Half of remittances came thru Islamic banking in Dec

AKANDA MUHAMMAD JAHID

Nearly half of the total remittances in December last year came to Bangladesh through Islamic banking channels, according to the Bangladesh Bank.

Migrant workers sent home Tk 10,619 crore in remittances in December last year through Islamic banks, which accounted for 48.41 percent of the total Tk 21,934 crore received through all types of banking channels that month, showed data from the "Islamic Banking and Finance Statistics" of the central bank.

The Bangladesh Bank released the monthly statistics on Islamic banking for the first time.

Total receipts during December last year were 8.36 percent higher than the Tk 8,571 crore received in November of 2022.

Among remittance earnings via Islamic banking channels, 10 full-fledged Islamic banks received Tk 10,475 crore in the last month of 2023, up Tk 2,049 crore compared to the Tk 8,425 crore channelled through Islamic banks in November of 2022.

However, remittance receipts through Islamic banking branches of conventional banks dropped to Tk 78 crore in December last year from Tk 82 crore in November 2022.

Besides, Tk 67 crore remittance was received through Islamic banking windows of conventional banks in December 2023 compared to Tk 63 crore in November 2022.

According to the latest data, a total of $2,043.06 million was received in remittances through all banking channels in April this year.

The remittance inflow was $1,997.07 million in March.

In April, among full-fledged Islamic banks, Islami Bank Bangladesh received $541.25 million, Social Islami Bank $148.23 million, Al Arafah Islami Bank $59.45 million, Standard Bank Ltd $40.54 million, First Security Islami Bank $10.39 million and EXIM Bank $3.34 million.

Industry insiders said remittance inflows through banking channels are increasing as banks are buying US dollars for more than the official rates to encourage remitters.

Currently, the official rate of the US dollar is Tk 110-115 along with a 2.5 percent incentive.

About the Islamic Banking and Finance Statistics, the Bangladesh Bank said the review would be beneficial in helping policymakers understand the necessity of framing separate acts to grow the Islamic banking industry.

"After all, we do believe the Islamic banking sector will be the predominant sector in the entire banking industry," the central bank said in its concluding remarks.

IFIC Bank's profit falls for lower operating income

STAR BUSINESS REPORT

IFIC Bank PLC's profit declined nearly 13 percent year-on-year to Tk 300.21 crore in the year that ended on December 31.

Despite the fall, it was the bank's second-highest profit in the last five years. The private commercial lender made a profit of Tk 344.14 crore in 2022.

Consolidated earnings per share (EPS) slid to Tk 1.64 in 2023 from Tk 1.88 in the previous year, according to a price sensitive information disclosure.

IFIC attributed the decline to lower operating income.

However, the net operating cash flow per share (NOCFPS) rose to Tk 3.53 last year on the back of higher deposit growth whereas it was Tk 1.25 the year before.

The board recommended a 5 percent stock dividend and no cash dividends for 2023.

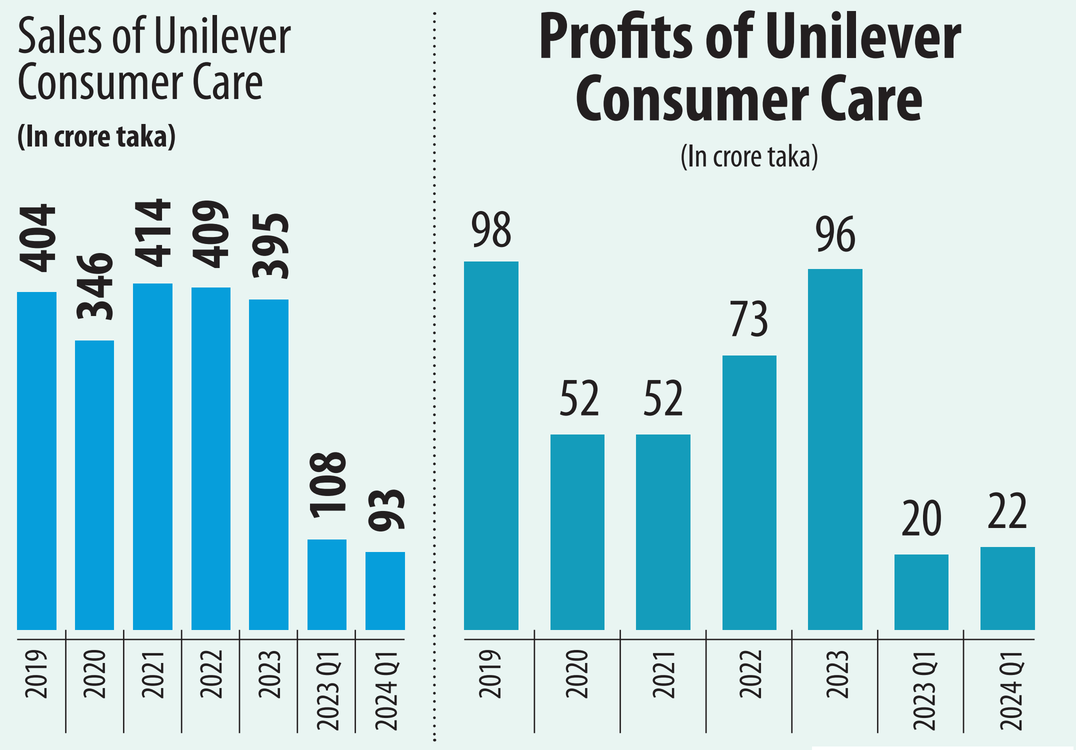
IFIC Bank was established in 1976 as a joint venture between the government of Bangladesh and sponsors in the private sector.

Currently, the government holds a 32.75 percent stake in the bank, while sponsors and directors own 4.11 percent. The rest is held by both local and foreign institutions and general shareholders.

With a paid-up capital of Tk 1,785 crore, IFIC Bank operates with 187 branches and 1,145 sub-branches across the country.

Shares of the bank were up 2.08 percent to Tk 9.80 on the Dhaka Stock Exchange yesterday.

Unilever Consumer's profit rises despite sales drop



SOURCE: FINANCIAL REPORTS

STAR BUSINESS REPORT

Unilever Consumer Care, a subsidiary of Unilever Bangladesh Limited, logged higher profits in January-March of 2024 even though it posted 13 percent lower sales amid subdued consumption caused by lingering higher inflation.

The manufacturer of Horlicks, Maltova and Boost reported sales of Tk 93.98 crore in the first quarter of the year, down from Tk 108 crore in the identical quarter of 2023, according to the financial reports.

Although the sales dipped, profits rose 11 percent year-on-year to Tk 22 crore in the three months to March. Thus, earnings per share improved to Tk 11.61 from Tk 10.45 a year ago.

The sales decline is in line with the trend it witnessed in the entire 2023 when the topline dropped 3 percent year-on-year to Tk 395 crore amid persistently higher consumer prices.

As household income failed to keep pace with inflation, consumers' purchasing power eroded, resulting in sharp volume declines in the health food drink market, said Khan Salahuddin Mohammad Minhaj, managing director and CEO of Unilever Consumer Care, in the annual report for 2023.

Inflation in Bangladesh has stayed above 9 percent for nearly two years.

The soaring prices of essential imports like crude oil, food grains, and fertilisers compounded by higher inflation and depleted foreign reserves triggered the currency devaluation in the country.

The company reported sales of Tk 93.98 crore in the first quarter of the year, down from Tk 108 crore in the identical quarter of 2023, according to its financial reports

The taka suffered a 20 percent decline against the US dollar in 2023, posing significant challenges for businesses like Unilever in maximising production capacity and supply chains, Minhaj added.

When contacted yesterday, Unilever Consumer Care said the country has witnessed an unprecedented rise in both general and food inflation since last year. Such an inflationary environment puts pressure on consumer wallets and they prioritise spending.

As a result, the company has seen the overall malt-based drink market, and consequently, Horlicks, de-grow in the first quarter, it said.

It said operating costs were reduced due to efficiency and optimisation through aggressive savings initiatives across all business areas. Moreover, in 2023, there was a one-off waiver of technology and trademark royalty fees by the parent company.

"This also helped in significantly reducing operating expenses in 2023."

Unilever Consumer Care was previously known as GlaxoSmithKline Bangladesh Limited, which was incorporated in 1974. Its 81.98 percent shares were acquired by Unilever Overseas Holdings in 2020. Consequently, the company has become a subsidiary of Unilever Overseas Holdings BV.

Unilever Consumer Care's paid-up capital is Tk 19 crore and it provided a 300 percent cash dividend for its shareholders for 2023, which was 240 percent in the previous year.

The company's stocks dropped 2 percent to Tk 1,862 on the Dhaka Stock Exchange yesterday.

Career strategy in AI era

MAHTAB UDDIN AHMED

The dawning of the Artificial Intelligence (AI) era marks a significant shift in the technology landscape, profoundly affecting the job market.

Companies now compete fiercely to secure top talents, pushing salaries to skyrocket and offering competitive perks for AI specialists. This rapid evolution raises critical questions about the future of employment and the security of current jobs against AI-based automation.

Global tech giants and startups alike are all vying for a limited pool of AI experts. The recent dismissal at OpenAI over alleged information leaks indicates the high stakes involved. This battle for expertise has driven up salaries to unprecedented levels.

For instance, Tesla has reportedly increased pay for their AI engineers not due to increased profit gains but to protect them from poaching attempts from competitors such as OpenAI. Similarly, notable tech leaders like Mark Zuckerberg and Sergey Brin have personally intervened to retain or recruit AI talents, offering direct hires without interviews and promising extensive perks.

Witnessing such progress in the field of AI is truly exciting. Reflecting on my tenure as CEO of Robi in 2019, I recognised the critical dearth of AI expertise within the country.

To address this, we launched a vigorous programme to develop 300 advanced-level digital professionals across various domains, including a focused initiative to foster 50 specialists in AI. This strategic move was designed to bolster Robi's capabilities and elevate the entire industry's proficiency in leveraging AI technology.

Some young talents in the country have embarked on the journey but are struggling because of a lack of infrastructural support and market readiness.

While AI jobs are booming, the broader implications for the global job market are raising concerns. The International Monetary Fund estimates that AI could potentially impact 99.1 percent of all jobs worldwide. By 2025, AI is expected to affect 60 percent of all jobs in some form. This transformative technology is not just reshaping specific sectors but is poised to overhaul how various professions are performed.

Bill Gates has identified three types of jobs that may be more resistant to AI's influences: roles in the energy sector, biology-related positions, and jobs involving the design of AI tools themselves. These areas require a complex blend of creative problem-solving, intricate decision-making, and human empathy—qualities AI has yet to replicate fully.

Google reportedly plans to cut 30,000 jobs by integrating AI into daily operations. 2023 witnessed mass layoffs triggered by the emergence of AI replacements not in Google but in other global giants like Meta. The layoffs are not driven by profitability issues but by better productivity using AI instead of people.

Therefore, it is important to understand the future outlook of the job market. Integrating AI into the workplace is not only a tale of job displacement but also of transformation and creation. New roles will emerge that require novel skillsets, particularly in managing AI operations and developing new technologies.

Engaging in continuous learning is crucial to safeguard your career from AI disruption, especially in emerging technologies and fields less likely to be automated, such as creative and strategic roles. Developing soft skills that AI can't replicate, such as emotional intelligence and adaptability, are equally important.

Staying informed about AI trends within your industry can help you anticipate changes and shape your career path accordingly. Networking and building a robust personal brand can also provide job security as industries evolve.

Bangladesh must consider teaching AI in all streams of education and at all levels. Early birds catch the worm. Wise acts today will open opportunities for the future.

As AI continues to evolve, its impact on the job market will be significant. It will present both challenges like job redundancies and create new roles boosting productivity. Success will mainly hinge on workers' adaptability to new technologies in this new era. Carefully navigating the complexities of the AI revolution is key to being a part of a bright and inclusive future.

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

United Power logs Tk 312cr profit in Q3

STAR BUSINESS REPORT

United Power Generation & Distribution Company Ltd (UPGDCL), Bangladesh's first commercially independent electricity producer, recorded a 25 percent year-on-year increase in profit in January-March of the current financial year.

The company's profit rose to Tk 312.45 crore from Tk 248.1 crore in the third quarter of 2022-23. Therefore, consolidated earnings per share (EPS) climbed to Tk 5.39 from Tk 4.28, according to a filing on the Dhaka Stock Exchange.

However, the consolidated EPS dropped to Tk 13.22 for July-March of 2023-24 from Tk 14.13 in the identical nine-month period of FY23.

The company's consolidated net operating cash flow per share was Tk 7.65 for the first nine months of FY24, a significant decrease from Tk 13.07 from last year.

UPGDCL, formerly known as Malancha Holdings Limited, was incorporated in 2007 as a private limited company and became a public limited company in 2010. It has expanded its generation capacity to 160 MW to meet the rising electricity demand.

Shares of the company started trading yesterday at Tk 122.9 but soared 8.95 percent at one point. It, however, closed 3.99 percent to Tk 127.80.

OECD lifts 2024 growth forecasts, driven by US

AFP, *Paris*

The OECD raised its global economic growth forecast for 2024 on Thursday, driven by strong performances in the United States and emerging countries while Europe lags behind.

The world economy is expected to expand by 3.1 percent this year, up from a previous projection in February of 2.9 percent, according to the the Organisation for Economic Cooperation and Development.

"Cautious optimism has begun to take hold in the global economy, despite modest growth and the persistent shadow of geopolitical risks," OECD Clare Lombardelli said in the quarterly report.

But Lombardelli noted that "this recovery is unfolding differently across regions."

The US economy -- the world's biggest -- is now expected to expand 2.6 percent in 2024, up from the 2.1 percent previously expected, and faster than last year's 2.5 percent.

The OECD also raised its forecast for the second biggest economy, China, to 4.9 percent from 4.7 percent previously, thanks notably to an expansionary budgetary policy.

But the OECD expects timid growth of 0.7 percent in the eurozone, slightly better than the 0.6 percent previously expected.

It anticipates a slight recovery to 1.5 percent in 2025, compared to the 1.3 percent expected in February, thanks to a recovery in domestic demand.

"The global economy has proved resilient, inflation has declined within sight of central bank targets, and risks to the outlook are becoming more balanced," said OECD Secretary-General Mathias Cormann.

Central banks worldwide raised interest rates in efforts to combat inflation, which rose after countries emerged from Covid lockdowns and soared further following Russia's assault on Ukraine in 2022.

The US Federal Reserve and the European Central Bank have frozen their rates and markets are hoping to see cuts in the coming months as inflation has eased.

But the Fed is expected to make its cuts later than previously thought due to the resilience of the US economy and an uptick in consumer prices.

The US central bank held its interest rate at a 23-year high on Wednesday, with Fed chairman Jerome Powell saying that it will "take longer than previously expected" to have confidence that inflation is on track to meet the institution's two-percent target.

People walk down a street lined with outdoor seating for restaurants in the Little Italy neighborhood of Manhattan. The US economy is now expected to expand 2.6 percent in 2024, faster than last year's 2.5 percent.

PHOTO: REUTERS/FILE

StanChart profit beats forecasts

REUTERS, *London/Hong Kong*

Standard Chartered PLC beat forecasts on Thursday with a 5.5 percent rise in first-quarter pretax profit, as a surge in income from its trading and wealth businesses more than compensated for additional credit losses.The bank, which makes the bulk of its revenue and profits in Asia, saw profit at its investment banking unit climb 13 percent in the quarter.

Crucially, the bank grew fee-based revenues as it raked in more wealthy clients and saw robust trading activity across its markets product set, a key target for it and rivals such as HSBC .

Peaking central bank interest rates worldwide have capped the recent gains banks have made from lending-based income, putting pressure on them to increase non-interest revenue from such fee-based businesses.

StanChart's shares, a focus for CEO Bill Winters, jumped more than 6 percent in London by 0720 GMT, matching earlier gains in Hong Kong.

"After some years in the doldrums having been the darling of the UK banking sector, Standard finds itself in something of a revival," said Richard Hunter, Head of Markets at interactive investor.