

The BTCL failed to realise dues worth around Tk 316 crore and falsely recorded it as “current asset” in its financial statement.



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GP declares 160% interim dividend for Q2 despite profit fall

STAR BUSINESS REPORT

Grameenphone Ltd registered higher revenue in the April to June quarter of 2024, yet its profit dropped mainly due to higher tax expenses.

The board of the company, however, recommended a 160 percent interim cash dividend to be paid out in the quarter.

Revenue for the largest mobile phone operator of Bangladesh rose around 6 percent year-on-year to Tk 4,223 crore in the second quarter of 2024, according to the financial report.

The profit was supposed to be higher thanks to a rise in turnover and a decline in finance costs. However, the bottom line plunged around 28 percent to Tk 861 crore.

Although finance costs fell 78 percent to Tk 115 crore, it could not offset the higher income tax expenses.

Deferred tax expenses increased to Tk 634 crore in the second quarter whereas its deferred tax income was Tk 93 crore in the same period last year.

“The macroeconomic headwinds that have been prevalent since last year exacerbated due to the central bank’s continued tightening policies, calibration of energy prices while reducing subsidies, the increase of supplementary duties and the effects of natural disasters such as cyclones and flood,” said Yasir Azman, CEO of Grameenphone, in a press release.

“Despite macroeconomic challenges, the company remained focused on its growth strategies and showed stability in its performance by delivering consistent growth in revenue and earnings before interest, tax, and depreciation.”

The operator said its MyGP app continues to be the largest local self-service app in Bangladesh, with a staggering two crore monthly active users.

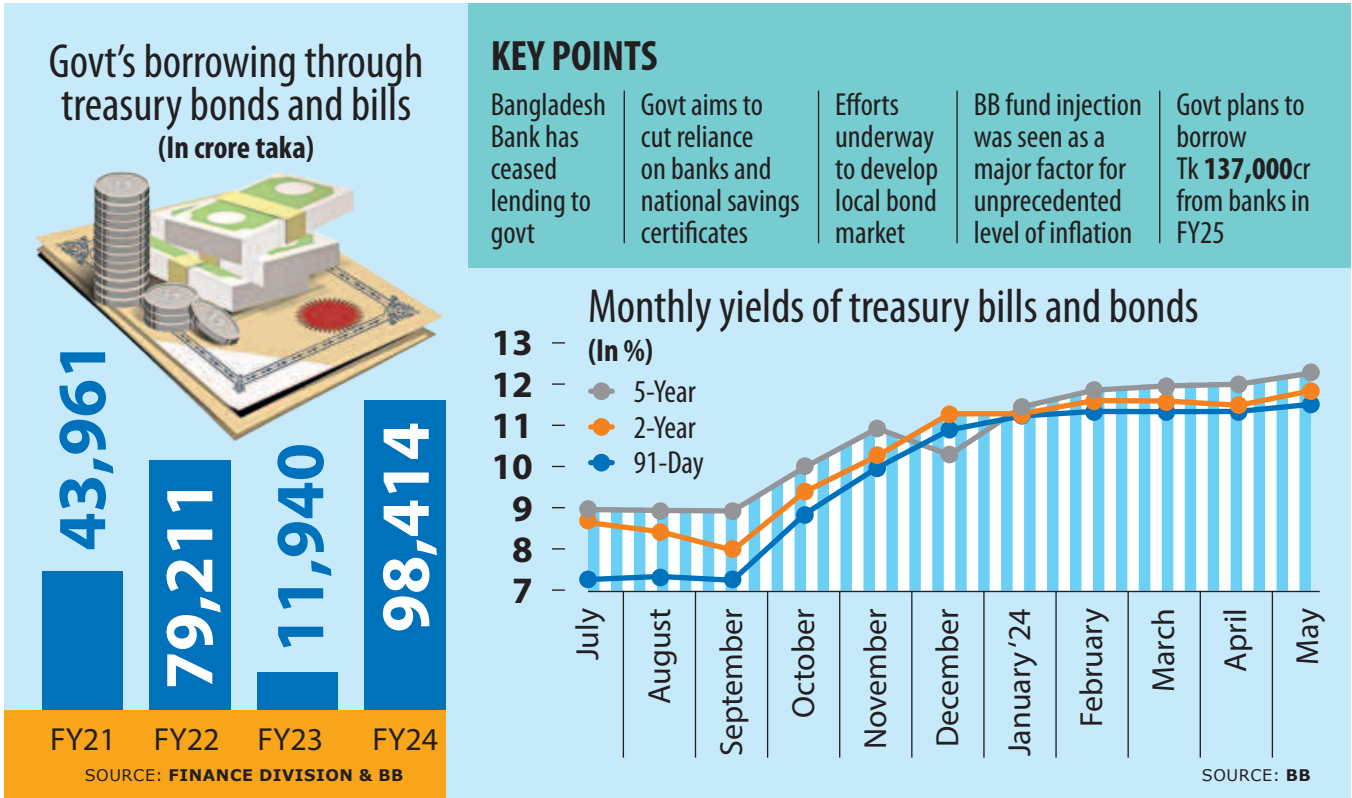
GP has focused on the use of artificial intelligence technologies and has introduced smart and adaptive strategies such as deploying an AI-powered dynamic network optimisation system that delivers seamless connectivity based on real-time movement.

The company acquired 23 lakh new subscribers, raising the total to 8.53 crore at the end of the second quarter. Some 58.3 percent of Grameenphone’s total subscribers, or 4.97 crore, use internet services.

“Through a relentless focus on efficiency and automation, we have been able to offset cost pressure and deliver a solid ebitda margin of 60.4 percent. This was the thirteenth consecutive quarter of growth in both turnover and ebitda,” said Otto Risbakk, chief financial officer of Grameenphone.

Ebitda, or earnings before interest, taxes, depreciation, and amortisation, is an alternate measure of profitability to net income.

Govt borrowing through bonds, bills rises fivefold



REJAUL KARIM BYRON

The government’s borrowing through the sales of treasury bonds and bills jumped fivefold in the last fiscal year, which raised its debt servicing cost compared to the level projected initially.

It mobilised Tk 62,812 crore by issuing bills and bonds in 2023-24, which ended on June 30, provisional data from the Bangladesh Bank showed, up from Tk 13,456 crore a year earlier.

A finance ministry official said the actual figure could be known once the final calculation for the entire fiscal year’s budget expenditure is made.

The government’s reliance on the two securities is on the rise as it drastically cut its dependence on the banking sector and the central bank to meet its expenses amid lower-than-expected revenue collections.

The shift came as the higher borrowing from the banking sector had been described as one of the key factors for the unprecedented long spell of escalated inflation, which stayed at more than 9 percent for the past two years.

According to the central bank, the government secured Tk 21,129 crore through the auction of treasury bonds in FY24. In contrast, it did not borrow any money through the tool in 2022-2023. Rather, such debts went down by Tk 615 crore compared to the previous fiscal year.

In FY24, the state borrowing through treasury bills was Tk 41,683 crore compared to Tk 14,072 crore in FY23.

In Bangladesh, treasury bills with three tenures are available, namely 91-day, 182-day and 364-day. They are issued at a discount and redeemed at face value at maturity.

Treasury bonds are coupon-bearing debt instrument, and the maturities range from two years to 20 years. It carries half-yearly coupon payments, and the principal is repaid on maturity.

Both bills and bonds are traded on the secondary market.

A finance ministry official said although the cost of state

borrowing went up last fiscal year, the good thing was the government did not take any money from the BB since fund injection from the central bank would have stoked inflation further.

The zero borrowing from the BB was also part of the government’s process to support the central bank’s contractionary monetary policy.

In June last year, the interest rate against borrowing through treasury bills was a minimum of 6.8 percent to a maximum of 8.9 percent. It surged to 12-13 percent in May this year. The interest rate against treasury bonds rocketed from 8-9 percent to 12-13 percent during the period.

Subsequently, the country’s costs for borrowing from the banking system increased by 28 percent in the first half of FY24, according to a finance ministry report.

In FY24, the government also launched special bonds to pay arrears for electricity and gas as it raised Tk 34,651 crore.

It cleared arrears of Tk 9,753 crore for fertiliser importers and Tk 10,599 crore for power producers through special bonds

in the last fiscal year.

While the bonds and bills witnessed higher sales, the net borrowing from the banking system declined in FY24.

The government set a target to take up loans of Tk 1,32,395 crore from the banking system in FY24, and the figure was reset at Tk 1,55,935 crore in the revised budget.

The borrowing finally stood at Tk 94,281 crore at the end of the year, down from Tk 1,19,465 crore in FY23.

In recent years, borrowing from the central bank has been one of the much-talked about issues since it directly sees an injection of funds into the economy, a debt that fuels inflationary pressures.

The central bank lent Tk 97,646 crore to the government in FY23. Such credits were absent in the last fiscal year. Rather, the government repaid Tk 6,456 crore.

In June, the government’s outstanding net credit from the

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BB to keep policy rates high to curb inflation

New monetary policy will be announced tomorrow

REJAUL KARIM BYRON and MD MEHEDI HASAN

Bangladesh Bank is going to unveil the monetary policy for the first half of fiscal year 2024-25 tomorrow and is expected to retain its tight monetary stance as its foremost target is to bring down the spiralling inflation.

The monetary authority is likely to keep unchanged the policy rate, a major tool of monetary policy, as it has little scope to raise it, officials of the central bank said, seeking anonymity.

They said that the policy rate or repo rate, which stood at 8.5 percent, has been hiked nine times since May 2022 to tame higher consumer prices.

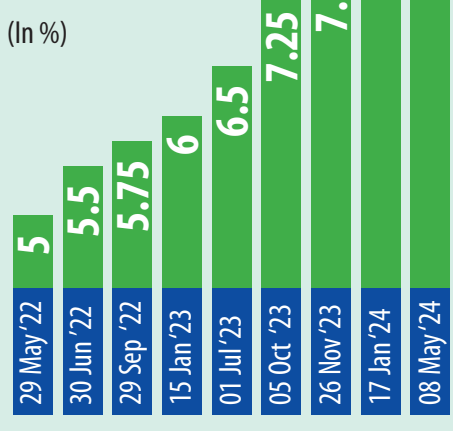
It comes after Bangladesh’s economy found itself in uncharted territory owing to the supply disruptions caused by the Russia-Ukraine war and the lingering impacts of the coronavirus pandemic.

If the rate goes up further, it will adversely impact the GDP (gross domestic product) growth since the lending rate would cross 15 percent, making investments costlier, the officials argued.

The monetary policy committee of the central bank finalised the monetary policy statement

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Changes in the policy rate by Bangladesh Bank (In %)



STOCKS		
	DSEX ▼	CASPI ▼
	0.03% 5,483.14	0.09% 15,617.04

COMMODITIES		
	Gold ▲	Oil ▼
	\$2,441.32 (per ounce)	\$81.13 (per barrel)

ASIAN MARKETS				
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
	▲ 0.06% 80,716.55	▲ 2.20% 41,275.08	▼ 0.34% 3,487.91	▲ 0.07% 2,976.30

LafargeHolcim’s profit declines

STAR BUSINESS REPORT

LafargeHolcim Bangladesh Limited (LHBL), a building material solutions provider, saw its profit decline by 33 percent in the first half of 2024 compared to the same period the year prior due to a sales decline amidst ongoing economic challenges.

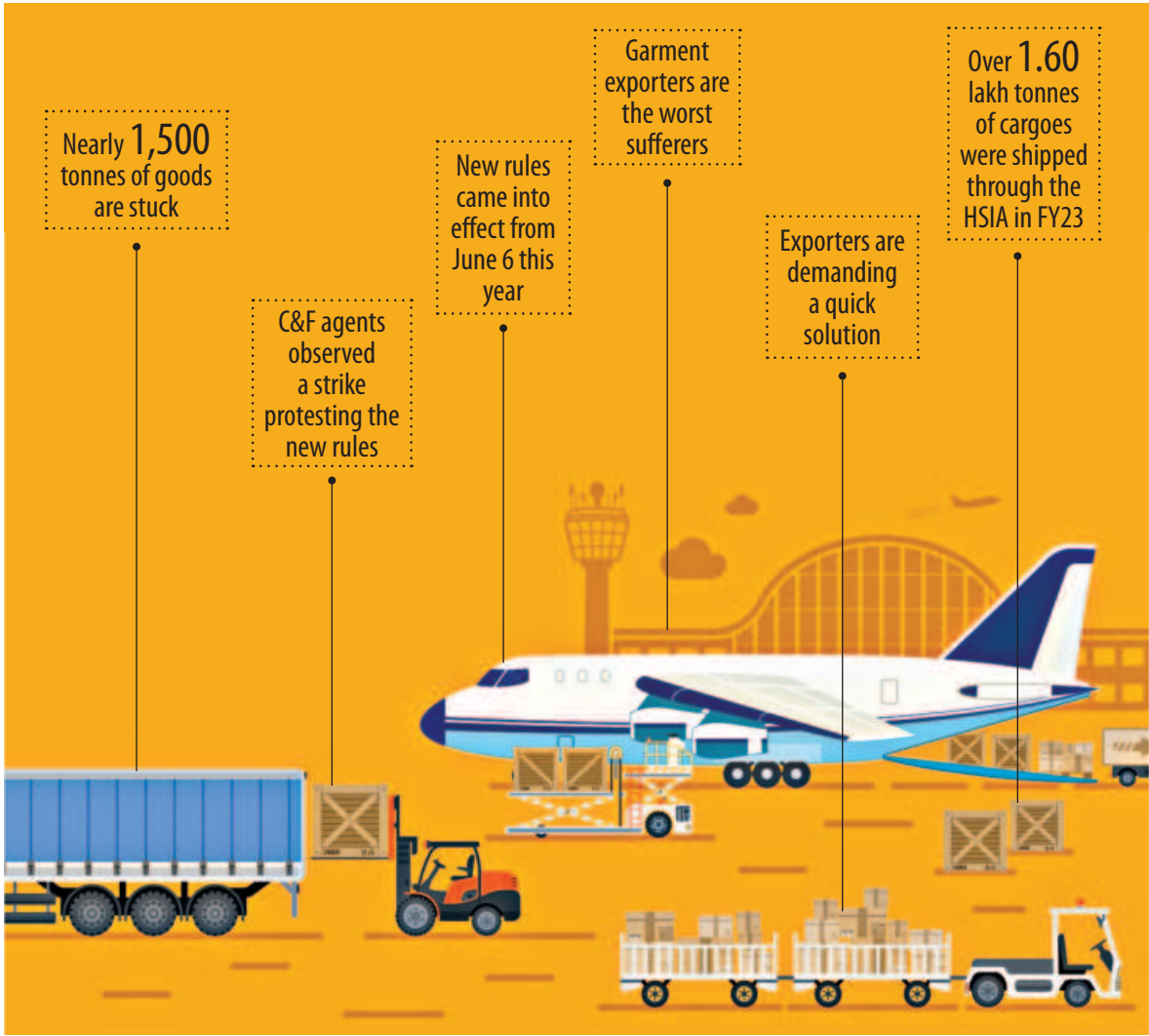
LHBL’s profit fell to Tk 243 crore from Tk 346.60 crore in the same period, according to a company statement.

The company said, due to macroeconomic challenges, industry de-growth resulted in a net sales reduction of 5 percent during January to June of 2024.

According to the statement, the company’s net sales revenue reduced to Tk 1,442 crore in the first half of 2024 whereas it was Tk 1,526 crore in the same period last year.

It also said operating earnings before interest and taxes reached Tk 346.6 crore in the first half of

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Cargo piles up at HSIA as C&F agents observe strike for 3 days

They temporarily call off strike after consultation

REFAYET ULLAH MIRDHA

Nearly 1,500 tonnes of cargo have been stockpiled at the Hazrat Shahjalal International Airport (HSIA) in Dhaka over the past three days due to a strike called by clearing and forwarding (C&F) agents.

Of the amount, nearly 800 tonnes are imported goods while another 700 tonnes, mainly garment items, are meant for export.

The pile-up comes as C&F agents observed work abstention in the past three days as they demanded withdrawal of the newly implemented express delivery service at the HSIA, which is costing them business.

They ended agitation yesterday after assurance that the rules may be amended.

Under the new rules, which came into effect from June 6, any export or import consignment under 30 kilogrammes (kgs) will be delivered by express delivery service providers.

This will be beneficial for exporters because, under express delivery services, goods are released in a day. However,

under normal delivery services, it takes between seven days and two weeks due to bureaucratic complexity, especially unexpected delays in customs services.

The rules were made in consultation with stakeholders, including C&F agents, but perhaps they did not realise the implications of the rules when they were framed, Kabir Ahmed, president of the International Air Express Association of Bangladesh (IAEB), said.

Md Khairul Alam Bhuiyan Mithu, vice-president of the Dhaka Customs Agents Association (DCAA), said they had withdrawn the strike after consultation with the customs commissioner, who assured them that the rules may be amended.

“If a memorandum of understanding on amending the rules is not signed by Sunday, we will go on strike again from Monday,” Mithu told The Daily Star over the phone.

Nearly 2,000 C&F agents have been working at the HSIA over the past 53 years, but their names were not included on the

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