



A total of 14 small and medium enterprises from Bangladesh will showcase diversified jute products at the US trade show that usually attracts thousands of buyers from the US and Canada.

PHOTO: STAR/FILE

Jute sector SMEs to join US trade show

STAR BUSINESS REPORT

A total of 14 small and medium enterprises (SMEs) from Bangladesh are going to showcase their jute products at a four-day trade show, styled “NY NOW Winter Trade Show 2023”, to be held in New York City from February 5.

Anwar Faruque, an adviser of the Feed the Future Bangladesh Horticulture, Fruits, and Non-Food Crops Activity funded by USAID, shared this information during a press conference at Doreen Hotel in Dhaka yesterday.

The SMEs are: Aasiix International, Adorsholipi, Design by Rubina, Golden Jute Product, Jermatz Limited, Jute Land Bangladesh, Jutemart and Craft in Bangladesh, Jutemart International, Karujog, Prokritee, Sami’s World, Sutar Kabbo Limited, The Jute Fibers BD, and Tulika Eco.

The participants were selected based on predefined criteria, according to Faruque, who is also a former secretary of the agriculture ministry.

Protima Chakraborti, managing director of Jute Land Bangladesh, said the trade show has created new possibilities for the company as they aim to expand their growth in US and Canadian markets.

“I am hopeful about the experience and knowledge we will gather from this event,” she added.

Dilshadul Haque Shimul, director of Adorsholipi, said he works with Bede people, a minority group native to the country’s northern region, to produce his jute products.

“The event will be a great opportunity for us to represent Bangladesh on a global scale,” Shimul added.

Lilly Nicholls, the Canadian high commissioner to Bangladesh, said her government is happy to support the SMEs.

“Hopefully, we will continue to be a supporting force for the development of Bangladesh’s jute industry,” she added.

Joseph Lessard, acting office director of USAID’s Economic Growth Office, said the trade show is a global platform that attracts thousands of buyers from the US and Canada, making it an excellent opportunity to showcase Bangladesh’s artisan-based jute diversified products.

Md Mafizur Rahman, managing director of the SME Foundation, said they would provide any support necessary to improve the market reach of local SMEs.

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Singer posts lowest profit in 14 years

STAR BUSINESS REPORT

Singer Bangladesh yesterday announced that it registered Tk 7.3 crore as profit after tax in 2022, the lowest in 14 years, attributing the increased cost of raw materials, higher freight rates and devaluation of taka against the US dollar for the fall.

The electronic and home appliance company said its profit after tax nosedived by 86 per cent last year from 2021 even though its turnover increased at the same time.

“The company continued to implement a number of marketing initiatives during the year to improve sales,” it said

Singer recorded 8.1 per cent growth in turnover to reach Tk 1,710 crore in 2022 from the previous year, according to a statement.

“The company continued to implement a number of marketing initiatives during the year to improve sales,” the multinational company said while announcing 10 per cent cash dividend for shareholders.

Singer, one of the largest retailers of consumer durables in Bangladesh with 437 outlets, also said its earnings per share decreased to Tk 0.73 in 2022 from Tk 5.2 the year prior.

This is mainly because of a lower margin in the third and fourth quarters along with a higher

effective tax rate (ETR), said the company, which sells all categories of consumer durables under the Singer and third-party brands in Bangladesh.

“During the year, the cost of sales increased significantly. The cost increased due to price hikes of raw materials, freight, devaluation of taka and Russia-Ukraine crisis,” said Singer, which is listed with the Dhaka and Chattogram bourses.

“But the company’s strategy was to remain competitive in the market because of the price sensitivity both from consumers and competitors end. For that strategy, Singer could not adjust significant cost increases with the sales price, resulting in lower profit,” it added.

Stocks of Singer remained unchanged at Tk 151.90 yesterday at the Dhaka Stock Exchange.

The multinational company said it continued to focus on managing operating expenses, which was 18.5 per cent of its revenue in 2022, up slightly from 18.1 per cent the previous year.

“The expenses grew at a rate less than revenue growth.”

Singer said it spent more on financial expenses in 2022 than a year earlier mainly for utilisation of borrowing at a higher level.

The electronic and home appliance manufacturer and marketer said it will further accelerate its operations in the medium to long-term.

With 57 per cent owned by Retail Holdings Bhold B.V., a Dutch private company, Singer Bangladesh has more than 1,000 wholesale dealers apart from its own stores.



Berger’s profit drops 16%

STAR BUSINESS REPORT

Berger Paints Bangladesh said its net income declined 16 per cent between October and December 2022 as rising import costs for raw materials erased sales gains due to the devaluation of the local currency, taka.

The multinational company said its net profit stood at Tk 68.30 crore in the third quarter of the financial year from Tk 81.24 crore.

As such, its earnings in nine months to the end of December grew only 2.26 per cent although Berger recorded 17.5 per cent sales year-on-year growth to Tk 1,890 crore in the April-December period of 2022 from a year ago.

Its earnings rose Tk 204 crore in the April-December period from Tk 200 crore a year ago, said the company in its financial statement released yesterday.

Consolidated earnings per share stood at Tk 44.16 for April-December 2022 against Tk 43.18 for April-December 2021, said Berger, one of the biggest paint makers in Bangladesh.

“Despite significant growth in revenue during April-December 2022 period, the same was not reflected in EPs due to higher cost of raw materials impacted by currency devaluation compared to last year,” it said in a posting at the Dhaka Stock Exchange.

Net operating cash flow per share also decreased mainly due to an increase in suppliers’ payments for strategic inventory build-up, advance payment made to the bank for LCA’s dues and also higher payment of advance income tax at the import stage, said Berger.

DCCI for major reforms in arbitration, company acts

STAR BUSINESS REPORT

The Dhaka Chamber of Commerce & Industry (DCCI) has called for substantial reforms to the Arbitration Act 2001, the Bankruptcy Act 1997 and the Companies Act 1994 in order to attract investments from both local and foreign investors.

“Amendments should be made keeping the business sector in mind so that businesses can enforce contracts easily and resolve any commercial disputes expeditiously,” said DCCI President Md Sameer Sattar.

He made the suggestions when the board of directors of the DCCI called on Prime Minister’s Private Industry and Investment Adviser Salman Fazlur Rahman at his office at the Bangladesh Investment Development Authority (Bida) in Dhaka on Tuesday.

In a press release, Sattar underscored the importance of both local and foreign investment in Bangladesh in order to overcome the current economic challenges in this volatile global economic situation.

In this connection, he suggested substantial reforms to the Arbitration Act 2001, the Bankruptcy Act 1997 and the Companies Act 1994.

He called for setting up a separate commercial court that may ease the process of contract enforcement and resolution of disputes in an expeditious manner and reduce the backlog of pending commercial disputes.

The bankruptcy laws also need an overhauling to make it applicable to companies and more business-friendly so that sick companies can be restructured in an effective manner rather than

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being pushed to closure through liquidation, Sattar said.

“It needs to be more commercially viable. This will attract foreign direct investments. In this regard, Bangladesh can adopt the best international standards from other developed jurisdictions.”

Sattar emphasised an effective and fully integrated One-Stop Service (OSS) of the Bida, preferably throughout the country, for the greater convenience of the existing businesses and upcoming investors.

All institutions connected to the OSS must operate in such a manner that investors don’t have to go to various institutions separately once an application is made to the Bida’s OSS, he said.

“This will undoubtedly encourage foreign investors as well to invest in Bangladesh.”

The chamber leader emphasised that following Bangladesh’s graduation from the group of least-developed countries, the country needs to ensure a competitive and self-sufficient business environment in order to attain double-digit GDP growth.

“During this transitional time, Bangladesh will have to ensure sustainable economic growth and maintain a resilient private sector.”

In the press release, Salman Fazlur Rahman said due to the adverse effects of the pandemic and the Russia-Ukraine war, the world economy is going through a critical time.

Under such circumstances, FDI and global trade flow can be a greater enabler of the desired economic recovery of Bangladesh, he said highlighting the resurgence of the local and backward linkage industry through substantial investment.

Regarding the Bida’s OSS, the adviser said required developments are underway for a national, effective and interoperable OSS to benefit both potential local and foreign investors and underscored the importance of increasing Bangladesh’s tax-to-GDP ratio.

Bangladesh-Korea trade exceeds \$3b

DIPLOMATIC CORRESPONDENT

Bilateral trade between South Korea and Bangladesh reached a new height in 2022, exceeding \$3 billion, nearly 40 per cent up from the previous year.

The bilateral trade stood at \$3.04 billion last year, up from \$2.19 billion in 2021, an increase of 38.71 per cent year-on-year, according to data from the Korea International Trade Association.

Last year, Bangladesh’s export to Korea increased by 22.9 per cent to \$678 million. It was \$552 million in the previous year.

Korea’s export to Bangladesh rose 44 per cent to \$2.36 billion from \$1.64 billion in 2021. Bangladesh’s export to Korea has been continuously increasing since it crossed \$100 million in 2007 for the first time and reached \$200 million in 2011 and \$300 million in 2013.

It remained stagnant for about a decade and shrank in 2020 due to the adverse impact of the Covid-19 pandemic. It rebounded strongly in 2021 to \$552 million and retained the momentum in 2022 as well as global economies recovered from the pandemic-induced slowdown.

The main export items of Bangladesh to Korea are readymade garments, sports and leisure items and bronze scraps. The readymade garment, which grew more than 25 per cent year-on-year last year, accounted

for 83.2 per cent of the total shipment to the east Asian nation in 2022.

Paper products and food exports surged 168.6 per cent and 165 per cent to \$3.6 million and \$3.1 million, respectively. The export of bronze scraps climbed 41.8 per cent to \$17.76 million, data from the association showed.

On the other hand, the increase in Korea’s export to Bangladesh in 2021 and 2022 was mainly led by the hike in the imports of diesel, which rocketed by 703.8 per cent to \$972 million last year.

Other major export items from Korea to Bangladesh are machinery, petrochemical products, steel and pesticides.

In a statement, Korean Ambassador to Bangladesh Lee Jang-Keun said 2023 marks the 50th anniversary of diplomatic ties between Korea and Bangladesh, which will prove to be a turning point in the bilateral relations, overcoming the challenges of the pandemic and the global economic slowdown derived from the Russian-Ukraine war.

He expected Bangladesh’s business sector to take the advantage of the preferential trade policy of Korea, which has been providing duty- and quota-free access to its market for 95 per cent of Bangladesh’s products since 2008.

Bangladesh also provides at least a 4 per cent cash incentive on the shipment to Korea, a non-traditional market.

