

Pubali Bank's profit rises 16%

STAR BUSINESS REPORT

Pubali Bank PLC, one of the country's oldest private lenders, said its profit rose 16 percent year-on-year to Tk 612.7 crore in the nine months to September.

The bank made a profit of Tk 525.6 crore in January-September of 2022. Thus, the earnings per share (EPS) grew to Tk 5.96 from Tk 5.11 a year ago, according to the unaudited financial statements.

It posted Tk 3.25 earnings a share in July-September, recording an 18 percent gain year-on-year.

The net operating cash flow also improved in the first nine months of 2023.

Pubali Bank's share gained 0.38 percent to Tk 26.10 on the Dhaka Stock Exchange yesterday.

Prime Bank makes Tk 345cr profit in Jan-Sep

STAR BUSINESS REPORT

Prime Bank Ltd registered a 23 percent year on year increase in profit to Tk 345.17 crore in the January-September period of 2023.

The private commercial lender made a profit of Tk 279.54 crore in the identical period of 2022.

Thus, the bank reported consolidated earnings per share (EPS) of Tk 3.05 in the first nine months this year against Tk 2.47 last year, according to the unaudited financial statements.

Prime Bank, in a disclosure on the Dhaka Stock Exchange (DSE), said the EPS improved thanks to an increase in net interest and investment income.

The interest income surged by Tk 451 crore on the back of volumes and yields of loans and advances. Interest expenses increased by Tk 398 crore due to a rise in deposits and associated costs. The changes resulted in an increase in net interest incomes by Tk 53 crore.

The consolidated net operating cash flow per share increased to Tk 4.47 in the nine months from the previous year's Tk 1.09.

Prime Bank said its operating cash flow rose because of a spike in operating income, deposits and a decrease in loans and advances during the period.

Prime Bank's share dipped 0.98 percent to Tk 20.30 yesterday.



Shoppers browse through various designs of saris at the Dhanmondi Hawkers Market in the capital yesterday. Traders said sales ahead of Durga Puja had exceeded expectations, with most making more sales than they did last year.

PHOTO: AMRAN HOSSAIN

Durga Puja sales exceed expectations

SUKANTA HALDER

Shopping centres, fashion houses and other retail outlets in Dhaka found a reason to smile on the occasion of Durga Puja, the biggest annual festival for the Hindu community which begins today, with traders saying sales had exceeded expectations.

Retailers said one of the main reasons behind the increase was due to people being unable to go to Kolkata for shopping due to not getting a visa this season.

During most festive seasons, including ahead of Durga Puja, fashion brands, apparel retailers and consumer electronics retail brands bring in new collections and come up with various offers, including discounts.

Priyanka Das, a resident of the port city of Chittagong, said she had so far spent Tk 50,000 shopping for her family over the past two weeks.

She purchased panjabis, trousers, shirts and other accessories for her father-in-law, husband and brother. Apart from this, saris and other accessories were purchased for her mother and other relatives.

As a sign of gratitude, she bought a panjabi for her daughter's doctor. "It's a pleasure for him. He is not just a doctor; he has become a member of my family," she added.

Shaikat Sarker, a private sector employee in the capital, said he purchased eight saris for his mother, wife and two sisters, as well as shirts, t-shirts, pants and shoes for himself.

"This puja is our biggest festival.



There is a kind of joy in giving gifts," he said.

Sales usually pick up around 10 days before the beginning of Durga Puja, one of the biggest religious festivals for the Hindu community in Bangladesh. In addition, sales continue for at least three more days after it kicks off.

Hindus account for about 10 percent of the country's population.

Khalid Mahmood Khan, a co-founder of Kay Kraft, a retailer of fashion wear, accessories, home textiles, handicrafts and handloom-based products, says the presence of shoppers increased this season compared to the last.

He said they were quite happy so far with the amount of sales, adding that sales were better than last year despite political unrest and high inflation this year.

Khan said discount offers were given to buyers on several products, which generated a good response.

Soumik Das, CEO of Rang Bangladesh, a fashion house, echoed those sentiments, saying sales were good compared to last season. He expects sales to grow by more than 10 percent this year compared to last year.

"This season many people could not shop in Kolkata due to not getting a visa. This is also a reason behind the increase in sales," said Das.

The two Eids account for about 70 percent of all festival sales in Bangladesh while the rest take place during Pahela Baishakh and Durga Puja, according to businesspeople.

Traders said saris and salwar kameez are in high demand during the puja season. Buyers are more interested in katan, silk and embroidered saris while Jamdani saris are also in high demand.

Raihan Kabir, marketing manager and e-commerce lead at Apex Footwear Limited, said they

had seen customers start buying products for puja since last week. He also stated that sales were better than last year.

Another official of the same company said on condition of anonymity that their sales had increased by 30 percent so far ahead of this year's puja compared to last year.

Home appliance sales in Bangladesh also naturally increase around any festival. Products like blenders, grinders, egg-beaters, rice cookers, microwave ovens, washing machines and fridges see increased sales.

The trend held true this year as well, said Nurul Afsar, deputy managing director of Electro Mart Limited.

"This year, due to Durga Puja and Cricket World Cup coinciding, our sales of Konka LED TVs and fridges increased 10-15 percent comparatively," he said.

Sweets are another of the most important elements of the festival.

Shah Mostaque Ahmed, general manager of Well Food and Beverage Company Limited, which runs a food chain, says Durga Puja gets priority after Eid and Pahela Baishakh as business is good ahead of the occasion.

He said sales of sweets increased slightly compared to other times during Durga Puja.

A 10 percent discount has been offered on various types of sweets since October 15 on the occasion of Puja, he informed.

Ahmed said the Durga Puja ceremony would start on Friday and that is when they would see the highest number of sales.

Greeting new data pricing guideline

MAHTAB UDDIN AHMED

In today's modern era, most parents have concerns about their children's screen time. While we delude ourselves saying the problem is mainly with the new generation and is still reversible, the real test would be to spend a day or a week without a smartphone with all its goodies like Instagram, WhatsApp, Facebook, etc! Forget about the kids; try it on yourself first. Your misery is likely to melt the heart of even your Creator!

Internet has invariably become a critical part of modern life. If used with the right objectives, its benefits can impact our personal, social, and professional lives immensely. In our socially and economically diverse society, it removes the division in access to knowledge, communication, entertainment, and the fruition of creativity. Moreover, it undoubtedly makes daily life more convenient and efficient.

Recently, the Bangladesh Telecommunication Regulatory Commission (BTRC) has published a proposed internet guideline, which is expected to have a significant impact on internet users.

According to the proposed guideline, the maximum duration of special day packages would be extended to seven days, up from the previous three days. The validity of all packages offered by operators will now be either seven days or, 30 days, or unlimited. Furthermore, each operator will now be limited to offering 40 packages only, down from 85 previously. A welcome move, indeed!

However, it comes as no surprise that the operators are strongly against the proposal, claiming it would curtail the consumers' freedom of choice while sidetracking their obvious worry of losing out on profits.



According to the Worldwide Mobile Data Pricing 2023 report by Cable.co.uk, 1GB of mobile data in Bangladesh costs \$0.23, India \$0.16, Pakistan \$0.12, and Sri Lanka \$0.09. Bangladesh is ranked the worst in pricing against other comparable South Asian countries. Also, the basis of data or internet per GB calculation in Bangladesh is misleading as users pay for voice and SMS separately.

In India, on the other hand, all data packages include voice and SMS, and their package validity offers 28 days, 84 days, and 365 days, as in most developed countries. However, Pakistan and Sri Lanka have similar regulations as Bangladesh and henceforth can't be a good benchmark.

Bangladesh's high internet pricing is mainly due to factors such as high taxes, spectrum prices and a complex and disintegrated licencing ecosystem. Despite these issues, the target should be affordable prices to reach a new height of digitalisation.

Price regulation is not required in a competitive market unless SMP (significant market power) players abuse it. Therefore, the BTRC should focus more on the quality of services and driving the telco ecosystem nationwide.

Price regulation is an outdated practice. The regulator should refrain from it if it genuinely wants sustainable public welfare. In fact, it is now time to remove voice price protection for operators as it has proven to be counterproductive and instead focus more on internet penetration.

BTRC's proposal is clearly designed to benefit consumers. In the next phase, the package validity period should be monthly, quarterly and annually.

The commission should also empower the operators to contribute to it by removing all the regulatory obstacles. It is important that BTRC's actions are purpose-driven to avoid situations like the poor 4G device ecosystem, forcing consumers to pay for voice and SMS. The National Board of Revenue should reduce the direct tax burden on consumers to make it more affordable.

The US president once said, "It is dangerously destabilising to have half the world on the cutting edge of technology while the other half struggles on the bare edge of survival."

Bangladesh must fix the basics of technology - internet pricing, speed, and coverage, for we simply can't afford to be a part of the latter half.

The author is founder and managing director of BuildCon Consultancies Ltd

Delta Life's audit committee chair changed

STAR BUSINESS REPORT

The Supreme Court's Appellate Division yesterday changed the chairman of the audit committee of Delta Life Insurance Company Limited and gave the insurer another two months to hold its annual general meetings (AGMs) for 2020, 2021 and 2022.

Upon hearing all parties, the Appellate Division's full bench appointed Fida M Kamal, a senior advocate, as an independent director and chairman of the audit committee.

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In its June 5 order, it had allowed holding the AGM within four months.

However, the audit committee, chaired by Khondaker Sabbir Mohammad Kabir, failed to hold the audit committee meetings and review and adopt the financial reports for the three years.

In February 2021, the Insurance Development & Regulatory Authority (IDRA) appointed an administrator at the insurance company suspending its board.

As a result, the company's financial reports were not adopted and neither were the AGMs held.

The Delta is one of the largest life insurance companies in Bangladesh with a paid-up capital of Tk 123 crore.

The listed insurer's stocks were traded at Tk 138 at Dhaka Stock Exchange yesterday.

How Israel-Gaza war could impact global markets

REUTERS, London

An escalation of the Israel-Gaza war into a broader conflict could deliver another shock to world growth and halt disinflationary forces in their tracks.

Market reaction has been modest so far, but that could change.

"Whether this conflict remains limited to a confrontation between Hamas and Israel or escalates into a broader regional conflict involving Iran's proxy armed groups, notably Hezbollah, will have significant implications," said Hamza Meddeb, director of the political economy programme at the Malcolm H Kerr Carnegie Middle East Center in Beirut.

"Such an escalation could lead to increased oil prices, concerns about oil supply, and the potential for a global economic downturn."

Here are some scenarios in focus.

IRAN, THEN OIL.

The potential for Iran to become more involved and for a US response that sees a scaling up of sanctions on Iranian oil is in the spotlight.

"A crackdown on Iranian oil exports

could immediately remove somewhere from 1.2 mbd (million barrels per day) off (the) market almost instantly," said hedge fund Cayler Capital's founder and CIO Brent Belote.

In the unlikely event the United States sends troops into the Middle East, Belote expected a \$20 jump in oil prices, "if not more".

Oil jumped over 2 percent to over \$92



A view of a refinery in Los Angeles that processes domestic and imported crude oil. The conflict in the Middle East could lead to increased oil prices and concerns about oil supply, experts think.

PHOTO: REUTERS/FILE

on Wednesday and gained 7.5 percent last week.

From October 1973 to March 1974, as the Yom Kippur war prompted an oil embargo on Israel's supporters by Arab nations, oil surged over 300 percent.

"Israel has better relations with other Arab countries compared to then," JP Morgan private bank strategist Madison Faller said in a note, "and global oil supply is not as concentrated."

Nadia Martin Wiggen, director at commodity investor Svelland Capital, added a regional conflict would disrupt oil tanker routes in the Mediterranean, Black Sea and around Turkey.

INFLATION SPIKE?

An inflation surge has eased and global rate hikes are nearing an end.

A spike in oil, which briefly hit \$139 after Russia's invasion of Ukraine last year, could halt inflation's downward move. Gas prices surged 45 percent last week, another worrying sign.

"If Iran gets involved that means higher commodity prices, higher external shocks, and this is a trigger for a less disinflationary outlook,"

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