

Beximco gets nod to issue bond

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) yesterday gave the go-ahead to a zero-coupon bond for Beximco, one of Bangladesh's leading conglomerates, to raise Tk 1,500 crore from institutional and high net worth individuals.

A zero-coupon bond is a debt security that does not pay interest but instead trades at a deep discount. It renders a profit at maturity when the bond is redeemed for its full-face value.

Each unit of the Beximco 1st Unsecured Zero Coupon Bond is Tk 50,000, will be available at a discount of 15 percent and total face value on reaching maturity after 5 years will be Tk 2,625 crore, said the BSEC in a press release.

Beximco will utilise the money to repay bank loans and lend to the developer of Mayanagar, which the company earlier said is a mixed-use, multipurpose real estate project, located on a 100-acre land on the Nabinagar-Chandra Highway.

The approval comes nearly three weeks after the Beximco's board of directors gave the go-ahead to the issuance of the bond to repay the company's existing loans and invest in the joint venture with Sreepur Township.

Currently, Beximco owns 75 percent of the project land, with Sreepur Township owning the remaining 25 percent, and the profits will be shared accordingly.

IPDC Finance's profit fell 62% in 2023

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IPDC Finance Ltd's profit nosedived 62 percent year-on-year to Tk 34.14 crore in 2023.

The non-bank financial institution's (NBFI) profit was Tk 90.17 crore for the year that ended on December 31, 2022.

The decline in profit resulted in its earnings per share of Tk 0.92 in 2023, down from Tk 2.43 in the previous year, according to a filing on the Dhaka Stock Exchange.

However, the net operating cash flow per share returned to positive in 2023 to Tk 0.60, up from the previous year's Tk 11.17 in the negative.

IPDC's board recommended a 5 percent cash and a 5 percent stock dividend, the lowest since 2019.

The NBFI said that lower profit, an increase in the capital base and a higher loan portfolio were the reasons for the stock dividend recommendation.

The annual general meeting will take place virtually on May 16. Shares of IPDC started trading at Tk 25.8 and went up 5.81 percent to Tk 27.3 yesterday.

Reckitt Benckiser recommends lowest dividend in 9 years

STAR BUSINESS REPORT

Reckitt Benckiser (Bangladesh) PLC's board has recommended a 550 percent cash dividend, the lowest in nine years, despite a 24 percent growth in profit last year.

The multinational company reported a profit of Tk 82.04 crore in 2023, up from Tk 65.91 crore in the same period the previous year.

Thus, earnings per share went up to Tk 173.65 last year, which was Tk 139.50 in the year ended December 31, 2022, according to a filing on the Dhaka Stock Exchange.

Reckitt's cash dividend recommendation follows the trend of the listed multinational companies in Bangladesh posting healthy profits in 2023. The dividend payout dropped for most of them since they struggled to repatriate funds to their foreign owners owing to the US dollar crunch.

Shares of Reckitt started trading at Tk 4,932.3 but declined 4.96 percent to Tk 4,687.9 yesterday.

Russia will cut oil output

REUTERS, Moscow

Russia has decided to focus on reducing oil output rather than exports in the second quarter in order to evenly spread production cuts with other Opec+ member countries, Deputy Prime Minister Alexander Novak said on Friday.

Earlier this month, Russia said it would cut its oil output and exports by an additional 471,000 barrels per day (bpd) in the second quarter in coordination with some Opec+ participating countries.

Novak also told reporters that Russian oil companies will reduce production in proportion to their share of the country's total oil output.

Russia plans to gradually ease export cuts: in April, it will reduce output by an extra 350,000 bpd, with exports cut by 121,000 bpd. In May, the extra output cut will be 400,000 bpd and exports cut by 71,000 bpd. In June, all the additional cuts will be from oil output.

The world's second-largest global oil exporter has been cutting crude oil and fuel exports by a combined 500,000 bpd in the first quarter, in addition to its previous pledge to curtail production alongside other members of the Opec+ grouping.

Russia's move to reduce more oil production, not exports, was an unexpected move.

JP Morgan, which earlier this month

called it a surprising shift in strategy, said if Russia delivered on the promised cuts, the country's production of crude oil should decline to 9 million barrels per day (bpd) by June, matching Saudi Arabia's output.

Russia currently produces around 9.5 million bpd of crude oil.

"This is a measure (deepening of production cuts) is taken so that all the countries contribute equally (to production cuts under the Opec+ deal)," Novak said.

Russian oil companies will reduce production in proportion to their share of the country's total oil output

"As you remember, we did not reduce (production) by the volume, by the percentage that other countries reduced. We had a reduction in exports. The moment has come when, instead of exports, we are reducing production," he added.

Industry sources told Reuters on Monday that Russia's government has ordered companies to reduce oil output in the second quarter to ensure they meet a production target of 9 million bpd by the end of June in line with its pledges to Opec+.



PHOTO: MIRZA SHAKIL

Price hike of raw materials and reduced demand are forcing many weavers in Tangail to leave their profession.

Handlooms fall silent as profits shrink

MIRZA SHAKIL

Persistent problems, such as the price hike of raw materials and reduced demand, are forcing many weavers in Tangail to leave their profession, with the number of handlooms and artisans rapidly decreasing and many fearing the 200-year-old tradition is nearing a point of no return.

Local weavers attribute this decline to increases in the price of raw materials and a lack of demand, which means they cannot even raise prices. Another big factor is that the local market is flooded with saris made in other countries.

Aarti Rani said that the rhythmic rattling sound of handlooms could be heard day and night when she first arrived in the textile-rich district of Tangail after getting married to a local weaver.

Living in the Pathrail union, she was at one of the hubs for textile products, including the famous Tangail sari, manufactured through both handlooms and powerlooms.

For years after Rani first arrived as a newlywed, the income from weaving was good enough so she could pass the days happily.

But her children cannot say the same. Another weaver from the same area, Gani Miah rued his fate. His family's expenses have increased manifold in the past years, but even if husband and wife work together, they struggle to make ends meet through weaving.

"But what else can we do? We do not know how to do any work other than weaving saris," Gani lamented. He said women wore saris less

these days, so neither the demand nor price has increased. At the same time, the price of weaving materials such as yarn and dye has increased.

Gani added that he did not want to continue living his life under the orders of Mahajans, who are local wealthy weavers and sari traders, and for meagre wages.

As small weavers are becoming disoriented due to continuous losses, many have already closed down.

According to the Kalihati and Sadar Basic Centres of Bangladesh Handloom Board in Tangail, there are currently around 32,000 handlooms under the centres. Of these, around 17,000 are in six upazilas under the Kalihati centre and 15,000 in six upazilas under the Sadar centre.

Mofakkharul Islam, president of Tangail Central Cooperative Artisans Society, said that there were around 1 lakh handlooms and 1.5 lakh weavers in the district in the 90s and at least three lakh people were engaged in the industry.

He said the overall number had dropped by more than two-thirds over the years.

"Local weavers are closing their businesses as it is no longer profitable enough to sustain. Most of the looms in the region will be shut down within a few years if this situation prevails," Mofakkhar, also former president of Kalihati Upazila Handloom Owners Association, said.

"The weaving industry needs government attention. The weavers need proper training and smooth supply of weaving materials at subsidised prices," he added.

Md Kamruzzaman, the liaison officer of the Kalihati Basic Centre, said it mainly trains weavers and

provides loans. But weavers are unable to benefit due to increases in the price of weaving materials.

Noresh Basak and his five brothers weave sari in handlooms at Bajitpur, close to Tangail town. He said that he could make little profit despite efforts from all his family members, including women and children.

"An organised syndicate of merchants is responsible for increases in prices of yarn, dye and other materials," he alleged.

Nabakumar, another weaver from Bajitpur, said the market is flooded with saris from other countries and it is costing locals business. "A few years ago, there were over 3,000 handlooms in the Bajitpur area. Now there are only a few. The rest are closed," he added.

There is already a severe shortage of skilled craftsmen, but even talented ones are finding it hard to survive.

"How can we survive if there is no work all year? Only some work is done before Eid and Puja. It takes two days to make a sari, and the wages are Tk 500 for each sari. It adds up to around Tk 8,000 per month. Day labourers earn more than this," bemoaned craftsman Anjan Kumar of Bajitpur.

Rabiul Islam, liaison officer of Tangail Sadar Basic Centre, said there were many ways to boost the traditional industry. He said special training should be arranged to increase the quality of saris and recommended developing the region as a hub for saris.

Contacted, Debashish Nag, member (S&M) (joint secretary) of Bangladesh Handloom Board, said such dire scenarios were prevalent in weaving industries all over the country, not only in Tangail.

He added that the authority was working towards the betterment of the industry. "The Bangladesh Handloom Board is conducting research for the development of the traditional industry," he added.

The silent epidemic of email overload

EKRAM KABIR

Email communications are like oxygen in today's corporate governance and business promotions, but the lack of proper email management can cause unnecessary stress for co-workers and customers and increase the cost of IT storage for our companies.

The most tedious aspect is how we unknowingly overload others' inboxes. One of the most overused functions of email is "Reply All". We do not use "Reply All" wisely while messaging. We need more thought to avoid flooding many colleagues' inboxes when we should have relied on a few relevant individuals. This practice can lead to great annoyance and waste time for others. "Reply All" can also perpetuate lengthy threads that become difficult to follow, leading to poor decisions.

Imagine a situation when we disagree over email. What would happen when everyone starts using "Reply All", as they disagree? That can escalate to an email war and tension among a wide audience.

There are many such limitations in our email etiquette. Our email behaviour needs to be better thought out: emails need to be more concise, polite and well-formatted. The subject lines are a serious problem for us. Most of the time, they are vague, not to the point, and too long.

While sending our emails, we are in a hurry all the time. We don't proofread what we write.

So, several typos, grammatical errors, and wrong information go out when we click the "send" button, which can harm our professional credibility.

I have made such mistakes several times in my professional life.

However, many years ago, when I started working with an international broadcasting corporation, I found that the first subjects they taught the newcomers were email management and the use of search engines.

We also make many other mistakes, such as delayed responses, neglecting to use BCC for group emails, forgetting attachments, and sending confidential information insecurely.

Using emails for urgent communication is also a grave problem. Is the recipient constantly sitting in front of his/her laptop? No. Our urgent email might not be checked immediately. What do you think we should use for urgent matters? Yes, a direct call.

This is called an overreliance on email. An over-reliant person on one single medium of communication is susceptible to being identified as a weak communicator.

Let us not also overlook the practices of unmanaging the inbox effectively, using the to-do list, forgetting to customise automated responses, and the absence of a signature.

Writing a long email could also be a problem. Large text can be difficult and monotonous to read, and it can cause the key points to be missed. The wisest approach is to make the email short, using bullet points to improve clarity.

The most cumbersome moments are when you have to call a colleague to remind him/her that you just sent an email.

We may try to make our emails as simple and easy as possible so that recipients can understand our core points. Mature email etiquette takes time to develop. Training is important to grasping the best practices of email governance. Our HR functions could take it seriously, making email behaviour mandatory as they run learning sessions for co-workers.

Otherwise, many of our important messages and decisions are lost in this email quagmire.

The writer is a communications professional.



China's factory activity rises after five-month slump

AFP, Beijing

Monthly factory activity in China grew for the first time in half a year, official figures showed Sunday, in a positive sign for policymakers seeking to revive the world's second-largest economy.

The purchasing managers' index (PMI) — a key measure of factory output — came in at 50.8 in March, according to the National Bureau of Statistics (NBS), up from 49.1 in February.

A PMI figure above 50 indicates an expansion of activity, while one below that indicates a contraction. The last expansion in China's monthly PMI was in September, with factory activity consistently negative since then, according to NBS data.

A poll by Bloomberg had predicted a return to positive territory in March, though at a more modest level of 50.1.

The increase is an encouraging sign for Beijing, which has struggled to spur an economic rebound since lifting stringent Covid control measures in late 2022.

A highly anticipated rebound has faced hurdles including a sustained crisis in the property sector, high youth unemployment and deflationary pressure.

A global slowdown, meanwhile,

is weakening demand for Chinese products overseas.

Beijing announced in early March its goal of achieving five percent annual growth in 2024, a target considered ambitious by



Employees work on a wire harness production line at a factory in Fuyang, in eastern China's Anhui province, on March 28.

PHOTO: AFP

many economists.

Authorities have in recent months announced a series of targeted measures and the issuance of sovereign bonds to boost infrastructure spending and revive economic activity — with mixed results.

In a positive sign, consumer prices edged up in February for the first time since August, bucking an extended stretch of deflation.

China's non-manufacturing PMI — which takes the services sector into account — rose higher in March to 53.0, up from 51.4 the previous month, NBS data showed.

The country posted some of its slowest growth in decades last year, strengthening pressure on Beijing to adopt more stimulus measures.

China's gross domestic product grew 5.2 percent in 2023, according to an official figure that many economists consider to be an overestimate.

That figure was the lowest since the 1990s apart from the pandemic years.