

## 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 Siddiquee, deputy managing director, Miftah Uddin, executive vice-president, and Mohammad Habibur Rahman, senior vice-president, attended the meeting.

## Oil prices extend losses

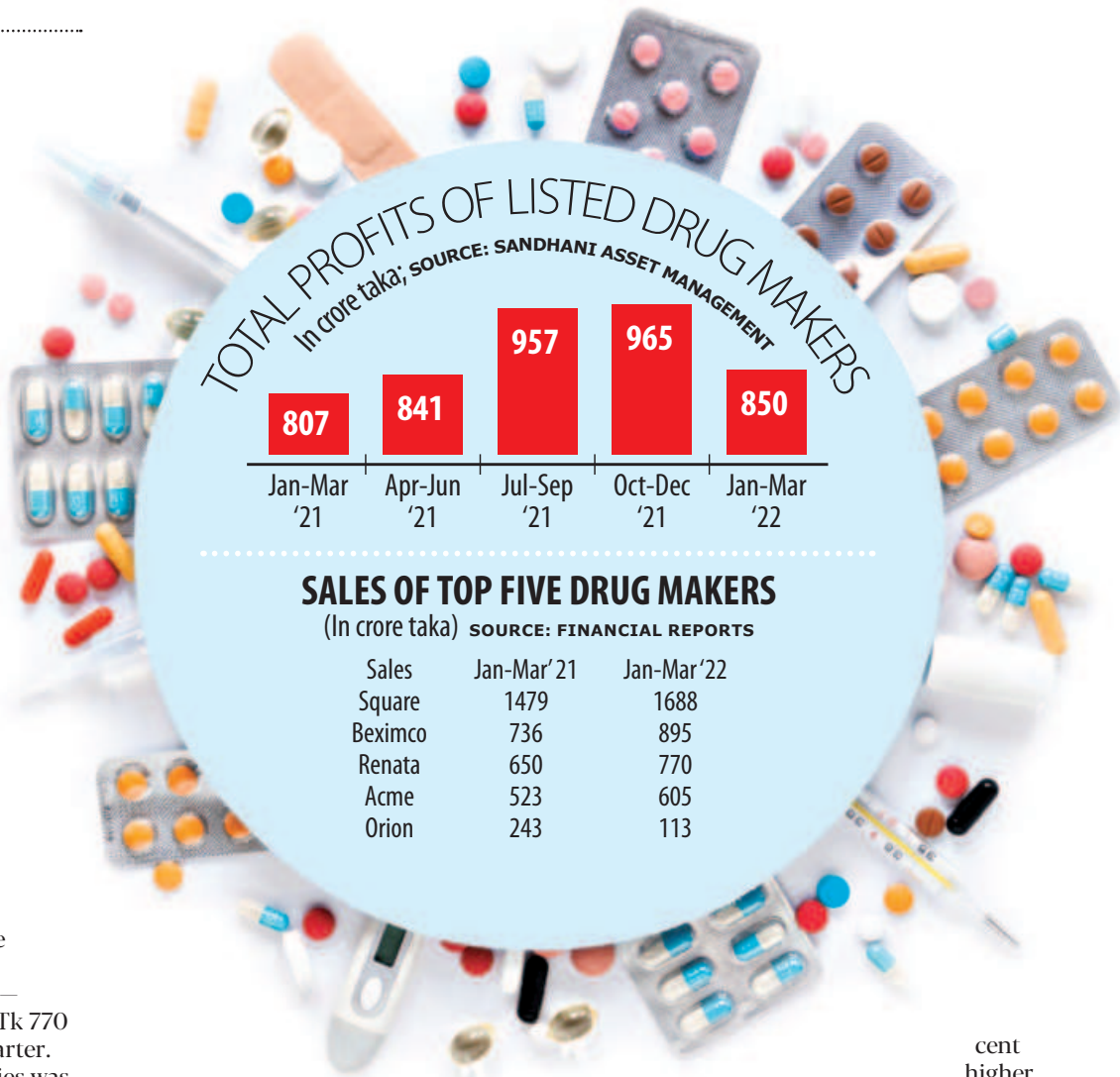
REUTERS, London

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.

## 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 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 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.

## Second direct shipping service

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

## Punishing millers

FROM PAGE B1 “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.

## Edible oil price

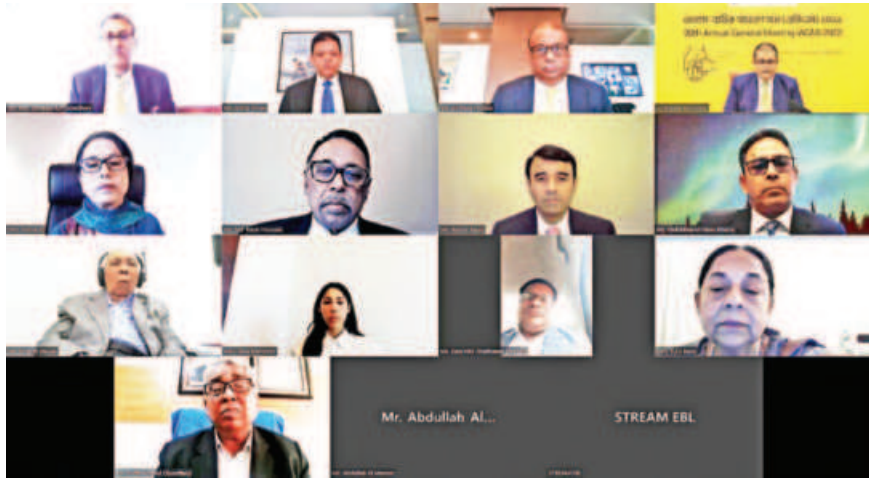
FROM PAGE B1 we will also examine the scope.” Ghulam Rahman, president of the Consumers Association of Bangladesh (CAB), also welcomed the development. “This will reduce the tendency of increasing prices by businesses who were taking advantage of the situation.” He expects businesses will cut prices 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.

## 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.



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

## Bring corporate tax down

FROM PAGE B1 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.