

star

BUSINESS



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SCAN FOR DETAILS



A herd of buffalo rests on sand after grazing on the chars of the Jamuna river. Farmers adopt the practice along vast swathes of the riverbank traversing Bogura, Gaibandha and Sirajganj to reduce costs for purchasing feed. The picture was taken on Tengrakandi Char in Phulchhari upazila of Gaibandha last week.

PHOTO: MOSTAFA SHABUJ

GP profits down by Tk 400cr

STAR BUSINESS REPORT

Grameenphone's profits dropped by around Tk 400 crore in 2022 mainly due to a ban on the sale of its SIM for six months.

The largest listed telecom company's profit after tax dropped by 11 per cent to Tk 3,010 crore in the year ending recently. It was Tk 3,412 crore in the previous year.

Thus, its earnings per share stood at Tk 22.29 whereas it was Tk 25.28 previously.

Its profit margin also dropped to 20 per cent in the year which was 24 per cent in 2021.

Though its profits fell, the telecom company's revenue crossed Tk 15,000 crore for the first time. In the previous year, its revenue amounted to Tk 14,306 crore.

On June 29, 2022, Bangladesh Telecommunication Regulatory Commission banned Grameenphone's SIM sales until it "improves its quality of service including bringing down call drop rate".

The ban was lifted on January 3, 2023.

Orders drop, still textile millers struggle to open LCs

REFAYET ULLAH MIRDHA

The ongoing dollar shortage in the banking sector is posing a threat to local textile millers and spinners as they are in trouble in opening letters of credit (LCs) to import raw materials and cotton to feed the country's readymade garment industry.

It comes even after international retailers and brands have placed 25 per cent fewer orders for readymade garment items for the October-April season that have translated into a significant fall in orders for the primary textile sector.

Owing to the crunch of the American greenback, most of the local banks are currently taking 10 to 15 days more compared to the usual time in the case of opening the LCs. This may affect the import of raw materials such as cotton, dyes chemicals, viscose and staple fibre vital for manufacturing garment items sold in the export markets.

Also, primary textile millers, which have already seen an

investment of more than \$20 billion to serve the growing apparel industry, aren't running at their full capacity.

Because of the US dollar shortage driven by escalated import bills against lower export and remittance receipts, the

July-December period of the current financial year, central bank data showed.

The LC opening for raw cotton dipped by 41.64 per cent to \$1.02 billion. The opening of LCs to buy cotton yarn, synthetic fibre and yarn also fell sharply during the

working days to open an LC.

Foreign banks operating in Bangladesh are taking two or three days to open LCs as they have the dollar. Local banks with a strong foundation are taking five to seven days.

"But the banks that are suffering from the shortage of US dollars are taking 15 to 20 days and in some cases, 30 days to open the LCs," said Khan. Banks, however, are prioritising export-oriented garment factories.

Khan's factory has far been immune to the dollar crunch as the garment exporter can open LCs as its bank has set aside the American greenback for it against its export receipts.

Md Abdur Rouf, executive director at Simco Spinning & Textiles, says the import of some fibre is getting delayed.

A miller has to import at least 25 per cent of the raw materials it consumes.

Owing to the raw material shortage, Simco Spinning is producing seven tonnes of yarn

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Bangladesh Bank has tightened rules to discourage the imports of non-essential and luxury items in order to save the foreign currency reserves from fast depletion.

So, the opening of LCs aimed at importing textile fabrics declined by 25.63 per cent year-on-year to \$4.88 billion in the

first half of the fiscal year. Saleudh Zaman Khan, managing director of Bhulta-based NZ Tex Group, which mainly produces yarn from cotton and other man-made fibres, says before the dollar crunch emerged, banks used to take a maximum of three

Runner to launch locally-made auto-rickshaws

Sales begin from Feb 11

JAGARAN CHAKMA

Runner Automobiles is all set to launch the country's maiden "Made in Bangladesh" three-wheeled auto-rickshaw on February 11.

At least 70 per cent of the vehicle, including the chassis, body and tyre, except for some components of the engine, is said to have been made locally through technical collaborations with Indian automaker Bajaj Auto.

In global practice, the country of origin of a vehicle is mentioned if at least 30 per cent of the components are made locally.

Experts of Bajaj have supervised the manufacturing process at Runner's factory in Mymensingh's Bhaluka and conducted test runs of the vehicle, which can run on liquefied petroleum gas (LPG) and compressed natural gas (CNG).

The vehicle will cost at least 15 per cent less than ones currently imported, said Runner officials. Imported auto-rickshaws can currently end up costing at least Tk 6 lakh.

Around 16,500 three-wheelers were registered on an average per year in the past 12 years, according to Bangladesh Road Transport Authority.

Established on 9.2 acres of land at cost of Tk 300 crore, the Runner factory can churn out 30,000 vehicles per year to meet local demand and for export. It created jobs for 300 people.

The factory comprises modern welding lines, electrochemical painting processes, slot conveyors controlled by automation, torque controlled pneumatic guns, dynamometers and equipment to test suspensions and engines.

"I believe this plant will help revolutionise the country's automobile sector and make a significant contribution to the economy," said Hafizur Rahman Khan, chairman of Runner Group.

If the government provides policy support, the vehicles can be sold around the world, he said.

"All the workers at our factory are fully trained," Khan said. Runner states it was a brand in competition with foreign renowned brands by providing quality at every stage of production and proper after-sales service.



STOCKS		
	DSEX ▼	CASPI ▼
	0.15% 6,278.84	0.20% 18,533.30

COMMODITIES		
	Gold ▼	Oil ▼
	\$1,923.59 (per ounce)	\$79.67 (per barrel)

ASIAN MARKETS				
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
	▲ 0.29% 59,500.41	▲ 0.19% 27,433.40	▼ 0.47% 3,378.29	▲ 0.14% 3,269.32

Businesses suffer for C&F agents' 7-hour strike

STAFF CORRESPONDENT, Chattogram

Import-export activities at all customs stations across Bangladesh, including Chattogram port, were suspended for about seven hours yesterday as clearing and forwarding (C&F) agents observed a strike from 9:00am to 4:00pm to drive home their eight-point demand.

C&F agents had gathered at the main gate of the customs house in Chattogram port, as well as those in other parts of the country, to demand the amendment of laws related to licencing and the HS (harmonised system) code.

In addition, they urged authorities to not hold C&F agents liable for mistakes made by importers.

The C&F agents eventually withdrew their strike after Abu Hena Md Rahmatul Muneem, chairman of the National Board of Revenue, welcomed them to meet for a discussion on these issues on February 7.

Officials of Chattogram port said the strike may have halted the entry and exit of goods, but the loading and unloading of ships as well

as other activities had remained normal.

Still, importers and exporters suffered a great deal as their shipments were delayed until port activities resumed in full after 4:00pm.

An average of five to seven thousand import consignments and an equal number of export consignments are usually handled by Chattogram port each day.

Importers and exporters suffered a great deal as their shipments were delayed until port activities resumed in full after 4:00pm

Mominul Haque, managing director of Shahi Telecom, said they have to rely on C&F agents to clear their goods from customs stations in the country.

"But they stop unloading goods to meet their demands at different times and as a result, many traders become hostages," he added.

Haque then said that as he could not assess his consignment amid yesterday's strike, he is having to

count higher demurrage charges for keeping goods at the port.

Kazi Imam Hossain Bilu, general secretary of the C&F Agents Association in Chattogram, said the strike was only called off as the NBR and customs officials assured that they would consider the demands.

"If they do not amend those rules, we will go tougher movements," he added.

Mohammad Fyzur Rahman, commissioner of the Custom House Chattogram, said the NBR had already fixed February 7 to hold a meeting with C&F agents a few days ago.

"So, we don't know why they are going on strike before the meeting," he added.

Customs sources said C&F licence holders are allowed to operate for a specified period after passing a written test to qualify. The Customs Agents Licensing Rules-2020 included a requirement for successors of the licence to pass the examination as well to become a certified C&F agent.

However, C&F agents are demanding that transfers of licence ownership be allowed for successors without any examination.

Adani firms lose \$65b in value

REUTERS, New Delhi

Most Adani Group shares fell sharply on Monday as the Indian conglomerate's rebuttal of a US short-seller's criticism failed to pacify investors, deepening a market rout that has now led to losses of \$65 billion in the group's stock values.

Led by Asia's richest man Gautam Adani, the Indian group has locked horns with Hindenburg Research and on Sunday hit back at the short-seller's report of last week that flagged concerns about its debt levels and the use of tax havens.

Adani said it complied with all local laws and had made the necessary regulatory disclosures.

Adani Transmission, Adani Total Gas, Adani Green Energy, Adani Power and Adani Wilmar fell between 5 per cent and 20 per cent on Monday.

Flagship Adani Enterprises, which is facing a crucial test this week with a follow-on share offering, swung between gains and

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সুদে উদ্বোধন

বরিশাল শাখা

০৯ জানুয়ারি ২০২৩

বরিশাল শাখা

আহমত আলী খান (এ.কে.) হাই স্কুল ভবন, হোজিং নং-৩৮৮
কে.বি. হোমোয়েত উদ্দিন রোড, গীর্জা মহল্লা, ওয়ার্ড নং-০৯
বরিশাল সিটি কর্পোরেশন, থানা-সদর, জেলা-বরিশাল

আমাদের আন্তরিক সেবা গ্রহণে আপনাকে সাদর আমন্ত্রণ।

