Jamuna Bank's Q1 profit up 23%

STAR BUSINESS REPORT

Jamuna Bank has secured a 23 percent year-on-year rise in profit in the first three months of this year thanks to an increase in incomes from net interest, investment and commission.

In unaudited quarterly financial statements released recently, the bank reported a profit of Tk 164.23 crore for the January-March period, up from Tk 133.62 crore in the same quarter of last year.

This resulted in consolidated earnings per share of Tk 2.02 in the first quarter of 2024, up from Tk 1.64 in the first three months of 2023.

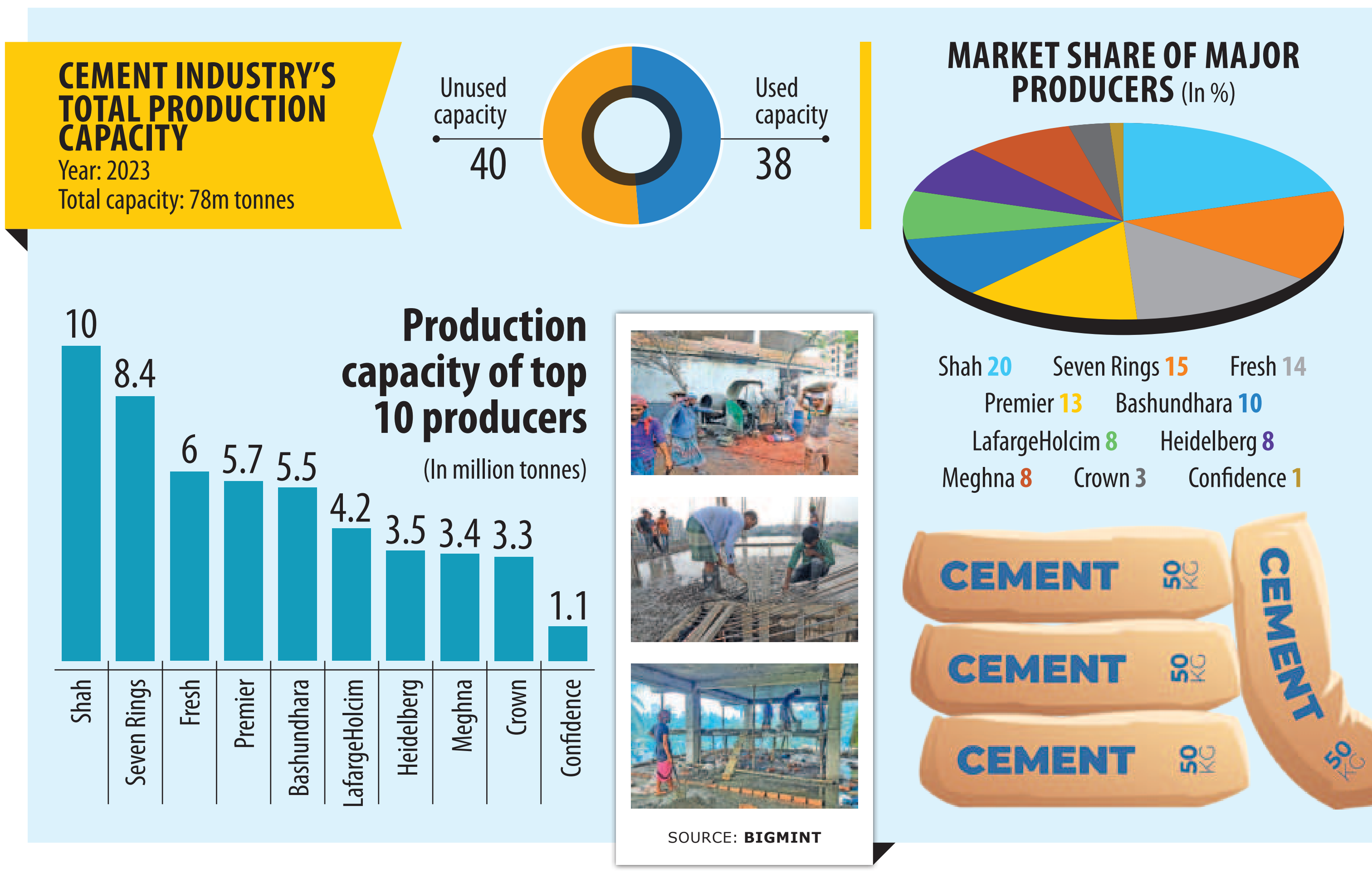
Similarly, the bank's net operating cash flow per share hit Tk 31.32 in January-March of 2024, up from Tk 24.28 in the same period previous year thanks to an increase in operational activities and deposits.

The bank also said its net asset value had increased for the growth of retained earnings.

In another development, the board of directors of Jamuna Bank has decided to issue "Jamuna Bank Short Note", a non-convertible, redeemable, unsecured and tradable short-term bond with maturities of 91 days, 182 days and 364 days.

Too much of cement: production outstrips annual demand

Small producers may go out of business for overcapacity, high input costs



JAGARAN CHAKMA

Competition in the cement industry of Bangladesh could become even narrower as smaller producers are at risk of going out of business due to overcapacity in production and increasingly higher input costs.

Local cement makers collectively churn out about 78 million tonnes of the construction material each year, exceeding the country's annual requirement by some 105 percent.

This data was released by Bigmint, an Indian platform for commodity price reporting, market intelligence and consulting, during the 4th Bangladesh International Trade Summit 2024.

The two-day event jointly organised by Ahmed Enterprise and Bigmint came to a close at the Pan Pacific Sonargaon Dhaka in the capital on Wednesday.

The data showed that four major producers, namely Shah Cement, Seven Rings Cement, Fresh Cement and Premier Cement, control 62 percent of the total market.

But with around 30 cement factories active across the country, the overall industry is in trouble because of higher production costs resulting from the ongoing US dollar crunch, said Shankar Kumar Roy, executive director of the Bangladesh Cement Manufacturers Association.

Besides, cement makers are facing difficulties in opening letters of credit (LCs) to import raw materials as banks are being uncooperative amid the forex crisis.

Regarding the overcapacity issue, Roy said many people invest in such industries without doing proper market research when they see there is scope to profit.

For this reason, smaller producers may face unhealthy competition and be forced out of the market.

Roy informed that the domestic cement industry is fully import based as none of the required raw materials, such as clinker and limestone, are readily available in the country.

As such, the cost of producing cement depends on raw material prices in the international market.

Local cement makers collectively churn out about 78 million tonnes of the construction material each year, exceeding the country's annual requirement by some 105 percent

For example, the price of clinker is now $45 per tonne while it was $41 in 2022.

Also, the situation has only worsened due to the devaluation of the local currency against the US dollar, with importers now paying Tk 122 per greenback for opening LCs while it was Tk 118 previously.

As a result, the price of a 50-kilogramme bag of cement has increased by Tk 60 to Tk 50 over the past year. Still though, the higher prices are not making up for the increased production cost as there is no scope to pass the burden onto consumers, Roy said.

Bangladesh mainly imports cement raw materials from Vietnam, Indonesia, Thailand, Pakistan, India, the UAE, Oman, Saudi Arabia and Japan.

On the other hand, Mohammed Amirul Haque, managing director of Premier Cement Mills, does not see overcapacity as a burden for the industry as he anticipates further growth in demand for the country's continued urbanisation.

Against this backdrop, he said the manufacturers established their units with this target in mind.

Haque also said that rather than the overcapacity issue, the lack of proper market projections, gas and power supply are bigger concerns for the industry.

"So, there is nothing to be worried about regarding the overcapacity," he added while pointing out that the industry's excess production capacity can be better utilised in the future.

So, there is nothing to be worried about the over capacity of the cement industry, Haque said.

Md Jahangir Alam, vice-chancellor of the Rajshahi University of Engineering and Technology, said the cement industry is health hazardous and also pollutes the environment.

So, he emphasised on improving waste management at cement factories in industrial areas.

Alam also suggested using river routes to carry cement to save the environment and stressed the need for installing water purification systems to avoid river pollution in the process.

He also said the manufacturers should collect their required raw materials from neighbouring countries to keep costs lower and thereby ensure business sustainability.

Merging minds with machines

MAHTAB UDDIN AHMED

With the news of brain chip implants, our friends joked that advertisers would run commercials in our brains if we got chips without a subscription. For advertisers, it would be the best way to reach consumers. Researchers would get the most accurate data ever. Taxmen would know who is even considering dodging taxes or sending money outside Bangladesh. Different subscription levels would offer different security and safety features, like blocking data access to wives, boyfriends, and taxmen.

Any of you who thought it to be some unrealistic joke has more surprises ahead. As we grapple with AI (artificial intelligence), new advancements, like Neuralink's brain chip, bring even more excitement and debate.

Founded by Elon Musk, Neuralink is leading the way in merging human brains with AI. This brain chip could revolutionise medicine, communication, and our understanding of human consciousness, marking a huge leap into the future.

Neuralink's core mission is to develop ultra-high bandwidth brain-machine interfaces (BMIs) to connect humans and computers. This ambitious goal aims to address various neurological conditions, enhance human cognitive abilities, and eventually enable direct communication between brains and machines.

Imagine a world where paralysis is no longer a life sentence; memories can be stored and replayed like digital files, and complex thoughts can be instantly shared without words. Brain chip developers seek to realise this vision, positioning themselves at the cutting edge of neurotechnology.

At the heart of Neuralink's innovation is a tiny, implantable brain chip called the "Link." This device, about the size of a coin, is designed to be surgically inserted into the skull, where it can interface directly with the brain. The Link features thousands of ultra-fine electrodes that penetrate the brain's outer layers, capable of detecting and transmitting neural signals.

Neuralink has made significant strides in both animal and human experiments. As of early 2024, it successfully implanted its first brain chip in a human subject as part of its prime study, which aims to help paralysed people control external devices using their thoughts. The human subject/patient is reportedly recovering well.

Earlier, it achieved a significant milestone by enabling a monkey named Pager to play the video game Pong using only its mind.

Brain chip developers are in the early stages of testing the technology, with commercial operations expected to be still some years away. The company received FDA approval in May 2023 to begin human trials. These trials currently focus on helping paralytic people control external devices like computers and phones by using their thoughts.

Several companies and research institutions are advancing brain-computer interface (BCI) technology similar to Neuralink's. Notable competitors include Synchron, Blackrock Neurotech and Kernel. Paradromics works on high-bandwidth BCIs to restore communication in individuals with severe neurological conditions.

While such groundbreaking developments are exciting, they are making most of us nervous, if not scared. Potential unethical uses of brain chip technology include significant privacy violations, as unauthorised access to private thoughts and memories could occur.

There are concerns over unauthorised mind control and manipulation to influence or alter individuals' behaviours and perceptions. Governments could exploit brain chips for tracking and influencing public thoughts and mass surveillance.

The technology could also aggravate social inequalities, providing cognitive enhancements only to those who can afford them, leading to new forms of discrimination. Additionally, ethical dilemmas arise regarding informed consent, especially when used on vulnerable populations like children or those with cognitive impairments.

Elon Musk's portfolio of companies—Tesla, SpaceX, Starlink, X (former Twitter), OpenAI, and Neuralink—collectively represent a formidable convergence of cutting-edge technologies that have the potential to profoundly reshape various aspects of society.

While each innovation is groundbreaking on its own, their combined impact raises both exciting possibilities and significant ethical concerns. The next superpower is anybody's guess now.

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

Dhaka Bank's Q1 profit highest in 4 years

STAR BUSINESS REPORT

Dhaka Bank attained a 26 percent year-on-year rise in profit in the first quarter of this year amounting to Tk 76.5 crore, the highest in four years, attributing it to an increase in operating income.

The commercial private lender made a profit of Tk 60.39 crore in the corresponding period of last year.

The bank's earnings per share hit Tk 0.76 in the January-March period of 2024, up from Tk 0.6 in the same period previous year, according to unaudited financial statements released recently.

However, its net operating cash flow per share stood at Tk 7.5 in the negative in this year's first three months, which was Tk 7.74 in the same period in 2023.

Rising disbursements of loans and declining deposits led to this fall, said the bank in a disclosure.

Dhaka Bank began its commercial operation in 1995 with an authorised capital of Tk 100 crore and a paid-up capital of Tk 10 crore.

The bank has 114 branches, including two Islamic banking ones, two offshore banking units, three SME service centres, 26 sub-branches and 87 ATMs across the country.

As US hikes China tariffs, imports soar from Vietnam

REUTERS, *Hanoi*

As the United States intensifies efforts to reduce trade with China by hiking tariffs, it has greatly boosted imports from Vietnam, which relies on Chinese input for much of its exports, data show.

The surge in the China-Vietnam-US trade has vastly widened trade imbalances, with the Southeast Asian country last year posting a surplus with Washington close to $105 billion - 2.5 times bigger than in 2018 when the Trump administration first put heavy tariffs on Chinese goods.

Vietnam now has the fourth-highest trade surplus with the United States, lower only than China, Mexico and the European Union.

The increasingly symbiotic relationship emerges from trade, customs and investment data reviewed by Reuters from the United Nations, the US, Vietnam and China, and is confirmed by preliminary estimates from the World Bank and half a dozen economists and supply chains experts.

It shows that Vietnam's export boom has been fuelled by imports from neighbouring China, with inflows from China almost exactly matching the value and swings of exports to the United States in recent years.

In preliminary estimates shared with Reuters, the World Bank reckons a 96 percent correlation between the two flows, up from 84 percent before Donald Trump's presidency.

'What doesn't kill you makes you stronger,' China trolls new US tariffs

REUTERS, *Beijing*

China's measured response to the US move to hike tariffs on $18 billion of Chinese goods from syringes to batteries suggests relations between the world's two largest economies face more frost rather than a fresh firefight over trade.

China denounced the Biden administration's action and vowed "resolute measures" to protect its interests.

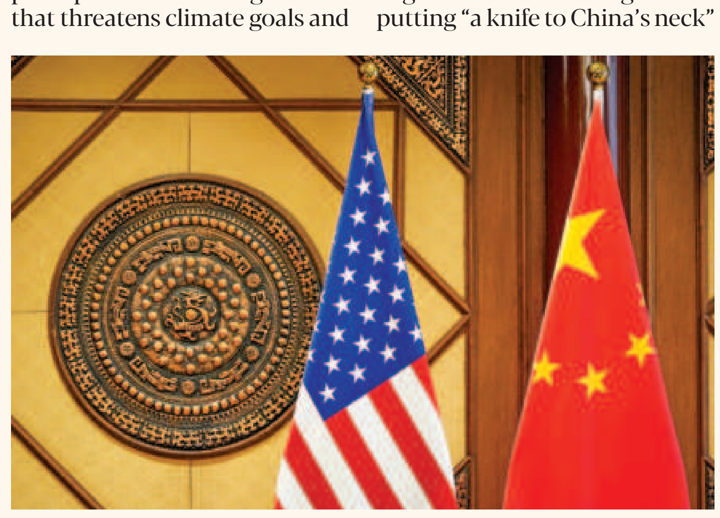
But Beijing's response also suggests a new dynamic - and confidence - compared with 2018 when Trump-era tariffs on $300 billion of Chinese goods touched off an escalating trade war, analysts said.

Among the differences between then and now: the Biden White House flagged potential measures to Chinese officials in advance and the tariffs target industries, including EVs and batteries, where the economic impact is limited and Chinese companies' dominance appears unassailable.

In response to the tariffs, Chinese state media have shot back, accusing the United States of subverting its own free trade principles and taking action that threatens climate goals and will push up costs for American consumers.

In essence, the argument goes, you are hurting yourself.

That marks a break from the tone in 2018, when a Chinese negotiator said Washington was putting "a knife to China's neck" and state media had suggested extreme counter-measures like a boycott of US food imports or a sell-off of US bonds.



US and Chinese flags are seen during an event at Diaoyutai State Guesthouse in Beijing.

PHOTO: AFP/FILE

"China can take the moral high ground," said Wang Huiyao, founder and president of the Beijing-based Center for China and Globalization, a think tank. "It doesn't play around with those who break international standards and norms."

In the starkest language of its response, the Chinese commerce ministry said the White House had broken the spirit of an agreement to steady bilateral relations reached by Chinese President Xi Jinping and US President Joe Biden late last year in San Francisco.

Biden has said he wants to win this era of competition with China but not to launch a trade war, and US officials have looked to engage Beijing on limited areas of cooperation, including climate change.

China has time to punch back with targeted actions of its own before the tariffs go into effect, analysts said. But a lot has changed since the trade throwdown in 2018.

In that year, Chinese automakers built just under 800,000 electric vehicles. By 2023, EV output had jumped by a factor of eight times, China had surpassed Japan as the world's biggest auto exporter and Chinese carmakers were cranking up expansion plans from Southeast Asia to Europe.

Huawei, which had been crippled by US sanctions in 2019, has bounced back, spearheading demand for China-made chips and challenging Apple in the China smartphone business and Tesla for EVs.

"What does not kill you makes you stronger," Xinhua said in a commentary on the US tariffs. "It seems the famous quote applies to China's technology companies."