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Prime Bank



A worker unloads a barrel of palm oil at Khatunganj in Chattogram yesterday. About 60 per cent of the cooking oil used in the country's kitchens is palm oil, 80 per cent of which comes from Indonesia.

PHOTO: RAJIB RAIHAN

Edible oil price shock may soften

Thanks to price fall in global market, Indonesia's withdrawal of palm oil export ban

MOHAMMAD SUMAN, Ctg

Indonesia, the world's biggest supplier of edible oils, has decided to lift the ban on palm oil exports, a development that is expected to bring much-needed relief to the consumers in Bangladesh struggling to afford the cooking oil because of skyrocketing prices.

Palm oil exports can resume from May 23, Indonesian President Joko Widodo said in an online briefing yesterday.

The decision came after taking into account the improvements in the local supply and prices in the Southeast Asian nation, as well as the 17 million workers employed in the Indonesian palm oil industry.

On April 28, Indonesia halted shipments of crude palm oil and some of its derivative products to control soaring prices in the domestic market, rattling global vegetable oil markets.

The move had an immediate

impact on Bangladesh as about 60 per cent of the cooking oil used in the country's kitchens is palm oil, 80 per cent of which comes from Indonesia.

The supply crunch forced the government to increase the prices of the bottled soybean

oil by Tk 38 per litre to Tk 198, loose soybean oil to Tk 180 per litre and palm oil to Tk 172 per litre on May 6.

Speculation that Indonesia will soon withdraw the ban was doing the rounds. As a result, the price of palm oil has been declining in the international market for the last two weeks. At the Khatunganj market, the largest wholesale hub

Abul Hashem, a wholesaler in Khatunganj, said the fall in the price of edible oil is being felt in the domestic market in Bangladesh. The impacts will be further visible thanks to the withdrawal of Indonesia's export ban.

He thinks the price will go down further in the next few days as the businesses that have bought and stocked the supply order slips have begun releasing the cooking oil into the market.

The retail market is yet to see any immediate change despite the drop in the wholesale rate. As a result, cooking oils are being sold at the previous rates.

Loose palm oil was selling at Tk 172-182 per litre yesterday and palm oil (super) was retailing at Tk 180-190 per litre, according to the Trading Corporation of Bangladesh.

Rafiqul Islam, the owner of Bismillah Store at the Hamzarbagh Kitchen Market in the port city, said: "We have to sell cooking oil at the previous price as we bought them a week

ago." Palm oil is being sold at Tk 170-170 a litre and soybean oil at Tk 180.

Tapan Kanti Ghosh, senior secretary of the commerce ministry, said: "It is very good news for us. Indonesia is the biggest source of palm oil and lifting of the ban will increase the availability of edible oil in the domestic market."

"Those who are holding the vegetable oil are likely to release their stocks. There will be some effect on prices. But it may take 15-20 days to see the full impact."

He said the main users of palm oil is the food-processing and cosmetics industries and there will be a positive impact on these sectors as well.

According to the senior secretary, the commerce ministry will review the prices of edible oil every 15 days.

"We will do the revision just after the fresh arrival of palm oil from Indonesia. Even before,

READ MORE ON B3



oil by Tk 38 per litre to Tk 198, loose soybean oil to Tk 180 per litre and palm oil to Tk 172 per litre on May 6.

Yesterday, importers and traders say that the move to withdraw the export restriction will bring much-needed relief to the global market as well as Bangladesh.

in Bangladesh, palm oil was selling at Tk 144-145 per litre at the wholesale level yesterday, down from Tk 147-148 a day ago and at Tk 154-155 a week ago.

Similarly, soybean oil price stood at Tk 172-173 per litre, slightly down from Tk 174-175 on the previous day, said a wholesaler.

Bring corporate tax down to 10-15pc for newspapers

Editors urge finance minister

STAR BUSINESS REPORT

Editors yesterday urged the government to bring down the corporate tax for newspapers to 10-15 per cent from the fiscal year of 2022-23 to help the print media survive amid rising costs.

Currently, the newspaper industry has to pay 30 per cent corporate tax.

The editors also demanded a reduction of the tax deducted at source to 2 per cent from the present 4 per cent and the lifting of 5 per cent customs duty on newsprint imports.

They also called for the removal of 5 per cent advance income tax during the imports of newsprint.

They made the appeal at a virtual meeting with Finance Minister AHM Mustafa Kamal, organised by the finance ministry ahead of the placement of the budget for the upcoming fiscal year.

Prothom Alo Editor Matiar Rahman, Chief Editor of Daily Amader Orthoneeti Nayeemul Islam Khan, Bangladesh Pratidin Editor Naem Nizam, Founder Director & Head of News at Channel i Shykh Seraj, Financial Express Editor Shamsul Huq Zahid and bdnews24.com Editor Toufique Imrose Khalidi were present, among others.

Abdur Rouf Talukder, senior secretary of the finance ministry, moderated the session.

At the meeting, Naem Nizam said the newspaper industry in Bangladesh is passing a difficult period. Yet, newspapers have to count 30 per cent corporate income

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Masum Rana, a farmer from Kumira village under Bogura's Nandigram upazila, shows rotten paddy on a field. Recent excessive rains and storms inundated and completely damaged 20 bighas of their Boro paddy fields. The Department of Agricultural Extension says 49 lakh hectares of land were cultivated with paddy around the country this Boro season. Of it, 18,000 hectares had been damaged, causing a loss of 300,000 tonnes of paddy, it said. The photo was taken yesterday.

PHOTO: MOSTAFA SHABUJ

EDIBLE OIL CRISIS Punishing millers would have backfired Says rights body chief

STAR BUSINESS REPORT

The government knew who were responsible for the recent acute shortage of soybean oil but did not enforce the law as it would have made the situation even more volatile, said the chief of the consumer rights body yesterday.

Five to six businesspeople are controlling the whole market and it is important to understand why big companies were not fined during the edible oil crisis, said AHM Shafiquzzaman, director-general of the Directorate of National Consumers' Right Protection.

If one single miller was brought to justice for the offenses they committed at the time, the crisis in Bangladesh would have escalated, he said.

Shafiquzzaman, also an additional secretary of the commerce ministry, said the government knows what the market situation is and who is doing what but it does not react during many major crises because it is a part of its policy.

"The government did what was needed to maintain the supply chain because there was adequate supply of oil in the country but it was not available at the retail level."

The directorate's biggest weakness is the lack of adequate data, having no legal source for it and being unable to scrutinise information received from consumers and personal sources, said

"So, the directorate has decided to work jointly with intelligence and law enforcement agencies."

Irregularities are pervasive in Bangladesh and found everywhere the directorate ever conducted a drive-in, he told a seminar on enforcing the Consumers' Right Protection Act, 2009.

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| STOCKS | |
|----------|-----------|
| DSEX ▼ | CASPI ▼ |
| 0.81% | 0.72% |
| 6,258.24 | 18,439.72 |

| COMMODITIES | |
|-------------|--------------|
| Gold ▲ | Oil ▼ |
| \$1,837.89 | \$108.21 |
| (per ounce) | (per barrel) |

| ASIAN MARKETS | | | |
|---------------|-----------|-----------|----------|
| MUMBAI | TOKYO | SINGAPORE | SHANGHAI |
| ▼ 2.61% | ▼ 1.89% | ▼ 1.07% | ▲ 0.36% |
| 52,792.23 | 26,402.84 | 3,190.71 | 3,096.96 |

CTG-EU ROUTE Second direct shipping service kicks off today

DWAIPAYAN BARUA, Ctg

The second direct container shipping service from the country's premier sea port in Chattogram to Europe is going to be introduced today.

The new service will reach two new destinations -- Liverpool in the United Kingdom (UK) and Rotterdam in the Netherlands, which is also one of Europe's hub ports.

And this time comparatively bigger vessels will be deployed.

The introduction comes two and a half months after the first direct shipping service between Chattogram and Italy was launched on the first week of February this year.

United Kingdom (UK)-based freight forwarder Allseas Global Logistics is introducing the new service.

It is chartering three

READ MORE ON B3



Tea production in the northern region started from March with a target of producing 18 million kilogrammes of processed tea this year. Last year, a record 14.5 million kgs of tea were produced in the northern plain lands, making it the second largest tea-producing region in the country after Sylhet.

PHOTO: COLLECTED

Minimum price of tea leaves set for northern region

MD QUAMRUL ISLAM RUBAIYAT,
Thakurgaon

The minimum price for raw tea leaves grown in Panchagarh was fixed at Tk 18 per kilogramme (kg) on Wednesday following recent demonstrations by local farmers demanding a fair value for their produce.

Tea farmers in the district had gathered at the Sher-e-Bangla intersection of the Panchagarh-Dhaka highway last Sunday in protest of the low prices being paid by processing companies amid the ongoing harvest season.

They also alleged that the companies curtail the weight of tea being supplied by between 15 per cent and 40 per cent in order to save on purchases.

With this backdrop, Md Jahurul Islam, the deputy commissioner of Panchagarh, called all relevant stakeholders to a meeting at his office on Wednesday in order to set a price for raw tea leaves. Islam presided over the meeting, dubbed the Panchagarh District Tea Leaves Price Fixation

Committee.

Amirul Haque Khokon, president of the Bangladesh Small Tea Growers Association, Dr Mohammad Shameem Al Mamun, senior scientific officer of the Bangladesh Tea Board's regional office in Panchagarh, leaders of the local tea factory owners' association, various public representatives and journalists were present.

Mamun said the tea production season is considered as the period between March and December.

About 20 tea processing factory owners in Panchagarh and one each in Thakurgaon and Lalmonirhat started purchasing raw tea leaves from March 1 at prices between Tk 22 and Tk 26 per kg.

But the price dropped drastically to Tk 12-14 per kg just two months after harvesting began, pushing growers into a tight corner in the process.

Factory owners curtailed 15 to 40 per cent from the total weight of the tea leaves being supplied by farmers on various pretexts and as a result, growers were getting less than Tk 10 per kg for

their produce, which was much less than the production cost.

Finding no alternative, small tea growers took to the streets to attain fair prices and subsequently submitted a plea in this regard to the district deputy commissioner.

The price of tea leaves is usually fixed based on the average price it receives at 15 auctions but as only three auctions were held in the current season, the price of raw tea leaves was fixed at Tk 18 per kg this year considering the average rate of the 45 auctions held last year, Mamun said.

Tea growers supply leaves as per the requirements of tea factories, which cannot curtail the weight after receiving the leaves supplied by growers.

However, factory owners can curtail the weight by up to 10 per cent if the leaves are wet, he added.

Replying to a query, Mamun said that since there is no committee for fixing the price of raw tea leaves in other northern districts, the factory owners in adjacent regions will follow the same

price as Panchagarh.

Tea production in the northern region started from March with a target of producing 18 million kgs of processed tea this year. Last year, a record 14.5 million kgs of tea were produced in the northern plain lands, making it the second largest tea-producing region in the country after Sylhet.

In 2021, 1,263.37 acres of land were brought under tea cultivation in five northern districts, according to Mamun. Of the total cultivation area of Panchagarh, 8 registered and 20 unregistered tea estate owners have cultivated tea on 2,464.21 acres of land while 7,168 small and marginal growers are farming the plant on 7,283.59 acres of land. In Thakurgaon, tea was planted on 260 acres of land under a tea estate while 728 small growers have separately cultivated the plant on 1,110.30 acres. Similarly, 96 small growers have cultivated tea on 168.88 acres of land in Lalmonirhat, 40 growers on 78.37 acres in Dinajpur and 35 growers on 68.59 acres in Nilphamari.

RIISING LIVING COSTS

Garment workers' purchasing power wears away: Sanem

STAR BUSINESS REPORT

The rising cost of living is eroding the purchasing power of garment workers even though most of them work overtime in order to make ends meet, according to the findings of a study released yesterday.

Garment workers work for more than 10 hours a day on average but even after working overtime, the cost of food and rent alone eat up most of their earnings, it said.

The study was carried out by Microfinance Opportunities in collaboration with the South Asian Network on Economic Modelling (Sanem) as a part of the latter's "Garment Worker Diaries" project.

"Even with higher income through overtime work, the purchasing power of garment workers is declining," said Bazlul Haque Khondker, chairman of Sanem, while unveiling the findings at a webinar styled, "The Lives of Garment Workers During Covid-19".

The study found that the average monthly house rent paid by each garment worker was Tk 3,500 as of March 2022, representing a 17 per cent increase over a period of two years.

Meanwhile, the price per kilogramme of rice increased by 12.5 per cent between September 2017 and January 2022.

As such, the survey results point out the worsening buying capacity of garment workers at a time when inflation is on the uptick due to food prices staying persistently high and rising non-food prices.

In April, overall inflation stood at 6.29 per cent, the highest in 18 months and up from 6.22 per cent in March, according to data from the Bangladesh Bureau of Statistics.

Khondker went on to say that the garment industry was expanding rapidly.

"Scores of orders are coming to the country and so, the industry requires more employees. However, that number of employees is not currently available," he said.

Expanding the supply capacity to meet additional demand has forced existing workers to work longer hours, he said, adding, "This is not sustainable."

Khondker said Vietnam and Indonesia conducted several studies and found that the provision of social safety net programmes increases labour productivity and firm profits.

So, the government and Bangladesh Garment Manufacturers and Exporters Association should come forward to take such initiatives for garment workers, he said.

The Garment Worker Diaries project aims to collect data on the working conditions, income, expenditure and financial tool usage by workers in the global apparel and textile supply chain.

Researchers of the study have been collecting data from about 1,300 workers in the main industrial belts such as Chattogram, Dhaka city, Gazipur, Narayanganj and Savar since April 2020. Some 76 per cent of the workers were female, which roughly represents the composition of the labour force in the garment sector as a whole.

According to the survey, a government programme aimed at facilitating digital payment systems in the garment industry was launched in April 2020 and ran for three months, during which some 2 million accounts were opened.

Mustard oil a solution

FROM PAGE B4
in 2020, out of which palm oil import was 1.33 million tonnes and soybean oil were 0.80 million tonnes.

We also imported soybean seeds from which 0.41 million tonnes of oil were extracted locally. There were roughly 0.18 million tonnes of other types of edible oil like canola and sunflower, which were also imported.

We produced around 250,000 tonnes of indigenous oils locally. Bangladesh had to spend more than \$2 billion to import edible oil and fat. That's huge, right?

Presently, we cultivate mustard on 0.60 million hectares of land from which we produce about 0.78 million tonnes of mustard. Nearly 300,000 tonnes of oil are extracted from this quantity of seeds.

As a first step, we need to bring more land under

mustard cultivation. There are nearly 2.20 million hectares of land which remain unutilised between Aman harvest and Boro cultivating time. This land can easily be brought under mustard cultivation, which is rather easy to cultivate, less costly and can be harvested in just 80 days.

We need to promote the high-yielding variety of Bina-04 and Bina-09 to maximise production. The average productivity of these two varieties is 1.60 tonnes per hectare. If we can bring 3 million hectares of land under mustard cultivation in the next five years, this will give us 4.80 million tonnes of mustard production from which we can extract 1.90 million tonnes of oil.

Gradually, in the next seven years, we need to bring around 4.75 million hectares of land under mustard cultivation to

produce 3 million tonnes of oil to meet our demand.

There is a misconception among consumers that soybean oil is better than mustard oil in terms of health and nutritional benefits. This is not true at all. Mustard oil has more thiamin, riboflavin, niacin, pantothenic acid, vitamin B6 and folate than soybean oil. It has significantly more iron, potassium, calcium, and dietary fibre.

Mustard oil has the lowest saturated fat content among edible oils. This oil comprises 12 per cent Omega-3 (Alpha-Linolenic Fatty Acid) compared to Olive oil (only 0.6 per cent). According to the American Journal of Clinical Nutrition, mustard oil reduces heart attacks by nearly 70 per cent.

In a nutshell, the key action points are: bringing more land under mustard cultivation; introducing

high-yielding mustard varieties; promoting short-duration rice varieties in Aman to have a sufficient time for mustard cultivation; launching a comprehensive campaign to educate the consumers about the health benefits of mustard oil; and intensifying research activities to improve the quality of mustard seeds.

The agriculture ministry took a project to increase the production of oilseeds in 2017. The time has come to consider this initiative as one of the top priorities of our overall agriculture strategy.

By maximising mustard oil production, not only will we be able to save billions of valued foreign currencies, we will also be able to build a healthier nation.

The author is chairman and managing director of BASF Bangladesh Ltd. Views are personal.

Stocks

FROM PAGE B4
Prime Finance First Mutual Fund One shed the most with a 5 per cent drop while Paper Processing, ACI Formulations, Bangas Ltd, and RD Food were among the heavy losers as well.

Beximco Ltd became the most traded stock with shares worth Tk 53 crore changing hands followed by Islami Bank, Shinepukur Ceramics, JMI Hospital and Bangladesh Shipping Corporation.

The Chittagong Stock Exchange (CSE) also fell yesterday. The CASPI, the main index of the CSE, dropped 103 points, or 0.72 per cent, to close the trading session at 18,439.

Of the 288 stocks traded, 54 rose, 208 fell, and 26 did not see any price movement.

China's zero-Covid policy

FROM PAGE B4
begin to withdraw their onshore presence, the process of economic convergence may come to an end sooner than anticipated."

China's export growth slowed to single digits in April, the weakest since the onset of the pandemic, while imports barely changed as Covid-19 curbs halted factory production and slashed demand.

Authorities are expected to tread a careful policy path around Covid ahead of a key Communist Party meeting towards the end of the year.

In a sign of that caution, China last week gave up hosting rights for the Asian Cup football finals next year due to Covid concerns.



Md Arfan Ali, president and managing director of Bank Asia Ltd, receives a "Certificate of Appreciation" from Fazle Kabir, governor of Bangladesh Bank, on the central bank premises in the capital on Wednesday.

PHOTO: BANK ASIA

Bank Asia awarded certificate of appreciation by BB

STAR BUSINESS

Bank Asia has been awarded a "Certificate of Appreciation" by Bangladesh Bank for its significant disbursement of stimulus loan under the special refinancing scheme of Tk 5,000 crore in agriculture sector.

Md Arfan Ali, president and

managing director of Bank Asia Ltd, received the certificate from Fazle Kabir, governor of Bangladesh Bank, on the central bank premises in the capital on Wednesday, said a press release.

The bank disbursed the loans among 3,285 farmers under the scheme during fiscal year 2020-21.



Mashrur Arefin, managing director of City Bank, delivered a welcome speech at the bank's earnings disclosure for the first quarter of 2022 yesterday. Md Mahbubur Rahman, additional managing director, gave a presentation. Investors, researchers, analysts and individuals involved in capital market activities joined the virtual programme.

PHOTO: CITY BANK

Litchi farming in Magura grows 10 times

FROM PAGE B4
"We not only become financially solvent, but also the local poor boys and girls can collect litchi for free and eat to their hearts' content," Mollah added.

Milon Hossain, a local litchi trader, said the litchis grown in Magura have a uniquely delicious taste. So, traders from different parts of the country throng here to collect the fruit for their markets.

Hossain went on to say that he purchased five litchis worth about Tk 2.50 lakh from orchards in Ishakheda and Hazrapur in expectation of around Tk 4 lakh in return.

Lawlu Khunkar, another

trader, said purchased Tk 30 lakh worth of litchis from various orchards and harvesting litchis in full swing.

He has already sold up Tk 25 lakh of the fruit as of May 15 but harvesting will continue till the last week of May. So, Khunkar expects that may sell another Tk 12 lakh worth of litchis if the weather remains favourable.

Nazma Khatun of Ishakheda village said that she is seasonally employed by orchards during the harvesting period.

"During this period, I can earn around Tk 10,000 in total and help meet my family expenses," she added.

Ismail Hossain, another orchard worker, said he packages and sorts the plucked fruit for about Tk 500 per day.

"I work at an orchard during the harvesting season but otherwise pull a rickshaw to make a living," Hossain added.

Md Ashrafuzzaman Jahid, associate professor of the department of nutrition and food technology at the Jashore University of Science and Technology, said litchis contain a good amount of Vitamin C, Vitamin B-complex and phytonutrient flavonoids.

The fruit is a rich source of nutrients that

are required for producing healthy blood. It provides magnesium, copper, iron folate, and more elements that are required for the formation of red blood cells.

Hyat Mahmud, deputy director of the Magura DAE, told The Daily Star that farmers will get bumper production this year as the weather is favourable.

"This is the most litchi produced in Magura in the last 10 years," he said.

He added that the production of litchi is better this year than the previous 10 years. Magura is the only best litchi grower district in Khulna division, he told.

Islami Bank, JPMorgan Chase & Co hold meeting

STAR BUSINESS DESK

A business meeting between Islami Bank Bangladesh and the JPMorgan Chase & Co was held at Pan Pacific Sonargaon Dhaka recently.

Mohammed Monirul Mousa, managing director of Islami Bank Bangladesh, exchanged views with Ali Moosa, vice-chairman of payments and senior country officer for Bahrain, Egypt and Lebanon at the JPMorgan Chase & Co; Christine Jang Tan, managing director and head of financial institutions group for Asia Pacific, and Sazzad Anam, executive director and country head of the Bangladesh office.

Mousa handed over a memento to Ali Moosa on the occasion, said a press release.

Both organisations expressed interest to strengthen bilateral business relations and work for new opportunities.

Muhammad Qaisar Ali and Md Omar Faruk Khan, additional managing directors of Islami Bank Bangladesh, Md Mostafizur Rahman Siddique, deputy managing director, Miftah Uddin, executive vice-president, and Mohammad Habibur Rahman, senior vice-president, attended the meeting.

Profit growth of listed drug makers slows

AHSAN HABIB

The pace of profit growth of pharmaceutical companies in Bangladesh slowed in the January-March period of the current financial year compared to a year ago because of higher operating costs despite bigger sales.

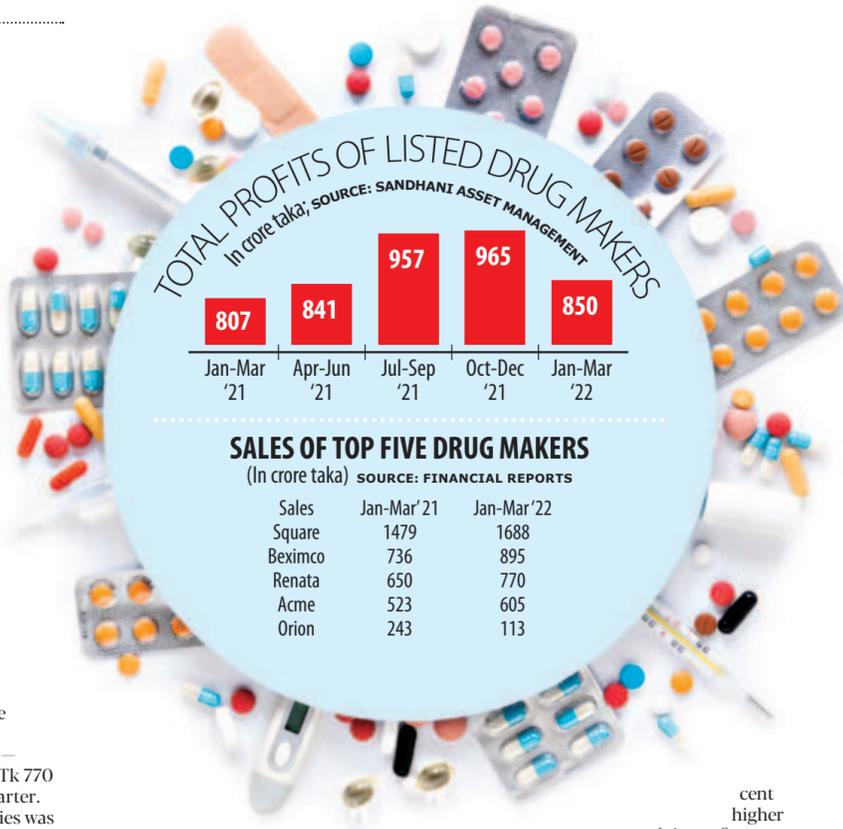
The profits of all 18 pharmaceutical companies listed on the Dhaka Stock Exchange (DSE) grew around 5 per cent to Tk 850 crore in the third quarter of 2021-22.

The profits had increased by 21 per cent to Tk 807 crore in the same period a year ago, data compiled by Sandhani Asset Management Company showed.

An analysis of the financial reports showed that the pharmaceutical companies spent more money on marketing from January to March this year, compared to the same quarter in 2021.

The costs related to sales, marketing and distribution of the top five listed drug makers—Square Pharmaceuticals, Renata, Beximco Pharmaceuticals, Acme, and Orion—surged 31 per cent year-on-year to Tk 770 crore in the recently concluded quarter.

The sales growth of the companies was



Oil prices extend losses

REUTERS, London

Oil prices fell on Thursday, following earlier gains, on concerns that high fuel prices could hurt economic growth, but planned easing of restrictions in Shanghai and a tight supply outlook capped loss.

Brent crude futures for July were down \$1.25, or 1.2 per cent, at \$107.86 a barrel by 0932 GMT. US West Texas Intermediate (WTI) crude futures for June fell \$1.96, or 1.8 per cent, to \$107.63 a barrel.

Front-month prices for both benchmarks fell about 2.5 per cent on Wednesday.

PROFITS OF TOP FIVE COMPANIES
(SOURCE: FINANCIAL REPORTS)

| Profits | Jan-Mar '21 | Jan-Mar '22 |
|---------|-------------|-------------|
| Square | 351 | 406 |
| Beximco | 146 | 106 |
| Renata | 123 | 136 |
| Acme | 39 | 50 |
| Orion | 24 | 26 |

higher but the higher costs of marketing pushed up the operating costs, thus impacting their profits.

The average sales growth was 16 per cent.

A senior official of a listed drug maker says the hiring of new employees almost came to a halt during the height of the pandemic and the movement of

marketing representatives was also limited. This had driven the operating costs down.

Since almost all companies have started recruiting and spending on marketing also picked up thanks to the rebounding of the economy, the operating expenses rose.

"It will, however, give better results soon," said the official.

The demand for medicines rose in the first quarter of 2021 as the pandemic was still raging across Bangladesh. But as the coronavirus caseloads fell sharply in the first quarter of 2022, the profit growth was comparatively low.

However, the average growth rate is almost similar to the market growth rate, he added.

Of the listed drug makers, the profits of 12 rose in the first quarter, one returned to profits while the rest logged lower profits.

Square Pharmaceuticals, the largest drug maker in Bangladesh, clocked 15 per

cent higher growth in profit, the highest among the medicine-makers, fetching Tk 406 crore in the third quarter.

Profits of Beximco Pharmaceuticals dropped 27 per cent to Tk 106 crore.

Renata's profit rose 10.5 per cent to Tk 136 crore while Acme Laboratories saw 28 per cent higher profits of Tk 50 crore. Orion Pharma's profits were up 8 per cent to Tk 26 crore.

The market capitalisation of pharma stocks is Tk 70,821 crore, accounting for around 14 per cent of the total market capitalisation of the DSE. This is the highest among all the sectors, according to UCB Stock Brokerage.

The price-earnings ratio of the sector was 17 against the market PE ratio of 13.98.

The annual turnover of the entire pharmaceuticals sector stands at about Tk 27,000 crore.

Exports of pharmaceuticals products rose 21 per cent to \$40 million during the January-March period of 2021-22, data from the Export Promotion Bureau showed.

BSEC to probe Saffko share price manipulation

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has formed a two-member committee to investigate findings of Dhaka Stock Exchange (DSE) that Md Abul Khayer, a government official, and his associates were involved in a series of transactions to raise the share price of Saffko Spinning Mills.

Stocks of the Saffko rose 182 per cent in a span of three months in mid-2021 even though the company was struggling to make profits at the time, according to the DSE data.

In an order, the BSEC said Mohammad Asif Iqbal and Mohammad Ratan Miah, deputy directors, will investigate the trading of the Saffko share and its related fact findings.

The DSE investigated and submitted its findings to the commission after the bourse primarily found that Md Sajib Hossain, Md Abdul Quddus Amin, Md Suleaman, Nurunnesa Saki, Kazi Farid Hasan, and Md Abul Khayer violated securities rules, the BSEC said.

"They avoided rules by directly and indirectly affecting a series of transactions of shares and raising the price of shares, executing trades that created a false and misleading appearance of active trading in securities and acquired more than 10 per cent shares of Saffko Spinning without complying with the requirements of said rules," it said.

It was also found that Shanta Securities violated the commission's directive by allowing the trade of the Saffko's shares in the margin account.

The inquiry officers will complete the inquiry and submit a report to the commission within 30 working days of the issuance of the order on May 11, the BSEC added.

Md Abul Khayer did not respond to calls for a comment by the time this report was filed.

Pakistan bans imports of luxury goods

REUTERS, Karachi

Pakistan has banned the import of all non-essential luxury goods in a bid to stabilise the economy, the information minister said on Thursday, describing the situation as an economic emergency.

Pakistan's current account deficit has spiralled out of control and its foreign exchange reserves have tumbled while the Pakistani rupee has plummeted to historic lows against the US dollar.

"All those non-essential luxury items that are not used by the wider public, a complete ban has been imposed on their import," minister Marriyum Aurangzeb told reporters.

She said the measures are to address fiscal instability, which she blamed on the previous government of Prime Minister Imran Khan, who was ousted in a no-confidence vote last month over charges of mishandling the country's economy.

"There is an emergency situation in the country," she said.

Among a host of imports to be banned are cars, cellular phones, home appliances and cosmetics.

Second direct shipping service Edible oil price

FROM PAGE B1

vessels with capacities ranging from 1,500 TEUs (twenty-foot equivalent units) to 1,800 TEUs.

Under the new service, a 1,700-TEU capacity Mongolian flagged vessel, MV AMO, arrived at the outer anchorage of the Chattogram port on Wednesday afternoon.

The vessel arrived with 562 TEUs of empty containers from China and those empty containers will take away export cargoes, said Syed Sohel Hasnat, chief executive officer (CEO) of Phoenix Shipping, the local agent of Allseas Global Logistics.

According to his calculations, the empty containers would have had been unloaded by last night.

Then loading of the export-laden containers will start, said Hasnat, hoping for the departure for Rotterdam to be by afternoon today.

It will take 20 days to 22 days for the vessel to

reach Liverpool first and then it will head out for Rotterdam, the official said.

From the next voyage, the vessels will go to Rotterdam first, he informed.

The local agent is expecting to carry at least 300 TEUs of export-laden containers this time to the two EU destinations.

On why so little is being carried while the capacity was so big, Hasnat said they earlier had expectations of receiving around 400 TEUs but the factories delayed resuming operations after Eid-ul-Fitr.

In the next vessel, MV San Allanso, which will arrive on May 30, they hope to carry over 800 TEUs, Hasnat said.

Earlier in February, an Italian shipping company lunched the first direct service between Chattogram and the Italian port of Ravenna.

It had two smaller sized vessels, MV Songa Chhetah and Cape Flores, each having a capacity of 1,100 TEUs.

Following this success, several Europe-based logistics providers took to launching similar services to other EU destinations, aiming at getting rid of long delays in transporting the country's export cargoes on the routes used currently connecting transshipment ports.

Another direct service is scheduled to be launched on the Barcelona-Rotterdam route later this week.

Switzerland-based maritime logistics service provider Commodity Supplies AG initiated launching the service with three vessels.

Sources said the Port of Leixões of Portugal was in a process of signing a memorandum of understanding with Chittagong Port Authority for a direct service with Chattogram. Slovakia and the United Arab Emirates have also shown interest to inaugurate such direct shipping services, they added.

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we will also examine the scope."

Ghulam Rahman, president of the Consumers Association of Bangladesh (CAB), also welcomed the development.

"This will reduce the tendency of increasing prices by businesses who were taking advantage of the situation."

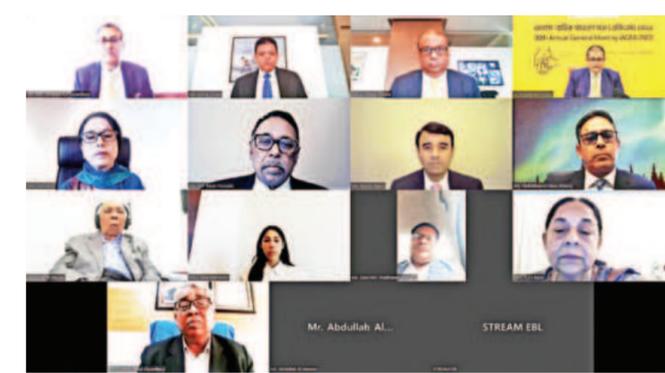
He expects businesses will cut prices and the government will do the downward adjustment of prices. SM Nazar Hossain, vice-president of the CAB, says unless the government re-fixes the prices, it will not have an

impact at the retail level and consumers will not benefit.

"We are saved since we have been suffering from the higher prices of edible oil since the ban," said Syed Nurul Islam, chairman of Well Group, which runs a bakery chain.

According to the entrepreneur, palm oil is one of the main ingredients in bakery, biscuits and the food industry.

According to the National Board of Revenue, more than 13.68 lakh tonnes of palm oil and soybean oil worth Tk 16,119 crore were imported in the four months to April.



Md Showkat Ali Chowdhury, chairman of Eastern Bank, virtually presided over its 30th annual general meeting yesterday. The meeting approved 12.50 per cent cash and 12.50 per cent stock dividends for shareholders for 2021. M Ghaziul Haque, Mir Nasir Hossain, Salina Ali, Mufakkarul Islam Khasru, Gazi Md Shakhawat Hossain, KJS Banu, Zara Namreen, Ashiq Imran, Toufic Ahmad Choudhury and Ruslan Nasir, directors, and Ali Reza Iftekhar, managing director, were present.

PHOTO: EASTERN BANK

Punishing millers

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"I haven't seen a place where there are no irregularities," he told the event, which was jointly organised by the directorate and the Economic Reporters' Forum (ERF) on the latter's premises in the capital.

Common people don't get utility services properly from entities like Dhaka Water Supply and Sewerage Authority, Dhaka Electric Supply Company and Titas Gas Transmission and Distribution Company, said

Shafiquzzaman.

Often there is the low pressure of gas and load-shedding while water quality is poor, he said.

"In a nutshell, wherever we're intervening, we're getting elements of certain levels of irregularities," he said, hinting that the directorate would conduct drives regarding the services.

There are irregularities in all areas and even at well-known companies. If the directorate can work properly, it will be able to

impose penalties on them, said Monjur Mohammad Shahriar, a director of the directorate.

The Consumers' Right Protection Act and trade bodies need to be strengthened while the directorate should be expanded to make ongoing development sustainable, he said, seeking the media's cooperation.

ERF President Sharmeen Rinvy spoke at the seminar, moderated by General Secretary SM Rashidul Islam.

Half of Gazprom clients opened rouble accounts: Russia

AFP, Moscow

Russian Deputy Prime Minister Alexander Novak said Thursday that about half of the 54 companies that have natural gas contracts with energy giant Gazprom opened accounts in rubles.

President Vladimir Putin has said that from April Russia will only accept payment for deliveries in its national currency, with buyers required to set up rouble accounts or have their taps turned off.

The announcement came in response to a litany of international sanctions that hit Moscow after it sent troops into Ukraine on February 24, including the freezing of its foreign currency assets held abroad.

"Today, I think, there are around 54 companies that have contracts with Gazprom Export," Novak said at a conference in Moscow, his remarks carried by the RIA Novosti news agency.

"About half of them have already opened special accounts - in foreign currency and in rubles - with our authorised bank" to pay for gas, he added. He said that once April's figures are finalised there will be a list of "those who paid in rubles and those who refused to pay."

The European Commission said this week that anything going beyond paying for gas contracts in the stipulated currency violated sanctions against Russia.

Bring corporate tax down

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tax although the corporate tax for the export-oriented garments industry is 10-12 per cent.

He demanded the slashing of the corporate tax to 10-15 per cent from the next fiscal year.

Nayeemul Islam Khan said getting arrear bills for advertisements is a major problem for newspapers. "Only Tk 500,000 is given against arrears of Tk 1 crore. We are told there is a shortage of budget," he said, requesting the finance minister to look into the issue.

Shykh Seraj proposed increasing subsidies in the budget to ensure food security, increasing the production of crops,

including wheat and onions, and raising the allocation for research.

Shamsul Huq Zahid questioned the rationality of the move to hike the power tariff by 58 per cent.

At the meeting, Finance Minister Kamal said there would be no problem regarding the repayment of foreign debts.

He said the annual amount of debt repayment would be equivalent to two months' worth of remittances earnings of Bangladesh.

About \$2 billion in remittances will come this month and Bangladesh will need to repay \$2.4 billion this year, he said.

The nation will have to pay \$2.8 billion next year,

\$3.3 billion the following year, and \$4 billion in 2025, he added.

Kamal said the risk for Bangladesh regarding the repayment of debt is discussed in light of Sri Lanka's debt crisis.

"But there is a gulf of difference between Bangladesh and Sri Lanka," he said, adding that the Island nation had taken loans from commercial banks.

On the other hand, Bangladesh has taken 77 per cent of loans from development partners like the World Bank and the Asian Development Bank on easy terms, he added.

"It is not logical to compare Bangladesh with Sri Lanka," Kamal said.

Stocks see seventh day of decline

STAR BUSINESS REPORT

The domestic stock market yesterday stretched its losing streak to seven consecutive trading sessions amid low turnover, raising concerns among investors regarding the future of their portfolios.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), slid by 51 points, or 0.81 per cent, to close the day at 6,258.

With this fall, the index has dropped to its lowest position in the last nine months, when it stood at 6,208 on July 12. The index plunged by a total of 440 points in the last seven days.

Besides, turnover at the DSE fell by 12 per cent to Tk 668 crore compared to Tk 762 crore on the previous day.

Risk-averse investors continued their selling spree of sector-specific issues to avoid any further erosion in their portfolios

Risk-averse investors continued their selling spree of sector-specific issues to avoid any further erosion in their portfolios, said International Leasing Securities in its daily market review.

The growing concerns about rising inflation, which reduced the peoples' real income, as well as the lower value of local currency against US dollars in foreign investors' portfolios has decreased investor confidence, it added.

All the sectors, sans tannery, witnessed price corrections yesterday. Investor activity was mostly concentrated on miscellaneous (15.2 per cent), banks (12.8 per cent), and pharmaceuticals and chemicals (12.4 per cent).

At the DSE, 67 stocks advanced, 263 declined and 50 remained unchanged.

Meanwhile, both the DS30, the blue chip index, and DSES, the shariah based index, lost 19 points and 8 points respectively.

S Alam Cold Rolled Steel Mills topped the gainers list with a roughly 10 per cent rise while Bangladesh National Insurance, First Finance, C&A Textiles, and Emerald Oil also saw major gains.

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During the short harvesting window for litchis, around 10,000 local housewives and adolescents get the chance to earn about Tk 300 daily by working at orchards, according to officials of the Department of Agricultural Extension.

PHOTO: STAR

LITCHI FARMING in Magura grows 10 times in as many years

AZIBOR RAHMAN, Magura

Litchi production in Magura has increased ten fold compared to what it was a decade ago thanks to favourable weather and soil conditions this year.

As such, the optimum yields seen in the ongoing harvest season have given farmers hope of making good business by supplying the seasonal fruit to different parts of the country.

During a recent visit to orchards in the Isakheda and Hazrapur villages, it was found that litchi farmers and traders were in a jovial mood while picking the fruit with their wives and children helped arrange them in piles.

Officials of the Department of Agricultural Extension (DAE) in Magura said that 639 hectares of land under four upazilas of the district have been brought under litchi cultivation to produce an estimated 5,924 tonnes of the fruit.

However, yields may exceed expectations considering the current trend in harvesting.

The DAE officials went on to say that during the short harvesting window for litchis, around 10,000 local housewives and adolescents get the chance to earn about



Tk 300 daily by working at orchards.

And considering this year's sizeable yields, the DAE expects farmers in the district will be able to sell around Tk 60 crore worth of the fruit in the ongoing season.

Magura is considered the best litchi growing district in Khulna as it has the most suitable soil for this purpose.

A mature litchi tree can produce around 12,000 to 15,000 pieces of the fruit each year while smaller ones provide about 6,000 to 7,000 litchis at the same time.

According to various farmers, maintaining a litchi

orchard bears little expense.

"We only apply some phosphate and compost fertiliser to ensure good harvests. We then take the fruits to Ishakhada bazar, where they are shipped off on trucks to different districts," said Nuru Sardar, a litchi grower of Ishakhada village under Magura sadar upazila.

Sardar told this correspondent that he once sold Tk 55,000 worth of litchis from his orchard comprising 30 trees. And although he had the same number of trees in 2021, he was only able to sell Tk 25,000 worth of the fruit that year due to the damaged

caused by cyclone Amphan.

This year though, favourable weather has allowed him to sell Tk 90,000 worth of litchis from his orchard, which now comprises 50 trees

"But we need a market where we can offer our products at usual rates and besides, there are no storehouses where we can keep our products for a few days in case we need to wait out poor weather or low market prices," he added.

Khokon Mollah, another farmer from the same village, said the 110 litchi trees he planted this year bore fruit worth Tk 80,000 while he only received Tk 35,000 from selling the fruit last year.

He got 5,000 to 6,000 litchis from each tree last year while he is getting 14,000 to 15,000 from the same plants this year since their growth was not hampered by any natural calamity.

In the early season this year, he sold litchis for Tk 2,000 to Tk 2,200 per thousand pieces. He is now selling the same about for between Tk 1,100 and Tk 1,200.

During the harvesting period, many unemployed men and women can enough to care for themselves and even help their families.

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Mustard oil a solution to edible oil crisis

SAZZADUL HASSAN

There is a huge hue and cry about the recent unprecedented price hike of soybean oil. This is probably an issue that drew the media's attention the most. For the last couple of years, the price of soybean oil has been constantly on the rise due mainly to the volatile price in the international market.

Prices of soybean and palm oil have risen sharply in the last two years, and no wonder they topped the list. In 2020, the price of bottled soybean oil in the country was Tk 113 a litre, which now stands at Tk 198.

Palm oil price (loose) was Tk 78 per litre in 2020 and Tk 130 recently. Last week, the government fixed the price of loose palm oil at Tk 172 a litre, a rise of 72 per cent.

Questions have arisen what has caused the prices of edible oil to go up so sharply and so frequently?

Bangladesh imports 90 per cent of its annual demand for edible oil. The major supplying countries of soybean

oil are Brazil and Argentina and Malaysia and Indonesia are the two-biggest supplying countries of palm oil.

According to a study by the International Food Policy Research Institute, the price increase is mainly due to global weather events that have taken a toll on the supplies of two key oil commodities.

Over the last six months, there's been a drought in Argentina and Brazil. Malaysia got badly hit by a devastating typhoon and had flooding. This had a big impact on its palm oil production this year.

Bangladesh imports 90 per cent of its annual demand for edible oil. The major supplying countries of soybean oil are Brazil and Argentina, while Malaysia and Indonesia are the two biggest supplying countries of palm oil

Brazil accounts for about half of global soybean exports, while Indonesia and Malaysia produce much of the world's palm oil. The Ukraine Russia war aggravated the situation as supplies of sunflower oil have been cut off from these two countries, the two biggest suppliers of sunflower oil, causing soybean and palm oil prices to go up further.

According to the Index Mundi, the price of soybean oil in the world market was \$1,411 per tonne last December. Recently, the price has gone up to \$1,900 per tonne.

The price of palm oil was \$1,142 a tonne in December 2021 which had reached nearly \$1,700 last month. All forecasts suggest that this volatility in the edible oil price is going to stay for a longer period.

What should Bangladesh do in the backdrop of such uncertainty? The answer lies in our history and surprisingly enough, we can easily be turning Bangladesh into a self-dependent country in edible oil production.

Wondering how? In the good old days, even during the 1970s, mustard oil used to be the main cooking oil here. Since the late 1970s, soybean and palm oil slowly started to take the place of mustard oil.

The total annual demand for edible oil and fat is around 3 million tonnes in Bangladesh. We imported 2.73 million tonnes of oils and fat

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China's zero-Covid policy dashes global recovery hopes

REUTERS

A sharp slowdown in China's economy caused by its strict zero-Covid rules and Beijing's shift away from a traditional reliance on external demand have cast doubts over how much the country will contribute to future global trade and investment.

While China staged a remarkably quick recovery from its initial pandemic slump, thanks to bumper exports and factory production, analysts expect the current downturn will be harder to shake off than the one seen in early 2020.

The gloomier outlook presents challenges not only for leaders in Beijing worried about rising unemployment, but foreign businesses counting on China to resume its level of engagement it had with the rest of the world before the pandemic.

Calculations based on International Monetary Fund projections show China's expected average annual contribution to global economic growth through to 2027 at about 29 per cent. While that's a considerable addition, it contrasts with the years following the 2008 global financial crisis when that averaged closer to 40 per cent.

ANZ's chief economist for Greater China, Raymond Yeung, said Beijing's economic policies have more recently shifted to home-grown solutions and reforms, rather than the resumption of its past model that focused on greater engagement with the world.

"Successful implementation of these may pave the way to sustainable growth over the long term," Yeung wrote in a note. "However, the risk of failing to achieve a similar growth rate is higher. If MNCs (multinationals)

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A worker in a protective suit walks on a closed bridge during lockdown amid the coronavirus outbreak in Shanghai on Wednesday.

PHOTO: REUTERS

US recession risk low but Europe vulnerable Yellen says

AFP, Knigswinter

The United States is unlikely to fall into a recession as interest rates rise to fight soaring inflation, the US treasury secretary said Wednesday, while warning of the risks for Europe following the invasion of Ukraine.

"I really don't expect the United States to fall into a recession," Janet Yellen said at a press conference ahead of a meeting of G7 finance ministers in Germany.

Europe is "more vulnerable and of course more exposed on the energy front" as prices rise following the Russian invasion of Ukraine, she said.

The continent is highly reliant on Russian energy imports for its energy needs, with any disruption to supplies of oil and natural gas threatening stoppages for industry.