

NCC Bank to issue Tk 500cr bond

STAR BUSINESS REPORT

NCC Bank Limited's board has approved a decision to issue a Tk 500 crore non-convertible subordinated bond.

The move is aimed at having capital support under Tier 2 of Basel III, said the private commercial bank in a post on the Dhaka Stock Exchange.

HSBC wins int'l retail bank of the year award

STAR BUSINESS DESK

HSBC Bangladesh recently won the 2022 Asian Banking and Finance Awards for International Retail Bank of the Year for the second consecutive time and the Branch Innovation of the Year - Silver in Bangladesh.

"Winning the retail award last edition inspired us more to serve our customers even better. A second recognition in consecutive edition proves and endorses HSBC's continuous innovation and client-centric retail solutions in today's changing environment," said Md Mahbub ur Rahman, chief executive officer of HSBC Bangladesh.

The bank believes it is a recognition of the quality services the bank has been providing during its 25-year operation in Bangladesh.

SoftBank to book \$34b gain from Alibaba shares

REUTERS, Tokyo

SoftBank Group Corp on Wednesday said it will book an estimated gain of 4.6 trillion yen (\$34.08 billion) on settling prepaid forward contracts using shares in Alibaba Group Holding, reducing its stake to 14.6 per cent from 23.7 per cent.

The estimate includes gains from the revaluation of shares in the Chinese e-commerce giant and derivative gains, SoftBank said in a filing.

The transaction "will be able to eliminate concerns about future cash outflows, and furthermore, reduce costs associated with these prepaid forward contracts," SoftBank said.



Shrimp farmers such as these had reason to cheer last Thursday as the government has introduced a new wage board for the industry with wage increments ranging from 46 to 51 per cent in each grade. The move comes seven years after the last review in 2015.

PHOTO: HABIBUR RAHMAN

Govt revises minimum wages for shrimp industry

STAR BUSINESS REPORT

The government has declared new minimum monthly wages for employees and workers in the shrimp industry, a major export earner for the country, with hikes ranging from 46 to 51 per cent in each grade.

The Ministry of Labour and Employment issued a gazette notification on the new minimum wage board last Thursday in a move that comes seven years after the last review in 2015.

The ministry had earlier appointed representatives of industry owners and workers to review the minimum wages on February 15 this year.

Later, the ministry sought written objections or recommendations, if any, to be submitted to the wage board chairman within 14 days of publishing the notification.

The government has categorised workers and employees in the shrimp industry into six and four grades respectively.

According to the gazette, a grade-six worker will now receive Tk 6,700 with basic pay fixed at Tk 4,200, an increase of

about 51 per cent from the last wage board, while the housing allowance is 35 per cent, or Tk 1,470, of the total salary.

In 2015, the government fixed Tk 4,419 as the minimum monthly wage for grade-six workers with Tk 2,940 as basic pay.

Shrimp farming is a key source of employment in the country's south-western coastal region, where 105 shrimp processing plants directly employ 12,000 people

The provision of an annual increment of 5 per cent of the basic pay is also included and it will be raised by a further 5 per cent as a cumulative rate from next year.

According to the gazette, a medical allowance of Tk 730 has been fixed for workers of all grades, up by about 143 per cent from Tk 300 previously.

Similarly, transport allowance has seen a 100 per cent increase to Tk 300.

An apprentice worker will now receive a total of Tk 5,307 as monthly wages with the apprenticeship period lasting three

months. However, this period may be extended for an additional three months if the applicant's performance is not satisfactory.

After that, employees will enter a novice period of six months, when they will receive Tk 5,761 per month.

The ministry had appointed Khondoker Aynul Islam, managing director of Southfield Fisheries Limited, as the owners' representative on the wage board. Islam said they tried their best to formulate a negotiable minimum wage plan for the workers and employees.

"It happened in a very comfortable way without any hassle," he told The Daily Star. "Although it will not meet their total needs, we tried to reach a negotiable place," Islam added.

According to industry insiders, shrimp farming is a key source of employment in the country's south-western coastal region, where 105 shrimp processing plants directly employ 12,000 people and about one million people are engaged in the industry.

Bangladesh exported shrimp worth \$386.57 million in fiscal 2021-22 with the EU being the largest importer.

Walton's profit plunges 26pc

STAR BUSINESS REPORT

Walton Hi-Tech Industries PLC reported a 25.91 per cent lower profit in the last financial year compared to a year ago.

The electronics products manufacturer of Bangladesh made earnings per share of Tk 40.16 for the year that ended June 30 against Tk 54.21 a year ago, it said in a posting on the Dhaka Stock Exchange yesterday.

The net asset value per share stood at Tk 334.68 with revaluation and Tk 231.34 without revaluation, against Tk 311.59 and Tk 208.16 respectively.

The net operating cash flow per share was Tk 7.91 in the negative in the financial year. It was Tk 31.96 in 2020-21.

The board of Walton Hi-Tech Industries recommended a 250 per cent cash dividend for general public shareholders and a 150 per cent cash dividend for directors and sponsors for the year.

Shares of the company closed down 1.76 per cent on the DSE yesterday.

GSP Finance's profit up slightly

STAR BUSINESS REPORT

GSP Finance Company (Bangladesh) Limited's profit improved slightly in the financial year that ended on December 31.

The non-bank financial institution reported consolidated earnings per share of Tk 1.44 in 2021-22, up 2.85 per cent from Tk 1.40 a year ago.

The board of directors recommended a 2.50 per cent cash and a 7.50 per cent stock dividend for the year, said the NBF in a post on the Dhaka Stock Exchange. Shares of the company were unchanged at Tk 32.60 on the DSE yesterday.

Berger to award excellence in architecture

STAR BUSINESS DESK

Berger Paints Bangladesh in association with the Institute of Architects Bangladesh (IAB) will organise a 10th "Berger Award for Excellence in Architecture" this year.

Rupali Chowdhury, managing director of Berger Paints Bangladesh, made the announcement in a press conference at Gulshan Club in the capital yesterday, said a press release.

"The award has been introduced to recognise the talents of the much-deserving architects as a token of appreciation," Chowdhury said.

Known as "Berger Young Architects Award" prior to 2007, the event will have a trophy designed by eminent artist Md Hamiduzzaman.

IAB President Mubasshar Hussain and Md Mohsin Habib Chowdhury, senior general manager for sales and marketing at Berger Paints Bangladesh, were present.

Patent law needs to be amended

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Rights (TRIPS) waiver for Bangladesh after graduation" said Salman F Rahman, private industry and investment adviser to the prime minister.

He also put emphasis on the quick operationalisation of active pharmaceutical ingredient (API) parks.

Rahman was addressing the seminar on "Preparedness of Pharmaceutical Sector for LDC Graduation" at National Economic Council conference room.

It was jointly organised by a Support to Sustainable Graduation Project (SSGP) of Economic Relations Division (ERD) and Business Initiative Leading Development (BUILD).

Chairing the event, Shariya Khan, secretary to the ERD, called for a stronger partnership between the public and private sectors for preparing the pharmaceutical industry for the graduation phase.

Zakia Sultana, secretary to the industries ministry, assured that the government would work in close collaboration with the private sector in amending the patent law.

Nazmul Hassan, president of the Bangladesh Association of Pharmaceutical Industries, said the process of granting patents delineated in the law should take into consideration issues of affordability and public health.

Nihad Kabir, chairperson of the BUILD, emphasised on enhancing the country's legal expertise for effective formulation and implementation of the intellectual property rights related provisions.

Rizwan Rahman, president of the Dhaka Chamber of Commerce and Industry, said the government should set up a "biotech park" and "genome valley" to facilitate biotechnological research.

He also called for providing the pharmaceutical sector incentives

similar to those for the garment sector.

In a presentation, Abdul Muktedir, managing director of Incepta Pharmaceuticals, called for holding negotiations with the WTO for extending the TRIPS waiver relating to pharmaceutical products for Bangladesh until January 1, 2033.

According to him, the TRIPS waiver for least developed countries was one of the key drivers of the exponential growth attained by the country's pharmaceutical industry over the last couple of decades.

In another presentation, Prof Mohammad Towhidul Islam of the University of Dhaka's law department said appropriate measures following an action-oriented roadmap were crucial for tapping into opportunities and shielding against the loss of waivers.

Riders feel the pinch of fuel price hike

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However, a source said Uber would soon announce the price hike.

"Since the fuel price has increased, we will also have to raise the fare," said the source on condition of anonymity.

Obhai, the largest on-demand CNG-run three-wheeler service provider in Bangladesh, said it would not increase the fare.

"Since CNG-powered autorickshaws run on gas and the gas price hasn't been increased, we will not raise the fare. It is a great opportunity for us to expand our service," said Rahid Ishtiaque Chowdhury, executive director at Obhai Solutions Ltd.

"However, the fare of cars will slightly be increased."

Huge bad loans force banks to keep higher provision

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It came after the DSEX, the benchmark index of the premier bourse in Bangladesh, tumbled 6.96 per cent in the first half, data from the Dhaka Stock Exchange showed, reversing the course from a year ago when it went up 9.46 per cent.

The commission income and the income from the foreign exchange market operation of the listed banks rose 82 per cent year-on-year to Tk 6,408 crore in the first half. It was Tk 3,512 crore during the first half of 2021.

Thirty listed banks posted higher profits from their foreign currency businesses, helped by the dollar shortage amid abnormally high imports compared to lower-than-expected export receipts and a fall in remittance flow.

The forex market was hit with volatility in mid-April as the severe fallout of the Ukraine war sent the prices of essential commodities to record levels.

The US dollar traded at Tk 93.45 on June 28 this year at the interbank foreign exchange platform, where banks buy and sell among each other, in contrast to Tk 84.82 on the same day a year ago.

Currently, the platform does not account for a major portion of US dollar transactions since it does not reflect market fundamentals. Rather, banks directly purchase US dollars from exporters and remitters and sell them to importers.

For example, importers had to buy each dollar at Tk 100 in June.

Recently, exporters, importers and business leaders have publicly accused banks of making excessive profits. And their allegation proved justified on Monday when the central bank ordered six banks to remove their treasury chiefs for causing volatility in the forex market.

Elon Musk sells \$7b Tesla shares

AFP, Washington

Elon Musk has sold nearly \$7 billion worth of Tesla shares, according to legal filings, amid a high-stakes legal battle with Twitter over a \$44 billion buyout deal.

The Tesla boss sold some 7.9 million shares between August 5 and 9, according to filings published on the Securities and Exchange Commission's website on Tuesday.

"In the (hopefully unlikely) event that Twitter forces this deal to close and some equity partners don't come through, it is important to avoid an emergency sale of Tesla stock," Musk, the world's richest man, wrote on Twitter late Tuesday.

Twitter is locked in a legal battle with the mercurial Tesla boss over his effort to walk away from the April agreement to buy the company, and a judge has ordered that a trial will

begin in October.

Musk has filed a countersuit, accusing Twitter of fraud and alleging the social media platform misled him about key aspects of its business before he agreed to a \$44 billion buyout.

The move comes after Musk sold around \$8.5 billion worth of shares in the electric carmaker in April as he was preparing to finance the Twitter deal.

Forex volatility persists

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A number of traders, on condition of anonymity, said ordinary people now hardly purchase or buy dollars in the open market amidst surprise inspections carried out by Bangladesh Bank.

Allegations have surfaced that a section of people has hoarded dollars with hopes that the exchange rate with the dollar would go up further in the days ahead.

This has created an enormous pressure on the open market, which is why travellers are now facing difficulty in securing foreign currencies they require.

With the BB suspended licences of five money changers last week for their alleged involvement in manipulating rates, many traders are now reluctant to sell dollars.

However, importers were able to purchase dollars at a lower rate yesterday compared to that on Monday following the central bank's move against the six banks, said managing directors of two banks.

Banks yesterday sold every dollar for up to Tk 106 in contrast to Tk 112 on Monday.

They also brought remittances from foreign exchange houses offering a maximum of Tk 110 for each dollar compared to Tk 112 on Monday.

The managing directors said a majority of banks were apprehensive, cautiously opening and settling letters of credit.

The interbank exchange rate of the taka against the dollar stood at Tk 95 yesterday, up more than 12 per cent year-on-year.

Global tech giants asked

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"This will also ensure transparency about their advertisement revenue."

The BTRC also asked the tech companies to submit information on the types of ads they received in 2021.

The platforms will have to cite the names of payment channels as well.

Global tech giants came under the tax net from the current fiscal year as the government made the submission of returns mandatory for the firms that

have no physical presence in Bangladesh but are doing business here.

Last year, Google, Facebook, Amazon, and Microsoft received the value-added tax registration, enabling the National Board of Revenue to ensure compliance.

In October 2021, the High Court ordered the government to take steps to collect taxes, VAT and other charges on the revenues generated by the companies in the country.

Russian oil transit via Ukraine halted for sanctions

AFP, Moscow

The supply of Russian oil to three European countries through Ukraine has been halted as the transit payment cannot be processed due to sanctions, Russian firm Transneft said Tuesday.

"On August 4, the delivery of Russian oil via the territory of Ukraine was halted," the oil pipeline operator said in a statement, adding that this had affected deliveries to Hungary, Slovakia and the Czech Republic through the southern leg of the Druzhba pipeline.

The company said the Ukrainian side stopped the oil transport "due to not receiving funds for these services".

However, deliveries to Poland and Germany via Belarus were continuing "as usual", Transneft added.

A spokesman for Slovak refinery Slovnaft confirmed that the transportation of oil through the Druzhba pipeline had been suspended for several days.

But he said that the company's Bratislava refinery was operating and supplying the market.