

## FBCCI chief discusses trade prospects with Turkish businesses

STAR BUSINESS REPORT

Bangladesh and Turkey can serve as the gateway of trade and business between Europe and South and Southeast Asia, said Mahbul Alam, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

"Bangladesh and Turkey offer huge untapped potential of trade and business," he said while addressing a visiting delegation from the Foreign Economic Relations Board of Turkey and the Turkiye-Bangladesh Business Council yesterday at the FBCCI headquarters in Dhaka.

He said Turkey has a unique geographic position, lying partly in Asia and partly in Europe, a bridge between the two continents, according to a press release.

Bangladesh is also the gateway of regions like the Association of Southeast Asian Nations (Asean) and the South Asian Association for Regional Cooperation (Saarc).

"Thus, both Bangladesh and Turkey could serve as the gateway of trade and business between Europe and South & Southeast Asia," he said.

He said the relations between Turkey and Bangladesh are based on strong historical and cultural roots.

Both nations have expanded beyond traditional ties into a prosperous trade and investment partnership, he added.

In 2022-23 fiscal year, Bangladesh's exports to Turkey stood at \$495.81 million and imports from Turkey stood at \$380.3 million.

At present nearly 20 large Turkish companies are directly operating in Bangladesh in the areas of garments and textiles, accessories, chemicals, engineering, construction, and energy.

Also, over 100 Turkish companies have representatives in Bangladesh, according to the FBCCI.

Alam expressed optimism about future cooperation between the two countries in different areas such as pharmaceuticals, tourism, jute, and technology.

He called for the activation of trade promotional activities and proposed cooperation in developing high-tech products and tourism infrastructure.

Hidayet Onur Ozden, chairperson of the Turkiye-Bangladesh Business Council and leader of the delegation, said there are many opportunities to strengthen the bilateral trade between the two countries.

The trade and business ties between Bangladesh and Turkey are improving day by day and it is time to bolster the growth of economic prosperity of the two nations, he added.



This floating vessel on the Buriganga river offers people a space to sleep for 24 hours for anywhere from Tk 40 to Tk 100, depending on the convenience attained, which can be as simple as a palm leaf mat to cotton mattresses and pillows. Its customers are usually workers who take on the night shifts at adjoining manufacturing hubs. The small floating vessel on the left contains a generator to supply electricity to the facility. The photo was taken behind Sir Salimullah Medical College Mitford Hospital in Old Dhaka recently.

PHOTO: ANISUR RAHMAN

# Beacon Pharma's profit declines 7% in July-March

STAR BUSINESS REPORT

Beacon Pharmaceuticals, which makes more than 200 generic drugs and 65 oncology products, saw a 7.38 percent decline in profits during the July-March period of 2023-24, owing mainly to a rise in interest rates.

According to the company's unaudited financial statements, it paid Tk 71.80 crore as interest to banks in the first nine months of this fiscal year compared to Tk 16.81 crore in the same period of the preceding year.

Beacon's profit reduced to Tk 54.93 crore in the first nine months of the ongoing financial year.

It was Tk 59.31 crore in the same period of last fiscal year. However, the revenue stood at Tk 773.73 crore whereas previously it was Tk 635.45 crore.

Still, earnings per share amounted to Tk 2.38 whereas previously it was Tk 2.57.

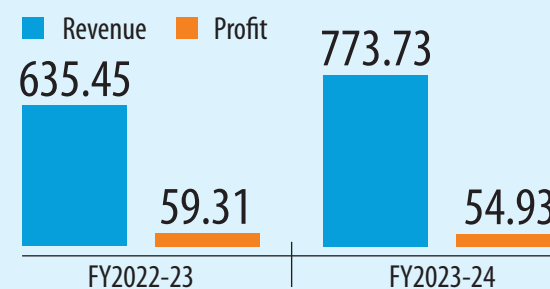
"Our financial expense has increased," said Monjurul Alam, chief executive officer at Beacon Medicare Limited, a concern of Beacon Pharmaceuticals.

"...as the interest rate in banks grew

### Revenue and profit of Beacon Pharma

In July-March period; In crore taka

SOURCE: FINANCIAL STATEMENT



from 7 percent to over 14 percent during last six months, particularly in the third quarter, which contributed to reduced profit margin," he said.

On the other hand, production of life-saving drugs was seriously hampered due to an inadequate supply of gas, he said.

Against this backdrop, although prices of some medicines rose significantly due to a rise in the cost of imported raw materials, revenue did not increase substantially.

Alam said there could have been a significant increase in profit had the interest rate not swelled.

He said the interest rate ballooned immediately after Bangladesh Bank lifted the lending rate cap.

In the January-March quarter of the current fiscal year, the company paid Tk 25.46 crore as interest to banks.

It was only Tk 1.06 crore in the same period of the last fiscal year.

In FY2022-23, the company provided a 16 percent dividend to its shareholders.

Stocks of Beacon Pharmaceuticals closed at Tk 177.90 at Dhaka Stock Exchange yesterday, declining by 2.95 percent from that on the previous day of trade.

## LafargeHolcim's profit drops for first time since Q1 of 2022

STAR BUSINESS REPORT

LafargeHolcim Bangladesh's quarterly turnover and profits dropped for the first time since the first quarter of 2022 mainly due to shrinking demand amid high inflationary pressures.

The listed multinational cement producer's turnover fell 3 percent year-on-year to Tk 825 crore in the January-March quarter of 2024 while profits slipped 15 percent year-on-year to Tk 162 crore, according to its quarterly report published yesterday.

In a press release issued yesterday, the company said the rest of 2024 would be challenging due to the persistent inflation and pressure on the foreign exchange reserves.

**The construction sector is going through a challenging time due to inflationary pressures, which have impacted cement consumption**

The construction sector is going through a challenging time due to inflationary pressures, which have impacted cement consumption, said LafargeHolcim Bangladesh's CEO Iqbal Chowdhury. "Despite that, we are optimistic and well poised to continuously deliver strong performance with leading industry margin."

Moreover, the cement maker has continued to focus on the expansion of sales channels, increasing aggregate business, launching new products and improving market presence to ensure a stronger result in the next quarter, he said.

The company entered the bricks and blocks market by launching the Holcim Block, which is environment-friendly and has a huge growth potential, Chowdhury said.

The company's earnings per share was Tk 1.4 in the first quarter of 2024, down from Tk 1.64 in the same period of 2023.

The stock price of the company fell by 0.61 percent from the previous day to Tk 65 at the Dhaka Stock Exchange yesterday.

| STOCKS   |           |
|----------|-----------|
| DSEX ▼   | CASPI ▲   |
| 0.52%    | 0.03%     |
| 5,666.76 | 16,335.72 |

| COMMODITIES |              |
|-------------|--------------|
| Gold ▲      | Oil ▲        |
| \$2,358.30  | \$82.91      |
| (per ounce) | (per barrel) |

| ASIAN MARKETS |           |           |          |
|---------------|-----------|-----------|----------|
| MUMBAI        | TOKYO     | SINGAPORE | SHANGHAI |
| ▲ 0.15%       | ▼ 0.13%   | ▲ 0.39%   | ▼ 0.21%  |
| 72,772.64     | 38,179.46 | 3,303.66  | 3,148.02 |

## Nagad hands over Tk 5.5cr revenue to Postal Department

STAR BUSINESS DESK

Nagad, the country's leading mobile financial service provider, has shared its revenue with the Bangladesh Postal Department as per their agreement.

Nagad authorities handed over Tk 55,137,558 from its revenue generated in 2023 to the Postal Department at the secretariat on Sunday.

As per an agreement, the Bangladesh Postal Department is entitled to 51 per cent of the revenue earned by Nagad.

In 2022, the Postal Department received Tk 4.5 crore from Nagad's revenue earnings. In 2021, it had received Tk 3.31 and in 2020 it got Tk 1.12 crore.

Tarun Kanti Sikder, director general of the Postal Department, received the cheque from Tanvir A Mishuk, founder and CEO of Nagad.

State Minister for Posts, Telecommunications and Information Technology Zunaid Ahmed Palak was also present alongside senior officials from both organisations.

Palak said: "Bangladesh is advancing towards a smarter nation



Tarun Kanti Sikder, director general of the Postal Department, receives a cheque from Tanvir A Mishuk, founder and CEO of Nagad, as part of their revenue sharing agreement at the secretariat recently.

PHOTO: NAGAD

following an enormous success in digitalisation, thanks mainly to this mobile financial service provider."

He also extended his best wishes for the upcoming Nagad Digital Bank.

Nagad's Mishuk added: "We always keep our promises. We started our journey as a digital service of the Postal Department. According

to the agreement, we share revenue with it. We hope that our public-private partnership will be extended further, and many more doors will be opened."

Nagad is now one of the leading MF'S providers in Bangladesh, with a customer base of more than 9.5 crore. Its daily transactions now amount to Tk 1,800 crore on average.

## France gets record foreign investments

AFP, Paris

France has received combined investment commitments from foreign companies of more than 15 billion euros (S16.2 billion), President Emmanuel Macron's office said Monday.

The announcement came as Macron kicked off a day of meetings with foreign business leaders at the Chateau de Versailles, called "Choose France".

The biggest single commitment is by Microsoft which on Sunday announced

four billion euros in investment for developing data centres.

Microsoft's president Brad Smith told AFP the move to strengthen its artificial intelligence and cloud computing infrastructure was the tech giant's biggest-ever investment in France since its arrival 41 years ago.

A new data centre will be created in eastern France, while existing sites in the Paris region and the southern city of Marseille will be expanded.

E-commerce behemoth Amazon will invest more than 1.2 billion euros in

France, creating more than 3,000 jobs, Macron's office said earlier on Sunday.

The money will help develop Amazon Web Services' (AWS) cloud infrastructure, mainly generative artificial intelligence, and the logistical infrastructure of its parcel delivery service, a statement added.

Several pharmaceutical companies, including US group Pfizer and Britain's AstraZeneca, announced on Sunday commitments to invest more than a billion euros more in France's health sector.

## Handset production

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So, unless people's purchasing power is restored to previous levels, the industry will face difficulties in staging a turnaround and achieving growth.

The slump is so significant that the number of locally manufactured phones in 2023 was even lower than that in 2020. Over 2.40 crore handsets were made in 2020.

Despite acute global supply chain disruptions to the mobile device component market due to the Covid-19 pandemic, 2.95 crore handsets were produced in 2021.

In 2022, 3.16 crore handsets were produced locally, which accounted for 99 percent of the local demand through official channels.

But over the last year, mobile phone sales plunged over 33 percent, according to the MPIOAB. According to the association, illegal and informal channels currently capture about 35 to 40 percent of the overall handset market in Bangladesh.

Industry stakeholders have called on the government to explore alternative measures to address the grey market if tax reductions prove impractical.

One proposed solution involves the adoption of a National Equipment Identity Register (NEIR)

to safeguard the local mobile phone manufacturing sector.

Introduced by the BTRC in 2021, the NEIR aims to ensure the use of legitimate mobile devices in the country by linking their IMEI number with the customer's national identification and SIM numbers.

But although Bangladesh took the lead in introducing NEIR, other countries managed to implement it first. For instance, Pakistan and Nepal now utilise the NEIR to curb illegal trade and support local manufacturers.

But in Bangladesh, crucial functions like blocking fake, unauthorised, or cloned handsets are not yet operational. The government has also not initiated the blocking of illegally imported mobile phones.

A few months earlier, Zunaid Ahmed Palak, state minister for ICT, announced that illegal and smuggled handsets would be disconnected from mobile networks.

The BTRC recently issued a public notice to launch a drive in this regard in July.

However, last week, Sheikh Reaz Ahmed, a commissioner of the BTRC, said phones currently in use were being registered with the BTRC's system and they have no plans to disconnect unregistered ones for now.

## Motor and bike show in Dhaka

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platform for car lovers and auto industry buyers and sellers," said Meherun N Islam, managing director at CEMS Global USA and Asia Pacific, the organiser of the two fairs.

"It will also encourage local component makers to introduce themselves as local brands," she told a press conference at Pan Pacific Sonargaon Dhaka yesterday.

Islam also claimed that the expositions would help attract foreign direct investment to the automobile sector of Bangladesh.

The expositions will remain open from 11:00am to 9:00pm, while the entry fee for visitors is Tk 50.

Two more specialised expositions – the 7th Dhaka Auto Parts Show 2024 and the 6th Dhaka Commercial Automotive Show 2024 – will take place concurrently.

The motor show is considered as Bangladesh's largest and only international exhibition of cars, motorcycles, and accessories, Islam said.

SS Sarwar, group chief executive officer of CEMS-Global, Tanveer Qamrul Islam, executive director, and Abhishek Das, director of international marketing, were also present at the media briefing.

## April food prices cross 10%

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"We would have benefited had we taken the measures earlier."

The economist said food prices have gone up in global markets, meaning import-dependent nations like Bangladesh have to pay more to buy them. Furthermore, the duties and taxes have not been adjusted adequately to lessen the impacts of the price spiral.

"There are also anomalies in the market. Besides, only a few companies import items, so there is a lack of competition."

Another blow for Bangladesh

is coming from the declining foreign exchange reserves. Since the reserves are not improving, the IMF has drastically slashed the net international reserves requirement for the fourth tranche of the \$4.7 billion loans.

Commodity prices are projected to experience a slight downturn in 2024 and 2025 but are expected to remain above pre-pandemic levels, according to the World Bank.

Despite the drop in April, the overall inflation has stayed above the government's target for the current financial year, which ends in June.

The government has aimed to limit the average inflation to 7.5 percent in FY24. The CPI surged to a 12-year high of 9.02 percent in FY23.

According to the IMF, inflation is projected to remain elevated at approximately 9.4 percent in FY24 but is anticipated to decline to around 7.2 percent in FY25, on the back of the continued tighter policy mix and projected lower global food and commodity prices.

"Nevertheless, uncertainties surrounding the outlook remain high, with risks predominantly leaning towards the downside."