

Dhaka Bank makes Tk 59cr profit in Q1

STAR BUSINESS REPORT

Dhaka Bank Ltd's profit fell 13.70 per cent year-on-year to Tk 59.83 crore in the first quarter of 2023, owing to a drop in operating profit.

The profit stood at Tk 69.32 crore in the same three-month period of 2022.

Earnings per share were Tk 0.63 in January-March this year against Tk 0.73 in the first quarter of 2022, the unaudited financial statements showed.

"The EPS decreased due to a reduction in operating profit," said the private commercial bank in a filing on the Dhaka Stock Exchange.

The net operating cash flow per share (NOCFPS) sprinted to the positive territory at Tk 8.21 in the quarter from a negative Tk 4.36 in January-March last year.

"The NOCFPS increased thanks to the sale of trading securities, a drop in loans and advances to customers, and an increase in deposits from other banks," said the filing.

The net asset value per share rose to Tk 23.29 on March 31 this year from Tk 22.81 last year because of the increase in surplus in the profit and loss account.

Reliance Insurance's profit up over 24% in Q1

STAR BUSINESS REPORT

Reliance Insurance Ltd registered a 24.2 per cent year-on-year rise in profit to Tk 16.72 crore in the first quarter of the current financial year.

The profit stood at Tk 13.46 crore in the same period of 2022, according to a post on the Dhaka Stock Exchange.

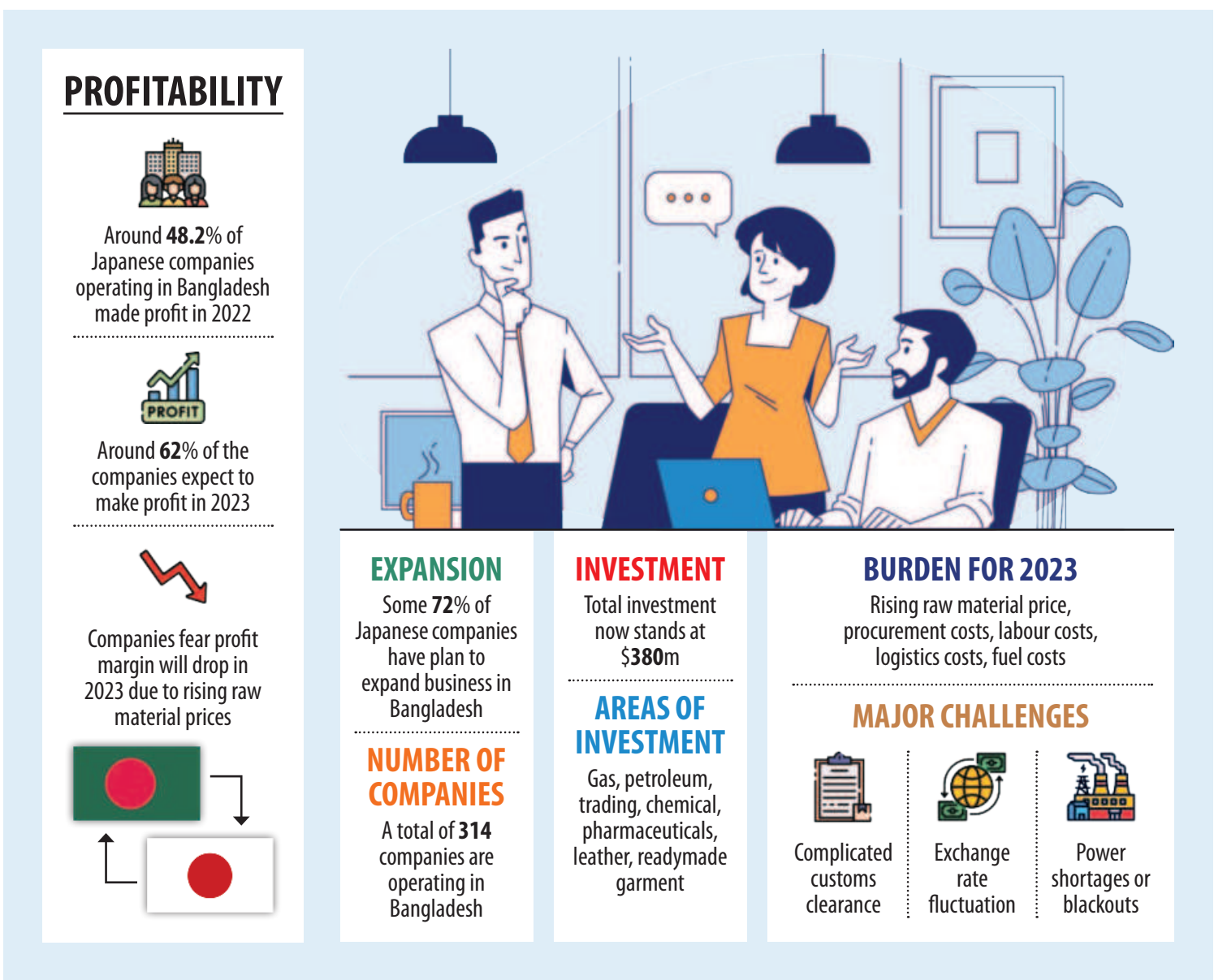
The insurer, thus, reported consolidated earnings per share of Tk 1.59 for January-March of 2023, which was Tk 1.28 in the first quarter of 2022.

The consolidated net operating cash flow per share jumped to Tk 4.23 from Tk 1.28.

The earnings per share and the net operating cash flow per share rose due to an increase in premium income, said the post.

The consolidated net asset value per share slipped to Tk 63.24 on March 31 this year from Tk 64.15 on December 31 last year.

Shares of Reliance Insurance rose 2.71 per cent Tk 56.90 on the DSE yesterday.



62% Japanese firms expect profit in 2023: survey

JAGARAN CHAKMA

Around 62 per cent of Japanese companies in Bangladesh expect to turn a profit in 2023 even though the country's macroeconomic situation is currently unstable, according to a survey of the Japan External Trade Organisation (Jetro).

This is mainly due to the fact that business is improving in line with the reduced impact of Covid-19. About 48 per cent of Japanese companies in the country registered profit last year.

However, the firms forecast lower margins this year compared to 2022 as the rising cost of raw materials, procurement, labour, logistics and fuel will remain a burden.

The survey was conducted from August 22 to September 21 last year with all 314 Japanese companies operating in Bangladesh taking part.

As was the case the year before, Bangladesh ranked fourth in terms of business confidence for 2023, as per the study, styled "Jetro Survey on Business Condition of Japanese Companies Operating Overseas (Asia and Oceania)".

Although Japanese investment in Bangladesh now stands at more than \$380 million, this is just 0.1

per cent of their overall investment in Asia.

Japanese companies in the country mainly invested in the gas, petroleum, trading, chemical, pharmaceutical, leather and garment sectors.

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Bangladesh is forecast to come third in terms of profit growth for Japanese firms among all countries and regions, the survey says.

As such, 72 per cent of the companies plan to expand their operations in the country within the next two years, up from 68 per cent in the previous survey.

Besides, the government has established the Japanese Economic Zone at Arailhazar upazila of Narayanganj to facilitate Japanese investment in Bangladesh.

The zone, jointly owned by

the Bangladesh Economic Zones Authority, Japan International Cooperation Agency and Sumitomo Corporation, opened last year.

Sources at the Bangladesh Economic Zones Authority said five companies, including Lion Corporation of Japan, Onoda and Nikka Chemical, have already signed agreements to set up factories in the dedicated industrial area.

Apart from this, 40 other companies have shown interest in investing as well with about 30 of them being Japanese.

During a recent visit to Japan, Prime Minister Sheikh Hasina called for taking the business and investment relationship between the two countries to a higher level. "Our embassy in Tokyo is ready to cooperate and facilitate your ventures in Bangladesh. Please come to Bangladesh to explore the potential of business and investment opportunities waiting for you," she said.

Also, Dhaka and Tokyo signed eight agreements and memorandums of cooperation on agriculture, the metro rail, industrial upgradation, ship recycling, customs, intellectual properties, defence cooperation and ICT and cyber security.

Linde Bangladesh's profit drops 53% in Jan-Mar

STAR BUSINESS REPORT

Linde Bangladesh Limited reported a Tk 14.03 crore profit for the first quarter of 2023, a drop of 53 per cent year-on-year.

The multinational gas manufacturer clocked a profit of Tk 29.90 crore in the same January-March quarter in 2022.

The earnings per share, thus, fell to Tk 9.22 in the first quarter of the year against Tk 19.65 during the identical three-month period of 2022, according to the unaudited financial statements of the company.

The EPS decreased due to lower sales and higher prices of raw materials in the international market coupled with the recent foreign exchange movement, said Linde in a filing on the Dhaka Stock Exchange.

The net operating cash flow per share surged to Tk 37.53 from Tk 13.71, thanks to favourable payment terms accepted by the overseas vendors.

The net asset value per share dropped to Tk 406.65 on March 31 this year from Tk 415.20 on the same day last year.

Digital transactions that shield your money

TANVIR A MISHUK

A heart-wrenching image: With everything perishing in the inferno, Bangabazar traders were sobbing inconsolably with burnt notes.

The fire ravaged the entire market, leaving hundreds of businesses suddenly depressed and impoverished. To them, the razed clothing market conjured an image of horror at a time when they were eying big sales ahead of Eid.

According to different media reports, around Tk 1,000 crore taka worth of goods had been burnt to ashes. Although the amount of cash burnt could not be ascertained, it would be few crores, as claimed by traders.

Another massive fire that broke out at New Super Market in Dhaka caused a loss of around Tk 300 crore. Traders alleged there was widespread looting during the fire that ravaged their clothing stores.

Had they got accustomed to digital transactions, the money could have been saved from burning or looting. Here lies the significance of why we are promoting cashless transactions.

We have come across a number of fire-affected traders who would use mobile financial services for transactions. That is why the amount they had in their mobile wallets or bank account remained safe. Just imagine if we build a completely cashless society, nothing can damage our money, be it fire, flooding or any other calamity.

Another important thing is that digital transactions will speed up money flow, leading to a boost in productivity. Using different digital transaction channels, especially mobile money, we can use or transact the same money multiple times within a very short time without any physical intervention. This will ultimately help our overall economy grow.

Bangladesh Bank has set a goal to make at least 75 per cent of retail transactions digitally by 2027 and for that they are mainly riding on mobile money. This is a time befitting move that will speed up Bangladesh's transition to a non-cash society.

Needless to say, mobile financial service (MFS) providers will have a big role to play in reaching the target.

Both the mobile money industry and banking sector have been relentless to popularise digital transactions, as reflected in their continuous introduction of products and services tailored to meet people's changing needs.

But undoubtedly, we can also say that the horizon of mobile money is multiple times higher than other digital payments as it covers a wider range. And we believe the more people switch to a digital platform, whether it be MFS or card-based banking service, the faster the ecosystem will be ready.

A big data centre will be built in line with the growing digital transactions of people, which will ultimately play a major role in making our overall economy digital. Our future transactions will revolve around such data.

In this way, mobile money operators will also be able to launch microcredit and savings services for our customers based on their transaction patterns.

Based on the credit rating, the MFS sector will also introduce "Buy Now Pay Later" service, which will allow end-level customers to buy products on credit and pay at their convenience. It is now available in credit card but we are trying to introduce in on mobile payment segment and I am very confident that it will change the whole paradigm of the payment procedure.

Smart transactions will also lead to less use of cash. A couple of years ago, I read an article on The Daily Star and learned that the country spends about Tk 9,000 crore to manage cash. So, I think the state can save money if we popularise digital transactions.

The government has set a target to secure the country's position as "Smart Bangladesh" by 2041, so as a mobile money carrier our main job is to make transactions smarter to achieve that goal.

The writer is founder and managing director of Nagad Limited

Most Ctg garment factories kept shut for cyclone

ARUN BIKASH DEY, Chattogram

Most garment manufacturing companies in Chattogram kept their factories closed yesterday following a request of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) centring apprehensions over Cyclone Mocha's impact.

According to sources in the BGMEA, the apex trade body of garment makers issued a notice to all members of Chattogram on Saturday afternoon.

Supply of gas from a floating liquefied natural gas (LNG) terminal in Maheshkhali has been suspended for the cyclone, so industrial plants and CNG filling stations in Chattogram are not getting any, said the notice.

Gas-powered factory boilers and workers' transport vehicles cannot be operated, so the factories in Chattogram should be kept closed for the day so that workers do not face any commute-related suffering, it added.

In response to the call, about 70 per cent of garment factories in Chattogram were kept shut, according to the BGMEA sources.

The gas supply related suspensions were confirmed by Syed Nazrul Islam, first vice president of the BGMEA, upon inquiry.

About 60 per cent of the 375 garment factories in Chattogram, including those in

export processing zones, were kept shut, he said.

Ones that did stay open are not doing much work and will also be closed by 1:00 pm, he added.

The garment factories in Chattogram employ around seven lakh workers, said Nazrul.

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If the decision-making process for sending out the request had been properly coordinated, all the factories would have complied, said Nasir Uddin Chowdhury, former first vice president of the BGMEA.

"Many may be in a rush over urgent shipments of products, they have to keep factories open," he said.

"The BGMEA can only make requests but cannot impose decisions on any member. Hence more coordinated action in urgent decision-making is required," he said.



In the aerial image taken on May 12, the Marathon Petroleum El Paso Oil Refinery is seen during takeoff from El Paso International Airport in El Paso, Texas. Oil prices settled more than 1 per cent lower on Friday to \$74.17 a barrel, falling for the third consecutive week, as the market balanced supply fears against renewed economic concerns in the United States and China.

PHOTO: AFP