STOCKS	Week-on-week
DSEX	CSCX
▼ 0.23%	▼ 0.17%
6,052.76	10,576.20

COMMODITIES	As of Friday
Gold ▲	Oil ▲
$1,763.34	$73.51
(per ounce)	(per barrel)

ASIAN MARKETS			Friday Closings
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.04%	▼ 0.19%	▲ 0.19%	▼ 0.01%
52,344.45	28,964.08	3,144.16	3,525.10

CURRENCIES	As on Thursday STANDARD CHARTERED BANK			
	$USD	€EUR	£GBP	¥CNY
BUY TK	83.95	99.65	116.60	12.82
SELL TK	84.95	103.45	120.40	13.48

Star BUSINESS

DHAKA SUNDAY JUNE 20, 2021, *ASHAR 6, 1428 BS* ● starbusiness@thedailystar.net

Govt misses out on refining oil cheaply

Still relies on 53-year-old lone unit of Eastern Refinery

MOHAMMAD SUMAN, *Ctg*

Bangladesh is missing out on refining imported crude oil cheaply and saving valuable foreign currencies as it uses a plant that is more than half a century old and has failed to set up a new unit in a decade.

The economic life of the first plant of state-run Eastern Refinery Ltd (ERL), a subsidiary of Bangladesh Petroleum Corporation (BPC), was estimated at 20-25 years when it was commissioned in 1968.

Today, the only unit refines about 12 lakh tonnes of crude oil annually, which is less than a fifth of the total demand of 65 lakh tonnes for finished petroleum products. The rest of the finished products are imported directly.

ERL, which has an annual capacity to refine 15 lakh tonnes of crude oil, is the only company that makes finished petroleum products locally.

The processing cost of the 53-year-old plant has risen 89 per cent in the last decade, according to the annual report of the company for 2018-19.

The cost was Tk 630 per tonne in 2009 and it surged to Tk 1,190 per tonne in 2019.

ERL spent Tk 80.16 crore to refine 12.71 lakh tonnes of crude oil in the fiscal year of 2009-10.

READ MORE ON B3

RAJIB RAIHAN

The lone unit of state-run Eastern Refinery in Chattogram was commissioned in 1968. The economic life of the plant was estimated to be 20 to 25 years. Today, it refines 12 lakh tonnes of crude oil annually against the capacity of 15 lakh tonnes. The photo was taken earlier this year.

SMEs hung out to dry

Budget fails to stimulate small businesses starving for credit

BUDGET REVIEW FY2021-22

REFAYET ULLAH MIRDHA

They were the hardest hit segment when the whole economy came to a halt because of the countrywide pandemic-induced lockdown.

But the real struggle for the cottage, micro, small and medium enterprises (CMSMEs) stemmed from the lack of access to funds they needed to make a turnaround when the curbs were partially eased.

A credit guarantee scheme was introduced to help reluctant banks disburse the stimulus package among the CMSMEs starving for the credit. But stringent conditions have rendered the initiative unattractive.

The latest disappointment has been delivered by the proposed budget for the fiscal year starting on July 1, which promises inadequate measures for the segment considered to be the economy's backbone.

The government did roll out a Tk 23,000 crore stimulus package to support CMSMEs. But the disbursement did not see much uptick until recently as most banks did not have the focus and infrastructure to take the funds to the enterprises.

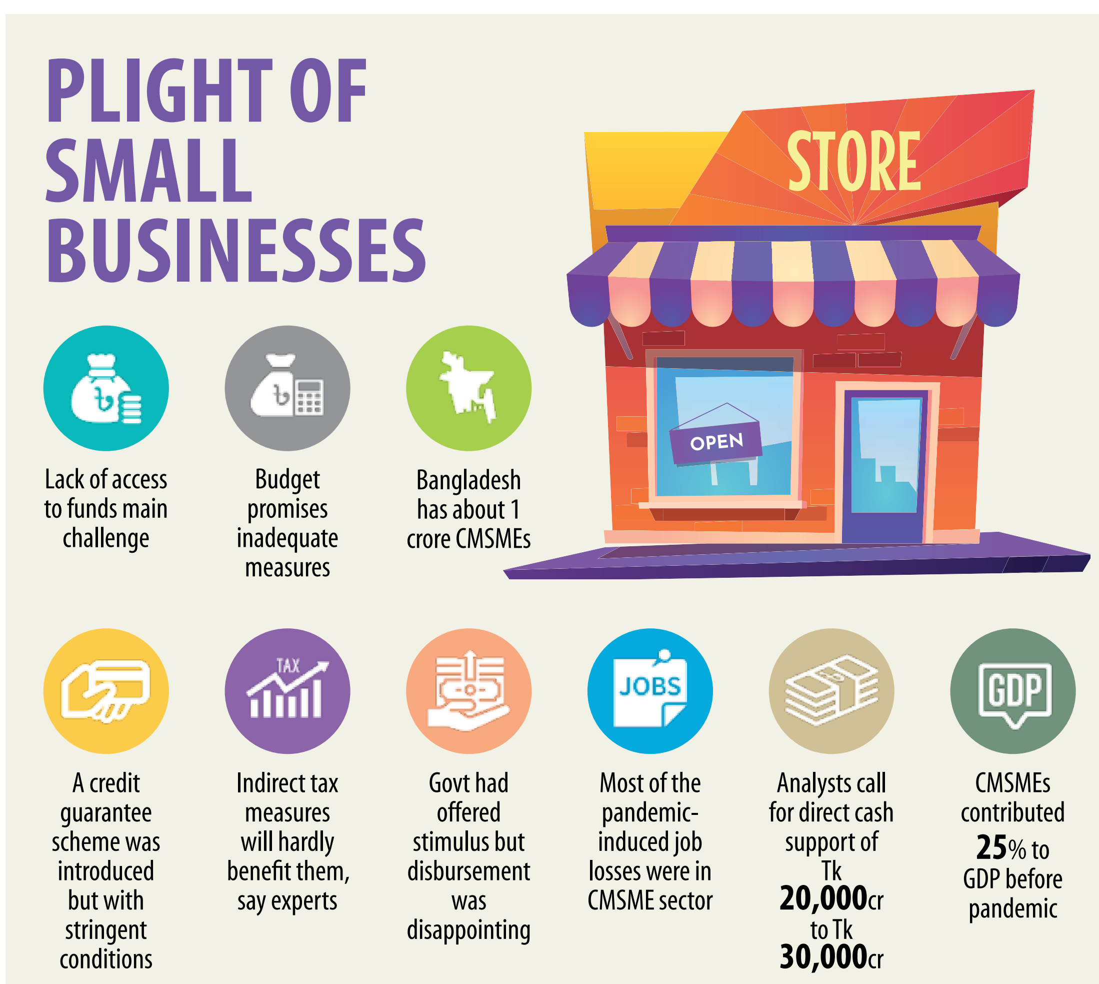
The stimulus package alone did not upset the CMSMEs.

The government's indirect measures like the reduction of tax proposed in the budget for the next fiscal year are too scanty as the steps would not be able to revive the CMSMEs, according to experts.

The CMSMEs in the agricultural sector, ICT related industries, women entrepreneurs, and some units acting as a backward integration of large industrial units may benefit to some extent from the proposed budget.

However, the rural CMSMEs, which employ semi-skilled and unskilled workers, will not benefit from the proposed measures.

READ MORE ON B3



Stock market has a good future

Salman F Rahman says; stakeholders demand widening tax gap between listed, non-listed firms

BUDGET REVIEW FY2021-22

STAR BUSINESS REPORT

Prime Minister's Private Industry and Investment Affairs Adviser Salman F Rahman yesterday said the country's stock market has a good future.

Investors' confidence has returned as the new commission of the capital market regulator has taken many good steps. As a result, turnover of the stock market has increased along with the market capitalisation, he said.

"Our stock market has a long-term problem of having no vibrant bond market. The Bangladesh Securities and Exchange Commission is working on it too. So, I'm seeing good future in the stock market," said Rahman at a webinar on measures proposed in the budget for fiscal 2021-22 for the development of the capital market.

Bangladesh Merchant Bankers Association (BMBA) and Capital Market Journalists' Forum (CMJF) organised the event. Rahman cited a recent report by HSBC, saying that the British multinational investment bank saw good potential of the Bangladesh stock market.

At the event, stock market stakeholders called for widening the corporate tax gap between listed and non-listed companies to make getting listed a lucrative option.

READ MORE ON B3

Online plastics fair from July 5

STAR BUSINESS REPORT

The 15th Bangladesh International Plastics, Printing and Packaging Industry Fair (IPF) will begin on July 5.

The announcement came at a press conference at InterContinental Dhaka yesterday when Commerce Minister Tipu Munshi was present as chief guest.

The four-day fair, to be held virtually due to the coronavirus situation, will be jointly organised by the Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA) and Yorkers Trade and Marketing Service Company.

"The plastic industry is already recognised as a thrust sector and we are

READ MORE ON B3

No alternative to prepaid metres to save energy

Speakers tell DCCI webinar

STAFF CORRESPONDENT, *Ctg*

There is no alternative to installing prepaid metres in residential areas to stop people from availing illegal gas connections and save energy for the future, experts told a virtual webinar yesterday.

Titled "Future of Industrial Fuel Source in Bangladesh: LPG and LNG", the webinar was organised by the Dhaka Chamber of Commerce and Industry (DCCI).

Speakers there urged for extensive exploration for natural gas to ensure cost effective energy supply in the industries in future.

Liquefied natural gas (LNG) and liquefied petroleum gas (LPG) are being used in industries but the volume is very low because of its high price, they said.

Still natural gas is very cost effective for industries and emphasis must be placed on the energy mix and

diversification, they added.

An average price for 78 cubic metres of gas is being charged for every burner although 40 to 45 cubic metres of gas is used on an average in homes, they said.

Consumers are paying extra without using gas while gas distribution companies are squandering away money by selling off this unused gas through illegal connections, said experts.

They also said gas distribution companies were reluctant to connect prepaid meters to retain their illegal earnings.

Kohondkar Saleque Sufi, director of Global Consultant and Educational (Aust) Pty, in a keynote presentation, said, "Only 15.21 per cent of the country's total demand is from domestic connections."

Most of them pay Tk 975 but they do not use the same amount in gas. A survey by the Titas Gas Transmission and Distribution Company found that a residential burner used on an average 40 to 45 cubic metres of gas but paid for 77 cubic metres, he said.

READ MORE ON B3

ADB gives $250m for social dev schemes

STAR BUSINESS DESK

Asian Development Bank (ADB) is providing a loan of $250 million to Bangladesh to help its finance reforms aimed at improving the inclusiveness and responsiveness of the country's social development and resilience programmes.

The ADB approved the policy-based loan on Saturday, said a press release.

The regional development bank also said Bangladesh has made remarkable progress in reducing poverty over the past two decades for which the poverty incidence declined from 48.9 per cent in 2000 to 20.5 per cent in 2019.

However, while many people were lifted from extreme poverty, a considerable number continue to live at a subsistence level.

The Covid-19 pandemic has significantly affected the socioeconomic situation of Bangladesh, with the country's gross domestic product estimated to have declined to 5.2 per cent in 2020 from 8.2 per cent in 2019.

"Enhancing social protection support is critical to cushioning the effects of the pandemic," said Hiroko Uchimura-Shiroishi, ADB senior social sector specialist for South Asia.

"The ADB supports the government's intention to leverage the Covid-19 pandemic as an opportunity to strengthen its social protection programmes as an essential means of building the resilience of the poor and supporting an inclusive recovery," she said.

The strengthening programme will include institutional and policy reforms to address cross-sector issues of social development in Bangladesh.

These include improving the coverage and efficiency of the social protection system through improving the administrative efficiency of social protection management.

READ MORE ON B3