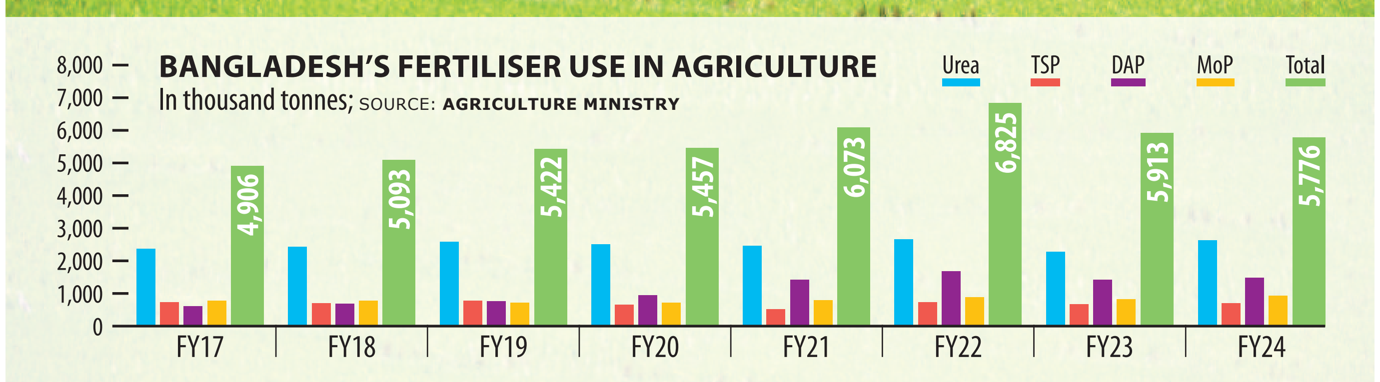
Govt approves import of 1.5 lakh tonnes of fertiliser

STAR BUSINESS REPORT



The government has been prioritising the import of urea and other fertilisers to meet the demand for this essential agricultural input during the upcoming Boro paddy season, the dry season rice crop.

The cabinet committee on purchases approved the import of 1.5 lakh tonnes of fertilisers during a meeting chaired by Finance Adviser Salehuddin Ahmed at the Secretariat in Dhaka yesterday.

With the latest move, the interim government has approved the import of a total of 7.6 lakh tonnes of fertilisers, including urea, since assuming power in early August.

Bangladesh used 57.7 lakh tonnes of chemical fertiliser in fiscal year 2023-24, a 2.3 percent increase compared to the previous year. Urea accounted for 46 percent of total fertiliser usage.

The government has set a target to import 52 lakh tonnes of fertiliser in the current fiscal year. For FY25, the import target for urea is 20 lakh tonnes.

According to the agriculture ministry, the country's fertiliser imports until early September this year stood at around 5 lakh tonnes.

The peak season for Boro cultivation usually runs from December to March. Fertiliser demand during this period is around 18 lakh tonnes.

A finance ministry official said this demand would be met through a combination of imports and local production.

Of the 1.5 lakh tonnes approved yesterday, Chinese company Banyan International Trading Limited will supply 40,000 tonnes of di-ammonium phosphate (DAP) at $613.25 per tonne, according to a finance ministry statement.

Another company, OCP SA of Morocco, will supply 40,000 tonnes of DAP at $598.50 per tonne.

Saudi Arabian company MA'ADEN will supply 40,000 tonnes of DAP fertiliser at $606.0 per tonne.

Besides, a consignment of 30,000 tonnes of urea fertiliser will be imported from Saudi Arabia at $359.33 per tonne. Saudi Arabian SABIC Agri-nutrients Company will supply the fertiliser.

The purchase committee also approved the import of 55 lakh litres of soybean oil by local City Edible Oil Limited for Tk 157.90 per litre.

After the meeting, the finance adviser told journalists that the interim government's priority is to bring back laundered money.

A taskforce has been formed in this regard, and it has already started working.

Salehuddin said the taskforce needs some technical assistance. A delegation led by him is departing the country tonight to attend the annual meetings of the World Bank (WB) and International Monetary Fund (IMF).

Bangladesh Bank Governor Ahsan H Mansur has already left to participate in the WB and IMF annual meetings.

The Bangladesh delegation will discuss the issue of laundered money on the sidelines of these meetings in Washington, D.C.

BTRC in chains: How bureaucracy is killing innovation

MUSTAFA MAHMUD HUSSAIN

Bangladesh's digital aspirations are at risk. The Bangladesh Telecommunication Regulatory Commission (BTRC), once an independent force driving the nation's telecom sector, is now caught in the grips of bureaucracy.

Its powers have been slowly stripped away with the 2010 amendment, and the proposed 2024 Telecommunication Act threatens to deliver the final blow. If we don't act now, Bangladesh could fall behind in the global race for innovation and digital transformation. Yuval Noah Harari describes bureaucracy as dividing tasks into "drawers" to maintain control.

Similarly, the BTRC is confined by layers of political oversight, and the 2024 amendment threatens to further trap it in bureaucratic compartments, hindering progress toward Bangladesh 2.0.

Fall from independence

When BTRC was established in 2001, it was the nation's beacon of telecom regulation. Whether it was issuing licenses, allocating spectrum or setting tariffs, the commission was empowered to regulate without interference.

But the vision began to crumble with the 2010 amendment. The government's hand reached into the BTRC's authority, requiring ministerial approval for all major decisions. It was the beginning of a devastating erosion as bureaucracy took over and innovation took a back seat.

2024 draft: The final blow

Now, the proposed 2024 amendment to the Telecommunication Act seeks to complete the BTRC's transformation from an independent regulator into a mere bureaucratic arm of the telecom ministry. The commission will have to seek approval from the ministry for almost everything, from licensing to revenue management and even staff recruitment.

Imagine the result -- a regulator incapable of acting on its own, constrained by politics and delays. Besides, the revenue collected from licenses and spectrum fees will now go directly to the government's exchequer, leaving the BTRC powerless to invest in much-needed technological upgrades.

Why BTRC's independence is crucial

The world is moving faster than ever, with 5G technology, smart cities, and IoT redefining industries globally. So, a constrained BTRC will struggle to keep up with these innovations, stalling the country's journey toward Bangladesh 2.0.

Foreign investors will also be reluctant to enter a market where the regulator is politically compromised. Investors crave stability and transparency, both of which are in jeopardy if the BTRC remains trapped in bureaucratic red tape.

The ILDTS policy and internet pricing

Adding to the crisis, the BTRC is shackled by outdated policies like the International Long-Distance Telecommunication Services (ILDTS) Policy, originally created to curb VoIP misuse but now outdated and irrelevant. Meanwhile, internet pricing in Bangladesh remains prohibitively high, and it's the citizens who pay the price.

Accountability without erosion

It's understandable that accountability is essential for the BTRC, but stripping away its powers is not the answer. Transparency mechanisms, like external audits and performance reviews, could ensure that the BTRC operates fairly without choking its ability to regulate. The commission needs the freedom to act, but with appropriate oversight to maintain integrity.

Conclusion

The BTRC stands at the crossroads of regulatory freedom and bureaucratic control. The 2010 amendment was the first strike, and the 2024 draft law threatens to deliver the fatal blow. If the BTRC is reduced to a political puppet, our dreams of becoming a global leader in telecommunications will die with it. We cannot afford to let bureaucracy kill innovation in a time when the world is racing forward.

So, now is the time to restore BTRC's freedom and reignite the flame of progress before it's too late.

The author is a telecom policy analyst

DBH Finance posts 40% jump in profit

STAR BUSINESS REPORT

DBH Finance PLC reported a profit of Tk 33.41 crore in the July-September quarter of 2024, marking a 40 percent year-on-year increase.

The company's earnings per share (EPS) rose to Tk 1.68, up from Tk 1.20 in the same period last year, according to a disclosure on the website of the Dhaka Stock Exchange (DSE).

However, DBH's net operating cash flow per share (NOCFPS) for the January-September period of 2024 was negative at Tk 7.45, a sharp drop from Tk 43.18 in 2023.

The company attributed the decline to increased loans and repayments to clients and banks during the period.

Formerly known as Delta Brac Housing Finance Corporation Ltd, DBH has been involved in the real estate sector since its inception in 1996.

The company has maintained an 'AAA' credit rating for 18 consecutive years, according to data from its website.

Shares of DBH rose 1.65 percent to Tk 37 yesterday on the DSE.

Jamuna Bank's profit surges 37% in Q3

STAR BUSINESS REPORT

Jamuna Bank PLC posted a profit of Tk 105.84 crore for the July-September 2024 quarter, which is a 37 percent year-on-year increase.

The bank's consolidated earnings per share (EPS) increased to Tk 1.20 during the period, from Tk 0.87 a year ago.

The bank attributed the rise in EPS to higher investment income, commission, exchange, brokerage, and net interest income, according to a disclosure on the Dhaka Stock Exchange (DSE) website.

Consolidated net operating cash flow per share (NOCFPS) increased significantly, climbing to Tk 61.37 for January-September 2024 from Tk 11.27 during the same period last year.

The private commercial lender attributed the NOCFPS rise to a significant increase in deposits and borrowings, coupled with gains in interest income, fees, and commissions.

Jamuna Bank also reported an increase in net asset value per share, which benefited from higher retained earnings, paid-up capital, statutory reserves, and a revaluation of government securities. Despite the positive earnings, shares of the private lender dipped 0.57 percent to Tk 17.7 yesterday on the DSE.

Lovello Ice-cream's profit goes up 15%

STAR BUSINESS REPORT

Taufika Foods and Lovello Ice-cream PLC posted a profit of Tk 12.18 crore for the year ended on June 30, 2024.

The profit figure was 15 percent higher than that of the previous year's Tk 10.53 crore.

The ice cream makers' board has recommended a 20 percent dividend, comprising 10 percent cash and 10 percent stock, according to a disclosure on the Dhaka Stock Exchange (DSE) website.

Lovello pointed out that the stock dividend is intended to boost its capital adequacy by converting retained earnings into paid-up capital.

The dividend has been declared from accumulated profit, Lovello said in the disclosure.

Its earnings per share stood at Tk 1.43 for the year.

Shares of Lovello were up 4.56 percent at Tk 98.50 yesterday on the DSE.

US retail sales pick up pace in September

AFP, *Washington*

Retail sales in the United States accelerated in September, according to government data released Thursday, a positive sign for consumption as the election approaches.

Overall sales rose 0.4 percent to $714.4 billion between August and September, according to Commerce Department data, beating analysts' expectations. In August, sales edged up just 0.1 percent to $711.3 billion.

Excluding auto and gas station sales, the overall monthly rise would have been even higher at 0.7 percent in September, the report added.

While the US central bank kept interest rates high for a large part of the year -- raising the cost of borrowing for households and businesses to tamp down inflation -- consumer spending has been more robust than expected.

Households have been drawing down on savings from the Covid-19 pandemic period, and the economy could be given a further boost with the Federal Reserve starting to lower rates more recently.

But stronger retail sales growth than forecast "adds to rising doubt" on the number of Fed rate cuts to come this year, said Nationwide chief economist Kathy Bostjancic.


PHOTO: AFP/FILE
Customers shop at Serramonte Center in Daly City, California.

Typically, lower rates are expected to support economic activity, and the robust spending in September caps off a strong advance in the third quarter, Bostjancic added.

This also provides "strong momentum" heading into the year-end, giving Fed policymakers potential reason to adapt their rate reduction plans.

Compared with the same month a year ago, retail sales were up 1.7 percent in September.

"The details of the report were encouraging, with spending on food services and a range of retailers contributing," said economist Michael Pearce at Oxford Economics.

He added that a resilient jobs market, strong household balance sheets and declining interest rates point to consumption growth hovering close to three percent in 2025.

China's growth reprieve will be short-lived

REUTERS, *Hong Kong*

China may be on track to hit its "around 5 percent" economic GDP target for this year, but repeating the feat will get harder for policymakers. Third quarter growth logged in at 4.6 percent year-on-year, and that pace will need sustaining if the People's Republic is to achieve medium-level developed economy status by 2035. Unless planners move their own goalposts, they'll have to contort themselves a lot more.

The People's Bank of China, Ministry of Finance and other departments have at least announced enough stimulus measures to convince economists this year's performance will be on-target

The print published on Friday for the July-September period was slightly better than expected, though a notch softer than the second quarter. Blame stubbornly weak consumption and plunging property investment. Data on Monday also showed exports slowed unexpectedly last month, dealing a blow to the economy's last major bright spot.

The People's Bank of China, Ministry of Finance and other departments have at least announced enough stimulus measures to convince economists this year's performance will be on-target. Authorities recently drew attention to some 2.3 trillion yuan ($323 billion) worth of special local government bonds left over from its annual quota, a higher amount than widely assumed. If that is fully deployed in the next two months, analysts at JPMorgan reckon China could add as much as 1.5 percentage points to quarter-on-quarter growth.


PHOTO: REUTERS/FILE
Employees work on the production line of a toy factory in Jiujiang, China.

Still, five years ago Beijing adopted a formidable objective of doubling China's per capita GDP by 2035 from 2020 levels. That will require the world's second largest economy to grow at an annual average pace of at least 4.7 percent for the next decade, according to one influential Chinese think tank.

That will be a Herculean task. In August, the International Monetary Fund forecast real GDP growth will be 4.5 percent next year and gradually slow to 3.3 percent in 2029. Nothing in the stimulus announced so far will meaningfully shift that trajectory. If a spending package as reported by Caixin materialises, some 6 trillion yuan over three years, that might help. Otherwise Chinese officials who are already busy setting the next five year plan may need to recalibrate expectations.

China's economy expanded 4.6 percent in the July-September quarter from a year earlier, according to official data released on Oct. 18, slightly above the 4.5 percent figure expected in a Reuters poll of economists but down from the 4.7 percent pace in the previous quarter.