



Mamun Rashid joins ShopUp as president

STAR BUSINESS REPORT

Mamun Rashid, an economic analyst and banker, has joined ShopUp, a business-to-business commerce platform in Bangladesh, as president.

This move is poised to enhance operational excellence and strategic direction of ShopUp, which connects mills and manufacturers to small neighbourhood shops to create a seamless network for food and essentials, according to a statement.

The company claims that currently 3.1 crore people in Bangladesh access food and essentials through ShopUp's network of small shops. It aims to reach the doorsteps of eight crore people by 2026.

In his new role, Rashid will focus on unlocking new avenues for capital and nurturing a high-performance culture.

The company said Rashid's oversight will help the company embark strategic partnerships both locally and globally.

Reflecting on his new role, Rashid stated, "I am looking forward to thinking out of the box, and lending my experience to this dynamic team at ShopUp so that together we can put this Bangladeshi company on the global map."

Rashid has 37 years of inclusive experience in banking and research.

His career spans significant roles in both local and international firms, including PwC, Citibank N.A., Bangladesh; Standard Chartered, and ANZ Grindlays Bank.

At PwC Bangladesh, he served as the principal interface for clients across various sectors and also led the financial service business.

Aleef Zaman, founder and chief executive officer of ShopUp, expressed his enthusiasm about Rashid.

"We are excited to have Mamun Rashid joining us to propel ShopUp forward. His wealth of experience and dedication to excellence will undoubtedly play a significant role in the next phase of our journey," he said.

State-run oil companies see double-digit profit growth

JAGARAN CHAKMA

The three state-run oil companies in Bangladesh booked double-digit growth in profits during the first nine months of the current fiscal year even after a decline in sales mainly due to a rise in income from bank deposit interests.

Jamuna Oil Company saw a year-on-year profit growth of 28 percent, Meghna Petroleum 18 percent and Padma Oil Company 11 percent.

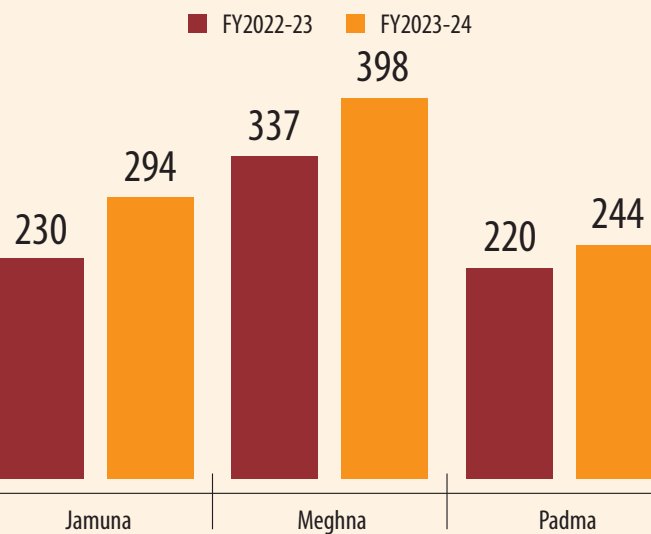
"The profits rose mainly due to higher bank interest incomes from fixed deposits," said Md Masudul Islam, company secretary of Jamuna Oil Company.

It made a profit of Tk 293.67 crore in July-March period of FY2024 whereas it was Tk 229.80 crore previously, according to financial reports.

Earnings per share (EPS) amounted to Tk 26.60 in the nine-

Profit of state-run oil companies

In crore taka; In July-March period



SOURCE: FINANCIAL STATEMENT



The profits rose mainly due to higher bank interest incomes from fixed deposits

Md Masudul Islam
Company secretary of
Jamuna Oil Company

Echoing him, Reza Md Riazuddin, company secretary of Meghna Petroleum, said the profits were mainly generated from bank deposit interests as the interest rate has increased substantially since January.

For Meghna Petroleum, the profit increased by 18 percent year-on-year to Tk 294.55 crore whereas it was previously Tk 270 crore.

Its EPS stood at Tk 27.22 and Tk 24.95 respectively whereas non-operating income was Tk 315.64 crore in the July-March period of this fiscal year and Tk 273.23 crore last year.

According to Riazuddin, the profit from operating income was very insignificant.

He said their sales of petroleum products came down to Tk 162.43

crore from Tk 168.54 crore in the same period of the previous year.

Meanwhile, sale of petroleum products by Padma Oil came down to 19.07 lakh tonnes from 20.04 lakh tonnes.

However, its revenue slightly increased to Tk 204 crore from Tk 197 crore.

It logged a 11 percent year-on-year rise in profit to Tk 244 crore from Tk 220 crore.

Non-operating income reached Tk 272 crore whereas previously it was Tk 244 crore.

The EPS was Tk 24.88 and Tk 22.40 respectively.

The EPS has increased due to a rise in non-operating income from interests of deposits alongside an increase in the sales margin, said Padma Oil in a statement.

Digital technology crucial for essential service delivery

BIDS DG tells int'l conference

STAR BUSINESS REPORT



Bangladesh needs to take the crucial decision of embracing digital technology to ensure essential services like healthcare and education, said Binayak Sen, director general at the Bangladesh Institute of Development Studies (BIDS), yesterday.

This is due to the inherent difficulty posed by the task of delivering the services physically among the massive population of 180 million people, he said.

"We must rely on some form of technology, digital technology or artificial intelligence, for access to health and education for the citizens of Bangladesh," he said.

"It's not possible for a country with 18 crore population to have face to face doctor consultation. Similarly, every primary school will not be able to get a qualified English teacher," he added.

"So, we need to give them some sort of digital access. If that happens in education and health, that will be certainly transformative for our society," said Sen.

He was delivering a speech at a session titled "Pathways to digital and social transformation" on the sidelines of "First Development Studies International Conference-DSIC 2024".

The Department of Development Studies at the University of Dhaka and Bangla daily Bonik Barta jointly organised the conference at Pan Pacific Sonargaon Dhaka yesterday.

The poor, who do not have the luxury of having face to face interactions like urban citizens, will be especially and immensely benefited, he added.

Sabiha M Khan, research associate at the BRAC James P Grant School of Public Health of BRAC University, presented findings of a research titled "Understanding Digital Health Needs: A qualitative study to explore Urban and Peri-Urban User Experiences and

challenges to Strengthen Digital Health Services in Bangladesh".

This study revealed a blend of positive and negative user experiences among a few respondents who availed digital health services, she said.

"Most of the people surveyed were unaware of available digital health services and how to access them. Lack of trust in digital healthcare providers and inadequate tailoring for marginalised communities drove people to opt for in-person services," she said.

"We must rely on some form of technology, digital technology or artificial intelligence, for access to health and education," said Binayak Sen, director general of BIDS

"Despite government initiatives, the majority of the respondents did not know about digital health laws and policies in Bangladesh and understood user rights," she added.

Md Touhidul Islam, associate professor at the Department of Peace and Conflict Studies of the University of Dhaka, presented a paper titled "The Rohingya Repatriation from Bangladesh to Myanmar: Caught between Promises and Uncertainties".

He said any refugee situation incurs enormous costs, which host countries often cannot afford.

"Issues within negotiation processes and other contextual, evolving factors and looming uncertainties undermine the promises that have been made by the parties for Rohingya repatriation," he said.

Global companies upbeat

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those were ones diverted from Myanmar for political turmoil in the neighbouring country, he said.

"The confidence in Bangladesh is very high. We are in a much better shape now," he added.

Monowar Shikher, director of sales and marketing at Soko Chemicals, an Italian company, said they had been selling washing chemicals to Bangladeshi denim makers for the past 17 years.

He added that demand was growing, saying his business had grown 20 percent over the past few years and that he anticipates further growth in 2024.

Muhammad Wahidul Alam, general manager of RNT (BD), another chemical company, said the denim market in Bangladesh

is growing because of three factors - low prices, better quality and high production capacity.

He added that many local millers were adopting new washing and dyeing technologies to reduce water consumption in the manufacturing processes.

At present, many denim millers use seven to eight litres of water to wash a kilogramme of fabric, a significant reduction from the nearly 350 litres needed in the past.

Carmina Ferri, founder and CEO of Care Applications, a Spanish device and equipment manufacturing company, said her business in Bangladesh was growing because local denim makers are using new technologies to meet increasing demand.

"The response from local millers has been very

positive," she said.

Mostafiz Uddin, organiser of the expo, said retailers are very positive about Bangladesh because of improved capacity of denim product here.

The buyers' responses are high for the locally made denim products which indicate that they are preferring this destination very much, he said.

Bangladesh is already the top denim supplier to European countries and to the US on having overtaken China, the largest apparel supplier worldwide. Because other emerging countries like Cambodia does not have big denim production capacity, Uddin said.

However, the prices for denim are still low, he said.

Bangladesh has been the top denim exporter to the EU since 2017, with one out of three people in the

continent donning denim pants produced in the country.

Given that worldwide demand is growing, businesses are looking to enhance their capacity in order to grab a bigger slice of the \$64.5 billion global denim market.

Local exporters currently supply denim products worth nearly \$5 billion worldwide.

The global denim market is projected to rise to \$76.1 billion by 2026, growing at a rate of 4.8 percent annually, according to various estimates.

As such, local entrepreneurs have invested nearly Tk 25,000 crore in the denim segment of the primary textile sector, which already has 42 modern mills capable of supplying over 900 million metres of denim fabrics each year.

Industries created more jobs

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"But the question is regarding where such enterprises get stimulus from. As we know, the purchasing power of low-income people has been reduced as real incomes have been falling due to high inflation over the past two years."

The BBS data on wage rate index, a measure of the increase in wages of unskilled and semi-skilled workers, showed that inflation had been outpacing wage growth over the past 26 months.

Hussain added that import control measures by the authorities to overcome the dollar shortage, combined with the prevailing energy crisis and erosion of purchasing power, make the rise of employment in the

industrial sector hard to explain.

The unemployment rate also climbed compared to the preceding quarter, with the jobless population increasing by 2.4 lakh in the first quarter of this year, according to BBS data.

The economist cited this spike in the number of unemployed people and an increase in the working-age population above 15 years for who are not in the labour force.

"If there are available jobs in the industry, the question is why more working age population are not finding work. On one side, the number of those not in the labour force has increased. On the other side, the number of those employed in industries has increased. It is totally a riddle," he said.

Echoing the same, Sayema Haque Bidisha, a professor of economics at the University of Dhaka, said the latest data did not provide a clear picture.

One explanation may be increased job opportunities in the construction sector rather than manufacturing, she added.

However, Bidisha said there could be certain improvements in small and medium enterprises, which may have contributed to the overall growth.

Rizwanul Islam, a former special adviser, employment sector at the International Labour Office, Geneva, said a lack of data meant it was not possible to say why employment in manufacturing had increased.

The number of jobs in

the agriculture sector has declined, which is what should happen, he added.

"But we can't say whether the rise in employment in industries is due to the push factor from agriculture or due to a real increase in demand," he said.

"The push factor may have driven a good number of people to seek jobs outside agriculture in low productivity activities, some of which may have been classified as industry. If that happened, it can't be regarded as good news."

The QIFS also showed that the rate of unemployment among men increased in the first quarter of 2024. In the case of women, the unemployment rate dropped.

Reserve target for IMF loans

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Bangladesh met all but one condition for the third tranche, related to NIR. The revised NIR target was \$17.78 billion in December last year, but the country fell short by \$58 million.

However, officials said they were hopeful of getting the third tranche on time despite falling slightly short of the target.

They added that the IMF may set new or revised targets for the fourth and fifth tranches.

Since the launch of the IMF's loan programme, Bangladesh has been unable to meet the conditions set for net international reserves.

As Bangladesh could not meet the target set for June last year, the country had to get a waiver to secure the second tranche of the loan.

Officials said it would be difficult to meet the NIR target set for June this year since the country's foreign reserve situation has not

improved since December last year.

Bangladesh expected to get significant budget support from various development partners, but it is unlikely the country will get any support by June this year other than \$500 million from the World Bank.

Moreover, as global uncertainties persist, there is less possibility that interest rates in the international market will come down.

As a result, Bangladesh's private sector short-term foreign borrowing has been declining gradually since mid-2022 and that trend may continue until December this year, according to the central bank's estimates.

That decline piled pressure on Bangladesh's forex reserves as the country's outstanding short-term foreign borrowing declined to \$11 billion in February this year from more than \$16 billion

in mid-2022.

Also, there is no sign that the pressure on the financial account of the Balance of Payment (BoP) will ease.

According to central bank statistics, during the July-February period of the current fiscal year, the current account balance, a major component of the BoP, stood at a surplus of \$4.7 billion.

In contrast, the financial account, another key part of the BoP that includes foreign direct investments and short, medium, and long term loans, showed a \$8.3 billion deficit.

This is nearly four times the deficit that the account was showing in the same period of the year prior.

On the other hand, the net trade credit deficit stood at \$10.75 billion in the same period compared to \$3.55 billion the year prior because export proceeds fell.

A central bank official said the visiting IMF

mission accepted the reality of Bangladesh's external situation and agreed to revise down the NIR target.

Meanwhile, although Bangladesh met the floor tax revenue collection target for the third tranche in December last year, it may fail to meet the target set for the fourth tranche of collecting Tk 394,530 crore by June.

To meet the June target, 20.39 percent growth in tax revenue collection is required.

However, in the first seven months of the current fiscal year, tax revenue collection growth was 12 percent.

As per finance ministry estimates, a maximum of Tk 380,000 crore can be collected by the end of June.

A finance ministry official said they requested the IMF to slightly revise down the tax revenue target but it is unclear whether they will agree.

Pandemic's

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Another important finding was that political affiliations had helped several households secure the required documentation for social protection schemes, he said.

"When they [the new poor] approached the state to get support, they were told they are not so poor," he said.

"They were also told that there are many other people who are poorer than them (new poor) and so the state support is mostly for the ultra-poor," Nur added.

Oil price climbs

REUTERS, London

Oil futures climbed on Monday after Saudi Arabia hiked June crude prices for most regions and as the prospect of a Gaza ceasefire deal appeared slim, renewing fears the Israel-Hamas conflict could still widen in the key oil-producing region.

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AMENDED PRICE SENSITIVE INFORMATION

This is to notify for information of all concerns that the Board of Directors of Best Holdings Limited (BHL) in the Board Meeting held on Monday, 29 April, 2024 at 3:00 PM, at the meeting room of Le Meridien Dhaka, 79/A, Commercial Area, Airport Road, Nikunja-2, Khikhet, Dhaka-1229 has approved the third quarterly unaudited financial statements for the 2023-2024 (Q3) of the Company and disclosed the following information and decision:

PARTICULARS	Standalone		Consolidated	
	31 MAR 2024	31 MAR 2023	31 MAR 2024	31 MAR 2023
Net Assets Value (NAV) BDT in Crore	5661.32	5179.94	5660.77	5179.58
Net Asset Value (NAV) Per Share in BDT	58.88	55.96	58.88	55.96
Net Operating Cash Flow Per Share (NOCFPS) in BDT	1.40	1.21	1.39	1.21
Earnings Per Share (EPS) in BDT (Basic)	1.10	0.86	1.09	0.86
Earnings Per Share (EPS) in BDT (Diluted)	1.10	-	1.09	-

BHL will start works from May 02, 2024 to build additional 58 rooms with a target to complete by next 6 (six) months in Le Meridien Dhaka to meet the demand of the guest.

The details of Un-Audited Financial Statements of the Company (BHL) for the 3rd Quarter (Q3), 2024 ended on 31 March 2024 will also be available in the website of the Company at www.bhlbd.com

Dated, Dhaka
May 04, 2024

By order of the Board-
Sd/-
Md. Abul Kalam Azad
Company Secretary