

Unilever Consumer Care's profit hits 3-year low

STAR BUSINESS REPORT

Unilever Consumer Care Ltd yesterday reported a profit drop to its lowest level in three years, affected by factors, including a decline in revenue.

The nutrition, hygiene, and personal care company, a subsidiary of Unilever, recorded a 31 percent decline in its earnings per share (EPS) to Tk 34.62 in 2024, compared with Tk 49.89 the previous year.

As a result, its profit after tax for the period stood at Tk 66.7 crore, down from Tk 96.2 crore in the financial year 2023.

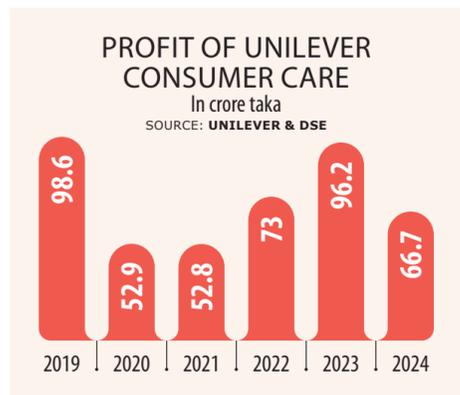
Majority-owned by Unilever Overseas Holdings BV, the company attributed the profit decline to a "lower one-off benefit resulting from the reassessment of past liabilities and obligations, as well as the reimposition of technology and trademark royalty by the parent company from the third quarter of 2024 onwards."

"The increase in expenses was partially offset through operational efficiency and the effective investment of cash, resulting in higher net finance income," Unilever Consumer Care said in a price-sensitive disclosure yesterday.

Despite the earnings drop, the company declared a 520 percent cash dividend, or Tk 52 per share of Tk 10 each, for its shareholders—the highest in five years.

Yet, shares of Unilever Consumer Care dropped by 0.51 percent to Tk 2,501.90 yesterday on the Dhaka Stock Exchange.

Unilever noted that although its profit declined, its net operating cash flow per share—an important indicator of a company's liquidity—rose to Tk 25.62 in 2024 from Tk 25.43 the previous year.



Its net asset value per share also increased, primarily due to a rise in cash, cash equivalents, and short-term investments.

At the end of January this year, the company's sponsors and directors held 92.80 percent of shares, while institutional investors owned 3.60 percent, and general shareholders held 3.49 percent.

In 2020, Unilever Consumer Care acquired 82 percent of GlaxoSmithKline's health food and drinks business in Bangladesh.

China files complaint with WTO against US tariffs

AFP, Beijing

Beijing said Tuesday it had filed a complaint with the World Trade Organization against the United States over President Donald Trump's tariff increases on Chinese goods.

The statement comes a day after Trump ordered additional tariffs against Chinese goods, increasing previously imposed 10 percent levies to 20 percent.

"The United States' unilateral tax measures seriously violate WTO rules and undermine the foundation of China-US economic and trade cooperation," Beijing's commerce ministry said in a statement, adding that it was "strongly dissatisfied and firmly opposed" to the tariffs.

In response to the US tariffs, Beijing has imposed new duties on a range of agricultural imports from the United States. The additional 15 percent tariffs on products including chicken, wheat, corn and cotton are due to come into effect next week.

"China will, in accordance with WTO rules, firmly safeguard its legitimate rights and interests and defend... the international economic and trade order," the commerce ministry statement added.

"The United States' unilateral tax measures seriously violate WTO rules and undermine the foundation of China-US economic and trade cooperation," Beijing's commerce ministry said

A WTO official confirmed to AFP that the new complaint from China had been received.

Trump, in imposing the tariffs, said China had not done enough to halt the trafficking of fentanyl and other highly potent opioids that kill thousands of Americans each year.

Analysts say that stemming the flow of deadly drugs is just one aim for Trump, who also frequently mentions trade imbalances when discussing the tariffs.

In a white paper released Tuesday, China's National Narcotics Control Commission touted actions already taken to crack down on trafficking of fentanyl-related substances, state media reported.

"Since implementing full control of fentanyl related substances, China has not detected any further cases of smuggling or selling fentanyl-related substances abroad," Xinhua reported, attributing the matter to a senior commission official.

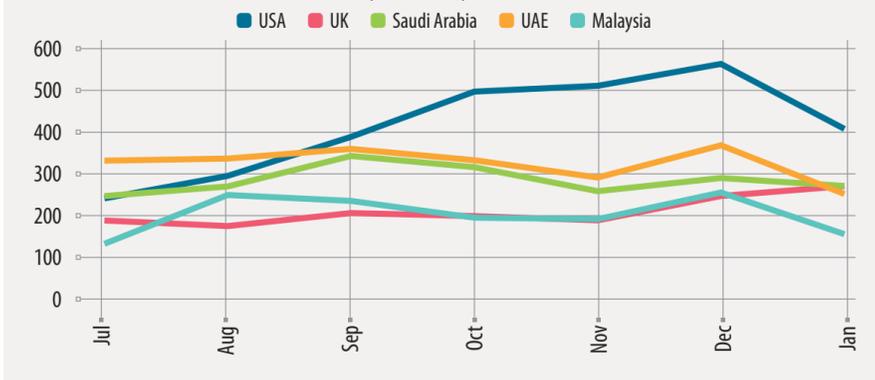
China is a major market for US energy exports and according to Beijing customs data, imports of oil, coal and LNG totalled more than \$7 billion last year.

Beijing launched a similar dispute in February when Trump first threatened the tariffs, describing the levies as "malicious" at the time.



REMITTANCE INFLOW FROM TOP FIVE COUNTRIES

FY25; In million \$; SOURCE: BB



US, UAE overtake Saudi Arabia as top remittance sources

KHONDOKER MD SHOYEB

The United States, the United Kingdom, and Saudi Arabia were the top sources of remittance inflows to Bangladesh in the first seven months of the 2024-25 fiscal year.

According to Bangladesh Bank, total remittance inflows from the top 30 countries stood at \$15.96 billion during the period.

Remittance inflows peaked in December before declining in January, likely due to post-festival slowdowns and economic adjustments.

The United States led with \$2.9 billion in remittances from July 2024 to January 2025. Monthly inflows from the US peaked at \$565.04 million in December before falling to \$407.52 million in January.

The United Kingdom ranked second, with inflows totaling \$1.47 billion. Migrant Bangladeshis in the UK sent home \$248.48 million in December, which rose to \$273.4 million in January.

Saudi Arabia followed closely, contributing \$1.99 billion during this period. Inflows from the kingdom increased until December, reaching \$290 million, but fell by 30 percent in January.

The United Arab Emirates ranked fourth, with total remittances at \$2.27 billion. December inflows stood at \$370.85 million before dropping to \$249.56 million in January.

Among the top 10 contributors, Malaysia sent \$876.14 million,

while Kuwait followed with \$867.14 million. Italy, Oman, Qatar, and Singapore also played significant roles.

Remittance from Italy surged in January to \$131 million, the highest in seven months.

South Africa, Canada, and Australia contributed smaller amounts, with inflows totaling \$175.16 million, \$99.82 million, and \$93.82 million, respectively.

Saudi Arabia has historically been the largest remittance-sending country for Bangladesh. However, in recent years, the UAE and the USA have emerged as the top sources, possibly due to the role of aggregators, said Professor Mustafizur Rahman, distinguished fellow of the Centre for Policy Dialogue.

When commercial banks offered to buy foreign currencies at premium exchange rates due to a shortage of supply, these aggregators saw an opportunity to purchase foreign currency from remitters and sell the bulk currency to banks at a premium rate, he said.

Dubai, in particular, has emerged as a key hub for aggregator activities, Rahman added.

"Suddenly, remittance flows from Saudi Arabia dropped sharply, while those from the UAE surged. This shift in remittance sources needs to be closely examined by the relevant authorities."

Mohammad Ali, managing director and CEO of Pubali Bank, told The Daily Star that the US, the

UK, and Saudi Arabia remain the top remittance sources as they host the highest number of Bangladeshi migrants.

Remittance inflows typically rise before festivals and winter as migrants send money home for Eid, Durga Puja, and winter weddings, he said.

Remittance Trends
Bangladesh's economy remains heavily reliant on remittances, with traditional markets playing a key role in inflows.

Remittance inflows have undergone dynamic shifts from FY2016-17 to FY2024-25, influenced by global economic trends, migration policies, and labor market conditions.

The UAE, Saudi Arabia, and the US have consistently remained top contributors, with inflows rising over the years.

In FY2016-17, remittances from the UAE stood at \$2.09 billion, increasing to \$3.01 billion by FY2022-23. Saudi Arabia's inflows rose from \$2.26 billion in FY2016-17 to \$3.75 billion in FY2022-23. The US saw a steady increase, reaching \$2.96 billion in FY2022-23.

While some corridors have shown consistent growth, others have fluctuated.

Kuwait's remittances grew modestly from \$1.03 billion in FY2016-17 to \$1.55 billion in FY2022-23. Malaysia recorded little variation, maintaining inflows around \$1.25 billion during the same period.

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American chamber calls for tax return exemption for credit card

STAR BUSINESS REPORT

The American Chamber of Commerce in Bangladesh (AmCham) has recommended waiving the mandatory submission of income tax return slips for credit card issuance up to Tk 5 lakh.

Currently, personal loans of up to Tk 5 lakh do not require a tax return, but credit cards do. Since credit cards are also a form of loan product, this policy appears contradictory, AmCham said.

Syed Mohammad Kamal, country manager for Bangladesh at Mastercard, said exempting tax return submission for credit card issuance up to Tk 5 lakh would boost credit card usage and enhance the traceability of financial transactions.

"This would help identify undeclared income, leading to higher taxable income and improved tax compliance," he said while presenting AmCham's tax-related proposals at a pre-budget discussion at the National Board of Revenue headquarters in the capital's Agargaon yesterday.

The NBR organised the discussion as part of its consultations with business chambers, professional bodies, and economists to gather tax proposals for the fiscal year 2025-26.

AmCham also pointed out that offshore banking services in Bangladesh are taxed at the same rate as onshore banking services—40 percent.

Syed Mohammad Kamal, Mastercard country manager, said exempting tax return submission for credit card issuance up to Tk 5 lakh would boost credit card use

"Other Asia-Pacific countries impose preferential tax rates of 0 to 20 percent on offshore banking units (OBUs)," it said.

OBUs primarily support exporters operating in export processing zones (EPZs) and facilitate competitiveness, Kamal said, adding that a lower tax rate for OBUs would help banks offer internationally competitive terms to foreign investors and encourage local exporters.

"A preferential tax rate for OBUs would attract more foreign direct investment, offer competitive terms to investors in EPZs, and boost local exports," he said.

AmCham further said cash transactions still dominate Bangladesh's economy as digital payments often incur additional VAT or tax.

"Unlike many countries that incentivise digital payments, Bangladesh has yet to introduce such measures," it said.

It recommended a 5 percent incentive on digital payments—3 percent for users and 2 percent for merchants—when transactions are made through cards, mobile financial services, or payment gateways.

"Encouraging digital payments will improve traceability, reduce tax evasion, and promote financial transparency," Kamal said.

Citing global examples, he noted that economies offering digital payment incentives have seen increased formal economic activities and financial inclusion.

Meanwhile, the Women Entrepreneurs Network for Development Association proposed increasing the annual tax-free income limit for women entrepreneurs from Tk 4 lakh to Tk 5 lakh.

The India-Bangladesh Chamber of Commerce and Industry called for verifying the value of imported goods within three months and conducting customs valuation based on the country of origin.

The Business Initiative Leading Development recommended making public the advisory committee's proposed reform to separate tax policy and tax collection authorities.

Trump tariff uncertainty overshadows growth promises: analysts

AFP, Washington

President Donald Trump's tariffs and the retaliation they attracted will likely weigh on US growth and boost inflation, according to analysts, but, beyond that, uncertainty surrounding the levies threatens to overshadow optimism about his future policies.

Trump reignited trade wars this week with hefty duties on Canadian, Mexican and Chinese imports, drawing sharp retaliation from Ottawa and Beijing, including new tariffs on key American farm products.

Collectively, these could dent US GDP growth by one percentage point and hike inflation by 0.6 points if kept in place for the year, said Nationwide chief economist Kathy Bostjancic.

"Tariffs represent a negative supply shock. It hurts production, raises prices," she told AFP, warning that business and consumer confidence also take a hit from levies. And the unpredictability of Trump's tariff plans stand to offset positivity about the president's promises of deregulation and tax cuts, which are seen as pro-growth, she said.

"That hope and excitement right now is overwhelmed by the uncertainty of what's going to play out," she added.

It also remains unclear if new tariffs will be long-lasting, and they come atop cost-cutting measures in the federal government which are being challenged in courts, KPMG chief economist Diane Swonk said.

The fallout from these efforts can

undermine demand.

Trump has not only quickened the pace of tariff hikes in his second term by tapping emergency economic powers to impose them without an investigation period, but his levies cover a larger value of goods.

Trump's first-term tariffs hit \$380



This photo taken on January 23 shows cars waiting to be exported in a port in Lianyungang, east China's Jiangsu province. Donald Trump reignited trade wars this week with hefty duties on Canadian, Mexican and Chinese imports, drawing sharp retaliation from Ottawa and Beijing.

PHOTO: AFP/FILE

billion worth of US imports over 2018-2019, mainly from China, said Erica York of the Tax Foundation.

But his latest duties introduced over a month impact \$1.4 trillion of imports, mostly from allies, she added.

"Because of the faster implementation and the larger magnitude, the new tariffs will be much more disruptive to the US economy than Trump's first trade war," York said.

While the situation is fluid, Bostjancic said prices of products like motor vehicle parts could rise by 10 percent within months, given how integrated North American supply chains are.

This could inflate consumer costs for big ticket items. Used car prices could increase if producing new vehicles became pricey, analysts said.

New homes stand to become more expensive too, potentially making property owners reluctant to move and weighing on the housing market, said Jessica Lautz at the National Association of Realtors.

Trump's latest 25 percent tariff on Canadian goods hits lumber imports, which are important to homebuilders.

With the breadth of Trump's current tariff plans, "some companies may not be able to maintain the same level of employment," Swonk of KPMG warned.