IPDC's profit sinks

STAR BUSINESS REPORT

IPDC Finance Limited's profit slumped 62.70 percent year-on-year to Tk 8.16 crore in the second quarter of 2023 owing to a rise in interest expenses, salary and allowances and provision for loans and investments.

The non-bank financial institution made a profit of Tk 21.89 crore in the April-June quarter of 2022.

Thus, the earnings per share slipped to Tk 0.22 in April-June of 2023 against Tk 0.59 in the identical quarter of 2022.

The EPS declined due to a rise in interest expenses, salary and allowances and provision for loans and investments, according to a filing on the Dhaka Stock Exchange.

The profit stood at Tk 9.65 crore in the first half of 2023, which was Tk 44.16 crore in the identical period of 2022, a decrease of 78 percent year-on-year. So, the EPS slipped to Tk 0.26 from Tk 1.19 during the period.

The net operating cash flow per share, however, narrowed to Tk 4.62 negative in January-June of 2023 from Tk 13.29 negative during the same period last year.

The NOCFPS increased due to a decrease in loan disbursement and negative cash flow from deposits, the filing said.

The net asset value per share fell to Tk 17.51 on June 30 from Tk 18.33 on December 31.

Shares of IPDC Finance closed unchanged at Tk 57.60 on the DSE yesterday.

Saudi Arabia may raise crude prices

REUTERS, *Singapore*

Saudi Arabia, the world's biggest oil exporter, may raise its price for Arab Light crude for sale to Asian refiners for a third month as its voluntary output cuts may be extended, further tightening the supply of high-sulphur, or sour, crude.

State-owned Saudi Aramco may raise the official selling price (OSP) for its flagship Arab Light crude in September by about 45 cents from August to $3.65 a barrel above Oman/Dubai quotes, which would be the grade's highest premium this year, a Reuters survey of five refining sources showed.

Saudi Arabia has said it will cut its production by 1 million barrels per day (bpd) in July and August on top of broad reductions

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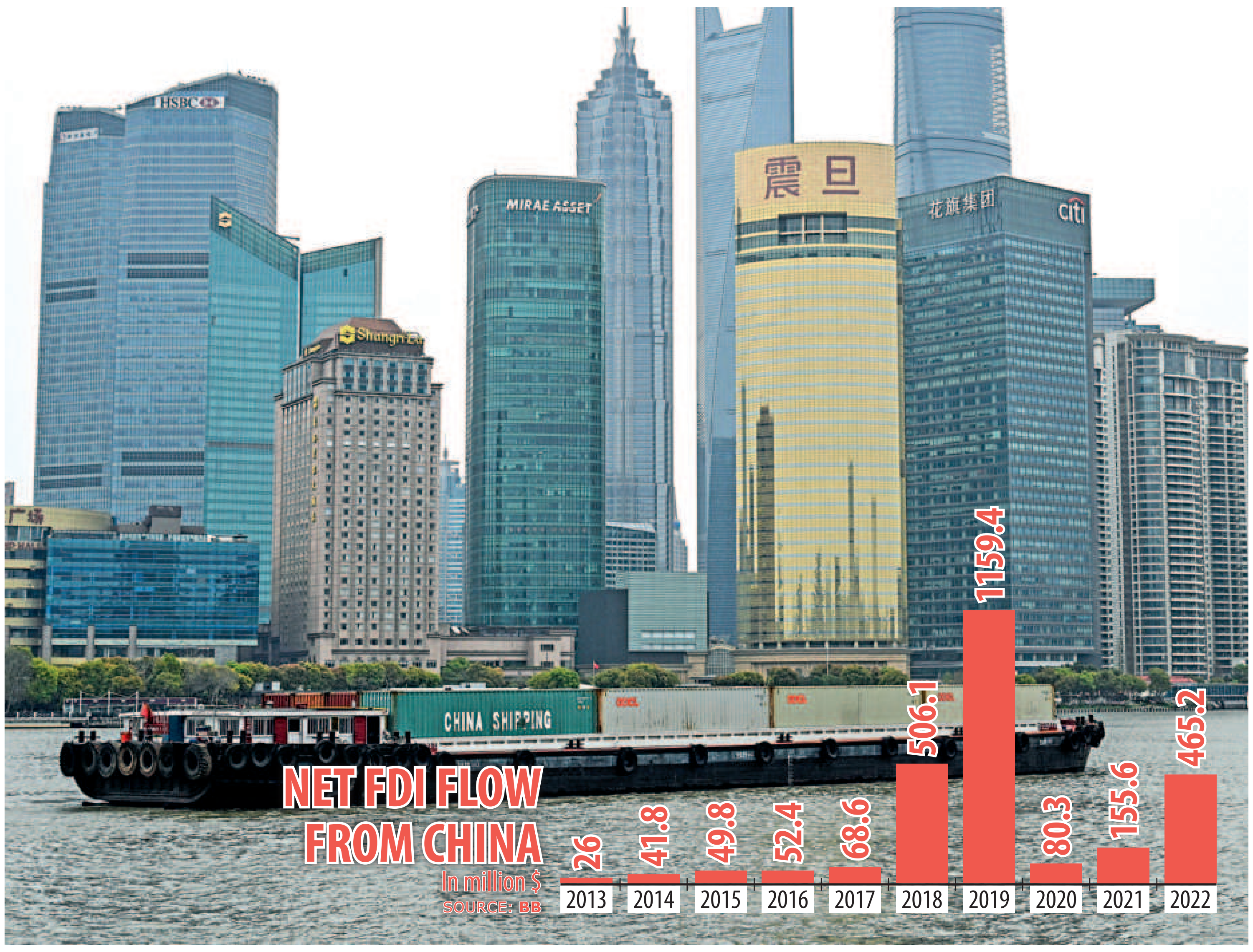

Chinese FDI showing strong growth

A result of Bangladesh's relatively investment-friendly conditions, says Chinese embassy

JAGARAN CHAKMA

Bangladesh has seen rapid growth in foreign direct investment (FDI) from China ever since the country joined its Belt and Road Initiative (BRI) in 2016, according to a report by the Chinese embassy in Dhaka.

Besides, Chinese investors have started coming to Bangladesh as the country has a favourable investment climate, it said.

Bangladesh received more than $2.6 billion in FDI from China over the past 10 years while the total FDI from Japan stands at just $380 million till date, according to data of Bangladesh Bank.

The Chinese FDI was made in industries such as garments, telecommunications, energy, manufacturing, infrastructure, leather and leather goods, chemicals, and so on.

Bangladesh and China also witnessed sharp growth in bilateral trade, which amounted to $25 billion in 2022 compared to $6.77 billion in 2013.

Goods imported from China to Bangladesh mainly consist of capital machinery and raw materials.

Meanwhile, Bangladesh's exports to China are mostly comprised of vegetables, frozen and live fish, leather and leather goods, paper, and garment items such as yarn and woven fabrics.

The report, released on July 2 earlier this year, provides an assessment of the overall investment by Chinese investors in Bangladesh as well as the barriers they face.

Styled "Invest Social Responsibility Report of Chinese Enterprises in Bangladesh", the report said that Chinese enterprises in the country have made significant contributions to its economic development.

For example, nearly 1,000 Chinese enterprises are currently operating in the country, creating approximately 5.50 lakh employment opportunities in the process.

However, these companies face challenges in doing business because of cultural differences while Bangladesh's sub-par public safety conditions and infrastructure levels also play a part.

Bangladesh received more than $2.6 billion in FDI from China over the past 10 years. The investment was made in industries such as garments, telecom, energy, manufacturing, infrastructure, chemicals and so on

"So, we can invite experts and scholars who are familiar with the regional culture to provide special training to employees of Chinese-funded enterprises stationed in Bangladesh," the report said.

This way, the Chinese firms will be able to understand Bangladesh's cultural characteristics, habits and religious values to ensure that all work is carried out in accordance with laws and regulations, it added.

The Chinese embassy pointed out that as economic globalisation continues to advance, Bangladesh is becoming increasingly integrated with the world.

As a result, more foreign companies are setting up shop in the country's domestic market.

The report also said Chinese companies in Bangladesh should leverage their advantages in professional fields, actively expand operations, and improve their project management and contract execution levels.

In addition, they should enhance their international compliance, and cultivate specialised, refined, and simplified high-quality project teams.

Bangladesh's government has created a relatively investment-friendly climate for foreign investors and actively provides assistance to this end.

So, it is important to seize the opportunities presented by the country's commitment to development and willingness to provide favourable conditions in this regard, the Chinese embassy said in its report.

However, Chinese companies must establish a comprehensive self-regulation and cooperation mechanism at the government and industry levels in order to achieve healthy development.

The Chinese embassy added that there is a clear demand for the upgradation of industrial technology in Bangladesh, with strategies such as "Smart Bangladesh" being implemented.

The report also said Chinese companies need to actively integrate into Bangladesh's market and improve their localisation at the management level.

This can be done by actively selecting and cultivating a group of responsible and capable personnel among foreign employees

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FBCCI POLLS

Sammilito Baboshayee Parishad bags 15 posts

Baboshayee Oikko Parishad wins 8

STAR BUSINESS REPORT

The Sammilito Baboshayee Parishad won 15 posts while its opponent Baboshayee Oikko Parishad secured eight posts in the election of the association group of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) on Monday.

The polls took place at the Bangabandhu International Conference Centre in Dhaka to elect the leadership of the apex trade body of the country for the tenure of 2023-25. The results were announced early yesterday.

Mahbubul Alam, the representative of the Chittagong Chamber of Commerce and Industry, led the Baboshayee Oikko Parishad while Mir Nizam Uddin Ahmed led the Sammilito Baboshayee Parishad.

This year the voting took place only for the 23 posts in the association group as 23 directors for the chamber group were elected unopposed earlier.

In the association group, 49 candidates contested. Of them, 23 came from each of the two panels while three contested in the biennial elections as independent candidates.

The voting started at 9am and ended at 4pm without any break. Some 1,746 out of the 1,954 voters cast their votes, giving a turnout of about 89.35 percent, according to data from the FBCCI.

A Matin Chowdhury, chairman of the election board, announced the results at around 2:30am yesterday.

The elected directors are expected to choose the president, a senior vice-president and six vice-presidents today.

As per the rules of the apex trade body, the chamber group and the association group get the chance to elect their nominee as the president in an alternate term. This year the president will be picked up from the chamber group.

Since Alam is leading the chamber group and his panel has secured a majority, the business leader from the port city is set to be the next president of the federation.

Alam's panel bagged 63 out of 80 posts that make up the board of the FBCCI.

Of the directors, 17 are nominated from the chamber group and 17 from the association group. The rest 46 directors are elected, with 23 coming from the chamber group and 23 from the association group.

This year, 16 directors from the chamber group and an equal number of directors from the association group have been nominated after two directors from each group were disqualified.

The election of the chamber group was not required after four out of 27 candidates withdrew their candidacy against 23 posts, allowing the remaining contestants to be elected unopposed.

Dhaka Bank's profit jumps 31% in Q2

STAR BUSINESS REPORT

Dhaka Bank Limited's profit climbed more than 31 per cent year-on-year to Tk 71.47 crore in the April-June quarter of 2023.

The private commercial lender made a profit of Tk 54.36 crore in the identical quarter of 2022.

Thus, the consolidated earnings per share rose to Tk 0.71 in April-June this year against Tk 0.54 in the same period of 2022, according to the unaudited financial statements

The EPS increased thanks to a rise in interest income and a decrease in provisions against loans and advances, said the bank in a filing on the Dhaka Stock Exchange.

The healthy profit in the second quarter raised earnings to Tk 131.86 crore in the first half against Tk 122.81 crore during the January-June of 2022, a year-on-year spike of 7.36 per cent. So, the consolidated EPS went up to Tk 1.31 from Tk 1.22.

The consolidated net operating cash flow per share returned to positive territory to stand at Tk 29.04 in January-June against a negative Tk 16.80 in the similar half of 2022.

The NOCFPS increased due to a fall in disbursement of loans and a rise in deposits and borrowings, the filing said.

The consolidated net asset value per share rose to Tk 22.05 on June 30 this year from Tk 20.91 on the same day last year. Shares of Dhaka Bank traded at Tk 12.50 on the DSE yesterday, unchanged from a day earlier.

World factory activity shrinks

REUTERS, *London/Tokyo*

Global factory activity took a further turn for the worse in July, private surveys showed on Tuesday, a sign slowing growth and weakness in China were taking a toll on the world economy.

The downturn highlights the dilemma for policymakers who embarked on aggressive tightening cycles in a battle to keep inflation at bay and yet also need to try and forestall potential recessions.

A Purchasing Managers' Index (PMI) covering the euro zone as a whole showed manufacturing activity contracted in July at the fastest pace since Covid was cementing its grip on the world as demand slumped despite factories cutting their prices sharply.

There was considerable weakness in Germany, Europe's largest economy, while France and Italy, the second- and third-largest euro zone economies, also recorded marked deteriorations since June.

HCOB's final euro zone manufacturing PMI, compiled by S&P Global, fell to 42.7 in July from June's 43.4, its lowest since May 2020 and matching a preliminary reading. A reading below 50 marks a contraction in activity.

An index measuring output, which feeds into a composite PMI due on Thursday and seen as a good gauge of economic health, dropped to 42.7 from 44.2, a low not seen in over three years.

The manufacturing downturn in Germany deepened at the start of the third quarter as goods producers recorded sharper declines in new orders, data showed.

Meanwhile, France's factory sector contracted further in July although the downturn was not quite as bad as first forecast.

"Today's PMI results are an indicator of the ongoing uncertainty that the euro zone manufacturing sector is currently facing," said Thomas Rinn, global industrial lead at Accenture.

"Demand is going through a rocky patch. Dwindling output coupled with the knock-on effects of inflation, labour shortages and shifting customer preferences, all continue to put a squeeze on businesses."

In Britain, outside the European Union, factory output contracted in July at the fastest pace in seven months, hit by higher interest rates and fewer new orders, despite weakening price pressures.

Japan, South Korea, Taiwan and Vietnam saw manufacturing activity contract in July, surveys showed, highlighting the strain sluggish Chinese demand is inflicting on the region.

China's Caixin/S&P Global manufacturing PMI fell to 49.2 in July from 50.5 in June, missing analysts' forecasts of 50.3 and marking the first decline in activity since April.

The data was in line with the government's official PMI on Monday, raising challenges for policymakers seeking to revive momentum in China's post-Covid recovery.

"Manufacturing PMIs remained in contractionary territory across most of emerging Asia last month and the underlying data point to further

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Employees work on the production line of the Schneider Electric factory in Beijing, China.

PHOTO: REUTERS/FILE