

Freelancers to receive encashment certificates thru MFS

STAR BUSINESS REPORT

The Bangladesh Bank yesterday asked banks to provide freelancers with encashment certificates through mobile financial service (MFS) providers so that they can submit the document at the time of income tax payment.

Many freelancers prefer MFS providers to receive earnings sent by foreign entities against different outsourcing services.

The fund sent from abroad are transferred to MFS providers through banks.

So, from now on, the freelancers will collect their encashment certificate generated by banks, according to a notice issued by Bangladesh Bank.

A Bangladesh Bank official said the instruction has been given to help ease the process of income tax payment by the freelancers.



The Khalil Auto Flour Mill in Nilphamari's Saidpur upazila is having to run operations at 20 per cent capacity as wheat has become hard to come by amid the Russia-Ukraine war. Likewise, flour mills in eight northern districts of the country are grappling for survival as imports of the cereal grain have slowed considerably in recent months.

PHOTO: EAM ASADUZZAMAN

Flour mills cut production amid wheat shortage

EAM ASADUZZAMAN, Nilphamari

Flour mills in eight northern districts of Rangpur division are struggling to continue production as wheat has become scarce in international markets amid the ongoing war between Russia and Ukraine, two major exporters of the cereal grain.

Bangladesh largely depends on imports to satisfy its domestic demand for wheat as the country lacks sufficient production with farmers opting for more lucrative crops while the local climate prevents year-round cultivation.

Earlier this month, the US Department of Agriculture forecasted that overall wheat consumption in Bangladesh may drop 10 per cent to 69 lakh tonnes in marketing year 2022-23 due to higher prices and lower supply of wheat and wheat flour.

The price of wheat flour, which was Tk 34 per kilogramme (kg) in Dhaka in January this year, began to rise after Russia's invasion of Ukraine began in February.

Later in May, India banned shipments of wheat to contain its domestic prices, which fuelled prices in Bangladesh as the neighbouring country has become a major source for the grain in recent years.

As a result, wheat imports fell to a six-year low in fiscal year 2021-22 amid the lack of availability while many consumers' curtailed consumption after being irked by surging prices, which have reached upwards of Tk 60 per kg in the capital.

Public and private importers brought in just 40 lakh tonnes of wheat in the last fiscal, down 25 per cent year-on-year, shows food ministry data.

Similarly, the country's wheat imports declined by another 4 per cent year-on-



year to 3.84 lakh tonnes between July 1 and October 6 of the current fiscal, it said.

Considering the situation, most flour mills are making a frantic effort to remain active by curtailing production while others have already shut down to minimise losses.

According to Aminul Islam, who owns the Khalil Auto Flour Mill in Nilphamari's Saidpur upazila, his unit has the capacity to produce 45 tonnes of flour each day.

"But we can utilise just 20 per cent of our capacity due to the scarcity of wheat," he added.

He then said most mills in the region are trying to survive by either reducing production to a great extent or shutting down until the situation improves.

Of the 17 flour mills in Nilphamari, 10 have already stopped operations while others are enduring great losses to remain in the market, added Islam, who is also general secretary of the local factory

owners' association.

Sources say that there are around 150 big and small flour, semolina and wheat bran mills spread across eight northern districts, namely Rangpur, Dinajpur, Gaibandha, Kurigram, Lalmonirhat, Thakurgaon, Panchagarh and Nilphamari.

A good number of these mills have already shut down in a bid to avert losses amid the ongoing situation and are waiting the restoration of wheat imports, they said.

Md Aslam, managing director of Sonali Flour Mill in Rangpur city, said they can now only procure small amounts of wheat from Russia and Ukraine from importers at Chattogram and Mongla ports at a high price of Tk 54,000 per tonne.

However, the same amount of wheat was previously priced at just Tk 25,000 to Tk 30,000, including loading and unloading costs.

"We are selling each tonne of flour at a

wholesale price of just Tk 55,400, leaving a profit margin of only Tk 1.40 per kg," Aslam said.

"But we are being compelled to incur losses considering the wheat purchasing price, labour costs, utility bills and maintenance fees involved," he added.

Millers say they have become largely dependent on wheat imported from India but as the neighbouring nation halted shipments several months ago, they are now looking for alternative markets in Europe and other regions.

During a visit to different retail shops in Nilphamari sadar upazila, Taraganj upazila in Rangpur and Sakowa union of Panchagarh, this correspondent found that flour sales have been slow.

Gopal Chandra, a retailer in Nilphamari market, said loose flour is being sold at Tk 62.64 per kg depending on quality.

"As prices are high, ordinary consumers are buying less and are instead opting for coarse rice, which is comparatively cheaper at Tk 52 per kg," he added.

Data from the Bangladesh Bureau of Statistics show that annual wheat production in the country has varied between 10 lakh and 18 lakh tonnes in the past few years, when imports ranged from 60 lakh to 70 lakh tonnes.

Mohon Patwari, managing director of the Patwari Flour Mill in Dinajpur town, said certain quarters, including importers, are hoarding large stocks of wheat.

"If government would take steps to recover the crops, our flour markets could run smoothly for the next two months," he added.

Md Ashraful Alam, regional controller of food in Rangpur division, said the

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Trade with Turkey to hit \$2b if barriers go

Turkish envoy says about Bangladesh's potential

STAR BUSINESS REPORT

Underscoring the need to diversify the business landscape here, Turkish Ambassador to Bangladesh Mustafa Osman Turan yesterday said the bilateral trade volume could reach \$2 billion a year if the obstacles faced by businesses were removed.

The bilateral trade amounted to \$950 million in the first nine months of this year and is expected to reach \$1.4 billion by December's end, he said.

"The key of our trade is diversification. It is also key for Bangladesh. As the economy of Bangladesh can't depend solely on RMG," said the ambassador.

"Then your economy will become vulnerable through the demand of the market where garment is sold. We have seen this during the pandemic when demand fell sharply," he said.

"It happened during the economic hardship. The container, transportation costs are at an all-time high. Economy is in trouble. Despite this difficult time our trade is increasing. That is a good indicator for the future," he added.

Turan was addressing an event titled "Meet the Ambassador" organised by the Centre for Governance Studies at a hotel in the capital.

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People stroll at Mahmutpasa street, a middle-class shopping area, in Istanbul, Turkey. Bilateral trade between Bangladesh and Turkey reached \$950 million in the first nine months of this year and is expected to hit \$1.4 billion by year-end.

PHOTO: REUTERS/FILE

Summit Alliance Port's profit doubles

STAR BUSINESS REPORT

Summit Alliance Port Limited (SAPL) reported a 109 per cent increase in profit in the first quarter of the current fiscal year of 2022-23.

The inland container depot and container freight service provider raked in Tk 10.90 crore in profit in the July-September period, which was Tk 5.21 crore in the same quarter a year earlier.

Thus, the consolidated earnings per share were Tk 0.46 in the July-September quarter of 2022 against Tk 0.22 in the same three-month period a year earlier, according to the unaudited financial statements.

The consolidated net operating cash flow per share rose to Tk 0.66 in July-September from Tk 0.38 during the identical quarter of 2021.

The consolidated net asset value per share was Tk 34.80 on September 30

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DSE turnover ebbs below Tk 500cr

STAR BUSINESS REPORT

Major indices of the Dhaka Stock Exchange (DSE) edged upwards yesterday even though turnover dipped below the Tk 500 crore mark as investors opted against making fresh bets amid the ongoing economic crisis.

The DSEX, the benchmark index of the Dhaka bourse, advanced 35 points, or 0.56 per cent, to close the day at 6,253 points.

The DS30, which represents blue-chip stocks, increased 0.39 per cent to 2,191 points while the DSES, comprised of shariah-compliant companies, climbed 0.69 per cent to 1,356 points.

Of the issues traded at the DSE, 76 advanced, 11 declined and 234 did not see any price movement.

Meanwhile, turnover, a major indicator of the market's health, fell 16 per cent to Tk 468 crore.

This is the lowest turnover recorded by the DSE since October 24 earlier this year, when it stood at Tk 334 crore following a technical glitch that halted trading activities for two hours.

The stock market yesterday bounced back from a three-day slump as bargain hunters cautiously showed interest in sector-specific stocks that have reached lucrative prices, International Leasing Securities said in its daily market review.

The DSEX had shed a total of 136 points in the last three days.

Trading opened on a downbeat note that reverted to an upward trend after the second hour of the session. However, most stocks were lodged at their respective floor prices and that reduced the trade volume, it added.

All the sectors achieved price appreciation, sans jute that dropped 4.9 per cent while banks fell 0.2 per cent.

Investor activity was mostly focused on the IT (20.4 per cent), pharmaceutical (19.8 per cent) and paper (8.8 per cent) sectors.

Sinobangla Industries topped the gainers' list, advancing 9.9 per cent, while Navana Pharmaceuticals, eGeneration, Chartered Life Insurance, and Padma Life Insurance also rose by more than 9 per cent.

Global Islami Bank suffered the sharpest fall, giving up 10 per cent, while Sonali Aansh Industries, National Tec Company, amira networks and Fine Foods were among the major losers as well.

The CASPI, the all-share price index of the Chittagong Stock Exchange, edged down 7 points, or 0.03 per cent, to close at 18,174 points.

Of the issues traded at the port city bourse, 40 advanced, 17 declined, and 73 did not show any price movement.

Iraqis keen to invest in pharma, leather Says head of a delegation

STAR BUSINESS REPORT

Iraqi business people are interested to invest in Bangladesh's pharmaceutical and leather sectors either through forming joint ventures or on their own, said a business leader from the Middle Eastern country.

Seerwan Mohammed Mahmood, chairman of the Sulaimany Chamber of Commerce & Industry, made the remarks during a meeting with the Dhaka Chamber of Commerce & Industry (DCCI) in the capital yesterday.

Mahmood, head of a six-member business delegation from Iraq, said that Bangladesh's readymade garment sector may have a good prospect in the Middle Eastern country.

For a smoother communication, he called for a direct air flight between Dhaka and Baghdad.

"The Iraqi market will be a profitable export destination for Bangladesh," he said, according to a press release of the DCCI.

Mahmood suggested signing a memorandum of understanding between the DCCI and the Sulaimany Chamber of Commerce.

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