opt for imports, they added.

As such, a major portion of the Tk 8,940 crore project is being constructed using local materials.



### STEEL SECTOR

- Of the total consumption, public sector accounts for 40%
- Production capacity of steel manufacturers now 9m tonnes per year, up from 5m 10 years ago

### CEMENT SECTOR

- Of the total consumption, govt accounts for 45%
- Cement sector's production capacity now 6m tonnes per year, up from 2m a decade ago

### KEY POINT

- 10 local construction materials manufacturers contributed to the construction of the elevated expressway

Of the 10 local contributors, six are cement companies while two are steel makers and the others make paint and PVC products.

Sources say the cement makers are: Shah Cement Ltd, Crown Cement PLC, Bashundhara Industrial Complex Ltd, Heidelberg Cement, Seven Circle (Bangladesh) Ltd and Premier Cement Ltd.

The BSRM and GPH Ispat are providing steel for the project while two concerns of RFL Group – RFL Pipe and Fittings, and Rainbow Paints – are supplying the necessary pipes and road marking materials.

"It is a matter of pride that we are participating in building the elevated expressway. We provided a significant amount of cement for the project," said Mohammed Amirul Haque, founder managing director and CEO of Premier Cement.

According to him, local firms have long been contributing to the economy by improving the efficiency and quality of their products for use in mega development projects.

For example, local cement manufacturers have increased their production capacity to 58 lakh tonnes per annum while it was 20 lakh tonnes at best just 10 years ago.

"The public sector accounts for about 45 percent of the total consumption," he said, adding that cooperation between local and international firms is needed to ensure better quality products and increase supply.

As such, government mega projects and other development initiatives directly contribute to the growth of local manufacturers while also improving the environmental compliance and efficiency of their units.

"Besides, this cooperation opens an avenue for exports [by facilitating a relationship between local suppliers and international construction companies]," Haque said.

RN Paul, managing director of RFL Group, said they are providing soil, waste and rainwater pipes and fittings for the drainage system of the elevated expressway as well as road marking materials.

"So, we are providing two products for the entire project. We are proud to be a partner of the project," he added.

Paul also said if international firms involve local companies in their projects, then the latter would gain experience and confidence as well as a sense of responsibility.

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## Elevated expressway to save time, cost Say exporters

STAR BUSINESS REPORT

The opening of an elevated expressway in Dhaka yesterday will save time and money from now on, enabling businesses to enhance their competitiveness and boost exports, said exporters yesterday.

The expressway, which signifies Bangladesh's entry to a new era, will also improve the country's image, with the economy growing by around 6 percent annually over the last two decades, they said.

"It will contribute a lot to the facelifting of the country," said Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry, one of the country's leading chambers of commerce.

"Our competitiveness will increase while we will do better in the case of doing business ranking," he said.

The expressway, which signifies Bangladesh's entry to a new era, will also improve the country's image, with the economy growing by around 6 percent annually over the last two decades, exporters said

Prime Minister Sheikh Hasina inaugurated the 11.5-kilometre (km) Hazrat Shahjalal International Airport-Farmgate segment of the 19.73-km Dhaka Elevated Expressway, which is being built under public private partnership at nearly Tk 9,000 crore.

A lot of time is wasted on the Dhaka's roads for traffic jam and fuel is burned and the opportunity cost of this is high, said Islam.

"So, we will save time and money. At the same, we will contribute to reducing global warming if we take into account the impact of metro rail," he said.

However, benefits from the partial opening of the expressway might be initially limited, added Islam, also managing director of Picard Bangladesh Ltd, a leading leather goods exporting firm in Ashulia, northwest of Dhaka.

Businesses will be able to reap the full benefit of the expressway once construction is complete, fully connecting the airport to Kutubkhali on the Dhaka-Chattogram highway, he said.

Construction of another expressway in Ashulia is going on at full speed, he said.

Running from Dhaka Export Processing Zone via Ashulia and Abdullahpur, the 20-km Dhaka Ashulia Elevated Expressway will connect to Dhaka Elevated Expressway near the airport.

Its construction is scheduled to be completed in June 2026.

The partial opening of Dhaka Elevated Expressway will reduce pressure of vehicles

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STOCKS		WEEK-ON WEEK
DSEX ▲	CASPI ▲	
0.31%	0.33%	
6,299.50	18,633.18	

COMMODITIES		AS OF FRIDAY
Gold ▲	Oil ▲	
\$1,940.13	\$86.09	
(per ounce)	(per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 0.86%	▲ 0.28%	▲ 0.41%	▲ 0.43%	
65,387.16	32,710.62	3,233.30	3,133.25	

## Major currencies getting stronger against taka

MD MEHEDI HASAN

Almost all major foreign currencies like the European Union's euro, British pound sterling, Chinese renminbi, Japanese yen and Indian rupee are following in the footsteps of the US dollar in becoming stronger against the local currency.

The inter-bank selling rate for each US dollar stood at Tk 109.50 last Thursday, up from Tk 95 exactly a year back. For each euro, it was Tk 119.66, up from Tk 95.15 in the previous year.

Till July of this year, the Swiss franc made the highest appreciation of 28.25 percent year-on-year against the taka.

It was followed by the euro (25.54 percent), pound sterling (24.4 percent), Saudi riyal (15.96 percent), US dollar (15.83 percent), Australian dollar (13.82 percent), Indian rupee (11.86 percent), yen (11.59 percent) and renminbi (8.89 percent).

Around 90 percent of foreign trade is conducted through the US dollar while the remaining 10 percent through other foreign currencies, bankers said.

Although the use of other foreign currencies continues to rise, the growth is not very high, they said.

The US dollar is considered to be the most sustainable foreign currency in foreign trade, Mirza Elias Uddin Ahmed,

managing director and CEO of Jamuna Bank, told The Daily Star.

Unlike the US dollar, the values of other foreign currencies make very quick transitions against the local currency. That is why the US dollar is a more trusted currency, said the banker.

Till July of this year, the Swiss franc made the highest appreciation of 28.25 percent year-on-year against the taka.

The gains made by the US dollar prompted other currencies to follow suit because the US dollar is considered as a reference for fixing other rates, he pointed out.

"We, however, are also conducting foreign trade through other currencies such as euro, pound and renminbi considering the cross-currency rate," said Ahmed.

The taka has weakened against almost all the foreign currencies mainly due to supplies being slow against high demand, said Mohammad Ali, managing director and CEO of Pubali Bank.

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### AT A GLANCE



Around 90% foreign trade conducted thru dollar



Swiss franc appreciated highest 28.25% against taka in one year



Dollar considered the most sustainable currency in trade

### AN EXPERT SAYS...

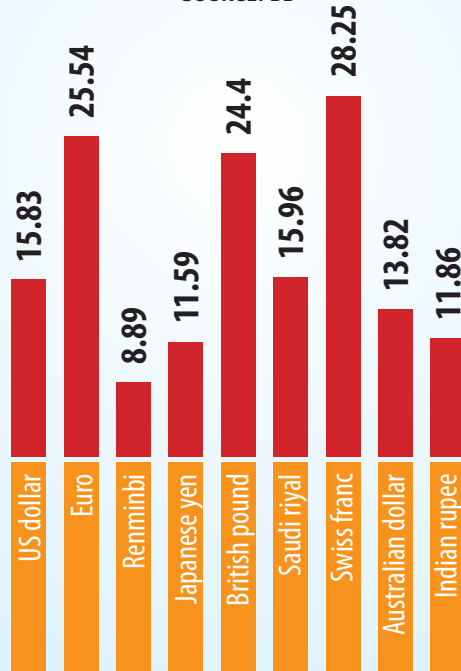
Taka will not be strong if inflation doesn't come down



### TAKA AGAINST MAJOR CURRENCIES

Devaluation (%) during July 2022 to July 2023

SOURCE: BB



The gains made by the US dollar prompted other currencies to follow suit because the dollar is considered as a reference for fixing other rates

Mirza Elias Uddin Ahmed  
Managing director and CEO of Jamuna Bank