

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 Moula, 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.

Moula 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.

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.

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.

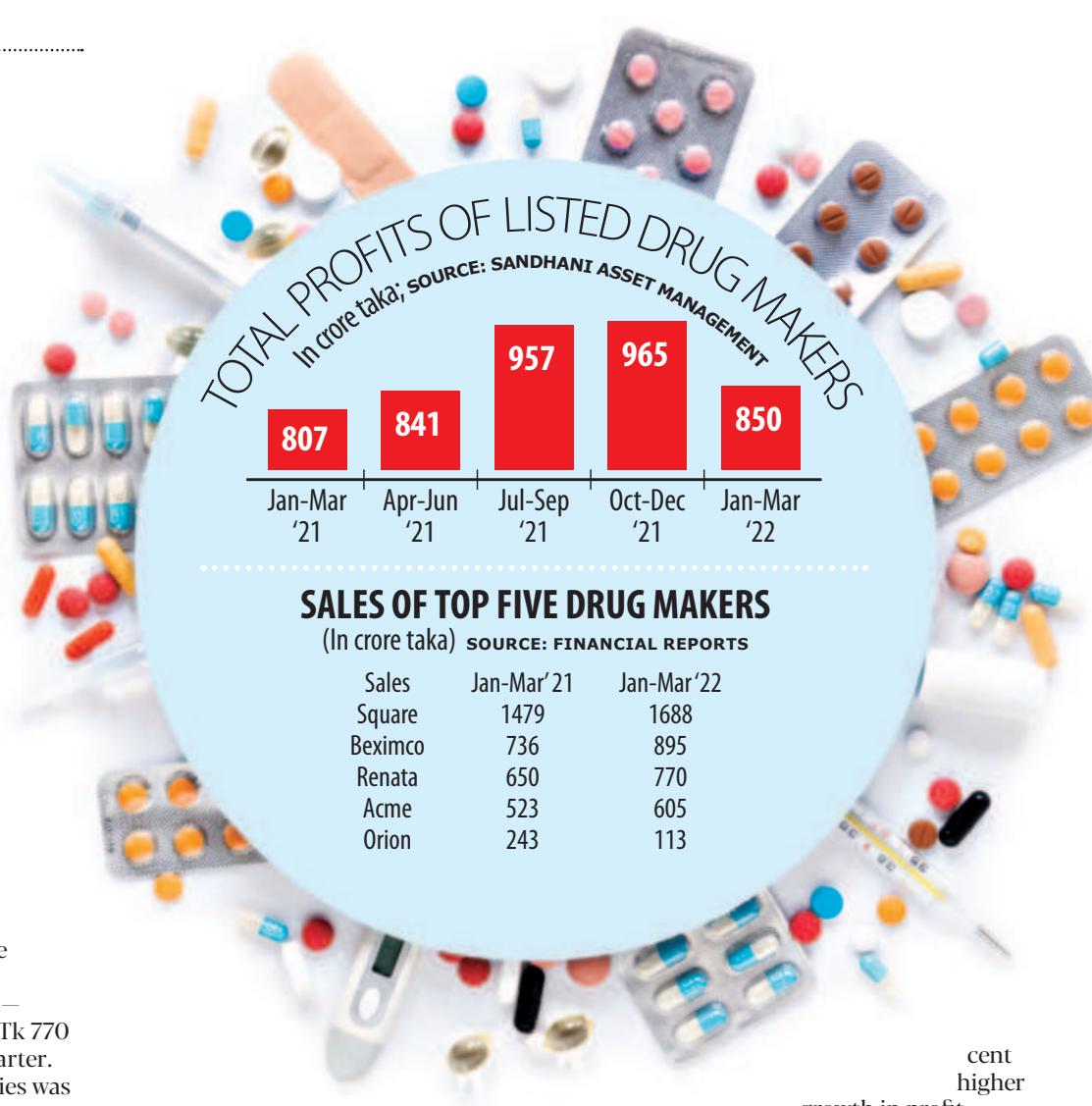
The profits of all 18 pharmaceutical companies listed on the Dhaka Stock Exchange (DSE) grew around 5 per cent to Tk 850 crore in the third quarter of 2021-22.

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



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.

Garment workers'

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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.

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

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.

However, many factories have since reverted to paying their workers in cash.

"Decline in the expansion of digital payment is a concern. This reversing trend contradicts the government's stance on digitisation," Khondker said.

The survey also mentioned that around 80 per cent of garment workers received the first dose of the coronavirus vaccine, with 77 per cent of them being female.

Farah Marzan, the project's field manager, presented the keynote paper at the event, where Prof. Selim Raihan, executive director of Sanem, and Daniela Ortega Sambo, director of operations at Microfinance Opportunities, delivered the welcome remarks.

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.

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

Second direct shipping service

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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 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 Alfonso, which will arrive on May 30, they hope to carry over 800 TEUs, Hasnat said.

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

It had two smaller sized vessels, MV Songa Chhetai 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-Chattogram-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.

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the retail level and consumers will not benefit.

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 are taking advantage of the situation."

He expects businesses will cut prices and the government will do the downward adjustment of prices.

Slovakia and the United Arab Emirates have also shown interest to inaugurate such direct shipping services, they added.

SM Nazar Hossain, vice-president of the CAB, says unless the government re-fixes the prices, it will not have an impact at

Half of Gazprom clients opened ruble accounts

Russia says

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 ruble 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.

BSEC to probe Safko 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 Safko Spinning Mills.

Stocks of the Safko 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 Safko 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 Suleman, 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 Safko 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 Safko'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.

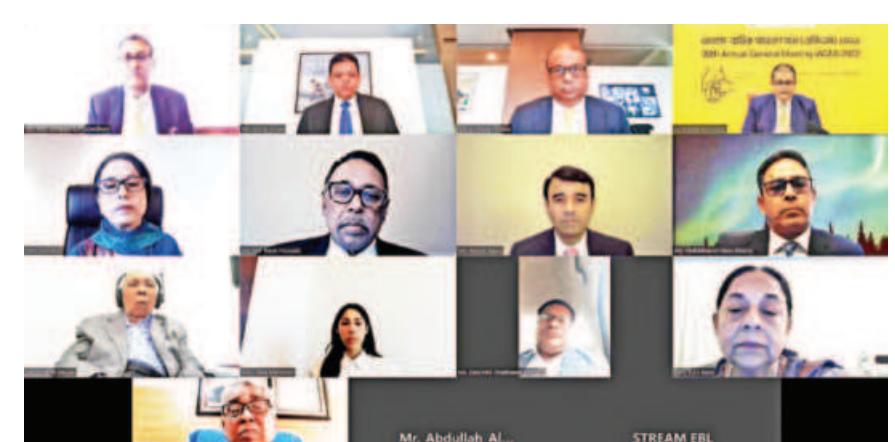
Pakistan's current account deficit has spiralled out of control and its foreign exchange reserves have tumbled while the Pakistani rupee has plummeted to historic lows against the US dollar.

"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.



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, Mufakkharul Islam Khasru, Gazi Md Shakhatullah 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