

Apex Footwear's Q3 profit rises 29%

STAR BUSINESS REPORT

Apex Footwear Ltd reported a 29 percent year-on-year increase in profit to Tk 1.63 crore in the January-March quarter of the current financial year.

The leading manufacturer and exporter of leather footwear made a profit of Tk 1.26 crore in the identical third quarter of 2022-23.

The footwear maker recorded a 9.3 percent increase in revenue to Tk 394.89 crore in Q3 of 2023-24, up from Tk 361.21 crore in the same period last year, according to the unaudited financial statement. Earnings per share rose to Tk 1.14 from Tk 0.88.

However, Apex's profit dropped to Tk 6.27 crore in the July-March of FY24, down 22 percent from Tk 8.03 crore in the same period of FY23.

The company's net operating cash flow per share increased to Tk 91.47 in the nine-month period from Tk 84.09 earlier, indicating a strong cash position.

Similarly, the net asset value per share rose to Tk 219.06 on March 31 this year from Tk 217.85 on June 30 last year, reflecting an increase in the overall value of the company.

Established in 1990, Apex Footwear started its journey as an export-oriented factory. In 1993, the company went public and invested in backward linkages. It set up an effluent treatment plant in 1996.

In 1997, Apex launched its retail wing, Gallerie Apex, and initiated its brand building with Apex and Moochie in 2000, further strengthening its market presence. It adopted the factory direct model in 2006 to improve operational efficiency.

By 2018, Apex became the largest retail chain in Bangladesh, boasting over 250 stores nationwide, according to its website. Shares of Apex declined 2.34 percent to Tk 233.5 yesterday on the Dhaka Stock Exchange.

Premier Cement's profit drops 11% in Q3

STAR BUSINESS REPORT

Premier Cement Mills PLC posted an 11 percent year-on-year decline in profit to Tk 27.2 crore in the third quarter of 2023-24 despite a significant increase in sales.

It was Tk 30.79 crore in the January-March quarter of 2022-23.

The company's revenue for Q3 was Tk 753.23 crore, an increase of 25 percent from Tk 601.49 crore in the same period of FY23, according to the unaudited financial statement.

Despite the decline in profit, the company's net operating cash flow per share increased to Tk 0.5 from Tk 0.26. The net asset value per share was Tk 63.52 on March 31 this year against Tk 59.33 on June 30 last year.

Premier Cement, one of Bangladesh's largest and most renowned cement brands, began its journey as a private limited company in 2001. In 2017, it signed an agreement with FL Smidth-Denmark to install a vertical roller mill, increasing its capacity to 5.16 tonnes to help reduce production costs.

Premier Cement became a public limited company in 2010, with an authorised capital of Tk 500 crore. It was listed on the Dhaka Stock Exchange and Chittagong Stock Exchange in 2013.

Shares of the company declined 2.87 percent to Tk 60.9 yesterday.

India's MDH says its spices are safe

REUTERS, Bengaluru

Indian spice maker MDH said its products are safe for consumption, and the company has not received any communication from regulators and authorities in Hong Kong or Singapore about alleged contamination in its products.

Hong Kong this month suspended sales of three MDH spice blends and an Everest spice mix for fish curries. Singapore ordered a recall of the Everest spice mix as well, saying it contains high levels of ethylene oxide, which is unfit for human consumption and a cancer risk with long exposure.

"We reassure our buyers and consumers that we do not use ethylene oxide at any stage of storing, processing, or packing our spices," MDH said in a statement on Sunday.

Reuters on Saturday reported the US Food and Drug Administration was gathering information on products of MDH and Everest. MDH and Everest spices are among the most popular in India and are also sold in Europe, Asia and North America.

Following the moves in Hong Kong and Singapore, the Food Safety and Standards Authority of India (FSSAI) is checking the quality standards of the two companies. India's Spices Board, the government's regulator for spice exports, has sought data on MDH and Everest exports from authorities in Hong Kong and Singapore, and was working with the companies to find the "root cause" of the quality issues as inspections started at their plants.

MDH said India's FSSAI and Spices Board have not received any communication or test report from authorities in Hong Kong or Singapore.

This reinforces that allegations against MDH are baseless, unsubstantiated, and not backed by any concrete evidence, the statement said. Everest has previously said its spices are safe for consumption.



The ongoing heatwave sweeping Bangladesh is causing concerns for shrimp farmers in the southwestern division of Khulna as the sun's rays are drying up their enclosures to a great extent. The picture was taken from Batiaghata upazila of Khulna yesterday.

PHOTO: COLLECTED

Shrimp farmers fear losses for scorching heatwave

DIPANKAR ROY, Khulna

Shrimp farmers in Khulna, a southwestern district of Bangladesh that grows shrimp mainly for exports, could be facing serious losses this year as the enclosures used for raising their crustaceans are drying up amid an ongoing heatwave.

Besides, poor filtering of the scorching sun is reducing the water's oxygen levels as photosynthesis cannot take place amid high heat in lower-to-middle depths, according to various aquafarmers.

This lack of photosynthesis is also depleting the shrimps' food supply as algae and other organisms consumed by the crustaceans cannot survive in such conditions.

As such, farmers are worried they could face heavy losses as much of their shrimp are dying out despite their increased spending on oxygen tablets and other inputs — a development which takes place at a timewhen Bangladesh's shrimp exports are falling for a second consecutive year.

In the July-March period of fiscal 2023-24, Bangladesh exported frozen and live fish worth \$298 million, down 21 percent year-on-year, according to data of the Export Promotion Bureau.

The south Asian country, which fetched more than half a billion a decade ago, grows shrimp mainly for the export market on roughly 2.6 lakh hectares of land, data of the Department of Fisheries showed.

Bipradas Bairagi, a shrimp farmer in Chak Shailmari village under Batiaghata upazila of Khulna, said it costs him about Tk 48,000 to release some 40,000 shrimp fry into his enclosure on 50 decimals of land.

"I even dug the enclosure deeper considering the intense heat but still, the water has receded below the acceptable level. I never thought I would find myself in such danger," he added.

Bairagi informed that the water needs to be changed regularly to ensure sufficient oxygenation.

"But there is no water in the nearby canal, so I cannot replenish my enclosure," he said.

Bairagi also said that other than oxygen tablets, he is having to use a water aerator machine round-the-clock in order to maintain sufficient oxygen levels.

The costs compound even further though considering how the farmer has to use a generator to power the aerator in absence of electricity.

Bangladesh, which fetched more than half a billion from frozen and live fish a decade ago, grows shrimp mainly for the export market on roughly 2.6 lakh hectares of land

"So, counting the oxygen tablets, fuel for the generator and electricity bill, I have already spent an additional Tk 20,000 so far this season," he said.

"If this situation continues, there is no way out of total loss," Bairagi added.

Bangladesh has been facing a heatwave for more than three weeks, with the southwest region being among the worst affected areas.

Farmers in adjoining areas are facing the same struggle, with those in the Batiaghata, Dumuria, Dacope, Paikgacha and Koyra upazilas being the worst affected.

Gogesh Mondal, a shrimp farmer in Uttar Bedkashi union of Koyra upazila, said he released shrimp into his enclosures across 10 bighas of land just 15 days ago.

But over the past few days, he found hundreds of dead shrimps floating in the water, which has now become contaminated due to their decay.

"I collected the fry from local sources for Tk 800 per hundred while other costs included buying food and nutrition. Now though, I have lost all hope because of this terrible heat," he added.

Mondal also said the only way to save his shrimp farm this year is to empty out the enclosures before refilling them again.

"But I don't have enough money for taking such a risk," Mondal added while citing how he has spent about Tk 2.5 lakh so far.

Roughly another 300 aquafarmers in his village are facing similar struggles.

As per sources at the fisheries office in Koyra upazila, there are about 4,000 small and big fish enclosures covering 5,000 hectares of the region.

Joydeb Paul, fisheries officer of Khulna, said the suitable temperature for cultivating shrimp is between 25 to 30 degrees Celsius.

Additionally, the crustaceans can tolerate water salinity of up to 25 parts per thousand.

Pal also pointed out that it is recommended to have at least three feet of water in an enclosure during a heatwave.

"If not, the water heat increases and an oxygen shortage occurs while salinity goes up. The shrimp are dying for these reasons," he added.

Mollah Samsur Rahman Shahin, president of the Fish Farm Owners Association of Bangladesh, said at least 3 lakh shrimp farmers in Khulna are being directly affected by intense heat this season.

"During this time, farmers spent all their money on shrimp farming but most of them have died. If the government does not give big incentives, then shrimp farmers will face huge losses," he added.

According to the local fisheries office, shrimp is being cultivated on 144,600 hectares of land across the Khulna, Bagerhat and Satkhira districts.

Taking SMEs on the road to a cashless Bangladesh

GAUTAM AGGARWAL

Consistent and synergistic innovation has powered Bangladesh's growth in the last few decades. Starting with reforms in agriculture, and rural infrastructure, all the way to finance, trade, and investment, the nation has now arrived at a point where it is ready for a cashless future.

The pursuit of a truly cashless Bangladesh is supported by its vibrant demographic landscape, with a workforce of over 114 million individuals, a gig economy comprising nearly 11 million professionals, and a one million-strong community of freelancers, many in the IT sector.

Further, the country is home to 177 million mobile subscribers and more than 67 million internet users, who are taking the country to the next phase of its digital journey.

MSMEs as growth drivers

Post-pandemic, Bangladesh has seen a rapid rise in cashless transactions, primarily driven by mobile financial services, internet banking, and payment gateways. To continue this momentum and build a strong and cashless economy, the need of the hour is to bring micro, small, and medium enterprises (MSMEs) into the digital fold. Their business operations were among the most severely impacted during the pandemic.

Like in the rest of the world, the MSME sector in Bangladesh continues to play a critical role in driving economic growth and employment generation.

According to recent reports, from around 2.3 percent in the early 1990s, the contribution of the sector to the GDP increased to over 22 percent in 2020. Additionally, companies operating in this space generate nearly 80 percent of jobs in the industrial sector, covering over 25 percent of the total employed workforce.

Building trust through innovation

The reluctance to adopt digital tools and solutions primarily stems from "the fear of the unknown". A whole bunch of 'what if' scenarios prevent people and businesses from getting out of the clutches of informal moneylenders and building a credit footprint to access formal financial services.

At Mastercard, we understand these inhibitions and actively engage with small merchants, women entrepreneurs and MSMEs to build their trust in the digital ecosystem. We do that through innovation.

For instance, the debut of the first Social Media Mastercard prepaid card empowered women entrepreneurs to simplify processes and take their business into the virtual world via platforms like Facebook. The card enables Facebook commerce owners to receive funds in real-time, thereby eliminating their dependence on cash and ensuring quick and convenient payments.

As is often said, along with convenience, digitisation has to provide a competitive advantage to MSMEs in terms of cost, efficiency and resilience. Only then can we expect these enterprises to fully turn cashless. This can be achieved by developing and delivering customised tools and solutions.

Following this strategy, we supported our partners with the launch of Bangla QR, enabling even micro and small merchants to easily receive money from their end-customers directly into their bank accounts. This cost-effective solution ensures the safety and security of transactions for both merchants and consumers.

Taking collaborative route

Taking a collaborative route is key to contributing to the vision of a Smart Bangladesh by 2041. With the guidance and support of Bangladesh Bank, financial institutions, fintechs, and other players in the ecosystem are rolling out products and services covering multiple sectors of the economy and sections of society.

Recently, key players have embarked on a path of developing cashless hubs, where buyers and sellers engage in digital transactions. The bustling market in Khilgaon of Dhaka is the most recent success story on the road to a cashless Bangladesh. Such collaborations are what will drive the digital economy to new heights.

As Bangladesh continues to diversify its economy, it can become an example for other countries in the Global South on how to move up the value chain digitally.

The author is the division president for South Asia at Mastercard

China industrial profits fall, stir doubts about economic recovery

REUTERS, Beijing

China's industrial profits fell in March and slowed gains for the quarter compared to the first two months, official data showed on Saturday, raising doubts about the strength of a recovery for the world's second-biggest economy.

Cumulative profits of China's industrial firms rose 4.3 percent to 1.5 trillion yuan (\$207.0 billion) in the first quarter from a year earlier, National Bureau of Statistics (NBS) data showed, slower than a 10.2 percent rise in the first two months.

Profits fell 3.5 percent year-on-year in March. NBS did not break down monthly numbers for Jan-Feb, but said during the release in March that monthly numbers had extended gains since August 2023.

The reading complemented a slew of economic indicators for March such as retail sales and industrial output that pointed to frail domestic demand despite solid first-quarter GDP growth. Signs of the economy gaining momentum in the opening months were shown to have gradually given way to concerns over lacklustre demand at home.

If profit growth continues to slow, the repair of the asset and liability structure of manufacturing firms and

their willingness to expand investment may also be affected' said Bruce Pang, Chief Economist and Head of Research in Greater China at JLL.

High-tech manufacturing industry led the growth with the 29.1 percent rise in profits in the first quarter, NBS said in a

statement, adding the recovery of firms' profits was uneven.

Profits in the automobile manufacturing industry grew 32 percent on year in January-March.

China's largest auto show opened in Beijing on Thursday with the biggest

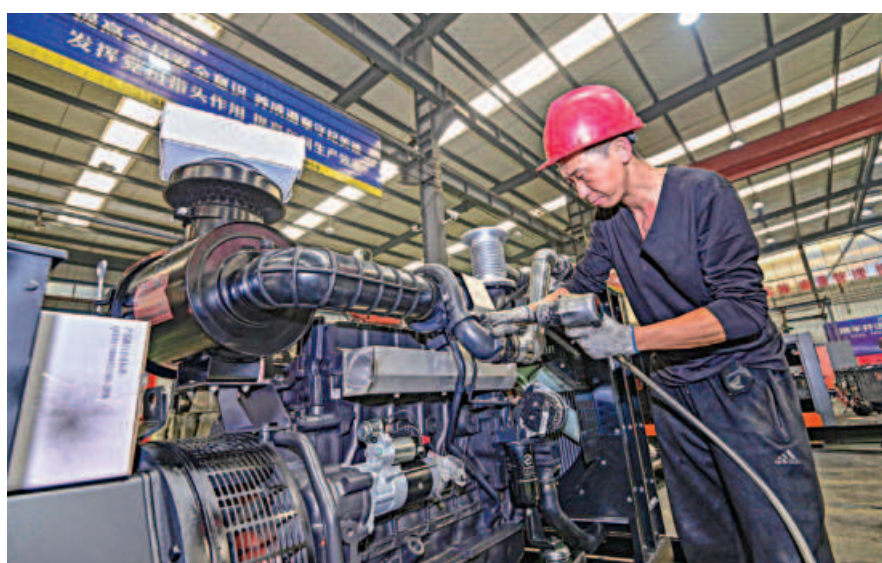
names showing off their latest electric vehicles (EVs), underlining how the world's largest auto market is already in an all electric state of mind, and is not looking back. Earlier in April, Chinese electric vehicle battery company CATL saw its profit swing back to growth in the first quarter, but its revenue slid for the second consecutive quarter amid slowing demand and intensified competition.

Fitch has cut its outlook on China's sovereign credit rating to negative, citing risks to public finances as the economy faces increasing uncertainty in its shift to new growth models. Pang of JLL said business conditions of manufacturing enterprises are expected to improve as they will benefit from policies such as large scale equipment renewal.

"(But) the focus of the future policy should be on the demand side rather than the supply side," he said.

China's industrial profit numbers cover firms with annual revenue of at least 20 million yuan (\$2.76 million) from their main operations.

Profits had slipped 21.4 percent on year in the first quarter of last year in the wake of COVID-19. NBS did not name any companies whose profits were counted in the tally nor did it say how many companies were part of it.



An employee works on an engine assembly line at a factory in Qingzhou, in China's eastern Shandong province, on April 16.

PHOTO: AFP