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SCAN FOR DETAILS

Last trial runs
for transit of
Indian goods
next week

DWAIPAYAN BARUA, Ctg

The last two trial runs aimed at the transit of Indian goods between Kolkata and north-eastern states of the country using Chattogram port in Bangladesh will take place next week.

A Bangladeshi flagged vessel called MV Trans Samudera, which is now en route to Kolkata, is scheduled to leave the Syama Prasad Mookherjee Port on Sunday carrying a container loaded with 25 tonnes of TMT bar from Tata Steel.

The vessel is expected to return to Chattogram port within 3-4 days of its departure from Kolkata. After the container is unloaded, the goods will be sent to the Indian state of Assam by road through the Sheola land port in Sylhet.

A trial of the return route will then be conducted using a container loaded

India is eager to
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Bangladesh

with tea from India's Meghalaya that will enter Bangladesh through Tamabil land port. It will then be loaded onto the same vessel at Chattogram port and sent to Kolkata.

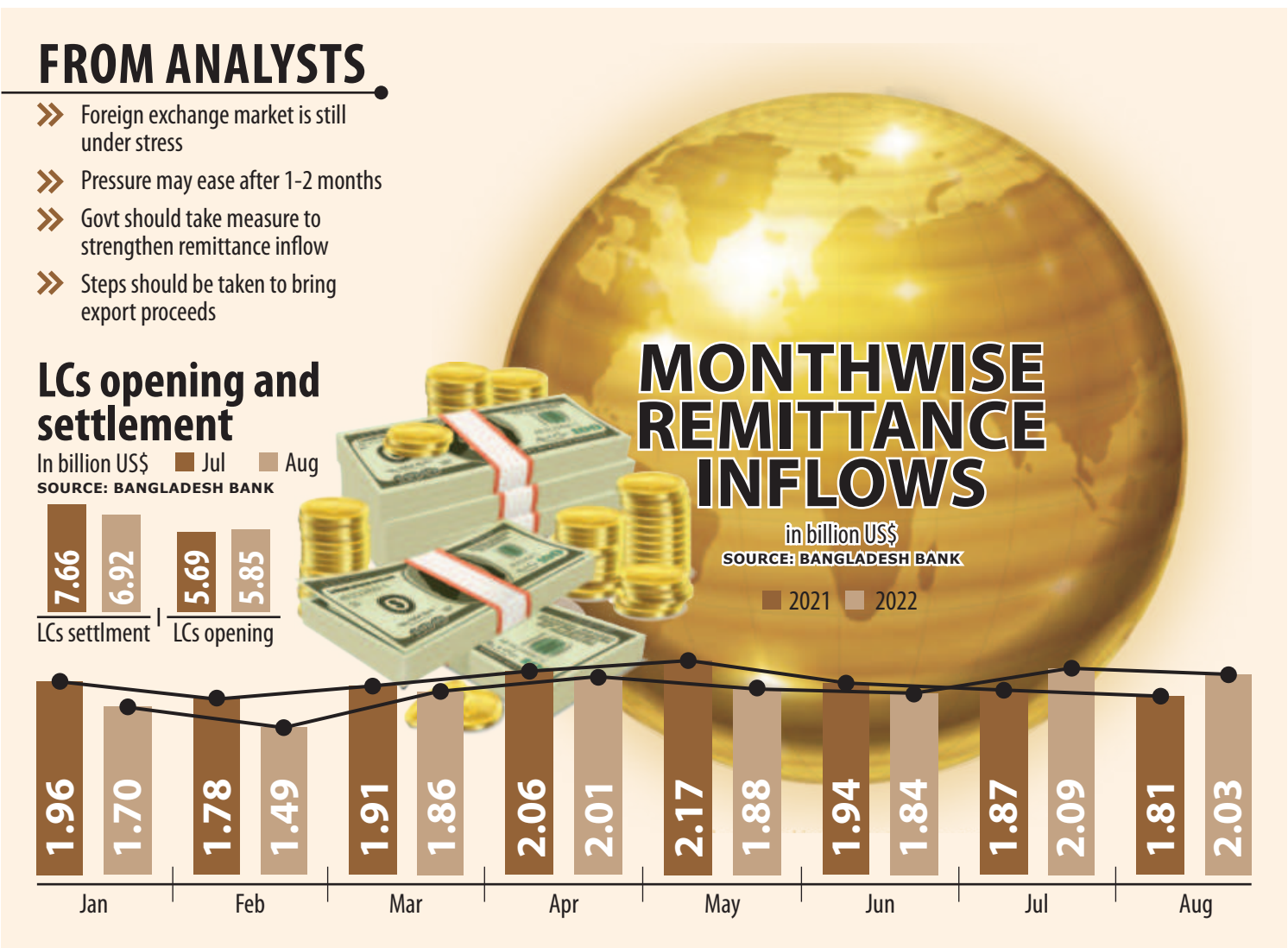
India is eager to begin regular transits between Kolkata and key cities in its northeastern states through ports in Bangladesh as it would cut the 1,200-kilometre travel distance by nearly half.

In a letter to the foreign affairs and shipping ministries of Bangladesh on August 27, the Indian High Commission in Dhaka sought necessary support to ensure that the trial runs go smoothly.

The request included arranging priority berthing for Indian vessels as well as adequate handling and clearing services for their containers at Chattogram port and the Tamabil and Sheola land customs stations.

M o h a m m a d Shahjahan, chairman of the Chattogram Port Authority (CPA), said a

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ROBUST REMITTANCE, EXPORTS
to ease pressure on external sector

AKM ZAMIR UDDIN

Migrant workers and Bangladeshis living abroad sent more than \$2 billion in each of the first two months of the current fiscal year, a promising sign for the economy.

It came at a time when import payments have slowed and exports maintained a healthy growth, signalling that the pressure on Bangladesh's external sector may ease after two or three months.

In August, remittances stood at \$2.03 billion, up 12.6 per cent year-on-year although the inflow was 3 per cent lower than the receipts of July, data from Bangladesh Bank showed.

Import payments, as calculated through the settlement of letters of credit (LCs), were \$6.92 billion in August, down 9.6 per cent from a month ago, although the amount was still 14.2 per cent higher from the same period a year ago.

The central bank has allowed businesses to settle import payments after a certain period in order to tackle the business slowdown derived from the coronavirus pandemic.

Yet analysts read the numbers positively and say the foreign exchange market is still facing pressure, but the stress will peter out if the ongoing trend of imports and remittances

continues in the next couple of months.

"The outflow of the dollar may decrease soon, which will have a positive impact on the external sector after one or two months," said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

The demand for US dollars is still high due to a mismatch



between the outflow and inflow of the greenback.

Banks are now purchasing dollars in the form of remittances from foreign exchange houses quoting Tk 114 for each greenback compared to Tk 107-Tk 108 just two weeks earlier.

Importers are purchasing each dollar for Tk 107-Tk 108 from banks. This has given an indication of the extent of the ongoing stress faced by the foreign exchange market.

"Import payments decreased to some extent in recent months, but businesses are now clearing

their deferral payments of LCs that had been opened earlier," Mahbubur said.

The opening of LCs slightly increased to \$5.85 billion in August in contrast to \$5.69 billion a month earlier.

Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, thinks that falling imports and earnings further.

Export earnings grew more than 38 per cent year-on-year to \$4.67 billion in August, data from the Export Promotion Bureau showed yesterday.

Emranul Huq, managing director of Dhaka Bank, describes the falling import bills as a good sign.

It came as the price of major commodities is declining in the global market.

"The foreign exchange market is still facing pressure, but it might ease in the next couple of months riding on the central bank measures," said Huq.

The BB has recently asked to impose a 100 per cent margin on opening the LCs for non-essential items, meaning that importers have to pay full import payments in advance.

"The fate of the local foreign exchange market is depending on global development," Huq said.

The forex market started to deteriorate substantially soon after the war between Russia and Ukraine erupted.

AB Mirza Azizul Islam, a former finance adviser to a caretaker government, says that there is still uncertainty in the economy.

"The reserves are still sliding due to higher imports."

The reserves may fall further next week when the central bank

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Familytex
manipulated
prospectus

Finds BSEC Probe

AHSAN HABIB

Familytex (BD), a listed textile company, lied in its initial public offering (IPO) prospectus by saying that one of its sponsors was a South Korean national in a bid to create a positive impression among general investors, according to a probe.

When a company goes public through an IPO, it publishes a prospectus showing all potentials, challenges and financial situation so that investors can avail the information and decide on whether to buy its shares.

According to the prospectus, the South Korean man, Jun Kyung Won, and an Indonesian woman, Lianawarti Kuwidjo, own 40.33 per cent of the fully paid-up ordinary shares of Familytex (BD).

It said Won, a sponsor shareholder, holds 2.09 crore shares, which is 19.96 per cent of the total number of shares as of January 13, 2013.

However, the Bangladesh Securities and Exchange Commission (BSEC) found that the company had lied as Won had sold all of his shares before the listing in 2013.

Stock market analysts say general investors were misled because of the lying, but the share rose soon after the listing. It dropped to Tk 4.90 yesterday.

The BSEC found in an inquiry that Won received a total of 2.30 crore bonus shares against stock dividends declared by the company.

Sharing monthly shareholding status of sponsors and directors from January 2014 to January 2016, the company mentioned Won as its director.

Before the listing, Familytex showed that its profits in 2011 amounted to Tk 9.6 crore against sales of Tk 100 crore. It incurred a loss of Tk 5.33 crore against sales of Tk 62 crore in 2020, according to the latest annual report

"However, Jun Kyung Won informed that he had resigned from the board of the directors of Familytex BD on April 5 of 2012," the BSEC enquiry team said in a report.

Since then, he had never got involved in the company's board, management and operational activities. In this connection, Won submitted a certification of the Registrar of Joint Stock Companies and Firms too, it said.

Therefore, the company violated listing regulations and the BSEC imposed a fine of Tk 5 lakh on the then managing director, Mohammed Morshed.

However, the BSEC did not ask to know about the lie from its issue manager, Banco Finance & Investment.

A merchant banker, preferring anonymity, said companies normally provide false information whenever they have bad intentions.

The company's present financial situation explains the real reason behind the listing, which was nothing but dumping of low performing shares on general investors, he said.

"Due to its substandard performance, general investors have been affected."

The textile maker raised Tk 34 crore from the market.

Before the listing, it showed that its profits in 2011 amounted to Tk 9.6 crore against sales of Tk 100 crore.

It incurred a loss of Tk 5.33 crore against sales of Tk 62 crore in 2020, according to the latest annual report. It suffered losses in the previous year too.

Against the backdrop of a continuation of losses, the BSEC recast the company's board to elevate it from the Z category in March 2021.

STOCKS		
	DSEX ▲	CASPI ▲
	0.79% 6,508.60	0.79% 19,156.20

COMMODITIES		
	Gold ▼	Oil ▼
	\$1,697.96 (per ounce)	\$87.76 (per barrel)

ASIAN MARKETS			
	MUMBAI	TOKYO	SINGAPORE
	▼ 1.29% 58,766.59	▼ 1.53% 27,661.47	▲ 0.07% 3,224.08
			▼ 0.54% 3,184.98



Male workers are hardly ever seen plucking leaves in tea gardens. This year though, they have joined their female counterparts in tea picking after a 19-day movement for wage hike. The photo was taken from Kulaura of Moulvibazar district on August 31.

PHOTO: MINTU DESHWARA

Olympic to
invest Tk 28cr
to expand
bakery
business

STAR BUSINESS REPORT

Bakery products maker Olympic Industries has decided to invest about Tk 28 crore as it looks to expand the business even though economic indicators are forecasting a gloomy outlook.

While many companies are keeping away from making investments in the present economic situation, the listed firm has decided to import equipment related to baked snacks, cartons and chocolate.

The company will import one complete set of machinery and spare parts for establishing a second baked snacks processing line at its Narayanganj factory.

It will also purchase other accessories from local sources for around Tk

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