

## 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.

## 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.

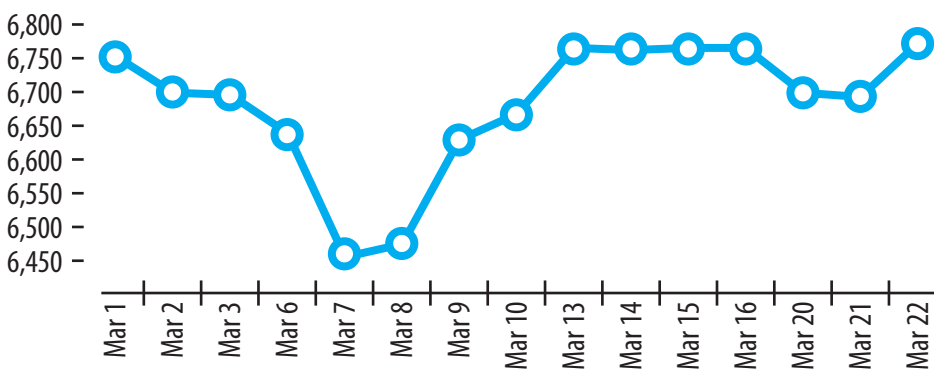
China, the world's biggest greenhouse gases emitter, has said its carbon emission would peak by 2030 while it would achieve carbon neutrality by 2060.

"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.

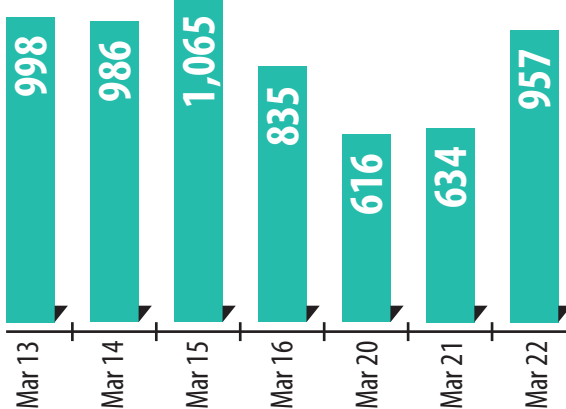
## UPS AND DOWNS OF DSEX

In points; SOURCE: DSE



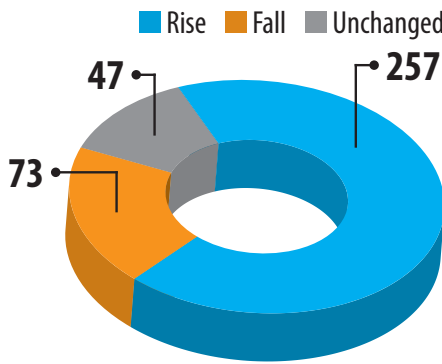
## TURNOVER OF DSE

In crore taka



## SHARE PRICE CHANGE

In numbers



## 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 Sohel 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.

# 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 D530, 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.

## Pharma, food see sharpest

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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.

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.

Central Pharmaceuticals 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

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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.

## Revisit VAT law

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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 the government has no plan to put additional burden on

businesses when it comes to revenue collection.

The revenue collection increased eight-fold over the last 13 years to Tk 259,000 crore as businesses contributed to the economy, he said.

"Still, Bangladesh is lagging in revenue collection compared with neighbouring countries," Kamal said, adding that the government will focus mainly on direct tax in the next budget.

Abu Hena Md Rahmatul Muneem, chairman of the NBR, said his office is trying to expand the tax net and reduce the burden of tax on the people.

"So, we need better understanding between businessmen and tax officials for a better environment."

## Bangladesh to stay Berger Fosroc opens

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"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."



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

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."