

# Star BUSINESS

Pay All Kinds of Utility Bills through Prime Bank Agent Banking

16218

## Berger Fosroc opens new construction chemical plant

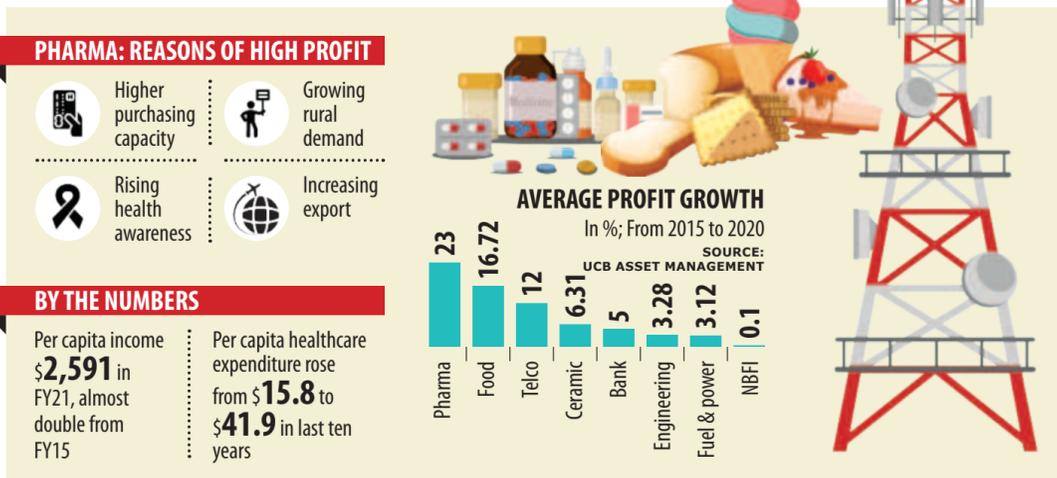
**JAGARAN CHAKMA**  
Berger Fosroc Ltd, a joint venture of Berger Paints Bangladesh and Fosroc International Ltd, yesterday opened a construction chemicals plant to cater for the growing domestic market for chemicals and cut import dependence. The joint venture entity invested around Tk 100 crore (around \$10.2 million) to build the plant, said Rupali Chowdhury, a director of Berger Fosroc Ltd.

The plant has been established at Narayanganj, a southeast industrial district adjoining Dhaka city. Planning Minister MA Mannan inaugurated the plant while British High Commissioner to Bangladesh Robert Chatterton Dickson, Lawmaker Nazrul Islam Babu, Chairman of Berger Paints Group Kuldeep Singh Dhingra, Chairman of

## Contactless debit cards get BB nod

**STAR BUSINESS REPORT**  
Bangladesh Bank yesterday gave the green light to rollout contactless debit and prepaid cards with a view to push digital transactions in the country.

Contactless cards facilitate payment just by waving them at the point of sale terminal without the need for any signature or PIN verification. The cards are embedded with near-field communication technology that allows secured payments. The central bank introduced the technology for credit cards in July 2018 for the first time in the country. The point-of-sale terminal would have a compatible reader where the card would be waved for authenticating transactions. Compatible merchant terminals can be identified by the contactless logo.



# Pharma, food see sharpest profit growth

**AHSAN HABIB**  
The pharmaceuticals sector in Bangladesh displayed the fastest growth in profit between 2015 and 2020 as more people, armed with rising purchasing power, afford more healthcare products. The Dhaka Stock Exchange (DSE) has divided 384 listed companies into 22 sectors and its data showed that the pharmaceutical sector witnessed the highest profit growth during the period. The five-year average profit growth of drug makers stood at 23 per cent. The food and allied sector came in second as it posted profit growth of 17 per cent, according to the data compiled by UCB Asset

Management. The average profit growth of the telecommunication sector was 12 per cent, while it stood at 6.31 per cent for the ceramic sector and 5 per cent for the banking sector. Among the pharmaceutical companies in Bangladesh, 32 are listed with the DSE, including market leaders

**LISTED FIRMS' PERFORMANCE 2015-20**

Square Pharmaceuticals, Beximco, Renata, Acme, ACI and Ibn Sina. "As people's per capita



income has risen and overall awareness has grown, people now consume more medicines," said M Mohibuz Zaman, chief operating officer of ACI Pharmaceuticals. Per capita income in Bangladesh rose to \$2,591 in the last fiscal year of 2020-21, almost doubling from \$1,316 in 2014-15, data from the Bangladesh Bureau of Statistics (BBS) showed. In the last decade, rural markets were the main growth driver of pharmaceuticals products, helped by the modernising agricultural sector and the government's huge development projects. Remittance, sent by crores of migrant workers, has changed

# Revisit VAT law as it is "too complicated"

**STAR BUSINESS REPORT**  
The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday urged the government to revisit the VAT law of 2012, calling it too complicated than the VAT law of 1991. The apex trade body of the country made the demand at the budget consultative meeting at the Hotel InterContinental in Dhaka. The FBCCI and the National Board of Revenue (NBR) jointly organised the meeting. At the meeting, businesses demanded the government cut

**FBCCI urges govt**  
the corporate tax and continue incentives for various sectors in the upcoming budget for the fiscal year of 2022-23, considering the volatile situation at home and abroad. The upcoming budget will be very critical because of the severe fallouts of Covid-19 and the Russia-Ukraine war, which have disrupted the global supply chain and hit the local economy. So, the government should keep reducing the corporate tax in the next fiscal year as well, they said. While addressing the event, Md Jashim Uddin, president of the FBCCI, demanded the government

avoid double taxation. He called for extending the same kind of tax facilities enjoyed by the export-oriented industries to all productive sectors. The government should introduce a tax holiday for eight years for cottage and micro industries with an annual turnover of less than Tk 15 crore, according to Jashim. He recommended introducing the tax holiday for five years for small industries with an annual turnover of Tk 50 crore and Tk 300 crore for medium-sized industries.

## Bangladesh to stay neutral at WTO

**REFAYET ULLAH MIRDHA**  
Bangladesh is likely to adopt a neutral stance at the World Trade Organisation (WTO) where some of its major global trading partners have issued condemnations over the Russian aggression on Ukraine in collaboration with Belarus. The WTO sent a letter to the commerce ministry dated March 14 seeking support in favour of Ukraine. It also wanted Bangladesh to express solidarity with the trading partners over the imposition of any kind of measure against Russia. In the letter, the WTO said it circulated the communication at the request of Albania, Australia, Canada, the European Union, Iceland, Japan, Korea, Moldova, Montenegro, New Zealand, North Macedonia, Norway, the United Kingdom and the United States. "We received the WTO letter. Our position is neutral," said Hafizur Rahman, director-general of the commerce ministry's WTO cell. "In this case, we will follow the principle of our foreign policy...friendship to all, malice towards none," he said.

STOCKS	
DSEX ▲	CSCX ▲
1.19%	1.01%
6,671.66	11,886.90

COMMODITIES	
Gold ▼	Oil ▼
\$1,922.69	\$109.77
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 1.22%	▲ 1.48%	▼ 0.16%	▲ 0.19%
55,989.30	27,224.11	3,350.17	3,259.86

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Workers unload fly ash imported from India from a freight train at Ghat No 5 in Khulna. Each freight car can contain around 2,000 sacks which 18 workers jointly transfer to trucks for a payment of Tk 2,800 to divide among themselves. Some six freight cars are unloaded at the station every day. The fine, powdery material made from the burning of finely ground coal has a number of engineering applications and typically contains heavy metals. Workers are little aware of the necessity of masks, inadvertently exposing themselves to the risks of cancer, nervous system impacts and other illnesses. The photo was taken last week.

PHOTO: HABIBUR RAHMAN

## China Eastern crash could set back Boeing's China recovery

REUTERS

The deadly crash of a China Eastern Airlines 737-800 could set back Boeing's efforts to regain ground in the world's biggest aircraft market and deliver more than 140 737 MAX jets already constructed for Chinese customers.

The 737-800 that crashed on Monday does not have the equipment that led to 737 MAX crashes more than three years ago, but that may not make a difference to Chinese passengers and a national regulator known for scrupulous safety requirements.

China Eastern said the cause of the crash was under investigation. Such accidents typically involve multiple factors, and experts warned it was far too early to draw any conclusions on the potential causes, especially in light of the scarce information available.

China was the first country to ground the 737 MAX after fatal crashes in Indonesia and Ethiopia more than

three years ago, and it is the only major market where the MAX has not resumed commercial flights.

A 737 MAX built for China Eastern subsidiary Shanghai Airlines took off from Seattle bound for Boeing's completion plant in Zhoushan last week, industry sources said, in a sign the model's return to service in China was close.

The plane landed in Guam on March 15 as part of a multi-leg journey and has not moved in the week since, according to flight tracking website FlightRadar24. Boeing declined to comment.

Robert Spingarn, a managing director at Melius Research who focuses on the aerospace sector, said the MAX's return in China could be delayed until authorities there had some answers on the cause of the China Eastern crash. China's aviation regulator is known for being very thorough on safety issues.

Chinese airlines do not need new MAX planes because demand is down following the country's biggest Covid-19 outbreaks in two years, industry

sources said. But the U.S. manufacturer has more than 140 MAX jets already built for Chinese customers waiting to be delivered once the jet returns to commercial service there, a person familiar with the matter said.

Boeing's shares closed 3.6 per cent lower on Monday. Boeing declined to comment on whether the crash could delay a business recovery in China, while China's aviation regulator did not respond immediately to a request for comment. The 737-800 that crashed is an earlier model with a strong safety record and there are nearly 1,200 in service in China, making it the world's largest market for the plane, according to aviation consulting firm IBA.

More than 4,200 737-800s are in service globally, data from aviation firm Cirium shows.

China Eastern and two of its subsidiaries on Monday grounded its fleet of 737-800 planes. The group has 225 of the aircraft, data from British aviation consultancy IBA shows.

Other Chinese carriers are continuing to fly the jets, according to data from Chinese aviation data provider Flight Master.

Jefferies analysts said China's aviation regulator was unlikely to ground the 737-800 fleet unless it specifically suspected a technical failure as the root cause because of the operational consequences of grounding more than 1,000 planes in the world's second-biggest domestic aviation market.

However, there are concerns the Chinese public could look to avoid flying on 737-800s until the cause of the crash is determined, given the broader reputational issues with the 737 family caused by the MAX, Cowen analyst Cai von Rumohr said in a note.

"Hence, isolating the cause of the crash will be critical," he added, noting the leading causes of commercial air transport crashes tend to be maintenance issues, pilot error or sabotage, rather than manufacturing or design issues.

## Sandhani brings fixed income mutual fund

STAR BUSINESS REPORT

Sandhani Asset Management is bringing a fixed income mutual fund that is the first of its kind in Bangladesh.

A trust deed signing ceremony for the "Sandhani Asset Management Fixed Income Mutual Fund" was held at the Bangladesh General Insurance Company office yesterday.

The Bangladesh Securities and Exchange Commission approved the trust deed on March 14 last year.

This will be the country's first no dividend, open-ended fixed-income mutual fund given its unique nature.

Sandhani Life Insurance is the fund's sponsor while the Bangladesh General Insurance Company is its trustee.

The trust deed was signed by Nema Kumar Saha, chief executive officer (CEO) of Sandhani Life Insurance, and Ahmed Saifuddin Chowdhury, managing director and CEO of Bangladesh General Insurance, on behalf of their respective organisations.

The fund's initial target size is Tk 50 Crore. Sandhani Asset Management will act as the asset manager.

At present, there are 36 closed-end mutual funds while the number of open-ended mutual funds is 79.

The total assets being managed under mutual funds in the country amount to about Tk 16,300 crore.

## PrimeAgrim wins Bangladesh Innovation Award 2022

STAR BUSINESS DESK

PrimeAgrim, an artificial intelligence-driven nano financing platform of Prime Bank, won the Bangladesh Innovation Award 2022 given by the Innovation Conclave in Bangladesh for the best innovation in the finance category.

ANM Mahfuz, head of consumer banking division at Prime Bank, and Md Majidul Haque, product owner of PrimeAgrim and head of agent and digital banking, received the award from Salman F Rahman, private industry and investment adviser to the prime minister, at Le Meridien Dhaka recently, a press release said.

"Being motivated, we shall keep working to bring even more innovative and customer-centric digital initiatives in the future," Mahfuz said, adding that PrimeAgrim was designed to promote financial inclusion through digital transformation.

## Bproperty creating an industry for second hand

FROM PAGE B4

issued etc. There is the need to check changing regulations with RAJUK, such as whether building codes have been followed.

Then comes the valuation issue, like what is the right price for the property in question. As every property is different, things are more complex.

DS: What value has Bproperty created in the real estate sector?

Nosworthy: Customers need to understand regulations, legality, pricing options, and valuations, and have the properties vetted. This is when you hear people being defrauded or running into issues. So they need to work with professionals, which is why we started Bproperty. It's important for the overall real estate system. I truly believe that Bproperty built the industry. Now, we're the ones servicing the industry and continuing to support it with new solutions. For example, we can help you source the finance, check the legal documents, change your flat's interior to your liking, etc. We can help you build the home you want, but more economically and efficiently than anyone else.

Now we are integrating other components to bolster the industry - interior design, architecture, home loan processing, and legal services.

DS: What is the size of

the second hand property market compared to that three years ago in terms of transactions, apartment size and demand?

Nosworthy: In terms of options it is pretty much the same, more so because people have delayed their decisions to buy or sell. But I expect the market to expand by 10 per cent to 15 per cent in the coming 12 months.

In terms of transactions, possibly around 200,000 to 300,000 transactions happen every year. At the moment, we alone have around 40,000 listings of apartments for sale on our website. On an average, 12,000 to 13,000 properties are newly listed on the Bproperty website every month, just in Dhaka. Bproperty brokers around 80 to 100 second hand apartments in Dhaka city per month and the demand is increasing day by day with people opting for changing residence locations. The middle class, who want to purchase apartments at a comparatively cheaper price, prefer second hand apartments.

Those in the price range of Tk 50 lakh to Tk 80 lakh and of sizes from 1,200 square feet to 1,500 square feet are the most in demand among the middle income segment. We get a lot of queries for even smaller apartments, for example 800 square feet to 1,000 square feet.

But at the moment, the supply of the smaller properties is not there. A majority of the property options available are between 1,200 square feet and 1,500 square feet.

DS: Do you have any expansion plan?

Nosworthy: We expect our transactions and revenue to double this year compared to that in 2021.

We have already started processing mortgages, and moving into fintech solutions to support financial institutions in this regard. So, we expect to combine home loan processing and property sales. We already have quite an active interior solution team, so we can now help renovate a property for either sale or to make it more suitable to needs.

DS: How was business over the last two years?

Nosworthy: Probably like most businesses, our business had tough moments, for example with the lockdowns. There were obviously some months when everyone was at home. If you're at home then you can't view properties, and if you can't view properties, there is no selling.

But I think in the last six months to eight months, we have picked up considerably. In 2021, we grew by around 260 per cent. So, we've had a really strong end to the year. That has set us up really well for this year.

## Wagely, The Daily Star sign MoU

STAR BUSINESS DESK

Wagely, a financial wellness platform, recently signed a memorandum of understanding (MoU) with The Daily Star to distribute "The Daily Star Newspaper Gift Cards" to its valued stakeholders.

Shuvashish Roy, head of business at The Daily Star, and Sanjida Tanny, communications and community lead of Wagely, signed the MoU at the latter's office in Dhaka, said a press release.

The Daily Star subscription gift card, with a motto "Sharing Wisdom", is a new initiative of The Daily Star through which anyone can take the opportunity to gift this print newspaper subscription card to their near and dear ones to celebrate festive occasions.

The receiver can avail this newspaper subscription for free by redeeming the gift card. Corporate organisations can also collect this gift card for their stakeholders and employees and join the glory of sharing wisdom.

To purchase the gift card, you can call The Daily Star's circulation hotline: 01711623906. Akib Sraon, senior executive for circulation marketing at The Daily Star, was present at the MoU signing.



Sanjida Tanny, communications and community lead of Wagely, and Shuvashish Roy, head of business at The Daily Star, hold a gift card after signing the memorandum of understanding at the latter's office in Dhaka recently.

PHOTO: THE DAILY STAR

## Sri Lanka sends

FROM PAGE B4

"We saw tourists being held up, we are also hearing that some people may be hoarding oil and that is why the government decided to deploy the military," Pathirana told reporters in the capital.

The troop call also follows the stabbing murder of a motorcyclist by another driver after a dispute over his place in a long queue for fuel outside Colombo.

"Temper is getting frayed as queues get longer," a top defence official told AFP on condition of anonymity. "A decision was made

last night to call out soldiers to reinforce the police. This is to discourage any unrest."

Three elderly people have dropped dead at fuel queues since Saturday, police said, adding that numerous petrol stations saw people camping overnight to wait for diesel and gasoline purchases.

Military officials said soldiers were deployed at pumping stations of the state-run Ceylon Petroleum Corp, which accounts for two-thirds of the fuel retail business in the nation of 22 million people.



Mohammed Haider Ali Miah, managing director of Exim Bank, and Jewel Khan, additional managing director of Momo Inn Hotel and Resort and BCL Aviation, exchange signed documents of an agreement at the bank's head office in Dhaka recently over discount on venue and logistics and accommodation along with helicopter service. Mohammad Feroz Hossain, Md Humayun Kabir, and Shah Md Abdul Bari, additional managing directors of the bank, were present.

PHOTO: EXIM BANK

## Oil slips below \$114

REUTERS, London

Oil slipped below \$114 a barrel on Tuesday, giving up some of the previous day's 7 per cent surge, as European Union members disagreed on a potential oil embargo on Russia, although persistent supply risks limited the decline.

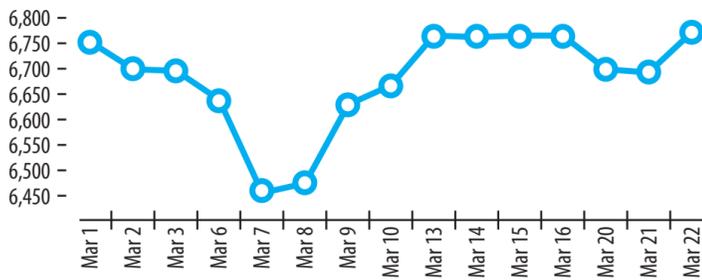
European Union foreign ministers are split on whether to join the United States in banning Russian oil. Some countries, including Germany, say the bloc is too dependent on Russia's fossil fuels to withstand such a step.

Brent crude fell \$1.92, or 1.7 per cent, to \$113.70 a barrel at 0920 GMT. US West Texas Intermediate crude slipped \$2.82, or 2.5 per cent, to \$109.3. Both contracts had settled up more than 7 per cent on Monday.

Oil also slipped as the US dollar strengthened after comments from US Federal Reserve Chair Jerome Powell on Monday that flagged a more aggressive tightening of monetary policy than previously anticipated.

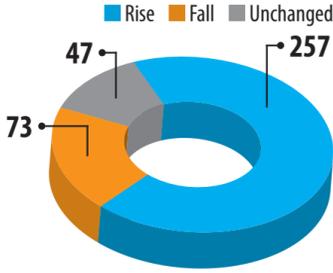
## UPS AND DOWNS OF DSEX

In points; SOURCE: DSE



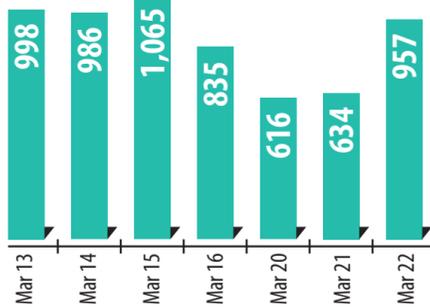
## SHARE PRICE CHANGE

In numbers



## TURNOVER OF DSE

In crore taka



# Stocks bounce back as investors start buying

STAR BUSINESS REPORT

The domestic stock market bounced back from two days of decline yesterday as investors assumed a buying spree.

"Many stocks became lucrative as the market index dropped and so, investors rearranged their portfolios," a stockbroker said.

But with the global economy under pressure due to Russia's war on Ukraine and the rising inflation rate in Bangladesh, some investors are still shaky about parking their funds in the stock market.

"So, investors are not confident enough even though the index rose," the stockbroker said, adding that the index edged upwards mainly due to a buying trend among a few big investors.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose by 79 points, or 1.19 per cent, to 6,771 yesterday.

At the DSE, 257 stocks advanced, 73 declined and 47 remained the same.

Turnover, an important indicator of the market, rose 50 per cent to Tk 957 crore from Tk 634 crore the previous day.

Stocks of Beximco Ltd remained the most traded stock with shares worth Tk 135 crore changing hands, followed by

Aamra technologies with Tk 34 crore, VFS Tread with Tk 24 crore, Sonali Paper with Tk 24 crore and Orion Pharmaceuticals with Tk 24 crore.

Atlas Bangladesh topped the gainers' list, rising 9.92 per cent, followed by Aamra technologies, Alltex Industries, ICB AMCL First Agrani Bank Mutual Fund, and Sonali Paper.

"The stock market bounced back after a two-day slump as bargain hunters were showing interest in sector-wise issues," International Leasing Securities said in its daily market review.

Investors got back their confidence considering the merchant bankers' proposal of raising Tk 10,000 crore funds for strengthening the capital market and resolving the market liquidity crisis, it added.

The Bangladesh Merchant Bankers Association proposed arranging a fund of Tk 10,000 crore for intermediaries so that they can pour money into the market when the index is on a falling trend.

The benchmark index of the Dhaka bourse rose as a result.

Similarly, the DS30, the blue-chip index, and the DSES, the index for Shariah-compliant companies, gained 34.77 points and 19.06 points, respectively.

The top contribution to the main index came from Beximco Ltd, which added eight points.

Robi Axiata followed with 7 points while Square Pharmaceuticals and Beximco Pharmaceuticals added 5 points and 4 points respectively, according to data from amarstock.com, a stock market-related data provider.

All the sectors witnessed price appreciations with paper and printing rising 4.4 per cent, IT 2.8 per cent and cement 2.3 per cent.

The investors' attention was mainly concentrated on miscellaneous (16.8 per cent), textile (15.8 per cent), and pharmaceuticals and chemicals (12.5 per cent).

Paramount Insurance shed the most, dropping 5.89 per cent, while Asia Pacific Insurance fell 1.90 per cent, Hwa Well Textile edged down 1.89 per cent, Takaful Islami Insurance declined 1.89 per cent, and Envoy Textiles decreased 1.87 per cent.

The Chittagong Stock Exchange soared yesterday as the Caspi, the main index of the port city bourse, increased by 197 points, or 1 per cent, to 19,813.

Among the 286 traded companies, 168 rose, 77 fell and 41 remained unchanged.

## China to boost renewable power

REUTERS, Beijing

China aims to increase renewable power, maintain crude oil output and boost natural gas production, as it seeks to balance energy security and achieve its climate change goals.

China, the world's biggest greenhouse gases emitter, has said its carbon emission would peak by 2030 while it would achieve carbon neutrality by 2060.

"We will accelerate the adjustment of the energy structure and promote energy supply security and low-carbon transformation at the same time," the National Development and Reform Commission said in a statement on Tuesday.

China will keep annual crude oil output at 200 million tonnes and crank up annual natural gas production to more than 230 billion cubic metres by 2025.

## Elevator assemblers get 3 more years of VAT waiver

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has exempted elevator assemblers from paying value-added tax (VAT) for three more years until June 30, 2025, to encourage the growth of domestic manufacturing capacities.

The manufacturers will also enjoy the VAT waiver when importing components and machinery, the Internal Resources Division (IRD) said in a notification on March 21.

"We have also waived advance tax on import of materials for making elevators. This will reduce pressure on their working capital," said a senior official of the NBR, which is under the IRD of the finance ministry.

The existing VAT exemption benefit is set to expire on March 30 this year.

"The VAT waiver extension will help the local companies cut lift manufacturing costs, and it will ultimately benefit the domestic consumers," said Sohail Rana, chief business officer for electrical appliances at Walton, the leading electronics manufacturer in Bangladesh.

"Walton imports motors that are used in lifts. Our value addition for lift manufacturing is over 50 per cent as we produce everything but the motor in Bangladesh," he said.

Around 5,000 to 6,000 elevators are sold in Bangladesh a year and Walton produces nearly 100 a month, said Rana.

"We are planning to increase lift production in the near future."

The NBR first provided the benefit on May 14, 2020, to facilitate the domestic manufacturing capacity of elevators, demand for which is growing for construction of multistoried buildings.

Currently, some local firms namely Walton and Pran-RFL Group assemble lifts in Bangladesh for the growing market.

## Indian banks to start debt recovery proceedings against Future Retail

REUTERS, Mumbai

Indian lenders are set to initiate debt recovery proceedings against Future Retail this week to safeguard their interests after rival Reliance unexpectedly took over some of the retailer's stores, two bankers told Reuters.

Future, hit by the pandemic, has been struggling to pay off its debt and is fighting a bitter legal battle with US retail giant Amazon. That battle has successfully blocked a \$3.4 billion sale of its retail assets to India's largest retailer Reliance, citing violation of certain contracts.

Future denies any wrongdoing. But Reliance Industries suddenly took control of hundreds of Future stores late last month, citing non-payment of rent, after assuming many of the leases held by cash-strapped Future.

State-owned lender Bank of Baroda will be the first to take Future to the Debt Recovery Tribunal (DRT) and is expected to file the paperwork this week, the two bankers said.

## Pharma, food see sharpest

FROM PAGE B1

the economic landscape in the rural areas. As the income of rural households grew, people are spending more to access healthcare products.

"Its impact was visible in the profits of every industry, including the pharmaceuticals sector," Zaman added.

Per capita healthcare expenditure in Bangladesh nearly trebled to \$41.9 from \$15.8 in the last decade, according to the BBS.

The number of private healthcare facilities rose to 16,979 in 2021 from 3,536 in 2000.

When people's living standard rises, they increase their spending on medicines and lifestyle products, according to Jubayer Alam, company secretary of Renata.

"There was a time when people used to make delays while taking treatment because they could not afford it. Now, most of them access treatments rather quickly and take medicines."

The pharmaceutical sector, which meets 97 per cent of the local demand, witnessed a 12.1 per cent compound annual growth over the last five years. The market size was Tk 27,500 crore as of June 2021, according to a report of UCB.

Drugmakers are also making fresh investments as their sales are rising in the local and international markets, said Alam.

And in order to cater to the demand in overseas markets, the top pharmaceutical companies have upgraded their factories to international standards and are competing with global companies.

Medicine exports from Bangladesh rose three times in the last decade, fetching \$169 million in the last fiscal year, according to the Export Promotion Bureau.

The booming poultry industry is also contributing to the sharpest profit growth of pharmaceuticals companies. The animal health industry is a Tk 3,000 crore market, with local drug makers holding 70 per cent of the market.

Shekh Mohammad Rashedul Hasan, managing director of UCB Asset Management, says people now take more health measures like regular checkups.

In Bangladesh, life expectancy has also risen. Since the number of elderly people is growing, they need more healthcare products as they live longer, he said.

"Our food habit is also causing higher medicine intake."

Among the listed pharmaceutical companies, Square Pharmaceuticals logged the highest profit of Tk 1,276 crore in 2019-20, followed by Renata Tk 412 crore and Beximco Pharmaceuticals Tk 354 crore.

CentralPharmaceuticals was the worst-performing medicine maker in the same fiscal year as it lost Tk 110 crore.

Madad Ali Virani, executive director of operations at Olympic Industries, one of the top food-processing companies in Bangladesh, says: "Higher sales have enabled higher profit growth. Our efficiency has also improved, so the sector's profits grew."

Khondaker Golam Moazzem, research director at the Centre for Policy Dialogue, says as the economy is expanding and the income of the people is rising, the domestic market-oriented sectors such as pharmaceuticals and food are faring well owing to a large local market.

The profit of the tannery sector dropped the highest 55 per cent from 2015 to 2020, followed by a decline of 22 per cent for the textile sector and 7 per cent for the cement sector, according to data from UCB.

The tannery sector has been going through difficulty for the last several years, and on many occasions, tanners found it difficult to sell leather and struggled to repay bank loans, Moazzem added.

## Contactless

FROM PAGE B1

Payments amounting up to Tk 3,000 can be made using the contactless method, and it is up to the customer if they want to complete the payment through this mode or the regular method of signing or keying in the PIN number.

The contactless cards also will have to follow the compliance standards of EMVCo. EMV originally stood for Europay, Mastercard, and Visa - the three companies that created the standard.

The standard is now managed by EMVCo, a consortium with control split equally among Visa, Mastercard, JCB, American Express, UnionPay and Discover. Banks in Bangladesh issued 2.56 crore debit cards and 11.98 lakh prepaid cards as of January this year.

## Berger Fosroc opens

FROM PAGE B1

JMH Group James M Hay and CEO of JMH Group Ian Watt were present, among others.

Also the managing director of Berger Paints Bangladesh Ltd, Chowdhury said the new products will provide a "superior construction solution" for durable and sustainable quality of infrastructure projects as consumers expect quality residences in line with economic development.

She said they will cater to every sector of the construction industry, specialising in solutions for building construction, industrial facilities, power plants and all types of transportation and civil infrastructure.

The products include industrial adhesives,

admixtures, grinding aids and joint sealants. "We will start marking the new products soon," said Chowdhury, after the inauguration of the plant.

The company launches the plant at a time when the market for construction chemicals, namely adhesives, admixtures, grinding aids and joint sealants is expanding.

Currently, the annual market size of the items is over Tk 2,000 crore, which is half of around Tk 4,000 crore market for paints, according to industry insiders.

Planning Minister Mannan said, "With the increasing demand for infrastructure in Bangladesh, it is expected that the construction and other related industries will witness remarkable growth over the coming few years."

## Revisit VAT law

FROM PAGE B1

Arman Haque, acting president of the Dhaka Chamber of Commerce and Industry, called for reducing the tax for listed companies to 23.5 per cent and for non-listed companies to 30 per cent.

Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association, demanded the withdrawal of the import duty and reduction of VAT on sales of man-made fibre in the local markets.

Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, said the government should increase the amount of incentive in the next budget so that exporters get a good package.

Adeeb H Khan, a director of the Metropolitan Chamber of Commerce and Industry, said the rate of corporate tax, which is 30 per cent, is so high that the actual tax liability ultimately goes up to 45 per cent.

"So, the government must reduce the corporate tax."

Asif Ashraf, a director of the Bangladesh Garment Manufacturers and Exporters Association, suggested the continuation of the source tax at 0.50 per cent, 10 per cent corporate tax rate for green garment factories and 12 per cent for non-green apparel units for the next five years.

Responding to the demands of the business community, Finance Minister AHM Mustafa Kamal said the next budget will be a win-win budget as



Planning Minister MA Mannan inaugurates Berger Fosroc's advanced construction chemicals plant in Narayanganj yesterday. Robert Chatterton Dickson, British high commissioner to Bangladesh, Nazrul Islam Babu, a parliament member, Kuldip Singh Dhingra, chairman of Berger Paints Group, Rupali Chowdhury, managing director of Berger Paints Bangladesh, James M Hay, chairman of JMH group, and Ian Watt, chief executive officer, were present.

PHOTO: BERGER PAINTS GROUP

## Bangladesh to stay

FROM PAGE B1

"Nevertheless, we will discuss the issue with our stakeholders before we send our reply to the WTO letter. We will give a reply to the letter soon," said Rahman, also an additional secretary to the commerce ministry.

Bangladesh may face some challenges in trade in the future as a majority of the solidarity-expressing nations are major trading partners, he said.

But the country does have its own right to take the stance it deems fit in any international dispute, Rahman also told The Daily Star.

The letter said the solidarity-expressing countries consider the Russian actions to be an unprovoked, premeditated attack against a sovereign democratic state.

They also see it as an egregious violation of international law, the UN Charter, and fundamental principles of international peace and security, it read.

These actions call into serious questions Russia's respect for all international institutions, disciplines and norms, it said.

"Together, we insist that the Russian Federation urgently stops the military aggression and immediately withdraws its troops."



Peanuts are seen being dried under the sun at a farm in Tangail's Bhuyanpur upazila. Farmers in the region's char areas that cultivated the highly popular oilseed crop are happy to be getting good prices for their produce this year.

PHOTO: MIRZA SHAKIL

## Peanut emerging as a major cash crop

MIRZA SHAKIL, Tangail

The ever popular peanut has maintained a steady uptick in consumption for many years now, turning it into a major cash crop for local growers, especially those in char areas along Jamuna River in Tangail.

Peanut farmers in the region are pleased to be getting higher prices for their product this year as people are increasingly consuming the legume crop and its derivatives for health benefits.

Peanut, also called groundnut, is a short-term cash crop and an excellent edible oilseed.

They are a very good source of vegetable protein, and contain a lot of unsaturated fats and magnesium.

Peanut cultivation in the sandy char areas is more profitable and simpler compared to other crops.

Peanuts are grown on nearly 1 lakh hectares of land in the country each year to produce around 1.5 lakh tons of the legume, according to sources in the agriculture ministry.

However, this amount caters to just one-third of the local demand while the rest is imported.

There is ample opportunity to correct the situation though by increasing peanut yields



through the application of advanced technology, the sources said.

Data from the Department of Agricultural Extension (DAE) in Tangail shows that peanuts have been cultivated on about 2,201 hectares of land in the district this season.

The post-flood soil in char areas is suitable for getting better yields of the oilseed, and that is why most of the crops have been planted in upazilas that border Jamuna River.

As such, the highest cultivation is taking place in the region's Bhuyanpur and Sadar upazilas, where peanuts are

being grown on 1,722 hectares and 375 hectares of land respectively.

Meanwhile, 28 hectares in Gopalpur upazila, 20 in Basail upazila, 20 in Kalihati upazila, 14 in Delduar upazila, 9 in Ghatail upazila, 7 in Nagarpur upazila, 5 in Sakhipur upazila and 1 in Mirzapur upazila are being used to cultivate the crop.

The Bri-7 and Bri-8 varieties are the most widely cultivated while the Bina-4 and BG-2 varieties are also quite popular.

Local farmers say peanut plants mature within 120 to 150 days of sowing. In the Jamuna char areas, peanut cultivation

starts from the end of September while harvests begin from the first of January.

During a recent visit, it was seen that the harvesting of peanuts in char areas of Bhuyanpur upazila has been almost completed.

Local farmers were busy drying their harvests under the sun before sending them to markets with help from the women and children in their families.

Farmer Mohor Ali, a resident of the upazila's Gabsara union, said that peanut plants do not require much care after sowing unlike other crops.

"No need to use chemical fertilisers. There is no cost other than the labour cost of sowing seeds and harvesting peanuts," he added.

Azmat Miah of the same village said he cultivated peanuts on two bighas of land this season.

"I hope to get at least Tk 30,000 as profit from the cultivation after excluding all costs," he said.

Al Amin, another peanut grower in the upazila, said local farmers were getting good profit from cultivation this year as peanuts were selling for Tk 2,800 to Tk 3,200 per maund (37 kilogrammes) at local markets.

However, the price per maund was Tk 2,200 to Tk 2,400 last year, he said.

Apart from harvesting peanuts, the plants can be used as cattle feed and fuel.

"Farmers can earn a few thousand extra by selling these," Amin added.

Peanut cultivation is increasing in char areas of Jamuna River each year as farmers are benefiting from the cultivation, said Humayun Kabir, upazila agriculture officer in Bhuyanpur.

He went on to say that the DAE assists peanut growers every year with free seeds and technical advice.

## Bproperty creating an industry for second hand flats

JAGARAN CHAKMA

In only a few years, property solutions provider Bproperty has created a branch of the real estate industry focused on the trade of second hand flats. Mark Nosworthy, CEO of Bproperty, sat with The Daily Star to express his views on the country's real estate sector and how Bproperty fits into the big picture.

**DS:** Now that we are returning to normalcy, how is demand faring?

**Nosworthy:** Demand is strong. For Bangladesh, real estate is always a big sector. People are always keen to invest here. So, I think it is always down to confidence. If people feel confident about investing, real estate will have received a large portion of it.

The challenge over the last two years has been a lack of short to medium term confidence due to the pandemic's uncertainties. However, as people became comfortable in dealing with the uncertainties and regained confidence, they started spending, and more importantly, investing again, including in the real estate sector.

**DS:** You put major emphasis on trade of second hand apartments. Among whom are second hand apartments high in demand?

**Nosworthy:** In terms of second hand apartments, those between Tk 50 lakh to Tk 80 lakh have high demand. The reason for this is a continuously growing middle income consumer segment. This segment can now afford to buy apartments through savings and borrowing from banks.

Second hand apartments are typically cheaper than newly developed or primary apartments, presenting an opportunity to the middle income segment to become homeowners.

**DS:** How willing are banks and other financial institutions to provide home loans to buyers?

**Nosworthy:** Several financial institutions including Delta Brac Housing Finance Corporation, Standard Chartered Bank, Midland Bank and LankaBangla Finance have signed memorandums of understanding with us. When it comes to clients referred by us to them, we deal with most of the mortgage processing. We help with risk mitigation in terms of property documentation, security, property valuation etc.

**DS:** If we compare the demand for new versus second hand apartments, what do the proportions look like?

**Nosworthy:** There is a significantly higher number of second hand apartments in Dhaka compared to new apartments. Tens of thousands become available on our platform for sale each year, compared to a few thousand that become available elsewhere.

This is due to individual property owners wanting to sell their investments for a variety of reasons. Sometimes they're looking for a larger property, or property in a different area. This market is quite big, and in my opinion is considerably bigger than the primary market, that is, new apartments.

The challenge, however, is that infrastructure to support the second hand apartment market is nowhere near as strong as that of the new apartments, because you need to check the documents, make sure the seller's ownership is legitimate, see if occupancy certificates are

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**In terms of second hand apartments, those between Tk 50 lakh to Tk 80 lakh have high demand. The reason for this is a continuously growing middle income consumer segment**

## US drought pushes cotton prices to ten-year high

AFP, New York

Cotton prices rose to their highest level in more than a decade on Monday, due to a prolonged drought in parts of the central United States.

The plant fiber reached \$1.3171 per pound (about 453 grams) on the key US futures contract, the highest since July 2011. Rainfall has been exceptionally low since early January in the northwest part of Texas - which produces about 40 per cent of all US cotton production.

Depending on the region in the United States, cotton is planted from March to June, so there is uncertainty in the market about size of this year's crop, according to John Robinson, a professor at Texas A&M University and cotton specialist.

Many are already comparing the current weather conditions to 2011, when US cotton producers experienced their worst drought ever and prices rose as high as \$2.27 per pound. The drought this time is hitting an already tight market because of a pandemic-related increase in demand for cotton textiles as people spend more time at home.

In addition, there has been a demand increase in China, by far the world's largest producer and importer.

Another contributing factor is the soaring price of pesticides, which are widely used on cotton farms and are derived from petroleum.

While high cotton prices were expected to lead to a sharp increase in US acreage, the cost of pesticides is expected to limit that growth, Arlan Suderman of broker StoneX told the local PBS station in Iowa.

Added to that is a wave of speculative buying, driven by accelerating prices, Robinson said.



Soldiers guard a fuel station in Colombo yesterday. Sri Lanka ordered troops to petrol stations as sporadic protests erupted among the thousands of motorists queuing up daily for scarce fuel.

PHOTO: AFP

## Sri Lanka sends troops to oversee fuel distribution

AFP, Colombo

Sri Lanka ordered troops to petrol stations Tuesday as sporadic protests erupted among the thousands of motorists queuing up daily for scarce fuel.

The South Asian island nation is grappling with its worst economic meltdown in over seven decades, with rolling electricity blackouts and essential goods such as food and cooking gas also in short supply.

Soldiers were deployed after angry crowds blocked a main artery in Colombo and held up traffic for hours because they were unable to buy kerosene oil on Monday, government spokesman Ramesh Pathirana said.

Footage of the incident shared on social media showed a group of angry women blockading a tourist coach to protest shortages of kerosene needed for cooking stoves

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