Navana Pharma gets nod for Tk 150cr bond

STAR BUSINESS REPORT

Navana Pharmaceuticals has received approval from the Bangladesh Securities and Exchange Commission (BSEC) to issue a partial convertible bond worth Tk 150 crore.

The bond, priced at a face value of Tk 100,000 per unit, aims to refinance the company's existing bank loan, according to a filing on the Dhaka Stock Exchange.

A convertible bond is a fixed-income corporate debt security that yields interest payments, but can be converted into a predetermined number of common stock or equity shares.

The BSEC's consent letter ensures that the full payment of the bond is secured by a bank guarantee, the filing said.

Female workers pack undamaged tomatoes into plastic crates for sale to ketchup manufacturers, getting paid Tk 10 for every crate by the wholesalers. Each worker can pack around 18 to 20 crates in a day. Tomatoes are currently selling for Tk 2 to Tk 9 per kilogramme at this kitchen market in Khulna's Dumuria upazila. The photo was taken on Tuesday.

PHOTO: HABIBUR RAHMAN

Voice floor price: time to scrap it

MAHTAB UDDIN AHMED

Bangalees are well known for their unparalleled gift of gab. Our love for chatting is unique and deeply rooted in our culture. Whether it is at the corner shop or continuing in marathon phone calls that defy the laws of time and data plans, we Bangalees are the true pioneers of telephonic verbosity.

No longer constrained by mere 2G or 3G technology, we continue our spirited conversations using voice instead of low-cost data in 4G or 5G, throwing cost to the wind. As long as I can discuss last night's cricket match or debate the best biriyani joint, I'm good. So why not continue the culture but pay less?

There are arguments for and against removing voice floor prices for mobile network operators (MNOs) in Bangladesh. Advocates favouring the removal of voice floor prices argue that lower prices encourage healthy competition among MNOs, leading to innovation and better consumer services. They claim that reduced voice prices make communication more accessible, bridging the digital divide between the rich and the poor and promoting social inclusion.

There are several arguments against removing voice floor prices from the MNO side to protect its interests. They emphasise that floor prices provide essential revenue, allowing them to cover costs, invest in infrastructure, and maintain service quality.

They also contend that sustainable pricing ensures better call quality, coverage, and reliability, benefiting consumers in the long run. However, in the case of Bangladesh, it never happened.

Despite launching 3G in 2013 and 4G in 2018, Bangladesh is significantly lagging behind internet penetration, leading to under-performance in financial inclusion, education, etc. The MNO's voice revenue is still hovering between 50 percent and 60 percent, and data penetration coupled with smartphone penetration growth remains way behind our South Asian neighbours.

In developed countries, there is nothing called voice revenue. Jio, the leading operator in India, offers no voice packages, as their data price includes voice and SMS.

In Bangladesh, voice users are predominantly rural or economically disadvantaged individuals for whom smartphones are unaffordable and unfamiliar. Urban smartphone users, on the other hand, often prefer WhatsApp or other IP-based voice services due to significantly lower costs.

This policy disproportionately favours the wealthy and safeguards MNO interests, hindering data and smartphone adoption. The slower the transition from voice to data, the better for MNOs. It is time for regulators to scrap it to the nation towards a smart Bangladesh.

Bangladesh's smartphone shipments suffered a double blow, declining by 23 percent in 2022 and 25 percent in 2023. Economic challenges, such as high inflation, currency depreciation, and increased VAT on handsets, significantly impacted the market. Additionally, local manufacturing focus and restrictions on MNOs' device dealings contributed to the country's lag in smartphone and data adoption.

The Bangladesh Telecommunication Regulatory Commission and the posts and telecommunication ministry should immediately remove the floor price on voice to lift Bangladesh out of the rare countries with such regulations.

In our quest to safeguard local manufacturers, we often end up hindering progress inadvertently. The voice floor price shackles affordability and digital growth. But fear not! We can sweeten the deal by lowering revenue sharing on data and tax breaks for data investments (including smartphones) to manage the interim shock.

Brace for MNO pushback, but remember Jio—their 4G/5G magic touched all, rich or poor, with digital literacy soaring, defying skeptics.

In Bangladesh, the telecom policy is shifting its focus from voice to data, as evidenced by the spectrum price and policy. This strategic move aims to enhance productivity, promote financial inclusion, revolutionise education, catalyse innovation, and boost global competitiveness.

By prioritising data, Bangladesh can unlock opportunities and propel itself toward prosperity in the digital age. The country needs to ensure internet access for all if we want to build a Smart Bangladesh.

The author is founder and managing director of BuildCon Consultancies Ltd.

Credit card use slightly up

STAR BUSINESS REPORT

Credit card transactions in the country slightly increased by 0.15 percent in January compared to that in the preceding month, according to Bangladesh Bank.

Customers spent Tk 2,678 crore in January this year, up from Tk 2,674 crore in December 2023.

On the other hand, transactions outside the country totalled Tk 532 crore in January 2024, showcasing a considerable decrease of 8.16 percent from Tk 579.3 crore in December 2023.

Transactions within the country but with credit cards issued by foreign entities dropped to Tk 181.6 crore in January 2024, down from Tk 184.1 crore in December 2023, indicating a decrease of 1.35 percent.

When it comes to the place where credit cards were used within the country, departmental stores saw an increase to Tk 1,320.6 crore in January 2024 from Tk 1,309.5 crore in December 2023.

Similarly, retail outlet services noted a minor increase in January 2024 from that of December 2023.

On the other hand, transactions related to utilities experienced a decrease, falling to Tk 228.4 crore in January 2024 from Tk 244.1 crore in December 2023.

In case of cash withdrawals, there was a reduction, with Tk 207.1 crore in January 2024, down from Tk 218.8 crore a month earlier.

Analysis of the credit card usage patterns reveals that a significant majority, approximately 71.10 percent, took place through Visa.

Another 18.21 percent was through Mastercard while about 10.52 percent through America Express, according to Bangladesh Bank.

The remaining transactions occurred through other types of cards in January 2024.

Of credit card usage outside then country, the spending habits of credit cardholders engaging in cross-border transactions mirrored the domestic pattern in January 2024.

These cardholders predominantly utilised their cards at departmental stores abroad, accounting for approximately 27.46 percent of transactions.

Other notable categories included retail outlet services (15.81 percent), drug and pharmacies (12.33 percent), cash withdrawal (10.26 percent), clothing (8.91 percent), transportation (6.92 percent) and various other categories (18.30 percent).

Litchi growers expect good harvest this year

KONGKON KARMAKER

Litchi trees across Dinajpur and other northern districts have started bursting into a symphony of blossoms this year, with growers, traders, and enthusiasts eagerly anticipating a good harvest of the juicy fruit.

In spite of a slight delay due to low temperatures prevailing for some time, the trees have now adorned themselves with vibrant flowers, heralding the imminent arrival of the mouth-watering, delicious fruits.

Flowering usually begins in mid-February but this year it commenced towards the end of the month, as noted by officials of the Department of Agricultural Extension (DAE) and growers across Dinajpur.

There are over 4,000 orchards dotting the district, spanning over approximately 5,690 hectares of land.

The popularity and profitability of the fruit over others have prompted a rise in its cultivation.

The DAE officials are optimistic of a production of 45,000 tonnes this year.

In addition to commercial production, numerous household trees also contribute significantly to the annual litchi yield.

Dinajpur stands as a proud producer, with the fruit flourishing in 13 upazilas and practically turning synonymous with the district.

However, connoisseurs agree that the most delectable litchis hail from Dinajpur sadar upazila and Biral upazila.

The finest litchis are cultivated in Mashimpur of Dinajpur sadar upazila and Madhabbati of Biral upazila.

The flowers brimming on litchi trees throughout Dinajpur have infused farmers with hope for a bountiful harvest this year.

Ashraful Islam, a litchi grower from Hakimpur upazila, expressed his optimism as his three-bigha orchard bloomed abundantly, surpassing his expectations.

After experiencing reduced flowerings in the past two consecutive years, which led to decreased production and losses for him, he is hopeful for profitable returns this season.

Echoing this comment, Ziaur Rahman, another litchi grower from Mashimpur village, highlighted the conducive weather conditions this year for the litchi production, remarking on timely rains and the climate being slightly less warm.

The dropout rate during the transformation from flower to budding has decreased compared to previous years for the good weather, which is crucial period for litchi cultivation.

If the weather prevails until it is time for harvests, growers can anticipate an exceptional yield this time, said Golam Mostafa, a farmer of Mashimpur village.

The plucking is expected to commence by the end of May and continue for a month.

Apart from the litchi harvest, this flowering period also marks a prime time for honey production in Dinajpur.

Various litchi varieties are cultivated in Dinajpur, including Madrazi, Bombai, Bedana, China-1, 2, and 3, Kathali, and Hariya.

Among these, the Bedana and China varieties stand out for their premium quality, fetching higher prices due to their colour, taste, flesh texture, and smaller seeds.

The Madrazi variety, on the other hand, is known for ripening and being ready for plucking early.

Md Nuruzzaman, deputy director of the DAE in Dinajpur, attributed the significant flowering this year to favourable weather conditions.

He expressed optimism that if conditions remain favourable, growers will witness a robust production this season.

The anticipated commercial value of the litchi crop in Dinajpur is estimated to be around Tk 600 crore, a promising figure for the growers and the local economy, he added.

As the litchi trees continue to flourish and the aroma of the blossoms fills the air, Dinajpur prepares for yet another season of litchi delights, promising a feast for both growers and litchi enthusiasts alike.

H&M's net profit doubles in Q1

AFP, *Stockholm*

H&M said Wednesday its net profit more than doubled in the first quarter as the world's second biggest fashion retailer worked to control costs.

The Swedish company reported a profit-after-tax of 1.2 billion kronor ($113.3 million) in the December-to-February period.

"Through continued cost control, better precision in our collections and close cooperation with our suppliers, we now stand better equipped," chief executive Daniel Erver said in a results statement.

"We are fully focused on driving profitable growth going forward," Erver said.

The group's operating profit nearly tripled to 2.1 billion kronor, well above the 1.3 billion kronor forecast by analysts in a Bloomberg survey.

Sales fell by two percent to 53.7 billion kronor, but H&M said they "gradually improved" in February and rose in the first weeks of March.

Erver took over earlier this year from Helen Helmersson, who stepped down after four years at the helm.

H&M, the second biggest fashion retailer after Zara owner Inditex, posted lower-than-expected results in 2023.

"We continue to plan our business with respect for a challenging situation in the world around us where consumers remain affected by inflation and high interest rates," Erver said.

"Our top priority is to strengthen sales, and our target of a 10 percent operating margin for full-year 2024 thus remains in place," he said.

Foreign firms' losses from exiting Russia top $107b

REUTERS

The corporate exodus from Russia since its 2022 invasion of Ukraine has cost foreign companies more than $107 billion in writedowns and lost revenue, a Reuters analysis of company filings and statements showed.

The volume of losses have increased by one third since the last tally in August last year, underscoring the scale of the financial hit to the corporate world from Moscow's invasion, as well as highlighting the sudden loss of Western expertise from Russia's economy.

"As Russia's invasion continues amid faltering Western military aid, and the granularity of Western sanctions regimes increases, companies still aiming to exit Russia will likely face further difficulties and have to accept greater writedowns and losses," said Ian Massey, Head of Corporate Intelligence, EMEA, at global risk consultancy S-RM.

President Vladimir Putin, fresh from securing re-election in a landslide victory widely condemned in the West as unfair and undemocratic, now has a renewed mandate to pursue further isolation from the West, including through additional asset seizures and political pressure, Massey added.

Moscow demands discounts of at least 50 percent on foreign asset sales and has steadily tightened exit requirements, often accepting nominal fees as little as one rouble.So far this year, sales of assets owned by Shell, HSBC, Polymetal International and Yandex NV have been announced, totalling nearly $10 billion and at discounts as high as 90 percent.

Last week, Danone said it received regulatory approvals to dispose of its Russian assets, taking a total loss of $1.3 billion.US stocks ended higher on Wednesday, with the S&P 500 setting another closing record ahead of Fridays key inflation report.

A closed McDonald's restaurant in Moscow. Companies still aiming to exit Russia will likely face further difficulties and have to accept greater writedowns and losses, says an expert.

PHOTO: REUTERS/FILE

About 1,000 companies have exited. Austrian brickmaker Wienerberger sold its Russian factories and exited the market, the RBC daily reported on Thursday.But hundreds of companies including French retailer Auchan and Benetton are still operating or have put business on hold there, according to analysis by Yale School of Management.

Western nations froze around $300 billion of the Bank of Russia's gold and foreign exchange reserves after Russia's invasion. Germany has nationalised Gazprom's Germania plant, renaming it Sefe, and placed Rosneft's Schwedt refinery under German trusteeship.

Russia has promised to retaliate against EU proposals to redistribute billions of euros in interest earned on its frozen assets, warning of catastrophic consequences and saying any attempt to take its capital or interest is "banditry". Western banks, too, are concerned of the legal wranglings any confiscation may spawn."There are no Western assets in Russia that can be considered safe or ringfenced so long as the Kremlin continues to wage war," Massey said.