

## Bangas profit jumps 14%

**STAR BUSINESS REPORT**

Bangas Ltd, one of the leading biscuit makers of Bangladesh, recorded a 14 percent profit growth year-on-year for the period of October-December 2023-24 financial year.

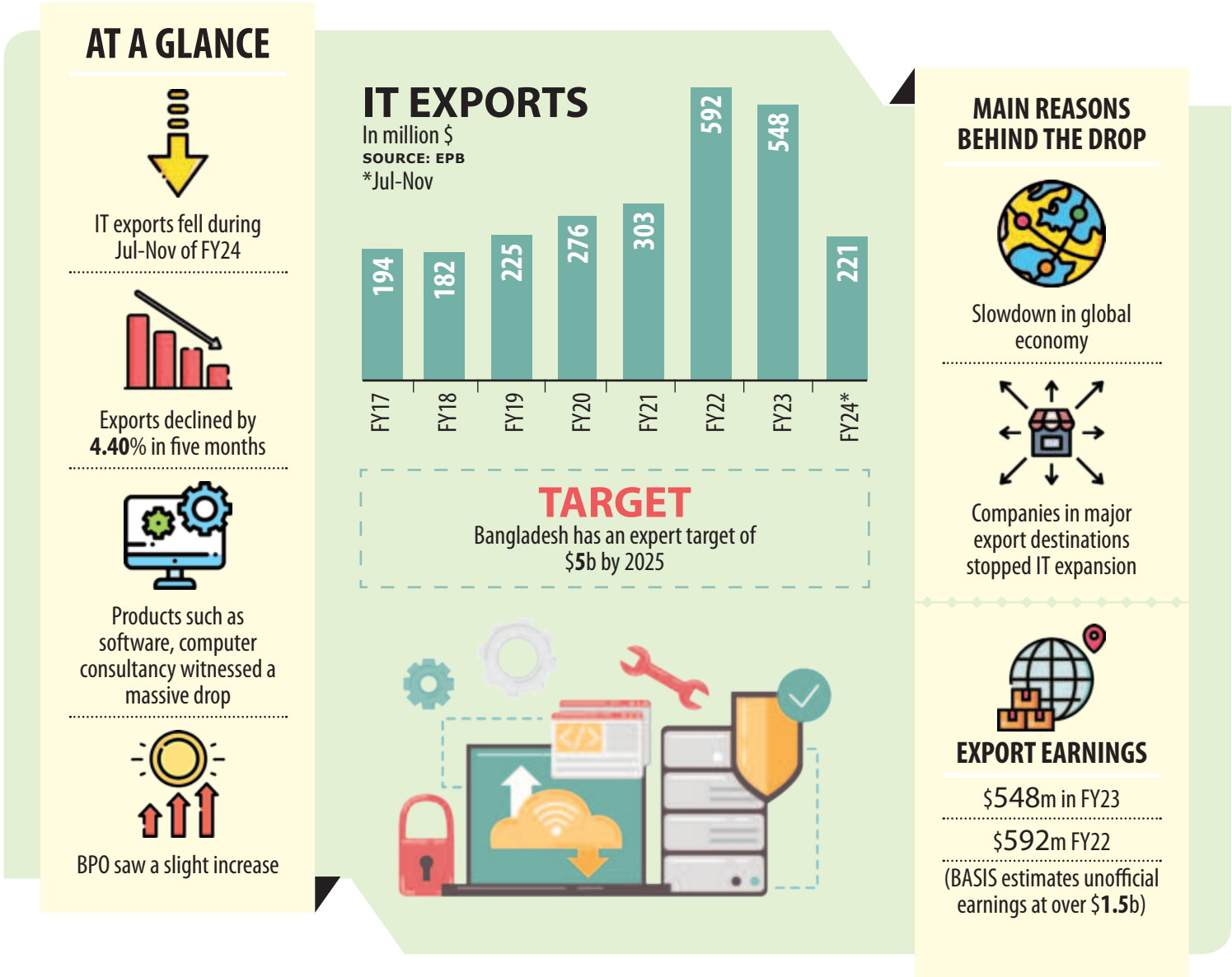
The company logged a profit of Tk 60 lakh in the second quarter of FY24. It was Tk 53.37 lakh in the same quarter in the previous year, the company said in a filing on the Dhaka Stock Exchange (DSE).

The rise in profit contributed to its earnings per share (EPS) of Tk 0.08, up from last year's Tk 0.07.

EPS is a company's net profit divided by the number of common shares it has outstanding, essentially an indicator of a company's profitability, according to Investopedia.

Bangas also saw its half yearly EPS increase 16 percent to Tk 0.14, against Tk 0.12 for the July-December 2022-23 period.

Shares of the biscuit maker jumped 4.38 percent to Tk 116.90 on the DSE yesterday.



## Thailand, Sri Lanka sign FTA

**REUTERS, Colombo**

Thailand and Sri Lanka signed a Free Trade Agreement on Saturday, a move Sri Lanka hopes will help it emerge from its worst financial crisis in decades.

The island nation has been renewing a focus on trade deals to foster economic growth and help its battered economy, which is estimated by the World Bank to have contracted 3.8 percent last year, after a severe foreign exchange crunch plunged it into a wider financial crisis.

The Free Trade Agreement (FTA) is aimed at enhancing market opportunities, with negotiations covering various aspects such as Trade in Goods, Investment, Customs Procedure and Intellectual Property Rights, the short statement added.

A delegation headed by Thai Prime Minister Srettha Thavisin arrived in Colombo on Saturday to sign the FTA along with other agreements and Thavisin will also attend Sri Lanka's 76th Independence Day celebrations on Sunday.

"This will provide tremendous business opportunities for both sides. We encourage our

READ MORE ON B2

# IT exports in the slow lane as demand falls

**MAHMUDUL HASAN**

Information technology exports from Bangladesh dropped 4.4 percent in the first five months of the current fiscal year as the demand for software developers and products has fallen due to the lingering global economic slowdown.

According to the Export Promotion Bureau (EPB), earnings of domestic IT firms stood at \$221.15 million in July-November of 2023-24, down from \$231.34 million in the identical period a year earlier.

Industry people said the demand in major export destinations such as the United States, the United Kingdom and the European Union has either dipped or hasn't grown much in the last one year, forcing firms to put the expansion plan related to IT teams on hold.

The drop in IT exports was mainly contributed by lower earnings from software sales, which decreased 31.63 percent year-on-year to \$16.19 million in the five months to November.

Ferdous Mahmud Shaon, chief executive officer of Cefalo, a software company, said the firm experienced a 15 to 20 percent drop in demand in the last six months in the EU, especially in Norway, the biggest market for the growing company.

"We are witnessing a substantial low demand from the Norwegian market due to the gloomy economic situation."

He identified two reasons for the business slowdown.

First, startups in export destinations are cutting back their investments as they are not getting venture capital investments, thus slimming down their own IT teams as part of the cost-cutting measures.

"For example, two startups that source software developers from us have reduced the number of employees from 25 to just five," Shaon said.

Similarly, big companies in the EU are posting lower profits, so they are not hiring developers from countries like Bangladesh even if someone resigns, he added.

Cefalo hired more than 100 people from early 2022 to mid-2023 to take its overall manpower to 250. The hiring has remained paused for the last six months.

"I am not surprised by the export drop," said Fahim Mashroor, a former president of the Bangladesh Association of Software and Information Services (BASIS).

**Industry people say the demand in major export destinations such as the US, the UK and the European Union has either dipped or hasn't grown much in the last one year**

He said many tech professionals in the developed markets have lost jobs in recent times. And, companies might have engaged them as freelancers rather than outsourcing the tasks to countries like India and Bangladesh.

Another reason is the sharp appreciation of the US dollar, he said.

The taka has lost its value by about 30 percent against the American greenback in the past two years amid fast depletion of the foreign currency reserves, making imports costlier and exports cheaper in Bangladesh.

"As a result, many outsourcing companies in Bangladesh are delaying bringing in their export earnings because they anticipate a further spike in the dollar rate. They believe that they will gain more if they fetch their proceeds at a later time," Mashroor said.

Raisul Kabir, CEO of Brain Station 23, a software exporter, said the export is in the slow lane in the EU market.

"However, the demand in the Middle-Eastern countries such as the UAE and Saudi Arabia and in the African market is growing."

According to EPB data, receipts from ITES exports, which cover data processing and web hosting, grew 2.76 percent year-on-year to \$196.29 million in July-November. IT consultancy services plummeted 48.40 percent to \$7.73 million.

Installation, maintenance and repair of computer and peripheral equipment services witnessed a decline of 43.98 percent to \$0.93 million.

In fact, IT exports from Bangladesh has been witnessing a downward trend for the past one and a half years. The shipment from the sector fell in the last financial year that ended in June, the first such decline in five years, dealing a blow to the government's export diversification efforts.

The earnings of domestic IT firms declined 7.42 percent to \$548.10 million in 2022-23.

Rashad Kabir, managing director of Dream71 Bangladesh Ltd, called the fall in IT exports "alarming" since the sector is considered to be the most promising when it comes to export diversification after the garment industry, which accounts for 85 percent of national export earnings.

"The main reason we are predicting is the worldwide economic crisis, especially in the US and Europe where Bangladeshi ICT companies export their software products mostly."

A lack of skilled human resources has also contributed to the decline since it is quite impossible to compete in the international market with this shortcoming, he said.

Kabir urged Bangladeshi companies to focus on technologies like Artificial Intelligence, Blockchain and Big Data.

"This is because it will be tough for our tech companies to grow in the coming years if they rely only on conventional technologies."

## Five simple habits that will change your future income

**JASIM UDDIN RASEL**

How can we increase our income level by following a few simple habits? Why are few of us successful in our financial life?

By studying the habits and practices in their daily life, we can learn life changing habits and implement them in our life in order to become financially successful.

Here are five simple habits of billionaires you can follow in your life that will change your future income significantly.

**Reading**  
Knowledge is power and we attain it by reading books. In your working place, if you are known to everyone that you have the knowledge about the changes, you will get extra benefit than others which will increase your payout.

Billionaires are voracious readers to acquire new knowledge and information. Warren Buffet spends 80 percent of his day for reading. It may be industry magazines, the news, or just novels.

Bill Gates reads 50 books a year, or one book a week on average. Most of the books deal with public health, disease, engineering, business, and science.

**Networking**  
Networking with successful people will give you an easy access to improve your business. A group of talented people can achieve an impossible job to change the world. So, surround yourself with talented people.

Steve Jobs surrounded himself with other talented people like Steve Wozniak and Tim Cook. His famous quote is: "A players hired A players".

**Set goals**  
Setting a small goal and trying to pursue it makes someone confident. If anyone sets a goal to achieve his dream and determines what has to do to conquer then it will be easy to reach the dream.

Amazon has 310 million customers and \$574.8 billion revenue which started from zero on day one. Bezos always kept his focus on long term goals, avoiding short term benefits.



**Be positive**  
Positive attitude does not give us a letdown. Being positive makes us confident which is always important to achieve something.

Mark Zuckerberg is always positive while expressing his appreciation to Facebook employees. He uses words like "better, improvement, amazing and innovate". He also uses phrases such as "great progress", "very big contributors", "good sign", and "pretty meaningful".

**Never give up**  
We all have a dream to fulfill but we give up when we fail. Never let this happen.

Every successful person has failure but they never give up and you all know about Jack Ma who applied for 31 different entry-level jobs and was rejected each time.

After three failures in a row of SpaceX, in an interview Elon Musk was asked: "Do you think you need to pack this?" Elon replied, "Never. I don't ever give up."

Jasim Uddin Rasel is the author of Smart Money Habcs

## Sri Lanka says financial crisis 'gradually' easing

**AFP, Colombo**

Cash-strapped Sri Lanka is "gradually" emerging from its worst economic crisis after the austerity of an IMF bailout, the president said Sunday in a speech to mark independence day.

Recalling the "indignity of being labelled a financially bankrupt country", President Ranil Wickremesinghe dispensed with the customary annual address in favour of a brief statement.

The island nation defaulted on its \$46 billion foreign debt in 2022 after a foreign exchange wipeout left it unable to import food, fuel and other essentials.

Sri Lanka saw months of civil unrest at the peak of the economic crisis, culminating in the ouster of then-president Gotabaya Rajapaksa when thousands of protesters stormed his home.

The International Monetary Fund released the first tranche of a \$2.9 billion four-year bailout loan to Sri Lanka in March last year under a reform programme that saw taxes raised and prices sharply increased.

"Throughout this journey, challenges will gradually dissipate, life's burdens will lighten, the economy will fortify," Wickremesinghe said.

Prices spiked more than six percent last month after the government hiked taxes in line with IMF conditions to maintain the bailout loan, according to Central Bank of Sri Lanka data.

The 6.4 percent reading was well up from the 4.0 percent seen in December, according to the bank.

## Economists pilloried for getting forecasts wrong

**AFP, Paris**

Economists are taking flak after missing the mark on inflation, failing to anticipate disruptions in global supply chains and forecasting a recession that has not materialised.

The Covid-19 pandemic, Russia's war in Ukraine and more recently the Middle East conflict have made it tougher for experts to see clearly into their economic crystal balls.

European Central Bank president Christine Lagarde joined the chorus of criticism at the World Economic Forum in Davos, Switzerland, last month.

"Many economists are actually a tribal clique," she said, referring to a lack of openness to other scientific disciplines.

"They quote each other -- men more than women but that's another story," the former IMF chief and French finance minister said. "But they don't go beyond that world because they feel comfortable in that world."

Economists need to get out of their comfort zone of Excel spreadsheets and rigid models, some economists say about their own kind.

The world "has changed a little bit", Peter Vanden Houtte, chief eurozone

economist at ING bank, said sarcastically.

**Inflation miss**  
After years of low inflation, the post-Covid reopening of economies sent prices rising and they soared further after Russia's invasion of Ukraine, belying

assurances from Lagarde and US Federal Reserve chairman Jerome Powell that the increases would only be "transitory".

The central banks had to launch into a series of interest rate hikes to combat inflation. While price rises have cooled



People visit a store at a shopping street in Kichijoji district of Tokyo on January 19. After years of low inflation, the post-Covid reopening of economies sent prices rising and they soared further after Russia's invasion of Ukraine.

PHOTO: AFP

READ MORE ON B2