Japan's Credit Saison injects $6.5m into ShopUp

STAR BUSINESS DESK

ShopUp, a leading B2B commerce platform in Bangladesh, raised $6.5 million in debt capital funding from Saison Investment Management Private Ltd (SIMPL), a credit venture arm of Japan's Credit Saison, to make it a fully local supply chain through technology.

This strategic investment is a first for SIMPL in Bangladesh, signalling confidence in ShopUp's ability to drive economic growth and financial inclusion in the country, said a press release.

By embedding financial solutions within its platform, the B2B platform simplifies transactions, allowing businesses to grow efficiently without the complexity of traditional financing methods.

The capital injection will empower retailers within the ShopUp ecosystem to expand their offerings and scale up their operations.

About the funding, Afeef Zaman, founder and CEO of ShopUp, said, "Our vision of reaching eight crore people becomes more important than ever before.

"We are determined to bring transparency to the food and consumer goods value chain, impacting the lives of millions who spend more than 50 percent of their income on these essentials," he added.

Russia slaps ban on petrol exports again

AFP, *Moscow*

The Russian government announced Wednesday that it was reintroducing a ban on petrol exports for another six months to "maintain a stable situation" on the domestic fuel market after major price hikes.

The government said in a statement that it has "brought in a restriction on exports of petrol from September 1 to December 31, 2024".

The measure is intended to keep prices stable "during a period of continued seasonal demand and planned repairs on oil refineries", the government said.

Russia in March introduced a six-month ban on petrol exports, but then suspended it temporarily between May and July, saying the domestic market was saturated.

The sufferings of long-haul bus operators, which began during the unrest and curfew in mid-July, are yet to ease. Aside from the Dhaka-Chattogram-Cox's Bazar route, bus operators are yet to resume night trips in absence of adequate security. PHOTO: ANISUR RAHMAN

Long-haul bus operators still in a tight corner

Lack of passengers and security preventing night trips

JAGARAN CHAKMA

Although long-haul bus services in Bangladesh resumed five days ago, the number of passengers is still low as people are avoiding travel due to security concerns, according to industry insiders.

Aside from the Dhaka-Chattogram-Cox's Bazar route, bus operators have yet to resume night trips in absence of adequate security.

This is because although police have returned to the streets, they are yet to come out in full force.

"But we run all routes during daytime despite the low passenger turnout," said Kafil Uddin, owner of Hanif Enterprise.

Hanif, one of the largest long-haul bus operators in the country, resumed services two days after the fall of Sheikh Hasina's government on August 5.

Kafil believes the number of passengers will gradually increase as the overall situation nears normality.

Md Faruk Talukder Shohel, managing director of Shohagh Group, an air-conditioned bus operator, said they are struggling to cover their operational expenses due to a lack of customers.

"The number of passengers will not rise until the law and order situation returns to normal," he added.

Informing that they run around 100 buses on six routes, Shohel said they require at least 65 percent occupancy to offset operational costs.

However, just 30 to 35 percent of seats are being booked on their 30-passenger buses.

"Still, we are running operations in hopes that the situation will improve. If we do not continue operations, the business will collapse," Shohel added.

SM Nadiruzzaman, managing director of Dola Paribahan, which operates buses on the Dhaka-Khulna and Dhaka-Pirojpur routes, said their services are now available four days a week.

"But we are getting 70 percent of our passenger capacity on morning trips while the number declines in the afternoon," he added.

Citing that they are yet to resume night trips as passengers are afraid to travel, Nadiruzzaman said it is really tough to say when normalcy will return to the transport sector.

"The transport sector will not function properly until law enforcement returns fully," he added.

Khandker Enayet Ullah, secretary general of the Bangladesh Road Transport Owner's Association, recently said around 30,000 buses under roughly 200 companies used to ply inter-district routes daily.

Bangladesh has more than 83,000 registered buses, with private investment in the business growing in line with the expansion of national and regional highways.

Buses carry roughly 70 percent of the country's travellers followed by inland waterways, rail and air.

On the other hand, a partner of Bengal Paribahan, which operates on the Dhaka-Chattogram-Cox's Bazar route, said they were providing services on a limited scale due to the lack of passengers.

He added that they get just 10-12 passengers for each bus as passengers are yet to feel comfortable enough to travel.

On condition of anonymity, the owner of an air-conditioned bus service provider, said they resumed operations on a limited scale across all routes despite having insufficient passengers.

"As we do not have any alternative, we have started operations even though we face financial losses. As our passengers are high-end, they are not ready to travel," he added.

Stocks rebound from two-day slump

STAR BUSINESS REPORT

Stocks in Bangladesh bounced back yesterday following two days of sharp decline as vigilant investors opted for fresh bets on lucrative blue-chip and large cap shares amid the price fluctuation.

As such, shares of companies like BRAC Bank, Square Pharmaceuticals, Grameenphone, BAT Bangladesh, Renata, United Commercial Bank, Pubali Bank, City Bank, LafargeHolcim Bangladesh and Jamuna Bank were among those that drew the most investors.

The first four of these companies posted double-digit growth in share prices, with that of BRAC Bank and Square Pharmaceuticals rising by 20.18 percent and 18.99 percent respectively, according to LankaBangla Finance Portal.

However, Islami Bank, Beacon Pharmaceuticals, National Bank, Al-Arafah Islami Bank, Best Holdings, Kohinoor Chemicals, Orion Pharma, Orion Infusions and Navana Pharmaceuticals performed poorly.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose by 84.81 points, or 1.44 percent from the day before, to close at 5,952.77 points.

The DSES, an index comprising shariah-compliant companies, added 14.98 points, or 1.19 percent, to hit 1,270.34 points while the DS30 index comprised of blue-chip stocks ballooned by 63 points, or 2.95 percent, to 2,197.04 points.

Turnover, which indicates the total value of the shares traded, increased by 22.56 percent from the day prior to Tk 1,243.9 crore.

The DSEX, the benchmark index of the Dhaka Stock Exchange, rose by 84.81 points, or 1.44 percent from the day before

The banking sector dominated the turnover chart, contributing 29.52 percent of the total turnover.

The contribution of block trades, meaning high-volume transactions in a security that is privately negotiated and executed outside of the open market, was 1.9 percent of the overall market turnover.

Grameenphone was the most traded stock, registering turnover of Tk 159.2 crore.

Of the 397 issues traded at the DSE, 116 rose, 239 fell and 42 did not see any price movement.

So, the market closed in the green yesterday as all large-cap sectors posted positive performances.

The telecommunications sector was the second highest gainer, with a rise of 5.81 percent.

Food and allied followed with 3.66 percent while non-bank financial institutions notched gains of 2.99 percent, banks 1.66 percent, pharmaceuticals 1.21 percent, fuel and power 0.55 percent, and engineering 0.09 percent.

United Finance topped the gainers' chart with a rise of 9.93 percent.

GSP Finance Company Bangladesh, Islamic Finance and Investment, Phoenix Finance and Investments, and MIDAS Financing, displayed strong performances as well.

IPDC Finance, BRAC Bank, Bay Leasing and Investment, Heidelberg Materials Bangladesh and BD Finance were also on the gainers' list.

Islami Bank Bangladesh shed the most, losing 3.32 percent of its share value.

Orion Pharma, Libra Infusions, Sonali Paper and Board Mills, and Gemini Sea Food also suffered losses.

Monno Agro and General Machinery, Pharma Aids, GQ Ball Pen Industries, Jute Spinners and Renwick Jajneswar and Company (BD) featured on the losers' chart as well.

The Chittagong Stock Exchange witnessed a similar trend as its all-share prices index, the Caspi, went up by 132.56 points, or 0.78 percent compared to the day before, to settle at 17,142.04 points.

Breaking up Google an option being considered by US

REUTERS

The US Department of Justice is considering options that include breaking up Alphabet's Google, a week after a judge ruled the tech giant illegally monopolized the online search market, Bloomberg News reported on Tuesday.

Shares of the California-based company were down 1.4 percent in extended trading.

The verdict, delivered last week, held that Google violated antitrust law, spending billions of dollars to create an illegal monopoly and become the world's default search engine. The ruling is seen as the first big win for federal authorities taking on the market dominance of Big Tech.

The DOJ's other options include forcing Google to share data with competitors and instating measures to prevent it from gaining an unfair advantage in AI products, the report said, citing people familiar with the matter.

Divesting the Android operating system was one of the remedies most frequently discussed by justice department attorneys, the report said.

Officials were also considering trying to force a possible sale of AdWords, Google's search ad program, and a possible divestment of its Chrome web browser, according to the report.

Federal antitrust regulators have sued Meta Platforms, Amazon.com and Apple in the past four years, claiming the companies illegally maintained monopolies.

Microsoft had settled with the DOJ in 2004 on claims it forced its Internet Explorer Web browser on Windows users.

Alphabet and the DOJ did not immediately respond to Reuters requests for comment.

No respite for China as economy shows new signs of weakness

REUTERS, *Beijing*

A recent string of dismal indicators have dulled expectations for China's economic performance in July, in an ominous sign for the rest of 2024 and pointing to the need for more stimulus measures beyond plastering over pain points in the world's second-largest economy.

Calls for more growth boosting measures for the $19 trillion economy have dogged officials after a widely expected post-pandemic recovery failed to materialise in 2023. Still, the government is targeting economic growth of around 5 percent this year.

The latest data point to a rocky start to the second half. On Tuesday, central bank data showed July new bank loans plunged to a 15-year low, while other key gauges showed export growth slowed and factory activity slumped as manufacturers grapple with tepid domestic demand.

The economy had already grown more slowly than expected in the second quarter, expanding 4.7 percent from a year earlier, as wary consumers remained reluctant to spend and trade ties with major markets became more tense, suggesting a period of prolonged sluggishness is increasingly likely.

"The market consensus will move to the left side of the 'around 5 percent' growth target, since the economy slowed in July and a forceful plan to support the economy seems to be missing," said Xu Tianchen, senior economist at the Economist Intelligence Unit, which has kept its growth forecast at 4.7 percent since March.

On Thursday, China will release a raft of activity data. Economists polled by Reuters poll expect that retail sales grew 2.6 percent year-on-year last month, versus 2 percent in June, while industrial output was forecast to have grown more slowly and investment growth levelled off.

People walk as workers use a pump to dry up the water after rain showers at a shopping mall in Beijing. The Chinese economy had already grown more slowly than expected in the second quarter, as wary consumers remained reluctant to spend. PHOTO: AFP/FILE

Officials will also release the latest reading on new home prices, which fell at the fasted clip in nine years in June despite a host of support measures aimed at luring back buyers and stemming a protracted property crisis.

Credit data this week showed household loans, mostly mortgages, contracted 210 billion yuan ($29.37 billion) in July, compared with a rise of 570.9 billion in June.

One of the main reasons people are not spending in China is 70 percent of household wealth is held in real estate, a sector which had long been a major growth driver.

One of the few bright spots this year - exports - has so far failed to spark a broader economic recovery, not least because manufacturers have had to slash prices to find buyers overseas amid weak domestic demand.

And there are signs that global demand is slowing. The official factory managers' survey for July showed producers received fewer export orders for a third month.

"It all hinges on exports," said Alicia Garcia Herrero, chief economist for the Asia-Pacific at Natixis. "Exports are stagnant, (and) we have already seen Thailand announcing import tariffs, and, of course Turkey, Europe, and the US."