

Singer's Q2 profit up 22.3pc

STAR BUSINESS REPORT

Singer Bangladesh's net profit rose 22.3 percent year-on-year to Tk 24.82 crore in the second quarter of the year on the back of stable trading conditions and new marketing initiatives and products.

Its turnover in the April-June period also increased 26 percent to Tk 340 crore, according to a statement from the company yesterday.

Singer has continued to enjoy significant unit sales increases in many product categories, said its Chairman Gavin Walker.

Panel televisions unit sales rose 49

percent, washing machines 47 percent, refrigerators 42 percent, furniture 40 percent and air conditioners 36 percent.

"Our manufacturing operations have enabled us to reduce our selling prices to customers, while maintaining strong gross margins in the Q2. We are well-placed to generate further impressive growth for the remainder of the year," he added.

Singer's gross revenue during the quarter stood at 26.9 percent, down slightly from a year earlier.

The operating expense was 15.7 percent of the revenue, which was the same as in the previous year,

despite a meaningful increase in advertising expenditure and visibility in the market.

Earnings per share rose at the same rate of the profit after tax.

Its associated company International Appliances has increased production of refrigerators as strong sales are expected for Eid-ul-Azha, due to take place in the third quarter.

Singer's financial service offerings - Western Union, Bkash, Grameen airtime reloads and utility bill payments - shot up 45 percent in value in the first half of the year and also brought over 500,000 additional customers to stores during the period.

Ctg traders continue to suffer

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Bagdadi Corporation sold some of the wet onions at Tk 5 a kg only, down from Tk 18 a kg, to recover to some extent from the loss, he said.

Monir Hossain, proprietor of Dhaka Traders, could not save his shop from the water despite erecting walls at the entrance. Water entered his business from the back and other sides.

The tidal wave inundated about 80 percent of the 800 rice entrepôts and godowns in Chakta.

Waters drenched at least 600 sacks of rice, which were kept on the bottom of the racks of a shop—Boduri Rahman Sowdagar—in Chakta.

Sekandar Hossain Badsha, proprietor of the shop, said he primarily counted a loss of Tk 12 lakh.

Some traders tried to save goods by storing them on hired trucks or by shifting those to the makeshift godowns on the first floors of some buildings where the workers of the shops used to live.

Omar Azam, general secretary of Chittagong Rice Traders Association, said he failed to find any alternative space to relocate his stored rice and had to watch those get damaged.

The situation worsened on Monday when almost 15-foot high tides hit the areas and different gates of the dam at Kaptai Hydro Electric Power plant were

opened due to heavy rains in India. Azam said the traders could have saved a big portion of their goods, if the government or the administration had earlier informed them before opening the gates of the dam.

"We are now only depending on Mother Nature and hoping that the weather will get better soon," he said in a helpless voice.

Syed Sagir Ahmad urged the government to take immediate measures like dredging up the city canals, including Chakta, and installation of sluice gates at the entrance of the canals, to avoid such waterlogging in future.

Citi in Bangladesh celebrated its 12th annual Global Community Day with more than 140 Citi volunteers in Dhaka along with the underprivileged children of a school run by Educo, a global development nongovernmental organisation.

Rising apparel exports to China a sign of new opportunities

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Zahir exported garment products, mainly of denim and trousers, worth US \$15 million last year. Retailers like H&M, GAP and Zara are his main buyers from Chinese markets.

Moreover, China has its own retailers and brands which buy a lot of garment items from Bangladesh, he said. Export of trousers, denim, non-denim and t-shirts, is high from Bangladesh to China, he said.

"We need a strong marketing for the Chinese markets. We have a very strong potential in the Chinese market," Zahir said.

China itself is very strong in jackets and lingerie, for which export of such products from Bangladesh is not yet high. The growing Chinese middle class are the main customers of Bangladeshi apparel, exporters said.

Chinese manufacturers produce high-end garment products which middle class consumers can hardly afford. As a result, demand for Bangladeshi garment items is high.

Since Chinese manufacturers have already shifted their focus to high-end products, the Chinese government started exploring an alternative market for middle class consumers.

As a measure, the Chinese government in April 2011 allowed duty-free access to 4,721 products, of which a majority are garment items. Since then, garment export to China from Bangladesh is on the rise.

Recently, a study by Switzerland-based International Textile Manufacturers Federation (ITMF) said by the end of 2020, China would produce US \$750 billion worth garments from the current US \$300 billion, half for export and the remaining

for domestic use. Currently, about 80 percent of China's garment products are produced for local consumption. So Bangladesh should focus on this Asian economic giant for its future export growth.

The remaining export-focused 20 percent make up about 40 percent of global apparel trade, worth nearly US \$200 billion. China has 1.35 billion people, for which many Chinese manufacturers do not bother with exports, the study said.

Anwar-ul-Alam Chowdhury Parvez, a former president of Bangladesh Garment Manufacturers and Exporters Association, said the Chinese market would grow automatically as they have already shifted from producing basic items. "We should maintain a warm relationship with China for higher export," Parvez said.

Local garment exporters enjoy a three percent cash incentive on export to China under a new market stimulus package introduced in 2009 to minimise fallouts of global financial recession.

China's state-owned companies and private sector entrepreneurs are also very much interested in Bangladesh for a new initiative of the Chinese government's flagship Belt and Road Initiative, which includes Bangladesh.

In the fiscal 2016-17, overall export also increased by 17.49 percent to US \$949.41 million from US \$808.14 million in the 2015-16 fiscal, according to data from Bangladesh Export Promotion Bureau. Very soon China would become the second Asian market after Japan for Bangladeshi exports to cross the US \$1 billion mark.

Regulator to probe abnormal price hike of five firms' shares

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The company's shares closed at Tk 115 yesterday. BD Welding, also a "Z" category share, reported a loss of Tk 3 crore between July 2016 and March 2017.

Yet, the company's shares traded at Tk 23.7 on June 29, a whopping rise of 91 percent from Tk 12.4 on May 2 this year. The shares closed at Tk 18.6 yesterday.

KPPL reported a loss of Tk 1.98 crore in the July-March period, but its share prices increased 72 percent in one and a half months. According to the DSE, it traded at Tk 7.5 on May 2 and jumped to Tk 12.9 on

July 3. Each KPPL share ended at Tk 11.3 yesterday.

Similarly, the share prices of Beach Hatchery, which reported a loss of Tk 1.45 crore between July 2016 and March 2017, jumped 97 percent in a span of two months, from Tk 11.6 on April 26 to Tk 22.9 on July 22. The shares of the company closed at Tk 18.5 yesterday.

Fu Wang Food, which is the only "A" category share among the five companies, rose nearly 72 percent in 50 trading days. Its shares traded Tk 24.8 on July 13, up from Tk 14.4 on April 30. It closed at Tk 22.9 yesterday.

Citycell gets another lease of life

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Meanwhile, Citycell is of the belief it has made Tk 129.27 crore of overpayment to the BRTC.

The operator has paid Tk 476.27 crore as spectrum charge, licence fee, revenue sharing and social obligation fund to the telecom regulator, PBTL said.

Its dues until October last year was Tk 346.99 crore, meaning that an additional Tk 129.27 crore has already been furnished to the telecom regulator.

So the dues incurred since October 2016 should be adjusted against the additional Tk 129.27 crore paid by PBTL, it added.

Wheat imports may go up further

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The agency forecast wheat production at 13 lakh tonnes this fiscal year. Imports may drop if domestic production rises, said Mustafizur Rahman, deputy managing director of Bashundhara Group that also markets flour.

He expected that the overall arrival of the grain might be 65-68 lakh tonnes at the end of the current fiscal year.

Bangladesh sources a majority of the wheat from Russia and Ukraine followed by Canada, Argentina, Australia and the USA, according to market operators.

The Daily Star

DHAKA WEDNESDAY JULY 26, 2017, SRABAN 11, 1424 BS

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Masihul Huq Chowdhury, additional managing director of Midland Bank, cuts a ribbon to open the bank's agent banking booth at Palora Bazar in Manikganj on Monday.

Daily transactions reach Tk 1,000cr

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Before Eid, people have money in their hands and they use it for shopping and to send it to relatives in rural areas, added Dalim. "This process will help in boosting financial inclusion," he said.

Market insiders said if the central bank had not limited transactions, the volume might have increased even further.

Previously, users could deposit Tk 25,000 in their mobile wallets each day and take out the same amount. But in February this year, the amounts were limited to Tk 15,000 and Tk 10,000 respectively, which also left an impact on the industry, they said.

Despite the new rules, cash in, cash out and person to person transactions significantly increased in June compared to May.

In June, salary disbursement through mobile wallets also grew 58.73 percent to Tk 666.10 crore.

Currently, 17 mobile financial service licence holders are in operation and two operators - Bkash and Rocket - dominate 99 percent of the market share.

EU increases pressure on Facebook, Google and Twitter over user terms

REUTERS, Brussels

European Union authorities have increased pressure on Facebook, Google and Twitter to amend their user terms to bring them in line with EU law after proposals submitted by the tech giants were considered insufficient.

The European Commission and consumer protection authorities in the bloc wrote to the three companies in June, asking them to improve their proposed changes to user terms by the end of September, according to letters sent to the companies and seen by Reuters on Monday.

The authorities have the power to issue

fines if the companies fail to comply.

Representatives of Facebook and Twitter did not respond immediately to emailed requests for comment and a Google spokesman declined to make immediate comment.

The authorities' concerns centre mainly on procedures the social media companies proposed to set up for the removal of illegal content on their websites, terms limiting their liability and terms allowing them unilaterally to remove content posted by users.

The US trio were given until July 20 to submit new proposals, which need to be implemented by the end of September, the letters said.

Suspected transaction reporting on the rise

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Although foreign banks remain on top in terms of the number of STRs/SARs, their contribution to the total STR has gradually fallen over the previous three fiscal years, whereas the contribution of Shariah-based banks has risen sharply.

Some 99.86 percent of the suspicious transactions involving Tk 3,031 crore were transacted in different categories of banks.

Shariah-based banks made the highest contribution to the transaction volume, followed by state banks. Though state banks had negligible contribution to the number of STR, they reported 32.5 percent of the total volume of suspicious transactions.

On the other hand, the transaction volume reported by foreign banks was the lowest.

Most STRs/SARs reported in fiscal 2015-16 were related to male account holders: 97.37 percent accounts were owned by male customers. Cash, online transaction and clearing cheques are the major types of financial instruments involved in the reported STRs.

Cash comprised 62.72 percent of the total STRs, whereas 23.55 percent reported suspicious transaction were related to online transaction and 12.31 percent to clearing transaction.

Division-wise, 64.6 percent of the STRs/SARs involved transactions from branches located in Dhaka division, followed by 21.35 percent in Chittagong division.

STRs reported in fiscal 2015-16 indicate that a major portion of the money movement took place within Bangladesh. Besides, foreign fund movements also took place from the UK, the US, Kosovo, Pakistan, Turkey and Nigeria.

Some 18.78 percent of the disseminated cases were related to fraud and 12.15 percent to kidnapping. The two crimes also topped the STR/SARs reported in fiscal 2014-15.

To boost international cooperation, the BFIU signed agreements with the FIUs of Australia, China, Jordan, Lebanon, Kazakhstan, Nigeria, Uzbekistan, and Macao in 2015-2016, taking the tally to 43.

Subir Kishore Choudhury, secretary of the ICT Division; Shameem Ahsan, chairman of eGeneration Group, and Baris Vural, vice president for sales at Troy Group Inc USA, attend an event titled "Smart security for digital Bangladesh" at the Westin Dhaka on July 18. eGeneration partnered with Troy Group Inc for document security solutions.

Farman R Chowdhury, managing director of Shahjalal Islami Bank, and Delowar Hossain Faruk, chairman of the standing committee on the members welfare of Bangladesh Association of Software and Information Services (BASIS), attend a deal signing ceremony at the bank's head office in Dhaka yesterday. The members of BASIS will get investment funds from the bank while the clients of the bank will get discount during purchase of software from the association.

SHAHJALAL ISLAMI BANK