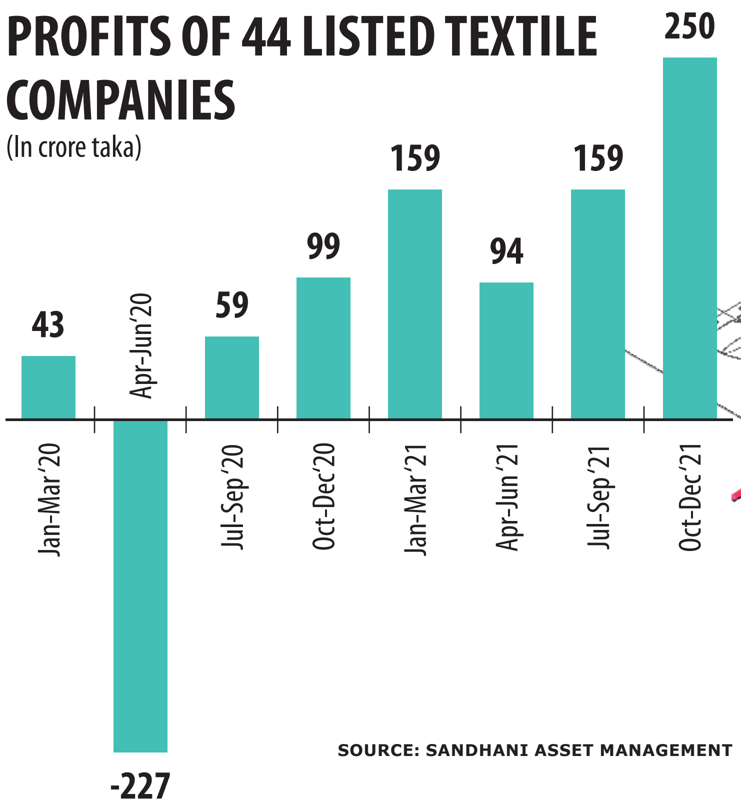

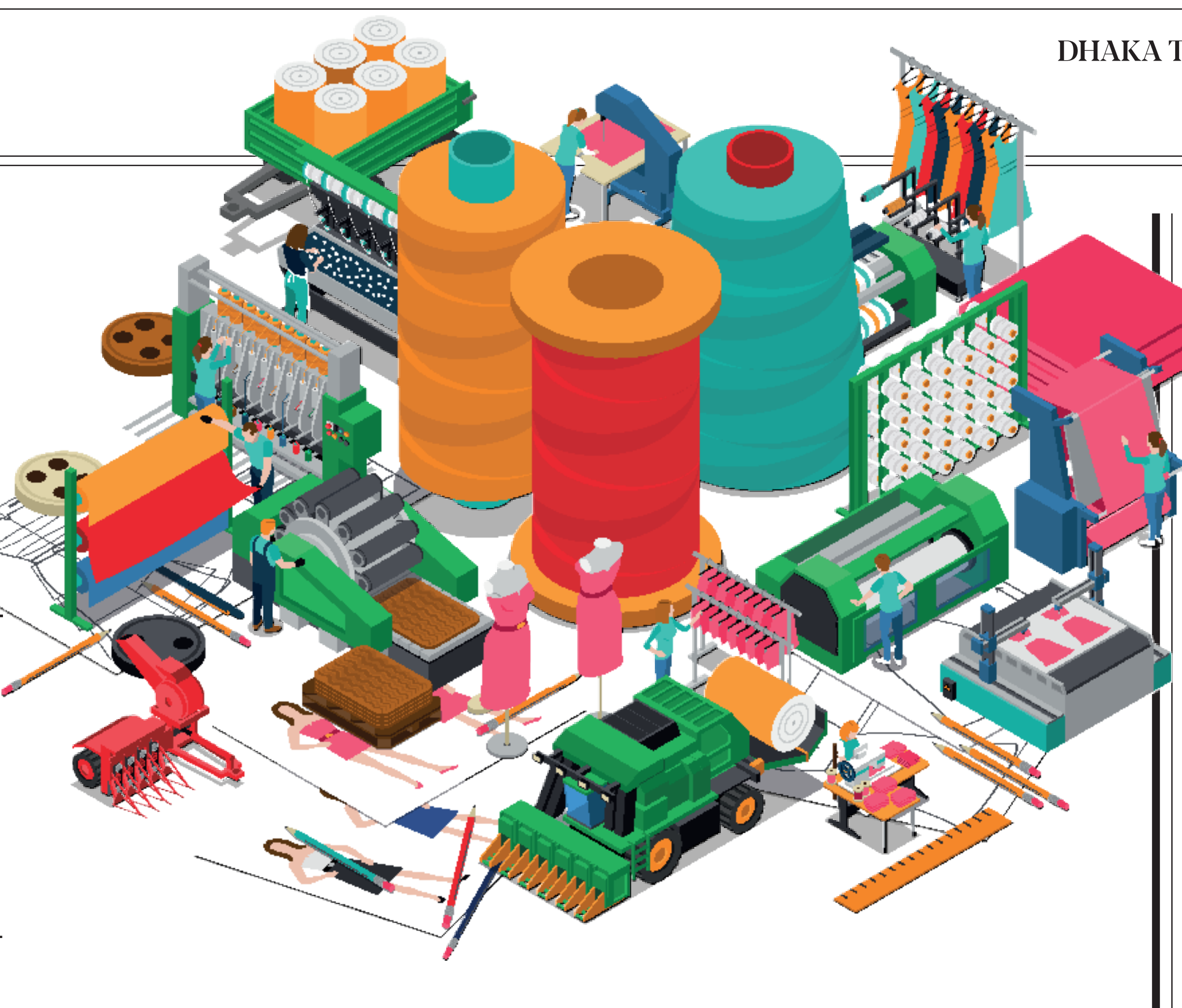

TOP TEN COMPANIES
In terms of profit; Oct-Dec'21; In crore taka

Square Textile	Matin Spinning	Paramount Textile	Maksons Spinning	Malek Spinning	Envoy Textiles	Esquire Knit	Alltex Industries	Mozaffar Spinning	Shasha Denims
46	27	24	24	21	19	8	7	7	6

Listed textile makers' profits more than double

AHSAN HABIB

Listed textile manufacturers logged a staggering 152 per cent higher profits year-on-year in the October to December period of the current financial year of 2021-22.

Analysts reason higher yarn prices, unexpended stocks of cotton, higher exports and devaluation of the local currency against the dollar.

Among the 58 listed textile and garment companies, 44 properly disclosed their earnings data for the last two years.

The total profits of the 44 companies rose to Tk 250 crore in the second quarter of the financial year while it was Tk 99 crore in the same period of the previous year.

"We had a handsome amount of stock of raw material, cotton, so when yarn price rose in the market, our profits soared," said Shah Alam Miah, company secretary of Matin Spinning Mills.

In the 2021 calendar year, Bangladesh imported 8.5 million bales of cotton, spending more than $3 billion. One bale equals 480 pounds or 218 kilogrammes (kg).

The price of the widely consumed 30 carded yarn had increased to $4.71 per kg in December last year while it was $3.9 per kg a year ago.

On average, yarn prices rose around 40 per cent.

As exports of the garments sector rose after the pandemic, all the related sectors saw improved growth in their profits, he said.

Among 58 listed companies, 44 properly disclosed their earnings data. Total profits of the 44 rose to Tk 250 crore in the 2nd quarter of the financial year while it was Tk 99 crore in the same period a year ago

Between July and December, the first six months of the current fiscal year, garment exports grew by 28.02 per cent year-on-year to $19.90 billion.

"Meanwhile, our utility costs dropped as we are now generating our own electricity from our generator instead of buying from United Power Generation," he said.

In addition, the generator runs on natural gas instead of diesel, so the cost fell, he added.

Matin Spinning Mills earned the second highest profits in the second quarter after Square Textiles. Its profits climbed 121 per cent to Tk 27.8 crore in the quarter year-on-year.

In the same period, Square Textiles logged a staggering 318 per cent jump in profits to reach Tk 46 crore.

Performances of textile companies was very impressive this year, which makes stock investors happy, said Emran Hasan, chief executive officer of Shanta Asset Management.

"Due to the higher yarn prices, their profits grew and the price rise was expected so many of them announced expansions earlier," he said.

Some Tk 600 crore was invested in the spinning sector to set up 26 new mills last year, according to Bangladesh Textile Mills Association (BTMA).

"On the other hand, the dollar appreciated against the taka, which ultimately gave a boost to their profits as most of them are export based companies," he said.

The interbank exchange rate hit a record high of Tk 86 per dollar on January 10, according to central bank data. The local currency is trading at more than Tk 90 per USD in the kerb market.

With the higher profits, their stock price also advanced during the last few months, Hasan added.

Market capitalisation of the textile sector soared 73 per cent to Tk 17,594 crore yesterday compared to that of June 1 of 2021, according to the data of LankaBangla Securities.

Among the 44 textile and garment companies, 25 saw higher profits in the last quarter. Five returned to profits from loss and 14 logged lower profits, the data shows.

Profits of Evince Textiles soared the most as it rose to Tk 91 lakh in the last quarter, up from Tk 1 lakh in the same period of the previous year.

Profits of Mozaffar Hossain Spinning Mills jumped to Tk 7 crore from Tk 30 lakh while profits of Envoy Textiles climbed to Tk 19 crore from Tk 4 crore.

Consumption of palm oil on the rise

STAFF CORRESPONDENT, *Ctg*

The consumption of palm oil in Bangladesh increased by 7 per cent in the last eight years to reach 13.5 lakh tonnes in 2021, according to findings revealed at a webinar.

The Council of Palm Oil Producing Countries yesterday organised the webinar styled "Palm Oil Future Market Trend in Bangladesh".

As per the findings, in 2013, the consumption of palm oil stood at 12.6 lakh tonnes.

Palm oil meets 52 per cent of the country's edible oil demand due to prices being lower whereas around 29.3 per cent is met by imported soybean oil, 15.6 per cent by locally crushed soybean and the remaining 3.1 per cent by local mustard oil, the report said.

However, palm oil met 71 per cent of the total edible oil demand in 2013.

The country's annual consumption of edible oil currently stands at 25.95 lakh tonnes, 81 per cent of which is met through imports.

The consumption of edible oil (palm and soybean oil) increased by 12 per cent in eight years to reach 28.15 lakh tonnes in 2021 against 25.15 lakh tonnes in 2013, said the report.

The country's annual consumption of edible oil currently stands at 25.95 lakh tonnes, 81 per cent of which is met through imports

AKM Fakhrul Alam, former regional manager (Bangladesh and Nepal) of Malaysian Palm Oil Council, said, "Rising palm oil prices over the past few years and rising demand for soybean oil have raised concerns about the future of the palm oil market."

"The exporting countries are already taking several initiatives to overcome this," he added.

Dr Sachnaz Desta Oktarina, researcher of Indonesian Oil Palm Research Institute, said "Palm oil exporting countries always keep an eye on Bangladesh and try to understand the country's demand..."

"...since most of its people use palm oil to meet their needs considering the price and quality," she said.

"Now around 80 per cent of the country's palm oil demand is met from Indonesia and the rest of the palm oil demand is met from Malaysia," she added.

"The rise or fall of palm oil prices does not depend on Indonesia. Apart from soybean oil prices, international demand, market system and production also play an important role here," she said.

Tariq Ahmed, senior director of the TK Group of Industries said, "The purchasing power of the people is also increasing along with the growth of the country's GDP in the last one decade."

"As a result, demand for soybean oil is increasing compared to palm oil," he said.

"Palm oil used to control 71 per cent of the country's market in 2013 but now it has dropped to 52 per cent," he added.

The webinar was moderated by Yash Kanasal, deputy managing director of APCO Worldwide.

Saudi Arabia to invest $6.4b in future tech

REUTERS, *Riyadh*

Saudi Arabia has launched investments worth $6.4 billion in future technologies, the Saudi minister of communication and information technology said on Tuesday, as the kingdom races to diversify its economy from oil in the face of fierce regional competition.

Wealthy Gulf countries have launched initiatives to boost non-oil growth and reduce dependence on crude oil as climate change campaigners and volatility in oil prices have put pressure on government finances.

The investments announced on Tuesday include a $2 billion joint venture between eWTP Arabia Capital, a fund backed by Saudi Arabia's sovereign wealth fund, the Public Investment Fund (PIF) and Alibaba, and China's J&T Express Group, minister Abdullah Alswaha said.

Saudi oil giant Aramco will inject, via its fund Prosperity7 Ventures, $1 billion to help entrepreneurs across the globe build transformative start-ups, while Saudi Telecom Co (STC) will invest $1 billion in the infrastructure of submarine cables and data centres, he said.

"Right now, the tech and digital market is around $40 billion which is the largest by far in the region. We're very proud of the growth that we have seen in the region, specifically in areas around e-commerce, gaming, digital content and cloud," Alswaha said.

Volvo Cars' sales tumble on chip shortage

REUTERS, *Stockholm*

Volvo Car Group's sales fell 20.2 per cent in January under pressure from the global component shortage, though demand for its products remained strong, the automaker said on Wednesday.

Volvo, which has been heavily impacted by sector-wide supply-chain constraints and semiconductor shortages, warned last year that the chip shortage would continue into 2022.

The Sweden-based company said that while production had continued to improve gradually, retail deliveries were held back "due to an increase of cars in transit".

"The supply situation continues to ease, but component shortages will remain a constraining factor for Volvo Cars and the auto industry," Volvo said in a statement.

Global sales at the car manufacturer fell to 47,561 cars in January, with sales in Europe dropping 24.8 per cent while they fell 12.8 per cent in the United States.

Volvo, which is majority owned by China's Geely Holding, listed on Nasdaq Stockholm in October after wrapping up Europe's biggest initial public offering of the year.

Maersk to set up warehouse

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a time when Chattogram port is registering an increasing flow of containers buoyed by Bangladesh's growing shipment of goods abroad and imports to feed the fast-expanding economy.

The port, which handles around 90 per cent of the country's international trade, recorded a 13 per cent year-on-year growth in container handling in 2021. It managed 32.14 lakh TEUs (twenty-foot equivalent units) of export, import and empty containers last year.

Maersk has been operating for almost three decades in Bangladesh, one of the most important sourcing markets for the garments and apparel industry worldwide.

Despite the impressive growth of garment exports from the country, the number of warehouses in Chattogram has not increased since 2012 with the sole exception of ISATL, which became operational in 2018, said Maersk.

The logistics ecosystem and the Chattogram Port get stretched, particularly during peak seasons.

In 2021, a fallout of this structural challenge was felt by all the stakeholders involved in import-export trade when the CFS got clogged with cargoes, resulting in delayed clearance, stuffing and consequently dispatch of containers to the port. The delay in offloading cargoes also led to a longer truck waiting time, Maersk said.

"Maersk's commitment to connect and simplify our customers' supply chains means that we look at long-term solutions for problems such as the longstanding congestion within the ecosystem," said Angshuman Mustafi, managing director of Maersk Bangladesh, in the press release.

He said the company tackled the situation in 2021 by deploying an additional vessel for evacuating export-loaded containers.

"By partnering with ISATL, we are establishing a facility that has the potential to partially decongest the system from the land side and streamline the flow of cargoes in and out of Bangladesh."

Yasser Rizvi, managing director of ISATL, said, "We are proud to partner with Maersk on this exciting long-term project where ISATL's extensive local experience combined with Maersk's international best practices will allow us to create a truly world-class facility that will help raise the standards for the entire industry."

ISATL, located over 31 acres of area, has two bonded warehouses presently, according to Mehadi Hasan, general manager and head of operations of the facility.

Exports surge 41pc in Jan

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the recovery in major export destinations.

He expressed satisfaction at the improving services at the Hazrat Shahjalal International Airport and Chattogram port.

Between July and January, the earnings from frozen and live fish exports grew 22.6 per cent to $377.94 million, agricultural products 26.63 per cent to $748.99 million, pharmaceuticals 20.93 per cent to $117.11 million, and leather and leather goods by 29.66 per cent to $682.74 million.

Non-leather footwear exports was up 25.84 per cent to $249 million, cotton yarn and fabrics grew by 45.79 per cent to $127.49 million, terry towel by 25.10 per cent to $29.16 million and home textile by 30.01 per cent to $831.31 million, according to the EPB.

Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, said exports showed a bigger jump from July to January compared to the corresponding period last year, when earnings were lower.

Moreover, the prices of exported goods increased to some extent as buyers are paying more to exporters who came under immense pressure following the increase in the cost of production caused by the price hike of raw materials globally, he said. "The economic recovery in major export destinations is also a major reason for the export rise from Bangladesh," Rahman added. However, jute and jute goods, a promising export item, did not fare well as shipments declined 9.13 per cent to $695.73 million during the seven-month period.

Abul Hossain, chairman of the Bangladesh Jute Mills Association, blamed the anti-dumping duty imposed by India, nearly 50 per cent price fall worldwide owing to the pandemic, and the stringent conditions that have barred most millers from securing stimulus loans, for the lower-than-expected jute goods shipment. He also blamed the high price of raw jute in the local market amid the crisis and the global demand fall.

Investors blame DSE

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realise that the owners of the brokerage firm had embezzled our fund," he said. "Imagine how bad the DSE's monitoring system is that it failed to track the forgery of its broker," he said.

If the DSE puts emphasis on closely monitoring their activities, none will dare to embezzle investors' hard-earned money, he said.

The owners of the brokerage house embezzled around Tk 100 crore of investors' money, Islam said. Investors get an SMS notification from CDBL whenever a trade takes place. The victims alleged that they did not get any such notification during the embezzlement. "How can the CDBL change the mobile number without our knowledge?" he said.

"If the depository company had not changed the mobile number, we could have traced the sales of our stocks by the owners of the brokerage firm," he said in front of dozens of investors who had lost their money present at the event.

"We invested our hard-earned money and lost all for the forgery of the owners of the brokerage firm," he said.

"So, the stock market regulator should take steps so that we can get return of the funds fast," he said, adding that his family had fallen into peril for this.

"If we lose our money for dishonest brokerage owners, it will impact the whole market," he said.

CDBL's Managing Director and CEO Shuvra Kanti Choudhury told The Daily Star yesterday that brokerage firms usually informed of any changes to mobile numbers and email addresses of investors.

On the other hand, when any mobile number or email address is changed, messages are subsequently sent to both the new and old mobile numbers and email addresses, he said.

So, it is not right to blame CDBL, he added.

About the blame, DSE Chief Operating Officer Shaifur Rahman Mazumdar said the bourse has already strengthened its monitoring systems.

But brokerage firms have the primary responsibility of safeguarding investors' fund, he said. "We are making a separate guideline for the use of software by brokerage firms for trading stocks so that none can siphon off investors' funds," he added.