

Uber posts first annual net profit since IPO

AFP, San Francisco

Ride-hailing giant Uber on Wednesday reported its first annual net profit since the company went public in 2019.

Uber booked a net profit of \$1.9 billion in 2023, compared with a loss of \$9.1 billion in 2022, according to a statement.

The earnings marked an important milestone for the company, after surviving its tumultuous early years of defying regulators and amassing losses under the stewardship of former CEO and cofounder Travis Kalanick.

"2023 was an inflection point for Uber, proving that we can continue to generate strong, profitable growth at scale," said current CEO Dara Khosrowshahi.

Uber's customer base was "larger and more engaged than ever, with our platform powering an average of nearly 26 million daily trips last year," he added.



Visitors gather in front of a booth at the Biman-Dhaka Travel Mart 2024, a three-day tourism fair which kicked off at the Pan Pacific Sonargaon hotel in Dhaka yesterday. The fair will run from 10:00am to 8:00pm and entry tickets will cost Tk 50. Over 80 organisations are showcasing their products at over 100 booths.

PHOTO: THE BANGLADESH MONITOR

India's central bank holds rates, vows to cut inflation

AFP, New Delhi

India's central bank kept interest rates unchanged for a sixth time in a row Thursday, as both inflation and economic growth remain high in the world's fifth-largest economy.

The Reserve Bank of India said its benchmark "repo rate", the level at which the central bank lends to commercial banks, would stay unchanged at 6.50 percent.

Interest rates were hiked by 2.5 percentage points between May 2022 and February 2023, but have stayed constant since then.

India's economy – which is projected to grow at a brisk 7.3 percent in the financial year ending March 31 – has performed "remarkably well", central bank governor Shaktikanta Das said.

Last week, India announced a smaller-than-expected fiscal deficit for this financial year, while shunning populist spending in the last budget before national elections expected to begin in April.

Retail inflation in India hit 5.69 percent in December 2023, higher than November's 5.55 percent, and well above the central bank's target of four percent.

India's "core" inflation, which excludes food and fuel costs, stood at 3.8 percent in December.

US farm exports hit three-year low in 2023 as China slows buying

REUTERS, Naperville

US exports of agricultural and related products reached a value of \$191 billion in 2023, down 10 percent from 2022's record as both commodity prices and shipment volumes declined.

That marks a three-year low though is similar to the 2021 levels, and it reflects competition from key suppliers, particularly when it comes to satisfying Chinese demand.

Data published by the US Census Bureau on Wednesday shows exports of bulk commodities, which include top grossing items like soybeans, corn, wheat and cotton, hit a 10-year low by volume in 2023. That volume was down 17 percent from 2022, the largest year-on-year tumble since 1985.

Last year's US bulk commodity exports were still a 10-year low even when subtracting China's portion, though the annual decline shrinks to 10 percent, the same as in 2022, China excluded. These declines were driven by high prices and a supply increase in rival exporting countries.

Top exporter Brazil is a prime example as its combined corn and soy shipments in 2023 totaled nearly 158 million metric tons, some 29 percent higher than 2022's record.

Devise strategy for extension of post-LDC benefits

Economist Mustafizur urges govt to take preparation for WTO ministerial confce

STAR BUSINESS REPORT

Bangladesh should devise a strategy for the upcoming 13th WTO Ministerial Conference so that it can push for the retention of its trade benefits as a least developed country for three years past the LDC graduation in 2026, said an economist yesterday.

Bangladesh is scheduled to gain the United Nations-declared status of a developing nation on November 24 in 2026 and is seeking the trade benefit extension to be attuned to the status.

Commerce ministers of member states are scheduled to attend the World Trade Organization (WTO) conference in Abu Dhabi between February 26 and 29 to adopt some important decisions pertaining to global trade and commerce.

According to the declaration of the 12th conference held in Geneva in 2022, the WTO last October decided to extend the trade benefits for graduating LDCs but the roadmap is expected to be finalised in the 13th conference.

The European Union, the United Kingdom, Australia and Canada have already announced that they would continue providing the LDC trade benefits up to 2029.

The 13th conference will be effective and meaningful for Bangladesh, said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue (CPD).

He was addressing a knowledge-sharing session on "13th Ministerial Conference of the WTO: What are the stakes for Bangladesh?" organised by the Research and Policy Integration for Development (RAPID) at Jatiya Press Club in Dhaka.

The country should take serious preparation for realising its demand for the trade benefit extension, he said.

There is a scope for the extension and it could even come about through bilateral negotiation if Bangladesh wants, he said.

The US is opposing the extension as it has no LDC scheme in its trade policy, said Rahman.

In such a situation, Bangladesh can

join groups of other countries, such as that having India which has similar demands, he said.

India has been raising its voice over the last few years for the continuation of subsidies for factories housed inside exclusive economic zones, he said.

India has also been advocating for the continuation of a green agricultural subsidy and working for the sustainable use of marine resources and a moratorium on e-commerce, said the economist.

However, Bangladesh should bring about reforms and prepare for the graduation as the country has already met all three prerequisites, he said.

One of the preparation necessities was the fact that due to the graduation, Bangladesh would not be able to enjoy the benefits of a WTO agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs), he said.

Word is going round that the country will enjoy the benefits up to January 2033, which was totally untrue, he said.

Earlier, Bangladesh joined its peers

who, as a group led by Chad, were seeking the extension. In 2020, the group sought 12 years and gradually reduced the demand to nine years and then to six years before finally settling at three years.

However, Rahman questioned whether the three years would truly come to benefit Bangladesh.

The 13th conference is important for two reasons – geopolitical tension and a gradual decline in global trade, said RAPID Chairman MA Razzaque.

He suggested bringing about reforms in the WTO dispute settlement mechanism, saying it was now almost non-functional although it used to work for realising the rights of the LDCs.

Sharifa Khan, former senior secretary to Economic Relations Division, expressed hope that the extension would come about.

Off-patent medicine, meaning that on which there are no exclusive marketing rights, comprised 98 percent of the drugs being made locally, she said.

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Brokerage houses nudge investors

REASONS BEHIND VIBRANCY IN BOND MARKET



Higher yield rate of treasury bonds



Risk-free instrument



No upper limit for investment in bonds



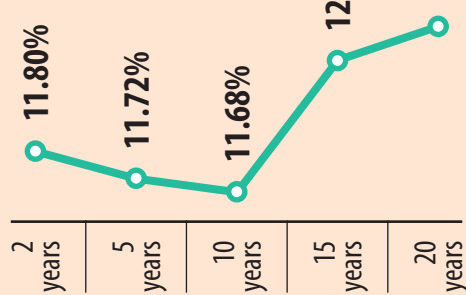
Lucrative rate compared to savings certificates



Well-performing stocks were sluggish for months

Yield of gov't T-bonds

IN %; SOURCE: BB



Interest rates in other investment tools:

Bank interest rate in strong banks: 7-9%

Interest rate of savings certificate: up to 11.76%

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11.76 percent but it will be lower if the investment is more than Tk 30 lakh. The upper limit of investments in any savings certificates is Tk 50 lakh.

Rahman says they usually suggest investors buy bonds during auctions rather than from the secondary market as the rate is better.

"Investing in bonds is a good option for investors, so some investors are really excited about it and some of them are buying. We are happy to see investors are getting a good rate."

According to Rahman, if interoperability can be simplified and automated, this instrument will be a desired tool of investments for many.

Ershad Hossain, managing director and CEO of City Bank Capital, says the demand for bonds is high among investors as the rate is high.

"So, we are encouraging investors to park funds in them," he said. He also cited the lower trading commission as a barrier.

In order to purchase treasury bonds during primary auctions, BO account holders need to place the buy order two working days before the auction, which takes place on every Tuesday.

Investors can procure treasury bonds worth at least Tk 1 lakh. They can buy the tool from banks as well.

Forex reserves rise \$14m

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Merchandise exports rebounded strongly in January as manufacturers shipped goods worth \$5.72 billion, the highest in a single month.

Similarly, the remittance flow rose to a seven-month high in the first month of the year. Imports fell 22.41 percent in November, the latest for which data from the central bank was available.



PHOTO: AL-ARAFAH ISLAMI BANK

Md Fazlur Rahman Chowdhury, deputy managing director of Al-Arafah Islami Bank, hands over a water purifier to Rumana Zaman, principal of Sardar Suruzzaman Mohila College, in Dhaka's Dakshin Khan recently.

Al-Arafah donates water purifiers to a college

STAR BUSINESS DESK

Al-Arafah Islami Bank recently donated water purifiers to Sardar Suruzzaman Mohila College at a programme held in Dakshinkhan, Dhaka.

Md Fazlur Rahman Chowdhury, deputy managing director of the bank, attended the event as chief

guest, read a press release.

Md Mojibur Rahman, senior vice-president and head of Dhaka north zone, presided over the event, where Rumana Zaman, principal of the college, was present as special guest.

Mohammad Rafiq Ullah, manager of Dakshinkhan branch, along with teachers and students of the college, were also present.

Govt hopeful about 3rd tranche

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For December, the goal for tax revenue, including NBR (National Board of Revenue) and non-NBR taxes, was set at Tk 143,640 crore.

Another condition for the third instalment is that the budget deficit must not surpass Tk 90,520 crore in December. As of September, the shortfall was Tk 12,402 crore, data from the finance ministry showed.

"The deficit is expected to remain within the IMF ceiling," the official said.

The government has fulfilled conditions attached with four quantitative targets: external payment arrears, reserve money, priority social spending, and capital investment.

The IMF has attached some structural conditions as well.

One of the structural conditions is that the government will release the quarterly GDP data from December. However, the Bangladesh Bureau of Statistics has missed the target.

Yesterday, the finance minister also said the government would not introduce a market-based exchange rate.

"For now, the crawling peg system will continue."

In January, the Bangladesh Bank unveiled a plan to introduce an interim crawling peg system for the taka to regulate abrupt fluctuations in its value.

The system will be tethered to a carefully chosen basket of currencies within a defined band corridor. A "competitive and representative equilibrium" rate will be established at the midpoint of the corridor, allowing the exchange rate flexibility

within these bounds.

The BB will retain its authority to intervene in the currency market to prevent the exchange rate from breaching the limits, the central bank said in its latest monetary policy.

In June last year, the BB pledged to allow the currency to float freely for the first time in Bangladesh's history, a key demand from the IMF to keep the loan programme on track.

Also yesterday, Canadian High Commissioner to Bangladesh Lily Nicholls paid a courtesy call on the finance minister.

After the meeting, the minister said Bangladesh and Canada maintain a good relationship.

The two also discussed Canadian investments in Bangladesh, especially regarding setting up canola oil manufacturing mills.

Nine banks asked to tighten forex vigilance

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Mirza Eliash Uddin Ahmed, managing director of Jamuna Bank, said the central bank had instructed banks to transfer existing in-charges and appoint new ones.

"It also asked to ensure that the new in-charges are appointed for only one year."

The BB added that booths must also be under constant surveillance. If the CCTVs are switched off, forex transactions must also remain suspended during the period as well.

Syed Mahbubur Rahman, managing director of Mutual

Trust Bank, said he did not attend the meeting but had received the instructions.

He added that transferring booth officials or in-charges from the airport is a lengthy process because it is a secure zone.

"It may take at least two months to transfer them."

Md Abdul Jabbar, managing director of Janata Bank, attended the meeting and confirmed that they had received instructions to strengthen monitoring at booths to tackle capital flight.

Generally, outbound passengers can purchase foreign currencies from the booths.