Farmers load jute and different crops onto horse-drawn carts at Phulchari Ghat in Gaibandha to take them to a nearby market for sale. Around 32 types of crops, such as paddy, chili, peanuts and maize, are grown in 32 local villages established on chars, which are landmasses arising from the build-up of sand and silt, on the river Jamuna. The photo was taken recently.

PHOTO: MOSTAFA SHABUJ

MJL logs higher sales, profits

STAR BUSINESS REPORT

MJL Bangladesh PLC saw its sales and profits rise year-on-year in the July-September period of the current fiscal year of 2024-25.

Its sales surged by around 36 percent year-on-year to Tk 1,245 crore in the first quarter of the year.

At the same time, the cost of the goods it sold increased by around 45 percent to Tk 952 crore.

This indicates that raw material costs rose in the period, as the cost of goods sold rose faster than the sales.

The lubricant company's profits increased by around 26 percent to Tk 113 crore, according to the financial report of the company.

As a result, its earnings per share rose to Tk 3.43 in the quarter, which was Tk 2.70 in the same quarter of the previous year.

Although the company's sales rose, its administrative and selling expenses dropped, which indicates excellence in efficiency. Its sales costs dropped around 10 percent to Tk 28 crore.

As on September 30, assets of the company amounted to Tk 4,355 crore and its net asset value per share was Tk 51.46.

MJL Bangladesh provided 52 percent cash dividend for the year 2023-24 to its shareholders.

Stocks of the company advanced 2.31 percent to Tk 101 at Dhaka Stock Exchange yesterday.

Knowledge deficit hinders e-governance progress: report

MAHMUDUL HASAN

Bangladesh's ambitious vision for digital transformation faces challenges from gaps in digital literacy, fragmented systems, and limited connectivity, according to a report.

The European Union's "Digital Knowledge Hub: A Scoping Study for Bangladesh's Annual Action Plan (AAP) 2025-2027" said that Bangladesh has made significant strides in digital governance, but persistent hurdles threaten to slow progress toward an inclusive digital society.

The EU report also outlines practical solutions that could address these issues.

The EU's study highlights three core areas essential for digital advancement: digital governance, infrastructure and connectivity, and cybersecurity.

Despite the country's achievements in integrating technology within governance, such as digitised case management and public service, the full impact of these innovations is limited due to delivery deficiencies in digital knowledge and e-participation, especially in rural and underserved communities.

The European Union's Digital Knowledge Hub is an initiative aimed at providing strategic insights, resources and support for digital transformation in various partner countries, especially in developing regions.

It conducts comprehensive studies and evaluations to assess each country's digital landscape, identify challenges, and outline tailored solutions for advancing digital governance, infrastructure, and cybersecurity.

One of the report's key findings is the urgent need to improve digital literacy as many citizens, particularly in rural areas, lack basic digital skills.

This restricts their ability to access and benefit from online services, effectively excluding them from the digital governance ecosystem.

Additionally, the fragmented approach to digital initiatives within government agencies has led to a lack of interoperability and reluctance in data sharing, limiting the potential of a unified and efficient digital platform.

The EU proposes targeted support to tackle these challenges.

For instance, expanding digital skills programmes for citizens and government employees is essential to closing the knowledge gap. Structured training for government staff and the establishment of a comprehensive digital skills initiative for the general public could make digital services more accessible and user-friendly.

The EU's study highlights three core areas essential for digital advancement: digital governance, infrastructure and connectivity, and cybersecurity

The report suggests the creation of a public-private partnership (PPP) framework to strengthen public sector capabilities while also encouraging private sector collaboration to drive digital initiatives forward.

In addressing infrastructure challenges, the report identifies the need for robust data centres, reliable last-mile connectivity, and adequate support for judicial and public service infrastructure.

Currently, the lack of sufficient data centres and secure public Wi-Fi zones in underserved areas limits connectivity and access to services.

The EU report proposes developing data centres specifically for critical sectors such as taxation and home affairs, as well as offering free, secure Wi-Fi access in Union Digital Centres (UDCs) and educational institutions like the University of Dhaka.

These measures would not only enhance connectivity but also foster an environment for digital learning and research.

On the cybersecurity front, the report underscores the importance of adopting international standards and best practices, particularly given the increasing threats in the digital domain.

It suggests the development of a comprehensive National Cybersecurity Strategy and an AI-specific cybersecurity framework to preempt emerging risks.

The EU aims to bolster Bangladesh's National Computer Emergency Response Team (CERT) and support its international accreditation, thereby strengthening the nation's incident response capabilities.

The recommendations also extend to enhancing Bangladesh's cybersecurity skills base. The EU plans to back academic institutions in updating cybersecurity curricula and to promote workshops to raise public awareness of cyber hygiene.

These efforts aim to establish a well-informed public that is resilient against cyber threats, further supporting Bangladesh's long-term digital safety.

Beyond technical improvements, the AAP 2023 stresses the importance of inclusive governance by ensuring equitable digital access across the population.

The focus remains on fostering transparent, accountable, and responsive governance systems that cater to all citizens. By addressing the disparities in digital access and providing a robust support structure for e-governance, the EU's assistance could help Bangladesh bridge the digital divide and bring rural communities into the fold of digital governance.

BSRM Steels' Q1 profit grows 86%

STAR BUSINESS REPORT

BSRM Steels, one of the leading steel manufacturing companies in the country, saw its profit soar significantly year-on-year in the July-September quarter, driven by strong sales and reduced financial costs.

Its profit grew an impressive 86 percent year-on-year in the first quarter of this fiscal year of 2024-25, reaching Tk 85.02 crore.

Buoyed by the growth, the BSRM's shares rose 5.19 percent to Tk 56.8 at Dhaka Stock Exchange yesterday.

The company's earnings per share (EPS) climbed to Tk 2.26, up from Tk 1.21 in the same period last year, according to its unaudited financial statements.

This rise in net profit and EPS reflects a strengthened gross profit margin, BSRM Steels said. The company also recorded a solid improvement in net operating cash flow per share (NOCFPS), which reached Tk 5.13, whereas it was Tk 4.86 in the previous year.

The BSRM cited an increase in sales volume, efficient collection from receivables, and a decrease in finance costs behind the NOCFPS growth.

Finance costs dropped significantly by 45.34 percent to Tk 52 crore, which the steel manufacturer attributed to favourable foreign currency conditions.

While the BSRM had initially recorded liabilities at higher market rates, settlements were made at more favourable rates, reducing foreign currency losses drastically to Tk 4.3 crore from Tk 61.5 crore in the preceding period.

Renata's profit falls 42% in Q1

STAR BUSINESS REPORT

Drugmaker Renata's profit fell 42 percent year-on-year to Tk 52 crore in the July-September period of the current fiscal year, mainly due to an increase in spending on raw materials, manpower, energy, and interest amid the devaluation of the local currency.

However, the company's sales rose by around 8 percent year-on-year to Tk 1,009 crore in the three-month period, despite the political turmoil and natural disasters that hit the country.

Costs at the manufacturing level rose due to a jump in labour costs and a 48.6 percent increase in power costs, the company said in a statement.

The company also reported that its sale, marketing, and distribution costs rose due to salary increments effective from January 2024, a 10.5 percent increase in permanent staffing, and a further 12.5 percent increase in casual staffing.

"Mitigating actions and initiatives taken to manage labour disruptions during August and September have also contributed to the increased personnel costs," it said.

Olympic posts Tk 56cr profit in Q1

STAR BUSINESS REPORT

Olympic Industries, one of the leading companies in the country engaged in producing biscuits, reported a modest year-on-year increase in its first-quarter profit while its revenue grew thanks to an increase in sales.

Profit for the first quarter was Tk 56.48 crore, a slight increase from Tk 56.12 crore in the same period last year.

The biscuit manufacturer's earnings per share reached Tk 2.83 in the July-September quarter of 2024, compared to Tk 2.81 in the same period a year earlier, as per its unaudited financial statements.

Shares of the Olympic started the day at Tk 152.50 at Dhaka Stock Exchange and gained 4.79 percent, reaching Tk 159.80 yesterday.

The company's revenue jumped 18.95 percent year-on-year to Tk 753.58 crore, which the company cited was a result of efficient management efforts towards expanding sales.

Stocks see mixed trend

STAR BUSINESS REPORT

The stock market in Bangladesh witnessed a mixed trend yesterday as all indices of Dhaka Stock Exchange (DES) rose marginally but Chittagong Stock Exchange (CSE) fell amidst an intense sale pressure.

The DSEX, the benchmark index of the country's premier bourse, went up by 17.65 points, or 0.33 percent, from that on the previous day before closing at 5,316, marking a rise for a second consecutive day.

Similarly, the DSES index that is composed of Shariah-compliant companies grew by 1.95 points, or 0.16 percent, to 1,184. The DS30 index of blue-chip firms edged up by 2.10 points, or 0.11 percent, to 1,972.

Out of 394 scrips that changed hands, 152 witnessed a price increase, 175 closed lower and the remaining 67 did not see any price movement.

However, the CSE experienced an opposite trend as the CSE All-Share Price Index (CASPI), the broad index of the port city bourse, declined by 26.82 points, or 0.18 percent, to settle at 14,781.

The day's turnover, which is an indicator of measuring the total value of shares that were traded, at the DSE stood at Tk 480 crore, a decrease of 16.93 percent compared to the previous day's trading session.

The pharmaceuticals sector dominated the chart, accounting for 16.79 percent of the total turnover.

Block trades, meaning high-volume transactions in securities that are privately negotiated and executed outside the open market, contributed 2.5 percent of the overall market turnover.

Square Pharmaceuticals Ltd emerged as the most traded share, with a turnover of Tk 24.1 crore.

Squeezed by food inflation, India's middle class tightens belt

REUTERS, *Chennai/New Delhi*

India's city dwellers are cutting spending on everything from cookies to fast food as persistently high inflation squeezes middle class budgets, threatening the country's brisk economic growth.

Slowing urban spending over the past three to four months has not only hurt the earnings of largest consumer goods firms, it has raised questions about the structural nature of India's long-term economic success.

Since the end of the pandemic, India's economic growth has been driven in large part by urban consumption, however, that now seems to be changing.

"There is a top end – the people with money are spending like that is going out of style," Nestle India Chairman Suresh Narayanan said.

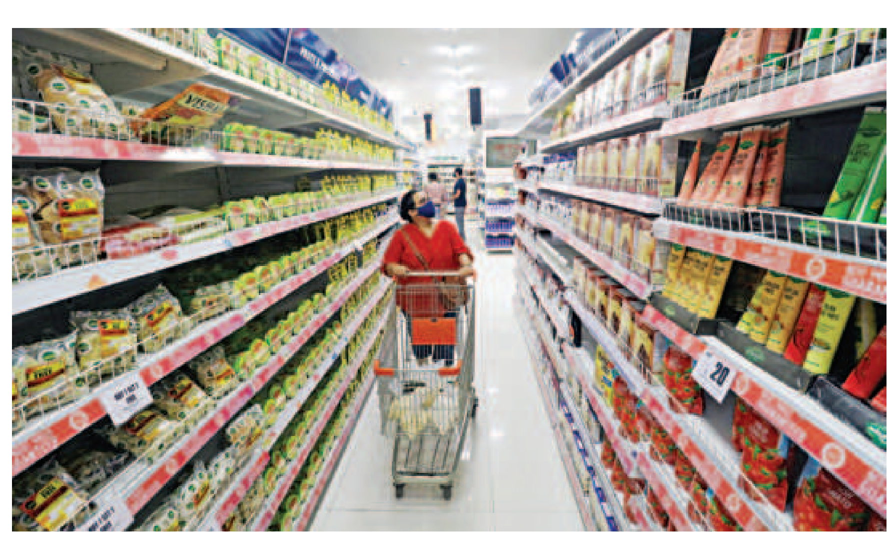
"There used to be a middle segment, which used to be the segment that most of us fast moving consumer goods (FMCG) firms used to operate in, which is the middle class of the country, that seems to be shrinking."

Nestle India, which makes Kit Kats and other well-known goods, reported its first quarterly revenue drop since the COVID-hit June quarter in 2020.

While there is no officially defined income bracket for Indian middle class households, they are broadly estimated to account for a third of India's 1.4 billion people.

They are considered a key demographic both economically and politically, with middle class frustration seen as a significant factor behind Prime Minister Narendra Modi's weaker election performance this year.

Asia's third-largest economy is expected to expand 7.2 percent in the financial year ending March 2025, the fastest among its major peers.



A woman shops inside the Big Bazaar retail store in Mumbai, India. Slowing urban spending over the past three to four months has raised questions about the structural nature of India's long-term economic success.

PHOTO: REUTERS/FILE

Belying those rosy projections, however, are signs of a sharp slowdown in the household sector.

Indian urban consumption hit a two-year low this month, according to an index published by Citibank that captures indicators such as airline bookings, fuel sales and wages.

"While some of the fall could be temporary, the key macro drivers remain unfavourable," Citi's chief India economist Samiran Chakraborty said.

Growth in inflation-adjusted wage costs for listed Indian firms – a proxy for earnings of urban Indians – has remained below 2 percent for all the three quarters of 2024, well below the 10-year average of 4.4 percent, data from Citi showed.

Chakraborty cites this as a key factor impacting urban consumption, along with declining savings and tighter rules for personal loans.

Headline inflation has averaged 5 percent over the past 12 months, but food inflation has held above 8 percent as weather shocks elevated prices of vegetables, cereals and other essential foods. In October, retail inflation hit a 14-month high of 6.2 percent while food prices jumped to 10.9 percent.