

star BUSINESS

Inflation falls for 5th month in January

STAR BUSINESS REPORT

Inflation in Bangladesh declined for the fifth consecutive month in January driven by a fall in food prices, in line with global trends, official figures showed yesterday.

The Consumer Price Index (CPI) rose 8.57 per cent last month, a decrease of 14 basis points from 8.71 per cent in December, according to data from the Bangladesh Bureau of Statistics (BBS).

January's inflation figure was the lowest since August when consumer prices surged to a 10-year high of 9.52 per cent.

Prof Shamsul Alam, state minister for planning, credited the supply-side improvement for the drop in inflation.

"The supply of farm produce has gone up

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Separate tax policy making from collection Businesses say

STAR BUSINESS REPORT

Top business leaders yesterday urged the National Board of Revenue (NBR) to ensure a conducive business climate by bringing reforms to the revenue sector, including having separate administrations formulating tax policies and collecting revenue.

They also demanded that the authorities concerned ensure a "fear-free" tax office, expand the tax net and refrain from putting pressure on existing taxpayers.

The NBR should formulate a policy aiming to achieve the long-term targets foreseeing the economic situation, they said.

"When the NBR officials form a policy, initially they just focus on achieving immediate targets," said Nihad Kabir, chairperson of the trustee board of Business Initiative Leading Development.

They do not give thought on the targets of the next 15 years to 20 years considering the economic status, she said.

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Bangladesh made over 10cr handsets so far
Milestone reflects capacity to meet all of local demand

MAHMUDUL HASAN

Bangladesh's mobile manufacturing industry hit a major milestone of having produced over 10 crore handsets till date, with the local plants gaining the capability of meeting almost all of the annual demand for devices in a span of just over 5 years.

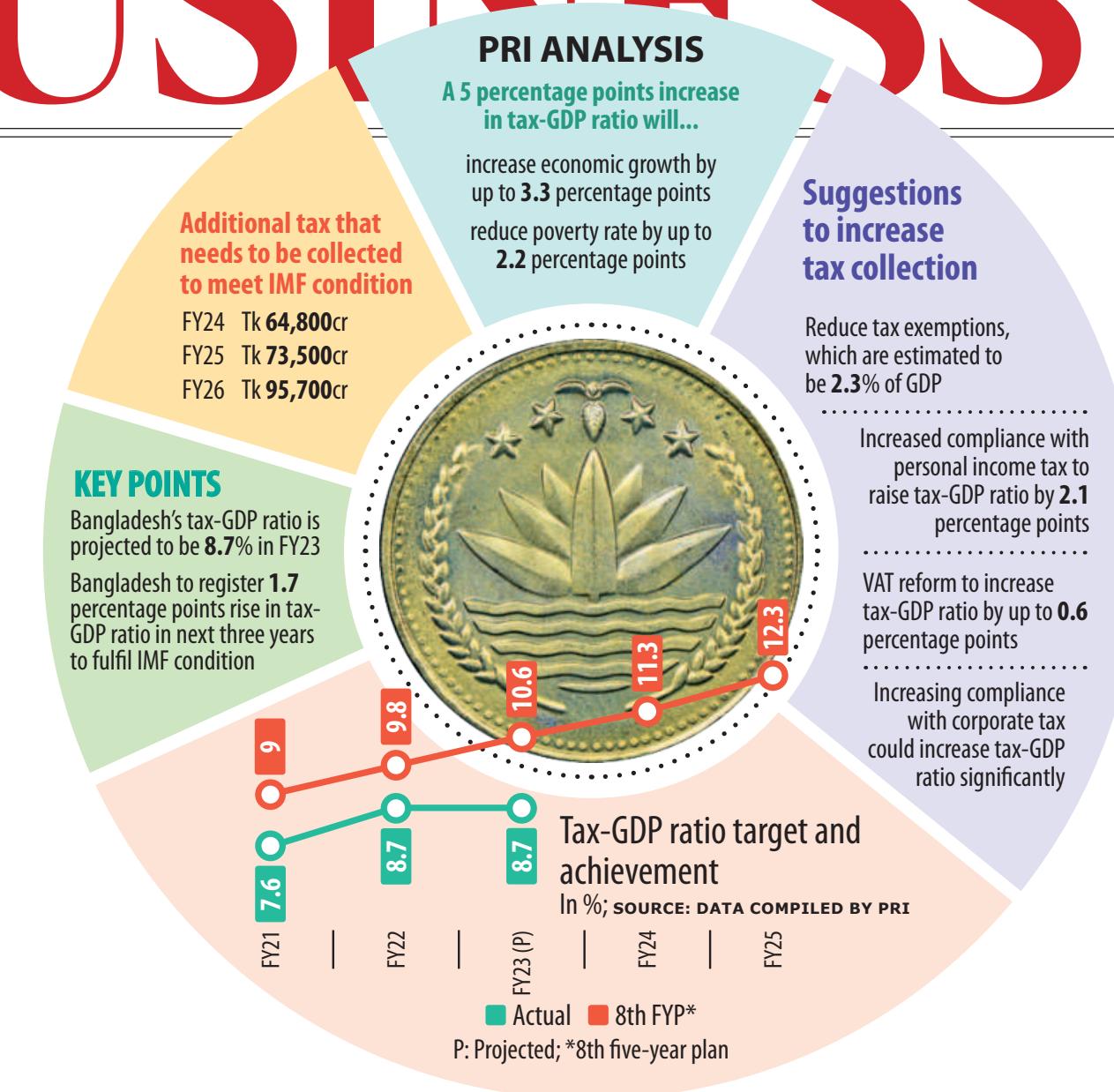
In the latter half of 2017, when Bangladesh allowed local manufacturing by offering a huge amount of tax benefits, only 40,000 cell phones were produced by local firm Walton.

But things started to accelerate the following year as the local entities engaged in deals with top global brands, including Samsung, Tecno and Symphony, to set up manufacturing facilities in Bangladesh.

A total of 15 plants have so far been established in Bangladesh, producing 10.35 crore handsets as of 2022, according to Bangladesh Telecommunication Regulatory Commission (BTRC), which provides manufacturing permits.

In 2018, a total of 22 lakh phones were manufactured, but the number shot up by over sevenfold to 1.6 crore in 2019 with the local production of Oppo, Realme and Vivo-branded devices.

Another 2.40 crore were made in 2020 and despite



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Dual policy in a single stock market

Floor price for half of listed firms dents investor confidence

AHSAN HABIB

By removing the floor price for nearly half of the companies listed in the country in December while retaining the regulatory measure for the rest, the Bangladesh Securities and Exchange Commission (BSEC) has effectively moved to a dual system.

This is because the companies that have seen the floor price removal are allowed to drop slowly while the rest have been safeguarded from further erosion.

In order to prevent a freefall of stocks, the floor price, the lowest price at which a share can be traded, was brought back on July 29. The floor was the average of the closing prices on July 28 of 2022 and the preceding four days.

On December 21, the stock market regulator lifted the artificial support measure for 169 companies. It, however, set the circuit breaker in a way that would prevent stocks from declining more than 1 per cent on a given day.



ANALYSIS

"This is an example of a dual policy system in a single market," said Al-Amin, an associate professor of the accounting & information systems department at the University of Dhaka.

On what basis the BSEC lifted the floor price for some companies but it has remained in place for others was not communicated to people, he said.

Many stocks have declined more than 20 per cent since the withdrawal of the floor price while others are stuck at the floor, Al-Amin said.

"Some people are being victimised by the withdrawal of the floor. But what was the fault of the investors of these stocks? Setting the floor price was a wrong decision, at least for the second time."

In March 2020, the stock market regulator introduced the floor price on all stocks to stop the index from sliding after the coronavirus pandemic struck the country.

"Now, the BSEC is repeating the mistake by lifting the floor price for some and retaining it for others," said Al-Amin.

The introduction of the floor price in 2020 was criticised by most analysts and foreign investors,

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STOCKS	
DSEX ▼	CASPI ▼
0.09% 6,280.71	0.28% 18,534.38

COMMODITIES	
Gold ▲ \$1,870.98 (per ounce)	Oil ▲ \$73.59 (per barrel)

ASIAN MARKETS			
MUMBAI ▼ 60,506.90	TOKYO ▲ 27,693.65	SINGAPORE ▲ 3,385.93	SHANGHAI ▼ 3,238.70

FBCCI forms election board for its polls

STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has formed a panel to oversee the election of its board of directors for the tenure of 2023-24.

The apex trade body appointed A Matin Chowdhury, managing director of Malek Spinning Mills Ltd, as the chairman of the election board.

Shamsul Alam, a former director of the FBCCI, and Monjurul Hoque, a businessman, have been picked as the members of the election board at a meeting of the board of directors of the federation in Dhaka on February 2.

The tenure of the current committee will come to an end on May 19 and the new committee will take responsibility from May 20, said Md Amin Helaly, vice-president of the FBCCI, over the phone yesterday.

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