

DOMINO'S PIZZA Indian master franchisee buys unit of Bangladesh

AHSAN HABIB

Jubilant FoodWorks, the master franchisee of Domino's Pizza in India, Sri Lanka, Bangladesh and Nepal, has fully acquired Jubilant Golden Harvest Ltd, the franchisee of Domino's Pizza in Bangladesh.

Domino's Pizza entered Bangladesh via a joint venture between India's leading food service company Jubilant FoodWorks and Bangladesh's Golden Harvest QSR Limited, a part of Golden Harvest Group. The brand operated under the joint venture named Jubilant Golden Harvest Ltd. Meanwhile, Jubilant FoodWorks has completed the acquisition of 49 per cent stake from Golden Harvest in Jubilant Golden Harvest on Tuesday at an aggregate amount of Tk 38.90 crore.

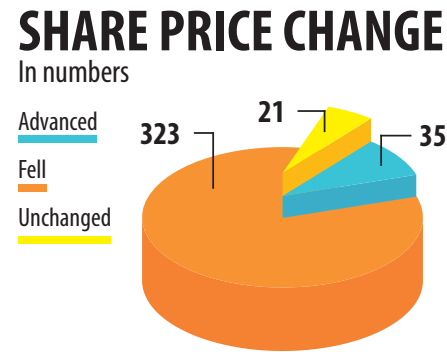
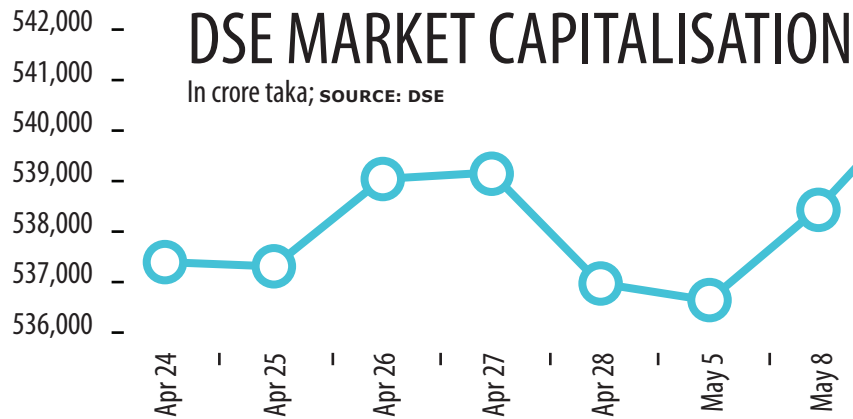
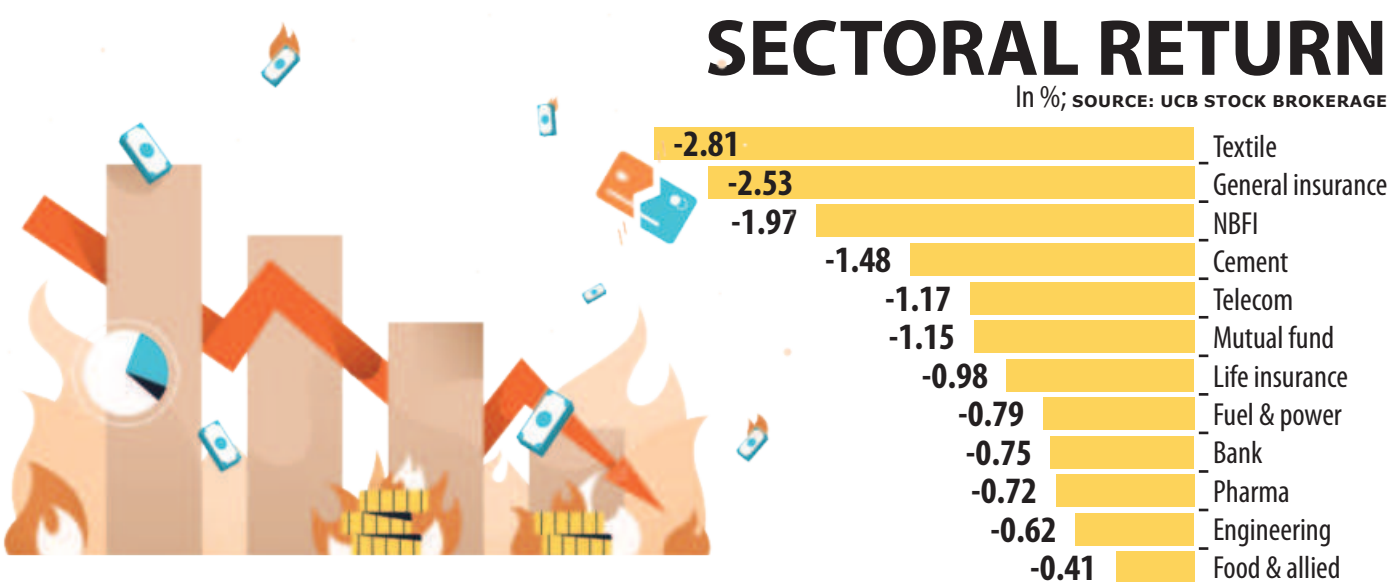
After the acquisition, the company's stake in JGH increased from 51 per cent to 100 per cent (with 1 share of JGHIL being held by a nominee of the company in order to comply with local law requirements in Bangladesh), according to a disclosure.

Japan passes bill to guard sensitive technology

REUTERS, Tokyo

Japan's parliament on Wednesday passed an economic security bill aimed at guarding technology and reinforcing critical supply chains, while also imposing tighter oversight of Japanese firms working in sensitive sectors or in critical infrastructure.

Measures in the legislation, which is primarily aimed at China, will be implemented over two years once it is enacted, according to the bill.



Stocks take a dive over interest rate concerns

Investors also plagued by global economic jitters

STAR BUSINESS REPORT

Dhaka stocks shed 73 points yesterday as investors are plagued by fears of a regulatory intervention in the interest rate ceiling coupled with chances of Russia's war on Ukraine placing the global economy in a tight position amid surging oil prices.

The DSEX plunged 73 points, or 1.10 per cent, to hit 6,591 by the end of the trading session, marking the second consecutive day of decline for the benchmark index of the Dhaka Stock Exchange (DSE).

Besides, the US and UK have warned that their economies may fall into recession, which is cause for concern among local investors as both countries are major export destinations for Bangladesh, according to a top official of a merchant bank preferring anonymity.

CNN ran a report on April 26 saying Deutsche Bank raised eyebrows earlier this month by becoming the first major bank to forecast a US recession, albeit a "mild" one.

On May 5, Financial Times ran another report saying the Bank of England has warned the UK economy will slide into recession this year as higher energy prices have pushed inflation above 10 per cent.

In answer to a query, the merchant

banker said the news had a late impact on the domestic stock market as the fear spread slowly.

He went on to say that the recent hike in edible oil prices and Sri Lanka's economic and political turmoil are also among the concerns investors currently face.

"Although the economic situation is not much of a worry, the peoples' concern is much higher. Bangladesh's export earnings are still very impressive though," he said.

Bangladesh's export earnings soared 51.18 per cent year-on-year to \$4.73 billion in April, as per data from the Export Promotion Bureau.

"The stocks nosedived as risk-averse investors opted out due to fears of regulatory intervention in the interest rate ceiling to fight inflation," said International Leasing Securities in its daily market review.

Bangladesh Bank had previously ordered all banks to provide a maximum 6 per cent interest on deposits and 9 per cent interest on lending. Banks in the country have maintained the ceiling since April 1, 2020.

The selling spree of jittery investors sharply pushed down the stock prices while risk-averse investors preferred to

stay away from the market considering the volatility that prevailed over the trading session.

Meanwhile, both the DS30, the blue-chip index, and DSES, the shariah-based index, lost 15.13 points and 15.48 points respectively, DSE data shows.

All sectors witnessed price corrections except miscellaneous, which rose 0.1 per cent while travel and leisure dropped 3.8 per cent, services and real estate fell 3.2 per cent and textiles plunged 2.8 per cent.

The investors' attention was mainly concentrated on pharmaceuticals and chemicals (13.9 per cent), food and allied (13.1 per cent), and financial institution (12.4 per cent).

The DSE's turnover dropped around 10 per cent to Tk 1,135 crore yesterday while it was Tk 1,258 crore the day before.

At the DSE, 35 stocks advanced, 323 declined and 21 remained unchanged.

BD Finance topped the gainers list with a roughly 6.9 per cent rise while Imam Button, ACI Formulations, RD Food, and Bangas Ltd also saw major gains.

Asia Insurance shed the most with a 6.37 per cent drop while JMI Hospital, Gemini Sea Foods, Paper Processing and Packaging, and Bangladesh Monospool Paper were among the heavy losers.

Set up canola oil mill in Bangladesh

Munshi urges Canadian investors

STAR BUSINESS REPORT

Commerce Minister Tipu Munshi yesterday invited the Canadian investors to set up canola oil manufacturing mills in Bangladesh.

The minister said Bangladesh imports a lot of canola oil every year to meet its domestic demand and Canada is a major producer and exporter of canola oil.

So, the Canadian entrepreneurs would be immensely benefited if they set up canola oil manufacturing units in the country, Munshi said.

The minister made the comments in a meeting with Lilly Nicholls, Canadian high commissioner in Bangladesh, at the minister's secretariat office in Dhaka.

Munshi also invited the Canadian entrepreneurs to invest in Bangladesh in different promising sectors as the government has been developing 100 special economic zones across the country, according to a statement of the commerce ministry.

Bangladesh can import canola oil from Canada through the Trading Corporation of Bangladesh by signing government to governments agreements, Nicholls was quoted as saying in the statement.

Between July-March period of the current fiscal year, Bangladesh exported goods, mainly garment products, worth \$1 billion to Canada and imported goods worth \$428.86 million from the North American country, according to data from the commerce ministry.

Anwar Landmark gets new CEO

STAR BUSINESS DESK

Mohammed Fasiul Mowla has been appointed chief executive officer of Anwar Landmark Ltd.

The appointment came into effect on May 8, a press release said.



Mowla previously worked at Navana Real Estate Ltd as CEO and at Advanced Development Technologies Ltd as an additional general manager.

He has extensive leadership experience in the real estate industry and demonstrated his ability to build successful businesses.

Mowla obtained his honour's and master's degrees in management and marketing from the University of Chittagong.

Fresh spike in onion price irks

FROM PAGE B1

according to some was below the production cost.

Onion prices then started an upward climb from the beginning of this week as imports came to a halt after the agriculture ministry suspended issuing permits in this regard.

Yesterday, retailers in Dhaka sold each kilogram of onion for between Tk 35 and Tk 40, up 25 per cent from Tk 25 to Tk 35 a month ago, shows market price data compiled by the Trading Corporation of Bangladesh.

The spike created hopes among farmers, reports our correspondent from Pabna.

A week ago, each maund (37 kilogrammes) of onion was sold for Tk 900 to Tk 1,000. Now, the same amount is being sold for Tk 1,300.

"But this is not good enough for us. If we can

sell onions at Tk 1,500 per maund, we will be able to make our expected profit," said Md Montu Miah, an onion farmer of Ulat village at Sujanagar wholesale market of Pabna, one of the main onion producing districts.

Farmers grew onions on 2.49 lakh hectares of land across the country in the current fiscal year, down marginally from the previous year. However, production has increased to nearly 34 lakh tonnes, according to provisional estimates by the Department of Agricultural Extension (DAE).

Ranjit Kumar Paul, director of the Plant Quarantine Wing (PQW) of the DAE, said his office stopped issuing permits for onion imports to protect the interests of local farmers.

The PQW stopped

issuing permits in this regard from May 5.

Bangladesh mainly imports the bulb from India to meet a part of the domestic demand of around 25 lakh tonnes as one-fourth of the local produce suffers from process loss.

"Farmers have a lot of onions in their stocks after harvesting. That is why we are not issuing any import permits for bringing the bulb," Paul said.

The PQW did not give any timeline about when it would resume issuing permits for onion imports.

"We will start issuing permits upon instruction from the agriculture ministry," he added.

Our correspondent from Dinajpur reports that wholesale prices soared at the ports, namely Hili land port in northwest region, after the decision.

A kilogramme of onion

which was available at Tk 15 to Tk 18 per kilogramme in the local market is now being sold at Tk 22 to Tk 25 per kilogramme, traders said.

"Prices may go up further though," said Dipankar Ghosh, former organising secretary of the C&F Agents Association at Bhomra, one of the main land ports for importing onion from India.

He said the suspension of permits to import onion would benefit traders more than farmers.

Md Milon Hossain, a shopkeeper in Pabna, said he was selling each kilogramme of onion for Tk 35 after buying it for about Tk 32.5 per kilogramme.

"Prices have been soaring almost every day not only in wholesale markets, but also retail markets. But we do not increase prices on a daily basis," he added.

Govt to open up submarine

FROM PAGE B1

internet to work, study and find entertainment at home. The bandwidth use surged to 3,440 Gbps in March this year, up from 1,000 Gbps before the pandemic, according to the BTRC.

About 650 Gbps is supplied by BSCCL through the South East Asia-Middle East-Western Europe 4 (SEA-ME-WE 4) consortium, the first undersea cable with which Bangladesh was connected with in 2006.

BSCCL supplies another 1,400 Gbps through the country's second submarine cable, SEA-ME-WE 5. The connection was established in 2017.

The rest comes from India through seven international terrestrial cable service providers, with Summit Communications bringing in 700 Gbps and Fiber@home 300 Gbps.

IS BANDWIDTH SCARCITY IMMINENT?

Industry people warn Bangladesh could face the scarcity of bandwidth in 2024 as internet use is rising at a faster clip.

Alam of Robi says the life span of the first undersea cable is coming to an end in 2025 and the capacity has been exhausted. "So, we may face a bandwidth shortage if there are no new cables."

The current capacity of the second cable is 2,500 Gbps and it currently supplies 2,000 Gbps.

AKM Habibur Rahman, managing director of BSCCL, does not expect any bandwidth scarcity as the company has taken steps to keep the supply smooth.

"The capacity and time expansion of the first submarine cable is underway and we will announce it soon," said Rahman.

The company is set to receive 13,200 Gbps from the third submarine cable, SEA-ME-WE 6, in 2025.

"However, it is difficult to make predictions since internet use is expanding rapidly and the government has initiated measures to take digital services to a vast number of end-users."

More than 50,000 educational institutions will be connected to internet soon, said Jabbar. And the education ministry estimated the country needs 35,000 Gbps of bandwidth by 2030.

"But, to my estimate, we don't need that much bandwidth. Since we are allowing private entities to enter the market and there is the third cable, there will be no bandwidth crunch till 2030," said the telecom minister.

Islam of Summit Communication said laying cable underground is a difficult task and many parties are involved.

"So, if the licensee companies can't do it fast, there could be a bandwidth crunch."

Toyota posts record full-year net profit

AFP, Tokyo

Toyota on Wednesday posted a record full-year net profit helped by strong sales and a cheaper yen, but issued cautious forecasts as the pandemic and war in Ukraine disrupt supply chains.

The Japanese auto giant, which kept its crown as the world's top-selling carmaker in 2021, reported a net profit of 2.85 trillion yen (\$22 billion), up 26.9 per cent from the previous year.

But for the current year to March 2023, it said it expects to post an annual net profit of 2.26 trillion yen (\$17.3 billion), citing ongoing uncertainties.

Toyota said its robust results were due in part to beneficial foreign exchange rates, with a cheaper yen helping inflate profits from sales abroad.

It also cited cost reduction efforts and stronger sales helped by marketing efforts.

In the year to March 2022, operating profit surged 36.3 percent year-on-year to three trillion yen, as sales increased 15.3 percent to 31.4 trillion yen — also a record.

Toyota's strong sales came despite the firm being forced to repeatedly adjust production targets because of supply chain issues ranging from the semiconductor shortage to pandemic-linked factory closures.

Colombo port resumes

FROM PAGE B1

An official of the ship's Bangladesh agent, Sea Consortium Bangladesh, informed that it could not make its scheduled departure on Tuesday as there were containers left to be unloaded.

There are now 16 vessels waiting for berthing around Colombo.

One of them, SOL Promise, left Chattogram a few days back and reached the outer anchorage of Colombo yesterday morning.

Muntasir Rubayat, head of operations of the ship's

local agent, GBX Logistics, told The Daily Star that it could have availed berthing by evening had it been a normal working day.

Instead, the vessel was having to queue behind others which had arrived earlier.

A major portion of Bangladesh's exports, mainly apparel, which are destined for Europe and the US pass through four transshipment ports.

Feeder vessels reach the cargo to mother vessels at the four — the Port of Colombo, Port of

Singapore and Malaysian ports of Port Klang and Tanjung Pelepas.

In the past four months till April, a total of 2,85,464 TEUs of export-laden containers were transported from the Chattogram port through these four transshipment ports.

Of it, around 48.7 per cent went through the Port of Colombo.

Every month 30 to 35 round trips are operated by the feeder vessels on the Chattogram-Colombo route.

According to the sector's

stakeholders, Bangladeshi apparel exporters in recent years have been preferring using the Port of Colombo to avail the minimum lead time and freight costs.

Prolonged disruptions will delay reaching cargo to destination countries and increase costs, said Rubayat of GBX Logistics, the local agent of Singapore-based feeder operator Straits Orient Lines.

Nasiruddin Ahmed, former first vice president of the Bangladesh Garment Manufacturers and Exporters Association, echoed him.

Blame game continues

FROM PAGE B1

Salahuddin Ahmed, senior general manager of S Alam Group.

He said oil was not available at the retail level before Eid. "None of us were prepared for this situation. Let's learn from this incident. We have enough oil in stock. As the price has been adjusted, the places where the oil is stored will be revealed," he said.

Golam Mawla, president of Bangladesh Wholesale Edible Oil Traders' Association, said, "If I don't get oil from the dealer, how can I supply it to the retailer? From millers,

dealers, wholesalers, retail traders to the government, let us do whatever we commit to. We should not blame each other. Small and medium businesses like us face humiliation from consumers because of the dealers not supplying oil."

Zahirul Haque Bhuiyan, general secretary of Bangladesh Shop Owners' Association, said, "We had warned traders about the edible oil crisis from the very beginning. Just before Eid, a few retail traders who stocked oil did immoral things. I think action should be taken against them according to the law."

FBCCI President Jashim Uddin said there was oil but it was not available in retail stores before Eid.

The companies say the supply was fine and now various agencies of the government are conducting raids and finding places with stocks of oil, he said.

"Who will remedy the fact that a mistrust in relationship has been created between the businesspeople and the government? Some of the traders who have stocked up on oil have committed the crime. I am not their leader," he said.