Linde approves record 4,100% cash dividend

STAR BUSINESS REPORT

Linde Bangladesh Ltd has approved a staggering 4,100 percent cash dividend, the highest disbursement since its listing on the Dhaka Stock Exchange (DSE).

The dividend follows an exceptional financial performance, with the company's profits reaching Tk 631.68 crore as of July 31, 2024 -- a massive 4,596.5 percent increase year-on-year, as stated in its audited interim financial statements.

The company had made a profit of Tk 13.45 crore in the same period last year.

This has led to its earnings per share (EPS) to reach Tk 415.08 this time around whereas it was Tk 8.84 in the corresponding period last year.

The increase in the EPS is attributed primarily to a capital gain from the sale of shares of its subsidiary, Linde Industries Pvt Ltd, said the company in a statement on the DSE website yesterday.

The company made a profit of Tk 631.68 crore as of July 31, 2024, which was a massive 4,596.5 percent increase year-on-year

Similarly, net operating cash flow per share (NOCFPS) increased to Tk 13.19 from Tk 8.38, which the company said was driven by enhanced collections from customers.

Linde Bangladesh Ltd, a subsidiary of Linde PLC, has been a key player in Bangladesh's industrial sector for over six decades.

Established in the 1950s, the company operates from three locations -- Tejgaon, Rupganj, and Shitalpur -- and caters to over 35,000 customers nationwide through seven sales centres.

Its production capacity includes 80 tonnes of liquid air separation unit gases per day, which comprises a wide range of products such as liquid and gaseous oxygen, nitrogen, argon, acetylene, and medical oxygen.

Following the dividend announcement, Linde's shares surged 17.83 percent from that on the day before to reach Tk 1,547.30 at the end of trading day at the DSE yesterday.

Usually, over 5,000 twenty-foot equivalent units (TEUs) of import-laden containers are delivered daily to consignees as well as transferred to private inland container depots (ICDs) from the Chattogram port. On the other hand, around 1,800 to 2,000 TEUs of export-laden containers are transported from the 21 private ICDs to the port for shipment on an average day. The photo was taken last month. PHOTO: RAJIB RAIHAN

Container backlog at Ctg port starts easing slowly

DWAIPAYAN BARUA, *Ctg*

The acute container backlog at the Chattogram port has started to ease, albeit at a snail's pace, thanks to daily deliveries and transfers over the past week following the resumption of vehicular movement on the Dhaka-Chattogram highway.

The port had become choked with severe container and vessel congestion due to a series of operational disruptions since the middle of July.

The hiatus emanated from the countrywide anti-discrimination student movement, internet blackout and political unrest till early August, followed by a weeklong suspension of vehicular movement due to floods.

The port's users, officials and operators opined that the situation was slowly improving but it could take one and a half months for normalcy to return.

Daily deliveries and transfers of containers from the port's yards had dropped to less than 2,000 twenty-foot equivalent units (TEUs) for the floods till August 26.

Over the past week, it has increased to over 4,000 TEUs.

Usually, over 5,000 TEUs of import-laden containers are delivered daily to consignees as well as transferred to private inland container depots (ICDs).

The uptick in deliveries and transfers helped to slightly ease the congestion.

The pileup of containers, reaching over 39,000 TEUs till August 26, has dropped to 37,700 TEUs as of Wednesday morning.

The port had become nearly choked with over 43,000 TEUs of containers till the middle of August, as its total storage capacity is 53,518 TEUs.

However, there has been a noticeable improvement in the waiting time of container vessels for berth availability.

According to officials of different shipping agents, the average waiting time had reached 7 to 8 days last month, whereas now it has come down to 4 to 5 days.

This was true for gearless vessels, but geared vessels, meaning those equipped with cranes for loading and off-loading cargo, are not facing any berthing delays, they said.

A total of nine gearless container vessels were waiting at the outer anchorage for berth availability as of Tuesday. Of them, MV Hansa Lanka had arrived on August 29.

The waiting time has been reduced for the increase in daily deliveries and transfers of import-laden containers, said Muntasir Rubayat, director of Bangladesh Shipping Agents Association (BSAA).

Transport of import-laden containers to the Dhaka ICD over railways has also resumed recently, he said.

But still, there are over 1,700 TEUs of such containers at the port's yards, he informed.

On the other hand, the turnaround time, meaning the time required for a vessel to unload import-laden containers, load export-laden ones, perform necessary operations and be ready for the next voyage, was as much as four days last month.

Vessels are still requiring at least three days for this, said Nazmul Haque, executive director (port operations) of Saif Powertec Ltd, which operates New Mooring Container Terminal and Chittagong Container Terminal.

On a normal day, vessels can leave within two days, he said.

Around 70 percent of the yards at the two terminals is still occupied with a pileup of containers, which was making it difficult to run operations smoothly, he said.

Transport of export-laden containers from the 21 private ICDs to the port has gained a lot of momentum over the past week, said Ruhul Amin Sikder, secretary general of Bangladesh Inland Container Depots Association (BICDA).

Over 2,200 TEUs of export-laden containers were transported for shipment on an average each day, he said.

It is usually around 1,800 to 2,000 TEUs, he informed.

The berth operators assume that it may take over one month for the backlog to fully ease and for normalcy to return.

The blame game in promotion

MAHTAB UDDIN AHMED

In a local company, two sales managers, Reaz and Mohsin, both graduates from the same university, faced a stark difference in their career paths. Despite their hard work, when it came to promotion, Reaz was chosen over Mohsin. Frustrated, Mohsin challenged the decision, and the boss set up a task for both managers. Mohsin delivered a basic price comparison report, while Reaz provided additional insights such as trade terms and market analysis. The boss then explained his decision, stating that while Mohsin followed instructions, Reaz went the extra mile, highlighting the key difference that earned him the promotion.

In many corporate environments, line managers often avoid addressing the real reasons behind promotion decisions. Instead, they shift the responsibility to higher authorities, particularly the CEO, to maintain popularity with their teams. While this tactic may protect a manager's image in the short term, it fosters a toxic work culture. It creates distrust between top management and mid to lower-level employees, damaging the company's internal cohesion.

In a company where I worked previously, promotion and appraisal processes were governed by structured systems. CXOs knew the limits of promotions, yet many proposed recommendations far exceeding what was possible. When these recommendations were inevitably rejected by the Management Committee (MC), some CXOs blamed the decision on the CEO or the MC. In one instance, a CXO went so far as to show official documents to the rejected employees to gain their trust. This behaviour resulted in frustration among the team members, with some leaving the company, feeling that higher-ups disliked them personally.

Such behaviour, while maintaining the line manager's popularity, puts the CEO and top management in a vulnerable position. Miscommunication or misleading employees can lead to resentment and potential revolts against leadership. In one case, an employee believed they would never be promoted because of the CEO's alleged personal dislike, despite there being no such personal bias. This misalignment between managers and employees not only impacts morale but can also lead to larger organisational issues, with unsatisfied employees potentially working together to undermine leadership when the opportunity arises. Clear communication and transparency are crucial to maintaining trust and stability within a company.

McKinsey's research highlights how middle managers may deflect blame for unpopular decisions onto senior management to avoid conflict with their teams. This tactic can protect their popularity in the short term but creates long-term distrust between employees and the higher levels of leadership, especially if promotions or performance feedback are involved. This avoidance of direct accountability can erode organisational culture and performance.

Moreover, research by the Trades Union Congress (TUC) emphasises the role of line managers in contributing to a positive or toxic work environment. When they pass the blame upwards instead of addressing issues directly with their team, it damages trust and can lead to employee dissatisfaction, stress, and even attrition. Poor line management practices, including ineffective communication of promotion decisions, have been linked to workplace stress and low employee well-being.

It transpires from the above that clear communication from managers is crucial in maintaining trust between employees and management. A lack of training and support for line managers in this area aggravates the problem, with many managers not equipped to handle sensitive promotion or performance-related conversations effectively.

A CEO would recommend transparent communication, accountability, emotional intelligence training, clear promotion criteria, and regular feedback loops to foster trust, reduce workplace toxicity, and ensure fair promotion processes within the organisation.

People get promoted not only for doing their jobs well. They get promoted for demonstrating the potential to do much more. Promotions are like candy; the more you get, the more you want, but it does not always make you happy. Such happiness is temporary. One should focus on the job and not promotion. A positive attitude and consistent hard work with an innovative bend are bound to set one apart and get promoted in due course. Patience is the key!

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

German factory orders rise but outlook stays gloomy

AFP, *Frankfurt*

German industrial orders rose for a second consecutive month in July, official data showed Thursday, but analysts said it wasn't enough to brighten the outlook for struggling Europe's top economy.

New orders, closely watched as an indicator of future business activity, climbed 2.9 percent month-on-month, according to federal statistics agency Destatis, following an upwardly revised increase of 4.6 percent in June.

But the July rise was driven by large orders, notably an 86.5-percent jump in orders for planes, ships and trains.

Without those big-ticket items, orders for July would have been down 0.4 percent. Germany's crucial manufacturing sector has been hit hard by higher energy costs in the wake of Russia's war in Ukraine and cooling demand from abroad, contributing to a wider downturn that saw the country's economy shrink in 2023.

With a hoped-for recovery yet to materialise, incoming orders were "likely to remain a lonely island in a sea of weak data," said LBBW economist Jens-Oliver Niklasch.

The economy ministry was equally gloomy. Recent data pointed to continued "weak foreign demand", it said in a statement, while confidence indicators in the manufacturing sector "recently deteriorated again".

"Industrial activity is therefore likely to remain subdued in the coming months," the ministry added.

The German government has forecast 0.3 percent growth this year but that figure is looking increasingly ambitious. The Ifo economic institute on Thursday lowered its full-year outlook for the country. It now expects the German economy to stagnate in 2024, after previously predicting 0.4 growth.

US job openings hit 3-1/2-year low

REUTERS, *Washington*

US job openings dropped to a 3-1/2-year low in July, suggesting the labor market was losing steam, but the reduction on its own is probably not enough to warrant a half-percentage-point interest rate cut by the Federal Reserve this month.

The larger-than-expected decline in unfilled jobs shown in the Job Openings and Labor Turnover Survey, or JOLTS report, from the Labor Department on Wednesday meant there were 1.07 open positions for every unemployed person in July. That was the least since May 2021 and down from 1.16 in June. The vacancies-to-unemployed ratio peaked just above 2.0 in 2022.

Still, the labor market is likely not deteriorating. A separate report from the Fed described employment levels as "generally flat to up slightly in recent weeks."

The labor market is being closely watched by investors and policymakers following four straight monthly increases in the unemployment rate, which stoked fears of a recession. Economists are sticking to their forecasts for a 25-basis-point rate cut at the US central bank's Sept. 17-18 meeting. Much depends on the employment report for August, which is due to be published on Friday.

Does this report suggest the need for a 50-basis-point rate cut in September?" asked Conrad DeQuadros, senior economic advisor at Brean Capital. "We would say no because ... the vacancies-to-unemployed ratio is still high by historical standards."

Job openings, a measure of labor demand, had fallen by 237,000 to 7.673 million on the last day of July, the lowest level since January 2021, the Labor Department's Bureau of Labor Statistics said. Data for June was revised lower to show 7.910 million unfilled positions instead of the previously reported 8.184 million.

Economists polled by Reuters had forecast 8.100 million job openings. Vacancies peaked at 12.182 million in March 2022 and are down by 1.1 million over the year. The decline in open jobs was concentrated among small businesses.

A job seeker meets with a recruiter during the Healthcare Academy career and training fair outside the Chase Center in San Francisco, California. PHOTO: AFP/FILE

Unfilled jobs declined by 187,000 in healthcare and social assistance and decreased by 101,000 in state and local government, excluding education. These two are among a handful of sectors that have driven job growth this year.

The transportation, warehousing and utilities sector had 88,000 fewer open positions. But job openings increased by 178,000 in the professional and business services category and there were 28,000 vacancies in the federal government. The job openings rate fell to 4.6 percent, the lowest level since December 2020, from 4.8 percent in June.

Hires increased by 273,000 to 5.521 million. They rose by 156,000 in accommodation and food services, but decreased by 8,000 in the federal government. The hires rate rose to 3.5 percent from 3.3 percent in June.

Layoffs rose 202,000 to 1.762 million, the highest level since March 2023. Layoffs, however, remain low by historic standards. The rise in July was led by an increase of 75,000 in accommodation and food services as well as an advance of 21,000 in finance and insurance.

The layoffs rate rose to a still-low 1.1 percent from 1.0 percent in June. Low layoffs were underscored on Wednesday in the Fed's "Beige Book" report, which reported that five of the U.S. central bank's districts saw slight or modest increases in overall headcounts in late August.