

## Prime Leaf Processing to invest \$8.84m in Bepza EZ

STAR BUSINESS REPORT

Prime Leaf Processing Company Limited, a joint venture between entities from Singapore, the UAE, and India, will invest \$8.84 million to establish a tobacco processing factory in the Bangladesh Export Processing Zones Authority (Bepza) Economic Zone (EZ).

The company plans to produce 36,000 tonnes of cut rags and cut rolled expanded stems annually, creating employment opportunities for 100.

Meng Li, chairman of Prime Leaf Processing Company, and Md Ashraf Kabir, member (investment promotion) of Bepza, signed a lease agreement at the Bepza Complex in Dhaka yesterday, said a press release.

Maj Gen Abul Kalam Mohammad Ziaur Rahman, executive chairman of Bepza, expressed gratitude to Prime Leaf Processing for selecting Bangladesh, particularly Bepza EZ, as their investment destination.



Launch operators said the demand for their services has fallen as people are reluctant to travel at such slow speeds, especially since Padma Bridge significantly boosted road connectivity with southwestern regions. PHOTO: TITU DAS

## Gold extends gains from 2024

REUTERS

Gold prices rose on Thursday, extending gains from 2024 as investors weighed potential shifts in the US Federal Reserve's interest rate outlook in the face of President-elect Donald Trump's proposed tariffs and their likely impact on inflation.

Spot gold rose 0.6 percent to \$2,638 an ounce by 0930 GMT, having gained 0.7 percent on the last trading day of 2024. US gold futures edged up by 0.4 percent to \$2,651.

"In my opinion, political and economic risks, non-dollar and yield-sensitive demand from de-dollarising central banks and investors seeking a hedge against fiscal instability, as well as sticky inflation, will support another year of gains for gold," said Ole Hansen, head of commodity strategy at Saxo Bank.

In 2024 the Fed's rate-easing cycle, robust central bank purchases and mounting geopolitical tensions propelled bullion to multiple record highs and a 27 percent annual gain, its biggest since 2010.

"Over the next month the market will be focusing on new year flows from asset allocators and where they go, as well as Trump and more details about his policies, some of which are likely to end up being gold friendly," Hansen said, adding that a gold price target of \$3,000 an ounce looks likely.

Donald Trump will be sworn in as president of the United States on Jan. 20. His proposed tariffs and protectionist trade policies are expected to be inflationary and could spark trade wars, adding to gold's allure as a safe-haven asset.

With inflation above its 2 percent target, traders expect the Fed to employ a cautious approach to interest rate cuts in 2025.

Investors are also awaiting a slew of US economic data next week to further gauge the interest rate outlook for 2025.

## Launch operators struggling to stay afloat

SUSHANTA GHOSH

Seat bookings for passenger ships that ply the inland waterways of Bangladesh, including the Barishal to Dhaka route, has decreased by at least 66 percent.

Industry people said rotating the vessels, or launches, and changing their routes were among other measures implemented for reducing their losses, but to no avail.

Now on the brink of financial ruin, launch owners are considering whether to cut losses by exiting the business altogether.

Razin ul Kabir, who owns a passenger ship named Suravi, said it costs about Tk 18 lakh in fuel, labour and other expenses for each trip to Barishal from Dhaka.

But the current volume of seat bookings barely covers half of this amount, he added.

For these reasons, there have been no new investments in the launch business. Kabir also informed how some launch owners that left the business cut their vessels into pieces for sale as scrap. Besides, some of these owners that invested in other businesses are seeing success.

"We launched a luxury bus service called Suravi Paribahan on the Dhaka-Barishal route. Already, 12 buses have been added to its fleet," he said.

Sources at the Launch Owners' Association said demand for launch services fell as people are reluctant

to travel at the slow speeds they offer, especially since Padma Bridge significantly boosted road connectivity with southwestern regions.

However, industry people believe that launch services could survive if the vessels are repurposed as luxury waterway passenger transport services.

Sources at the Bangladesh Inland Water Transport Authority said around 16 launch services were plying the Dhaka-Barishal route before the opening of Padma Bridge.

**Now on the brink of financial ruin, launch owners are considering whether to cut losses by exiting the business altogether**

Now though, there are just four launch services on the route that operate on a rotational basis to cut costs, with each getting only one round-trip each week.

"But amid the lack of sufficient customers, launch owners are struggling to meet their operational expenses," said Abul Hashem, president of the Barishal Divisional Noutjan Sramik Federation.

He informed that aside from launch owners, other people close to the business, such as crewmen and riverport workers, are also suffering in this situation.

"Two-thirds of the launch workers

have already lost their jobs, with many people would travel by launch from Dhaka to various districts in the southwest, including Barisal, every day before Padma Bridge was opened.

Launch owners said at least 50,000 people would travel by launch from Dhaka to various districts in the southwest, including Barisal, every day before Padma Bridge was opened.

However, the passenger volume has dropped by about two-thirds since then, they added. A source at the Launch Owners' Association said there are calls to sell idle launches almost every month. Already, 10 to 12 launches have been sold as scrap.

Last week, the launch Adventure-1, which is running on the Dhaka-Barishal route, called for buyers on social media, he added.

Saifur Rahman Pintu, a member of the Launch Owners' Association and director of Sundarban Navigation, said they are not able to even collect enough money to cover fuel costs.

"We are defaulting on bank interest payments. The launch business has turned into a sick industry at this point," he added.

Barishal River Port Officer Abdur Razzak said passenger movement through Barishal River Port has already fallen by around 66 percent.

Earlier, eight launches would operate from Barishal River Port while there are just two launches at present.

As such, earnings from ticket sales at port counters have decreased to about Tk 26,000 from roughly Tk 90,000 previously.

## Standard Ceramic reports Tk 4cr loss in Q1

STAR BUSINESS REPORT

Standard Ceramic Industries recorded a loss in the first quarter of the financial year 2024-25, as continued operational expenses without any revenue drove its earnings into negative territory.

During the July-September period of FY25, the ceramics manufacturer posted a loss of Tk 4.61 crore, reflecting a marginal 2 percent improvement compared to the loss recorded in the corresponding period last year.

Shares of the company declined 0.29 percent to Tk 69.9 as of mid-day trading yesterday on the Dhaka Stock Exchange (DSE).

The loss per share was Tk 7.14, slightly lower than Tk 7.34 in the corresponding period of 2023, according to a disclosure on the DSE website.

The company attributed the negative earnings per share to the temporary closure of its factory from January 26, 2024.

During the quarter, Standard Ceramic reported no revenue while it had to spend for full salary payments and other fixed costs, leading to a deviation in its net asset value (NAV) per share, as per the disclosure.

Additionally, its net operating cash flow per share (NOCFPS) improved slightly, recording Tk 0.20 in the negative compared to Tk 8.16 in the negative a year earlier.

Established in 1984, the company went into commercial production in 1993 and its factory is located near the Hazrat Shahjalal International Airport in Dhaka.

It employs 600 workers and can produce 47,000 assorted tableware pieces daily, according to its website.

## HR Textile posts Tk 8.24cr loss in Q1

STAR BUSINESS REPORT

HR Textile Mills plunged into losses in the first quarter of financial year 2024-25.

The garments manufacturer reported a Tk 8.24 crore loss in the July-September quarter.

As a result, the loss per share was Tk 2.82 for the quarter, as compared to earnings per share of Tk 0.94 in the same period previous year, according to a disclosure on the Dhaka Stock Exchange (DSE) website.

Shares of HR Textiles declined 2.21 percent to Tk 27.8 as of yesterday afternoon at the DSE.

The company's net operating cash flow per share deteriorated, recording Tk 2.72 in the negative compared to Tk 2.83 a year earlier.

HR Textile, a subsidiary of Pride Group, specialises in export-oriented knitwear manufacturing, catering to markets in Europe, Canada, and Asia.

## Pakistan's annual inflation slows to 4.1% in Dec

REUTERS, Karachi

Pakistan's consumer inflation rate slowed to 4.1 percent year on year in December, the statistics bureau said on Wednesday, the lowest in more than 6-1/2 years.

The South Asian country is navigating a challenging economic recovery path buttressed by a \$7 billion facility from the International Monetary Fund granted in September.

Consumer prices in December rose 0.1 percent from the month before, according to the Pakistan Bureau of Statistics.

## Indonesia's B40 palm oil delay causes market uncertainty

REUTERS, Jakarta

Indonesia has yet to implement a higher mandatory blend of biodiesel planned for Jan. 1 as industry participants await technical details of the new regulation, causing confusion among palm oil traders.

The government had pledged to mandate a 40 percent mix of palm oil-based fuel in biodiesel from Jan. 1, known as B40, from a 35 percent blend currently in force.

The benchmark palm oil contract for March delivery on the Bursa Malaysia Derivatives Exchange closed 2.5 percent lower on Thursday at 4,336 ringgit (\$968.72) a metric ton amid uncertainty about B40 implementation, after rising about 1.8 percent earlier in the day when it tracked gains in Dalian vegetable oil.

The plan for higher biodiesel blend by the world's biggest palm oil producer helped drive up Malaysia's benchmark palm oil contract nearly 20 percent in 2024 on expectations of lower palm oil exports from rival producer Indonesia.

As of Thursday, Indonesian state energy firm Pertamina, which operates the country's largest petrol station network,

and biodiesel producers group APROBI said they were waiting for the relevant official decrees before selling the fuel.

"Once the regulation has been issued, there will be time to transition for the sale. At the moment we have prepared Plaju and Kasim refineries for processing of B40," Pertamina spokesperson Fadjr Djoko Santoso said.

**Industry participants await technical details of a new regulation, causing confusion among palm oil traders**

Members of APROBI cannot draw contracts for biodiesel distribution without a decree from the government, Secretary General Ernest Gunawan said.

Edi Wibowo, director of bioenergy at the energy ministry, said on Thursday that he was awaiting further instructions for B40, without providing more details.

Other senior officials at the energy ministry did not respond to queries about B40 implementation. Palm oil industry watchers had expected the rollout of the policy to be gradual.

## Asia's factories end 2024 on weak footing

REUTERS

Asia's factory powerhouses ended 2024 on a soft note as expectations for the New Year soured amid growing trade risks from a second Donald Trump presidency and China's fragile economic recovery.

A series of manufacturing purchasing managers' indexes for December from across the region published on Thursday showed factory activity slowing in China and South Korea although there were some signs of a pickup in Taiwan and Southeast Asia.

US President-elect Trump has pledged to impose big tariffs on imports from three major trading partners - Mexico, Canada and China - which are expected to in turn affect other large exporting nations and broader global business activity.

The Caixin/S&P Global manufacturing PMI for China nudged down to 50.5 in December from 51.5 the previous month, undershooting analysts' forecasts, indicating activity grew only modestly.

That echoed an official survey



Employees work on a production line at a toy factory in Lianyungang, in eastern China's Jiangsu province. The Caixin/S&P Global manufacturing PMI for China nudged down to 50.5 in December from 51.5 the previous month. PHOTO: AFP/FILE

released earlier this week, which showed factory activity barely growing.

Gabriel Ng, assistant economist at Capital Economics, said Beijing's increased policy support in late 2024 provided a near-term boost to growth, which is likely to be seen

in other fourth quarter indicators. "And this improvement should carry over into early 2025," Ng said.

"But the boost probably won't last more than a few quarters, with Trump likely to follow through on his tariff threat before long and persistent structural imbalances

still weighing on the economy."

Elsewhere in Asia, South Korea's PMI showed activity shrinking in December and the decline in output gathering pace, a stark contrast to better-than-forecast export growth figures released on Wednesday.

South Korea's central bank governor said on Thursday the pace of monetary policy easing would need to be flexible this year due to heightened political and economic uncertainty.

In addition to global trade uncertainty, South Korea is dealing with the hit to business confidence from a national political crisis after a failed bid by President Yoon Suk Yeol last month to impose martial law.

Earlier in the week, Japan's PMI showed activity shrinking, albeit at a slower pace in December.

India's manufacturing activity grew at its weakest pace for 2024, its PMI showed, although the South Asian economy's factories continued to outperform regional peers, reporting uninterrupted expansion for the past three-and-a-half years.