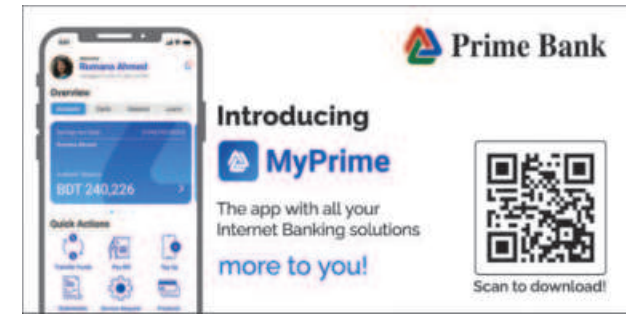


Star BUSINESS



Taka falls again

AKM ZAMIR UDDIN

The currency of Bangladesh has depreciated further against the US dollar, hitting Tk 92.50 on the interbank platform yesterday.

The exchange rate stood at Tk 92 per dollar on Monday before falling by Tk 0.50 on Tuesday, the 13th decline alone this year.

In order to prevent a massive fall of the taka, the Bangladesh Bank injected \$105 million into the market yesterday to help banks settle import bills, a central bank official said.

The central bank supplied a record \$6.79 billion to the market between July 1 and June 13 this fiscal year. Still, the foreign exchange market is facing a shortage of US dollars due to the soaring import payments and the declining trend of remittance.

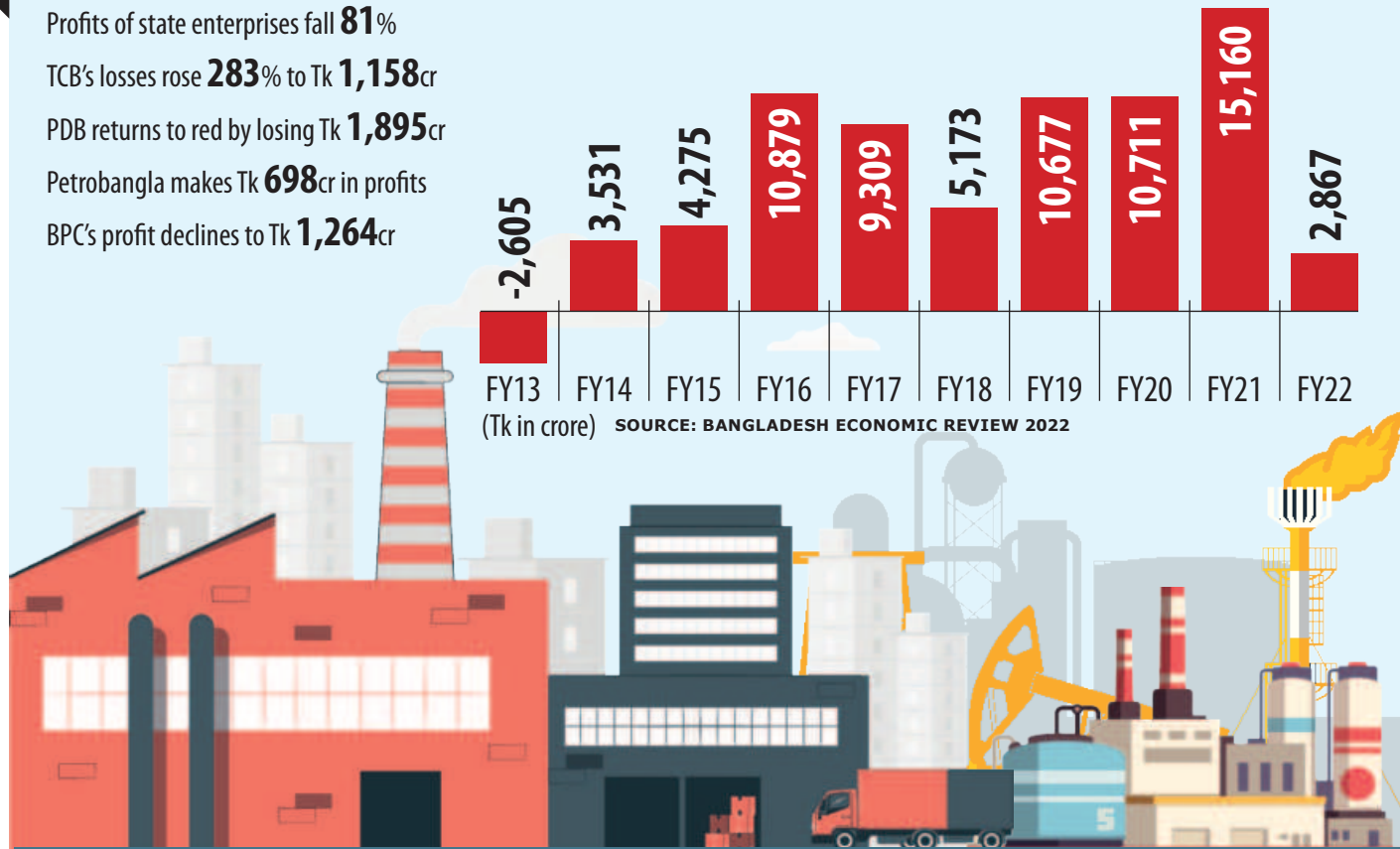
The country's import payments have shot up since the end of last year because of the rising prices of commodities in the global market.

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KEY POINTS

- Profits of state enterprises fall **81%**
- TCB's losses rose **283%** to Tk **1,158cr**
- PDB returns to red by losing Tk **1,895cr**
- Petrobangla makes Tk **698cr** in profits
- BPC's profit declines to Tk **1,264cr**

EARNINGS OF STATE ENTERPRISES



Profits of state enterprises fall to 9-year low

Higher commodity prices and selling of essentials at subsidised rates to blame

REJAUL KARIM BYRON and ASIFUR RAHMAN

The profits of state-owned enterprises in Bangladesh fell to their lowest in nine years, owing to higher commodity prices in the global market and selling of essentials among the poor and low-income groups at subsidised rates.

The net profit of 49 state-run companies and corporations slumped 81 per cent year-on-year to Tk 2,867 crore in the outgoing fiscal year.

This compared to Tk 15,159 crore recorded a year ago, according to the Bangladesh Economic Review 2022 released last week.

The full-year projection was made on the basis of the data available as of May.

The review showed 11 companies posted higher profits in FY22 and a similar number of SoEs turned unprofitable, a record in recent times.

Among the companies, the Bangladesh Telecommunication Regulatory Commission made the highest profit of Tk 2,651 crore, albeit a decrease of 20 per cent from a year ago.

Bangladesh Oil, Gas

and Mineral Corporation (Petrobangla) came second after netting Tk 698 crore in profits.

Its profit declined by 17 per cent from the previous fiscal year, driven by higher prices of liquefied natural gas (LNG) in the global spot market.

The price of the super-

hiked the gas price by 22.78 per cent.

The Bangladesh Power Development Board (BPDB) returned to the red after it lost Tk 1,895 crore in FY22, the highest among the SoEs.

"This is due to the higher price of oil and gas in the international market," said an

official of BPDB.

In the past decade, BPDB made a profit only in 2019-20 and 2020-21.

Rajshahi Wasa posted a profit in the outgoing fiscal year while the profit of Dhaka, Chittagong and Khulna Wasa declined.

The profit of the Civil Aviation Authority of Bangladesh fell by 43 per cent to Tk 209 crore, owing to the suspension of international travels and a decrease in

domestic flights because of the pandemic-induced border closures.

As a result, the aviation administration faced a massive drop in the collection of revenue in the form of embarkation fees, aerodrome charges, route navigation charges, and other aeronautical and non-aeronautical charges.

For the Trading Corporation of Bangladesh (TCB), the loss swelled by more than 283 per cent to Tk 1,158 crore in FY22, according to the provisional data. It was Tk 302 crore last year.

The losses stemmed from the sales of items such as rice at lower than the market prices throughout the pandemic period in order to keep the market stable and help the low-income consumers, who have been hit hard by higher inflation.

The Chittagong Port Authority's profit surged 25 per cent year-on-year to Tk 636 crore, on the back of abnormally high imports as the economy recovered from the pandemic-induced slowdown.

Bangladesh Jute Mills Corporation narrowed losses to Tk 308 crore in FY22, from

Synergy in policies key to containing inflation: Sanem

STAR BUSINESS REPORT

Monetary and fiscal policies in Bangladesh should be framed in a way so that they work together to achieve the country's inflation and macroeconomic targets, according to the South Asian Network on Economic Modeling (Sanem).

"Although containing inflation will be a big challenge in the upcoming fiscal year, no specific measures were included in the proposed national budget to this end," said Sayema Haque Bidisha, research director of the think-tank.

"Both fiscal and monetary policies should work in tandem to contain inflation."

Bidisha yesterday made these comments during a post-budget media briefing at the Brac Centre Inn in Dhaka.

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No food grain export ban, extend TRIPS waiver

Bangladesh demands from global leaders

REFAYET ULLAH MIRDHA, from Geneva

Bangladesh has once again called upon nations not to put any restrictions on their food grain exports and sought the continuation of its TRIPS waiver until December 31, 2032, to save the lives of people and newborns.

The current food crisis can lead to a serious nutrition deficiency for people, especially newborns, according to global leaders.

Financially insolvent consumers cannot afford to buy expensive imported food items from their respective markets because of export bans, said Commerce Minister Tipu Munshi.

He was talking to journalists at a briefing after a discussion on emergency responses to the food crisis on the second day of the 12th Ministerial Conference of the World Trade Organisation (WTO) in Geneva of Switzerland.

The Russia-Ukraine war has been having serious impacts on the global food supply chain, with some of the major producing nations either stockpiling or imposing export bans to fortify their own stocks for the future. As a result, prices of food items have already skyrocketed in many countries.

For instance, Indonesia had recently put a ban on palm oil exports, although it was later lifted.

Every year two million newborns, alongside 30,000

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chilled fuel has gone up by four to five times owing to the global energy crisis, led by pent-up demand, supply disruptions and the Russia-Ukraine war.

Amid widening losses, Petrobangla had proposed the Bangladesh Energy Regulatory Commission (BERC) hike gas prices, saying it would face a huge loss if prices are not adjusted in line with the global rates.

Subsequently, the BERC

official of BPDB.

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HYDROGEN PEROXIDE Two major exporters stop production

DWAIPAYAN BARUA, Chattogram

Two companies, which handle a major portion of Bangladesh's hydrogen peroxide exports, have been forced to stop production as most shipping lines are declining to carry the chemical following a deadly fire at an inland container depot (ICD) last week.

Besides, most ICDs have asked producers to take back previous hydrogen peroxide shipments until the transportation is arranged as they now feel uneasy about storing the chemical.

The development comes on the back of



the deadly fire at the BM Container Depot in Sitakunda on June 4 that killed at least 47 people.

Authorities suspect that the several of hydrogen peroxide containers stored at the depot exacerbated the fire as the albeit non-flammable substance intensified the inferno by causing multiple explosions after coming in contact with extreme heat.

Al-Razi Chemical Complex, a subsidiary of Smart Group of Industries that co-owns the depot, was warned of the hazards of storing hydrogen peroxide in jerrycans after an export consignment of the chemical caught fire on a carrier vessel waiting for port clearance in Cambodia.

The ship's floor was fully burnt in the fire, and a subsequent investigation identified unapproved jerrycans in which the chemical was stored as the root cause. The jerrycans, as investigators pointed out, could not sustain the pressure of the chemical and exploded.

Considering the situation, Samuda Chemical Complex Ltd, owned by TK Group in Chattogram, has stopped producing the chemical for the last two days.

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STOCKS	
DSEX ▼	CASPI ▼
0.61%	0.53%
6,391.99	18,789.77

COMMODITIES	
Gold ▼	Oil ▼
\$1,827.3	\$119.13
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 2.68%	▼ 3.01%	▼ 1.33%	▼ 0.89%
52,846.70	26,987.44	3,139.35	3,255.55



The steel industry is making sales worth Tk 55,000 crore annually thanks to rapid urbanisation alongside mega infrastructure projects. Around a decade ago, consumption stood at 1.6 million tonnes. It reached about 7.5 million tonnes in 2018. The present annual growth in demand is around 12 per cent to 15 per cent, according to industry players. There are about 40 active manufacturers with a combined capacity to produce nine million tonnes of steel a year. The photo was taken at a factory in Chattogram a couple of months ago.

PHOTO: RAJIB RAIHAN

VAT hike to increase production cost for steel makers

SOHEL PARVEZ

The production cost of steel makers in Bangladesh is going to increase as the revenue authority seeks to hike the value-added tax on rod and other steel products by up to 20 per cent, two leading producers said yesterday.

The National Board of Revenue (NBR) proposed raising the indirect tax by Tk 200 per tonne at the manufacturing stage of billet and rod.

Following the spike, the rate of VAT on the manufacturing of billet will increase 20 per cent to Tk 1,200 per tonne from Tk 1,000.

In the case of making steel products from billet, manufacturers will be required to pay a VAT of Tk 1,200 per tonne from the next fiscal year while it was

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