

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES															
DSEX	Flat	CSCX	▼ 0.16%	Gold	▲ \$1,502.50	Oil	▲ \$59.78	MUMBAI	▼ 0.20%	TOKYO	▲ 0.55%	SINGAPORE	▲ 0.24%	SHANGHAI	▼ 0.11%	USD	83.50	EUR	91.57	GBP	100.39	JPY	0.77
5,227.49		9,702.85		(per ounce)		(per barrel)		37,328.01	20,677.22	3,135.95	2,880.00	BUY TK	84.50	SELL TK	84.50	95.37	104.19	0.81					

এসআইবিএল
সুপার ডিপিএস
বিশেষ সঞ্চয় কিম

প্রাক্কলিত মুনাফা:

৩ বছর	৫ বছর	১০ বছর
৯.২৫%	৯.৫০%	১০%

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Star BUSINESS

DHAKA WEDNESDAY AUGUST 21, 2019, BHADRA 6, 1426 BS • starbusiness@thedailystar.net

Stock manipulators target five insurers

AHSAN HABIB

Five insurance companies' stock prices trebled in a space of two months and then came crashing down at a time when leading insurers saw next to no movement, in a stunning case of smash-and-grab by a section of players.

In the first two months of the year, stocks of Sonar Bangla Insurance soared to Tk 68 from Tk 15.3, according to data from the Dhaka Stock Exchange (DSE). Yesterday, the insurer's stock traded at Tk 31.

Not only Sonar Bangla, there was ebb and flow in four other insurers' stocks in the last eight months. And in the process, many retail investors lost their money as they mopped up their stocks seeing their prices spiral.

United Insurance's stock jumped to Tk 83 from Tk 22 within two months and then fell to Tk 62.

Provati Insurance's rose to Tk 43 from Tk 17 and fell to 24. Agrani Insurance's stocks rose to Tk 43 from Tk 15 and then downed to Tk 24. Asia Insurance was also jumped to Tk 39 from Tk 16 and then again dropped to Tk 24.

Such a rise and fall can only be



"Gamblers are doing it, sometimes, with the help of the company, brokerage houses and investors. They are very smart now and know how to play the game cleanly, without getting the regulator on their tails."

Mohammad Musa, dean of United International University's School of Business and Economics

orchestrated by rumours, said Mohammad Musa, dean of United International University's School of Business and Economics.

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Exports smash record in July, fetch \$3.89b

REFAJET ULLAH MIRDHA

Exports brought home record amounts in July, in a development that will bring a huge sigh of relief for the government battling sizeable balance of payments deficit.

Last month, overseas shipments fetched \$3.89 billion, up 8.66 percent year-on-year, according to data from the Export Promotion Bureau. The amount also exceeded the month's target by



\$60.86 million.

The amount bested the record for the highest single month export earnings of \$3.81 billion logged in May.

Of the sum, garment shipments fetched \$3.31 billion, up 9.60 percent year-on-year and \$97.48 million more than the target for the month.

"This is a peak month and therefore it is not unnatural for exports to grow," said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Besides, the US-China trade war is working in Bangladesh's favour, she added.

The growth in value terms gives a partial

picture of the garment trade, said Asif Ibrahim, vice-president of Newage Group, a leading garment exporter.

"We should look at it from the value-addition point of view as well," he added.

"For now, I think this is a reflection of pre-Eid hurried shipments, and growth in August will not be good."

Leather and leather products, the next great export hope, also fared well. It raked \$106.10

million, up 16.39 percent, and \$14.17 million more than the target.

Frozen and live fish exports rose 1.54 percent to \$41.60 million, tea 52.00 percent to \$0.38 million, vegetables 34.94 percent to \$8.38 million, pharmaceuticals 29.95 percent to \$11.41 million, plastic goods 37.33 percent to \$12.95 million, handicrafts 53.28 percent to \$1.87 million and jute and jute goods 0.83 percent to \$74.88 million.



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Inflation edges up in July

STAR BUSINESS REPORT

Inflation rose 10 basis points to 5.62 percent in July as both food and non-food prices moved upwards.

In June, inflation was 5.52 percent, down 11 basis points compared to the previous month, because of a decline in both food and non-food prices.

Planning Minister MA Mannan released the monthly consumer price index report of the Bangladesh Bureau of Statistics at the National Economic Council in Dhaka yesterday.

He said the inflation slightly increased in the first month of the fiscal year as prices of vegetables rose because of heavy rains and floods in the rural areas.

The floods and rains hampered production and disrupted the supply chain.

Besides, people bought more products in Eid-ul-Azha, pushing up the price of both food and non-food items.

Food inflation was up two basis points from 5.40 percent in June to 5.42 percent in July, while non-food inflation rose to 5.94 percent last month, up 23 basis points from 5.71 percent a month ago.

Zahid Hussain, a former lead economist of the World Bank Bangladesh, said floods were likely to have caused the increase in food inflation in July relative to June, while implementation of the new VAT law and the upward revision in gas prices contributed to the rise in non-food inflation both relative to June 2019 and July 2018.

He said a very strong growth in remittance in

July is likely to have boosted demand pressure on both food and non-food inflation.

The spending on the occasion of Eid-ul-Azha added about Tk 40,000 crore to the economy, up 29 percent year-on-year.

About Tk 28,687 crore came from cattle sales and the remaining Tk 15,000 crore through the sales of commodities, refrigerators, freezers, clothing and furniture alongside transportation and tourism.

This expenditure hit the inflation in July, according to a BBS statement.

Vegetables became significantly pricier throughout July largely due to inundated farmlands.

Green chili was sold at Tk 180 to Tk 200 a kg at kitchen markets in the capital last month, up from Tk 70 to Tk 90.

Prices of onion and garlic were up by Tk 10 to Tk 30 per kg.



No need to visit VAT office for registration: NBR

STAR BUSINESS REPORT

Getting registered for value added tax (VAT) does not require any visit to revenue offices as it can be done online, stressed the National Board of Revenue (NBR) on Monday.

Allegations have surfaced of businesses being asked to bring over documents even if they had already applied online for the registration.

"This is undesirable and unexpected," said the revenue authority in a circular, warning of stern action against officials involved in any such irregularity.

The VAT registration is a precondition for engaging in manufacturing, export, import and supplying business in Bangladesh. The new VAT law has provisions facilitating the online registration.

It stipulates that an applicant be provided the VAT registration certificate, which contains a business identification number (BIN), within three working days of the application's submission, said the NBR.

If there is any inconsistency in the application, the official concerned has to inform the applicant within the same time frame, it added.

However, assistance should be extended

to anyone voluntarily coming over to an office, said the notice signed by Md Tariq Hassan, second secretary (VAT policy) of the NBR.

In another notification, the NBR said companies getting one central BIN instead of individual ones for every branch or unit would have their accounts audited on a mandatory basis every year.

A VAT official said under the new law, companies would no longer need to pay VAT before delivering goods to other units or branches.

That is why, the provision of compulsory audit has been incorporated to ensure compliance, he said.

The NBR also said even if a firm uses two or more places to supply homogenous products, it would need to get just a single VAT registration.

All such details, alongside address of headquarters and purchase of raw materials, import and export and goods supplies, will be listed under this sole registration, it said.

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However, such businesses will need to keep records of goods supplied to branches or units while branches will keep record of all sales. The information should be furnished with returns every month, says the notification.

Muhith allowed to import SUV duty-free

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has allowed former finance minister AMA Muhith to import a luxury car duty-free, a facility provided to serving members of parliament.

Muhith opened a letter of credit to import a land cruiser near the end of his tenure as a lawmaker in the 10th parliament.

The vehicle arrived at the Chattogram port after the dissolution of the 10th parliament and expiry of his parliament membership.

Officials of the NBR said the law allows a lawmaker to make a duty-free import of one car per parliament term.

Having been the finance minister for two consecutive terms till 2018, Muhith is not a member of the current 11th parliament and accordingly was not entitled to the benefit.

The NBR said it took into account overall circumstances to extend the benefit.

NBR Chairman Mosharraf Hossain Bhuiyan said, "He (Muhith) did not avail the opportunity during the initial days of the last parliament. He completed all the formalities in the last days when he was an MP and the car has arrived late."

As he would be unable to release the SUV duty-free without permission, the NBR has granted the benefit, he said.

"We have had such instances in the past. We gave similar benefit to clear another MP whose car arrived at the port after his death. Then we granted permission based on a request of the honourable Speaker," said Bhuiyan.

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Saudi firm looks to invest in Bangladesh's port infrastructure

JAGARAN CHAKMA

Red Sea Gateway Terminal (RSGT), one of the largest terminal operators in Saudi Arabia, is keen on making investments under public-private partnership to develop Bangladesh's port infrastructure and maritime sector.

The RSGT has proposed investing in port infrastructure development and providing technical support for the existing Chattogram, Mongla and Payra ports, said Abdus Samad, secretary to the shipping ministry.

The Saudi firm, known internationally for world-class port terminal services, has built the newest flagship container terminal at Jeddah Islamic Port.

The secretary said the RSGT would prepare a plan for investment in multiple port-related infrastructure projects in Bangladesh and share operational expertise.

The Saudi company has recently signed a memorandum of understanding with the shipping ministry to explore investment

opportunities and provide expertise to Bangladesh.

"We are aiming to leverage Bangladesh's geographic location between South and Southeast Asian countries to position the country as a key regional transport hub," Samad said.

Bangladesh needs to expand its port facilities as economic activities are accelerating and export and import will increase in the next decade.

But the existing infrastructure and facilities will not be adequate when economic zones start operations within a few years, Samad said. "So, we need this type of investment."

Chattogram Port, the main port of Bangladesh, handles 80 percent of the country's export-import. In 2018 it dealt with three million twenty-foot equivalent units (TEUs) and about 3,700 vessel calls.

The secretary said the MoU was signed in relation to projects involving operations and optimisation of the existing berthing facility at Chattogram Port and new inland

container services at the inland container depot in Pubail of Gazipur.

The RSGT may pursue the scope for opportunities in other Bangladeshi ports and identify mechanisms available for building projects and a strategic partnership.

Kazi M Aminul Islam, executive chairman of Bangladesh Investment Development Authority (Bida), said more Saudi investment would flow in as Bida was trying to attract large amounts in foreign investment.

A number of investment proposals on infrastructure development from Saudi Arabia, China, Korea and other countries are in the pipeline, he said.

In a recent article on web portal Container Management, Gagan Seksaria, director of global investments at the RSGT, said, "Bangladesh's remarkable trade-led growth of recent years has meant high utilisation of its port and transport infrastructure making it an ideal market for investment in advanced port systems and technology."

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স্মরণ

এনসিসি ব্যাংক লিঃ এর উদ্যোক্তা ও সাবেক চেয়ারম্যান, বিশিষ্ট মুক্তিযোদ্ধা, শিক্ষাবিদ খ্রিষ্টিয়াল এম. ওয়াজিউল্লাহ ভূঁইয়ার আজ ৯ম মৃত্যুবার্ষিকী।

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অপসর সাবেক, সফলতা