Renata getting $60m loan from IFC

STAR BUSINESS REPORT

Renata PLC, one of the leading drug makers in Bangladesh, is going to sign an agreement with the International Finance Corporation (IFC) to avail a foreign loan of $60 million.

The fund will be given to Renata as working capital and its tenure will be six years, according to a filing on the Dhaka Stock Exchange (DSE).

The drug manufacturer has recently received approval from its board of directors to go for the deal with the IFC, a member of the World Bank Group.

Renata reported significant growth in its profits in the January to March quarter of financial year 2023-24.

Its profit rose 21.4 percent year-on-year to Tk 72 crore in the third quarter, leading to a rise in its earnings per share to Tk 6.33 from Tk 5.18 in the same period the previous year.

Meanwhile, Renata's sales increased 9 percent year-on-year to Tk 921 crore in the three months to March this year.

The drug maker provided a 62.5 percent cash dividend for the last fiscal year of 2022-23. Its paid-up capital was Tk 114 crore, according to the DSE data.

Shares of Renata were up 5.35 percent to Tk 765.9 yesterday.

Chattogram port officials and users attributed the rebound in container handling at the port to a gradual rise in the country's import and export trade in recent months. PHOTO: STAR

Ctg port may see growth in container handling in FY25

DWAIPAYAN BARUA, *Ctg*

As per data from the traffic department of Chittagong Port Authority of June 24, annual container throughput has already exceeded the 30.07 lakh twenty-foot equivalent units of the last fiscal year

Experiencing negative growth last fiscal year alongside the calendar year, the Chattogram port is on way to witness a rise in the amount of container and cargo handled in the current fiscal year, riding on an increase in foreign trade in recent months.

As per data from the traffic department of Chittagong Port Authority (CPA) of June 24, annual container throughput has already exceeded the 30.07 lakh twenty-foot equivalent units (TEUs) of the last fiscal year of 2022-23.

There is still two days to go before the current fiscal year comes to an end.

Port officials and users attributed this rebound in container throughput at the port to a gradual rise in the country's import and export trade in recent months.

Container handling by the port increased year-on-year during most of the months of fiscal year 2023-24, excepting for August and April, when it declined.

In May, the port handled 3 lakh TEUs of containers, a record high in the port's history.

Officials at the port's traffic department said 2.21 lakh TEUs of container were handled in the first 24 days of the current month.

Data shows that a total of 3,115,125 TEUs of containers have so far been handled at the port in the current fiscal year till June 24, which is a 3.58 percent rise from that handled in FY23.

The CPA has prepared the data by calculating the number of import, export and empty containers loaded and unloaded at the main jetties of the port, Pangaon Inland Container Terminal in Keraniganj and Kamalapur Inland Container Depot in Dhaka.

Officials estimated that annual container throughput in FY24 may not reach 32.55 lakh TEUs, which was attained in FY22, but may reach close to 32 lakh TEUs.

Similarly, the port handled 11.35 crore tonnes of cargo till May this year, which is around 48 lakh tonnes less than the 11.83 crore tonnes handled last fiscal year.

A senior official of the CPA traffic department said the port handled around one crore tonnes or so of cargo every month over the last 11 months, which indicates that the annual cargo handling may exceed 12 crore tonnes this fiscal year.

Omar Hazzaz, president of the Chittagong Chamber of Commerce and Industry, said it was evident that foreign trade had grown in recent quarters as importers were showing confidence in increasing imports.

Credit goes to a slight improvement in the US dollar crisis while the country's exports are also seeing an upward trend as economic turmoil in destination countries have started to ease, he said.

Mentioning that such an increase in foreign trade helped increase the amount of both container and cargo handled by the port, Hazzaz hoped for handsome growth in terms of throughput at the end of the fiscal year.

RACE-managed assets are 100% safe, it tells regulator

STAR BUSINESS REPORT

Bangladesh RACE Asset Management, which saw several of its beneficiary owner's (BO) accounts being suspended by the stock market regulator, has said that investors should not lose confidence in the company, as all assets managed by it are secure and safe.

The country's largest private asset management company made the call through a press statement in response to a recent order of Bangladesh Securities and Exchange Commission imposing the suspension on RACE for mismanagement of assets.

RACE assured the commission and all stakeholders that all listed and non-listed securities of mutual funds managed by the asset manager are securely held by the custodians with 97 percent of the assets under the supervision of respective custodians.

The remaining 3 percent assets are also managed under strict protocols to ensure their safety and integrity, the company said in the statement.

"All mutual fund assets are held in custody by custodians the Investment Corporation of Bangladesh and BRAC Bank under the direct supervision of trustees ICB and Bangladesh General Insurance, which guarantees their security and makes misuse impossible," the statement read.

Listed shares, which constitute about 80 percent of mutual fund assets, are held in custodian's depository participant (DP) accounts as per trust deed and custodian agreements.

Various types of mutual fund accounts, including custodian DP accounts, custodian DP and brokerage trading omnibus accounts, brokerage trading (parent) accounts, brokerage trading (link) accounts, brokerage suspense accounts and brokerage fractional accounts serve distinct and valid purposes in the lawful management and settlement of mutual fund transactions, it said.

These accounts ensure that all mutual fund operations are conducted with utmost transparency and security, the company said.

Flattering in corporate culture

MAHTAB UDDIN AHMED

Flattering the boss or leader has caught up with our political and corporate culture like a virus. In politics, it has no shame or limit. In the corporate world, however, it is practised with more sophistication and complexity.

With a corporate career spanning over three decades, my encounters with the art of flattery have been diverse, including a colleague who would keep himself busy buttering up his boss and peers all day, only to start his real work after five, resulting in his team working late into the night.

You can often detect flattery in compliments like, "I noticed how well you handled difficult situations," or "I can't help but admire your sense of style, boss." Some go further with lines like, "Boss, you are like an old wine – mature and sophisticated."

Flattery can go a long way in corporate careers whether we like to admit it or not. While it may seem casual, the implications can be profound, affecting work relationships, organisational culture, and business outcomes. The appeal of flattery is universal: everyone enjoys it, and bosses are no exception.

Compliments, even if lacking in truth, can boost self-esteem and foster loyalty. However, the efficacy of flattery depends on its delivery and the recipient's personality.

Practiced sensibly, flattery can help maintain good relationships with supervisers and colleagues, creating a harmonious work environment. However, excessive flattery can be detrimental and counterproductive.

In any organisation, employees may be categorised into three groups in terms of their practice of flattery: excessive flatterers, who use flattery indiscriminately and risk losing credibility and trust; honest communicators, who avoid flattery for their commitment to honesty, potentially causing friction in diplomatic cultures; and selective flatterers, who strategically balance praise and constructive criticism, fostering a healthy work environment.

The flatterer in the corporate world often comes under the spotlight because everyone has an innate ability to distinguish between flattery and genuine praise. While flatterers might believe they have an edge, they are generally not well-liked and secretly laughed at by their colleagues.

Flattery, when pervasive, can significantly impact organisational culture and business results. Its excessive practice can remove trust within the team, leading to a cynical and distrustful work environment.

Bosses heavily influenced by flattery might make decisions based on biased or inaccurate information, resulting in suboptimal outcomes and potential business failures. Additionally, a culture that rewards flattery over merit can demotivate genuine and hard-working employees, ultimately reducing overall productivity and job satisfaction.

Navigating a workplace where flattery is prevalent requires a nuanced approach. Regular one-on-one meetings and anonymous feedback channels can encourage a culture of transparency and open communication, where feedback is valued over flattery.

Leaders should set clear expectations regarding performance, emphasising honesty and integrity. Recognition and rewards should be based on merit and not influenced by flattery to validate hard work and genuine contributions. Additionally, leaders should model the behaviour they wish to see, balancing constructive feedback and avoiding the trap of excessive flattery.

Flattery must be used judiciously in the corporate or any other work environment. Organisations should ideally foster a culture that values honesty, sincerity, and genuine efforts that are key to better business results and a more cohesive workplace.

French philosopher, Denis Diderot, articulated it best when he said that people are more inclined to accept lies that make them feel good about themselves, while they are reluctant to accept truths that are hard to swallow.

Admittedly or not, flattery to many of us is a habit. If overdone, much like excessive compliments to a spouse, it diminishes our value and creates an endless cycle of subordination. Once our nature falls into its vicious trap, it becomes difficult to escape, making it a characteristic trait that soon becomes our identity.

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

Sri Lanka's creditors demand deal details, including with China

AFP, *Colombo*

Sri Lanka's bilateral lenders who agreed to restructure close to $6 billion in loans have demanded "comparability of treatment" with other creditors, including China.

The Official Creditor Committee (OCC), led by Japan, France and India, have requested details of Colombo's other debt deals, a statement seen by AFP on Thursday read.

The grouping agreed in Paris on Wednesday to restructure $5.8 billion in loans.

But on the same day, Colombo struck another deal with the Exim Bank of China to cover $4.2 billion.

The OCC, which also included the United States, Canada and several European nations, said it had asked Colombo to provide "all information necessary for the OCC to ensure comparability of treatment".

It also expected Colombo to strike a deal with private creditors "on terms at least as favourable" as the OCC had offered.

Sri Lanka defaulted on its foreign debt in April 2022 after running out of foreign exchange, and the unprecedented economic crisis forced then-president Gotabaya Rajapaksa to step down.

Sri Lanka had expected to rapidly conclude debt restructuring in line with a $2.9 billion IMF bailout programme, but delays in securing an agreement with China had held up the process.

Beijing is by far the largest single creditor of Sri Lanka, but Chinese funding is split into concessionary bilateral loans and private commercial credit.

Fitch downgrades Maldives, warns of default

AFP, *Male*

International credit rating agency Fitch downgraded the Maldives Wednesday and warned that South Asia's tourist paradise could be headed for a sovereign default on its foreign loans.

The downgrade came six weeks after the IMF warned the Maldives against a looming "debt distress", as the small but strategically placed luxury tourist destination looks set to borrow more from its main creditor China.

Fitch bumped the archipelago down one spot to 'CCC+' from 'B-' on its ratings metrics, reflecting risks associated with dwindling foreign currency reserves that dropped to $492 million in May, the agency said in a statement.

It said the government's debt servicing obligations, amounting to $409 million this year, would add to severe stress.

Since winning office last year, President Mohamed Muizzu has reoriented the atoll nation -- known for its upmarket beach resorts and celebrity vacationers -- away from traditional benefactor India and towards China.

H&M net profit jumps 52% in second quarter

AFP, *Stockholm*

H&M posted on Thursday a 52-percent jump in net profit for the second quarter as the world's second biggest fashion retailer pressed on with efforts to control costs.

Chief executive Daniel Erver said the company had achieved its "best profit and cash flow for many years" in the April-to-June period, with profit after tax reaching five billion Swedish kronor ($473 million).

He said the group's profitability performance was strong in the first half of the year thanks to "gradual improvements in sales development" and "continued good cost control".

Pedestrians walk past an H&M store in the Causeway Bay district of Hong Kong. The company achieved its "best profit and cash flow for many years" in April-June period, with profit after tax reaching $473 million. PHOTO: AFP/FILE

Sales rose by three percent to 59.6 billion kronor at the world's second biggest fashion retailer after Zara owner Inditex. Its operating profit rose to seven billion kronor but it was lower than the 7.5 billion kronor expected by analysts surveyed by financial data firm FactSet.

"With a sharp increase in profit for four consecutive quarters, we are well on the way to achieving our long-term goal of profitability exceeding 10 percent over time," Erver said.

"However, the conditions for achieving that level this year have become more challenging," he said.

Erver said external factors that influence the group's purchasing costs and sales revenues, including materials and foreign currency exchanges, "will have a more negative impact than we expected in the second half of the year".

Sales in June are expected to fall by six percent compared to the same period last year as "unstable weather" hit many of the group's large markets at the start of the month, H&M said.