Standard Ceramic's Q1 loss up by 60%

STAR BUSINESS REPORT

Standard Ceramic Industries Ltd's loss increased by 60 percent year-on-year in January-March of 2024 as higher production costs and the taka's rapid deprecation weighed on its bottom line.

The ceramic maker reported a loss of Tk 2.1 crore in the first quarter, up from Tk 1.31 crore. Thus, the loss per share was Tk 3.26 against Tk 2.03, according to a filing on the Dhaka Stock Exchange.

Standard Ceramic said that an overall dull economic condition due to the combined effect of the Covid-19 pandemic and the Russia-Ukraine war and the high cost of imported raw materials amid rising sea transport costs hit the company's profitability.

"The dollar rate fluctuation and around 155 percent increase in gas price adversely reduced sales and gross profits. In addition, the temporary closure of our factory reduced production and sales of our products," it said in its unaudited financial statements.

The ceramics manufacturer's net operating cash flow per share (NOCFPS) doubled to Tk 12.71 in negative in July-March of 2023-24 period from Tk 6.36 in negative in the corresponding period last year.

Aman Cotton's loss narrows as yarn sales rise

STAR BUSINESS REPORT

Aman Cotton Fibrous Ltd reported a 91 percent year-on-year decline in losses in January-March 2024.

The loss stood at Tk 60.49 lakh in the third quarter of the financial year, down significantly from Tk 6.95 crore. As a result, the loss per share declined to Tk 0.06 from Tk 0.69.

In a filing on the Dhaka Stock Exchange, the yarn manufacturer attributed an 11.13 percent price decline of raw cotton, the key production material, and a 3.4 percent increase in carded yarn sales for the fall in losses.

However, Aman Cotton's net operating cash flow per share (NOCFPS) fell to Tk 0.30 in the first nine months of FY24. It was Tk 6.38 in the same period of 2022-23.

The company's rising payments to suppliers, employees and others contributed to the decline in the NOCFPS, according to the unaudited financial statements.

A five-kilometre stretch of road along the Baragola-Matidali highway in Bogura has quickly turned into a hub for automobiles, with numerous showrooms and auto-repair workshops offering their services. The biggest draw, however, remains used cars, which can be bought for cheaper prices than in Dhaka.
PHOTO: MOSTAFA SHABUJ

Bogura emerging as a hub for used automobiles

MOSTAFA SHABUJ, *Bogura*

A major hub for the sale and repair of motor vehicles has gradually emerged in Bogura over the past two years, drawing an estimated investment of Tk 1,000 crore.

At least 15 showrooms and 20 workshops offering repairing services have been established along a five-kilometre stretch on the Baragola-Matidali highway.

New and reconditioned vehicles of renowned brands, including BMW and Mercedes-Benz, are also available here.

However, cars that have changed ownership multiple times are a big draw, with overall monthly sales reaching at least Tk 10 crore.

Moreover, around 2,000 people have found direct employment in this hub.

For this, many of the local investors now term Bogura as the heart of North Bengal's motor vehicle business.

Due to the global economic recession following the Covid-19 pandemic and a crisis of US dollars in Bangladesh, automobile sales have declined in Dhaka.

Many businesspeople believe Bogura offers an alternative investment destination for showrooms to keep their business running at reduced costs.

The latest to open shop here is world-renowned South Korean automobile giant Hyundai.

"Hyundai has three service centres in Dhaka...an outlet was opened in Chattogram last

November and this one in Bogura last March," Delowar Hossain, service manager of the outlet, told The Daily Star.

"We have not officially inaugurated the Bogura outlet yet. But we launched all services last March, including paint booths. We have already received orders for two cars," he said.

Asked why Hyundai chose the location for an outlet, Hossain said: "In short...to capture the North Bengal market."

He added: "Moreover, we have already sold over 50 cars in the northern districts. So those cars can easily avail servicing. Now Hyundai car owners in North Bengal no longer have to go to Dhaka for servicing."

Monowar Islam, owner of Jara Car House in Bogura, said: "I opened the business on a very small scale in 2019. Now I sell 12 to 14 cars every month."

"Nowadays businesspeople from many parts of the country come to Bogura to start a car business. So far, the investment here has exceeded Tk 1,000 crore," he said.

Regarding the buyers, Monowar said: "Generally, I sell cars in 64 districts of the country through brokers and my online platforms."

Mezbaul Jannat Piyas, owner of Bogura Active Auto Care Showroom, said: "I have been doing business here for one and a half years. I am now selling six to eight reconditioned cars a month and making a profit of Tk 3 lakh to Tk 5 lakh."

Regarding the rise of Bogura's vehicle trading hub, he said operational costs were lower here than in Dhaka while prices can be anywhere from Tk 1 lakh to Tk 3 lakh cheaper.

"The security deposit for a showroom in Dhaka is over Tk 1 crore. But it is possible to set up a new business with such a huge amount. That's why Bogura has become a promising place in North Bengal for the automobile business," he said.

Moreover, traders from Dhaka have opened workshops and are doing very good business in Bogura, Piyas added.

Alamgir Hossain, manager of Dhaka Auto Space in Bogura, said: "We came here from Dhaka in 2023...We are doing well...The business is growing rapidly and our workload is increasing too."

Bogra Toyota Motors showroom owner Abu Nasir told The Daily Star: "Two years ago there were only two car showrooms in Bogura. I started the business in 2022. I am selling around 7 to 10 cars every month. I mainly sell old cars."

Mehdi Hasan Anik, a customer arriving from Dhaka's Tangail last Sunday to buy a used microbus, told The Daily Star: "Car prices are lower in Bogura than in Dhaka. Moreover, there are a lot of additional facilities."

"Almost all the showrooms in Bogura offer instalment facilities. We are also selling cars at zero down payment. Besides, we give loans to buyers at 11 percent to 13 percent interest," Nasir said.

Aminur Rahman, general secretary of the Bogura Chamber of Commerce and Industry, said: "In the last two to three years, many automobile showrooms have been established in Bogura."

"Businesspeople from various parts of the country are investing money in the car business, which is a milestone for Bogura's economy," he added.

Stocks snap nine-day losing streak

STAR BUSINESS REPORT

The broad index of Dhaka Stock Exchange (DSE) staged a much-needed comeback yesterday, breaking a nine-day losing streak.

The DSEX, the benchmark index of the country's premier bourse, rose 59.67 points, or 1.14 percent, from that on the day before to close at 5,310.51.

Likewise, the DSES, the index that represents Shariah-compliant companies, edged up 13.71 points, or 1.19 percent, to 1,160.18.

The DS30, the index that comprises the best blue-chip stocks, jumped 11.94 points, or 0.63 percent, to 1,900.65.

In its daily market update, UCB Stock Brokerage said the market closed on a positive note with an increase in turnover.

Turnover, a crucial indicator of trading activity in the market on a given business day, stood at Tk 506 crore, an increase of 65.81 percent compared to the previous trading session of the market.

Among the sectors, pharmaceuticals dominated the turnover chart encompassing 17.02 percent of the daily market's total turnover.

Services and real estate, ceramics and textile were the top three sectors to close in the positive while jute is the only sector to close in the negative.

Out of the 394 scrips that changed hands, 276 saw gains, 84 remained lower and 34 did not witness any fluctuation.

Bangladesh Industrial Finance Company and Alltex Industries jointly topped the gainers' chart with a rise of 10 percent each. READ MORE ON B2

Cargo delivery from port yards resumes partially

Major operational activities suspended for second day

DWAIPAYAN BARUA, *Ctg*

Cargo delivery from the yards at the Chattogram port resumed partially yesterday morning and continued on a limited scale as the impact of cyclone Remal began to wane.

However, the 19 vessels that were sent out to sea from the main and specialised jetties on Sunday morning to avert any damage during the cyclone could not be brought back by the afternoon due to the rough seas and inclement weather.

As such, the loading and unloading of cargoes and containers at the main jetty remained suspended for the second consecutive day.

Additionally, 49 vessels that were shifted out to sea from the outer anchorage on Sunday had returned by yesterday afternoon. But those vessels could not be unloaded due to inclement weather.

CPA Secretary Md Omar Faruk told The Daily Star that the full team of the Chattogram Port Authority (CPA) pilots waited at ghat number 15 at Patenga near the Karnaphuli estuary for over four hours since 10:00am as they attempted to bring back the 19 vessels.

As the impact of the cyclone waned yesterday morning, the met office advised lowering the danger signal from No 9 to No 3. The CPA also lowered its security alert No 4, its highest alert, and instead issued alert No 1 at 11:00am.

Accordingly, the CPA Marine Department planned to bring back 19 vessels to the jetty by the morning tide. But they failed to cross the sea and get on board.

A senior official of the CPA Marine Department said 13 CPA pilots on three pilot boats attempted to cross the bay to reach the vessels but failed due to heavy swelling at sea, incessant showers and gusty winds.

READ MORE ON B2

India economy likely grew at weakest pace in a year in Jan-March: poll

REUTERS, *Bengaluru*

India's economy likely grew at its slowest pace in a year in the January-March quarter due to weak demand, according to a Reuters poll of economists who said the possibility of growth significantly surpassing their forecasts was low.

The country's gross domestic product (GDP) unexpectedly grew by 8.4 percent in October-December compared to a year earlier, thanks to a sharp drop in subsidies which provided an artificial boost to net indirect taxes. But economic activity, as measured by gross value added (GVA), showed a more modest 6.5 percent expansion.

Economists in the poll said that situation was unlikely to have been repeated in the last quarter.

Growth in Asia's third-largest economy likely slowed to an annual 6.7 percent in January-March, more in line with the long-term GDP growth rate, according to a Reuters poll of 54 economists. GVA growth was expected to slow to 6.2 percent.

Most economists in the poll said growth likely slowed due to moderation in both the manufacturing and services sectors. They also cited a muted contribution from agriculture.

Forecasts for GDP growth were in a 5.6 percent-8 percent range. The data are due at 1200 GMT on May 31, just days before general election results will be announced on June 4. Prime Minister Narendra Modi is expected to win a rare third term in power.

"We expect some sanity to return," said Kunal Kundu, India economist at Societe Generale. "Among the components, we do not expect any major improvement."

Most economists in the poll said growth likely slowed due to moderation in both the manufacturing and services sectors

Over two-thirds of economists who answered an additional question said the possibility of GDP growth significantly surpassing their forecast was low. The rest said it was high.

"Core inflation continuing to drop and recording the lowest growth since the onset of the pandemic is symptomatic of weak domestic demand," Kundu said.

Weaker growth in private

READ MORE ON B2

China invests $47b in largest ever chip fund

AFP, *Shanghai*

China has poured more than $47 billion into the country's largest-ever chip investment fund, a business database showed on Monday, as Beijing seeks self-sufficiency in the crucial semiconductor manufacturing sector.

Semiconductors are an indispensable part of the modern economy, used in everything from kitchen appliances and mobile phones to cars and weapons.

The chips industry is increasingly caught in the crossfire as the United States and China vie for technological supremacy, with relations between the world's two largest economies deteriorating in recent years.

With Washington seeking to cut Chinese companies off from supply chains that give it access to advanced US technology, Beijing has ploughed billions into developing homegrown chipmakers.

China's finance ministry as well as a host of state-owned banks and other businesses have invested 344 billion yuan ($47.48 billion) into the third phase of the National Integrated Circuit Industry Investment Fund, according to information published by business data provider Tianyancha on Monday.

The fund's third phase, incorporated on Friday, is larger than the previous two iterations combined.

An earlier phase had planned to invest 12.9 billion yuan in semiconductor manufacturer Yangtze Memory Technologies Co., Bloomberg reported last year.

China's Ministry of Finance is the largest shareholder of the fund's latest phase, according to Tianyancha, with state-owned companies from Shanghai, Beijing and southern tech hub Shenzhen also investing.

Employees work at a production line manufacturing chips inside a factory of an electronics company in Chizhou, Anhui province, China. The chips industry is increasingly caught in the crossfire as the United States and China vie for technological supremacy.
PHOTO: REUTERS/FILE