

Emerald Oil's profit rises 5% in Oct-Dec quarter

STAR BUSINESS REPORT

Emerald Oil Industries Ltd posted a profit of Tk 1.82 crore in the second quarter of the current financial year, a year-on-year increase of 5 percent.

The profit was Tk 1.73 crore in the identical quarter of October-December in 2022-23. Thus, earnings per share rose to Tk 0.2 from Tk 0.19, according to a filing on the Dhaka Stock Exchange.

The oil producer logged a profit of Tk 15.24 crore in the first six months of 2023-24.

In the filing, Emerald said it raised its production capacity to 75 percent in July-December from 50 percent in the previous year.

Shares of Emerald plunged 9.82 percent to Tk 56 yesterday.



The photo shows foreigners on a tour to the Sundarbans, the world's largest mangrove forest, in the south-west of Bangladesh. Though the country saw 40 lakh to 50 lakh local and foreign tourists three years ago, the number has gone up to two crore now, according to Bangladesh Tourism Board.

PHOTO: STAR/FILE

Gold price hits another record high

AFP, Hong Kong

Gold hit another fresh record high Monday as investors grow confident that the Federal Reserve will cut interest rates this year, even after data showed a slight uptick in a key inflation report.

The precious metal has enjoyed healthy buying interest this year as the US central bank hints at an easing of credit conditions.

It hit a new high of \$2,265.73 on Monday, according to Bloomberg News.

On Friday, the closely watched personal consumption expenditures (PCE) index - the Fed's preferred gauge of inflation - showed a small on-year rise in March compared with February, though the core reading eased slightly.

Federal Reserve chair Jerome Powell said the report was "pretty much in line with our expectations" and decision-makers were on track to hit their long-term inflation target of two percent.

He said that, while the recent inflation data was higher than the Fed would have liked, the February figures were "definitely more along the lines of what we want to see".

The data appeared to have little impact on traders' expectations for a June interest rate cut, though Powell warned they were unlikely to fall to the levels seen after the 2008 global financial crisis.

Govt makes registration mandatory for tour operators and guides

SUKANTA HALDER

The government has framed rules for tour operators and guides in order to give the key cogs of the tourism industry a formal shape and tap the sector's potential in Bangladesh.

The Bangladesh Tour Operator Rules 2024 and the Bangladesh Tour Guide Rules 2024 were published recently. The civil aviation and tourism ministry has issued separate notifications to this effect.

Industry people have welcomed the laws, saying they would help the sector thrive.

According to the Bangladesh Tour Operator Rules, if a person or organisation wants to work as a tour operator, they will need to obtain registration.

Previously, securing registration was not mandatory, according to industry people.

The firms will have to show a bank statement of Tk 10 lakh to secure the licence.

If a foreign company wants to operate in Bangladesh as an operator, it will have to own at least 51 percent of the share of the firm and set up an office in the country.

If registration is obtained by providing false information, the authorities will be able to cancel it after investigating the issue and holding hearings.

Tourists can't be harassed in any way, the rules said, adding that child labour can't be used in the operation and the natural environment and ecology can't be harmed.

Similarly, guides will need registration to work in the industry, according to the Bangladesh Tour Guide Rules.

A guide must collect weather information in advance and maintain professionalism. Besides, they should ensure the safety of tourists, it said.

Tourists must be informed about the law

and order situation and if a tourist suffers any loss due to the negligence of the guides, the latter will have to pay compensation to the former, it added.

Shibulul Azam Koreshi, president of the Tour Operators Association of Bangladesh, said they have long been demanding rules for operators and guides.

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President of TOAB

He, however, said it would have been better if the government had fixed a lower amount for the bank statement needed to obtain registration.

"This is because the industry is not fully developed yet."

Currently, the association has 900 registered operators. Besides, there are many more operators, Koreshi said.

Imranul Alam, a tour operator, pointed out the Tk 3 lakh that would have to be kept as a security deposit with the registration authority is a high amount.

"It will be a difficult task for many entrepreneurs to provide the bank statement

of Tk 10 lakh and the security deposit. Large firms may not face any problems. But it's a problem for medium and small-sized firms."

"This may demotivate many young entrepreneurs to conduct business in this sector," he said, urging the government to revisit the amounts.

Mainul Islam Raju, a tour operator, said many businessmen did not pay taxes before. "Now, many are tax-compliant. This means the industry is becoming more formalised."

He cited the rules say nothing about how the businesses in the sector would survive if they face a major crisis in the future like Covid-19.

Santus Kumar Deb, chairman of the Department of Tourism and Hospitality Management at Dhaka University, thinks the rules will take the tourism and hospitality sector forward.

"Now, their credibility will increase and the trust of the people towards the sector will deepen because tourists will now know that if operators and guides cheat them, the individuals and companies responsible will face the music."

Prof Deb also said new entrepreneurs should be allowed to secure registration by showing Tk 5 lakh in their bank statements.

"This will attract new entrepreneurs to the sector."

There were 40 lakh to 50 lakh tourists, both local and foreign, in Bangladesh three years ago. The number has gone up to two crore now, according to the Bangladesh Tourism Board.

The contribution of the sector to the gross domestic product is estimated at 3.02 percent, Bangladesh Bureau of Statistics data showed. The sector accounts for 8.07 percent of the total employment.

Financial bootstrapping: a key to pioneer startup revolution

SALEKEEN IBRAHIM

In the thriving economy of Bangladesh, expanding the startup ecosystem and the quest for financial bootstrapping methods stands as one of the fundamental gateways to success.

As an aspiring entrepreneur, driven by innovation and ambition, it is more evident that mastering the art of financial bootstrapping is paramount and it is the strategy that will help today's startup become a unicorn in the future.

Entrepreneurs, especially start-ups, are the vanguard of transformation. Armed with originality and vision, they embark on disrupting conventional models and form new pathways to success. However, the road to entrepreneurship is challenging with financial complications, often serving as a barrier to entry for aspiring innovators. It is here that the importance of financial bootstrapping methods becomes a prime factor for survival and growth.

Bootstrapping is a common term associated with building businesses that depend on their capital and incomes. Founders usually rely on personal savings, sweat equity, lean operations, quick inventory turnover, and a cash runway to become effective.

Financial bootstrapping for startups refers to the practice of using minimal external financing and maximising existing resources to fund business operations. This approach involves prudent financial management, strategic resource allocation, and creative problem-solving to grow the venture. For example, a bootstrapped company may take pre-orders for its product,

thereby using the funds generated from the orders actually to make and deliver the product.

Startups take a lot of pride in saying that their operations are bootstrapped. There are many effective and tested methods of bootstrapping like leveraging equity, customer-focused marketing, keeping things in-house, creative branding, virtual office space, and favourable payment terms.

All the methods are unique in character and are sophisticated in terms of their usage. The nature of business and its operation will determine what way to use when. For any future references when the company might decide on external funding to expand their operation, financial stability is a strong point for investors to understand the strength of the enterprise and entrepreneur.

The journey towards unicorn status begins not with splendid visions alone, but with a pragmatic understanding of the financial strategy and the tools available to navigate it. The significance of financial bootstrapping for startup companies is immense. At first by relying on internal resources, startups maintain autonomy and control over their business decisions without being obliged to external investors.

In addition, financial bootstrapping fosters a culture of fiscal discipline and encourages startups to efficiently manage cash flow, thus ensuring long-term viability. It is the spirited stepping stone that is important for a sustainable business model.

By being financially independent startups can adapt quickly to changing market conditions and seize opportunities without the bureaucratic constraints often associated with external funding. Successfully bootstrapping a startup demonstrates its resilience, viability, and potential for growth, which enhances credibility in the eyes of investors and stakeholders.

Financial bootstrapping lays the foundation for sustainable growth and resilience in the face of adversity. By cultivating a mindset of prudence, adaptability, and innovation, startups can surmount the challenges of the journey and emerge stronger and more resilient. By mastering the art of resourcefulness and tactical financial management, startups can position themselves for long-term success and unlock their true potential to gallop to become the unicorns.

The author is a banker

Modi says central bank must focus on growth

REUTERS, Mumbai

India's central bank must prioritise the country's economic growth and also ensure the rupee is made more accessible and acceptable globally, Prime Minister Narendra Modi said on Monday.

The Reserve Bank of India must give top priority to growth but at the same time focus on trust and stability, Modi said in a speech at an event to mark 90 years of the South Asian nation's central bank.

"The RBI will have to continuously take steps towards India's rapid, inclusive and sustainable growth."

India's economy grew at a quicker-than-expected 8.4 percent in the final three months of 2023, its fastest pace in one and a half years. Moody's expects India to remain the fastest-growing among G-20 economies over their forecast horizon. India, with a 15 percent share in the global economy, is becoming the engine of global growth and thus, the country should ensure that the rupee is accessible and acceptable globally, Modi said.

India is due to start voting for a new Parliament starting April 19, with Modi's Hindu nationalist Bharatiya Janata Party expected to secure a comfortable win for a third straight term. The central bank and the government have taken various steps over the last two years to boost the settlement of international trade in rupees, including putting in place a mechanism for such settlement and promoting it via a new foreign trade policy.

The increasing use of the rupee in the invoicing and settlement of international trade as well as in capital account transactions will give the currency international acceptance, a report said.

Xiaomi's EV buyers face months-long waits for deliveries

Indicates strong demand for its first-ever vehicle

REUTERS, Beijing

China's Xiaomi is advising potential buyers of its SU7 electric sedan that they could face waits of four to seven months, in a sign of strong demand for its first-ever vehicle. The maker of smartphones and other consumer electronics began taking orders on Thursday and said pre-orders hit 88,898 in the first 24 hours.

Deliveries for the standard SU7 model, priced at 215,900 yuan (\$29,870), may take 18-21 weeks, according to checks by Reuters on Xiaomi's car app.

Deliveries for the SU7 Pro model could take 18-21 weeks, while the most expensive model, priced at 299,900 yuan, could take 27-30 weeks.

The SU7, whose design has drawn comparisons with Porsche's Taycan and Panamera sports car models, has been launched amid a cut-throat price war in the world's largest auto market where more than 40 brands vie for consumer attention.

On Monday, Huawei-backed Aito



PHOTO: AFP

A Xiaomi SU7 electric car is on display at a Xiaomi store in Beijing on March 26.

offered discounts of up to 20,000 yuan on its new M7 SUVs until the end of end-April while Xpeng also offered subsidies of up to 20,000 yuan on its flagship electric SUV G9 for a limited time.

In addition, Chery announced it would offer tax breaks, trade-in subsidies and cash discounts on some of its best-selling gasoline-engine vehicles. While the market is challenging for newcomers, analysts have noted that Xiaomi has deeper pockets than many EV startups and that its expertise in smartphones gives the company an edge in smart dashboards - a feature that Chinese consumers prize.

As part of the campaign to kick off sales, Xiaomi also released two special versions of the car called "Founder's Edition" that come with complimentary gifts, such as refrigerators. The first 5,000 of those cars sold out immediately.

A second round of Founder's Edition sales has been opened but it was not immediately clear how many would be sold.