

Eastern Lubricants' profit jumps 153%

STAR BUSINESS REPORT

Eastern Lubricants Limited's profit jumped 153 percent year-on-year to Tk 2.86 crore in 2022-23.

It was Tk 1.13 crore in the previous financial year.

Therefore, the state-run company reported earnings per share of Tk 21.78 for FY23 against Tk 8.63 a year ago.

The net asset value per share rose to Tk 188.63 from Tk 170.47 while the net operating cash flow per share surged to Tk 107.90 from Tk 49.70, according to financial statements.

The board of directors has recommended a 60 percent cash dividend and a 10 percent stock dividend for the year that ended on June 30.

The bonus shares have been recommended for utilising the retained earnings as capital for ongoing operations while the dividend has been recommended out of accumulated profit, said Eastern Lubricants in a filing on the Dhaka Stock Exchange.

Shares of the company lost 9.24 percent to Tk 1,840.50 on the DSE yesterday.

Oil settles down, posts weekly loss

REUTERS

Oil prices settled more than 2 percent lower on Friday as supply concerns driven by Middle East tensions eased, while job data raised expectations the U.S. Federal Reserve could be done hiking interest rates in the biggest oil consuming economy.

Brent crude futures were down \$1.92, or 2.3 percent, to \$84.89 a barrel. U.S. West Texas Intermediate crude futures fell \$1.95, or 2.4 percent, to \$80.51 a barrel.

Both benchmarks settled down more than 6 percent on the week.

Hezbollah leader Sayed Hassan Nasrallah, speaking for the first time since the Israel-Hamas war erupted, warned on Friday that a wider conflict in the Middle East was possible but did not commit to opening another front on Israel's border with Lebanon.

"The market is taking this conflict in its stride, as it looks to be neither a significant demand or supply disruption event," said John Kilduff, partner at Again Capital LLC in New York.



Farmers plant garlic in Rajbari's Baliakandi upazila. Farmer Munnu Sheikh is investing nearly Tk 1 lakh to grow the herb on 1.6 acres of land with hopes of harvesting around 100 maunds. Each maund, roughly equal to around 37 kilograms, is currently selling for Tk 4,500 to Tk 9,000 in the local market depending on the quality. The photo was taken recently.

PHOTO: SUZIT KUMAR DAS

SOUTH ASIA ECONOMIC SUMMIT

Regional integration vital for attracting FDI: experts

STAR BUSINESS REPORT

Improving regional integration, making genuine political commitments and ensuring good governance are key to attracting foreign direct investment (FDI) in South Asia, according to experts.

They also alleged that till date, countries within the region have not gained the expected benefits of being a part of the South Asian Free Trade Area (Safta) as they lack coordination and political vision.

On the other hand, members of the Association of Southeast Asian Nations (Asean) are enjoying trade and economic benefits thanks to friendly relations and mutually beneficial dialogues and partnerships.

Buwaneka Perera, secretary general/CEO of the Ceylon Chamber of Commerce in Sri Lanka, said ensuring strong political leadership, genuine commitments and good governance would help attract FDI.

Besides, improving regional integration in South Asia would bring economic benefits as well, he added.

Perera was addressing a session on value chains and foreign direct investment at the 14th South Asia Economic Summit, organised by the Centre for Policy Dialogue at Sheraton Dhaka yesterday.

"The region also needs harmonisation of different customs rules through the political vision of its member countries," he added while speaking on the closing day of the event.

Perera suggested that governments should make it easier for the private sector to enhance regional trade by initiating close dialogues with relevant business chambers as they could advocate to this end.

Priyadarshi Dash, associate professor of

the Research and Information Centre for Developing Countries in India, said South Asia needs to benefit from the Global Business Challenge to attract more FDI.

"This entails having the best managerial practices and technology. So, there is need to prepare skilled workers, research and development centres alongside technical education," he added.

Dash also stressed on the importance of innovation to encourage FDI across South Asia.

Shams Mahmud, former president of the Dhaka Chamber of Commerce and Industry, said FDI is very important for technology transfers, value addition, and establishing backward linkage industries.

"But it is a matter of regret that domestic investment in Bangladesh is worth around 95 percent of total investment in the country even though it has been trying to attract more FDI," he added.

Mahmud also said South Asia would not need FDI if local consumption and the overall market is expanded by enhancing regional integration.

He pointed out that at times, some exporting countries suddenly ban the export of particular products, creating a crisis in neighbouring nations that import the related

goods.

Biswash Gauchan, executive director of the Institute for Integrated Development Studies in Nepal, suggested ensuring access to the sea for land-locked countries to improve regional integration.

Gauchan said only 4 percent of the total external trade of South Asia takes place inside the region.

But Bangladesh could avail huge opportunities in tourism by improving regional integration, he added.

Gauchan alleged that SAFTA is quite ineffective at present due to a lack of coordination among its members even though the arrangement could benefit all in the region.

Huma Fakhar, founding chairperson of MAP Capital Holdings in Pakistan, said technology has changed supply chain management as e-commerce companies do not require factories or warehouses.

She also suggested keeping business planning out of the purview of political agendas as it should be a win-win for all involved.

Regarding the China Plus One policy, Fakhar said South Asia has not been able to get much benefit.

So, South Asian nations should undertake effective unified policies to attract FDI and ensure smooth management of value chains, she added.

Chaired by NR Bhanumurthy, vice-chancellor of the Dr BR Ambedkar School of Economics University in India, CH Priyaranjan Singh, a professor at Manipur University, and Abdul Jabbar Memon, senior vice president of the Federation of Pakistan Chambers of Commerce and Industry, also spoke at the event.

China pledges to expand market access

REUTERS, Shanghai

China will further expand market access and increase imports, its premier told a trade fair in Shanghai on Sunday, amid criticism from European firms who said they wanted to see more tangible improvement in the country's business environment.

Li Qiang told the opening ceremony of the annual China International Import Expo that the country was committed to opening up its economy, and that imports of goods and services were set to reach a cumulative \$17 trillion within the next five years.

"No matter how the world changes, China's pace of opening up will never stall, and its determination to share development opportunities with the world will never change," Li said.

China will promote coordinated development of trade in goods and services, protect an international business environment, and relax market access including lifting restrictions on foreign investment in manufacturing, he said.

The import expo was launched by President Xi Jinping in 2018 to promote China's free trade credentials and counter criticism of its trade surplus with many countries. However, participation in the past three years was curtailed by the COVID-19 pandemic.

This year's event drew criticism from the European Chamber of Commerce in China on Friday, which branded it a "political showcase" and urged authorities to enact more tangible measures to restore confidence in the country among European businesses.



Cars for export parked at a port in Yantai, in China's eastern Shandong province, on November 2. China will promote coordinated development of trade in goods and services, protect an international business environment, and relax market access, premier Li Qiang said.

Feasibility study for first offshore wind power project gets nod

STAR BUSINESS REPORT

The government has given the nod, in principle, to conduct a detailed feasibility study for establishing the first offshore wind energy plant in Bangladesh.

In addition, approval was granted for completing the first phase of site development within the next three years, the company said in its statement issued yesterday.

Denmark's Copenhagen Infrastructure Partners (CIP) and Copenhagen Offshore Partners (COP), in association with Summit Group, had placed the \$1.3 billion investment proposal in July earlier this year, according to a press release from Summit Group.

The Power Division then gave approval by the end of October, said an official of the government agency.

Once complete, the 500 megawatt wind energy project located off the coast of Cox's Bazar in the country's southwest will directly supply electricity to the national grid via an onshore substation.

In particular, this project presents a unique opportunity for Bangladesh to maximise the utilisation of coastal resources and support the development of its blue economy, Summit said.

The country's largest private sector power producer also said even though Bangladesh has ambitious clean energy targets, it remains heavily reliant on fossil fuels.

Besides, importing fossil fuels has become comparatively costlier given the recent price hikes amid global inflationary pressure.

Therefore, Bangladesh needs to rapidly develop utility-scale renewable energy projects and adapt with climate resilient technologies to support its continued economic growth and eliminate poverty by 2041.

Citing a projection of the Institute for Energy Economics and Financial Analysis that Bangladesh needs \$1.7 billion annually for its green transition, Summit said their project with the CIP and COP may kickstart a new wave of foreign and domestic investment.

The offshore wind power project will be the first of its kind in Bangladesh and possibly South Asia, enabling a technology-transfer that would accelerate the learning curve for a nascent industry and reduce technological barriers for the entry of future projects.

Summit also said the preliminary findings suggest that hundreds of direct and indirect jobs will be created during the construction phase of the project.

Later on, dozens of high-skilled permanent positions for the 30-year operational phase will become available, it added.

Kohinoor Chemicals makes Tk 37cr profit in FY23

STAR BUSINESS REPORT

Kohinoor Chemicals Company (Bangladesh) Ltd made 19 percent year-on-year increase in profit to Tk 37.71 crore in the financial year that ended on June 30.

The soap, cosmetics and toiletries manufacturer and marketer clocked a profit of Tk 31.67 crore in 2021-22, according to a disclosure on the Dhaka Stock Exchange. Thus, the earnings per share rose to Tk 12.31 in FY23 from Tk 10.56 in FY22.

The net operating cash flow per share (NOCFPS) plummeted to Tk 23.88 negative from previous financial year's Tk 8.79 while the net asset value per share rose to Tk 59.46 from Tk 48.74.

The company said the NOCFPS fell due to an increase in payments to suppliers and others, particularly for the purchase of inventory.

Kohinoor Chemicals' shares rose 0.02 percent to Tk 476.00 on the DSE yesterday.

WB poised to host climate loss fund

REUTERS

Countries moved a step closer on Saturday to getting a fund off the ground to help poor states damaged by climate disasters, despite reservations from developing nations and the United States.

The deal to create a "loss and damage" fund was hailed as a breakthrough for developing country negotiators at United Nations climate talks in Egypt last year, overcoming years of resistance from wealthy nations.

But in the past 11 months, governments have struggled to reach consensus on the details of the fund, such as who will pay and where the fund will be located.

A special U.N. committee tasked with implementing the fund met for a fifth time in Abu Dhabi this week - following a deadlock in Egypt last month - to

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