

## Sonali Aansh's profit plummets 83% in Q3

### STAR BUSINESS REPORT

Sonali Aansh Industries Limited posted an 83 per cent year-on-year decline in profit in the third quarter of the current financial year.

The company made a profit of Tk 16.27 lakh in January-March of 2022-23 against Tk 96.55 lakh during the same quarter of 2021-22. Thus, the earnings per share slipped to Tk 0.30 from Tk 1.78 a year ago, according to the unaudited financial statements.

The EPS decreased due to a fall in export turnover, said Sonali Aansh in a post on the Dhaka Stock Exchange.

The profit stood at Tk 71.59 lakh in July-March of FY23 compared to Tk 1.65 crore during the identical nine-month period of the previous financial year, a year-on-year decrease of nearly 57 per cent. The EPS dropped to Tk 1.32 from Tk 3.05 a year ago.

The net operating cash flow per share plummeted to Tk 12.51 in July-March of FY23 against Tk 18.80 in FY22, owing to the enhancement of shares, the company said.

The company provided a 100 per cent bonus share in FY22.

The net asset value per share dipped to Tk 115.61 on March 31 this year from Tk 228.71 on March 31 last year.

Shares of Sonali Aansh were down 2.96 per cent to Tk 439.20 on the DSE yesterday.

## Oil sinks after Saudi-driven rally

AFP, London

Oil prices sank Tuesday as dealers mulled the weak demand outlook after having rallied the previous day on output cuts from key crude producer Saudi Arabia.

Europe's Brent oil contract and US counterpart WTI crude fell more than two percent, one day after bouncing on news that Riyadh slashed daily output by one million barrels for July in a bid to prop up prices.

The announcement came at a weekend meeting of the 23-nation Opec+ oil producers' alliance, which also agreed to continue its current production cuts until the end of next year.

"Oil prices are under pressure... as the glow from Saudi's supply cut fades and the reality of the sluggish demand backdrop sets in," noted Victoria Scholar, head of investment at trading firm Interactive Investor.



Workers unload sand from vessels in the capital's Gabtoli, getting paid Tk 2 for every basket they carry to create a pile some 100 feet away. Working throughout the day, they can earn around Tk 500. The photo was taken yesterday.

PHOTO: PALASH KHAN

# Gap between inflation, wage growth hits 9-month high

MD ASADUZ ZAMAN

The gap between inflation and the wage rate growth in Bangladesh rose to a nine-month high in May, deepening the cost-of-living crisis for the poor and the low-income groups as consumer prices continue to outpace real incomes.

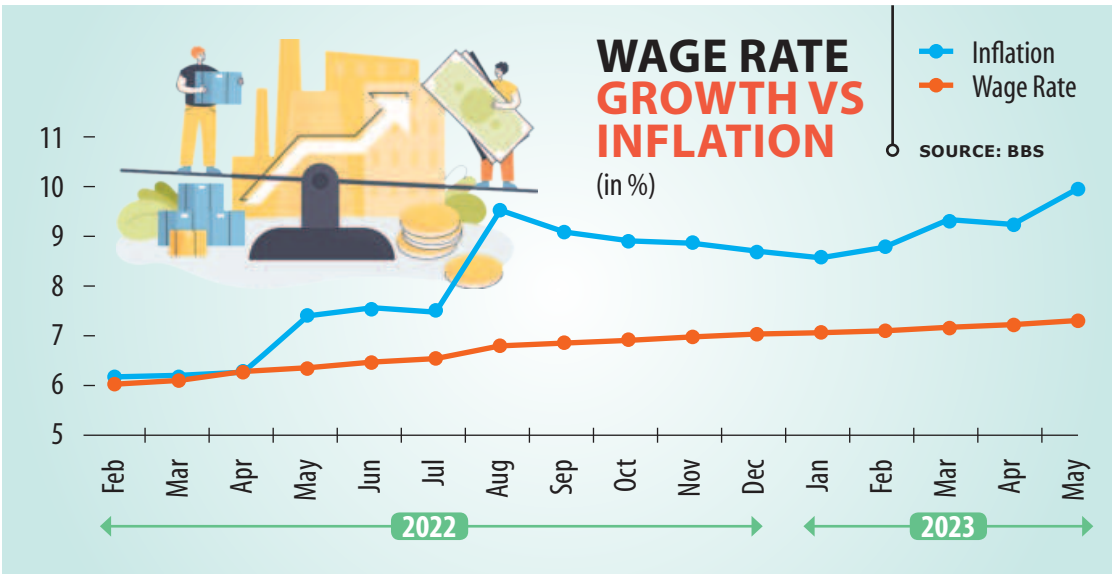
Last month, the wages of low and unskilled workers grew 7.32 per cent, which was 2.62 percentage points lower than the inflation rate of 9.94 per cent recorded in the month, data from the Bangladesh Bureau of Statistics (BBS) showed.

The Wage Rate Index (WRI) of the BBS that takes into account the wages of workers across 44 occupations in agriculture, industry and services rose 7.23 per cent in April against a 9.24 per cent spike in the Consumer Price Index.

Although the wage growth has been slowly climbing since July last year, it has lagged the inflation rate for the 16th consecutive month.

Inflation in Bangladesh has been running high for more than a year after the outbreak of the Russia-Ukraine war exacerbated the disruptions in the global supply chain already broken by the coronavirus pandemic and brought about a global energy crisis.

At home, the surge in import bills, the energy shortage, the US dollar crisis, and market imperfections also contributed to the escalated level of



consumer prices.

Rizwanul Islam, an economist and a former special adviser for the employment sector at the International Labour Office in Geneva, said real wages have been falling for almost a year and the rate of decline has quickened in recent months.

"The issue can no longer be taken as a transitory phenomenon, and some urgent action is required to protect the living conditions of the poor and low-income groups."

He said there is an institutional mechanism for reviewing and revising wage rates, but that is a time-consuming process.

"Rather than waiting for the process to be completed, interim arrangements must be made to

tide over this time."

He recommended the private sector be encouraged to provide an interim allowance that may later be incorporated into the wage negotiations and agreements.

"Supply of essential consumer goods at fixed prices must be augmented and the sales through the Trading Corporation of Bangladesh must be made smoother and more efficient."

Selim Raihan, executive director of the South Asian Network on Economic Modeling (Sanem), said as the wage rate growth has remained below inflation for a long, it has led to the erosion of real income for lower-income groups.

The reduction in the buying

capacity is hitting hard those who have no other source of income and only depend on wages, he said.

Inflation averaged 8.95 per cent in May, way higher than the revised target of 7.5 per cent for the financial year ending on June 30. The government has targeted to bring the annual average inflation to around 6 per cent in the next financial year.

Prof Raihan termed the government's inflationary target as absurd.

"And unfortunately, the government did not say in the budget how it would tackle higher inflation."

He warned that if the government does not ensure

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## DSE calls for policy support

### STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) yesterday placed a six-point demand related to taxes for consideration in the proposed national budget for the fiscal year of 2023-24.

The demands are reducing the corporate tax gap between listed and non-listed companies, waiving the tax on the income from bonds, considering source tax on dividends as the final tax, and lowering the taxes faced by stockbrokers.

The DSE also called for reducing the tax burden for the listed small and medium enterprises and cutting the value-added tax for all listed companies to 10 per cent from 15 per cent.

The demands came at a press briefing organised by the DSE at the FARS Hotel & Resorts in Dhaka. At the briefing, the bourse shared its reaction about the proposed budget.

"Although the proposed budget did not talk about the capital market, it is a good thing that at least no new taxes were proposed," said Prof Haifz Md Hasan Babu, chairman of the DSE.

"We are hopeful that the government will consider our demands for the sake of the betterment of the capital market."

Babu went on to say that as general investors are suffering from a confidence crisis and incurring losses, they look forward to getting any policy support that could help the market indices bounce back.

The stock market was hit hard by the Covid-19 pandemic and the ongoing Russia-Ukraine war but it is now bouncing back.

"Still, some policy support is needed for the market to return to the pre-crisis level," he said.

Prof Abdullah Al Mahmud and Rubaba Dowla, directors of the DSE, were also present at the event.

## 228 ISPs have licences revoked

### STAR BUSINESS REPORT

The Bangladesh Telecommunication Regulatory Commission (BTRC) recently cancelled the licences of 228 internet service providers (ISPs) for failing to convert their licences in accordance with guidelines.

According to the regulatory and licensing guidelines for ISPs in Bangladesh published in December 2020, existing ISP licensees had to convert their licences to four new categories by December 2021.

As per BTRC documents, those 228 licensees broke the telecom act by not converting their licences.

Of the ISPs, four were nationwide licence holders, 38 were zonal and the rest were of A, B and C categories.

The BTRC directed the cancelled licensees to surrender their licences to the commission in 10 days.

The regulator declared all activities of these ISPs fully illegal and punishable under the Bangladesh Telecommunication Act 2001.

The telecom regulator also warned everyone concerned not to enter any deal or carryout any financial transactions with these ISPs.

## Rupee inches up

REUTERS, Mumbai

The Indian rupee was trading marginally higher on Tuesday after a pullback in the US dollar, while traders awaited the Reserve Bank of India's policy decision.

The rupee quoted at 82.6125 to the US dollar by 11:08 am IST, up from 82.67 in the previous session. The USD/INR pair is unable to build momentum on either side. After having dropped from near 82.80 to 82.30, the pair managed to recover on Monday.

"USD/INR lacks a clear direction and exhibits minimal discernible patterns," said Anindya Banerjee, head of research for foreign exchange and interest rates at Kotak Securities.

## Black Sea grain deal could hinge on ammonia pipeline

REUTERS, United Nations

A possible extension next month of a deal allowing the safe wartime export of grains and fertilisers from three Ukrainian Black Sea ports could hinge on the reopening of a pipeline that delivers Russian ammonia to one of those Ukrainian ports.

The United Nations and Turkey brokered the Black Sea Grain Initiative for an initial 120 days last July to help tackle a global food crisis worsened by Moscow's invasion of Ukraine, one of the world's leading grain exporters. It has been extended three times since, most recently until July 17.

More than 31 million tonnes of mostly corn and wheat have been exported by Ukraine under the deal. The Black Sea Grain Initiative also allows for the safe export of ammonia - a key ingredient in nitrate fertiliser - but none has been shipped.

To convince Russia to agree to the Black Sea Grain Initiative, a three-year pact was also struck last July in which the United Nations agreed to help Moscow overcome any obstacles to its own food and fertiliser shipments.

While Russian exports of food and fertiliser are not subject to Western sanctions imposed after the February 2022 invasion of Ukraine, Moscow says restrictions on payments, logistics and insurance have amounted to a barrier to shipments.

A pipeline used by Russia to pump up to 2.5 million tonnes of ammonia annually for global export to Ukraine's Pivdennyi port on the Black Sea from Togliatti on the Volga River in western Russia has been shut down since Moscow's invasion of Ukraine.



Commercial vessels including vessels which are part of Black Sea grain deal wait to pass the Bosphorus strait off the shores of Yenikapi during a misty morning in Istanbul, Turkey on October 31, 2022.

PHOTO: REUTERS/FILE

## Malaysia's end-May palm oil stocks seen rising

REUTERS, Kuala Lumpur

Malaysia's palm oil inventories at the end of May are expected to rise as production swells to its highest so far this year while exports remain flat, a Reuters survey showed on Tuesday.

Stockpiles are forecast to rise 6.8 per cent from April to 1.6 million tonnes, snapping a three-month decline, according to the median estimate of nine traders and analysts polled by Reuters.

That is about 5 per cent higher than a year ago.

Production in the world's second-largest producer is seen rocketing 21 per cent to 1.45 million tonnes, the highest level since December.

Supportive weather conditions, more harvesting days and an improvement in yields compared to the previous month helped the surge in production, said Nagaraj Meda, managing director at TransGraph Consulting.