

Robi's profit buoyed by lower income tax

STAR BUSINESS REPORT

Robi Axiata, the country's second largest mobile network provider in terms of subscribers, said its net profit grew 16 per cent year-on-year to Tk 34.29 crore in the first quarter (January-March) of the current financial year as it had to pay less income tax.

However, increased cost of sales caused Robi's operating profit to fall by 1 per cent to Tk 248.99 crore in the January-March period compared to Tk 250.71 crore at the same time the previous year, according to a company disclosure.

Robi's cost of sales rose 5 per cent to more than double of its revenue during the quarter, it said.

Increased cost of sales caused Robi's operating profit to fall by 1 per cent to Tk 248.99 crore in January-March

The company's share price declined marginally to Tk 32.70 from an opening price of Tk 32.80 at Dhaka Stock Exchange yesterday.

The mobile network provider's earnings per share rose to Tk 0.08 in the first quarter from Tk 0.07 during the same time the previous year.

Robi, which made its trading debut at the end of 2020, recorded Tk 2,018.8 crore in revenue for the first quarter, up 2 per cent year-on-year.

The company said its net operating cash flow per share fell to Tk 1.61 for the January-March period of 2022 from Tk 1.68 in the same period the previous year.

However, Robi's consolidated net asset value has increased, it added.

Robi recorded generating Tk 8,142 crore in revenue in 2021, up 7.6 per cent from the previous year.



Stacks of single-serve plastic containers, high in demand to cater to congregations during iftar and costing a few taka when purchased in bulk. The photo was taken on Indira Road in the capital yesterday.

PHOTO: PRABIR DAS

Indonesia may widen palm export ban

REUTERS, Jakarta

Indonesia is prepared to widen its ban on exports of refined palm olein if it faces domestic shortages of derivatives used in the production of cooking oil, according to details presented at a meeting between government and industry officials.

The world's biggest palm oil exporter plans to halt shipments of refined, bleached and deodorized (RBD) palm olein but will allow exports of crude palm oil or other derivatives from Thursday, senior government official Musdhilifah Machmud, who verified the details presented, told Reuters.

RBD palm olein accounts for about 40 per cent of Indonesia's total shipments of palm oil products, according to analysts' estimates, which means the ban could significantly affect export earnings in Southeast Asia's biggest economy.

Indonesia typically exports about \$2.5 billion to \$3 billion of palm oil products per month. Authorities will strictly monitor domestic supply of refined palm oil and crude palm oil, which are used as raw materials to make RBD olein,

according to presentation slides.

"If there is shortage of refined palm oil, then further export bans can be carried out," read text on one slide, which was presented to palm oil companies on Monday.

RBD palm olein is extracted by crushing palm fruit and is then processed to remove impurities to create a material used in many products, including cooking oil and snacks.

China, India, the Philippines and South Korea, source between 46 per cent and 58 per cent of their total palm oil imports from Indonesia, Nomura said in a research note, adding that China was the top buyer of Indonesia's RBD olein.

President Joko Widodo announced the ban on exports of cooking oil and its raw material on Friday to help control soaring domestic prices, but provided no details.

The announcement has sent global edible oil prices soaring as supplies were already choked by other factors such as drought and shortages from Russia's invasion of major crop producer Ukraine.

Markets had previously thought the ban would cover a wider range of palm oil

products, sending the rupiah and shares of Indonesian palm oil companies tumbling on Monday.

The rupiah rebounded 0.3 per cent on Tuesday, while palm company shares also gained. Malaysian benchmark crude palm futures, which had reversed gains after details of the ban emerged, rose 1.5 per cent by 0900 GMT on Tuesday.

Suhanto, secretary general of the trade ministry, said the government was preparing regulations on the export ban, but declined to divulge details.

An official at Musim Mas, a Singapore-based private palm oil company, said while the smaller scope of the ban showed the government had considered the impact on the industry, it could also mean the ban could last longer.

Some analysts, however, expect the ban to be temporary due to limited domestic palm oil storage capacity.

The Indonesian government has been criticised by some analysts and politicians for erratic policymaking to contain the rise in cooking oil prices, having already implemented and revoked an export restriction this year.

Stock turnover jumps 29pc

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The stock index rose slightly though the blue-chip index dropped yesterday while there was a substantial increase in the turnover.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), rose 10 points, or 0.15 per cent, to 6,667 at the end of the day.

The DSE's turnover stood at Tk 766 crore, marking an increase of 29.3 per cent compared to that of the last trading day.

The stock markets bounced back after a slump of a day as the bargain hunters showed interest in making sector-wise purchases of issues, said International Leasing Securities in its daily market review.

The investors mostly adopted a cautious stance to put fresh funds in stocks ahead of the Eid festival. As a result, the benchmark index of the Dhaka bourse, DSEX, went up, it said.

There were a same number of gainers as losers as out of a total of 381 issues to undergo trade, 163 declined, 160 advanced and 58 remained unchanged.

Among the sectors, paper and printing rose 6.3 per cent, travel and leisure 3.5 per cent and engineering 1.2 per cent whereas services and real estate dropped 0.9 per cent, and mutual funds fell 0.6 per cent.

According to the turnover, investors' attention was mainly concentrated on miscellaneous (17 per cent), pharmaceuticals and chemicals (14.8 per cent) and engineering (7.7 per cent).

Imam Button Industries topped the gainers' list with a rise of about 10 per cent. Bangladesh Monospool Paper Manufacturing Company, Bashundhara Paper Mills, Sonali Paper and Board Mills and The Peninsula Chittagong also saw major gains.

Eastern Bank shed the most with a 10 per cent drop. United Commercial Bank, Provati Insurance Company, Gemini Sea Food and National Tea Company were among those suffering heavy losses.

Beximco became the stock to be traded the most with shares worth Tk 52 crore changing hands followed by JMI Hospital Requisite Manufacturing, Bangladesh Shipping Corporation, Orion Pharma and Sonali Paper and Board Mills.

Brac Bank, TAP to disburse remittance

STAR BUSINESS DESK

Brac Bank recently signed an agreement with Trust Axiata pay (TAP) to directly channel remittance to TAP wallets owned by the beneficiaries in real time.

The TAP has already opened a trust and settlement account with Brac Bank and will engage in digital automation with the bank in a few months.

Dewan Nazmul Hasan, chief executive officer (acting) of TAP, and Md Mahiul Islam, head of retail banking at Brac Bank, signed the agreement at the latter's head office in Dhaka recently, said a press release.

"We believe we can add significant value to our non-resident Bangladeshi base in Malaysia through this partnership," said Hasan.

Cash-strapped Sri Lanka to sell golden visas

AFP, Colombo

Cash-strapped Sri Lanka announced Tuesday it would sell long-term visas to attract desperately needed foreign currency after the island nation ran out of dollars to pay for food and fuel.

Foreigners who deposit a minimum of \$100,000 locally will be granted permission to live and work in Sri Lanka for 10 years under the "Golden Paradise Visa Program," the government said.

The money should be locked in a local bank account for the duration of the stay, the government said in a statement.

"This scheme will help Sri Lanka at a time when we are facing the worst financial crisis since our independence," media minister Nalaka Godaheva told reporters in Colombo.

The government also approved the granting of five-year visas to any foreigner spending a minimum of \$75,000 to buy an apartment on the island.

Acute shortages of food, fuel and medicines have triggered widespread protests, with thousands of people camped outside President Gotabaya Rajapaksa's sealfront office to demand his resignation.

The government has signalled a willingness to consider constitutional reforms that could pare back the authority of the president, who gave himself sweeping powers to appoint and sack ministers, judges and public servants after his 2019 election.

His government also rolled back democratic reforms that gave statutory independence to the police, civil service, election commission and the judiciary.

Musk gets Twitter for \$44b

To cheers and fears of 'free speech' plan

REUTERS, New York

Elon Musk clinched a deal to buy Twitter Inc for \$44 billion cash on Monday in a transaction that will shift control of the social media platform populated by millions of users and global leaders to the world's richest person.

It is a seminal moment for the 16-year-old company, which emerged as one of the world's most influential public squares and now faces a string of challenges.

Musk, who calls himself a free speech absolutist, has criticized Twitter's moderation. He wants Twitter's algorithm for prioritizing tweets to be public and objects to giving too much power on the service to corporations that advertise.

Political activists expect that a Musk regime will mean less moderation and reinstatement of banned individuals including former President Donald Trump. Conservatives cheered the prospect of fewer controls while some human rights activists voiced fears of a rise in hate speech.

Musk has also advocated user-friendly tweaks to the service, such as an edit button and defeating "spam bots" that send overwhelming amounts of unwanted tweets.

Discussions over the deal, which last week appeared uncertain, accelerated over the weekend after Musk wooed Twitter shareholders with financing details of his offer. Under pressure, Twitter started negotiating with Musk to buy the company at his proposed \$54.20 per share price.

"Free speech is the bedrock of a functioning democracy, and Twitter is the digital town square where matters vital to the future of humanity are debated," Musk said in a statement.

Former Twitter CEO Jack Dorsey weighed in on the deal late on Monday with a series of tweets that thanked both Musk and current Twitter CEO Parag Agrawal for "getting the company out of an impossible situation."

"Twitter as a company has always been my sole issue and my biggest regret. It has been owned by Wall Street and the ad model. Taking it back from Wall Street is the correct first step," he said.

Twitter shares rose 5.7 per cent on Monday to finish at \$51.70. The deal represents a near 40 per cent premium to the closing price the day before Musk disclosed he had bought a more than 9 per cent stake.



Solar panels are pictured on the Energy Observer, a boat powered by hydrogen and other renewable energy sources, as it is moored in Pattaya, Thailand yesterday, during a round the world voyage.

PHOTO: AFP

Private credit growth

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will have to pay more taka against the amount received in foreign loans due to a probable depreciation of the local currency in the days to come, Rahman said.

The interbank exchange rate of the taka stood at Tk 86.20 a dollar yesterday in contrast to Tk 84.80 a year ago.

Although the economy is now growing exponentially, the central bank should monitor the foreign exchange related pressure cautiously to address the rising trend of imports, Rahman said.

Between July and February this fiscal year, import payments stood at \$54.37 billion, which is an increase of 47 per cent

year-on-year.

Against the backdrop, the foreign exchange reserves dipped to \$44.18 billion last week. The reserves surpassed \$48 billion in August last year.

Along with Ramadan, Eid has also contributed to higher import payments this month, said Abul Kashem Md Shirin, managing director of Dutch-Bangla Bank.

Consumer and personal loans are now on the increase substantially as many individuals have got back their confidence with the waning of the pandemic, he said.

In addition, large businesses did not take loans in the last two years, which is why they are now

giving all-out efforts to expand their industrial units, he said.

This has had a positive impact on private sector credit growth, Shirin said.

Emranul Huq, managing director of Dhaka Bank, said commodity prices in the global market was still in unrest.

Import payments will decline when prices of essential commodities in the global market become stable, he said.

Earlier this month, the BB instructed banks to impose a margin of at least 25 per cent on the opening of letters of credit for non-essential consumer items in a bid to rein in escalating import payments.