

Crown Cement returns to profit

STAR BUSINESS REPORT

Crown Cement PLC, a listed cement manufacturer, returned to profit in the first quarter of fiscal year (FY) 2024 after incurring a loss in the same quarter of the previous year.

It logged a profit of Tk 34 crore in the July-September period of FY2023-24. In the same period of previous fiscal year, it incurred a loss of Tk 5 crore.

Subsequently, its earnings per share stood at Tk 2.32 at present compared to Tk 0.36 in the negative previously.

It returned to profit mainly due to higher sales and higher prices of goods, the company said. It also took some steps to control its costs, it added.

The company's sales revenue increased 22 percent to Tk 621 crore, according to financial statements.



Alamin goes round Atghar Kuriyana Bazar in Pirojpur offering balloons filled with helium in the shape of various animals, birds and objects for sale at Tk 50 to Tk 100 apiece. He can generate around Tk 15,000 in sales investing anywhere from Tk 3,000 to Tk 4,000 per month. The photo was taken recently.

PHOTO: TITU DAS

Govt gives nod to build Shariatpur economic zone

STAR BUSINESS REPORT

The government recently gave the go-ahead to establish an economic zone for agro-processing industries at Alaopur union of Gosairhat upazila in Shariatpur, some 55 kilometres south of Dhaka city.

On October 26, the Prime Minister's Office declared 686 acres of land in the Charjalalpur area of Alaopur as an economic zone in accordance with the Bangladesh Economic Zones Act, 2010.

However, it remains undecided whether land development works will be carried out by the Bangladesh Economic Zones Authority (Beza) or the investors themselves, according to officials of the state agency.

Beza Executive Chairman Shaikh Yusuf Harun said their governing body headed by Prime Minister Sheikh Hasina

has granted approval for 97 economic zones till date.

Of these economic zones, 68 are government initiatives while the rest are private.

Harun also informed that the Shariatpur economic zone will be built on state-owned fallow land, known as Khas land in Bangladesh, on the bank of Meghna river.

He said Beza has been establishing economic zones in areas with potential for industrial growth, including backwater regions, with the aim of encouraging economic development, industrialisation, employment, export growth and diversification.

The Shariatpur district administration had first proposed an economic zone in the char area of Gosairhat in 2016 but the plan was stalled for several years due to

various complications.

In the last three and-a-half years, local and foreign investments proposals amounting to \$24 billion were promised for six of the state-run economic zones.

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However, the actual investment stands at just \$1.6 billion, according to Beza.

Of the realised investment, \$80 million came from foreign investors, which is again much lower than the inflows initially pledged.

Of the private economic zones, 12 received good responses from investors, drawing investment proposals of more than \$4.5 billion from local and foreign entrepreneurs in the past seven years.

At least 80 percent of the sum has already been invested in the private zones, set up as part of the government's initiative to establish 100 economic zones across the country as it looks to accelerate industrialisation, create jobs and cut poverty.

However, developers of a number of private economic zones are finding it hard to implement plans for a lack of gas connections.

They apprehend that entrepreneurs aiming to invest in setting up factories inside the zones would incur losses if they cannot start operations as soon as possible.

RMG factories reopen

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Bangladesh from December 1.

Hassan had sent a letter to Stephen Lamar, president and chief executive officer (CEO) of the AAFA, on November 8.

He said in the letter that it is important that prices of all goods which will be shipped from December 1 be duly adjusted/up-charged to cover the increment in wages and ensure uninterrupted and smooth operations in the industry.

"Furthermore, from now onward, all the business negotiations and deals will have to be made adhering to the new minimum wage policy," he said.

"Therefore, I would humbly request you to

kindly pursue the AAFA membership, to collaborate with their Bangladeshi suppliers with due empathy and consideration."

Moreover, the association has called a meeting inviting all the major retailers and brands which source garment items from Bangladesh to the BGMEA office tomorrow.

The aim is to provide the BGMEA's viewpoint over the latest spell of labour unrest and urge a price hike in tune with the recent rise in workers' wages.

At a press conference on Sunday, Hassan said losses were piling up and that it was not possible to quantify the losses that had been incurred due to the ongoing unrest.

However, he said the

damage which has been done is that buyers are not placing any work orders as they are concerned about the ongoing unrest. Buyers are concerned that if unrest continues, they will not be able to place fresh work orders, Hassan said.

"We are trying to get them to understand that only five percent of factories are affected. So, we are trying to resolve it. We want the factories to run," Hassan said in response to journalists' queries.

Five more cases have been filed with Ashulia police station in connection with attacks and vandalism at various factories in the Ashulia industrial area during the ongoing unrest.

With these 5 cases, the

total number of cases over the recent unrest has reached 17.

Shahidul Islam, Dhaka district additional superintendent of police (Savar circle), confirmed the matter to The Daily Star at around 11:00am yesterday.

He said there were 12 previous cases and 5 new cases were filed over garment workers' unrest in Ashulia.

Out of the 17 cases, four have named a total of 61 accused whereas for the rest it is unknown. He also said the total number of anonymous persons accused in 17 cases would be about 4,500.

A total of 7 workers have been arrested at various times over these cases.

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It will be Tk 19,419 in the case of a three-hour overtime and Tk 21,094 in the case of a four-hour overtime.

Nazma Akter, president of the Sammilito Garment Sramik Federation, said there is no relationship between overtime and other allowances and the minimum wage.

"This is because if there is no overtime, workers will draw only the salary. Moreover, the overtime allowance is not free. They are getting it by toiling additional hours."

Amirul Haque Amin, president of the IndustriALL Bangladesh Council, also echoed the views of Akter.

The BGMEA's statement is illogical since workers

payment is made on the basis of their performance, the attendance bonus, and the overtime allowance, he said.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, said the BGMEA has given clarification taking consideration of inflation and the minimum wage.

"As per the labour law, the minimum wage is fixed taking 10 factors into account. Inflation is one them, he said.

Citing the labour law of 2006, he said other factors include the standard of living, the cost of production, the productivity of factories, the price of products, business capability, and the economic and social

conditions of the country. "It will be good if the BGMEA issues clarification considering all factors. If they do so, they will find that there is further scope to revise the minimum wage upward."

According to the economist, the clarification issued by the apex chamber of garment makers and exporters does not match the estimate of trade unions.

Besides, Moazzem said, the minimum wage is determined based on an 8-hour workday, not on the basis of overtime.

"The BGMEA says a worker will be required to work for 12 hours a day to earn Tk 21,000 a month. This is inhumane."

Rupee little changed

REUTERS, Mumbai

The Indian rupee ended little changed on Monday as traders remained wary of adding large positions in a holiday-truncated week on expectations the central bank would step in to curb any volatility in the local currency.

The rupee ended at 83.3325 against the dollar, compared with 83.34 in the previous session.

The local unit traded in a narrow four-paisa range throughout Monday's session.

The rupee, on Friday, hit a lifetime low of 83.42, affected by a technical system outage.

Retail sales decline

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In order to cut expenses, she has introduced a system where a third of her 24 workers will always be on leave while the rest will run it in two shifts.

"I have had to do this since the income has plunged," she told The Daily Star over the phone.

Kalachand Saha, owner of Rony Cloth Store in the New Market in Bogura, said before the blockade, he used to sell goods worth Tk 1 lakh a month.

"It will be difficult for me to sell products worth Tk 20,000 owing to the blockade."

Humayun Kabir, the owner of Ruposi Bangla Clothing Store at the VIP Shopping Center in Chattogram's Kazir

Dewri area, blamed the 50 percent drop in sales on the blockade and the rising cost of living.

Abu Hanif Moral, a vegetable wholesaler in Khulna's Sonadanga, said he suffered a loss of at least Tk 25,000 in the last 15 days.

"There were times when I had to sell vegetables at half the purchased price."

For example, he bought cauliflowers last week at Tk 50 per kg. But he was forced to sell them at Tk 30 since the vegetables could not be transported to the capital city.

"It is not possible to make a profit under the current circumstances," Hanif said.

The blockade has not left brands unscathed as well.

Because of higher inflation in the past one and a half years, consumers are buying less, hurting traders as well, he said.

"The blockade has made it more difficult for them."

With the BNP calling for another 48-hour countrywide blockade from Wednesday after a pause for today, Helal expressed helplessness.

"We don't know how to deal with the current crisis."



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BSRM reports rebound in profit despite sales drop

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Two major concerns of BSRM Group yesterday reported a decline in sales revenue in the first quarter of the financial year 2023-24 although the steel makers' profit bounced back.

BSRM Ltd, the largest steel maker in country, recorded Tk 65.85 crore in profit in July-September period during the current financial year, rebounding from losses of Tk 168.46 crore in the same period a year ago thanks to reductions in the price of raw materials in the international market.

Similarly, BSRM Steels Ltd, another concern of group, posted Tk 45.64 crore in profit in the first three months of the current financial year ending in the next June. The company had incurred losses of Tk 48.80 crore in the same period the previous year, according to financial statements made available for shareholders this week.

However, BSRM Steels suffered a 12 percent year on year drop in revenue, recording Tk 1,480 crore in the July-September period 2023.

BSRM Ltd recorded Tk 65.85 crore in profit in July-September, while BSRM Steels Ltd posted Tk 45.64 crore in profit

BSRM Ltd, the main entity, recorded a 2 percent decline in its sales during the period, showed a financial statement published separately.

Tapan Shengupta, deputy managing director of BSRM, said sales volume fell during the first quarter.

"This quarter falls in rainy season so demand for the steel products remains lower than in other months of the year. Besides, there has been a slowdown in construction of public and private projects," he said.

Earnings per share (EPS) of BSRM Steels Ltd rose to Tk 1.21 in July-September period 2023 from losses per share of Tk 0.93.

BSRM Ltd's EPS soared to Tk 2.20 the first quarter of the current financial year compared to losses per share of Tk 5.51, according to the financial statement.

The steel industry majors -- BSRM Ltd and BSRM Steels Ltd -- recorded a fall in profit in the 2022-23 financial year despite recording their highest ever turnover due to increased finance costs resulting from increased cost of the US dollar and a higher interest rate.

Shares of the steel makers closed unchanged at the Dhaka Stock Exchange yesterday.