EDIBLE OIL

Already dearer after price hike proposal

STAR BUSINESS REPORT

Wholesale and retail prices of edible oil in Dhaka and Chattogram have started rising since the end of last month when refiners proposed that the government increase the rates.

Refiners on April 30 sought a 9.62 per cent hike, reasoning that a one-year value added tax (VAT) reduction benefit offered in March last year had expired.

On December 18 last year the government set the price of a one-litre bottle of soybean oil at Tk 187 while loose soybean oil at Tk 167 and palm oil (super) at Tk 117. The price of a five-litre bottle of soybean oil was fixed at Tk 906.

The refiners sought raising the price of soybean oil from Tk 187 to Tk 205 per litre but this is not reasonable, informed an official of the Bangladesh Trade and Tariff Commission to The Daily Star on condition of anonymity.

The price of soybean oil increased by Tk 5 to Tk 10 per litre yesterday, said Hazi Mizan, a retailer at Karwan Bazar

Yesterday the price of soybean oil increased by Tk 80 to Tk 90 per maund (around 37 kilogrammes) while palm oil by Tk 150.

Abu Bakar Siddique, a wholesaler at Karwan Bazar, one of the biggest kitchen markets in Dhaka, said the refiners were charging higher prices.

On Tuesday soybean oil was sold at Tk 6,270 per maund whereas yesterday at Tk 6,350 to Tk 6,360, he informed.

Similarly, palm oil was being sold at Tk 5,000 per maund whereas it was Tk 4,850, he said.

The price of soybean oil increased by Tk 5 to Tk 10 per litre yesterday, said Hazi Mizan, a retailer at Karwan Bazar.

The price has been on the rise for the last two days due to apprehensions, said Abdul Hakim, a wholesaler of Chattogram Khatunganj market.

He informed that the price of palm oil has increased by Tk 200 per maund, from Tk 4,900 to Tk 5,100, in the last two days.

The price of soybean oil increased by Tk 80 to Tk 90 per maund while palm oil by Tk 150 in markets in Dhaka and Chattogram yesterday. Refiners on April 30 had sought a 9.62 per cent price hike, reasoning that a one-year value-added tax reduction benefit offered in March last year had expired. The photo was taken from Khulna city yesterday. PHOTO: HABIBUR RAHMAN

Bangladesh retains second position in RMG export to EU

REFAYET ULLAH MIRDHA

Bangladesh retained second position in apparel shipments to the European Union (EU) in the first two months of the current year with a 22.75 per cent share of the trade bloc's overall garment imports, according to data from EUROSTAT.

China remained the top supplier at the time, providing 26.27 per cent of the EU's total apparel imports.

However, the EU's overall apparel imports for January and February declined by $322 million, or 2.03 per cent, compared to the corresponding period of 2022.

In terms of quantity, the EU's clothing imports fell sharply by 10.09 per cent year-on-year, or 70 million kilogrammes (kgs), in the January-February period.

Apparel imports from China fell 13.11 per cent year-on-year to $4.08 billion at the time with shipments from the top sourcing destination having shrivelled by 16.42 per cent, or 32 million kgs.

In contrast, the EU's apparel imports from Bangladesh increased by 5.47 per cent year-on-year, or $183 million, during the January-February period.

However, the quantity of shipments declined by 3.02 per cent, or 6 million kgs, at the same time.

Among the top 10 apparel sourcing countries for the EU, Bangladesh, India, Vietnam and Pakistan showed positive growth while Turkey and some other nations saw decline.

The EU's imports from Turkey, its third largest apparel source, fell by 11 per cent year-on-year during the January-February period, when the country shipped $1.82 billion worth of clothing items.

The global economy and trade scenario are showing signs of depression, which is clearly affecting the European market as evinced by the data, according to Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

China remained the top supplier at the time, providing 26.27 per cent of the EU's total apparel imports

Although Bangladesh has been performing relatively better than its major competitors, the growth seen in the first two months of 2023 was largely due to inflated raw material prices and subsequent hikes in the production cost.

So, the value of goods exported went up while the overall volume fell, Hassan said in an email to BGMEA members.

"However, we need to cautiously monitor the trend in major markets, focus on alternative strategies, such as reducing dependence on single markets or products, and ensure balanced investment plans for backward and forward linkages," he added.

Hassan went on to say that the sale of garment items has slowed a bit in western markets due to high inflation stemming from the ongoing Russia-Ukraine war that began on February 24 last year.

It is due to the war that most global apparel retailers and brands are witnessing a significant build-up of inventory at their stores.

"So, they have lowered their work orders for new clothing," he said.

Local exporters had been covering the lower demand for garment items by supplying high-end, value-added clothing to secure better prices for the past few months.

However, this is not possible anymore as the demand for such apparel is falling steeply because of the high bank interest rates and inflation resulting from the war, Hassan added.

The unit price of garment items made in Bangladesh increased by 8.75 per cent year-on-year in the January-February period, EUROSTAT data shows.

As such, clothing from the country sold for $18.26 per kg in the EU during the first two months of the year, up from $16.79 per kg in 2022.

The average price of imported garment items in the EU increased by 8.97 per cent to $24.88 per kg in January-February compared to $22.83 per kg in the corresponding period the year before.

China saw the lowest price hike for its clothes in the EU with a 3.97 percent increase while Indonesia witnessed the highest with 22.97 per cent.

Meanwhile, the price of apparel from Turkey saw growth of 13.95 per cent while Vietnam registered 13.01 percent, Cambodia 12.05 per cent, India 9.16 per cent and Morocco 7.78 per cent.

GP's profit declines in Q1 of 2023

Approves 220% cash dividend for 2022

STAR BUSINESS REPORT

Grameenphone Ltd's profit declined 3.8 per cent year-on-year to Tk 779.12 crore in the first quarter of 2023.

The largest mobile phone operator in Bangladesh made Tk 810.18 crore in profit in the January-March quarter of 2022.

Thus, the earnings per share were Tk 5.77 in January-March this year against Tk 6 in the same quarter last year, according to the unaudited financial statements.

The net operating cash flow per share rose to Tk 12.97 in the January-March quarter from Tk 12.52 reported in the same quarter in 2022.

The net asset value per share was Tk 40 on March 31 this year and Tk 42.94 on the same day last year. In a filing on the Dhaka Stock Exchange yesterday, GP said that the net change in cash and cash equivalent for the quarter that ended on 31 March is higher compared to a year earlier due to lower cash used in financing activities.

GP shares traded at Tk 286.60 yesterday, unchanged from a day earlier.

Meanwhile, the board of Grameenphone approved a 220 per cent cash dividend for 2022, according to a press release.

The announcement comes after the operator held its 26th annual general meeting yesterday. It was organised virtually in line with the instruction of the Bangladesh Securities and Exchange Commission. GP announced a 125 per cent interim cash dividend pay-out earlier.

The net asset value per share was Tk 40 on March 31 this year and Tk 42.94 on the same day last year

In the press release, Jorgen C Arentz Rostrup, chair of Grameenphone, said, "2022 was a milestone year for Grameenphone, as we marked 25 years of providing mobile connectivity for millions of people and businesses across Bangladesh."

Despite adverse regulatory and macroeconomic challenges, the company delivered top-line growth, enabled by network investments, strength in market execution, and greater efficiency from digital transformation and modernisation efforts across the organisation, he said.

In 2022, GP acquired the maximum allowable 60 MHz spectrum in the auction for the 2600 MHz band and also focused on expanding the network, said Yasir Azman, chief executive officer of Grameenphone.

MTB recorded Tk 236cr profit in 2022

STAR BUSINESS REPORT

Mutual Trust Bank Ltd posted a Tk 236.84 crore profit in the financial year that ended on December 31, down more than 20 per cent from a year earlier.

The profit stood at Tk 297.62 crore in 2021.

The private commercial bank reported consolidated earnings per share of Tk 2.65 for 2022 against Tk 3.33 in 2021.

The consolidated net asset value per share rose to Tk 23.87 from Tk 21.99 while the consolidated net operating cash flow per share improved to Tk 13.82 from Tk 12.94 during the period.

The board of directors of MTB has recommended a 10 per cent stock dividend for 2022.

The board has also decided to increase the authorised capital to Tk 2,000 crore from Tk 1,000 crore, according to a post on the Dhaka Stock Exchange.

India's services activity hits near 13-year high

REUTERS, *Bengaluru*

India's services activity expanded at the fastest pace in nearly 13 years in April, driven by robust demand, according to a private survey which also showed price pressures increased at their fastest rate in recent months.

Strong growth in services, which make up around 60 per cent of India's overall gross domestic product output, paints an encouraging picture for the South Asian nation's economic prospects, at least for the near term.

The S&P Global India services Purchasing Managers' Index jumped to 62.0 last month from 57.8 in March, its highest since June 2010 and well above all forecasts in a Reuters poll which had predicted a fall to 57.0.

It was above the 50-mark separating growth from contraction for a 21st straight month, the longest stretch of expansion since August 2011.

"India's service sector posted a remarkable performance in April, with demand strength backing the strongest increases in new business and output in just under 13 years," said Pollyanna De Lima, economics associate director at S&P Global Market Intelligence.

"Finance and Insurance was the brightest spot, topping the sectoral growth rankings for both measures."

Along with robust domestic demand, international demand was strong as the sub-index rose to a four-month peak and business optimism hit its highest since December.

However, employment generation in the services industry only saw a marginal uptick as most firms reported sufficient labour capacities to meet rising demand.

Salesmen fold shirts inside a clothing store at a market in Mumbai. Strong growth in services, which make up around 60 per cent of India's overall gross domestic product output, paints an encouraging picture for the South Asian nation's economic prospects. PHOTO: REUTERS/FILE

Union Bank made Tk 162cr profit in 2022

STAR BUSINESS REPORT

Union Bank Limited made a Tk 162.69 crore profit in 2022, slightly up from a year earlier.

The profit stood at Tk 161.66 crore in 2021.

The bank reported earnings per share of Tk 1.57 for 2022. It was Tk 1.56 in 2021.

The net asset value per share fell to Tk 15.82 from Tk 17.91 while the net operating cash flow per share slipped to the negative territory to stand at Tk 13.81 from Tk 9.38 in 2021.

The board of directors of Union Bank has recommended a 5 per cent cash dividend for the year that ended on December 31.

Shares of Union Bank were unchanged at Tk 8.90 on the Dhaka Stock Exchange yesterday.