

## SBAC Bank organises annual business conference

STAR BUSINESS DESK

SBAC Bank organised its "Annual Business Development Conference 2024" at Radisson Blu Dhaka Water Garden in the capital yesterday.

Abu Zafar Mohammad Shofiuddin Shamim, chairman of the bank, attended the conference as chief guest, said a press release. Shamim said that despite many domestic and international challenges, the bank is running its operations efficiently.

"We want to give priority to agriculture and female SME entrepreneurs when disbursing loans," he added.

Habibur Rahman, managing director and CEO of the bank, said the bank runs its operation across the country with 89 branches, 27 sub-branches and 31 agent banking outlets.

Among others, Abdul Kadir Molla, Mohammad Nazmul Haque, Shohel Ahmed and Mohammad Mahbubur Rahman, directors, Md Moqbul Hossain Bhuiyan and Ziaur Rahman Zia, independent directors, Md Nurul Azim, additional managing director, and Md Altaf Hossain Bhuyan and AKM Rashedul Hoque Chowdhury, deputy managing directors, were present.



Abu Zafar Mohammad Shofiuddin Shamim, chairman of SBAC Bank, poses for photographs at the "Annual Business Development Conference 2024" of the bank at Radisson Blu Dhaka Water Garden in the capital yesterday. PHOTO: SBAC BANK

## BIFPCL gets new MD

STAR BUSINESS DESK

Bangladesh-India Friendship Power Company Ltd (BIFPCL) has appointed Sangeeta Kaushik as its managing director.

Kaushik was working as an executive director (business development, international business development and consultancy) at NTPC Ltd, India prior to joining BIFPCL.

She joined NTPC in 1986, said a press release. Born in India, she is a graduate of Govind Ballabh Pant University of Agriculture and Technology.



Sangeeta Kaushik



Arif Quadri, managing director and CEO of United Commercial Bank, poses for photographs with participants of a business meeting for officials of Dhaka and Cumilla regions of the bank at a hotel in the capital recently. PHOTO: UNITED COMMERCIAL BANK

## UCB holds business meeting for Dhaka and Cumilla

STAR BUSINESS DESK

United Commercial Bank (UCB) recently organised a business meeting for employees of Dhaka and Cumilla regions at a hotel in Dhaka.

Arif Quadri, managing director and CEO of the bank, presided over the meeting, where senior officials and managers from both regions were present, according to a press release.

A review of the bank's performance alongside expanding its products and services were discussed at the meeting.

The bank awarded the best performing branches for their outstanding performance.

## IFIC Bank appoints new DMD

STAR BUSINESS DESK

IFIC Bank has promoted an official to the post of deputy managing director (DMD). The official, Iqbal Parvez Chowdhury, was serving the bank as chief credit officer.

Chowdhury will also act as chief risk officer and chief anti-money laundering compliance officer of the bank, said a press release.

Chowdhury joined the bank in 2012. He started his career in 1997 with BASIC Bank. He has also served at HSBC Bangladesh and Dhaka Bank.

Chowdhury completed his MBA from Chittagong University.



Iqbal Parvez Chowdhury

## Social Islami Bank launches school banking campaign

STAR BUSINESS DESK

Social Islami Bank recently launched a month-long "School Banking Campaign 2024" for students to create financial awareness and encourage them to engage in financial activities.

Zafar Alam, managing director and CEO of the bank, inaugurated the campaign at the bank's head office, said a press release.

He said the bank offers products for students such as SIBL Youngster Account and SIBL EduPay, which makes tuition fee collection easier for both students and educational institutions.

Mohammad Forkanullah, Abdul Hannan Khan and Mohammad Habibur Rahman, deputy directors, and Joyal Abedin, head of BCD, were present on the occasion as well as divisional heads and senior executives.



Zafar Alam, managing director and CEO of Social Islami Bank, poses for photographs after inaugurating "School Banking Campaign" at the bank's head office in Dhaka recently. PHOTO: SOCIAL ISLAMI BANK

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (FEB 3, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 62-Tk 75	1.48 ↑	1.48 ↑
Coarse rice (kg)	Tk 50-Tk 54	6.12 ↑	8.33 ↑
Loose flour (kg)	Tk 48-Tk 50	3.16 ↑	-16.95 ↓
Lentil (kg)	Tk 105-Tk 110	0	10.26 ↑
Soybean (litre)	Tk 158-Tk 165	2.54 ↑	-4.44 ↓
Potato (kg)	Tk 38-Tk 45	-30.83 ↓	50.91 ↑
Onion (kg)	Tk 80-Tk 90	0	142.86 ↑
Egg (4 pcs)	Tk 45-Tk 50	9.20 ↑	5.56 ↑

SOURCE: TCB

## Strong job gains may dent Fed confidence on inflation

REUTERS

Federal Reserve policymakers seeking greater confidence that inflation is on track to their 2 percent goal may have gotten the opposite on Friday when data showed US job growth surged last month at well above the pre-pandemic pace, and wage growth accelerated.

The numbers - 353,000 new jobs added across a broad range of sectors and hourly earnings up 4.5 percent from a year earlier - do not put US central bank officials off course for interest rate cuts later this year.

But ongoing labour market strength could make the road to rate cuts a longer one. Revisions published Friday to last year's data show the US economy added 3.1 million jobs last year, more than the 2.7 million earlier estimated, despite the Fed's aggressive rate hikes.

This week, Fed Chair Jerome Powell said the job market need not necessarily weaken to get progress on inflation, which fell sharply from 5.5 percent at the start of last year, to 2.6 percent by the end by the Fed's preferred measure.

But continued outsized job gains could add to the Fed's caution about easing policy too soon.

"The Fed would be very wary of cutting into a reaccelerating economy," wrote Evercore ISI economists. "Strong growth and employment makes the Fed want to accumulate more evidence subdued inflation can continue."

The central bank on Wednesday kept its benchmark overnight interest rate in the 5.25 percent-5.50 percent range, where it has been since July. Powell said that would likely mark the peak, and that rate cuts would only come once policymakers have "greater confidence that inflation is moving sustainably down to 2 percent."

Data delivering a sufficient degree of confidence was unlikely to be in hand before the Fed's meeting next month, Powell said.

Fed Governor Michelle Bowman, speaking at a banking conference late Friday in Hawaii, cautioned against cutting rates "too soon." She said that the strong job growth suggested last year's labour market

rebalancing was stalling out and accelerating wage increases posed upside inflation risk.

To Chicago Fed President Austan Goolsbee, though, the jobs report was reassuring.

"We wouldn't want to make much of any one month, but the continued strength of the labour market, if that continues, would lessen my worry that the job market side of our mandate is deteriorating," Goolsbee told the Wall Street Journal in an interview.

Rising worker productivity may mean Fed officials will need to rethink how much economic and employment growth can occur without stoking inflation, he said, according to the paper.

So while some analysts may see the strong hiring as a reason for the Fed to wait on rate cuts, "you can't really do that if there are positive supply shocks working their way through the system."

Wall Street analysts that had held on to their forecasts for a March rate cut abandoned those Friday in favor of May or June. Traders of rate-future contracts are now pricing in an 80 percent chance the Fed will leave rates on hold next month but begin a series of five quarter-point rate cuts at their April 30-May 1 meeting.

Some analysts downplayed the January jobs report, noting that statistical adjustments meant to account for seasonal patterns in hiring and firing may end up overstating the strength of job gains.

Other recent data appears to encourage faith in inflation's further decline this year along with worries about the labour market, including a string of strong productivity data and reports of rising layoffs.

Analysts and Fed policymakers will watch next Friday's annual revision to the estimates for consumer inflation, which fell by almost half to 3.4 percent by December.

Last year's update to the prior year's consumer price index data erased what had looked like good progress on inflation in 2022, and Fed Governor Christopher Waller says he will be watching this year's revisions closely.

## Meta, Amazon post stellar results

AFP, San Francisco

Meta and Amazon on Thursday blew through expectations in their latest quarterly results as Big Tech continued to impress Wall Street.

Meta, the tech titan behind Facebook and Instagram, reported a profit of \$14 billion in the final three months of last year, beating analyst forecasts as revenue climbed to \$40.1 billion in the quarter.

The company said Facebook's monthly users stood at 3.07 billion people, 20 years after the platform was founded by Mark Zuckerberg in a Harvard dorm.

"We had a good quarter as our community and business continue to grow," Meta CEO Zuckerberg said in an earnings release.

Meta shares jumped more than 14 percent to top \$445 in after-market trade.

A year ago, after a catastrophic 2022 for Meta, Zuckerberg promised a "year of efficiency."

Between unprecedented layoffs, doubts about the company's embrace

of virtual reality and feuds with regulators, that year had not been an easy one for the social networking giant.

Facebook changed its parent company name to Meta in late 2021, due to Zuckerberg's yet to be proven vision of virtual worlds referred to as the "metaverse" being the next major computing platform.

"The 'Year of Efficiency' has paid off, with both headcount and costs dropping, and Meta exceeding our expectations for full-year 2023 ad revenue," said analyst Jasmine Enberg of Insider Intelligence.

Amazon also impressed investors with sales up to a more-than-expected \$170 billion in the last quarter of last year, after a record-breaking holiday season.

It, too, embraced "efficiency" last year eliminating some 27,000 jobs in a move it said was necessary after years of sustained hiring.

Amazon's shares have risen by 50 percent in the past 12 months as investors applauded its aggressive cost-cutting and an increase in sales.

## Gas crisis choking

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the Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA).

At the same time, costs for raw material imports, which account for 40 percent of the expenses for ceramic manufacturers, also shot up as dollars got costlier.

However, despite production costs increasing abnormally, manufacturers could not increase the prices of their products since ceramic goods are not essential, he said.

As such, increases in the price of ceramic products could lead to a drastic reduction in sales. Besides, it is not possible to put that burden on the shoulders of customers, added Rashid, also additional managing director of X Ceramic Group.

Nearly all 68 factories in the ceramics sector have been suffering from an acute gas crisis for more than a year. Among them, 11 factories located in Gazipur have been the hardest hit.

According to Rashid, factories have not been getting uninterrupted gas at the required pressure, which is significantly hindering the production process.

He added that utility charges

accounted for around 20 percent of the cost of production for ceramic manufacturers because furnaces require 24 hours of uninterrupted gas supply to produce high-quality products.

If a factory gets 24 hours of uninterrupted gas supply, it can produce 90 to 94 percent of products that fall in the "A" category.

However, standards are falling fast due to the gas crisis, with only 80 percent of products now falling into the top category.

Consequently, the volume of waste has increased and production costs are climbing.

When the gas pressure drops, any product inside the furnace is destroyed immediately, Rashid said. If that happens, it takes 48 to 72 hours to restart the furnace, he added.

The ceramics industry is considered an import substitute sector, saving foreign exchange through 65 percent value addition, he added, urging for uninterrupted gas supply at the required pressure to save the industry.

According to Rashid, there is at least Tk 20,000 crore gross investment in this sector, which caters to around 85 percent of local demand.

## Shwapno's loss spirals

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this type of business can't run profitably when the amount of loans is at an elevated level," Maruf said.

According to the financial analyst, the board can think of raising its equity since it is tiny compared to the size of the business. Shwapno's equity is Tk 36 crore.

The company's current liabilities exceeded its total assets by Tk 1,363 crore in FY23. The current liabilities stood at Tk 2,038 crore and the assets amounted to Tk 675 crore.

However, Nasir says the market valuation is much higher than the accumulated loss.

"Already, a foreign investor has proposed a value of more than Tk 1,800 crore. We think it will be over Tk 2,500 crore."

If the board secures equity investment, it may turn profitable since it is already making operating profits. If Shwapno converts its inter-company loans into equity investment, it also may return to the black.

Another option could be if the company sets up more stores, the growing operating profits may also absorb the finance costs.

"To do that, we are targeting to open 400 stores every year," said Nasir. Currently, the chain is opening 25 stores every month.

"If we can meet the target, we will reach break-even within four years since the sales growth is high."

Sales rose 32 percent year-on-year to Tk 1,832 crore in FY23.

## Central banks

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Georgieva also said the IMF had made the decision to extend its current mission to Egypt to give the team on the ground more time to finalise an expansion of its \$3 billion loan agreement.

The country has been struggling with a severe economic shock due to the knock-on effect of the war in Ukraine on food and energy prices -- compounded by the war in Gaza and a related drop-off in revenues from maritime traffic traveling through the Suez Canal.

"The problems Egypt is dealing with and complex, so it requires us to thoughtfully and thoroughly go through how best to address them," she told reporters.

"We're making very significant progress in that regard."

Georgieva also confirmed that

"Customers want to carry out purchases within their walking distance, so a large number of stores will ensure higher growth," Nasir said.

Shwapno said despite facing macroeconomic distress, the company exhibited remarkable resilience with a noteworthy growth in sales and a substantial increase in gross profit.

Operating expenses were efficiently reduced, contributing to operational improvements. So, profits before interest rate saw a substantial improvement by increasing from Tk 0.2 crore to Tk 13 crore.

Additionally, a rise in the minimum tax, linked to revenue growth, added to the challenges.

Despite challenges stemming from the industry's novelty for customers, evolving government regulations and uneven VAT structures, the sales and gross profit growth underscores its adaptability and strategic prowess, according to Shwapno.

To fuel growth, Shwapno has relied on bank debt. Although the loans have led to an accumulation of the net loss, the firm sees this as an essential investment for expansion and is optimistic about the future.

"Global equity investors have expressed keen interest in collaborating with us. This highlights the attractiveness of our business model and growth prospect," it said.

"Additionally, we are actively considering capital restructuring as part of our strategic initiatives."

the IMF was "not discussing a new program" with Argentina, which is going through a severe economic crisis, with poverty rates of 40 percent, minimal foreign exchange reserves and annual inflation running at more than 200 percent.

She praised Javier Milei, the Latin American country's new libertarian president, who took office in December on a plan to slash public spending and end decades of economic mismanagement.

She called Milei a "very pragmatic president," who was "not ideologically confined, but looking at ways in which the country can move out of this difficulty."

"What we endorse wholeheartedly is the decisiveness to tackle these problems with more ambition than we have seen in prior years, and speak truth to people," she said.