

Agri product exports make a turnaround

JAGARAN CHAKMA

Bangladesh's agricultural product exports have slightly increased year-on-year during this fiscal year, marking a turnaround from a gradually drop over the past three years thanks to, according to industry insiders, restoration of supply chains and a slight improvement in the US dollar crisis.

The export receipts amounted to \$637 million in the past eight months, according to the Export Promotion Bureau (EPB).

In comparison, it was \$615 million in the same period of the previous fiscal year of 2022-23.

The product list here is comprised of tea, vegetables, tobacco, fruits, spices, dry food, oil seeds, betel leaves, animal or vegetable fats and oils, sugar and sugar confectionery, beverages, spirits and vinegar, oil cake and others.

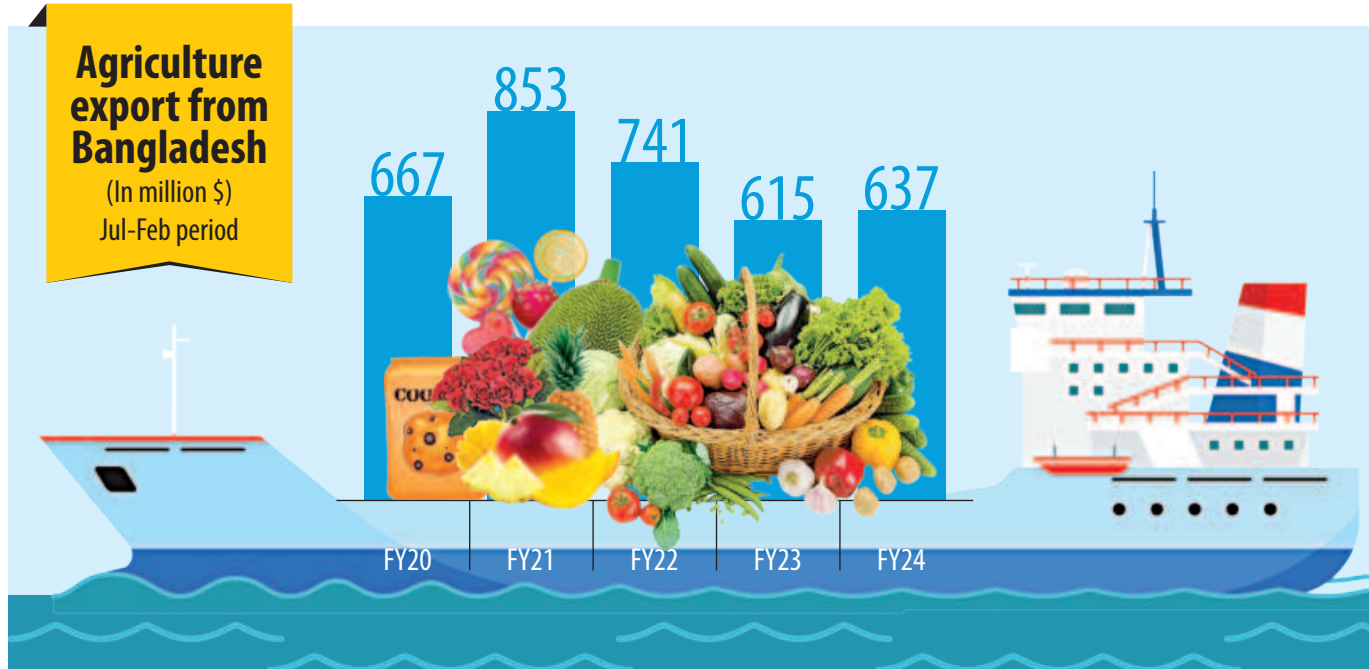
Market insiders said the exports had peaked in fiscal year 2020-21 before the situation started to deteriorate just four months past the Russia-Ukraine war began in February 2022.

Overall, Bangladesh exports more than 700 agricultural items, including 63 basic processed products, according to Bangladesh Investment Development Authority (BIDA).

The main exports items are frozen fish, shrimp and other frozen food products, tea, spices, fruits including dry fruits and some other processed agricultural products.

The major export destinations include the European Union, the US, the Middle East and the Gulf.

At present, there are 486 manufacturers of processed agricultural products, of whom 241 are exporters while the rest cater to the domestic market.



Bangladesh exports cereal grains, frozen fish, processed meat, tea, vegetables, tobacco, flowers, fruits, spices, dry food and other processed agricultural products, including livestock, poultry and fish feed, to over 145 countries, said Kamruzzaman Kamal, marketing director of PRAN-RFL Group.

"Improvements in the availability of shipping line containers and stabilisation of the raw material supply chain are helping to increase export of the agriculture products," he said.

During the past two years, global supply chains faced disruptions and freight costs increased in tune with a global economic crisis, which affected the agribusiness sector in Bangladesh, he noted.

"Besides, we faced challenges in competing in the global market due to price increases of raw materials in the international market as well as appreciation of the US dollar against the local currency," Kamal explained.

Now the situation is getting better, including supply chains regaining stability and an increase in the availability of the US dollar, which is helping to improve the export scenario in the agriculture sector, he said.

Kamal believes the sector will witness robust growth in the coming days, on condition no natural or artificial disaster arises.

Export orders are increasing as the crisis involving raw materials is ebbing, said Musharaf Hossain Bhuiyan, head of

marketing at Danish Foods of Partex Star Group.

Besides, the dollar crisis is easing alongside challenges over importing raw materials and more stability can be reached as time goes on, he said.

Against this backdrop, the export scenario involving dry foods, particularly biscuit items, is getting better, he said, citing that the European war had disrupted globally supply chains, including dry and processed food exports from Bangladesh.

The exports had drastically dropped last fiscal year as necessary raw materials could not be imported due to the dollar crisis as well fund shortage of their own, he said.

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The road ahead for business transformation leaders

ARJIT CHAKRABORTI

As businesses in Bangladesh grow, they are also participating in various programmes to transform their businesses for the future. Half of the CEOs in Bangladesh who were surveyed for PwC's 26th Annual Global CEO Survey 2023 responded that their business will lose economic viability in less than 10 years if they stay in the current course.

It is evident that these CEOs understood the fast-changing business landscape and risks that their organisations are going to face in the coming years. That's why many of them have been spearheading the transformation agenda for their business.

While it is important to set the tone at the top before such transformation, the success of each transformation programme depends on the participation of the business leaders across functions, and not just the CEO. Each leader of the business function needs to play a dual role - leading the respective business function and orchestrating the function with the whole organisation's transformation programme.

According to a PwC analysis conducted on the companies in Australia, Germany, the UK and the US, the top 20 percent of firms in these countries capture a performance premium worth more than 13 times that of their industry peers. At the same time, volatile environments push business leaders to prioritise their immediate operational issues, instead of their strategic goals.

To effectively transform a business, leaders must keep their strategic goals at the centre of everything they do, and become outcome-focused for the long term success of their organisation.

In the road ahead for business transformation, leaders must drive innovation, particularly digital innovation. Many leading companies in Bangladesh have successfully implemented enterprise resource planning (ERP) as part of their transformation journey. Early starters are now upgrading their ERP platforms to a cloud-powered one.

Such upgrades will be instrumental in reducing the barrier to innovation and will help realising the business benefits faster. Cloud-powered companies are four times more likely to experience the ease of innovation across their business functions.

In the 26th Annual Global CEO Survey, 69 percent of CEOs in Bangladesh stated that changing customer preferences is going to be the most important challenge to sustain profitability. That's why it is important to deliver unique and positive customer experience and establish differentiation in the market. The goal of any customer-centric transformation should not be limited to increasing the expenditure on marketing and customer loyalty programmes, but also creating a framework for better understanding the customers.

Building and sustaining trust should be central to all business transformation initiatives that an organisation undertakes. According to PwC's 2023 Trust Survey, 91 percent of the business executives agreed that their ability to build and maintain trust would improve the profitability of their organisation. Activities like protecting customers' data, quickly responding and resolving the customers' concerns, and consistently delivering positive customer experience are instrumental in building and sustaining the trust of the customers.

Shaping the business transformation agenda while aligning with the organisation's purpose, strategy and expected outcomes will keep the transformation leaders busy in the coming years. In a high-growth economy like Bangladesh, the road ahead of them will be challenging but full of opportunities. Their ability to drive transformation programmes successfully will be instrumental for their organisations to achieve peak positions in their respective sectors.

The writer is a partner with PwC. The views are personal.



Eastern Bank logged Tk 612cr profit in 2023

STAR BUSINESS REPORT

Eastern Bank PLC recorded a profit of Tk 612.06 crore in 2023, an increase of 20 percent year-on-year.

The private commercial lender's profit in 2022 was Tk 511.86 crore.

Thus, earnings per share (EPS) was Tk 5.07 last year, up from Tk 4.24 the previous year, according to a filing on the Dhaka Stock Exchange.

The board of the bank recommended a 12.50 percent cash dividend and a 12.50 percent stock dividend for all shareholders.

EBL said that the stock dividend has been recommended to strengthen the capital base to support projected business growth and improve certain regulatory ratios.

The annual general meeting will take place on April 29.

Shares of EBL were up 0.32 percent to close at Tk 31.60 yesterday.

US aims to be 'economic partner of choice' for Indo-Pacific: official

REUTERS, Washington

US Commerce Secretary Gina Raimondo is leading a presidential trade and investment mission to the Philippines starting Monday as the United States looks to fortify economic ties across the region.

Raimondo plans to tout the Philippines as a key hub for regional supply chains and investment in support of the US Indo-Pacific Strategy during the visit on Monday and Tuesday. She will then travel to Thailand for two days of meetings for a presidential export council mission.

"We want to deepen our economic engagement in the Indo-Pacific, which is dynamic - some of the fastest growing, dynamic economies of the world," Raimondo said in an interview, saying the trip aims to ramp up "our economic and commercial ties in the Indo-Pacific."

Security engagements between the Philippines and the United States have stepped up considerably under President Joe Biden and his counterpart Ferdinand Marcos Jr, with both

leaders keen to counter what they see as China's aggressive actions in the South China Sea and near Taiwan.

Raimondo said she is often asked if the United States is asking countries in the Indo-Pacific to choose between China and the United States.

"We want to deepen our economic engagement in the Indo-Pacific, which is dynamic - some of the fastest growing, dynamic economies of the world," says US Commerce Secretary Gina Raimondo

"Absolutely not - but we want the United States to be the economic partner of choice," Raimondo said. "For that to happen, we have to show up and show up in the country with money, with collaboration and consistently show up."

Raimondo made a trip in China

in August where she met Chinese leaders and touted US firms' desire to do business in China.

The US delegation to the Philippines includes executives from 22 companies including United Airlines, Alphabet's Google, Black & Veatch, Visa, EchoStar/DISH, United Parcel Service, Boston Consulting Group, KKR Asia Pacific, Bechtel, FedEx, Mastercard and Microsoft, the White House said.

United said last week it would launch new flights from Tokyo-Narita to Cebu, Philippines starting July 31. Raimondo said she hopes there will be new US investment announcements this week in the Philippines and that talks this week will lay the groundwork for future commercial investments.

Raimondo's Thailand visit will focus on manufacturing, supply chain resiliency, artificial intelligence, and clean technology. In Bangkok, Raimondo will participate in a hybrid meeting of the US led Indo-Pacific Economic Framework for Prosperity (IPEF) Ministerial with IPEF partners following meetings in November.

Eastland Insurance's profit fell last year

STAR BUSINESS REPORT

Eastland Insurance Company Ltd's profits fell 30 percent year-on-year to Tk 9.56 crore in 2023.

The insurance company recorded Tk 13.67 crore profits the previous year.

The slide in profit resulted in an earnings per share (EPS) of Tk 1.14 in 2023, which was Tk 1.63 in 2022, according to a filing on the Dhaka Stock Exchange (DSE).

EPS is a company's net income subtracted by preferred dividends and then divided by the average number of common shares outstanding. The resulting number serves as an indicator of a company's profitability.

Eastland's net operating cash flow per share dipped to Tk 0.83 from Tk 0.92 in 2022, due to a slowdown in net premium income.

Its board recommended a 10 percent cash dividend for general shareholders, same as last year. Eastland has been listed on the DSE since 1994 and has 26 branches around the country.

Bitcoin hits record above \$71,000

REUTERS, London

Bitcoin hit a record high on Monday above \$71,000, as the surge in the biggest cryptocurrency showed no signs of slowing down.

Britain's financial watchdog on Monday became the latest regulator to pave the way for digital asset trading products after saying on Monday it will now permit recognised investment exchanges to launch crypto-backed exchange-traded notes.

Bitcoin rose by as much as 4.8 percent to a record \$71,677 in European trading, bringing gains for the year so far to 70 percent.

The world's most valuable cryptocurrency has been boosted by a flood of cash into new spot bitcoin exchange-traded funds as well as hopes that the Federal Reserve will soon cut interest rates. Flows of capital into the 10 largest US spot bitcoin exchange-traded funds slowed to a two-week low in the week to March 8, but still reached almost \$2 billion, according to LSEG data.

"Bitcoin has started the week with a surge, dragging the rest of the cryptocurrency space higher with it," DailyFX strategist Nick Cawley said. Supply of bitcoin, which is limited to 21 million tokens, is going to get tighter in April, when the so-called halving event takes place.

Every four years, the rate at which new supply is released into circulation, as well as the reward for crypto miners, is halved, which tends to support the price.

"News also out earlier that the LSE plans to accept applications for bitcoin and ethereum ETNs in Q2 may have also helped today's push higher," Cawley said.

The UK regulator said these products would be only available for professional investors such as investment firms and credit institutions authorised to operate in financial markets, the Financial Conduct Authority (FCA) said in a statement.

China can afford to holster monetary bazooka

REUTERS, Hong Kong

China's central bank has a smoother path ahead. Consumer prices increased for the first time in six months, rising 0.7 percent year-on-year in February. That's still far below Beijing's 3 percent target but it is a welcome sign that prices might be stabilising. Expected US rate cuts mean policymakers will have ample room to ease at their disposal. The latest price increase is largely due to an uptick in spending during the Chinese New Year holiday.

Even so, it beat the 0.3 percent forecast by economists in a Reuters poll and is the largest gain in almost a year. And while demand remains sluggish amid a property market downturn, prices for energy and food will probably pick up this year. In particular, pork, a key component in the CPI, looks to have bottomed out after plunging 30 percent over the past 12 months.

This gives the People's Bank of China a little bit of breathing room. Piecemeal easing efforts are starting to add up. In early February, the PBOC cut the reserve requirement for banks by 50 basis points, injecting about 1 trillion yuan (\$139 billion) into the economy. It also lowered

the five-year loan prime rate in the same month by 25 basis points, the largest ever reduction in the benchmark mortgage rate.

Expectations that the US Federal Reserve will cut rates will also ease

concerns about a depreciating Chinese currency. The renminbi has weakened to around 7.2 yuan against the dollar, from 6.3 yuan two years ago. Analysts at JP Morgan now expect two more policy rate cuts of 10 basis points from the PBOC



Expectations that the Federal Reserve will cut rates will also ease concerns about a depreciating Chinese currency, which weakened to around 7.2 yuan against the dollar, from 6.3 yuan two years ago.

PHOTO: AFP/FILE

alongside another 25 basis point reserve requirement cut in the second-half of the year.

The situation is a far cry from 2009 and 2020, when the country was tackling deflation. Both times, the Chinese government hiked up its annual inflation target to create room for more aggressive monetary easing. The fact that Beijing is sticking to the same 3 percent goal signals there is no urgency to deploy a bazooka-style stimulus similar to the 4 trillion yuan package seen 15 years ago. The PBOC can afford not to this time around.

China's consumer price index (CPI) rose for the first time in six months and climbed 0.7 percent year-on-year in February, data from the National Bureau of Statistics showed on March 9, beating the 0.3 percent gain forecast by economists in a Reuters poll. The CPI growth was buoyed by gains in key foodstuffs such as pork, as well as seasonal spending during the Chinese New Year in February.

The Chinese government has kept its consumer inflation target for 3 percent in 2024. Consumer prices only rose 0.2 percent last year, missing the government target of 3 percent, which has largely stayed the same since 2015.