Tariff Commission again calls for duty cut to calm egg prices

STAR BUSINESS REPORT

After over a month, the Bangladesh Trade and Tariff Commission (BTTC) once again urged the National Board of Revenue (NBR) to withdraw import duties on eggs to cool off red-hot prices in the local market.

If the current 33 percent duty on eggs continues, prices of the key source of protein for the poor will not reduce in the local market, the commission said.

On August 29, the commission sent an analytical report to the revenue board recommending duty cuts for the import of onions, potatoes and eggs.

On September 4, duties on potato and onion imports were reduced by the revenue board. Consequently, prices of the two food items have largely stabilised in the local market.

Meanwhile, the BTTC informed the NBR yesterday that no steps had been taken to exempt the duty on egg imports as recommended.

The commission said egg prices increased abnormally due to a lack of adequate supply in the local market since the recent flooding and poultry losses in many districts.

In the face of rising prices, the government on September 15 set the retail price at Tk 142 per dozen.However, each dozen eggs are now being sold at Tk 175 in the capital, up from Tk 160 a week ago.

According to the state-run Trading Corporation of Bangladesh (TCB), egg prices have increased by 15 percent in the last one month and 20.41 percent in the past year.

Due to floods in late August that inundated different districts of the country, the poultry industry has been affected and the price of other supplementary food products has increased abnormally, creating a kind of pressure on the supply system of eggs in the local market, the commission said.

It said that allowing egg imports for a brief period would not harm the local poultry industry.

The report mentioned that there is no concern about revenue losses either from the exemption in the short term as there were no egg imports in recent years.

Sumon Howlader, president of the Bangladesh Poultry Association, a platform of local poultry farmers, said small farms across the country produce 4.5 crore eggs every day against daily demand of about 4 crore.

Mohammad Amanat Ullah, president of the Tejgaon Egg Merchants' Association, which accounts for a major portion of eggs supplied in the capital, and Kayser Ahmed, managing director of Diamond Egg, one of the country's largest egg producers, cited a mismatch in egg demand and supply, especially a drop in production due to recent floods and high temperatures, as the reason for the surge in prices.

Import of 4.5cr eggs approved

STAR BUSINESS REPORT

The commerce ministry has approved seven firms to import 4.5 crore pieces of egg to boost supply in the local market and help contain its rising prices.

The companies will have to complete the imports by December 31 this year, according to a notice from the ministry.

Dhaka-based M/S Mim Enterprise and M/S Prime Care Bangladesh along with Jashore-based M/S Tawsin Traders have been authorised to import one crore eggs each.

The remaining four will import a total of 1.5 crore eggs.

The ministry gave the temporary permission after the recent price surge in eggs, comparatively an affordable source of protein for the poor.

The price of four eggs rose by nearly 5 percent to Tk 54-Tk 58 yesterday, up from Tk 52-Tk 55 a month ago in Dhaka kitchen markets, according to the state-run Trading Corporation of Bangladesh (TCB).

Bangladesh needs five crore eggs daily and those mostly come to the capital from western regions, such as Tangail, Jashore, Thakurgaon, Pabna, Panchagarh and Rajshahi, alongside adjoining areas like Narsingdi and Gazipur.

GPH Ispat registers highest profit in 15 years

STAR BUSINESS REPORT

GPH Ispat, one of the leading steel manufacturers in the country, posted Tk 85.64 crore in net profit for the fiscal year ending on June 30 this year.

The profit is 205 percent higher than the previous year and the highest in 15 years.

The improved profitability is largely attributed to the company's effective management of foreign currency exchange losses, GPH said in its disclosure posted on the Dhaka Stock Exchange (DSE) website yesterday.

The company's earnings per share was Tk 1.77 in FY24, a significant increase from Tk 0.58 the previous year.

"In FY24, GPH Ispat's total foreign currency losses amounted to Tk 79.31 crore, down from Tk 232.5 crore in FY23," said the steel manufacturer.

The substantial reduction in foreign currency losses led to a decrease in finance costs by Tk 51.54 crore and a drop in current tax expenses by Tk 6.66 crore, boosting net profit by Tk 59.01 crore year-on-year.

The company pointed out that while operating profit remained steady compared to last year, its strategic financial management was pivotal in boosting earnings.

Additionally, the company reported a higher net operating cash flow per share (NOCFPS) of Tk 9.89, compared to Tk 2.94 in FY2023.

"Payment against suppliers and other obligations was less than customer collections, resulting in positive NOCFPS," said GPH.

The board of GPH recommended a 10 percent cash dividend for FY24, the highest amount since 2021.

In another disclosure on the DSE, GPH Ispat announced plans to issue non-convertible, cumulative, redeemable, and non-participative preference shares amounting to Tk 500 crore, aimed at refinancing existing loans, pending approval from the BSEC.

Shares of GPH Ispat surged 7.44 percent to Tk 26 on the DSE yesterday.

The company, which started commercial production in 2008, remains one of Bangladesh's leading integrated steel manufacturers, focusing on MS Billet and MS Rod production.

Renminbi on track for stability against USD: expert

ANN/CHINA DAILY

The renminbi is still on track for overall stability with two-way fluctuations against the US dollar in the months ahead, and with limited risks of one-sided and substantial appreciation, said a leading currency expert.

After the Fed's rate cut and China's stimulus package fueled a rally in renminbi-denominated assets, with the offshore renminbi strengthening past the 7-per-dollar milestone in late September, talks about the possibility of a drastic renminbi appreciation have emerged.

Referring to this very issue, Guan Tao, global chief economist at BOCI China, said: "There's a possibility for everything. But, first and foremost, market forces dictate that the renminbi exchange rate would fluctuate in both directions amid uncertainties and instabilities internally and externally.

"Market expectations are constantly shifting between scenarios of a US economic soft landing, hard landing and even 'no landing' — which means the US economy stays overheated and sees a second wave of inflation. The Fed's monetary policy will adjust its pace accordingly.

"Meanwhile, the People's Bank of China, the central bank, seems always ready to prevent the renminbi exchange rate from overshooting, either excessive appreciation or depreciation. The central bank has arguably accumulated rich experience in this regard," Guan said in an exclusive interview with China Daily.

PHOTO: AFP/FILE

Pan Gongsheng, governor of the PBOC, said last month that the central bank adheres to the decisive role of market forces in exchange rate formation and will strengthen expectation management to avoid exchange rate overshooting.

According to Guan, who once served as head of the Balance of Payments Department at the State Administration of Foreign Exchange, a US economic soft landing remains the base case scenario following the Fed's 50-basis-point rate cut in September. In that case, as the Fed continues rate cuts, foreign institutions may continue to boost holdings in renminbi-denominated bonds.

By contrast, in a "no landing "scenario — which seems more likely than a hard landing, the Fed may resume tightening and dampen risk appetite, Guan said, adding it remains uncertain whether the renminbi will end stronger than the 7-per-dollar mark by the end of the year.

After US job gains in September beat market expectations last week, traders began to bet that the Fed will slow down rate cuts in the rest of the year, sending the US dollar index rebounding.

The offshore renminbi has retreated to 7.06 against the greenback as of Monday evening, compared with the recent high of 6.97 in late September and 7.3 in early July when the renminbi started the rally.

Foxconn to build world's largest 'superchip' plant

AFP, Taipei

Taiwanese tech giant Foxconn said on Tuesday it is building the world's largest production plant for US hardware leader Nvidia's GB200 "superchips" that power artificial intelligence servers.

Foxconn, also known by its official name Hon Hai Precision Industry, is the world's biggest contract electronics manufacturer and assembles devices for major tech companies, including Apple.

Ambitious to expand beyond electronics assembly, it has been pushing into areas ranging from electric vehicles to semiconductors and servers.

"We're building the largest GB200 production facility on the planet," senior executive Benjamin Ting said at the company's annual "Hon Hai Tech Day".

"I don't think I can say where now, but it's the largest on the planet," said Ting, Foxconn's senior vice president for the cloud enterprise solutions business.

PHOTO: REUTERS/FILE

Chairman Young Liu said while opening the two-day event that Foxconn would be "the first to ship these superchips".

Liu later told reporters the new plant was in Mexico.

Unlike its rivals Intel, Micron and Texas Instruments, Nvidia does not manufacture its own chips but uses subcontractors.

Foxconn also unveiled new electric vehicle prototypes at the tech day -- a seven-seater lifestyle multipurpose utility vehicle and a 21-seater bus.

It plans to do with electric vehicles what it did for gadgets -- become a go-to contract builder.

Foxconn announced last year that it would team up with Nvidia to create "AI factories" -- powerful data-processing centres that would drive the production of next-generation products.

US judge orders Google to open Android to rival app stores

AFP, San Francisco

A US judge on Monday ordered Google to open its Android smartphone operating system to rival app stores, in a fresh legal setback for the tech giant.

The order is the result of Google's defeat in an antitrust case brought by Fortnite-maker Epic Games, where a California jury decided that Google wields illegal monopoly power through its Android Play store.

The San Francisco jury in December took just a few hours to decide against Google, finding that the company had embarked on various illegal strategies to maintain its app store monopoly on Android phones.

The order, which Google is appealing, follows a similar setback in August when a different judge found that Google's world-leading search engine was also an illegal monopoly.

Google is also facing an antitrust lawsuit in a third federal case in Virginia over its dominance of online advertising.

Under the Epic Games order, for the next three years Google will be prohibited from engaging in several practices that were deemed anticompetitive by the jury in the landmark case.

China holds off on fresh stimulus but 'confident' will hit growth target

AFP, Beijing

China said on Tuesday it was "fully confident" of hitting its growth target this year but held off more stimulus, disappointing markets and fuelling concern about a lack of detail on a raft of measures unveiled last month.

Beijing has struggled to reignite business activity as officials target around five percent expansion, which analysts say is optimistic given the numerous headwinds, from a prolonged housing crisis to sluggish consumption and local government debt.

Investors had hoped a much-anticipated news conference led by Zheng Shanjie, head of China's National Development and Reform Commission (NDRC), on Tuesday would see the announcement of more economy-boosting policies.

But Zheng and colleagues refrained from laying out any new stimulus -- instead reiterating that "the fundamentals of our country's economic development have not changed".

"We are fully confident in achieving the goals of economic and societal development for the year," the top economic planner said.

"We are also fully confident in maintaining stable, healthy and sustainable development," he added.

Markets in mainland China had soared 10 percent on the opening as traders resumed a blistering rally after a week-long break hoping for more measures from Beijing.

But they pared those gains as the news conference progressed with few concrete details and Shanghai ended the day 4.6 percent higher, while Shenzhen added 8.9 percent. Hong Kong's Hang Seng index was down more than eight percent in the final hour of trading.

"Tuesday's press briefing from China's top economic planner... was supposed to be the big moment, the one where Beijing unleashed a stimulus bazooka," Stephen Innes, Managing Partner at SPI Asset Management said in a note.

"Instead, it was more of a pop gun," he wrote, adding that "Beijing's reluctance to roll out a bigger package is raising serious doubts about the sustainability of this rally".

Analysts had hoped officials would unveil further fiscal support such as trillions of yuan in bond issuances and policies to boost consumption.

They warn that deep reforms to the economic system to relieve the debt crisis in the property sector and boost domestic demand are needed if Beijing is serious about resolving the fundamental obstacles to growth.

But HSBC economists Jing Liu and Erin Xin said "more patience" was needed, adding that the NDRC was "not in a position to announce the complete stimulus package or a specific number".

More fiscal support may yet be revealed by the State Council -- China's cabinet -- and the finance ministry, "to help sustain confidence and shore up growth", they said in a note.

Investors had raced back into stocks on the mainland and Hong Kong since authorities began announcing a raft of stimulus measures to reverse a long period of tepid economic growth.

Employees work at a factory which produces car parts in Lianyungang, in eastern China's Jiangsu province. Beijing has struggled to reignite business activity as officials target around 5 percent expansion.

PHOTO: AFP/FILE