

Sonali Paper's profit falls 20%

STAR BUSINESS REPORT

Sonali Paper & Board Mills Ltd reported a net profit of Tk 12.48 crore for 2023-24 fiscal year, a 20 percent decline year-on-year.

The company attributed the profit decline to a reduction in other income, which affected the company's net profit and earnings per share (EPS).

It reported an EPS of Tk 3.79, and a net operating cash flow per share of Tk 10.39 for the year that ended on June 30, 2024, according to a disclosure on the Dhaka Stock Exchange (DSE) website.

Despite the drop in earnings, the company said its cash flow improved thanks to higher sales and collections.

Sonali Life's board has recommended a 40 percent cash dividend for the year.

A concern of the Younus Group of Industries, Sonali Life has been operational since 1977, focusing on the production of paper and board products.

The company's industrial units are located in Narayanganj, with its headquarters in Dhanmondi, Dhaka.

Shares of Sonali Paper rose 4.79 percent to Tk 164.2 on the DSE yesterday.



The government has asked superstores not to use plastic bags from the start of October. The photo was taken from a Meena Bazar outlet in Dhanmondi 27 recently.
PHOTO: PRABIR DAS

Implement ban on single-use plastics after 2030

Industry stakeholders urge interim govt

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Plastic goods makers in Bangladesh urged the interim government to implement measures to ban single-use plastics after 2030 considering the greater interests of businesspeople and consumers.

They voiced this demand after the interim government last month took initiatives to stop the use of single-use plastics.

On September 5, the cabinet division instructed all government offices to replace single-use plastics with environmentally friendly alternatives. Four days later, the environment adviser announced that the use of polythene and polypropylene shopping bags would be banned across all superstores in Bangladesh starting October 1.

At a press conference at Dhaka Reporters' Unity yesterday, business leaders and stakeholders of the plastic industry said banning single-use plastics without creating an alternative product would affect export, trade, packaging industries and medicine sectors.

A significant number of workers could be left without jobs if restrictions are imposed on the use of 17 single-use plastic products, they added.

These include cigarette filters, fast food wrappers, plastic bottles, bottle caps, straws, stirrers, one-time utensils, cutlery, plastic sticks, styrofoam food packaging, thin plastic films on fast food packaging, plastic invitation cards and melamine foam sponges, according to a circular issued in August 2024 by the Ministry of Environment, Forest and Climate Change.

Shamim Ahmed, president of the Bangladesh Plastic Goods Manufacturers and Exporters Association, said the investment of 6,000 industries in the plastic sector would be affected and about 5 lakh workers would

lose their jobs because of the ban on single-use plastics.

He said the decision should be implemented step by step by 2030.

"Otherwise, the government's efforts will not yield anything good," he added.

Industry players also informed that, in line with the Food Safety Act, packaging iodised salt was impossible without using plastic. If it is packaged in any other way, its quality will be affected.

At the same time, there is no alternative to plastic packaging when it comes to safeguarding the quality of medicines and ensuring international standards, they added.

On September 5, the cabinet division instructed all government offices to replace single-use plastics with environmentally friendly alternatives

They also claimed liquid milk could not be marketed without plastic packaging.

Given these considerations, Shamim said waste should be converted into wealth through recycling. This would play an effective role in reducing global warming and preventing ocean plastic pollution, he added.

Of the around 380 million tonnes of plastic produced each year globally, only nine percent is recycled, according to a UNDP report. At the same time, almost 98 percent of plastic products are produced using fossil fuels, resulting in greenhouse gas emissions, a leading contributor to the global climate crisis.

A decision should be taken in consultation with the Ministry of Commerce, Ministry of Industries, Bangladesh Investment

Development Authority, Federation of Bangladesh Chambers of Commerce and Industry and other agencies after determining the economic impact of banning single-use plastic, he said.

Abu Motaleb, president of the Bangladesh Plastic Packaging and Roll Manufacturing Owners Association, said the government previously tried to ban the use of plastic shopping bags through a notification in 2002, but it didn't work.

"Just announcing it won't do. The problem should be solved properly," he said.

He added that pollution mainly arose due to a waste management crisis.

In Dhaka, over 14 million plastic bags are used daily. Most plastic products are discarded after the first use, and due to improper management, they pile up on the roads, in drains, canals, rivers, and open landfills.

An estimation shows that every day, around 73,000 tonnes of plastic waste end up in the Bay of Bengal through the Padma, Jamuna, and Meghna rivers, polluting the aquatic ecosystem.

"Pollution can be reduced largely through plastic recycling. In developed countries, pollution is being prevented in this way," he said, adding that alternative bags should be made affordable before implementing any law banning plastic.

Otherwise, it will not be successful even if regular raids are carried out by authorities, he said.

"Policymakers have not engaged any stakeholders from our sector. This law is being formulated without the input of those directly impacted. We want regulations, but not without stakeholder involvement."

Bangladesh generates around 3,000 tonnes of plastic waste every day.

NBR forms committees to facilitate border trade

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The National Board of Revenue (NBR) has formed committees on border trade cooperation with representatives of related agencies to facilitate faster trade.

The revenue authority formed panels for 10 of the six customs houses, including the Customs House, Chattogram and Customs House, Dhaka, it said in a notification published yesterday.

It also formed similar committees for 10 Land Customs Stations and two international airports – the Osmani International Airport in Sylhet and the Shah Amanat International Airport in Chattogram.

Each member of the 24-member panels, which will include representatives from trade bodies, shipping agents, and freight forwarders, will identify bottlenecks in exports, imports and transit and take steps to resolve the issues, the notification said.

"We have taken the initiative to facilitate border trade. The committees will address issues so that businesses do not face problems in the future," said Kazi Mostafizur Rahman, member of customs audit, modernisation, and international trade at the NBR.

The customs authority took the step in line with the World Trade Organisation's Trade Facilitation Agreement, which was signed in 2013. Bangladesh ratified the agreement, which became effective here in February 2017.

Under the agreement, the NBR has taken several initiatives. It has opened the National Single Window (NSU), the National Enquiry Point, Authorised Economic Operator, Pre-Arrival Processing, and Post Clearance Audit to speed up trade.

However, the NBR said longer periods were required to release some consignments, which raises trade costs, thereby eroding Bangladesh's competitiveness.

As such, emphasis has been placed on strengthening cooperation and coordination among related agencies, including the port authority, Plant Quarantine office under the Department of Agricultural Extension, Bangladesh Standards and Testing Institutions, and Border Guard Bangladesh.

The NBR said the committees of each customs house and land customs station will hold meetings every three months and propose remedies for trade-related problems.

The panels will coordinate among various agencies to keep working days and hours aligned to serve businesses.

Gold ticks higher

REUTERS

Gold prices edged up on Monday as investors assessed China's weekend stimulus announcement, while also focussing on US Federal Reserve officials' comments for further rate cut cues.

Spot gold rose 0.2 percent to \$2,660.64 per ounce by 0800 GMT. Bullion rose nearly 1 percent in the previous session.

US gold futures were steady at \$2,677.90.

The potential commitment to fiscal stimulus from China suggests a healthier economy, which bodes well for gold demand but the market needs to see more concrete measures, said Tim Waterer, chief market analyst at KCM Trade.

China on Saturday said it would "significantly increase" debt to revive its sputtering economy, but left investors guessing on the overall size of the stimulus package.

Investors will watch out for comments from Fed officials this week for more hints on the upcoming rate cuts, along with US retail sales data.

Poorest countries face highest debt burden: WB

AFP, Washington

The world's 26 poorest economies are facing the most significant debt burden since 2006, the World Bank announced in a new report published Sunday.

Government debt in these countries, which are home to around 40 percent of the world's population, now stands at an average of 72 percent of GDP – an 18-year high – the Washington-based development lender said.

At the same time, the amount of international aid they receive as a share of their economic output has shrunk to a two-decade low.

"There is much that low-income economies can – and must – do for themselves," the World Bank's deputy chief economist, Ayhan Kose, said in a statement. "But these economies also need stronger help from abroad."

Low-income economies borrowed heavily during the Covid-19 pandemic, causing primary deficits to triple, the Bank said, adding that many countries had been unable to "fully unwind" these deficits.

Nearly half of the world's 26 poorest economies now find themselves in debt distress or at high risk of it – double the figure it was in 2015.

The World Bank said its concessional lending arm, the International Development Association (IDA), had provided "nearly half" of all the development aid these economies received in 2022 from multilateral organizations.

"At a time when much of the world simply backed away from the poorest countries, IDA has been their main lifeline," the Bank's chief economist Indermit Gill said.

Tariffs, tax cuts, energy: What is in Trump's economic plan?

AFP, Washington

Republican presidential candidate Donald Trump wants to bring back US manufacturing and lower costs, relying on tariffs to boost US coffers and exert pressure on other countries – but the reality is less straightforward.

Ahead of November's election, economists warn his policies could raise consumer prices and shake up global trade – with unclear benefits to US production.

The pitch is for tariffs to add billions in revenue and take aim at countries like China which have been "ripping us off," while pushing businesses to bring production back on US shores.

"Other countries are going to finally, after 75 years, pay us back for all that we've done for the world," Trump said in his September debate with Democratic nominee Kamala Harris.

He told a rally in Michigan last week: "Tariffs, to me, are the most beautiful word."

The former president has vowed a 10 percent to 20 percent across-the-board tariff on imports and a 60 percent rate on Chinese goods – more recently threatening a 200 percent levy on automobiles made in Mexico.

It is US businesses – not foreign governments, as Trump often asserts

– that pay import taxes on overseas purchases when there are tariffs on such goods, and they can pass on the higher costs, which could add to inflation.

Alongside his tariff plans, Trump wants to extend expiring tax cuts and lower

corporate income tax further.

But proposed tariffs could counteract the benefits from his tax policy "while falling short of offsetting the tax revenue losses," said the Tax Foundation think tank.

US inflation could rise 1.3 percentage



Former US President and Republican presidential candidate Donald Trump gestures as he arrives for a campaign rally at Calhoun Ranch in Coachella, California.
PHOTO: AFP/FILE