

Keya not publishing financial statements

AHSAN HABIB

Keya Cosmetics, listed on Dhaka Stock Exchange (DSE), has violated regulations by not yet publishing the second and third quarterly financial statements of fiscal 2017-18.

Issuers of listed securities are bound to submit the statement (audited/un-audited) to the DSE and Bangladesh Securities and Exchange Commission (BSEC) within one month past each quarter.

They must also publish the same in at least two widely circulated national dailies.

This is because investors need to analyse information about companies, especially financial statements, to understand their condition before putting money into the market.

The BSEC compels the issuers to publish financial statements in due time by imposing a delay penalty of Tk 5,000 per day on defaulters, payable to the DSE.

The DSE website shows that Keya Cosmetics last published a financial report on December 20, 2017. It was of the first quarter of fiscal 2017-18 (July-September, 2017).

The same showed up on Keya Cosmetics' website. A DSE official, requesting anonymity, confirmed that the company has not provided the reports of the following quarters.

"We will take action against the company if they do not publish quarterly reports on time," said Saifur Rahman, spokesperson of the BSEC.

The BSEC took steps against many companies earlier for this reason, he added.

Abdul Kaleque Pathan, chairman of Keya Cosmetics, neither answered phone calls nor replied to an SMS and e-mails of The Daily Star.

Each share of Keya Cosmetics traded at Tk 9.70 on the DSE yesterday.

EBL gets new chairman



STAR BUSINESS DESK

Eastern Bank Ltd yesterday elected a new chairman, Md Showkat Ali Chowdhury.

He joined the board of Eastern Bank in 1993. He is also a member of the executive committee of the board of directors of the bank.

A graduate of Chittagong University, Chowdhury is a life member of Saarc Chamber of Commerce and Industry and Chittagong Press Club.

He is also a director of Chittagong Metropolitan Chamber of Commerce and Industry.

Asian LNG prices rally to four-year seasonal high

REUTERS, Singapore

Asian liquefied natural gas (LNG) prices have risen to their highest since 2014 for this time of the year as demand from China, India and South Korea has surged at the same time several production issues are curbing spot supply.

LNG prices typically peak during the Northern Hemisphere winter amid heating demand and during the summer to fuel power generation, but this year prices have climbed 32 percent since mid-April to \$9.60 per million British thermal units (Btu) last week and are trading near \$10 per million Btu this week.

Asian demand has strengthened this year led by stricter environmental standards, rising economic growth and a colder-than-usual winter. The higher prices could reduce LNG demand as industrial customers may consider alternative fuel sources.

Higher oil prices and China's continued buying of spot cargoes this year is also supportive, said Kittithat Promthavepong, a senior analyst at consultancy FGE.

"This is driven mainly by three factors: lower domestic gas production due to maintenance at gas fields, industrial demand due to fuel switching away from oil, and early

stock building to prepare for the coming winter," he added.

Beijing has switched some of its residential heating demand to natural gas from coal to reduce notorious air pollution in the country's north though this has created conflicts with industrial users who face curtailments when supply tightens.

Higher-than-normal temperatures across Asia are also expected to boost LNG prices, data on Thomson Reuters Eikon shows.

Trade flow data in Thomson Reuters Eikon show Asian LNG imports in January to May this year are nearly 40 percent higher than at the same time in 2013, when Reuters started tracking the data, and up by 14 percent from last year.

Imports to China and Pakistan during the first five months of 2018 increased over 50 percent from last year, while shipments to India, South Korea, Taiwan and Singapore jumped by about 15 percent to 30 percent.

"Given the strength of Chinese demand last winter, Japanese and Korean ... utilities want to ensure that storage is full before the winter of 2018/2019 to avoid being caught out," said Nicholas Browne, senior gas analyst at energy consultancy Wood Mackenzie in Singapore.

Japanese and South Korean stor-

age ended the winter at the lowest levels in at least five years, he said. Indian imports have risen due to outages at some coal power plants and low reservoir levels reducing hydro-power generation.

Asian LNG prices could end the year at nearly \$12 per million Btu, though higher spot prices could discourage industrial coal to gas switching, said Woodmac's Browne.

Recent supply issues at LNG export terminals have also driven the price gains.

In Australia, Chevron idled the Train 2 at its Gorgon project for 30 days in May to carry out performance improvements.

Meanwhile in the United States, gas supply into Cheniere Energy's Sabine Pass liquefaction terminal dropped by one-third to 2 billion cubic feet per day on May 15 and have remained there, according to flow data, indicating maintenance at the plant.

Supply later this year will tighten as Angola LNG is planning maintenance for July at its plant that can export 5.2 million tonnes per year of the fuel.

Still, new supply from Australia and the United States could weigh on spot prices in the second half of the year, said FGE's Promthavepong.

Chevron Bangladesh gets new president



Neil Menzies

STAR BUSINESS DESK

Chevron Bangladesh has recently witnessed the appointment of a new president.

Coming into office on June 3, Neil Menzies was earlier deputy managing director of Chevron's Eurasia Business Unit.

He holds a master's degree in petroleum engineering and joined Chevron as a petroleum engineer in 1998, the company said in a statement yesterday. He succeeds Kevin Lyon, who served Chevron Bangladesh since January 1, 2015 and has been appointed special adviser of Chevron IndoAsia Business Unit, based in Jakarta.

Foreigners dumped \$12.3b in emerging market assets in May

REUTERS, London

A heavy sell-off in emerging markets last month saw foreigners dump a combined \$12.3 billion of bonds and stocks, figures from the Institute of International Finance showed on Tuesday. The IIF said outflows were evenly split between debt and equity markets while regionally the biggest moves were \$8 billion out of Asia and \$4.7 billion from Africa and the Middle East combined.

There was selling at the end of April too, making this the second longest selloff for emerging markets on the IIF's records. The longest followed the election of US President Donald Trump in November 2016. "No single driver of outflows from EM assets stands out," the IIF's analysts said in their report.

"Instead, a combination of factors appears to be at work: idiosyncratic domestic strains such as funding pressures in Argentina and Turkey or the truckers' strike in Brazil, renewed US tariff threats and retaliatory actions; and political uncertainty in Italy and Spain."



Selim RF Hussain, CEO of Brac Bank, poses for a photograph at the bank's head office in Dhaka yesterday when the bank presented plants to customers and stakeholders marking World Environment Day.

New top brass for MTB



Md Hedayetullah

Khwaja Nargis Hossain

STAR BUSINESS DESK

Md Hedayetullah has recently been elected as the chairman of Mutual Trust Bank and the bank's three subsidiaries -- MTB Securities Ltd, MTB Capital Ltd and MTB Exchange (UK) Ltd.

The bank also elected Khwaja Nargis Hossain as its vice chairman, the bank said in a statement yesterday.

Hedayetullah has been serving the bank as vice chairman since February 2016. He is also the chairman of Hedayetullah Securities Ltd and managing director of FB Footwear Ltd and Footbed Footwear Ltd.

Nargis Hossain is the managing director of SAHCO Securities Ltd and the corporate director of SAHCO International Ltd.

Exports cruising towards target

FROM PAGE B1

"Our garment factories are full of orders from international retailers," Rahman said, adding that Bangladeshi garment products are performing well in the new markets like Japan, India, Russia, South Africa, Australia and Latin America.

The exporters also benefitted from the depreciation of the taka. On Monday, the interbank exchange rate was Tk 83.70 per dollar, up from Tk 80.50 a year earlier, according to data from the central bank.

Both the leather and jute sectors look set to cross the \$1 billion mark in export receipts this fiscal year.

Leather and leather goods, the second largest export earner after garment, earned \$999.07 million in the 11-month period, down 11.08 percent from a year earlier.

The botched relocation of tanneries from Hazaribagh to Savar has been blamed for the decline in exports.

While all the tanneries have been relocated, only 25 of the 155 have been able to

start production in their new location, industry people said. Jute and jute goods fetched \$966.90 million in the July-May period, up 6.99 percent from a year earlier.

Home textile exports rose 11.67 percent to \$823 million and agricultural products 18.09 percent to \$609.01 million.

Frozen and live fish exports fell 1.59 percent to \$465.32 million in the July-May period from a year earlier and plastic goods 17.82 percent to \$90.04 million.

Footwear exports increased 2.55 percent to \$225.77 million, furniture 21.33 percent to \$58.19 million, bicycle 4.47 percent to \$81.34 million and ceramic products 10.92 percent to \$40.52 million.

Cement, salt and stone brought home \$11.88 million, up 24.01 percent year-on-year. Pharmaceuticals earned \$95.98 million, which is an increase of 15.89 percent from a year earlier.

Cotton, cotton products and yarn exports went up 15.86 percent to \$117.15 million in the period.

India prepares sweeteners for sugar mills, cane growers

REUTERS, New Delhi

India is set to announce support measures to cut a growing sugar surplus and prop up local prices, the food minister said on Tuesday, a move aimed at helping loss-making mills and millions of cane growers who make up a key voting bloc.

Prime Minister Narendra Modi's cabinet is likely to back the proposals as early as Wednesday.

The measures include building a 3 million tonne government stockpile to soak up excess supply from the domestic market and granting soft loans worth 45 billion Indian rupees (\$670 million) to help millers expand their ethanol production capacity, Food Minister Ram Vilas Paswan said.

Modi's Bharatiya Janata Party (BJP) last week suffered a blow in a by-election in Uttar Pradesh, the top sugar producing state in India's northern cane belt. Analysts viewed the result as a bellwether for a general election due by May 2019.

Modi needs to placate India's 50 million cane growers, whose numbers make them an influential political lobby, to smooth his route back to power next year.

Paswan said the measures could cost the government 80 billion rupees, but refused to give full financial details.

"We'll be able to give you the details

about these measures once the cabinet clears this," Paswan said.

India, the world's biggest consumer of sugar and No. 2 producer after Brazil, has in the past created government stockpiles, or buffer stocks, to tackle supply gluts caused by yo-yoing output.

Late last month Reuters reported that the government would approve the proposal that would require sugar mills to stock 3 million tonnes of sugar in their warehouses, with the government paying the carrying costs for the commodity.

Shares of sugar companies such as Dhampur Sugar Mills Ltd, Mawana Sugars Ltd, Balrampur Chini Mills Ltd and Avadh Sugar & Energy Ltd jumped on Tuesday in anticipation of the measures.

Sugar prices have dropped to their lowest in 28 months, exacerbating financial woes of sugar mills. Citing their poor financial health, mills have said they are unable to pay cane farmers on time.

Mills owe more than 220 billion rupees to the cane farmers for this year, Paswan said. Rising cane arrears have angered farmers.

The government also approved a plan to provide financial support to cane farmers for produce sold to sugar mills.

New Delhi scrapped a 20 percent tax on sugar exports in March, and in April asked mills to export 2 million tonnes of sugar to cut back inventories.

Strengthen monitoring of disbursed loans: BB

FROM PAGE B1

The Credit Risk Management Guidelines issued by the BB clearly depicted what are the responsibilities of banks starting from the selection of borrowers to the monitoring of disbursed loans.

There will be no diversion of loans from the authorised sectors if the guidelines are followed properly, according to the latest BB

circular. It also added: "It's not possible to ensure the use of disbursed loans properly if the board of directors, the credit committee and the officials concerned don't carry out their responsibility."

The central bank also asked banks not to release an instalment of a project loan if the preceding one is not used properly by the borrower.

VAT on internet use may go down

FROM PAGE B1

As of April, there were 8.59 crore active internet connections in the country, according to Bangladesh Telecommunication Regulatory Commission.

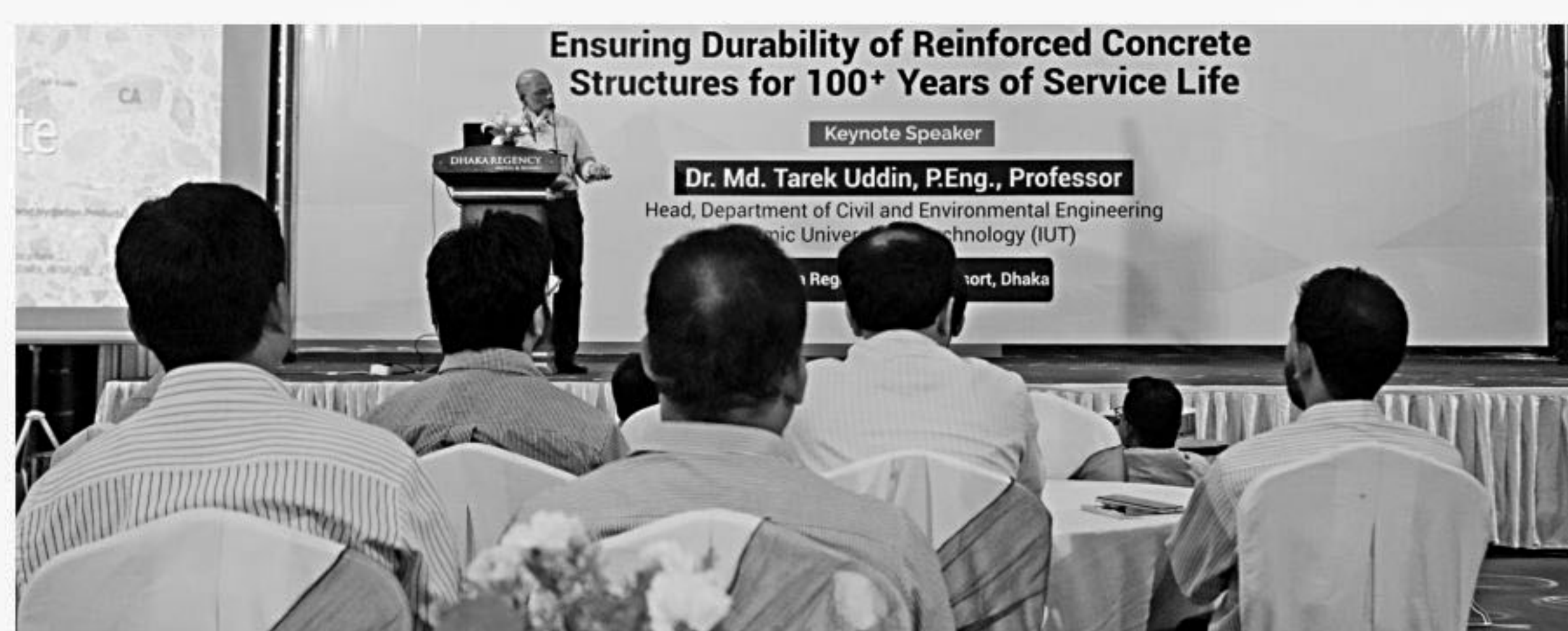
Of them, 8.02 crore are connected to internet through the mobile network and 57 lakh use connections of internet service providers.

If such tax is withdrawn, the use of internet by the youth will surely increase, which will ultimately help the government compensate for the loss of VAT, Jabbar said.

The government earns Tk 1,100 crore every year from VAT on internet use, according to the Association of Mobile Telecom Operators of Bangladesh.

If the government waives the VAT it will take the country one step closer to the digital economy. The related sectors will also be able to earn more, according to the association.

Internet is a daily necessity like food and water in the digital age, so its consumption should not be taxed, officials of Bangladesh Association of Software and Information Services said.



Md Tarek Uddin, head of the Islamic University of Technology's civil and environmental engineering department, delivers a keynote speech at a seminar on "Ensuring Durability of Reinforced Concrete Structures for 100+ Years of Service Life" organised by Akij Cement at the Dhaka Regency Hotel & Resort recently.

SDGs must be funded with local resources: experts

FROM PAGE B1

Private sector financing through public-private partnership could be a good source of SDG financing, he added.

Full financing for implementing the SDGs will have to come from the country's own pocket, said Debapriya Bhattacharya, another distinguished fellow of the CPD.

In the last 10 years at least \$75 billion siphoned out of the country. "These funds could help construct three Padma bridges," he added. Bangladesh has the lowest tax to GDP ratio among the Asian countries, said AB Mirza Azizul Islam, a former adviser to a caretaker government.

Subsequently, he called for enhancing institutional efficiency to boost revenue and tax-to-GDP ratio, much needed for SDG financing. Islam went on to criticise the tax structure.

"Tax collection is dependent on indirect tax -- it is one of the major problems in the tax system. It should be reshuffled to increase the tax to GDP ratio." He advised the government to issue bonds in foreign markets to fetch funds from external resources to fill the SDG financing gap.

Out of the total financing needed to implement the SDGs, the government would get only 15 percent in foreign assistance, said Kazi Shofiqul Azim, secretary of the Economic Relations Division. The rest would have to come from the country's own resources, he added.

The government will have to find traditional and non-traditional sources to mobilise domestic resources, said Fahmida Khatun, executive director of the CPD.

Economic growth in the Asia-Pacific region continues to improve on the back of firmer global demand and stable inflation, said Vachrin Sirimaneetham, economic affairs officer of the UNESCAP.

Financial risks and protectionist trade measures weigh on the near-term macroeconomic outlook, while medium-term challenges, such as lifting the region's potential for economic growth and reducing poverty on a sustained basis, persist, he added.

Nihad Kabir, president of the Metropolitan Chamber of Commerce and Industry Dhaka, also spoke.

VAT boost for flat buyers

FROM PAGE B1

Realtors said flat registration cost is higher in Bangladesh compared to Saarc countries.

REHAB, among others, demanded 1.5 percent VAT on the value of property in its proposal.

Officials said the VAT rate for flats above 1,601-sft is likely to remain unchanged at 4.5 percent next fiscal year.

CORRECTION

In a news item titled "One Bank re-elects top brass" published on Tuesday, it was mentioned that the bank re-elected Asoke Das Gupta as its vice president. Actually, he has been re-elected as the vice chairman. We regret the mistake.