ACI posts 9.4pc higher profit in 2021-22

STAR BUSINESS REPORT

ACI Limited posted a 9.4 per cent higher profit in the last financial year that ended on June 30.

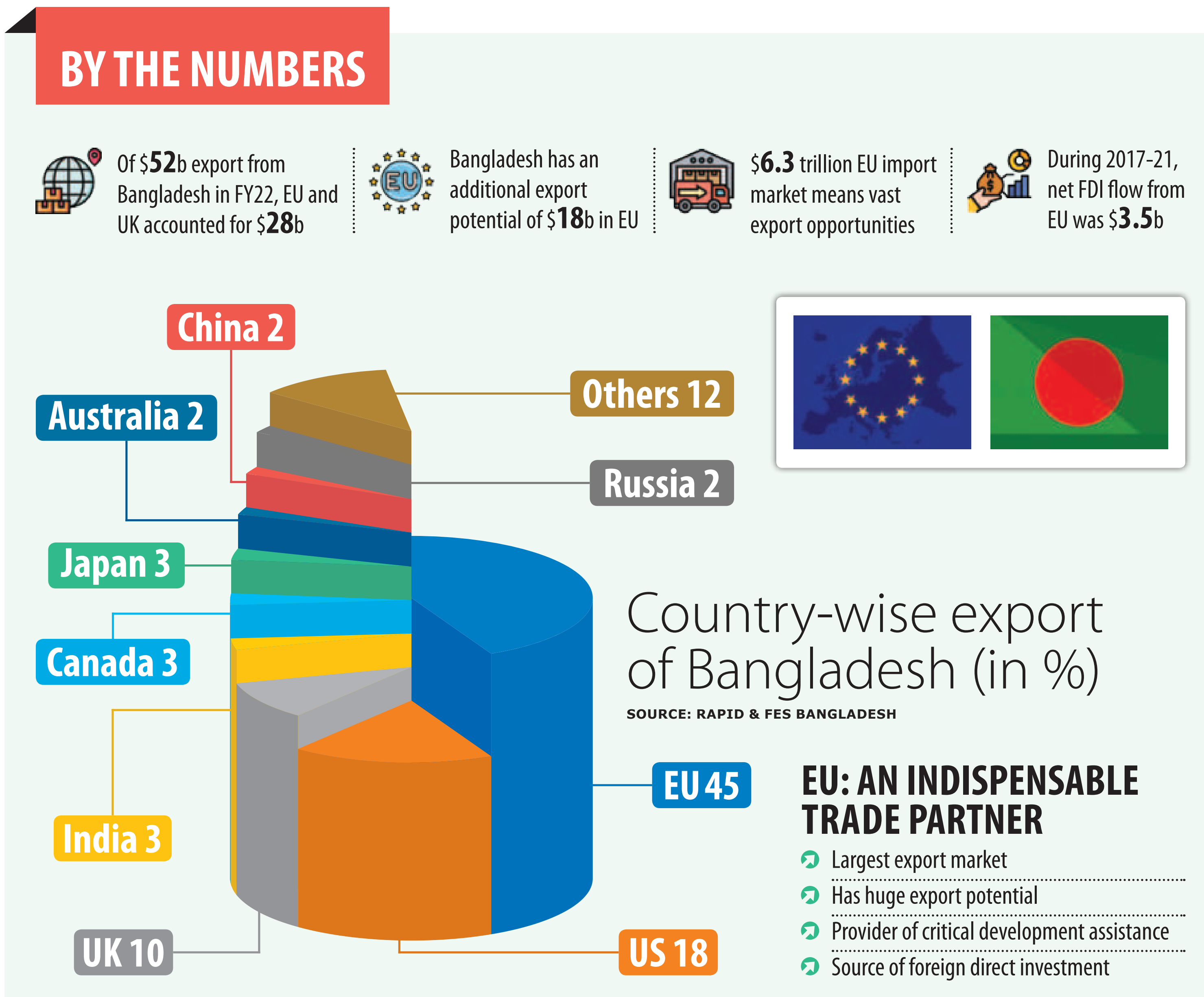
The conglomerate raked in Tk 37.96 crore in profit in 2021-22 compared to Tk 34.69 crore a year earlier.

The company reported consolidated earnings per share of Tk 5.23 in the last year, which was Tk 4.78 a year prior.

The consolidated net asset value per share rose to Tk 141.98 from Tk 141.43, while the consolidated net operating cash flow per share surged to Tk 4.24 from a negative Tk 25.96 in 2020-21.

The board of directors has recommended a 50 per cent cash dividend and a 5 per cent stock dividend for 2021-22. Stocks of ACI were unchanged at Tk 273 on the Dhaka Stock Exchange.

ACI Formulations also declared a 25 per cent cash dividend for its shareholders. Its earnings per share stood at Tk 5.14 in the last financial year, up from Tk 4.52 a year ago.



No EU-Bangladesh FTA in foreseeable future

Says the head of EU delegation

STAR BUSINESS REPORT

There is no possibility of signing a free trade agreement (FTA) with Bangladesh in the foreseeable future because of the complexity related to the issue as well as bloc's lack of interest, said Charles Whiteley, head of the delegation of the European Union to Bangladesh, yesterday.

This is not going to happen because of the degree of complexity, and the trade relations between the two sides are not yet at the stage where "we would be genuinely interested on the EU side to negotiate an FTA", he said.

The ambassador was speaking at an event titled "Strengthening Bangladesh-EU Trade and Economic Cooperation: Issues and Policy Priorities" at the Sheraton hotel in Dhaka.

The Research and Policy Integration for Development (RAPID), a think-tank, and FES Bangladesh, the country office of the private German non-profit organisation, jointly organised the event.

Bangladesh will have to sign deals with trading partners to ensure preferential market access following its graduation to a developing nation from a least-developed country (LDC) in 2026 since Dhaka is expected to lose duty benefits after the change in status.

The potential of Bangladesh to sign an FTA emerged after the EU inked a similar deal with Vietnam.

But Whiteley said the EU's FTA with Vietnam is expected to bring down tariffs in many areas, but it will also bring massive benefits for European businesses, including in the service sector.

He expected the bilateral trade relations between the EU and Bangladesh to become more balanced and more wide-ranging.

That means there has to be an objective assessment, on the Bangladesh side, on how to make it easier for the EU to do business in the country.

"Our Spanish friends in the EU are quite frustrated about how their companies are treated here. When you have the mentality among the members of the European Parliament, it means we have a bigger hurdle to clear when we talk about making life easier for Bangladesh in the EU market."

Already, there is a psychological shift, according to the diplomat.

Many European parliamentarians think that since Bangladesh will no longer be an LDC after 2026, there is no question of treating the country as an LDC.

"They also think that the three-year transition is long enough for the government and businesses of Bangladesh to adjust to the realities of not being an LDC," said Whiteley.

Since Bangladesh will not automatically qualify for duty-free, quota-free market access in the EU, the entire focus has to be on making the GSP Plus politically, financially and economically, he said.

Bangladesh will have to ratify 32 international conventions and implement them in order to qualify for the GSP Plus.

Whiteley also talked about the safeguard issue, a concern for Bangladesh.

This is because if the share of a product from a country exceeds 6 per cent of the total EU imports of the same product, safeguard measures would be triggered to remove duty-free market access for these items.

Bangladesh's garment exports have exceeded the threshold.

Bangladesh will have to sign deals with trading partners to ensure preferential market access following its graduation to a developing nation from an LDC in 2026

This will have a profound impact on Bangladesh if not addressed properly, said the diplomat.

"But Bangladesh's voice is being heard in the European parliament and there is good awareness about the impacts this could have on Bangladesh. I do believe a fix will be found."

"I am optimistic on that front. There is awareness and sympathy on the EU side of what needs to be done for Bangladesh."

There is a need for a sustained focus on trade diversification, said the EU delegation chief.

"More needs to be done on the policy level in Bangladesh by the government to encourage diversification."

Sharifa Khan, secretary of the Economic Relations Division, said if the Doha Development Round of the World Trade Organisation is delivered and the most-favoured-nation (MFN) tariffs become effective, duty will not be a major issue.

She also questioned why the duty on textile items was higher compared to other products.

The MFN tariff for non-agriculture products is only 2.8 per cent whereas it is nearly 12 per cent for apparel products.

"Garments are produced by poor countries or LDCs. But they face higher tariffs. This needs to be considered," said the secretary.

"If tariffs come down to zero, there will be no need to go for signing any FTA."

She urged the EU to conclude the Doha round and bring down the MFN rate to zero.

"There should be a rule-based multilateral system for all the member countries."

The EU is by far Bangladesh's largest export market, accounting for over half of all merchandise exports. Besides trade, the bloc has been one of the major development partners.

Bangladesh still has enormous export potential in the EU, with just 60 per cent of export capacity now being used, said M Abu Eusuf, executive director of the RAPID.

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DIGITAL DARE

Domestic help key to happiness!

MAHTAB UDDIN AHMED

In our childhood home in the old town of the 1970s, we had quite a large number of domestic helps. The scale of domestic work was also at another level with a green backyard of domestic cattle and poultry, not to mention the endearing cats and dogs.

When the domestic helps were on leave, some of their responsibilities would inevitably fall on my shoulders. Our big compound had a well, which served as our water supply. Cooking was done through firewood, and cleaning was, of course, a painstaking physical chore.

Looking back, the cassette player, refrigerator and prized TV were the only digital gear we were blessed with. In those days, the domestic workers, who usually hailed from your village, came with a lifetime commitment. But all this changed with the rise of the readymade garments industry.

The urban population has ever since been grappling with a perennial scarcity of domestic workers, and the good old loyal ones have become a thing of the past. From the 1990s onward, domestic bliss, or if I may say, conjugal bliss, has become largely dependent on the precious domestic help at home, particularly those with young kids.

The fall of something always leads to the rise of something else.

With the traditional servant culture dwindling, people have started to embrace innovative household appliances like washing machines, vacuum cleaners, cooking ranges with ovens, rice cookers, toasters, coffee machines, air fryers and what not!

Household appliances have dramatically helped raise the general standard of personal comfort.

Industrial Revolution 4.0 has brought another big change in solving the key pain points in a household. The household terminology that is increasingly gaining popularity is "Smart Home".

Some of its easy features include security-minded smart lights, wireless surveillance systems and video doorbells. The current trend of technological evolution as far as household appliances are concerned include adding various sensors to equipment like fridges and AC for temperature control.

A true smart home would have an All-In-One Security and home automation platform that will be connected with a home security system (wireless), Amazon Echo studio/Alexa/Google Nest Audio etc for an audio experience.

Fundamentally, all the IOT (Internet of Things) sensors used in various household equipment will be connected to the main platform, which can be operated through an app on your smartphone. For example, while returning from work on a hot summer's day, you may turn on the AC in your home using your mobile, to walk into a crispy cool home.

These new technologies have undoubtedly introduced dramatic changes in our lifestyle and enhanced efficiency and productivity, being cost-effective at the same time. While technology has greatly improved the general quality of life in most households in Bangladesh, we must not also forget that every boon comes at a price!

Generally, a smart home uses nine sensors – temperature, light, motion, water leak, window/door, weather, smoke or gas leaking sensors. Each smart sensor has components like capturing data, a microprocessor that computes on the output of the sensor via cloud computing capabilities.

Just imagine, the level of data that your smart home would collect every day and with this set of data, one can easily analyse the behaviour of each member of the family. If such data is hacked, we would all be exposed to many unexpected consequences.

The author is a telecom and management expert.

Falling currencies may deepen global food, energy crises

WB report says

STAR BUSINESS REPORT

The shrinking value of the currencies of most developing economies is driving up food and fuel prices in ways that could deepen the food and energy crises that many of them already face, the World Bank said in its latest Commodity Markets Outlook report.

In US dollar terms, the prices of most commodities have declined from their recent peaks amid concerns of an impending global recession, the multinational lender said on Wednesday.

According to the report, from the Russian invasion of Ukraine in February through the end of last month, the price of Brent crude oil in US dollars fell nearly 6 per cent.

Yet, because of currency depreciations, almost 60 per cent of oil-importing emerging-market and developing economies saw an increase in domestic-currency oil prices during this period.

Nearly 90 per of these economies also saw a larger increase in wheat prices in local-currency terms compared to the rise in US dollars.

Elevated prices of energy commodities that serve as inputs to agricultural production have been driving up food prices.

During the first three quarters of 2022, food-price inflation in South Asia averaged more than 20 per cent. Food price inflation in other regions, including Latin America and the Caribbean, the Middle East and North

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Ash gourds being collected by a wholesaler from a farmer at Tk 13 apiece at Madhobkathi village of Khulna's Dumuria upazila. At retail, each can sell for Tk 20 to Tk 25. Around 2,51,753 tonnes of gourd/water gourd were produced around the country on some 50,155 acres of land in fiscal year 2020-21, according to the Bangladesh Bureau of Statistics. The photo was taken recently. PHOTO: HABIBUR RAHMAN

Malek Spinning logs profit of Tk 72cr

STAR BUSINESS REPORT

Malek Spinning Mills Ltd reported a profit of Tk 72.01 crore in the last financial year of 2021-22, up 10.70 per cent year-on-year.

The textile company made a profit of Tk 65.04 crore in 2020-21.

Thus, Malek Spinning reported consolidated earnings per share of Tk 3.72 in 2021-22, against Tk 3.36 in the previous financial year.

The consolidated EPS has increased due to a rise in sales and net profit, said the company in a filing on the Dhaka Stock Exchange (DSE) on Wednesday.

The consolidated net asset value per share rose to Tk 48.91 in 2021-22 from Tk 46.27 a year earlier thanks to the spike in retained earnings.

The consolidated net operating cash flow per

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