

## Matin Spinning's profit surges 70pc

STAR BUSINESS REPORT

Matin Spinning Mills Ltd's profit surged 70 per cent year-on-year to Tk 105.19 crore in the financial year that ended on June 30.

This compared to Tk 61.51 crore in profits the company generated in 2020-21.

Thus, the company reported earnings per share of Tk 10.79 in 2021-22 against Tk 6.31 in 2020-21.

The EPS increased thanks to a rise in sales revenue, and there was no significant additional fixed expenditure against the incremental revenue except raw material cost, said Matin Spinning in a filing on the Dhaka Stock Exchange (DSE) yesterday.

"The company has purchased raw materials at a reasonable and competitive rate which has contributed a lot to achieving our extra margin."

The net asset value per share rose to Tk 60.63 from

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## Western Marine incurred losses in Oct-Dec of 2021



Established in Chattogram in 2000, Western Marine Shipyards now employs 3,500 people. PHOTO: STAR/FILE

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Western Marine Shipyards Limited suffered losses in the October-December quarter of 2021.

The ship manufacturer lost Tk 2.35 crore in the quarter, up from Tk 47 lakh during the same period a year earlier.

Earnings per share were Tk 0.10 in negative in October-December of 2021 against Tk 0.02 in negative during the same period of 2020, according to the unaudited financial statements.

Its net operating cash flow per share fell to Tk 0.45 in the July-December half of 2021 from Tk 0.62 in the second half of 2020.

The net asset value per share was Tk 22.88 on December 31 of 2021 and Tk 23.40 on June 30 of 2021.

Western Marine Shipyards' profit declined in the July-September quarter of 2021. It made a profit of Tk 47 lakh in the quarter, down 32.85 per cent from Tk 70 lakh during the identical period in 2020.

Thus, earnings per share were Tk 0.02 in the quarter from Tk 0.03 earlier.

Established in Chattogram in 2000, the shipyard is located over 42 acres of land and employs 3,500 people, including more than 500 marine and technical experts. It has so far exported vessels to countries such as Germany, Norway, Ecuador, New Zealand, and Kenya.

Shares of Western Marine were unchanged at Tk 11 on the Dhaka Stock Exchange yesterday.

### MAJOR FINANCIAL INDICATORS

(For 2021)

Loan disbursement rose 11pc to Tk 22,601cr

Deposit grew 11.4pc to Tk 21,178cr

Net profit jumped to Tk 300cr from Tk 97cr

Import business went up 71pc to \$2.06b

### THIS YEAR'S PERFORMANCE

(Jan-Sep)

Active deposit accounts stood at 770,610, up 4pc

Internet banking user number rose 45pc to 92,798

SME banking customers went up 14.5pc to 760,817



## Liquidity stress major concern for banks

Says MTB CEO on the occasion of the bank's 23rd anniversary

AKM ZAMIR UDDIN and SOHEL PARVEZ

The ongoing liquidity stress has become a major concern for Bangladesh's banking sector as people hardly park funds with lenders due to higher consumer prices, which have turned the return on deposits negative, said a top banker.

"The deposit growth has declined in recent times as the common people are now struggling to cope with the escalating inflation," said Syed Mahbubur Rahman, managing director of Mutual Trust Bank (MTB), in an interview with The Daily Star last week.

Bangladesh Bank data showed the deposit growth fell to 9.35 per cent in June this year from 13.80 per cent in the same month in 2021.

Inflation sat at a multi-year high of 9.10 per cent in September, owing to escalated commodity prices in the global markets, a surge in import bills, and a depletion of foreign currency reserves.

In turn, the interest rate on bank deposits is 6 to 7 per cent, making the return negative.

Amid dollar shortages, the central bank has injected more than \$4.50 billion into the market so far this fiscal year to help businesses clear import bills, which have worsened the liquidity base at banks, Rahman said.

Banks have to buy the greenback in exchange for the local currency.

Rahman hopes that the ongoing stress in the foreign exchange market may ease in the next couple of months if remittance inflow and export earnings receive a boost.

The opening of letters of credit, known as import orders, is already slowing down, he said. "This is a good sign for the economy."

LCs amounted to \$12.4 billion were opened between July and August, the first two months of the ongoing fiscal year, in contrast to \$12.3 billion a year earlier.

The noted banker praised the central bank for taking time-befitting measures to rein in imports, which hit a record high of \$82.49 billion in the last fiscal year, which ended in June.

"We should, however, continue the imports of capital machinery and industrial raw materials. Otherwise, the productive sector will face a setback, which will impact export earnings adversely," he said.

"If the manufacturing sector suffers any setback, borrowers may turn into defaulters. Under such a situation, the unemployment rate may increase, which may stoke social disturbance."

The war in Ukraine has altered global patterns of trade, production, and consumption of commodities in ways that will keep prices at high levels through the end of 2024 exacerbating food insecurity and inflation, the World Bank has warned.

"So, policymakers should address the issues with the utmost importance and take appropriate measures to resolve the downside risks," Rahman said.

He recommended banks lay emphasis on fortifying their capital base so that they can absorb shocks emanating from any credit or other risks.

Rahman's interview comes as MTB, one of the strong banks in Bangladesh, celebrates its 23rd founding anniversary today.

Default loans at the bank accounted for 5.54 per cent of its outstanding credits of Tk 24,065 crore in June, much lower than the industry average of 9 per cent.

Loan disbursement stood at Tk 22,601 crore as of December, up 11 per cent from a year ago. Deposits grew 11.4 per cent to Tk 21,178 crore.

Rahman, who joined the bank in December 2019, praised the board of directors for not intervening in the day-to-day operations, thus allowing the management to run it while maintaining efficiency.

Considering the ongoing challenges in the banking sector, MTB, which began its journey in 1999, is running operation in a cautious manner and has thus geared up its efforts to keep the quality of its assets in good shape.

"We have given all-out efforts to bring down stressed assets," he said.

The ideal relationship between the management

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## Preparing to participate in global talent supply chain

ARJIT CHAKRABORTI

Bangladesh is rich in human resources. In addition to supporting its domestic production in sectors such as readymade garments, manufacturing and agriculture, it supports many overseas industrial activities.

According to the International Labour Organisation, each year, more than 400,000 workers leave Bangladesh for jobs abroad. As per Bangladesh Bank data, wage earners' remittance inflow was more than \$21 billion in FY2021-22.

Meanwhile, Bangladesh's export revenue for the same period was \$52 billion. So, remittances by migrant workers constitute a significant portion of the nation's economic activities.

However, the presence of Bangladeshi professional workers in overseas locations needs to be highlighted and celebrated more.

In the recent past, we have seen a considerable number of Bangladeshi professionals being elevated to the top roles in multinational organisations with multi-country responsibilities.

Yet, barring a few strong corporate brands in the services sector, there is limited awareness about the talent supply to the knowledge economy.

The 'Great Resignation' in North America has created an opportunity for many professionals, including Bangladeshi professionals, to elevate their visibility. Many professionals in North America are increasingly resigning from their jobs to break away from their daily work routines, thereby creating job openings across the ranks. Filling up those open positions would be relatively easier due to the talent supply crunch across sectors.

However, as employers tend to lean towards known qualifying criteria -- such as educational qualifications, reputations of universities and skill building institutions, and perceived value of prior work experience -- filling these knowledge worker positions is not an easy task.

Although there are top class educational institutions here, awareness about them in the global talent market should be increased. The government can help these institutions build their brand identities through world-class peer-reviewed research papers and help connect their alumni network.

The good news is that such developments have begun. Bangladesh University of Engineering and Technology has been ranked within the top 1,000 academic institutions by QS World Ranking.

Similarly, the election of a business school professor of Bangladesh as the chief of an Asian professional body is another good example. Institutions must encourage their faculty to get into similar internationally recognised roles.

Local firms may choose to perceive international trends such as the Great Resignation as an opportunity, instead of a threat.

Businesses in most countries tend to take an apprehensive view of such international openings for professionals due to the fear of losing their own talent base. While it is true that many professionals may quit their domestic employment for international pursuits, such events will indirectly help in enhancing the visibility of domestic business brands.

Global stakeholders will become more aware of the high-quality talent base existing within domestic businesses and be more willing to hire personnel from such backgrounds.

Therefore, the stakeholders in Bangladesh can develop a plan to market its abundant and talented human resources and enhance brand identities of local institutions to participate in and dominate the global talent supply chain in the future.

The writer is a partner with PwC. Views are his own.

## Stocks turn red again

Turnover plunges to two-and-a-half-month low

STAR BUSINESS REPORT

Stocks in Bangladesh resumed a downward trend yesterday following a one-day break from a five-day losing streak while turnover of the Dhaka Stock Exchange (DSE) plunged to a two-and-a-half-month low.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), dropped 47 points, or 0.75 per cent, to end the day at 6,344 points.

Turnover of the DSE slid by more than 19 per cent to Tk 788 crore while it was Tk 975 crore on the previous trading day.

Yesterday's turnover was the lowest since August 14 this year, when it was Tk 644 crore.

The DS30, the index that consists of blue-chip companies, edged down 0.67 per cent to 2,262 while the DSES, the shariah complaint index, shed 0.58 per cent to hit 1,398.

The country's premier bourse passed another downward session as the shaky investors continued their selling binge in major sectors, International Leasing Securities said in its daily market review.

The market opened on a positive note but could not sustain it after the mid-session and went downward till the end as investors preferred to hold cash on hand fearing future uncertainty as the

macroeconomic crisis is worsening.

As such, investors significantly decreased their participation in the market and that was reflected in the turnover, it added.

At the DSE, 17 securities advanced, 119 declined, and 223 remained the same.

All the sectors witnessed price corrections except travel, which rose 1.2 per cent. Jute dropped 6.2 per cent, services fell 4.7 per cent and miscellaneous lost 2.7 per cent.

The investors' focus was mainly on the pharmaceutical (23.5 per cent), miscellaneous (13.9 per cent) and engineering (12.6 per cent) sectors.

Navana Pharmaceuticals topped the gainers' list by advancing 10 per cent while Sea Pearl Beach Resort & Spa, Orion Infusion, Sonali Paper & Board Mills, and Intraco CNG also featured.

BDCOM Online suffered the highest correction, sliding almost 10 per cent. Samorita Hospital, Bangladesh Building Systems, Indo-Bangla Pharmaceuticals, and JMI Hospital each dropped more than 9 per cent.

The Caspi, the all-share price index of the Chattogram Stock Exchange, decreased by 80 points, or 0.42 per cent, to end at 18,719.

Of the issues that traded at the port city bourse, 22 advanced, 75 declined, and 131 did not show any price movement.



Though use of tractors for ploughing cropfields has gained popularity for the time it saves, some continue to adhere to the traditional use of cattle. Footprints left by the animal act as micro rainwater catchments while it is easier to clear weed in fields where small-sized crops are grown. The photo was taken from Sylhet's Bishwanath upazila last Friday.

PHOTO: SHEIKH NASIR