Pharma Aids incurs losses in FY23

STAR BUSINESS REPORT

Pharma Aids Ltd suffered a loss of Tk 63.96 lakh in the financial year that ended on June 30 owing to the fall in sales and higher cost of production.

On the other hand, it clocked a profit of Tk 3.48 crore in 2021-22. Thus, the earnings per share slipped to Tk 2.05 in negative in 2022-23 against Tk 11.14 a year earlier.

In a filing on the Dhaka Stock Exchange, the company said the EPS and the net profit significantly decreased and became negative owing to factors such as the reduction in sales due to the disrupted production driven by frequent power cuts and gas supply shortage and a significant increase in the cost of electricity, gas, and imported raw materials resulting from a sharp rise in the foreign exchange rate.

The payments of excessive advance tax in the form of tax deducted at source despite minimal profits and unchanged selling price of glass ampoules were other factors, it said.

The net asset value per share of Pharma Aids declined to Tk 91.28 from Tk 98.83 while the net operating cash flow per share plummeted to Tk 2.33 from Tk 10.85.

The board of the company recommended a 10 percent cash dividend for FY23.

Shares of Pharma Aids traded at Tk 790.70 on the DSE yesterday, unchanged for a day earlier.

Oil sputters near three-month low

REUTERS

Oil prices remained under pressure on Wednesday after sliding to their lowest in more than three months in the previous session, slipping further on concern over waning demand in the United States and China.

Brent crude futures dipped 8 cents to $81.53 a barrel by 0914 GMT while U.S. crude lost 20 cents to $77.17. Both had dropped on Tuesday to their lowest since July 24.

"The market is clearly less concerned about the potential for Middle Eastern supply disruptions and is instead focused on an easing in the balance," ING analysts Warren Patterson and Ewa Manthey said in a note to clients, referring to tight crude supply conditions.

The popular wholesale market at Khatunganj in Chattogram witnessed a slight slowdown in activities yesterday despite the blockade imposed by BNP and Jamaat-e-Islami. Trucks, bearing onions and garlic, continued their loading and unloading activities at the hub as usual while the flow of customers was slightly reduced.

PHOTO: RAJIB RAIHAN

MATARBARI DEEP-SEA PORT

Construction of 1st terminal to start soon

PM to lay foundation stone on Nov 11

DWAIPAYAN BARUA, *Ctg*

Construction work on the first terminal of Bangladesh's maiden deep-sea port at Matarbari in the Moheshkhali upazila of Cox's Bazar will start soon as the tender process for appointing a contractor is in the final stages.

The Chittagong Port Authority (CPA) has completed evaluating the technical and financial aspects of offers submitted by the Japanese joint venture contractor that qualified for the tender.

Meanwhile, the required concurrence from financer Japan International Cooperation Agency (Jica) has also been received, officials confirmed.

The tender process now awaits government approval, after which the contractor will be appointed.

Although terminal construction is yet to start, there has been visible development through the creation of a 14.3-kilometre-long artificial navigation channel stretching from the proposed terminal to the sea.

Coal Power Generation Company Bangladesh Limited created the channel under the Matarbari Ultra Super Critical Coal Fired Power Project before handing over responsibility to the CPA on September 20.

Prime Minister Sheikh Hasina is scheduled to inaugurate the channel as well as lay the foundation stone for construction of the first terminal on Saturday.

CPA Chairman Rear Admiral Mohammad Sohail told The Daily Star that the tender process for appointing a contractor to construct the first terminal is in its final stages, with all the work at their end completed.

Mentioning that the Japanese joint venture led by Penta Ocean Construction Co Ltd had qualified for the tender, the chairman said the CPA finalised the evaluation of the offer after a long round of negotiations.

Penta Ocean Construction had also dredged the channel.

"Our job is done. Now we are waiting for some last moment formalities like approval from related authorities," the port chairman said, hoping that a contractor would be appointed shortly.

He hoped that construction would start from January and would take at best three years to complete.

According to project officials, the first phase of the Matarbari Port Development Project comprises of the first terminal, featuring a 460-metre container jetty and a 300-metre multi-purpose jetty, both with an 18.5 metre deep draft, alongside container yards.

It is expected to be operational by 2026.

Once the terminal is open, it will enable the accommodation of bigger vessels with the capacity to carry almost three times more cargo than the vessels currently anchored at the Chattogram port jetties.

The CPA chairman said vessels capable of carrying up to one lakh tonnes of cargo would be able to berth at the proposed terminal whereas the Chattogram port jetties can currently accommodate vessels with a maximum of 30,000 tonnes of cargo.

"The terminal will accommodate bigger container vessels, so we will be able to send our exports directly to Europe and the US from here. Our dependency on transshipment ports will end," he said.

It could be a game changer in the country's seaborne cargo transport efficiency and may become a regional hub, hoped Mahbubul Alam, president of the Federation of Bangladesh Chambers of Commerce and Industries.

The government geared up for a new commercial port at the same site as the Matarbari Coal-fired Power Plant when the deep channel for the power plant was being excavated.

Jica, which is funding the coal power plant, also suggested building a deep-sea port in the area after its feasibility report discovered the deeper sea depth in Matarbari.

The Tk 17,777.16-crore Matarbari Port Development Project got approval from Ecnec on March 10, 2020.

The CPA and the Roads and Highways Department will implement the Matarbari Port Development Project.

Shanta gets life insurance licence

STAR BUSINESS REPORT

Bangladesh's insurance sector is set to expand through the launch of a new venture, "Shanta Life Insurance PLC".

The company came into being through a consortium comprising Shanta Holdings Ltd, Shanta Lifestyle, Shanta Securities Ltd, Shanta Multiverse, Shanta Property Management, FAR Asset Management and Nasah Holdings Limited.

It received the licence on November 7 from the Insurance Development and Regulatory Authority (IDRA), said a press release.

"We are excited to step into a new sector," said Khondoker Monir Uddin, chairman and managing director of business conglomerate Shanta Holdings Ltd.

The insurance sector not only has significant growth potential but also the ability to change livelihoods and contribute significantly to the financial sector, he added.

He said their mission was to elevate the standard of life insurance services offered in Bangladesh, with an aim to encourage financial literacy amongst the population.

"Shanta has established a brand image and reputation of trust in the sectors we operate in," he said.

"Now we are confident that we can extend the same dedication to the life insurance sector, in terms of offering quality products and services that bring financial stability to policyholders' lives," he added.

Currently, there are 35 life insurance and 46 non-life insurance companies in the country. Of them, 49 are listed on the stock market.

The insurance industry's contribution to Bangladesh's growing gross domestic product (GDP) is only 0.4 per cent.

Life insurance penetration, measured as the ratio of gross written premium to GDP, has significantly gone down over the past decade to reach 0.5 per cent in 2021, according to the IDRA.

In contrast, it was 0.94 per cent in 2010.

Padma Oil's profit surges 45% in FY23

STAR BUSINESS REPORT

Padma Oil Co Ltd registered a 45 percent year-on-year increase in profit to Tk 349.51 crore in the financial year that ended on June 30.

The profit stood at Tk 240.38 crore in 2021-22. Thus, the state-run company reported earnings per share of Tk 35.58 for 2022-23 against Tk 24.47 in FY22, the state-run company said in a disclosure on the Dhaka Stock Exchange yesterday.

The net asset value per share improved to Tk 203.46 from Tk 180.38 while the net operating cash flow per share (NOCFPS) slipped to the negative territory at Tk 51.99 from Tk 98.15.

The board of directors recommended a 135 percent cash dividend for FY23.

Padma Oil also registered a 22 percent spike in profit to Tk 90.76 crore in the first quarter of the current financial year. It was Tk 70.72 crore in July-September of FY23.

Therefore, the oil marketing company reported EPS of Tk 9.24 for July-September of FY24 against Tk 7.20 a year ago.

The EPS rose on the back of an increased non-operating income against bank deposits, said Padma Oil, adding that increased collections from affiliated companies were also behind the profit gain.

The NAV per share rose to Tk 212.70 in the first quarter from Tk 203.46 while the NOCFPS slipped to Tk 5.38 negative from Tk 5.24 in negative.

Shares of Padma Oil closed unchanged at Tk 209.20 yesterday.

US lends $553m for deep-sea terminal in Sri Lanka

AFP, *Colombo*

The United States will lend more than $550 million for an Indian-led deep-sea container terminal in Sri Lanka, officials said Wednesday, with the project seen as countering China's rising influence in the Indian Ocean.

Sri Lanka sits astride the world's busiest shipping route, which links the Middle East and East Asia, giving its maritime assets strategic importance.

The new Colombo West International Terminal is being built by a consortium led by India's Adani Group -- which earlier this year denied accusations of "brazen" corporate fraud by a US short-seller.

The Adani facility has an estimated cost of $700 million and is located immediately next to a similar Chinese-run jetty at the capital's sprawling port.

The US government-run International Development Finance Corporation said it was providing $553 million in funding for the Adani-led project.

"Sri Lanka is one of the world's key transit hubs, with half of all container ships transiting through its waters," DFC chief Scott Nathan said in Colombo.

Sri Lanka went bankrupt in a financial crisis last year, but the loan to the private development would not add to its sovereign debt, Nathan added, "while at the same time strengthening the position of our allies across the region".

The new container jetty will be 1.4 kilometres long, 20 metres deep and have an annual capacity of 3.2 million containers. China's maritime activities around Sri Lanka have raised red flags for regional power India in recent years.

Two of Beijing's submarines used the Chinese-run jetty next to the Adani development

READ MORE ON B2

China's foreign trade showing signs of stabilisation

ANN/ CHINA DAILY

China's foreign trade registered year-on-year growth in October, after a continuously narrowing slump since July, adding to the recent signs of a gradual stabilization in the world's second-largest economy thanks to a slew of supportive policy measures, officials and analysts said.

The country's foreign trade performance will continue to improve in the coming months as the global market embraces a consumption boom buoyed by the festival season, and the base effect gradually weakens, which will inject much-needed momentum into global economic recovery, they added.

In October, China's foreign trade in goods was worth 3.54 trillion yuan ($486 billion), a year-on-year increase of 0.9 percent. Compared with last year, exports dropped 3.1 percent to 1.97 trillion yuan, while imports surged 6.4 percent to 1.57 trillion yuan, data from the General Administration of Customs showed on Tuesday.

More favorable dynamics have been gathering in China's foreign trade sector recently, resulting in year-on-year growth of merchandise trade in October, said Lyu Daliang, spokesman for the administration.

Citing the latest trade prosperity survey conducted by the administration, Lyu said the proportion of enterprises that are optimistic about future import and export growth has gone up, and China's foreign trade will continue its upward trajectory.

This aerial photo shows a cargo ship at Qingdao port in China's eastern Shandong province.

PHOTO: AFP

China's import data in October, which posted positive growth for the first time in US dollar terms since March, indicates a gradual recovery of domestic demand -- a significant driving force to underpin the nation's sustained economic recovery, said Zhou Maohua, an analyst at China Everbright Bank.

The International Monetary Fund forecast that the Chinese economy will grow 5.4 percent in 2023, meeting the growth target of around 5 percent.

Gita Gopinath, the IMF's first deputy managing director, said the projection was revised upward from 5 percent in October, reflecting a stronger-than-expected third-quarter output and recent policy announcements.

China will further expand market access and increase imports, Premier Li Qiang said at the opening ceremony of the ongoing sixth China International Import Expo in Shanghai, amid a gloomy world merchandise outlook and intensifying trade protectionism.

Reiterating Beijing's commitment to advancing opening-up, Li said the imports of goods and services were set to reach a cumulative $17 trillion in the next five years.