

## H&M earnings hit by discounts

AFP, Stockholm

H&M reported Thursday weaker-than-expected sales and profits in the first quarter, as discounts and a strong Swedish currency hit earnings at the world's second-biggest fashion retailer.

H&M said net profit fell 53 percent to 579 million kronor (\$57.5 million) between December and February – the first three months of the group's fiscal year.

Sales rose three percent to 55 billion kronor, boosted by women's collections.

"Although we have made important progress in our plan and have good cost control, our sales and earnings in the quarter were somewhat weaker than planned,"

**Its profit margin was negatively impacted by "increased markdowns" and a strong krona, the company said**

H&M chief executive Daniel Erver said in a results statement.

"But the first quarter is the smallest quarter of the year for us in terms of sales and margin, and we are confident going forward," he added.

Its profit margin was negatively impacted by "increased markdowns" and a strong krona, the company said.

H&M expects sales to rise one percent in local currencies in March.

"We can see that the improvements we have made, especially in the women's assortment, are starting to have a positive effect," Erver said.

"Here we have simplified the organisation and become faster at adapting to new trends and creating a more relevant assortment."



Women weave elephant grass, or hogla pata as is called in Bangla, in intricate patterns to create baskets and other household items at Dumuria Village Super Market in Khulna. The work is undertaken on completion of household chores and provides some income for the women. A private company manages the production and sells the products abroad. The photo was taken recently. PHOTO: HABIBUR RAHMAN

# Expert panel discusses strategic planning for smooth LDC transition

STAR BUSINESS REPORT

The first meeting of the expert committee tasked with ensuring Bangladesh's smooth transition from the least developed country (LDC) status was held virtually yesterday, hosted by Economic Relations Division.

Anisuzzaman Chowdhury, special assistant (rank of state minister) of the Ministry of Finance, presided over the session.

Committee members – including Mustafizur Rahman, distinguished fellow of the Centre for Policy Dialogue (CPD), Monzur Hossain, research director at the Bangladesh Institute of Development Studies (BIDS), Abdur Rahim Khan, additional secretary to the commerce ministry, MA Razaque, chairman of RAPID, and Kazi Iqbal, senior research fellow at the BIDS – participated in the discussions.

The meeting focused on key aspects of Bangladesh's transition, emphasising

strategic planning, prioritisation of necessary actions, monitoring mechanisms, and government advisory considerations.

Besides, stakeholders' opinions were collected to formulate actionable policies that would facilitate a seamless graduation.

Monzur Hossain, research director of the BIDS, said the committee held its first meeting to discuss Bangladesh's transition from LDC status.

Various stakeholders shared their insights, emphasising the need for well-structured and implementable policies, he added.

A comprehensive strategy report on LDC graduation will be prepared, outlining short, medium, and long-term plans to ensure a smooth transition.

Furthermore, the meeting identified priority initiatives crucial for Bangladesh's economic and structural development.

According to him, discussions also underscored the importance of international

engagement and cooperation.

Moreover, the experts deliberated on how Bangladesh could leverage its global trade partnerships to retain benefits even after the LDC graduation.

The role of the private sector was also highlighted, with an emphasis on enhancing its contribution to the national economy, Hossain said.

To oversee the implementation of these plans, a proposal was placed to establish a monitoring committee.

"The roles of the government and other relevant agencies must be clearly defined to ensure smooth execution of suggestions," he added.

Hossain also informed that the meeting explored ways for Bangladesh to continue enjoying preferential trade benefits until 2029, with key considerations including access to climate change funds and other international financial assistance.

## China's industrial profits fall as economic risks mount

REUTERS, Beijing

China's industrial profits slipped in the first two months of 2025, signalling a challenging period ahead for businesses as they navigate persistent deflationary forces and an escalating trade war with the United States.

The economy got off to an uneven start this year, as retail sales growth accelerated while consumer and producer prices contracted and exports remained sluggish, maintaining pressure on policymakers to ramp up stimulus.

Industrial profits fell 0.3 percent in the January-February period from the same period last year, according to data released by the National Bureau of Statistics (NBS). This compared with an 11 percent increase in earnings in December.

China combines the profits data for January and February to smooth out the impact of the week-long Lunar New Year holiday, the timing for which changes each year.

Highlighting a tortuous post-COVID recovery, industrial profits slid 3.3 percent for the whole of 2024, the third straight year of contraction.

Worryingly, the pressure on business shows no signs of letting up this year, and the US tariffs appear to have driven retailers in the world's biggest economy to seek price cuts from Chinese suppliers.

**Highlighting a tortuous post-Covid recovery, industrial profits slid 3.3 percent for the whole of 2024, the third straight year of contraction**

"The external environment has become more complex and severe with an increase in unstable and uncertain factors, and some industrial enterprises are still facing a lot of difficulties in their production and operation," said NBS statistician Yu Weining.

The comments underscore the mounting headwinds at home and abroad.

US President Donald Trump's tariff blitz against trading partners, including China, has rattled financial markets and raised fears of a sharp global economic downturn.

"The escalation of tariffs this year could exacerbate what is already heavy cost competition amid overcapacity concerns," said Lynn Song, ING's chief economist for Greater China.

"As such, much of the onus remains on policy support to boost domestic demand this year to help offset this drag."

While a few firms such as local electric vehicle champion BYD posted record profits last year, many businesses were struggling to stay afloat.

The country's automobile sector saw an 8 percent slide in profits in 2024, industry data showed.

Household loans including mortgages contracted in February while corporate loans fell sharply as subdued private demand remained subdued amid a prolonged housing downturn and lingering income and job woes.

In an effort to shore up the economy, China pledged more fiscal stimulus and unveiled a wide-ranging "special action plan" to spur consumption as Beijing targets growth of around 5 percent this year, similar to 2024.

## Gold climbs back toward record high

REUTERS

Gold prices climbed back towards last week's record high on Thursday after US President Donald Trump announced new tariffs on auto imports starting next week, escalating global trade tensions that have been driving safe-haven demand for gold.

Spot gold had jumped more than 1 percent to \$3,052.97 an ounce as of 1030 GMT, just a few dollars away from the all-time high of \$3,057.21 hit on March 20. US gold futures climbed 1.3 percent to \$3,060.90.

Gold, traditionally seen as a hedge against uncertainty and inflation, has risen more than 15 percent this year.

"Policy-making coming from the US is driving huge amounts of uncertainty and gold, being the defensive, anti-fragile asset, is largely going up because of those uncertainties," Nitesh Shah, commodities strategist at WisdomTree, said.

Trump on Wednesday unveiled a 25 percent tariff on imported cars and light trucks, set to come into effect the day after he plans to announce reciprocal tariffs aimed at the countries responsible for the bulk of the US trade deficit.

Traders are now looking to Friday's US personal consumption expenditures data, the Federal Reserve's preferred inflation measure, to shed more light on the US central bank's rate cut path.

The Fed held its benchmark interest rate steady last week but indicated it could cut rates later this year. Non-yielding bullion tends to thrive in a low interest-rate environment.

"We maintain our bullish stance on gold, though a consolidation is possible after the recent swift rally towards \$3,040/oz," ANZ analysts said in a note.

# US corporate profits surge in Q4

REUTERS, Washington

US corporate profits rebounded sharply in the fourth quarter, but an uncertain economic outlook due to tariffs is creating a challenging environment for businesses in the first quarter.

Profits from current production increased \$204.7 billion last quarter, the Commerce Department's Bureau of Economic Analysis (BEA) said on Thursday. Profits declined \$15.0 billion in the July-September quarter.

President Donald Trump has announced a blizzard of tariff actions since taking office in January. Economists have warned that the manner in which the tariffs are being handled is not supportive of economic activity.

Business and consumer

sentiment have sagged, which was reinforced by data on Wednesday from two regional Federal Reserve banks and Duke University that showed optimism among company chief financial officers dropped in the first quarter.

Fears of higher prices from import duties led to pre-emptive buying of goods in the fourth quarter, helping to boost consumer spending and keeping the economic expansion on track.

Gross domestic product increased at an upwardly revised 2.4 percent annualized rate last quarter, the BEA said in its third estimate of fourth-quarter GDP.

Growth was previously estimated to be a 2.3 percent pace. The economy grew at a 3.1 percent rate in the third quarter.

The strength in profits helped an

alternative measure of economic growth. Gross domestic income (GDI) grew at a 4.5 percent rate last quarter after rising at a 1.4 percent pace in the July-September quarter.

**Fears of higher prices from import duties led to pre-emptive buying of goods in the fourth quarter, helping to boost consumer spending and keeping the economic expansion on track.**

In principle, GDP and GDI should be equal, but in practice they differ as they are estimated using different and largely independent source data. Annual benchmark revisions

tend to close the gap between GDP and GDI.

The average of GDP and GDI, also referred to as gross domestic output and considered a better measure of economic activity, increased at a 3.5 percent rate. Gross domestic output grew at a 2.2 percent pace in the third quarter.

There are signs that GDP growth has significantly slowed down in the first quarter because of snowstorms and unseasonably cold weather as well as trade policy uncertainty.

Growth estimates for the January-March quarter are mostly below a 1.5 percent rate and the odds of a contraction are high. The Fed last week left interest rates unchanged, an acknowledgement of the uncertainty swirling around the economy.

## UK won't 'escalate' trade wars after Trump car tariff

AFP, London

Britain does not want to escalate trade wars, finance minister Rachel Reeves said Thursday after US President Donald Trump announced import tariffs on cars and auto parts.

The response came with London locked in talks with Washington over potentially securing a post-Brexit trade deal.

"We're not at the moment in a position where we want to do anything to escalate these trade wars," Reeves told Sky News.

"We are looking to secure a better trading relationship with the United States," she told the broadcaster, adding that the Labour government was "in extensive talks" with the Trump administration over securing a

trade deal.

Trump on Wednesday announced steep tariffs on the auto sector, provoking threats of retaliation from trading partners ahead of further promised trade levies next week.

"What we're going to be doing is a 25 percent tariff on all cars that are not made in the United States," Trump said, as he signed the order in the Oval Office.

The duties take effect at 12:01 am (0401 GMT) on April 3 and impact foreign-made cars and light trucks. Key automobile parts will also be hit within the month.

The UK trade body for the auto sector urged the United States and Britain to strike a deal that avoids Trump's "disappointing" tariffs on foreign-made cars.

## Eid sales surge online

FROM PAGE B1

"While some customers may still purchase high-value items like mobile phones, overall spending appears more conservative," he said.

To address this, Daraz, in collaboration with sellers and directly with manufacturers and importers, is offering attractive deals to customers.

"This allows us to provide significant discounts, including vouchers worth nearly Tk 5 crore,

offering savings of up to 80 percent," said Rusho.

"Furthermore, we've introduced promotions such as free delivery on purchases of three or more items and a special gift with the purchase of four," he said.

"In addition, various payment partners are offering discounts of up to 15 percent on our platform. In total, these initiatives aim to make product prices very reasonable," said Rusho.

## Four state-run banks

FROM PAGE B1

According to the circular, all branches and sub-branches of scheduled banks will remain closed on April 3, following a government-declared holiday for Eid.

The central bank also instructed authorities to ensure proper security at branches that will remain open

and to compensate officers and employees working on holidays as per the rules.

The Ministry of Public Administration has officially declared April 3 a public holiday for Eid. Finance companies, like government institutions, will also be closed on that day.

## Govt considers

FROM PAGE B1

The finance adviser pointed out that it took six years to evaluate the proposal. "There were several factors considered during the evaluation of the tender," he explained.

In other approvals, the government's purchase committee gave the green light to proposals to import two liquefied natural gas (LNG) cargoes and 50,000 tonnes of non-Basmati rice.

The rice will be procured from Bagadiya Brothers Private Ltd in India at a price of \$424.77 per tonne.

For LNG, one cargo will be purchased from Singapore-based Gunvor Singapore Private Ltd at \$14.08 per metric million British thermal units (MMBTU), and another will come from TotalEnergies Gas and Power Ltd, UK, at \$14.42 per MMBTU.

The LNG import proposal, which includes cargoes from both Singapore and the UK, is expected to cost Tk 1,366.88 crore.

A total of 11 proposals were approved in the Procurement Committee meeting, while one proposal was approved by the Economic Affairs Advisory Council.

## Up to \$10,000

FROM PAGE B1

In Bangladesh seeking to acquire shares of firms overseas, albeit solely in exchange for their own shares or securities.

No cash transactions will be allowed. Relevant proposals will be assessed to ensure that the share or securities swap ratio is determined in accordance with global best practices, the notice added.

A central bank official mentioned that this is the first step toward opening up capital account transactions in response to changing economic conditions.

Industry insiders believe that the new regulations will facilitate inward investment through companies established abroad.