Jamuna Oil's profit jumps 56% in Q3

STAR BUSINESS REPORT

Jamuna Oil Company's profit rose in the third quarter of fiscal year (FY) 2024-25 due to higher sales and interest income from deposits.

The state-owned oil company reported a 56 percent year-on-year rise in profit to Tk 140.58 crore in the third quarter of FY25.

Shares of Jamuna Oil declined 1.66 percent to close trading at Tk 171.5 on the Dhaka Stock Exchange (DSE) yesterday.

The company's earnings per share (EPS) stood at Tk 12.73 for January-March 2025, up from Tk 8.14 in the same quarter a year earlier, according to a price-sensitive information (PSI) disclosure. For the July 2024-March 2025 period, its EPS rose to Tk 36.65 from Tk 26.60 a year ago.

The company attributed the EPS growth to higher net earnings from petroleum product sales and increased interest income on bank deposits.

The net operating cash flow per share (NOCFPS) surged to Tk 88.26 during the first nine months of FY25 from Tk 16.66 in the corresponding period of the previous fiscal year.

The improvement in NOCFPS was driven by a decrease in inventories and an increase in creditors and accruals, said the company in the PSI.

As of March 31, 2025, sponsors and directors held 2.90 percent of the company's shares, the government owned 60.08 percent, while institutional investors owned 27.88 percent, foreign investors 0.22 percent, and the public 8.92 percent, according to DSE data.

Lovello directors to buy shares worth Tk 1.63cr

STAR BUSINESS REPORT

Two directors of Taufika Foods and Lovello Ice-cream have announced plans to purchase shares worth around Tk 1.63 crore from the public market through the Dhaka Stock Exchange (DSE) by April 30 this year.

Muhsinina Taufika Ekram, a director of the company, expressed her intention to buy 100,000 shares at the prevailing market price, according to a disclosure published on the DSE website yesterday.

Based on the closing price of Tk 81.5 per share on April 27, the total value of her intended purchase would be approximately Tk 81.5 lakh.

Similarly, Muhsinina Sharika Ekram, another director, has announced her plan to buy 100,000 shares under the same conditions, bringing the combined value of the purchases to an estimated Tk 1.63 crore.

As of March 31, sponsors and directors jointly held 40.05 percent of the shares of Taufika Foods and Lovello Ice-cream, while institutional investors owned 21.38 percent and the public 38.57 percent, DSE data shows.

Shares of the company declined 0.12 percent to close at Tk 81.4 on the DSE.

Taufika Foods and Lovello Ice-cream, which markets its products under the Lovello brand, was incorporated as a private limited company on August 7, 2011, and its Lovello ice-cream was commercially launched in 2016.

The company's corporate office is located in Banani, Dhaka, while its factory is situated in Bhaluka upazila of Mymensingh, as per its website.

Affordable and easy-to-use agricultural machinery can slash production costs, boost yields, and make farming more sustainable, experts said.

PHOTO: STAR/FILE

Small machinery tailored for farmers can boost output: experts

STAR BUSINESS REPORT

Small agricultural machines tailored for Bangladesh's smallholder farmers could drive a new wave of cost-efficient productivity and rural prosperity, experts said at a seminar yesterday.

Highlighting the urgency for labour-saving agri-tech solutions, the speakers stressed that affordable, easy-to-use equipment can slash production costs, boost yields, and make farming more sustainable.

The seminar, titled "Appropriate Mechanization in Bangladesh for Sustainable Smallholders' Arable Crops Farming: From Local Adaptation to Scaling Up," was held at InterContinental Dhaka.

It was organised by the Hub for Smallholders Agri-Tech Economics (HSATE) of Bangladesh Agricultural University (BAU), in collaboration with the International Growth Centre of the University of Oxford.

Associate Professor AKM Abdullah Al-Amin of the BAU and Professor James Lowenberg-DeBoer, Elizabeth Creak Chair of Agri-tech Applied Economics at Harper Adams University, UK, jointly presented research.

It showed that small autonomous machines—when adapted to local conditions—can deliver strong economic returns within just a few cropping seasons.

The speakers called for greater investment, farmer training, and partnerships with local manufacturers to speed up technology adoption, warning that rural labour shortages make modernisation no longer a luxury but a necessity.

Al-Amin presented a transformative vision for Bangladesh's smallholder farms, emphasising the economic advantages of labour-saving agricultural technologies tailored to local farming conditions.

He explained that retrofitted small-scale autonomous machines can significantly reduce farming costs by lowering dependence on manual labour while increasing operational efficiency, thus enhancing farmers' profit margins.

Initial investments in small machinery could break even within a few seasons if financing is accessible, he said.

Mechanisation can also allow farmers to intensify production cycles—planting and harvesting more promptly—which would lead to higher annual yields, lift household incomes, reduce rural poverty, and strengthen national food security, Al-Amin added.

The speakers called for greater investment, farmer training, and partnerships with local manufacturers to speed up technology adoption

On local adaptation, he said the potential for small machines was particularly strong.

Adoption rates could be high if technologies are affordable, easy to use, and simple to maintain, he said.

Partnering with local manufacturers and service providers could foster community-level economic resilience by making farmers active participants in the mechanisation value chain, added Al-Amin.

He also emphasised the need for education and demonstration programmes to build trust in new technologies. Pilot projects, farmer field schools, and digital advisory services could bridge knowledge gaps and catalyse widespread adoption, he said.

While acknowledging challenges like financing barriers and infrastructure limitations, Al-Amin remained optimistic.

He stressed that labour-saving technologies must be inclusive, offering new opportunities for rural women and youth to make agriculture more attractive to the next generation.

Mohammad Emdad Ullah Mian, secretary to the Ministry of Agriculture, stressed the urgent need for accurate agricultural data, strategic planning, and mechanisation to strengthen Bangladesh's farming sector.

He admitted that the sector still lacked a comprehensive strategic framework, making data-driven policymaking difficult.

He emphasised collaboration with the Bangladesh Bureau of Statistics (BBS) and other agencies to synchronise government data for better planning regarding production, imports, and exports.

Mian also called for modernisation through technologies such as drones and robotics and urged greater private sector and institutional collaboration.

He invited experts and retired professionals to contribute ideas voluntarily, promising that all contributions would be formally acknowledged.

"Innovative thinking and collaborative efforts are critical to drive transformation," Mian said, adding that accurate crop projections were essential to prevent crises like last year's onion surplus.

In another "Supply Stakeholders' Workshop," ASM Golam Hafeez, member of the Bangladesh Public Service Commission, said rural labour shortages driven by urban migration and demographic shifts were putting farms under strain.

FDI scenario in Bangladesh

AF NESARUDDIN

Bangladesh has struggled for decades to attract foreign direct investment (FDI). Occasionally, promising prospects emerged, only to fade away for various reasons. For a country with no significant mineral resources and a large population of unskilled and semi-skilled workers facing high unemployment, FDI is vital.

Fortunately, over time, it has been demonstrated that our labour force is loyal, hardworking, delivery-focused, and possesses fairly good communication skills in English -- qualities well suited to attracting FDI. These are undoubtedly among our greatest strengths.

When the Board of Investment (BoI) was restructured into the Bangladesh Investment Development Authority (Bida), the political leadership placed it under the Prime Minister's Office to signify its importance. Bida was tasked with offering one-stop services to investors, including infrastructure, utility facilities, and easier regulatory compliance. However, in practice, these expectations have not been met, frustrating many. The reasons behind this deserve serious discussion and independent analysis.

It is praiseworthy that Bida recently held an investment summit, drawing investors and stakeholders from around the world. Bida successfully showcased Bangladesh's potential, and this is undoubtedly a positive step towards attracting greater foreign investment. However, crossing the first hurdle is not enough, Bida must now address longstanding impediments and create a genuinely investor-friendly environment.

The major obstacles are well known -- fiscal issues, inadequate infrastructure, bureaucratic bottlenecks, and failure to honour commitments made in official policies and websites. Based on my professional experience, the National Board of Revenue (NBR) often does not fully abide by Double Taxation Avoidance Agreements (DTAs), citing various pretexts. Arbitrary tax disallowances and flawed assessments raise the effective tax rate, undermining Bangladesh's competitiveness compared to neighbouring countries and similar economies.

Moreover, many potential investors are not getting large land plots, especially in and around Dhaka and Chattogram. Export Processing Zones (EPZs) are already saturated, with only small plots available. Post-investment support is limited to routine permits and approvals, far from sufficient. Bureaucratic handling remains a major problem, with poor inter-departmental coordination and officials often prioritising their departmental perspective over the country's broader economic interest. A lack of business knowledge, limited experience in global investment practices, and outdated mindsets complicate the situation. Lengthy legal processes and the absence of a credible international arbitration mechanism are further deterrents.

It is said that while it is easy to invite customers to a shop, selling the products is the real challenge. Likewise, although Bangladesh has welcomed potential investors, meaningful facilitation remains lacking. Unless these barriers are removed, a significant boost in FDI is unlikely.

Bida should urgently consult experts and seasoned professionals, as well as local associations representing existing investors from various countries. Potential investors often seek honest feedback from their compatriots before making decisions. Ground realities must be acknowledged. In the longer term, Bida should conduct surveys to identify the real impediments and gather the expectations of both existing and potential investors. Strengthening coordination among government departments is also essential.

Given the recent shift in US policy towards China, Bangladesh now has a visible opportunity to improve its FDI position. We must act swiftly to seize this chance, or risk missing the bus once again.

The author is a senior partner of Hoda Vasi Chowdhury & Co and a former president of ICAB

China holds off on new stimulus, shows composure in US trade war

REUTERS, *Beijing*

China has advanced this year's stimulus plans but is holding off on fresh measures as it tries to maintain composure, betting on Washington blinking first in a protracted trade war.

The Communist Party's elite decision-making body, the Politburo, pledged on Friday to support firms and workers most affected by triple-digit US tariffs on Chinese goods, but stopped short of announcing additional deficit spending.

The decision to withhold additional stimulus disappointed investors, leading to a 3 percent slump in Chinese real estate stocks on Monday, despite official efforts to assuage market concerns over a sharp downturn in growth.

Beijing is already in a higher stimulus gear, which it can maintain over the coming months to mitigate the pain of losing, at least temporarily, its biggest customer, analysts and policy advisers said.

The lack of new stimulus does not point to a capitulation on its high growth ambitions this year - matching last year's growth of around 5 percent - but a strategy to remain flexible amid the tariff war with President Donald Trump's administration.

"It's simply too early for Beijing to go all-in," said Larry Hu, chief China economist at Macquarie.

"It's much easier for Trump to walk back his tariff threat than it is for Beijing to walk back its stimulus announcement. Moreover, policymakers could announce new stimulus at any time."

China has already brought forward the implementation of its 2025 stimulus plans and that will continue, Hu said.

In January-March, government spending rose 4.2 percent from a year earlier, while revenue fell 1.1 percent, resulting in a fiscal deficit of 1.26 trillion yuan ($173 billion), the highest first-quarter reading on record, government data showed.

Furthermore, local governments issued nearly 1 trillion yuan in new special bonds over that period, up nearly 60 percent from a year earlier. The People's Bank of China has also escalated lending to state-backed investors to support the stock market.

Growth of China's total social financing, a broad measure of credit and liquidity, hit a 10-month high of 8.4 percent in March, central bank data showed.

New loans to non-bank institutions hit 284.4 billion yuan in February - the second-highest reading since a peak of 886 billion yuan in July 2015, China's last major stock market crisis. Non-bank loans fell in March but analysts expect April to be strong.

Policy advisers say more can be done if needed. "We have policy reserves in place - various contingency plans have already been prepared," said a policy adviser who spoke on condition of anonymity due to the topic's sensitivity.

"The timing of new policies will depend on how big the tariff impact turns out to be."

A second adviser said room for policy easing remained "ample," but he added that new measures "cannot be rushed." "We cannot afford to lose that flexibility," he said. "We still need to assess how the situation evolves before deciding how to proceed."

Employees work on electric meters production line at a factory in Yinchuan, in northwestern China's Ningxia region. The Communist Party's elite decision-making body, the Politburo, pledged on Friday to support firms and workers most affected by triple-digit US tariffs on Chinese goods.

PHOTO: AFP/FILE

The Politburo statement also flagged further interest rate cuts and liquidity injections, such as by reducing the amount of cash banks are required to hold as reserves, but a source close to the PBOC said the central bank was in no rush to trim as the tariffs' ultimate impact was still unclear.

"The external environment has been changing so fast," the source said, but added: "If the data starts to deteriorate in coming months, the central bank will certainly roll out monetary stimulus."

The Trump administration struck a more conciliatory tone last week, saying the tariffs were unsustainable and signaling openness to de-escalating the trade war.

But Beijing appears to be hunkering down, denying Trump statements that negotiations are taking place, and calling on Washington to remove the tariffs.

Eurasia Group's China director Dan Wang said that not giving ground to Trump could appease the domestic audience, but internally, Chinese officials are "fully aware of the risks" to growth.

She estimates China needs 2 trillion yuan in new stimulus to keep this year's economic growth from falling below 4 percent.

Morgan Stanley analysts also expect 1 trillion yuan to 1.5 trillion yuan in new measures in the second half of the year, "which would not fully offset the tariff shocks."