

STOCKS	
DSEX ▲ 0.13% 4,459.29	CSCX ▲ 0.16% 8,208.44

COMMODITIES	
Gold \$1,527.20 (per ounce)	Oil \$66.32 (per barrel)

ASIAN MARKETS	
MUMBAI ▲ 0.78% 41,626.64	TOKYO Closed SINGAPORE ▲ 1.15% 3,252.00
SHANGHAI ▲ 1.15% 3,085.20	

CURRENCIES			
	USD	EUR	GBP
BUY TK	83.95	93.32	110.24
SELL TK	84.95	97.12	114.04
	0.75	0.79	0.79



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BUSINESS

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Square Pharma stock price sinks for no reason

Drug maker's fundamentals and prospects look rock-solid

AHSAN HABIB

Square Pharmaceuticals. The name itself rouses reliability. So it is natural to assume that its stock will be a safe option for retail investors.

The reality though is quite different. Despite logging in double-digit growth year after year, its stock price is tanking for the last few months. So much that it hit a six-year low of Tk 182 last week, according to data from the Dhaka Stock Exchange (DSE).

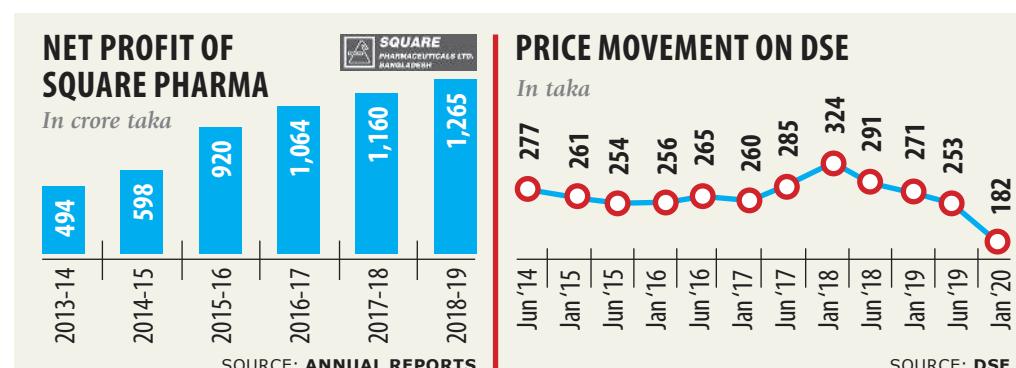
"The plunge is not based on Square Pharma's performance," said Ali Xahangir, chief executive officer of Amarstock, a website that provides technical analysis on the market movements.

Square Pharma made its debut in a humble way in 1958 as a partnership firm under the leadership of late Samson H Chowdhury and has gone on to become a landmark in Bangladesh's pharmaceutical landscape.

Today, it has 858 products, with 16 of them amongst the top 50 pharma brands in Bangladesh. Seclo, a tablet for gastric ulcer, is its most popular product.

In 1987 it pioneered export of medicines from Bangladesh. And today, its products are shipped to 42 countries. In the last financial year, exports brought home Tk 149.05 crore, up 2.76 percent year-on-year.

It logged in 10.85 percent higher consolidated



turnover and 9.01 percent upper profits in the 2018-19 financial year.

The company has no long-term loans outstanding; it operates with its own long-term sources and shareholders' equity. For the last five years at least, it has been providing more than 42 percent dividend.

The drug maker is setting up a unit in Kenya for \$1 million to manufacture and sell generic pharmaceutical medicines in Kenya and in the East African Community (EAC).

The plant, whose working capital requirement is \$4 million, will have the capacity to manufacture 2 billion tablets and capsules and 30 million bottles of liquid formulation each year.

The project is expected to be complete this year, with trial and commercial production to commence in June and September respectively.

In short, Square Pharma is a solid company and is cruising along nicely.

So its stock price taking a beating is rather shocking -- and is illustrative of the current haphazard state of the market.

The stock is a victim of the current

confidence crisis on the market, according to Xahangir.

On the flipside, investors with long-term investment horizon and the institutional ones are lapping up its stocks now that the price is lower, he said.

Between July and November, institutional investors' stakes rose to 10.28 percent from 9.91 percent, according to data from the DSE.

"Square Pharmaceuticals is one of the leading company that pleased stock investors with its continuous growth in revenue, profits and handsome dividend declaration. Still, its stock price plummeted," said Masud Ur Rahman, an investor.

Although it impacted his portfolio, he will hold on to his Square Pharma shares, he said.

Rahman is not alone. DSE data shows general investors are not offloading their Square Pharma shares at all.

Square Pharma's branding, quality, business ethics and nationally recognised efficient top management have a positive impact on doctors and consumers when it comes to choosing products, said Khandaker Habibuzzaman, its company secretary.

READ MORE ON B3



Kamal world's best finance minister

British magazine showers accolade

STAR BUSINESS REPORT

Finance Minister AHM Mustafa Kamal was named the best finance minister in the world by The Banker, a London-based business magazine, beating candidates from Asia Pacific, America, Africa, the Middle East and Europe.

The magazine crowned Kamal with the Finance Minister of the Year for Asia Pacific and Global Award-2020. He is the first finance minister in Bangladesh to have won the accolade.

The Finance Minister of the Year awards of The Banker, owned by the Financial Times Group, celebrate the officials that have best managed to stimulate growth and stabilise economies.

Kamal dedicated the award to the people of Bangladesh. He thanked Prime Minister Sheikh Hasina and said that this was only achieved by following the direction of the premier.

He was appointed as finance minister in January last year after his party retained power for the third consecutive term in

December 2018. He served as the planning minister from 2014 to 2018.

Immediately after taking the baton from AMA Muhith, he took several effective initiatives to keep pace with the ongoing economic growth and restore discipline in the financial sector, Kamal said in a statement.

Bangladesh clocked 8.15 percent GDP growth last fiscal year, which was the highest in the Asia Pacific region.

Kamal introduced the new VAT law and Bangla Bond on the London Stock Exchange.

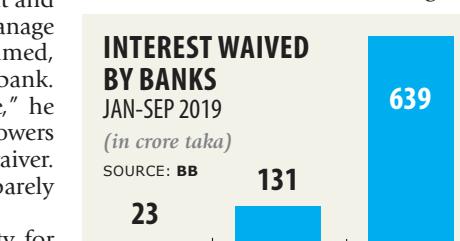
He took steps to cap banks' lending rates at 9 percent, to reschedule logical defaulted loans at state banks and announce wilful defaulters as bankrupt and realise unpaid dues through forming an asset management company.

He also brought in reforms at the stock market last year.

The magazine has been giving the award since 2004. India's late finance minister Arun Jaitley received the award in 2017.

profit last year, Khaled said, adding that some of the banks might have imposed hidden service charges on customers to ensure profits.

The large amount of interest exemption suggests of feeble corporate governance in the banking sector, Khatun said, while blaming the



upward trend of default loans for the spike in interest exemption.

As of September last year, defaulted loans in the banking sector stood at Tk 116,288.31 crore, up 23.82 percent from nine months earlier.

For the time being banks could clean up their balance sheets by way of waiving interest. But their financial health will deteriorate drastically in

the long run," she added.

Both Khaled and Ahmed advised lenders to put emphasis on recovering default loans by avoiding exemption to habitual defaulters.

Banks usually waive interest when they can manage a lump sum amount of default loans from borrowers, said Md Arfan Ali, managing director of Bank Asia.

All banks, however, do not follow the same waiver policy to recover the default loans, he said, adding that such exemption puts adverse impact on lenders' income.

Private banks waived interest amounting to Tk 639 crore between January and September, up from Tk 131 crore a year earlier, according to data from the Bangladesh Bank.

Interest waived by six state banks -- Sonali, Janata, Agrani, Rupali, BASIC and Bangladesh Development -- increased 20 percent year-on-year to Tk 131 crore.

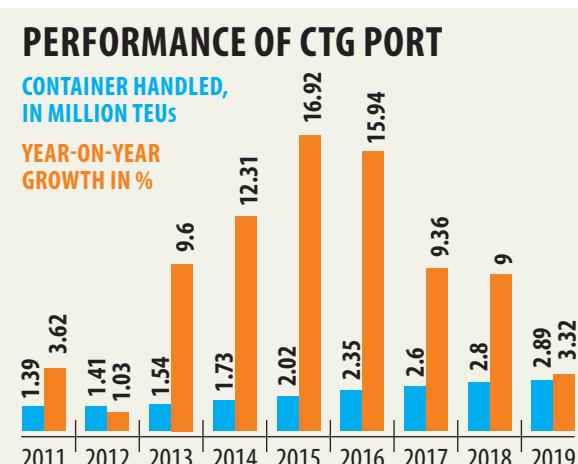
Foreign banks waived Tk 23 crore in the first nine months of last year, up Tk 9.36 crore from a year earlier.

In January-September of 2018, banks had waived Tk 421 crore.

The ministry convened the press meet to inform of the level of stocks

CONTAINER HANDLING BY CTG PORT

Growth slowest in seven years



just-concluded year, up from 2.80 million TEUs in the year before.

It handled 2.60 million TEUs in 2017 and 2.35 million TEUs in 2016. The country's largest seaport port recorded a 9 percent growth in 2018, 9.36 percent in 2017, and 15.94 percent in 2016.

However, the data from the Chittagong Port Authority (CPA) on Wednesday showed that the port handled 3.09 million TEUs of containers last year, up 6 percent year-on-year.

But the figure was finalised by taking into

account the containers that were handled by the Pangaon Inland Container Terminal (ICT), Kamalapur Inland Container Depot and 19 private ICDs in Chattogram.

The containers bound for the Pangaon ICT, Kamalapur ICD and the private ICDs are first unloaded at the Chattogram port before they are sent to their final terminals and inland depots. The port data considered the containers handled by these points twice.

READ MORE ON B3

Banks forfeit Tk 858cr in interest

AKM ZAMIR UDDIN

Interest waiver against bad loans more than doubled to Tk 858 crore in the first nine months of 2019 -- an indication of the desperation of banks to bring down their default loans by any means.

Only those borrowers with strong connections with the government and directors of private banks can manage exemptions, said Salehuddin Ahmed, a former governor of the central bank.

"This is an unethical practice," he said, adding that general borrowers can hardly manage such waiver. Lenders of developed countries barely waive interest, Ahmed said.

Banks usually offer the facility for delinquent borrowers, giving rise to moral hazard for good borrowers, said Khondkar Ibrahim Khaled, former deputy governor of the central bank.

Both good and habitual defaulters will rush to banks for waiver if the ongoing trend continues, said Fahmida Khatun, executive director of the Centre for Policy Dialogue.

The exemption of interest has a direct negative impact on banks' profitability. Strangely, most of the banks logged a hefty amount of

the long run," she added.

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The government will import two lakh tonnes of onion soon to meet local demand and arrest any price spiral before the fasting month of Ramadan beginning in April, said Commerce Minister Tipu Munshi yesterday.

The state-owned Trading Corporation of Bangladesh (TCB) and conglomerates City Group, Meghna Group and S ALAM Group will import the onion in equal shares.

The TCB will then sell the onion at a fixed price to consumers, said Munshi. The TCB is currently using trucks as sales points around the country for imported onion at Tk 35 per kilogramme (kg).