

Simtex Industries' profit rises in first half of FY23

STAR BUSINESS REPORT

Simtex Industries Limited's profit rose to Tk 3.58 crore in the first half of the ongoing financial year, up 4.67 per cent from Tk 3.42 crore year-on-year.

The earnings per share (EPS) were Tk 0.45 in July-December of 2022-23 against Tk 0.43 in the same half of 2021-22, according to the unaudited financial statements.

The profit, however, declined more than 19 per cent to Tk 1.67 crore in the second quarter of FY23.

The producer of sewing thread and yarn dyeing made a profit of Tk 2.07 crore in the identical October-December quarter of FY22. Thus, it reported EPS of Tk 0.21 for the second quarter, which was Tk 0.26 in October-December of FY22.

The net operating cash flow per share rose sharply to Tk 2.55 in July-December from a negative Tk 0.56 in the first half of FY22.

"During the period, the growth of sales increased considerably while the pace of cash collection was comparatively better than the same period of the previous year," said the textile company in a filing on the Dhaka Stock Exchange (DSE).

Besides, due to better rationalisation, the company was able to restrict expenses to some extent. All these drove up the NOCFPS, it said.

Call for nurturing more IT professionals

STAFF CORRESPONDENT, Ctg

More programmes are needed through both public and private initiatives for building skilled manpower equipped with knowledge of information technology to upgrade the country to a "Smart Bangladesh", underscored speakers yesterday.

They were addressing the concluding ceremony of a three-day 4th Chattogram IT Fair jointly organised by the Chittagong Chamber of Commerce and Industry (CCCI) and Society of Chattogram IT Professionals (SCITP) at World Trade Centre in the port city.

Chairing the programme, CCCI President Mahbubul Alam emphasised on bringing all offices, including private business firms, under automation since proper use of information technology was necessary to compete in global trade.

It is high time for acquiring IT based knowledge and proper use of technology, he said, adding that there was no alternative to the IT sector for building skilled manpower.



The plastic industry has gained importance over the last two decades and its growth has multifaceted impacts on many important sectors of the Bangladesh economy, industry people said.

PHOTO: STAR

Marico's sales, profit growth slows

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Marico Bangladesh Ltd's sales growth nearly halved in the April to December period compared to a year ago, which affected profits as higher inflation cut people's purchasing power.

The fast-moving consumer goods multinational company, whose financial year begins on April 1, witnessed an 8.22 per cent growth in sales between April and December against more than 15 per cent recorded during the identical nine-month period a year earlier.

As a result, the profit growth faced a slowdown.

The listed company's profits rose 4.9 per cent to Tk 297 crore in the first nine months of 2022-23. It surged 13.6 per cent to Tk 283 crore during the same period in 2021-22.

Thus, Marico Bangladesh reported earnings per share (EPS) of Tk 94.45 in April-December of FY23 from Tk 90.08 in FY22.

In October-December, its EPS was Tk 30.93 against Tk 27.35 in the same three-month period a year ago, according to the financial statements.

"The profit and sales growth slowed

as inflation increased and people's buying capacity was impacted," said Md Sahabuddin, company secretary of Marico Bangladesh.

"As we don't produce basic goods, sales were slightly impacted owing to higher inflation."

The company witnessed 8.22 per cent growth in sales between April and December against more than 15 per cent in the same period a year earlier

Inflation in Bangladesh has been at an elevated level since March as commodity prices have gone up sharply owing to a spike in demand globally after the impacts of Covid-19 petered out and the fallout of Russia's invasion of Ukraine.

Inflation stood at 8.71 per cent in December, data from the Bangladesh Bureau of Statistics showed.

"However, Marico's profit and sales rose due to the proper management and continuous endeavour aimed at

minimising costs," Sahabuddin said.

Raw material costs were higher between April and December as the global market price rose and the local currency depreciated against the US dollar, he added.

The taka has lost its value by about 25 per cent against the American greenback owing to the depletion of the foreign currency reserves amid higher import bills in the past one year, Bangladesh Bank data showed.

The cost of goods sold, which is the sum of all direct costs associated with making a product, was 48.7 per cent of Marico's total sales in April-December, up from 45 per cent reported during the same period a year earlier.

Its paid-up capital is Tk 31.5 crore. The net operating cash flow per share of the manufacturer of Parachute-branded coconut oil jumped to Tk 123.01 from Tk 101.75 in the nine months to December.

The net asset value per share rose to Tk 84.81 on December 31 in 2022 from Tk 82.04 on the same day a year earlier.

Marico Bangladesh's shares were unchanged at Tk 2,421.50 on the Dhaka Stock Exchange yesterday.

Plastic fair from Feb 22 aims for market expansion

STAR BUSINESS REPORT

A four-day 15th International Plastic Fair 2023 is scheduled to be held at International Convention City Bashundhara in Dhaka from February 22 aiming to increase investment and exports through market expansion.

Companies from 21 countries including China, South Korea, Belgium, Canada, USA, France, Italy, Japan, Austria and United Arab Emirates are expected to showcase a variety of products and manufacturing machineries.

The products include household items, packaging materials, moulds, toys, pharmaceuticals, furniture, garments accessories, automobiles and electric and electronic merchandise.

Commerce Minister Tipu Munshi is expected to inaugurate the fair, being jointly organised by the Bangladesh Plastic Goods Manufacturers and Exporters Association and Yorker Trade and Marketing Service Company.

The fair is one of the biggest in Southeast Asia and is expected to play a greater role in the national economy, said the association president, Shamim Ahmed.

The plastic industry has gained importance over the last two decades and its growth has had multifaceted impacts on many important sectors of the Bangladesh economy, for which the government is giving it immense priority, he said.

Manufacturers of various types of plastic products used in the country, including machineries and molds, alongside raw material manufacturers and suppliers will participate in the fair, said Ahmed.

There will also be lively engagements among plastic sector representatives from different countries, said the association.

In Bangladesh, the use of plastics is rising thanks to their durability, lower prices and availability.

About 24 lakh tonnes of plastic items are used every year, with per capita consumption standing at nine kilograms, way lower than the global average of 60kg.

Domestically, plastic products worth about Tk 40,000 crore are annually produced and marketed, said the association.

Sonali Bank holds view exchange with expatriates in USA

STAR BUSINESS DESK

Sonali Bank virtually organised a view exchange meeting with Bangladeshi expatriates living in the US to open accounts and transactions in proper channels using Sonali e-Wallet and Sonali e-Sheba on Sunday.

Md Afzal Karim, managing director of the bank, attended as chief guest and spoke at the view exchange meeting with Bangladeshi expatriates in the US.

"Expatriates can open a bank account with Sonali Bank and do transactions by using Sonali e-Sheba and Sonali e-Wallet mobile apps and also iOS operating version in their host country," Karim said in his speech.

"They will also avail the transactions of intra bank, interbank money transfer and other services from Sonali Bank," he added.

Karim urged expatriates to open bank accounts and to send remittance through banking channels by using digital services of Sonali Bank.

Private economic zones

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"But Titas is yet to provide gas connections for a number of factories. We are in uncertainty over when the gas connections would be provided," he said, adding that the factories were left inoperative for this.

This is quite contrary to the government's vision for industrialisation and a bottleneck in the case of doing business.

Investment proposals from home and abroad involving \$1,598.51 million have already come for the three - Meghna Economic Zone, Meghna Industrial Economic Zone and Cumilla Economic Zone.

Situated around 32 kilometres northeast of Dhaka, A K Khan Economic Zone, a concern of AK Khan & Company, is also awaiting gas connections from Titas.

Abul Kasem Khan, a director of the company and a former president of the Dhaka Chamber of Commerce and Industry, hopes that the connections would be provided by the time they complete developing the zone.

City Group, which has three economic zones, has been apparently ahead of the curve, spending money out of its own pockets to establish gas connections for City Economic Zone, which is situated around 32 kilometres southeast of Dhaka.

An official of the group said they did not wait for the government as it could have delayed their plans for rapid industrialisation.

Kishoreganj Economic Zone, a concern of Nitul Niloy Group and situated around 106 kilometres north of Dhaka, also stands out as it has already secured gas connections.

Abdul Matlub Ahmad, chairman of the group, said they took preparations in advance so that the zone could run smoothly.

According to him, investors will not set up facilities if an economic zone lacks utility services.

Though utility service providers are not under the Beza's jurisdiction, it is mandatory for them to support

investors based on the Beza's recommendations as per rules, said Sheikh Yusuf Harun, executive chairman of the Beza.

"We are helping investors wherever they need it to make economic zones lucrative. But we cannot compel the service providers to act."

He suggested investors submit their complaints at the Prime Minister's Office. "No entity can ignore orders of the Prime Minister's Office."

The authority of Sirajganj Economic Zone is yet to respond to some queries of the utility service provider's board which is a prerequisite for the connection to get approval, said Md Shahenur Alam, company secretary of the Pashchimanchal Gas Company.

"This is the reason there has been a delay in establishing the industrial connection."

There is a huge demand for gas from the industrial sector, particularly private economic zones, said Md Lutful Hyder Masum, general manager and company secretary of Titas Gas.

"Gas is not sufficiently available, so connections can't be established immediately. Besides, these industrial connections involve constant supplies of large volumes.

As a result, Titas has adopted a go-slow policy, meeting demand based on priority."

For instance, Masum noted, the Meghna Group of Industries recently received two connections against 11 sought.

"If we could provide gas connections to all, Titas would be able to make a profit and help the industrial sector."

"We have forwarded all applications for connections to the Titas board. We will provide gas to all the industries in phases based on priority."

However, applications will not be approved if companies have unpaid dues against the gas connections availed earlier, the company secretary added.

Local production to cut Hyundai SUV price by 21%

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Board of Revenue aimed at promoting domestic manufacturing and speeding up industrialisation. Japanese Mitsubishi and Malaysian Proton-branded cars are currently being assembled here.

Rangs Group assembles Japanese brand Mitsubishi Outlander while state-run Pragoti Industries makes Mitsubishi Pajero. Chattogram-based PHP Family manufacturers Malaysian Proton cars.

Fair Tech has set up the factory on two industrial plots at the Bangabandhu Hi-Tech Park in Kaliakoir of Gazipur. It has already produced 100 units of Hyundai Creta, officials said earlier.

Each Hyundai Creta was manufactured using more than 1,000 parts imported from nine countries. Other designs of Hyundai SUVs and sedans will be gradually produced as well.

Initially, the factory will produce 3,000 Hyundai Creta SUVs each year. The number will gradually increase to 10,000 units.

New jute variety, technologies launched

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Bokhtiar also alleged that the BJRI was slow in conducting research activities.

"Many years ago, the jute genome sequence was decoded by Maqsoodul Alam. It was much relevant for that time. But we don't want to hear this story anymore. We are frustrated with the BJRI," he said.

Md Abdul Awal, director general of the BJRI, presided over the event where Jiban Krishna Biswas, executive director of Krishi Gobeshona Foundation, was the special guest.

Digital fair

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Bangladesh, Highway of Connectivity".

The main objective is to create public awareness about the need and use of digital technology and connectivity, according to the Posts and Telecommunications Division, which organised the event.

Grameenphone, the top mobile network operator in Bangladesh, will be among the participants.

"We will engage with visitors to showcase the latest in digital connectivity, such as e-sim and 5G use cases," Grameenphone said in a statement.

An official of Robi, the country's second largest mobile network provider, said it would showcase its products and services centring the "digital lifestyle" and enterprise business solutions, where it used artificial intelligence tools.

Ankit Sureka, head of corporate communications and sustainability at Banglalink, believes the event is a great platform to showcase the country's progress in building a robust digital economy.

Huawei, the titanium sponsor of the event, said it is designing its

pavilion with attractive solutions, quizzes and prizes.

The pavilion will be equipped with multiple breakthrough innovations in different frontiers, such as 5.5G, enterprise business solutions, Huawei cloud, and digital power.

Demo sites of smart port and digital power solutions will also be available for the audience along with video illustrations and success stories on the latest innovations.

Apart from these, visitors can join the quiz every two hours and win attractive prizes. On its official Facebook page, Huawei Bangladesh has announced a separate quiz campaign for its fans.

Majjan, chief technical officer of Huawei Bangladesh, said the company has been working in this industry as an enabler of the ICT ecosystem.

"We are always there with our world-class innovative solutions to bring digital services to every person, home and organisation to build a fully connected, intelligent Bangladesh," he added, Majjan then said that carbon neutrality is also an important concern for them as well as Bangladesh's government.

Meghna Group

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Two rice millers and traders say the entry of another large business house would increase competition in the grain market for paddy and may gradually drive small millers and traders out of the market.

"We will be out at some point. It seems that smaller mills will not be able to survive in the competition," said an automatic rice miller, who has a mill in the north, one of the main rice-producing hubs in Bangladesh.

He blamed the consistent purchase of paddy by some large millers for the high price of the staple in the market currently.

Nirod Boron Saha Chandan, president of the Paddy and Rice Stockists and Wholesalers Association in Naogaon, said: "Small mills will not be able to compete

because of the large capital and investment capacity of big business houses."

"Ultimately, it is likely that the rice market will be at the hands of 20-25 large mills. This may reduce competition. This has implications for employment too."

According to Chandan, an automatic rice mill can process a much higher amount of paddy than a husking mill with almost the same number of workers.

"The government should patronise small husking mills to ensure competition in the market and facilitate jobs."

Kamal, however, disagrees. "Large investment will eliminate the middlemen in the supply chain and allow consumers to get quality grains," he said.

Ensure

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Reaz, who conducted a study on economic zones in the country, went on to say the concept of private economic zones is to provide an area for planned industrialisation complete with the required utilities.

In Bangladesh, the export processing zones have been successful in this regard, but they are dedicated to export-oriented industries. So, the government developed the concept of special economic zones to address the issue.

Now, these industrial hubs are playing a vital role in catering to domestic and foreign demand while also generating employment opportunities.

But as consumption continues to grow, the government coined the idea of private economic zones to bolster production for both local and international markets.

The 12 private economic zones across Bangladesh have received \$4.27 billion in investment proposals from home and abroad in the past six years. They have created 36,602 jobs so far, data from the Bangladesh Economic Zones Authority (Beza) showed.

The success of the initiative is already apparent as businesses are running efficiently in various private economic zones such as the Meghna Economic Zone and the City Economic Zone.

Reaz describes the private sector as the "engine of Bangladesh's economic growth".

As such, the Beza has brought the private sector to the forefront of industrial development by allowing companies such as Abdul Monem Group, Bashundhara Group, Meghna Group, and City Group to set up their own manufacturing hubs.

But despite these initiatives, businesses in certain economic zones allege that production is being hampered due to inadequate utility services and poor connectivity, among other issues.

"So, the government should ensure smooth utility services for the economic zones on a priority basis in order to reap the full benefits of these industrial hubs," said Reaz.