

Matin Spinning Mills' profit dips

STAR BUSINESS REPORT

Matin Spinning Mills PLC, a concern of DBL Group, said its net profit after tax plunged 59 percent in the financial year ending in June 2023 despite the company registering increased revenue.

The spinning mill saw its revenue grow by 22 percent year-on-year to Tk 734 crore in the July-June period of financial year 2022-23 as production of special yarn began at its new unit.

Yet, its earnings dipped to Tk 42.7 crore for the financial year ending in 2023, down from Tk 105 crore the same period a year ago. Earnings per share of the company declined accordingly.

The concern of DBL Group, one of the largest apparel exporters, said its earnings fell mainly because of a 22 percent spike in the cost of goods sold, resulting from a significant increase in raw material cost, power and fuel cost, finance cost as well as other costs.

At the same time, the sales price of yarn decreased 12 percent per kilogramme during the financial year, said Matin Spinning, a listed company with the stock market, in a price sensitive disclosure.

"Our utility cost has soared. Besides, our repayment cost for foreign loans shot up because of the depreciation of the taka against the US dollar," said Md. Shah Alam Miah, company secretary of Matin Spinning Mills, one of the largest spinning mills in the country.



A fisherman uses traps made of woven bamboo strips, called "teprai" in Bangla, to catch small fish at Kodalkhata area of Moghalhat union in Lalmonirhat sadar upazila. Bamboo is being slowly replaced with plastic and nylon for more durability with changes in traditional fishing practices. However, some communities still use such traps whose materials, shapes and sizes are customised to fit the catch as well as their environment such as water depth and current. Each "teprai" can cost anywhere from Tk 400 to Tk 1,000. The photo was taken recently.

PHOTO: S DILIP ROY

GDP data, with unpaid household work, to be published soon

Planning Minister MA Mannan says

STAR BUSINESS REPORT

The government is likely to announce the gross domestic product (GDP) figures soon by incorporating women's unpaid household work, said Planning Minister MA Mannan yesterday.

"We have already drafted a figure with the help of the Bangladesh Institute of Development Studies. And, a fairly predictable figure has arrived," Mannan said.

After informing Prime Minister Sheikh Hasina, it will be announced soon, he added.

The initiative to include such unpaid work came upon directions from the premier a few months ago.

"Women do domestic chores all their life but their work has remained unreported for a long time," the premier then said.

Publishing GDP figures by incorporating such unpaid work would lead to two benefits,

Mannan said.

The first will be a truer representation of the economy's figures and the second will be recognition and dignity for those doing such work.

"In future, we will institutionalise it."

Mannan made the comments as a chief guest at the launching ceremony of a book, titled "Sahoj Kathay Orthoniti", at Bangla Academy.

The book was written by Birupaksha Paul, former chief economist of the Bangladesh Bank.

The book contains 10 chapters about basic economics, classification of markets, commodity markets, labour economics, open market economy and monetary economics.

"I have tried to aggregate personal economic issues to the free-market economy, including the society and nation's economic perspective," said Paul, a professor of

economics at the State University of New York.

He wants to translate the book into English for foreign readers.

During his speech, Paul compared inflation to blood pressure in the human body.

He explained that inflation worked like blood pressure, creating problems for consumers when it rises and hitting investment when it falls.

"This is not only important students with an economics background, it will help all readers, including policymakers," Atiur Rahman, former governor of Bangladesh Bank, said about the book.

Mohammad Nurul Huda, director general of Bangla Academy presided over the event.

Among others, Md Abdus Samad, chairman of the Social Development Foundation, and Shahid Ullah, publisher of the Aloghar Prakashana, spoke at the event.

FBCCI, EU vow to boost bilateral trade

EU envoy meets FBCCI chief

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The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and the European Union (EU) yesterday reaffirmed their commitment to bolstering trade relations between the two regions.

EU Ambassador to Bangladesh Charles Whiteley and FBCCI President Mahbubul Alam expressed their commitment to strengthen bilateral relations between Bangladesh and EU during a meeting held at the FBCCI office in Dhaka.

Alam expressed his gratitude to the EU for their support during the COVID-19 pandemic.

He also conveyed his sincere appreciation to the EU for providing Bangladesh with an additional three-year transition period to enjoy 'Everything but Arms (EBA)' facilities till 2029.

This year marks the 50th anniversary of Bangladesh's diplomatic relations with the European Union, underscoring the enduring commitment to friendship between the two regions, Mahbubul Alam said in an FBCCI statement.

Alam highlighted the EU's significance as the largest export destination for Bangladesh, accounting for approximately 45 percent of Bangladesh's total exports in 2022-23, particularly in the ready-made garments and frozen food sectors.

He lauded the EU's dedication to climate action in Bangladesh and its support for investment in environmentally-friendly technologies.

This support encompasses climate-smart infrastructure, renewable energy and resilient supply chains alongside improved water management, human resource management, coastal barriers, industrial pollution control and food security.

Alam called upon the EU to ensure that the proposed carbon border adjustment mechanism considers the needs of developing countries like Bangladesh to secure GSP+ status.

He also sought the EU's guidance in formulating and implementing carbon reduction policies.

Alam also expressed appreciation for the EU's humanitarian assistance to Rohingya refugees and sought EU support in repatriating them to Myanmar. He reiterated the EU's commitment to enhancing bilateral relations between Bangladesh and the EU.

Whiteley further underlined the EU's active collaboration with the government of Bangladesh on youth skills development and in addressing climate change-related issues.

Islami Bank adds more features to Cellfin

STAR BUSINESS DESK

Islami Bank Bangladesh has added new features to its omni-channel banking app "Cellfin", offering a wider range of financial services.

A total of 196 types of fees can be paid through the app, including passport fees, VAT, tax and different types of the government fees, through A-challan using Cellfin app, said a press release.

Upon registering on the app, users will receive an instant virtual prepaid card powered by Visa or MasterCard.

They can also avail a virtual dual currency prepaid card.

The bank designed the app in such a way that anyone could use it

smoothly at home and abroad.

People living in the USA, Singapore, Australia as well as in Middle Eastern and European countries may use the app.

Cellfin works on an electronic KYC mechanism, allowing users to open various types of IBBL accounts without going to branches.

Customers can manage their savings account, check their account balance and view statements and transactions. Moreover, they can place requisitions for cheque books.

Cellfin provides different types of transactions and payment services such as transfer of funds instantly to any bank account, card or MFS

service, including mCash, bKash and Nagad.

Adding money is available from any bank's card, IBBL savings account or mCash. Cash-in or out is accessible from IBBL branch/sub-branch, ATM/CRM or agent outlet.

Money can be sent as cash-by-code to a person without a card/account and they can withdraw it through an ATM. Customers can receive foreign remittance with a secret PIN or through VISA Direct channel.

Other features of Cellfin include e-commerce payments (QR code/Online Gateway), mobile recharge, buying tickets and school-college fees payment.

Seed Policy Reforms Supporting Agricultural Growth in Bangladesh



The Policy Activity shared the Seed Policy Brief with the Honorable Minister, Ministry of Agriculture on February 9, 2023.

On August 27, 2023, the Ministry of Agriculture (MoA) lifted a five-year embargo for companies to register and market new seed varieties in Bangladesh, reducing the restriction to just one year. This major policy shift paves the way for increased agricultural growth amid an acute need for an increased supply of quality seeds. The Government of Bangladesh estimated that in 2021-2022, there was a supply of only 405,989 MT of quality seed (supplied from government and private sector sources) against a demand of 1,254,836 MT (where the shortfall was met by farmers' own sources).

The policy reform marks a major milestone for agricultural growth in Bangladesh, allowing the private sector to boost seed supply, reflects Mr. M. Anis Ud Dowla, President, Bangladesh Seed Association (BSA) – the largest national private sector platform representing seed companies and dealers. Similarly, Mr. Abu Zubair Hossain Bablu, Director General, Seed Wing, MoA, acknowledged that with increased productivity – diversity and farmers' incomes are set to grow, leading to better nutritional outcomes and more affordable market prices.

BSA's partnership with the USAID Feed the Future Bangladesh Policy

LINK Agricultural Policy Activity (Policy Activity) was a conduit to facilitate dialogue between influential seed sector stakeholders including government, private sector, development agencies, academia/ research, and communities. As informed facilitators, over a period of 18 months, the Policy Activity supported BSA in regional and national conversations through policy analysis and expert debates leading to the submission of a Policy Brief (March 2023) to the MoA with a set of 10 recommendations – 1. Reduce five-year registration embargo to market seeds; 2. Eliminate dual-licensing requirements from Seed Wing and Department of Agricultural Marketing; 3. Review Harmonized System Codes between Plant Quarantine Rules 2018 and Customs Tariff 2022-2023; 4. Reform Seed Certification Agency to Department of Seed Certification; 5. Promote private-sector growth; 6. Diversify membership in the National Seed Board; 7. Establish a full-fledged Plant Quarantine Authority; 8. Establish the Plant Variety Protection (PVP) Authority and the development of the PVP Rules 2022; 9. Strengthen higher education curricula on seed education; and 10. Promote easier access to seed

finance.

"These early signs of success are encouraging..." says Mr. Abdullah Sazzad ndc, Chairman, Bangladesh Agricultural Development Corporation (BADC) and previous Director General, Seed Wing, MoA, "...as the reduction of the five-year embargo will enhance agricultural production. Furthermore, the recommendation to reform the Seed Certification Agency to a Department is now awaiting approval," said Mr. Sazzad, "and should this be approved, this will be another milestone within the agricultural sector."

BSA continues to follow up on these recommendations and its President has recently submitted a request to the Respected Secretary of Agriculture for a speedier resolution to eliminate the dual licensing requirement (Recommendation 2). Faheem Khan, Country Lead, Policy Activity, appreciated the leadership of the MoA and BSA to help ensure food security in Bangladesh, particularly with the amendment to the five-year embargo, and the promising progress in reforming the Seed Certification Agency to a Department, and that the Policy Activity would continue to support the agricultural policy sector as feasible.

Banks suffering

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year whereas it was 9.82 percent in the preceding month, shows central bank data.

The August figure was the lowest since October 2021, when it stood at 9.44 percent.

It was also 1.15 percentage points lower than the central bank's target of 10.90 percent for the first half of fiscal year 2023-24.

A senior official of Bangladesh Bank said volatility in the foreign exchange market is one of the main reasons for the tight liquidity situation in the banking sector.

Higher import bills against moderate export and remittance earnings have caused the slide in foreign currency reserves, sending the US dollar rate to a record high amid a shortage of the greenback.

The central bank has been selling US dollars to banks from its reserves for the last two years in exchange of taka, deepening the liquidity crunch, the central bank official added.

Mohammad Ali, managing director and CEO of Pubali Bank, told The Daily Star that the central bank's recent

move to raise the policy rate further intensified the liquidity shortage.

Besides, some Sharia-based banks and state-run banks have been facing a liquidity shortage for the last few months, which impacted the overall banking sector's liquidity, he added.

Shariah-compliant banks have been bearing the brunt of the liquidity crisis ever since loan irregularities in the sector made headlines, prompting some borrowers to withdraw their funds, industry insiders said.

Echoing the same, Emranul Huq, managing

director of Dhaka Bank, said money circulation in the banking sector has reduced mainly due to the large number of bad loans.

"A large portion of money has left the market because of the growing number of defaulted loans," he said.

Besides, remittance inflow has fallen in the last two months, putting more pressure on the country's forex reserve and this ultimately squeezed money flow in the banking sector.

"So, the remittance flow will have to increase to meet the ongoing crisis," Huq added.

Export to Russia rebounds

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Garment shipment to Russia grew by 45.65 percent year-on-year in the July-September period of the current fiscal year to \$42.30 million, according to data from the Export Promotion Bureau (EPB).

Of the items, shipment of woven garments grew

by 48 percent to \$13.86 million while knitwear by 44.53 percent to \$28.44 million, the EPB data also said.

Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said the central bank's directive on

accepting payments in yuan helped revive exports to Russia even at the time of war.

The demand for locally made garment items in the Russian markets in fact is growing as the Russian economy was not that much affected by the war, he said.

Md Shahidullah Azim,

vice-president of the Bangladesh Garment Manufacturers and Exporters Association, said export to Russia has been increasing because many are shipping goods to Russia through alternative routes.

Usually, exports to a country engaged in war does not grow, he added.