



New factories are springing up in Narsingdi as the industrial hub's connectivity with the capital and other key cities in Bangladesh has received a boost recently. The photo was taken from the Kararchar area under the district's Shibpur upazila on Friday.

PHOTO: JAHIDUL ISLAM

Profit of ACI Formulations suffers drop

STAR BUSINESS REPORT

ACI Formulations Limited suffered a 13 per cent year-on-year fall in profit to Tk 6.28 crore in the third quarter of the current financial year.

The profit of ACI Formulations, a subsidiary of ACI Limited, stood at Tk 7.22 crore in the identical January-March quarter of 2021-22.

Thus, the consolidated earnings per share of the company declined to Tk 1.33 in January-March of 2023 from Tk 1.53 in the same period a year earlier.

The profit of the chemical producer, however, edged up 2 per cent to Tk 25.32 crore in July-March of FY23. It was Tk 24.75 crore in the same period in FY22.

So, it reported consolidated earnings per share of Tk 5.36 in the nine-month period of FY23 against Tk 5.24 in the same period a year ago.

ACI Formulations' consolidated net operating cash flow per share plummeted to Tk 11.29 negative from Tk 0.38 in the first three quarters of the current financial year.

ACI Formulations said the inventory build-up for the upcoming months was the reason for the significant deviation in net operating cash flow per share.

The consolidated net asset value per share was Tk 68.74 on March 31 this year and Tk 65.88 on June 30 last year.

Narsingdi's clout as industrial hub grows

Thanks to improved connectivity with Dhaka, lower land prices and labour costs

SHARIFUL ISLAM, and JAHIDUL ISLAM

New industries are being set up in Narsingdi as the district's road connectivity with the capital has seen a remarkable improvement in recent years, businessmen say.

Thanks to the improvement of road infrastructure, travelling time between Dhaka and Narsingdi has gone down significantly, accelerating rapid industrialisation.

Earlier, the travelling time to Dhaka from Narsingdi, just 57 kilometres off the capital city, was two and a half hours to three hours. It now takes less than one and a half hours thanks to a 300-foot highway in Dhaka's Kuril area.

"Lower land prices and labour costs in Narsingdi compared to those in the capital are major reasons," Momen Mollah, president of the Narsingdi Chamber of Commerce & Industry, told The Daily Star recently.

The number of textile mills, electronic products and food items manufacturing industries and power looms is increasing in the district.

Besides, Madhabdi and Narsingdi sadar, hubs for textile industries, are close to the industrial belt of Narayanganj, so industrialisation is accelerating in its adjoining areas, Momen added.

Some 448 businesspersons secured registration as general and associate members from the district chamber in 2021 and 2022. The number of people



registered with the trade body is already around 200 in the first three months of 2023.

The chamber has about 5,000 members.

Industries that export products, import raw materials and seek loans from banks and other financial institutions need to obtain registration from the trade body.

Officials of the Department of Environment in Narsingdi said 69 factories received the agency's approval in 2020. The number rose to 103 in 2021 and 128 last year. Similarly, 347 factories had their registration renewed in 2022.

According to Bangladesh Handloom Education & Training Institute, Narsingdi, the district has 26,693 handlooms and power looms, employing 7,247 people.

Md Moniruzzaman Bhuiyan, general secretary of the Shekherchar-Baburhat Traders Association, says there are

the setting up of more industries. "We also need gas at reduced prices. Then industries will show more interest in making investments."

Anisur Rahman Bhuiyan, a businessman, says katan sari is produced in Mirpur and its finishing used to be performed in Narayanganj.

"But due to the improvement in communication in the last five years, the finishing task is being done in Narsingdi."

He said small businessmen are investing more in the handloom sector.

Riding on the development of infrastructure and facilities by the Bangladesh Small and Cottage Industries Corporation (BSCIC), more industries are being established in the industrial estate to manufacture yarn, plastic, food and electronic items.

In 1986, the BSCIC allotted 95 plots to 35 businesses. Products such as towels, textiles, medicines and baby foods are produced in the factories located in the estate. Collectively, they employ around 6,000 people.

Owing to the growing demand, the BSCIC has completed an extension project located over 30 acres of land in the Syednagar area of Shibpur upazila of the district.

The new facility consists of 157 plots, said Aminul Islam, the project's director.

"As the connectivity with the capital has improved, Narsingdi has turned into a better destination for business people."

CFO versus chief future officer

MAMUN RASHID

Today's companies are moving into a renewed focus on driving growth and during such times the focus of the CFO will also need to shift beyond accounting and finance. The CFO of the future must look ahead and consider broader strategic matters beyond their comfort zone. Such a person will require a multi-disciplinary skill set that is able to oversee a diverse set of initiatives across the organisation. The CFO will need to have agility in learning and be open to new ways of doing things because achieving broader horizons will not be possible without a diversity of views.

A significant barrier discovered was the mindset, especially in the financial realm. The stereotypical perception of a CFO is sometimes biased because the financial framework itself of an organisation is often viewed to be more traditional and perhaps even considered as old fashioned. This needs to change and the finance function has to work hard to break out of the old ways and leap forward so that they are viewed as drivers of beneficial transformation. Since target markets and consumer patterns are constantly shifting, how a finance manager and their corresponding business enterprise responds is essential to the success of that enterprise.

Now an important question arises – how do the CFOs become future ready? Various reports show that skills, process, culture, data, and of course, technology, are the five dimensions underlying the evolution of finance.

Thus, the overall talents of the CFO of the future has to be well balanced and make up a combination of all five of these attributes. Perhaps in the past a CFO may have been able to function simply by being highly skilled in finance and accounting methods, but today's business culture demands that the CFO must also be fully tuned with various other non-financial/accounting related attributes. Such a shift indicates that the job market as well as the overall role of a CFO will continue to expand in the future.

With the CFO, the financial function can add value by working together with other segments of the company. Whenever a business issue emerges, the cross-functional team of finance, marketing, sales, logistics, production, etc., is called upon. Decisions are made after evaluating all opinions of the various departments. This concept of business partnering is part and parcel of the finance of the future. Thus, the concept of emotional intelligence (EQ) has become a more sought-after attribute rather than high IQ, which was very valued in the past.

Having empathy and being able to connect with others within an organisation has become critical and therefore the CFO of the future cannot rely on being only a financial wizard but must also possess a great deal of EQ.

Another key area that will require even greater involvement of the CFO is risk management and this is mainly because with rapid change and innovation also comes greater risks. In such a situation, there would be a need for more vigorous and creative internal controls and fail safes would be required to mitigate unwanted circumstances. While technology may be highly beneficial for increasing the efficiency matrix of a company, the CFO must also keep a cautionary outlook and ensure that the organisation is not attempting to absorb too much change too rapidly.

CFOs of the future must be able to see the big picture because their roles will continue to broaden. They will have to become internal bridge builders between functions in order to execute agreed strategies. The CFO of the future has to demonstrate sound strategic leadership through challenges while shaping actions and making decisions that are in line with overall business targets and they have to do this with a strong grip on operational excellence and value creation.

The writer is an economic analyst

BGMEA, Taiwan to collaborate on manmade fibre

STAR BUSINESS REPORT

The BGMEA and Taiwan Textile Research Institute (TTRI) will work together to enhance the capacity of Bangladesh's garment industry, especially in manufacturing high-end products made with manmade fibre (MMF).

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) signed a memorandum of understanding (MoU) with TTRI in Taipei of Taiwan on May 4 to this end, according to a press release issued yesterday.

BGMEA Director Asif Ashraf and TTRI Vice President Sheng-fu Chu signed the deal in presence of BGMEA Directors Faisal Samad and Abdullah Hil Rakib, and Taiwan Textile Federation President Justin Huang.

The MoU also aims to foster collaboration on building capacity of the industry through sharing knowledge and expertise in technology adaptation, skills development, innovation, resource efficiency and circularity.

Other objectives are to promote direct or joint venture investments from Taiwan to Bangladesh in non-cotton textiles, high-end garment items, technical textile, woven textile and garment, skills development and innovation, it added.

In Bangladesh, spinners and weavers are expanding their capacity to produce manmade fibres because of its growing demand globally.

The three main manmade fibres – polyester, viscose and tencel – have emerged as substitutes for cotton fibres, bringing on a revolution in global fashion trends.



In Bangladesh, spinners and weavers are expanding their capacity to produce manmade fibres because of its growing demand globally. Of the country's total garment exports, more than 74 per cent is made from cotton, contrary to the global scenario where 78 per cent of garments are of manmade fibres.

PHOTO: STAR/FIELD

Standard Bank's profit climbs 45%

STAR BUSINESS REPORT

Standard Bank Limited posted a profit of Tk 112.58 crore in the financial year that ended on December 31, an increase of 45.2 per cent year-on-year.

The profit stood at Tk 77.53 crore in 2021. The bank reported consolidated earnings per share of Tk 1.06 for 2022 against Tk 0.73 a year earlier.

The consolidated net asset value per share rose to Tk 16.67 in 2022 from Tk 16.24 in 2021 while the consolidated net operating cash flow per share stood at a negative Tk 2.34 against Tk 8.28 negative in the previous year.

In a filing on the Dhaka Stock Exchange last week, Standard Bank said the increase in the cash flow was due to a collection of Tk 438.40 crore in new deposits in 2022.

Fee and commission receipts were up by Tk 46.76 crore and the income from investments in shares and securities rose by Tk 74.88 crore thanks to a spike in foreign trade business.