



PHOTO: PRABIR DAS

Experts attend a discussion, styled “Inclusive and Gender Responsive Environment for Women-Owned Business”, at The Daily Star Centre in Dhaka yesterday.

## Walton’s profit falls 26% in Q1

### STAR BUSINESS REPORT

Profits of Walton High-Tech Industries plunged in the first quarter of 2024 owing to higher finance costs and foreign currency losses.

Walton’s net profit stood at Tk 149 crore in July-September this financial year, a 26 percent drop year-on-year.

The profit slump weighed on its shares, which declined by 3.96 percent to Tk 494.40 on the Dhaka Stock Exchange yesterday.

Walton attributed the profit decline to Tk 45.85 crore in foreign currency losses, higher interest expenses, and rising sales and distribution costs.

The company said its net revenue rose marginally to Tk 1214 crore, up from Tk 1203 crore a year earlier.

However, its operating profit margin slid slightly to 21.38 percent from 22.58 percent in the previous period.

Besides, the finance costs of the company surged to 10.12 percent of sales from 5.22 percent, according to Walton’s unaudited financial statements.

Walton said adverse impact of currency devaluation and heightened interest rates on short-term loans were the main drivers behind the elevated finance costs.

Earnings per share (EPS) of the company fell to Tk 4.92 in July-September, down from Tk 6.67 in the same period last year, it said.

Net operating cash flow per share of Walton dropped to Tk 3.92, a significant decline from Tk 16.68, due to extended credit terms provided to customers.

Walton said that this strategic credit extension aims to strengthen their distribution network and ensure market stability.

“Payments to suppliers and the government exchequer increased to accommodate higher material purchases necessary for sustaining sales growth,” Walton said.

# Women in online business lack access to finance: experts

### STAR BUSINESS REPORT

Many women entrepreneurs who run online businesses face challenges in accessing finance as they operate from home and lack a physical setup, according to a paper presented during a discussion.

Additionally, entrepreneurs are often required to provide property as collateral when seeking loans to start a business, but many women do not have this asset, making it a significant obstacle for them, Siddikur Rahman, programme analyst for Women’s Economic Empowerment at UN Women Bangladesh, said during a presentation.

Besides, two guarantors are required to take formal loans, another factor that poses a challenge for women, he also mentioned.

The discussion, styled “Inclusive and Gender Responsive Environment for Women-Owned Business”, was held at The Daily Star Centre in Dhaka yesterday. The event was organised by UN Women in partnership with Bangladesh Nari Progati Sangha and The Daily Star.

This discussion was a part of the Women’s Empowerment for Inclusive Growth (WING) project, implemented jointly by UN Women, the United Nations Development Programme and the United Nations Capital Development Fund with funding from the Embassy of the Kingdom of the Netherlands.

The WING project, running from November 2020 to December 2024, aims to enhance the formal participation of women as employees and entrepreneurs, ensuring sustainable improvements in

income and economic security at the local level.

Siddikur said there is a negative perception of women-owned businesses in our society. “It’s not gender-friendly. In Bangladesh, many people still think there is no diversity in products made by women.”

Rahman also mentioned that women are facing gender-specific challenges, including gaps in skills, lack of relevant education and training, and ignorance of export quality standards.

**Entrepreneurs are often required to provide property as collateral when seeking loans to start a business, but many women do not have this asset, said an expert**

The unavailability of quality raw materials, dependence on neighbouring countries for raw materials, absence of skilled labour and issues related to market access, technology and innovation are other barriers, he added.

About 7.2 percent of Bangladeshi businesses are owned by women. There are only around 95,000 females among the 1.3 million retail micro-merchants in Bangladesh.

Sharmin Islam, gender team leader of UNDP Bangladesh, said a woman faces several social barriers when she goes to start a business.

“Just because she is a woman, she must face this situation. In the beginning, their family poses such obstacles. When she

resolves these issues, the market poses another big barrier as it is unwilling to accept a woman as a businessman. The Bangladeshi market is not at all women friendly.”

Sharmin added that the ecosystem required for a woman to become an entrepreneur has not yet been created in the country.

Mohammad Arifur Rahman Sheikh, director for research at the National Institute of Local Government, said the mindset of many posed a challenge to women looking to become entrepreneurs.

He added that they would continue to work to increase skills, create women entrepreneurs and develop the country’s economy.

Mosharraf Hossain, director of social safety net at the Department of Social Services, said they have many initiatives that entrepreneurs are unaware of because they are far behind in terms of promotion.

For example, they offer a loan programme exclusively for women entrepreneurs. “Although the amount of money is Tk 50,000, it is not too low to start a new venture initially,” Sheikh said.

Anwar Hossain Chowdhury, managing director of the Small and Medium Enterprise Foundation, said they are providing diversified support to existing and potential women entrepreneurs to position them in the mainstream business community.

Tanjim Ferdous, in charge of NGO’s and foreign missions at The Daily Star, moderated the discussion.

## Chic Wings to invest \$18m in Bepza EZ

### STAR BUSINESS REPORT

Chic Wings (BD) Lingerie Co Ltd, a Singapore-China joint venture, will invest \$18 million to set up a garment manufacturing factory inside Bepza Economic Zone (Bepza EZ).

The company plans to annually produce 30 million pieces of briefs, undergarments, slips, boxers, shorts, camisoles, bras and vests, Bangladesh Export Processing Zones Authority (Bepza) said in a statement.

The factory will create employment opportunities for 3,000 Bangladeshi nationals, according to the statement.

Md Ashraful Kabir, member for investment promotion of Bepza, and Lijuan Chen, managing director of Chic Wings (BD), signed an agreement in this regard at the Bepza Complex in Dhaka yesterday.

Major General Abul Kalam Mohammad Ziaur Rahman, executive chairman of Bepza, thanked Chic Wings (BD) for investing in Bangladesh, particularly in the Bepza EZ.

Rahman also assured the company of providing all necessary support for smooth business operations.

Bepza EZ, the largest venture of Bepza, is located in Chattogram’s Mirsharai.

Thirty-six companies, including Chic Wings (BD), have so far signed agreements to set up factories in the zone, with a total proposed investment of \$868.5 million.

Among them, three companies have already commenced commercial operations.

## Gold hits near two-month low

### REUTERS

Gold fell on Tuesday to its lowest in nearly two months, weighed down by a stronger dollar, while investors awaited a set of key US economic data and comments from Federal Reserve officials for further clarity on the interest rate trajectory.

Spot gold fell 0.9 percent to \$2,597.91 per ounce by 0747 GMT, hitting its lowest since Sept. 20. US gold futures fell 0.5 percent to \$2,604.30.

“Gold has succumbed to the purple patch of the U.S. dollar in the aftermath of the election,” said Tim Waterer, chief market analyst at KCM Trade.



“The President-elect’s policies appear to be a boon for the dollar and potentially from an inflationary standpoint, it could slow down the Fed’s rate-cutting trajectory in 2025.”

The dollar surged while bitcoin extended its record rally, as investors continued to pile into trades seen as benefiting from the incoming Donald Trump administration.

Gold is also under pressure due to Trump’s pro-bitcoin stance, which could act as an alternative safe haven to bullion, analysts at Berenberg said in a note.

“While we still expect the gold price to ease over 2025 and beyond, we do not expect a material negative correction,” Berenberg said.

Gold is considered a hedge against inflation, but higher interest rates reduce its appeal.

Focus is on the October Consumer Price Index data on Wednesday, the Producer Price Index and weekly jobless claims on Thursday, and retail sales data on Friday.

## Trump victory poses challenges for the Fed’s independence

### AFP, Washington

Donald Trump’s return to the White House could put the independence of the US Federal Reserve under strain, potentially weakening its ability to fight against inflation and unemployment free from political interference.

The Fed has a dual mandate from Congress to act independently to tackle both inflation and unemployment – primarily by raising and lowering interest rates.

Anything that undermines the Fed’s independence could spook traders in the financial markets, who might come to question if it could effectively tackle inflation.

“The prevailing view for the past 30 years, with the exception of the first Trump administration, has been that it’s best to give the Fed the widest possible latitude to conduct monetary policy,” David Wilcox, a senior fellow at the Peterson Institute for International Economics (PIIE), told AFP.

“Monetary policy is complicated enough even without having to take that additional consideration,” added Wilcox, a former senior advisor to three Fed chairs who is also Bloomberg’s director of US economic research.

The Federal Reserve System includes a decentralized network of 12 regional reserve banks and a seven-member Board of Governors in Washington.

Fed governors are nominated by the US president to serve staggered 14-year terms, and must be confirmed by the Senate.

The Fed chair and vice chairs are appointed from among these seven governors and, once appointed, cannot be removed without cause. The Fed Board of Governors also plays a role in approving nominations to run the 12 regional reserve banks.

# Asia, the world’s economic engine, prepares for Trump shock

### AFP, Tokyo

Some Asian countries stand to gain if US president-elect Donald Trump pushes ahead with his promised massive tariffs on China and triggers a new wave of factory relocations to the rest of the region.

But a trade war between the world’s biggest economies would also destabilise markets everywhere, with Asia – which contributes the largest share of global growth – the most affected.

Trump, who won a crushing presidential victory this week, vowed during his campaign to slap 60 percent tariffs on all Chinese goods entering the United States in an attempt to balance trade between the two nations.

Analysts however question whether the new president will stick to such a high figure, and dispute the blow such tariffs could inflict on the Chinese economy, estimating GDP could be lowered by between 0.7 percent and 1.6 percent.

The cooling effect would also make waves throughout Southeast Asia, where production chains are closely linked to China and enjoy significant investment from Beijing.

“Lower US demand for Chinese goods due to higher tariffs on China will translate into lower demand for ASEAN

exports, even if there aren’t US tariffs levied directly onto those economies,” said Adam Ahmad Samdin, of Oxford Economics.

Indonesia is particularly exposed through its strong exports of nickel and minerals, but China is also the top trading

partner of Japan, Taiwan and South Korea.

In addition to China, Donald Trump has also warned of an increase of 10 to 20 percent on duties for all imports, as part of his protectionist policies and fixation that other countries take advantage of

the US.

“The extent of these effects likely depends on the direct exposure of each economy to the US,” said Samdin, who added that America accounts for a 39.1 percent share of Cambodian exports, 27.4 percent from Vietnam, 17 percent from Thailand and 15.4 percent from the Philippines.

Trump first slapped China with heavy tariffs in 2018 during his first administration, leading to the emergence of “connector countries”, through which Chinese companies passed their products to avoid American taxes.

Those countries could be in the line of fire now.

“Vietnam’s electronics exports to the US could also be targeted by Trump, in a bid to halt the diversion of Chinese electronic products to the US via Vietnam since 2018,” said Lloyd Chan, a senior analyst at MUFG, Japan’s largest bank.

“This is not inconceivable. Trade rewiring has notably gained traction in the region’s electronics value chain.”

“India could itself become a target of protectionist measures by the US due to the large share of Chinese components in Indian products,” added Alexandra Hermann, an economist with Oxford Economics.



Workers assemble cars at an automobile assembly factory in Qingdao, in eastern China’s Shandong province. Trump slapped China with heavy tariffs in 2018 during his first administration.

PHOTO: AFP/FILE