Apex sees 50pc rise in profits

STAR BUSINESS REPORT

Apex Footwear saw its profits rise 50 per cent despite recording lower sales between July 2021 and March 2022 of the current financial year (FY) mainly due to lower raw material costs, according to the company's latest quarterly report.

Apex Footwear logged profits of Tk 7.90 crore in the first nine months of FY22 while it was Tk 5.26 crore during the same period the year before.

However, the local shoemaker's sales dropped 9 per cent to Tk 849 crore in the July-March period while it was Tk 935 crore a year earlier.

And although the company's operating costs increased 4.9 per cent to Tk 192 crore at the same time, Apex Footwear managed to register higher profits due to the lower cost of raw materials.

The company spent 70.5 per cent of its net sales behind the cost of goods sold in the nine-month period.

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Brummer to sell 1cr shares of Runner Automobiles

STAR BUSINESS REPORT

Brummer Frontier PE II (Mauritius) is going to sell 1 crore of its shares in Runner Automobiles as a part of its initial objective for buying a stake.

"Runner Lube & Energy Ltd, the common shareholding company of Runner Automobiles, will buy the shares and you may consider it like a buy back of the sponsors of the company," said Shanat Datta, chief financial officer of Runner Automobiles.

Brummer owns a 24 per cent stake in Runner Automobiles and planned to sell the shares after the latter's listing with the stock market, he said.

As the lock in period has expired after Runner Automobiles' listing with the stock exchanges, Brummer Frontier wants to sell 8.81 per cent of its shares.

"They [Brummer] invest in all countries the same way, selling shares in companies after they are listed with the local stock market," he added.

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Bangladesh, being an import-dependent country for a number of key essential commodities, faces increased import costs, with inflation hitting a 17-month high in March.

PHOTO: STAR

UKRAINE WAR

Food, energy price shocks could last for years: WB

STAR BUSINESS REPORT

The war in Ukraine has dealt a major shock to commodity markets, altering global patterns of trade, production, and consumption in ways that will keep prices at historically high levels through the end of 2024, according to the World Bank's latest Commodity Markets Outlook report.

The increase in energy prices over the past two years has been the largest since the 1973 oil crisis.

Price increases for food commodities -- of which Russia and Ukraine are large producers -- and fertilisers, which rely on natural gas as a production input, have been the largest since 2008, said the World Bank in a statement after the release of the outlook on April 26.

The report comes at a time when Bangladesh, being an import dependent country for a number of key commodities, including petroleum, gas, wheat, edible oil, and fertiliser, faces increased import costs, with inflation hitting a 17-month high at 6.22 per cent in March.

For example, retail prices of highly import-based soybean oil in loose form shot up 15 per cent to Tk 170-Tk 172 per litre in Dhaka from a month ago.

And palm oil followed suit. Bottled soybean oil was selling 20 per cent higher at Tk 160-Tk 170 each litre yesterday compared to the same time a year ago, according to prices data compiled by the Trading Corporation of Bangladesh.

Wheat flour prices were 18 per cent higher year-on-year to Tk 35-Tk 38 each kilogramme.

"Overall, this amounts to the largest commodity shock we've experienced since the 1970s. As was the case then, the shock is being aggravated by a surge in restrictions in the trade of food, fuel and fertilisers," said Indermit Gill, the World Bank's vice president for equitable growth, finance, and institutions.

"These developments have started to raise the spectre of stagflation. Policymakers should take every opportunity to increase economic growth at home and avoid actions that will bring harm to the global economy," he added.

Energy prices are expected to rise more than 50 per cent in 2022 before easing in 2023 and 2024, the agency said in its report.

Non-energy prices, including agriculture and metals, are projected to increase by almost 20 per cent in 2022 and will also moderate in the following years.

Nevertheless, commodity prices are expected to remain well above the most recent five-year average. "In the event of a prolonged war, or additional sanctions on Russia, prices could be even higher and more volatile than currently projected," it added.

Because of war-related trade and production disruptions, the price of Brent crude oil is expected to average $100 a barrel in 2022, its highest level since 2013 and an increase of more than 40 per cent compared to 2021.

Prices are expected to moderate to $92 in 2023 -- well above the five-year average of $60 a barrel, according to the outlook.

Natural-gas prices (European) are expected to be twice as high in 2022 as they were in 2021, while coal prices are expected to be 80 per cent higher, with both prices at all-time highs.

"Commodity markets are experiencing one of the largest supply shocks in decades because of the war in Ukraine," said Ayhan Kose, director of the World Bank's Prospects Group, which produces the Outlook report.

"The resulting increase in food and energy prices is taking a significant human and economic toll -- and it will likely stall progress in reducing poverty. Higher commodity

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How well does your bank know you?

RAHEL AHMED

We are the BTV generation whose only choice of TV series or programmes were the ones the channel aired. We had no option of flipping channels and we would rather enjoy whatever came our way. We had to wait for a favourite programme to be aired on a specific day of the week and that also at the designated time only. This is the story of our childhood and early youth.

It was not until the 1980s that the video cassette recorder made its way and our movie-watching options expanded a bit but certainly under due restrictions. But for adults even, options were limited only to the availability of the choices at the video rental points offering bad prints running at the very high demand for relatively new releases.

With time, our choices expanded with the advent of modern technology. We could first watch Doordarshan India for a few hours in the evening by fixing our external TV antennas with a lot of 'Macgyver-ish' tech improvisations. This was followed by the rise of dish antennas in the homes of the elite class.

Later, cable TV graced our homes with limited options of Hindi and English channels, which itself was a huge shift in the late 1990s and afterwards wherein we also started having private local TV channels offering a variety of programmes.

Our children, on the other hand, are millennials who have a hundred different entertainment options at their fingertips: movies, series, documentaries, news or sports. Over the

While there are ample challenges that legacy banks are struggling to overcome, the need for innovation and true digitalisation has become the need of the hour and something the banks and regulators should strongly focus on

last few years, with the aggression of internet and its total ruling over our lives and devices, we are now having over the top (OTT) platforms offering thousands of movies and series and documentaries as well as sports-related content—whenever we like to watch and across all our devices.

Just imagine the shift: these OTTs like Netflix give one abundance of choices from different genres of movies and series that they think match the individual audience's taste and preference. They do it by applying Artificial Intelligence (AI) or Machine Learning (ML) amongst all the millions of customers they have across geographies. But none of us feels like a part of the mass; rather, we feel very special because of this personalised approach.

It comes with a very customised and personalised offering. Every time we switch on the app it makes us feel not only special but at times exhausts us to go over the shows that we have on our watch list. It feels great to see that without asking many questions or being intrusive at all, OTTs like Netflix understand a part of us so well by just applying AI and ML.

The application of this personalised approach can be very effective in the banking sector. If we take a look at the contemporary banking offerings within the retail banking space alone, we would see that there is ample room for improvement.

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WB to give Sri Lanka $600m in financial aid

REUTERS, *Colombo*

The World Bank has agreed to provide Sri Lanka with $600 million in financial assistance to help meet payment requirements for essential imports, the Sri Lankan president's media division said in a statement on Tuesday.

"The World Bank has agreed to provide $600 million in financial assistance to address the current economic crisis," the statement said.

The World Bank would release $400 million "shortly", it said.

According to the statement, the World Bank said it would continue to help Sri Lanka to overcome the current economic crisis.

Sri Lanka's worst financial crisis since independence in 1948 was caused by a drastic drop in its reserves that dropped 70 per cent over the past two years, hitting $1.93 billion at the end of March. This left Colombo struggling to pay for essentials, including fuel, medicines and food.

Earlier this month, Sri Lanka kicked off talks with the International Monetary Fund (IMF) for financial assistance. Before the IMF finalises a programme for Sri Lanka, the country needs $3-$4 billion in bridge financing to help meet its essential expenses.

The Sri Lankan government has also appealed to multiple countries and multilateral organisations for bridge financing until the IMF comes up with its aid.

India has helped Sri Lanka by assisting with $1.9 billion, and Colombo is in talks with New Delhi for an extra $1.5 billion to fund imports, including fuel.

Wind power stations of German utility RWE, one of Europe's biggest electricity companies, are pictured in front of RWE's brown coal fired power plants of Neurath, north-west of Cologne, Germany. Lower- and lower-middle income countries are likely to see 3.6 times greater gross domestic product losses on average than richer ones due to climate change.

PHOTO: REUTERS/FILE

CLIMATE CHANGE

4pc of global GDP at risk

Study finds

REUTERS, *London*

Climate change could see 4 per cent of global annual economic output lost by 2050 and hit many poorer parts of the world disproportionately hard, a new study of 135 countries has estimated.

Ratings firm S&P Global, which gives countries credit scores based on the health of their economies, published a report on Tuesday looking at the likely impact of rising sea levels, and more regular heat waves, droughts and storms.

In a baseline scenario where governments largely shy away from major new climate change policies, known as RCP 4.5 by scientists, lower- and lower-middle income countries are likely to see 3.6 times greater gross domestic product losses on average than richer ones.

Bangladesh, India, Pakistan and Sri Lanka's

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