

Apex Footwear records highest profit in 9 years

STAR BUSINESS REPORT

Apex Footwear reported a profit of Tk 17.63 crore for the year that ended on June 30, 2024, which is highest in the last 9 years.

The profit was 5.56 percent higher than last year's Tk 16.7 crore.

According to a disclosure on the Dhaka Stock Exchange, Apex Footwear's board has recommended a 35 percent cash dividend and a 10 percent stock dividend.

"The stock dividend is intended to improve capital adequacy, utilising retained earnings as paid-up capital," said Apex.

Apex posted earnings per share of Tk 12.34, a net asset value per share of Tk 474.37, and a net operating cash flow per share (NOCFPS) of Tk 182.55.

The footwear company attributed the rise in NOCFPS to reduced purchases of goods and services and lower tax payments in 2023-24, driven by the overall business climate.

Apex Footwear Ltd was established in 1990 as an export-oriented factory. In 1993, the company was listed on the Dhaka Stock Exchange and it invested in backward linkages. By 1996, Apex had established an effluent treatment plant.

In 1997, Apex launched its retail wing, Gallerie Apex, and initiated its brand building with Apex and Moochie in 2000, further strengthening its market presence. Apex adopted the factory direct model in 2006 to improve its operational efficiency.

Sri Lanka sees first deflation in 29 years

AFP, Colombo

Cash-strapped Sri Lanka's economy recorded falling consumer prices for the first time in 29 years, official data showed Monday, with the September inflation figure dipping to negative 0.5 percent.

Census and Statistics Department data showed price drops in both food and non-food goods contributing to deflation in September, compared to inflation of 0.5 percent in August.

Sri Lanka last recorded deflation in March 1995 with a figure of negative 0.9 percent. The previous price fall to that was in 1985, when inflation was negative 2.1 percent.



KEY POINTS

Monthly sales halved to around 2.5 lakh tonnes since July

Public sector consumes 60% of the total steel

Annual demand around 65 lakh tonnes

Production capacity around 1.1 cr tonnes a year

Reason behind drop in sales

Construction work of government projects has come to a standstill

Number of mills

40 major active mills meet more than 90% of the demand

There are about 80 smaller mills that meet the rest 10% demand

Steel sales slump by about 50% as govt projects come to a halt

JAGARAN CHAKMA

The demand for steel in Bangladesh has almost halved over the past two months as most construction works have been halted following the recent political changeover, according to industry people.

The combined sales of steel makers in the country have come down to less than 2.5 lakh tonnes per month since July while it was more than 5 lakh tonnes per month previously, they said.

Sumon Chowdhury, secretary general of the Bangladesh Steel Manufacturers Association, said many public projects are on hold as contractors fled after the Sheikh Hasina-led Awami League government was ousted by a mass uprising on August 5.

Project implementation under the Annual Development Programme (ADP) was slow at the start of this year, according to Implementation Monitoring and Evaluation Division data.

The ADP implementation rate was 1.05 percent in July compared to 1.27 percent during the same month last year.

Citing that the public sector accounts for 60 percent of the country's annual steel consumption, Chowdhury informed that sales have now halved.

Similarly, there is a lack of new housing projects in the private sector as sales have slowed due



to higher interest rates on home loans, further impacting the demand for steel, Chowdhury said.

Besides, most people looking to build houses have put their plans on hold in the face of economic uncertainty.

Against this backdrop, Chowdhury suggested the interim government resume ongoing development projects to help the steel industry survive.

The steel industry in Bangladesh is highly competitive. Overall production capacity reached about 1.10 crore tonnes last year against an annual demand of 65 lakh tonnes, he

who were implementing projects under the Annual Development Programme had fled.

Some contractors do not even pay their dues to steel suppliers before absconding while implementing agencies are not clearing the arrears either.

Rahat informed that KSRM is running at 50 percent of its 10-lakh tonne annual production capacity amid low demand, which is making it difficult for them to cover operational costs.

Mohammad Jahangir Alam, chairman of GPH Group, said the domestic steel industry is currently owed dues amounting to about Tk 8,000 crore to Tk 10,000 crore collectively.

Corporations involved in implementing government projects owe about 25 percent of this amount, but they will not be able to pay their bills, he added.

"So, there is a risk that at least 30 percent of our dues will not be collected," he said, adding that this could become a big problem for the industry.

Alam, also president of the Bangladesh Steel Manufacturing Association, said, in short, they want policy support to cover these losses.

He pointed out that steelmakers in the country are facing other challenges as well, such as higher finance costs due to increased bank interest rates.

Can AI help mitigate long-pending legal cases?

MD ZIAUL HAQUE BHUIYAN

Bangladesh's legal system is overwhelmed by a staggering backlog of cases, leaving many people waiting for justice for years, sometimes even decades. The legal process has become slow and frustrating with nearly 49 lakh cases pending and a severe shortage of judges, according to a newspaper report. Public trust in the judiciary has eroded, and finding solutions to this crisis has become critical. About 70 percent of the cases are backlogged at the witness hearing stage for at least three or more years, whereas 22 percent are backlogged at the investigation stage for one year and above, media reports say. One potential answer lies in using Artificial Intelligence (AI), which could offer much-needed efficiency and innovation to tackle these challenges.

SCALE OF THE PROBLEM

With only one judge for every 95 thousand citizens, Bangladesh's courts are stretched to the limit. As a result, cases drag on for years. This inefficiency is not just inconvenient, it is a denial of timely justice, which affects individuals, families and businesses alike.

HOW AI CAN HELP

Automating document creation and management: AI can help lawyers draft legal documents quickly and accurately. By generating first drafts of contracts or legal papers using templates, AI tools can save lawyers valuable time. Instead of being bogged down in repetitive tasks, legal professionals can focus on more complex issues, helping to move cases forward faster.

Enhancing legal research: Legal research is time-consuming, but AI can change that. AI-powered tools can skim through enormous amounts of data, case laws and statutes, providing quick access to relevant information.

Task management and scheduling: AI can take over the mundane yet critical task of managing lawyers' and judges' schedules. It can remind them of deadlines, upcoming court dates, and pending tasks.

Training junior lawyers: AI can act as a virtual mentor for junior lawyers, helping them learn faster. AI tools can simulate courtroom scenarios, provide real-time feedback on legal drafts and even conduct mock trials.

LOCAL SOLUTIONS FOR LOCAL PROBLEMS

Bangladesh has the potential to create AI solutions tailored to the specific needs of its legal system. Local tech companies are in a unique position to design tools that understand the context of Bangladesh law. By investing in these technologies, Bangladesh can develop affordable solutions that will help clear the case backlog. Collaboration between the legal community, tech companies, and institutions like the Supreme Court and Bangladesh Bar Council is crucial for success.

Oleyn, a Bangladeshi Singaporean tech company, is already developing AI-driven solutions through its product "superattorney.ai". Salman Sayeed, co-founder and CEO of Oleyn, said their innovative platform transforms legal services by scaling up operations at a low cost, addressing the high demand for legal assistance while keeping expenses low for clients and increasing revenue for lawyers.

VOICES FROM THE LEGAL INDUSTRY

Lawyer Raiyan Amin points out that "AI can help automate repetitive tasks such as case management, legal research and data entry," but adds that "AI should just assist and mustn't replace human judgment." Barrister Rafaeur Rahman Mehedi agrees, saying, "AI can help with drafting, legal databases and recording court statements, but trust and confidentiality are crucial in law, and we must be careful with AI's role in this."

CONCLUSION

AI has the potential to bring long overdue changes to Bangladesh's legal system. By streamlining routine tasks, improving research and supporting lawyers, AI can help clear the backlog of cases and speed up justice. As local companies like Oleyn step up to provide innovative solutions, Bangladesh's legal landscape could soon see a much-needed transformation, ensuring that justice is delivered on time.

The author is the chief of staff of a leading startup and a former president of Junior Chamber International (JCI) Bangladesh



Factory activity around the world slows

REUTERS, London/Tokyo

Global factory activity weakened in September as soft demand and economic uncertainty pointed to a tough outlook, surveys showed, keeping policymakers under pressure to shore up fragile growth.

Manufacturing activity across the euro zone slowed at its fastest pace this year as demand waned sharply despite factories cutting prices and Germany, Europe's largest economy, recorded its most pronounced worsening of conditions for 12 months.

HCOB's final euro zone manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, dropped to 45 in September. This was just ahead of a 44.8 preliminary estimate but further from the 50 mark separating growth from contraction.

"The euro zone rebound anticipated in early 2024 has turned out to be quite tepid. Confidence remains somewhat depressed and the manufacturing sector still looks very weak," said Natasha May at JP Morgan Asset Management.

A drop in oil prices helped bring down input costs in the region but there are worries escalating Middle East tensions could impact output and drive them back up.

European Central Bank President

Christine Lagarde dropped the clearest hint yet about another interest rate cut on Monday while Federal Reserve Chair Jerome Powell indicated the US central bank would likely stick with quarter-point interest rate cuts moving forward and was not "in a hurry".

Investors will be watching to see if this week's key economic reports, including jobless claims and monthly nonfarm payrolls, alter that picture.

Inflation in the 20-country currency union fell to 1.8 percent in September, below the ECB's 2 percent target and reinforcing an already solid case for another interest rate cut this month, official data showed on Tuesday.

In Britain, outside the European Union, factory managers turned sharply more pessimistic as worries about the new government's first budget combined with concerns about the Middle East and strong inflation pressures.

Still, Asian manufacturers may get some relief in coming months from aggressive stimulus unveiled by Chinese authorities over the past week, including a lowering of interest rates and an injection of liquidity into the banking system.

But factory activity in Japan shrank in September and expanded at a slower pace in Taiwan, PMIs showed, highlighting the toll soft global demand was taking on Asian exporters.

Global rice prices drop after India allows white rice exports

REUTERS, Mumbai/Hanoi

Global rice prices fell on Monday after India, the world's No.1 exporter of the grain, gave the go-ahead for exports to resume, boosting global supply and helping poor Asian and African buyers secure more affordable supplies, exporters said.

India on Saturday allowed exports of non-basmati white rice. That came a day after New Delhi cut export duty on parboiled rice to 10 percent, buoyed by a new crop in the offing and higher inventories in state warehouses.

"Suppliers from Thailand, Vietnam, and Pakistan are responding to India's move by lowering their export prices," said Himanshu Agarwal, executive director at Satyam Balajee, a leading rice exporter. "Everyone's trying to stay competitive to hold their spot in the market."

Global rice prices soared to their highest level in over 15 years following India's decision last year to ban the export of white rice and impose a 20 percent duty on parboiled rice exports.

Last year's export curbs imposed

by India allowed competing suppliers like Vietnam, Thailand, Pakistan, and Myanmar to increase their market share and command higher prices in the global market.

On Monday, India's 5 percent broken parboiled variety was

quoted at \$500-\$510 per metric ton, down from the last week's \$530-\$536. Indian 5 percent broken white rice was offered around \$490.

Exporters in Vietnam, Pakistan, Thailand and Myanmar also

lowered prices by at least \$10 per ton on Monday, dealers said.

The Philippines, Nigeria, Iraq, Senegal, Indonesia, and Malaysia are among the key importers of Asian rice.

Buyers and sellers are evaluating the potential impact of increased Indian rice supplies and accordingly prices would settle this week, said Nitin Gupta, senior vice president of Olam Agri India.

India accounted for more than 40 percent of the world's rice exports in 2022, a record 22.2 million metric tons out of a total 55.4 million metric tons of global trade.

Thai rice prices were quoted at \$540-\$550 on Monday, down from last week's \$550 to \$560 per ton.

Thailand's rice export prices could decrease due to increased supplies in the market, but the extent of the decline would depend on several factors, including the appreciating Thai currency, said Chukiat Opaswong, honorary president of the Thai Rice Exporters Association.

Rice prices have started to correct, even in Vietnam, but traders caution that the full impact of Indian supplies has yet to be seen.



Labourers use shovels to separate rice husk from the grain at a wholesale grain market in Amritsar, India. Global rice prices soared to their highest level in over 15 years following India's decision last year to ban the export of white rice.

PHOTO: AFP/FILE