

United Power sees profit plunge

STAR BUSINESS REPORT

United Power Generation & Distribution Company Ltd saw its profits fall sharply in the last financial year because of a huge amount of foreign exchange loss incurred by its subsidiaries for devaluation of the taka against the dollar.

The earnings per share (EPS) of the company fell 20 percent year-on-year to Tk 13.83 in the 2022-23 financial year, according to a disclosure made by the company after a board meeting Thursday.

"Consolidated EPS decreased for incurring a significant amount of exchange loss in foreign currency transactions incurred by subsidiary companies for the volatile foreign exchange situation, brought about by the sharp devaluation of the taka against the dollar," said the private power producer.

"Banks have also raised interest rate on the back of stubbornly high inflation compared to the same period last year."



Bangladesh thinks its subsidies in the jute and jute goods industry do not hamper the Indian jute and jute goods sector.

PHOTO: STAR/FILE

Bangladesh to question India's countervailing duty on jute

REFAYET ULLAH MIRDHA

Bangladesh is going to defend its position and question India's logic in imposing countervailing duty (CVD) on jute and jute goods from Bangladesh to India, said Senior Commerce Secretary Tapan Kanti Ghosh yesterday.

A team from the commerce ministry is going to attend a consultation meeting to be held at the office of the Director General of Trade Remedies (DGTR) in New Delhi on October 30 regarding the imposition of CVD on Bangladeshi jute and jute goods, Ghosh told The Daily Star by phone.

The team will mainly highlight that Bangladesh's subsidies in the jute and jute goods industry do not hamper the Indian jute and jute goods sector, according to its primary investigation.

For instance, India said Bangladesh gives subsidies in jute and jute goods sectors to factories housed inside Export Processing Zones (EPZs).

But no jute and jute goods factory is located inside EPZs, the senior commerce secretary said.

Moreover, since there is already an anti-dumping duty (ADD) imposed on jute in India, it would not be right to fix CVDs on the same goods in the same market, he added.

On August 4, the Indian government sent a letter to the commerce ministry of Bangladesh, seeking a meeting with Ghosh as part of their investigation.

India started an investigation to levy CVD as it thinks its domestic jute industry is being hurt by subsidies provided by Bangladesh.

CVDs are tariffs on imported goods that are imposed to offset subsidies given by the exporting country's government while ADDs are protectionist tariffs that a domestic government imposes on foreign imports that it believes are priced below fair market value.

The Indian Jute Mills Association (IJMA) complained to the DGTR that Bangladesh's subsidies on jute and jute goods had been affecting the Indian jute industry.

The DGTR is a quasi-judicial body that independently undertakes investigations before making its recommendations to

the Indian central government.

Currently, Bangladesh gives a 12 percent cash incentive on the export of jute goods such as hessian and sacks and a 7 percent incentive on jute fibres like yarn and twine. A 20 percent subsidy is extended against the export of carbon and jute particle boards produced from the natural fibre.

In its letter, the IJMA mainly indicated that the export of a large volume of Bangladeshi-made jute sacks, which are used in the packaging of rice, and similar bags, is affecting its jute industry.

The association informed the DGTR that Bangladesh is giving a lot of subsidies for the import of capital machinery used by the jute industry. The cash incentives and subsidies are making Bangladesh's jute and jute goods industry more competitive and are affecting the Indian jute industry, it said.

Earlier, Bangladesh proposed several times that India refrain from retaining any ADD once it ceases on December 31.

Commerce Minister Tipu Munshi, during his visit to India in December last year, called for the removal of the ADD.

In response, India said the first 200,000 tonnes of Bangladeshi jute and jute goods annually would be allowed to enter the country duty-free but any additional amount would be subject to duties.

Jute and jute goods shipments to India stumbled due to the ADDs, which range from 5 percent to 30 percent.

In 2017, India imposed ADDs ranging from \$19 to \$352 per tonne on jute exported from Bangladesh for five years. It renewed the measure in 2022.

In October last year, the DGTR recommended its finance ministry reimpose the ADD for another five years, prompting Bangladesh to initiate discussions with exporters to determine the next course of action.

Bangladesh has enjoyed duty-free access to India for all goods except 24 alcoholic and beverage items under the South Asian Free Trade Agreement since 2011. As a result, exports to the country are growing steadily.

Garment items shipped from Bangladesh to India face a 12.50 percent CVD.

Huawei extends rebound

AFP, Beijing

Chinese telecoms giant Huawei on Friday announced moderate sales growth for the first nine months of 2023, building on a recovery after its business was hit hard by US sanctions and the pandemic.

The firm said revenue hit 456.6 billion yuan (\$62.4 billion) during the period, a rise of 2.4 percent on-year, while its net profit margin came in at 16.0 percent, the statement added.

Huawei has for several years been at the centre of an intense tech standoff between China and the United States, with Washington warning its equipment could be used for state espionage, an allegation the company denies.

Despite sanctions, which have cut the firm off from access to US-made components and technologies, Huawei has forged ahead with its smartphone division and sought to diversify its growth sources.

During an August visit to Beijing by US Commerce Secretary Gina Raimondo, the firm released its Mate 60 Pro handset.

The gadget, powered by an

advanced domestically produced chip, sparked debate about whether attempts to curb China's technological advancements have been effective. The latest results suggest Huawei is holding up, having posted a 3.1 percent rise in first-half revenue earlier in the year.

Ken Hu, Huawei's rotating chairman, described the results as "in line with forecast".

The firm "will continue to increase our investment in R&D to make the most of our business portfolio and take the competitiveness of our products and services to new heights," he added.

Huawei's revenue in the first three quarters of 2021 plunged 32 percent but that improved to a 2.2 percent drop in January-September 2022.

Huawei is a private, unlisted company based in Shenzhen, and is therefore not subject to the same obligations as other major firms to publish detailed results.

Huawei's consumer products business, which oversees smartphones, saw its sales rise 2.2 percent on-year to 103.5 billion yuan in the first half of the year.

Eight companies honoured

FROM PAGE B1

HSBC Bangladesh Chief Executive Officer Md Mahub ur Rahman said Bangladesh's business groups are transforming and reaching new heights with their resilience and excellence in the respective fields.

"As we celebrate the success and achievement of these business houses with dynamic entrepreneurs, we are proud to recognise them for their continued pursuit to excellence and unwavering commitment to improve the standard."

Gerard Kevin Haughey, country head of wholesale banking at HSBC Bangladesh, said HSBC is proud to partner with companies in various

sectors, providing innovative solutions that help them achieve global excellence.

AK Azad, managing director of Ha-Meem Group, Tapan Chowdhury, managing director of Square Group, Mirza Salman Ispahani, chairman of Ispahani Group, Md Hedayetullah, managing director of Syngenta Bangladesh, Shampa Rahman, director of City Group, Edgar Arturo Oviedo, director for supply chain of Gildan, Sheikh Md Monirul Islam, chief external and corporate affairs officer of bKash, and Ananta Saha, head of the international business division of Renata, accepted the trophies on behalf of their companies.

Bangabandhu tunnel

FROM PAGE B1

"Such infrastructure projects will facilitate the aim of turning Bangladesh into a developed country and transforming it into a trillion-dollar economy," he said in an interview with The Daily Star yesterday.

The implementation of this tunnel fulfils the need for an alternative connection between the two banks of the Karnaphuli in order to develop Chattogram along the "one city, two towns" concept, the FBCCI president said.

The tunnel will also serve as a link to eastern regions, including the Matarbari Deep Sea Port and the northeastern states of India.

Similar to the Padma Bridge's contributions to the country's GDP, this tunnel will contribute significantly to the economy, he noted.

Alam said that the implementation of mega projects in Chattogram had led to various countries, including Japan, showing an interest in investing in the region.

He also expressed that there was

no alternative to constructing the Dhaka-Chattogram Expressway in order to get the full benefits of the mega-projects implemented in the Chattogram region.

He emphasised the implementation of the Dhaka-Chattogram Expressway immediately in order to attract foreign investors to the Bangabandhu Sheikh Mujib Shilpa Nagar in Mirsarai, the country's largest economic zone.

Another necessity to realise the full benefits of the Bangabandhu Tunnel is planned urbanisation and industrialisation on the southern bank of the Karnaphuli, he added.

He said tunnels under rivers were no longer a dream, adding that the Bangabandhu Sheikh Mujibur Rahman Tunnel would provide a positive example of the country's capabilities to the outside world.

The Bangabandhu Sheikh Mujibur Rahman Tunnel was inaugurated by Prime Minister Sheikh Hasina yesterday.

The total length of the tunnel,

including connecting roads, is 9.39 kilometres. The length of the main tunnel is 3.32km while the connecting road is 5.35km long.

Its foundation stone was laid in October 2016 and construction began in February 2019. Although it was scheduled to be inaugurated in November 2020, the completion of the project was delayed several times due to the Covid-19 pandemic while costs also increased.

Initially set to cost a little under Tk 8,000 crore, expenses increased to Tk 10,689.71 crore.

The Bangladesh government provided Tk 4,619.70 crore in financing, with the remaining Tk 6,070.01 crore came from the Exim Bank of China.

The tunnel connects Chattogram on the north end of the Karnaphuli with Anwara upazila on the south of the river.

The tunnel is expected to yield financial and economic internal rates of return at 6.19 percent and 12.49 percent, respectively.

It is forecasted to boost Bangladesh's GDP by 0.166 percent.

Economic misery to deepen

FROM PAGE B1

Anwar-ul Alam Chowdhury Parvez, a former president of the Bangladesh Chamber of Industries, said businesses always want a congenial environment, including political stability, policy continuation, and safety and security, to run their operations.

"And this is possible if there is a democratic process."

Muinul Islam, a former professor of economics at Chittagong University, thinks the political crisis is yet to affect the economy.

"But the economic problem will deepen if there are hartals and instability in the political arena."

He said money transfers through hundi or informal channels have increased. As a result, the economic situation has become volatile.

Fazlul Hoque, a former president of the Bangladesh Knitwear Manufacturers and Exporters Association, said the macroeconomic situation is in a tough situation.

"If the political situation deteriorates, it will aggravate the economic situation. So, we are concerned. A peaceful solution is necessary now."

Mostaque Ahmed Sadeque, a former president of the DSE Brokers Association, said stock market stakeholders are already in major pain as the market has become dry.

Turnover on the Dhaka Stock Exchange declined by around 40 percent to Tk 793 crore in 2022-23. It was Tk 1,328 crore in the previous year, DSE figures showed.

PRI's Mansur says confidence will return if a fair and transparent election takes place. "The ruling government should compromise and bring back the confidence."

Parvez thinks holding dialogues will bring about positive results.

CPD's Rahman said it is the duty of all political parties to act responsibly.

"All political parties should play their role responsibly so that their actions don't affect the economy."

Eastern Bank posts 10% rise in profit

STAR BUSINESS REPORT

Eastern Bank's profit increased 10 percent year-on-year to Tk 426 crore in the January-September period of 2023.

As a result, its earnings per share (EPS) increased to Tk 3.53 as of September 30 this year up from Tk 3.20 last year, according to the un-audited financial statements of the company.

Its profit for the July-September period of 2023 stood at Tk 183 crore, up 22 percent year-on-year.

The EPS in the three-month period stood at Tk 1.52 in 2023, up from Tk 1.24 the previous year.

The bank also saw its net cash flow per share fall by 57 percent year-on-year to Tk 4.04.

City Bank records 14% profit rise

STAR BUSINESS REPORT

The City Bank's profit rose 14 percent year-on-year to Tk 378 crore in the January-September period of 2023.

The bank's earnings per share (EPS) increased to Tk 3.09 as of September 30 this year, up from Tk 2.7 last year, according to the un-audited financial statements of the company.

Its profit for the July-September period of 2023 stood at Tk 142 crore, up 24 percent year-on-year.

The EPS in the three-month period stood at Tk 1.16 in 2023, up from Tk 0.93 the previous year.

The bank also saw its net cash flow per share increase by 20 percent year-on-year.

RAK Ceramics' profit drops

STAR BUSINESS REPORT

Profits of RAK Ceramics (Bangladesh) dropped in first nine months of 2023 mainly due to lower sales.

The company's profits fell 25 percent year-on-year to Tk 40.8 crore in the January to September period of the current year. Its year ends in December.

Subsequently, earnings per share of the company stood at Tk 0.96 at the end of the third quarter, which was Tk 1.29 at the end of the same quarter in 2022.

The company's sales fell to Tk 560 crore this year, which was Tk 568 crore in the same period of the previous year, according to the company's financial statements.

RAK Ceramics is one of the largest ceramics brands in the country, specialising in ceramic and porcelain wall and floor tiles, tableware, sanitary ware and faucets. Though the sales dropped, its costs of sales rose, meaning the raw material costs rose in the period.

The cost of sales was Tk 420 crore in the recently ended quarters, which was Tk 411 crore in the previous year's third quarter.

Its net finance cost reduced to Tk 2.1 crore from previous year's Tk 5.8 crore, the data showed.

The company's share price is Tk 42.9. The A grade stock was listed with the Dhaka Stock Exchange in 2010.

chore in the absence of their husbands, he added.

It may be a reflection of an economic slowdown and the post-Covid-19 shock, he said of the higher unemployment rate among female graduates.

Between 2017 and 2022, new jobs were not created on the required scale and those who lost their jobs did not find alternate employment in the post-Covid period, he added.

"Taking such issues into account, job opportunities have shrunk in urban areas," he said.

Soma Day, associate professor of the women and gender studies department at the University of Dhaka, echoed Prof Raihan's sentiments about the job shortage in the service sector and formal sector.

Female graduates' participation has increased in informal sectors such as agriculture, she said, adding that a number of female students

were enrolling every year to take higher education but could not be found in the professional workforce.

"The lack of quality jobs and taking on reproductive roles are working as driving forces behind their dwindling participation in the workforce," she said.

Workplaces still could not still provide them with child-caring facilities, she added.

"At other times, in-laws treat the female's higher education as a simple measure of a presentable bride," she said.

Binayak Sen, director-general of the Bangladesh Institute of Development Studies, welcomed the drastic fall in rural unemployed graduates.

"It indicates that rural women have participated in the workforce thanks to the presence of NGOs and other organisations," Sen told The Daily Star recently.

Females still have highest rate

FROM PAGE B1

She also pointed to a gap between technical literacy and job expectations.

A graduate female worker does not prefer to join a low-profile job. At the same time, recruiters do not find proper technical expertise among female graduates, she said.

Meanwhile, the women labour force participation rate has risen to 42.77 percent in 2022 from 36.3 percent five years ago.

"Although the women labour force participation rate has increased in 2022, it happened only in rural areas," said Prof Selim Raihan, executive director of the South Asian Network on Economic Modeling (Sanem).

We have found increasing female employment in agriculture instead of the non-farming sector, he said.

Most of them are unpaid female workers doing this work as a domestic