

Unilever Consumer Care posts lower profit

STAR BUSINESS REPORT

Unilever Consumer Care, previously known as GloxoSmithKline, registered a fall in profits in the April-June period of 2023.

The company's profits dropped 8 percent year-on-year to Tk 16.5 crore in the second quarter of this year.

So, its earnings per share also fell to Tk 8.57, which was Tk 9.37 in the same period of the previous year.

The seller of famous nutritional drink Horlicks witnessed 8 percent fall in sales in the second quarter of 2023, which stood at Tk 82 crore, down from Tk 90 crore of the same period of 2022.

Though the profits of the company dropped in the second quarter, its half-yearly profit rose depending on higher profits in the first quarter.

The multinational company's profits rose 4.5 percent year-on-year to Tk 36 crore in January to June period of 2023.



Workers are seen loading a trawler with pangasius fish fry raised at a hatchery in Jashore for transport to different villages along the Sandhya river. The picture was taken recently from the Magura area of Swarupkathi upazila of Pirojpur.

PHOTO: TITU DAS

Inter-ministerial meeting today to discuss RCEP duty benefit

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Bangladesh is preparing to join the Regional Comprehensive Economic Partnership (RCEP) in a bid to retain duty benefits after making the United Nations status graduation from a least developed country (LDC) to a developing one in 2026.

The commerce ministry will today convene an inter-ministerial meeting, where they will discuss what kind of duty benefits the country would get should it be allowed to join the RCEP following negotiations to this end.

The RCEP is an agreement comprising the world's largest trade bloc, led by China.

The discussion will be held among senior officials to know their opinions about joining the RCEP as Bangladesh could join this trade bloc if it wants, said Senior Commerce Secretary Tapan Kanti Ghosh.

Also, the Bangladesh Trade and Tariff Commission has conducted

a study regarding the joining of the RCEP, he added.

In fact, it is very important for Bangladesh to sign the agreement with the RCEP as the country also needs to join the global value chain to retain duty benefits after its LDC graduation.

Earlier, Bangladesh had not shown any interest in joining the RCEP to safeguard its revenue generation from duties on imports.

On the other hand, none of the would-be RCEP signatories had asked Bangladesh to join their ranks prior to its launch in November 2020.

China initiated the RCEP as a free trade agreement among itself, the 10 members of the Association of Southeast Asian Nations (Asean) and Australia, India, Japan, South Korea and New Zealand.

India later refused to join the RCEP after negotiations were formally launched at an Asean summit in Cambodia in November 2020.

bKash makes profit of Tk 2.37cr in Q2

STAR BUSINESS REPORT

bKash, the largest mobile financial service provider of Bangladesh, made profit for the second consecutive quarter in the April to June period of 2023 thanks to higher revenue and larger finance income.

The company posted a profit of Tk 2.37 crore in the three months period while it incurred a loss of Tk 13.68 crore in the same period of the previous year.

The company's profits rose as its revenue soared along with higher finance income.

The subsidiary of Brac Bank published its financial reports yesterday.

However, the MFS provider's revenue soared 22 percent year-on-year to Tk 1,051 crore in the April-June quarter.

In the quarter, its net finance income rose 46 percent year-on-year to Tk 41 crore, according to the financial statements.

The company has been incurring losses for several years due to higher investment. It returns to the profit this year.

During the January to June period of 2023, its profits stood at Tk 38 crore while it incurred a loss of Tk 42 crore in the same



period of 2022.

The MFS company saw 23.5 percent higher revenue in the first six months of 2023. Its revenue was Tk 2,031 crore in the January to June of 2023, up from Tk 1,644 crore in the same period of 2022.

Launched in 2011, bKash is a joint venture of Brac Bank, US-based Money in Motion LLC, the International Finance Corporation of the World Bank Group, the Bill and Melinda Gates Foundation, Ant Group, and SoftBank Vision Fund.

Currently, it has 7 crore verified customers.



Hasne Alam, deputy managing director of Mercantile Bank, hands over power tillers to the farmers from the special CSR fund of the lender at Sindurpur in Feni on Saturday. Among others, Farid Uddin Ahmed Bhuiyan, head for Cumilla-Noakhali region of the bank, and Mohammad Shafuzzaman Khan, first vice-president, were present.

PHOTO: MERCANTILE BANK

EU, Philippines agree to relaunch free trade talks

AFP, Manila

The European Union and the Philippines will restart negotiations on a free-trade agreement as they seek to accelerate "a new era of cooperation", European Commission President Ursula von der Leyen said Monday.

Talks began in 2015 under then-Philippine president Benigno Aquino but stalled two years later under his successor Rodrigo Duterte, whose deadly drug war strained diplomatic relations with the West and sparked an international probe.

"I'm very glad that we have decided to relaunch negotiations for (a) free-trade agreement (FTA)," von der Leyen told reporters at a joint news conference with President Ferdinand Marcos in Manila.

"Our teams will get to work right now on setting the right conditions so that we can get back to the negotiations," she said, noting an FTA

has "huge potential for both of us" in terms of jobs and growth.

The European Union is the Philippines' fourth-largest trading partner, and an FTA would be Manila's second bilateral deal after Japan.

Marcos described the Philippines and the European Union as "like-minded partners" with "shared values of democracy, sustainable and inclusive prosperity, the rule of law, peace and stability, and human rights".

The Philippines enjoys a Generalised Scheme of Preferences Plus (GSP+) status that allows it to export 6,274 products to the European Union tax-free, but this is set to expire at the end of this year.

Under the GSP+ scheme, which is extended to developing countries, Brussels cuts its import duties to zero on two-thirds of product categories in return for implementing 27 international conventions on human rights, labour rights, the environment and good governance.

Private sector's

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Short-term loans, which mature within three to nine months, account for 63.5 percent of the total private sector borrowing from foreign sources.

But thanks to the strained US dollar stockpile, sharp devaluation of the local currency and higher interest rates, short-term loans are being discouraged by the private sector, industry insiders said.

"Those [short-term debts] are constantly rolled over -- new credit comes in and helps pay off the old amount," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

"Now, repayments for the private sector's foreign loans will have to come from the reserves," he added.

An official of a private bank said the interest rate against foreign loans is now higher than what it was previously. As a result, many private companies are not interested in availing foreign loans.

89.35% votes cast

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The voting started at 9am and ended at 4pm without any break at the Bangabandhu International Convention Centre in Dhaka.

Chowdhury said no vote was cancelled and no untoward incident took place during the election.

"The results may come out tonight, but it will take time, as the counting of the votes is still going on," Chowdhury said.

On August 2, the elected directors will pick the president, a senior vice president and six vice presidents.

This year the election was held only in the association for 23 posts of directors as the 23 directors for chamber group were elected unopposed earlier.

In the association group, 49 candidates contested for 23 posts of directors.

Of the 49 candidates, 23 were from each of two panels and three were independent candidates.

Most listed MNCs post higher profits

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Berger Paints Bangladesh posted a 5.42 percent increase in profit.

Heidelberg Cement made a profit of Tk 9.11 crore in April-June against a loss of Tk 3.75 crore a year earlier. Sales grew 16 percent to Tk 452 crore.

Marico Bangladesh reported a 29 percent growth in profit, on the back of higher sales and lower marketing and sales costs. The FMCG company's sales rose 8 percent to Tk 396 crore.

Bata Shoe's profits rose 15 percent to Tk 30 crore and sales were up 2.5 percent to Tk 321 crore.

British American Tobacco, Unilever Consumer Care, RAK Ceramics, Reckitt Benckiser Bangladesh, and Linde Bangladesh reported lower profits.

Profits of Unilever Consumer Care dropped 8 percent to Tk 16.5 crore. Sales fell 8 percent to Tk 82 crore.

Profits of RAK Ceramic dropped 33 percent to Tk 12 crore owing to higher cost of energy. Sales rose slightly to Tk 180 crore from the previous year's Tk 179 crore.

Linde's net profit plunged 40 percent to Tk 13 crore in April-June owing to costlier raw materials and higher operating expenses.

Higher production costs, soaring operating expenses and increased tax payments have negatively impacted the earnings growth of BATBC.

Reckitt Benckiser's profit dropped to Tk 14.69 crore from Tk 14.8 crore during the same period in 2022.

bKash, Pragati Life Insurance

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He said the shareholders of bKash all have long and proven experience of working on financial inclusion as well as world-class digital banks.

"This global experience, along with our 12 years' involvement in Bangladesh's financial inclusion through digital services, has made us interested in applying for a digital bank."

In a separate post on the DSE, Pragati Life Insurance Ltd said its board has decided to invest 10 percent of its paid-up capital, or Tk 12.50 crore, in the proposed digital bank named Pragati Digital Bank.

Shares of the insurer, however, slipped 5.77 percent to Tk 129.

The central bank invited applications for forming digital banks from June 21 and the deadline was initially set at August 1.

The deadline was extended to August 17 to give entrepreneurs more time to prepare detailed and quality applications with all the necessary documents.

Three more listed companies ACI Ltd, Bank Asia and Crystal Insurance shared plans to roll out digital banks.

Globally, digital banking is on the rise and the trend accelerated owing to the coronavirus pandemic, which forced people to work, communicate, study, purchase and get entertained online.

Over the years, Bangladesh has also joined the shift, driven by the rising internet population and growing adoption of mobile banking and digital payments.

The massive success of mobile financial service providers, which have put some form of banking services in the hands of users, has paved the way for digital banking in a country where many people still don't have access to the traditional financial system.

According to research from a global firm, the global digital banking market is expected to reach \$30.75 billion by 2027, with an annual growth rate of 19 percent.

Eurozone economy rebounds as inflation slows

AFP, Brussels

Economic growth in the eurozone rebounded in the second quarter, data showed Monday, but concerns remain over inflation that is slowing yet still stubbornly high, and over stagnation in the German economy.

The EU's Eurostat data agency said growth in the 20-country single currency zone reached 0.3 percent over the April-June period after recording zero growth in the first three months of the year.

The first-quarter figure was revised from a decline of 0.1 percent that had signalled a technical recession.

The figures came after data last week showed that Germany's gross domestic product (GDP) stagnated between April and June, though the French and Spanish economies grew more than expected.

The European Central Bank (ECB) has hiked interest rates to their highest level since May 2001 to tame red-hot inflation, though its president Christine Lagarde last week indicated that the aggressive rate-hiking campaign could be paused.

Growth in the 20-country single currency zone reached 0.3 percent over the April-June period after recording zero growth in the first three months of the year

Analysts suggest that another hike is still a possibility and could further constrain economic growth.

"With monetary tightening still expected to have its most dampening effect on growth later, continued broad stagnation of economic activity remains the most likely outcome for the coming quarters," said Bert Colijn, senior eurozone economist at ING.

Colijn said the eurozone GDP reading would not be "a dovish argument" at the next ECB rate-setting meeting in September, "leaving a further hike on the table".

While the eurozone registered a slight drop in overall inflation this month, to 5.3 percent from 5.5 percent in June, in line with analyst expectations, core inflation -- which strips out more volatile elements -- was unchanged at 5.5 percent.

Both figures remain far higher than the ECB's two-percent target, though Lagarde said before the data release that "we are reaching our goal".

"By all accounts, monetary policy has started to have an effect for lowering inflation," she told French daily Le Figaro in an interview published late Sunday. Also, food and drink costs are still rising sharply, at 10.8 percent compared with 11.6 percent in June, hitting European consumers' wallets.

Energy prices, however, dipped further, falling by 6.1 percent in July on the back of a drop of 5.6 percent in June.

The core inflation rate, which excludes fast-changing energy, food, alcohol and tobacco prices, is the key indicator for the Frankfurt-based ECB.



The voting for FBCCI election started at 9am and ended at 4pm without any break at the Bangabandhu International Convention Centre in Dhaka yesterday.

PHOTO: RASHED SHUMON