



Nur Mohammed

Jamuna Bank chairman reelected

STAR BUSINESS DESK

The chairman of the Board of Directors of Jamuna Bank has been unanimously elected to the post a second time.

A graduate of the University of Dhaka, Nur Mohammed is also the chairman of Jamuna Bank Foundation and president of the Munshiganj Chamber of Commerce and Industry, says a press release.

Mercantile Bank approves 17.5pc dividend

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Mercantile Bank yesterday approved 12.5 per cent cash and 5 per cent bonus dividends for 2021 at its 23rd annual general meeting held virtually from its head office.

The meeting was presided over by Morshed Alam, chairman of the board of directors, while Managing Director and CEO Md Quamrul Islam Chowdhury, and other officials were present, says a press release.

Unilever revenue up

AFP, London

Unilever on Thursday announced a jump in revenue after the British consumer goods giant passed on higher costs to customers.

The maker of a vast amount of products including Magnum ice cream, Gil surface cleaner and Dove soap said revenue increased nearly 12 per cent to 13.8 billion euros (\$14.5 billion) in the first quarter from a year earlier.



A vendor pushes his cart full of plastic sandals bought at wholesale in Chawkbazar of the capital keeping in mind the upcoming Eid-ul-Fitr and priced between Tk 50 and Tk 120. The photo was taken near the Science Laboratory intersection recently. PHOTO: ANISUR RAHMAN

Global inflation to stay stubbornly high: poll

REUTERS, Bengaluru

The global streak of high inflation is far from over and aggressive monetary policy tightening will fall short in taming price pressures to mandated levels as broken supply chains are unlikely to mend anytime soon, Reuters polls showed.

Inflation in most countries has soared to multi-year highs, driven by a rebound in economic activity and a further straining of rampant supply chain disruptions.

While economists were expecting inflation to moderate this year with signs of supply shocks easing, Russia's invasion of Ukraine and recent lockdowns induced by a resurgence in COVID-19 cases in parts of China, a major manufacturer, have derailed much of that optimism.

Analysis of global inflation data and the New York Federal Reserve's Global Supply Chain Pressure Index (GSCPI), which gauges supply distortions, showed there is a stronger correlation now between supply chain disruptions and inflation than before the pandemic, particularly in the UK, the euro zone and the United States.

But there is a significant lag: while

the GSCPI rose to its highest in Q4 2021, inflation was still months away from a peak. That has made predicting inflation an even greater challenge for economists whose predictions have consistently been on the rise.

"I don't think the supply chain disruptions are fully reflected in some of the inflation forecasts and that's probably the reason why we might see forecasts go higher in the coming months," said Brendan McKenna, international economist at Wells Fargo.

"I still think there's some catch-up to be done on that front. Banks and even central banks didn't really fully appreciate the supply chain disruptions we saw last year and might continue to see this year, partly a factor of the Russian-Ukraine crisis." Forecasts of 46 economies polled for inflation this year are now 3.9 percentage points higher on average from late 2020, the first time inflation forecasts for 2022 were sought.

In addition to medians, ranges have also moved upward. For 2023, forecasts have increased by 1.1 percentage points on average so far since early 2021. Going by the

consistently increased forecasts over the past year there are likely to be further rises.

"People are slow to see these things because they don't necessarily look far enough upstream towards the sources of production, nor do they necessarily account for the delays in transit," said Willy Shih, professor of management practice at Harvard Business School and an expert on supply chains.

"There is a time lag in all these supply chains depending on how far upstream you go, but you won't feel it until many weeks, or sometimes months, later." Supply chain disruptions and their impact on inflation remain largely out of central banks' control, yet many have begun withdrawing ultra-loose monetary policy to control soaring inflation.

Projections so far show inflation in 29 of 39 economies surveyed with stated central bank targets will remain above mandates this year and 16 next year.

To further complicate matters, policymakers must tackle sticky inflation with a high risk of a significant economic slowdown - in some cases recession - lingering in the background.

Mid-career crisis

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who were once a source of inspiration for others, start to suffer from pessimism, viewing the progress of others who are doing better with cynicism and lose the productive momentum in the process.

Such cynicism does more harm than good, reducing their potential and at the same time emitting negative energy across the company. Hence it is not worthwhile to work for a company which carries you to that cynical or bitter state.

Another common mistake of employees

at this stage is that they become too negative about the work environment, and particularly the boss and HR. We think about demonstrating the desired behaviour when we move into a higher role. But instead, one must practice it now to be ready for the next role.

When the company decision is in your favour, it is a matter of merit to you. But when it is in the favour of others, it appears as favouritism. The question is are you being objective? Before we harbour thoughts of favouritism in others' success, we must

remind ourselves that it is the same company that gave us brownie points in the last 10 years.

At the beginning of my career, my career goal was to become the CFO of the organisation. Whatever that I have achieved on top of the CFO role is a bonus. There is simply no end to what's next. And there is nothing wrong in being ambitious and driving our energy towards a goal. But the energy has to be channelled to the job, not politics, with a positive mind.

The author is a telecom and management expert.

Indonesia bans

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Indonesia produces about 60 per cent of the world's palm oil, with one-third consumed by its domestic market. India, China, the European Union and Pakistan are among its major export customers.

The months-long shortage has been exacerbated by poor regulation and producers who are reluctant to sell at home because high international prices have made exports more profitable.

Jakarta plans to resume exports when the price of bulk cooking oil in local markets has fallen to 14,000 rupiah (97 cents) per litre, having rocketed 70 per cent in recent weeks to 26,000 rupiah (\$1.80).

Vegetable oils are among a number of staple food items that have seen prices hit record highs in recent weeks, following Russia's invasion of agricultural powerhouse Ukraine, according to the United Nations Food and Agriculture Organisation.

Eurozone

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The estimate reflected a "baseline" scenario, not taking into account the possibility of a stop to Russian gas supplies, which would have severe consequences for the European economy.

In such a scenario, the cost of energy would rise higher, driving inflation up to 7.1 per cent, the ECB predicted in March.

The Frankfurt-based institution expects the shift to other power suppliers to slowly take the pressure off energy prices.

Omicron, imports may restrain US growth

REUTERS, Washington

US economic growth likely slowed sharply in the first quarter as a wave of Covid-19 cases curbed activity, but retained sufficient underlying strength to keep the expansion on track amid headwinds from soaring inflation and rising interest rates.

The growth rate, which is anticipated to be the slowest since the recession triggered by the pandemic ended nearly two years ago, would also reflect a surge in imports. Economists are split over whether inventories would contribute to gross domestic product growth after they accounted for the bulk of the acceleration in GDP in the fourth quarter.

The Commerce Department's advance first-quarter GDP report on Thursday could lead to warnings of stagflation and recession from some quarters, but economists cautioned that a low growth number would not be a true picture of the economy, noting that other measures of output such as aggregate hours worked and industrial production showed sustained growth last quarter.

"We do have to remember the context of why it is slowing," said James Knightley, chief international economist at ING in New York.

"The Omicron wave, which did hit confidence and people's movements, largely explains it. And now that we've come out the other side of it in reasonable shape, we should look forward to better growth for the second quarter."

According to a Reuters survey of economists, GDP growth likely increased at a 1.1 per cent annualised rate last quarter. That would be a big step down from the robust 6.9 per cent pace logged in the fourth quarter. Estimates ranged from as low as a 1.4 per cent rate of contraction to as high as a 2.6 per cent growth pace.

The Federal Reserve is expected to

hike interest rates by 50 basis points next Wednesday, and soon start trimming its asset holdings. The US central bank raised its policy interest rate by 25 basis points in March, the first hike in more than three years, as part of its fight against inflation. Annual consumer prices increased in March at their quickest pace in 40 years.

But the GDP survey was conducted before the release on Wednesday of data showing a record goods trade deficit in March and continued increases in retail and wholesale inventories.

The jump in the goods trade deficit, driven by robust import growth, led Goldman Sachs to lower its first-quarter GDP estimate to a 1.3 per cent rate from a 1.5 per cent pace. Citigroup predicted the economy contracted at a 1.2 per cent rate.

The imports surge, which economists attributed to front-loading by businesses fearful of shortages because of the Russia-Ukraine war, will cut into growth. It is, however, also a sign of strong domestic demand, and economists say that should be the main focus in the GDP report.

The wider trade deficit is believed to have chopped off as much as 1.5 percentage points from GDP growth last quarter. With local manufacturers lacking the capacity to meet the demand, imports are filling the gap. It would be the seventh straight quarter that trade subtracted from GDP growth.

STRONG DOMESTIC DEMAND
Growth in consumer spending, which accounts for more than two-thirds of US economic activity, is forecast to have picked up from the fourth quarter's 2.5 per cent pace, despite taking a hit from the winter wave of coronavirus cases, driven by the Omicron variant. Even with food and gasoline prices soaring, there is no sign yet of consumers pulling back.

Mobil Jamuna to buy 2nd oil tanker

STAR BUSINESS REPORT

Mobil Jamuna Bangladesh, a listed lubricant seller, is going to add another oil tanker to its fleet in order to increase its oil trading capacity as well as rent the vessel out to others.

Mobil Jamuna Bangladesh, formerly known as Mobil Jamuna Lubricants, is a joint venture between the state-owned Jamuna Oil Company and EC Securities Limited, a subsidiary of East Coast Group.

The company disclosed yesterday that its board of directors decided to purchase an AFRAMAX Oil Tanker at an agreed price of \$29.75 million and additional \$976,000 for bunkers, spares, lubricants, registration and legal cost.

A top official of Mobil Jamuna Bangladesh, preferring anonymity, said the company already has one oil tanker but the board decided to buy another as sales are rising.

"The new tanker will be used to carry our products like crude oil and for giving rent to other companies," he said.

Mobil Jamuna Bangladesh currently rents tankers from other oil companies for the same purpose as per the company's needs.

"So, it will save our costs and add more revenue," he said, adding that the oil tanker would be bought from abroad.

Stocks of Mobil Jamuna Bangladesh closed at Tk 89.10 at the Dhaka Stock Exchange (DSE) yesterday.

The company's paid-up capital is Tk 316 crore, according to DSE data.

Consolidated earnings per share (EPS) of Mobil Jamuna Bangladesh dropped to Tk 1.43 for the January-March period of 2022 against Tk 2.09 for the same period the previous year, the company said in a separate disclosure.

In the nine-month period between July 2021 and March 2022, the company's EPS was Tk 4.81 while it was Tk 5.73 a year earlier.

Brac Bank approves 15pc dividend

STAR BUSINESS DESK

Brac Bank shareholders yesterday approved 15pc dividend - 7.50pc in the form of cash and 7.50pc in stock - for 2021.

The approval came at its 23rd annual general meeting held virtually, says a press release.

The shareholders were informed that the bank registered a net profit after tax of Tk 555 crore.

The event was presided over by Chairman Dr Ahsan H Mansur and attended by Managing Director and CEO Selim RF Hussain and directors Asif Saleh, Fahima Choudhury, Farzana Ahmed, Dr Zahid Hussain, Meheriar M Hasan, Shameran Abed, Dr Mustafa K Mujeri, Faruq Mayeenuddin Ahmed and Salek Ahmed Abul Masrur.

Rising prices stoke risk of unrest in Africa: IMF

AFP, Paris

Surging food and energy prices stoked by the war in Ukraine may lead to "social unrest" in Africa, the International Monetary Fund (IMF) warned Thursday.

Most countries south of the Sahara are already seeing a slowdown in economic growth from last year, and the impact will be amplified by the rising cost of cereals and fuel, it said.

"The war in Ukraine has triggered a sharp increase in energy and food prices that could undermine food security in the region, raise poverty rates, worsen income inequality, and possibly lead to social unrest," the Fund said in its annual Regional Outlook for Africa.

"The war compounds some of the region's most pressing policy challenges, including the social and economic scarring effects of the Covid-19 pandemic, security risks in several countries, and the challenges posed by climate change."

GDP growth in African countries in 2021 was 4.5 per cent, an upward revision from the earlier estimation of 3.7 per cent, but this is expected to slow.

The head of the IMF's African department, Abebe Aemro Selassie, told AFP he was "very worried" by the twin impact of food and higher fuel costs.

Square Pharma's profits

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to increased gross profit for the reporting period, the company said in a disclosure posted on the Dhaka Stock Exchange (DSE) website yesterday.

The drug maker witnessed net sales of Tk 4,372 crore in the nine-month period of the current financial year, around 16 per cent higher year-on-year.

SquarePharmaceuticals' exports were also higher in the current year. Its

export earnings amounted to \$1.47 crore in the last three quarters whereas it was \$1.31 crore in the nine months of the previous year.

Favorable movements in foreign exchange transactions also added to the increased net operating profit, said the company.

Reduction of the corporate tax rate for the period resulted in the increment of the EPS, added the disclosure.

Profits from other associates also rose and it helped to increase the profits of Square Pharmaceuticals.

Profits from associate undertakings rose 75 per cent to Tk 145 crore in the current year. Of it, Tk 61 crore was of Square Textiles, Tk 70 crore of Square Fashions and Tk 13.65 crore of Square Hospitals.

Yesterday, stocks of Square Pharmaceuticals dropped 0.09 per cent to Tk 225.5 at the DSE.

Char farmers see rising

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up prices, but also encouraged growers to expand maize cultivation at the cost of wheat farming.

Wheat was previously grown on more than 6,000 hectares of land in the

region but cultivation has since dropped to 2,100 hectares considering the crop's comparatively low profitability and yield, Haque said.

"So, within a short time, the price of maize has almost doubled and it will

increase more," the DAE official added.

On a national scale, farmers planted maize on 3.77 lakh hectares of land as of January 6 this year, up 3.5 per cent from 3.64 lakh hectares as of January 3 in 2021, as per DAE data.