Berger Paints' Q1 profit falls 11%

STAR BUSINESS REPORT

Berger Paints Bangladesh's profit declined in the April-June quarter this year, which the company attributed to a rise in the cost of sales.

The paint manufacturer's financial year starts in April. It reported a profit of Tk 85.68 crore in the first quarter of its financial year 2025-26, down 11 percent year-on-year.

According to its financial statements, consolidated earnings per share (EPS) stood at Tk 18.48 for the April-June quarter of 2025, whereas it was Tk 20.74 for the same period in 2024.

The company attributed the decline in EPS mainly to the devaluation of the local currency, saying it drove up the cost of raw materials and consequently increased the cost of sales.

Its consolidated net operating cash flow per share (NOCFPS) dropped to Tk 35.32 in the negative in the April-June period of 2025, from Tk 17.81 in the negative in the same period of the preceding year.

Berger said the significant decrease in the NOCFPS was primarily due to a rise in import payments against letters of credit deferred under "Usance Payable at Sight" (UPAS).

A UPAS letter of credit is a financing arrangement where the exporter gets paid upfront, and the importer makes the payment at a later date as specified in the usance terms.

As per data from the Dhaka Stock Exchange as of June 30, 2025, sponsors and directors held 95 percent of the company's shares, while institutions held 4.03 percent, foreign investors 0.20 percent, and the general public 0.77 percent.

Reckitt Benckiser Q2 profit drops slightly to Tk 14cr

STAR BUSINESS REPORT

The profits of Reckitt Benckiser (Bangladesh) PLC slightly declined in the April-June quarter of 2025.

The multinational fast-moving consumer goods company reported a profit of Tk 14 crore in the second quarter of 2025, down 1 percent year-on-year, according to its financial statements.

The company's earnings per share stood at Tk 29.71 for the three months this year, compared to Tk 30.12 during the same period in 2024.

The net operating cash flow per share was Tk 98.13 for the January-June period of 2025, a notable turnaround from Tk 18.90 in the negative recorded in the corresponding period last year.

As per the shareholding data of June 30, 2025, obtained from the Dhaka Stock Exchange, sponsors and directors held 82.96 percent of the company's shares.

Of the remaining shares, the government held 3.77 percent, institutions 5.82 percent, foreign investors 1.15 percent, and the general public 6.30 percent.

Marico's Q1 profit rises 13%

STAR BUSINESS REPORT

Marico Bangladesh saw an increase in its profit in the April-June quarter, saying it was driven by a rise in revenue and cost efficiency.

The multinational company's financial year starts in April. It posted a profit of Tk 194.56 crore in the first quarter of its financial year 2025-26, marking a 13 percent year-on-year growth.

According to its financial statements, earnings per share stood at Tk 61.77 for the April-June quarter of 2025, up from Tk 54.78 in the same period a year ago.

The company attributed the increase in EPS to a rise in revenue and improvements in cost efficiency.

Its net operating cash flow per share surged to Tk 66.73 during the quarter, whereas it was Tk 3.18 in the April-June quarter of 2024.

READ MORE ON B2

PHOTO: RAJIB RAIHAN

As of yesterday morning, some 41,128 TEUs (twenty-foot equivalent units) of containers were occupying around 77 percent of the port's total storage capacity for 53,518 TEUs, according to the CPA traffic department.

Ctg port congestion turns acute

Port authority plans vessel cap but shipping agents oppose

DWAIPAYAN BARUA, *Ctg*

Chattogram port has been experiencing severe berth congestion and high container yard density for weeks, leaving vessels stranded at the outer anchorage for up to 11 days and yard occupancy crossing well above the optimal level.

Shipping agents blame a series of disruptions for the current crisis, including the 10-day Eid-ul-Azha holidays, a nationwide shutdown by revenue officials, weeks of customs server disruption, and repeated work abstention by prime mover operators.

They also pointed to operational issues such as frequent breakdowns of gantry cranes, a shortage of trailers, and limited yard space, all of which are reducing vessel productivity and delaying turnaround times.

However, the Chittagong Port Authority (CPA) points the finger at a higher number of container vessels allowed to call at the port compared with earlier in the year. The CPA is now considering a reduction in that number.

The proposal has met with opposition from shipping agents, who argue that cutting the current number of permitted vessels, 118, by at least 15 would hurt the country's foreign trade.

As of yesterday, 21 vessels were waiting at the outer anchorage, most of them idling between 4 and 11 days. Earlier this year, the average wait was just 1 to 2 days, with no more than 8 vessels waiting at a time.

As of yesterday morning, some 41,128 TEUs (twenty-foot equivalent units) of containers were occupying around 77 percent of the port's total storage capacity of 53,518 TEUs, according to the CPA traffic department.

Of this, 33,966 TEUs were import boxes clogging the yards designated for imports, occupying over 77 percent of their capacity.

This level of yard congestion is extending vessels' stay at jetties and creating long queues at the anchorage.

Berth operators say yard occupancy should be kept below 60 percent for efficient container handling and smooth port operations.

On July 20, the CPA met with leaders of the Bangladesh Shipping Agents Association (BSAA) and decided to cut the number of permitted vessels by at least 15. It asked the association to submit a list of those vessels by July 27 to a six-member committee overseeing the matter.

After the association failed to comply, the CPA sent a letter to the BSAA chairman on Tuesday, requesting that the list be submitted within 24 hours.

Speaking on condition of anonymity, a senior CPA official said 96 vessels were authorised earlier this year, when waiting times were minimal and queues were short.

"But later, more vessels were approved on an ad-hoc basis for various reasons, raising the number to 118," the official said, adding that the increase has worsened the backlog and prolonged anchorage delays.

In a recent letter to the CPA chairman, BSAA Chairman Syed Mohammed Arif called for a one-month observation period before the vessel restriction is imposed.

"An immediate restriction could adversely affect import-export trade, eventually impacting end-users," he mentioned in the letter.

He urged the port authority to arrange pre-stacking facilities at the Chittagong Container Terminal and the New Mooring Container Terminal for export containers, which he believes would improve loading productivity and help avoid delayed or cancelled sailings.

US tariff clock is ticking

AHMED HUMAYUN MURSHED

Sometimes, what you do not do ends up costing more than what you do. Right now, Bangladesh is feeling the weight of that truth.

In April, the Trump administration imposed sharp tariffs on exports from countries with large trade surpluses against the US. Bangladesh was on that list. But hidden behind that announcement was a chance to negotiate: to act smart, fast and boldly.

Vietnam saw that chance and took it. Within days, it cut tariffs on US goods, signalling a willingness to balance trade. The result? Its own tariff was lowered to 20 percent, the best rate secured so far. Bangladesh, in contrast, asked for 90 days, and waited.

Now, with only days left before the new rates take effect, we are at the table late and with weaker cards. Other countries like Indonesia, Cambodia and Tunisia have not received final rates either, but they have been active, meeting allies, opening back channels, using trade platforms. Bangladesh has not shown the same urgency. That must change.

The White House has made it clear: the new tariff regime starts on August 1, 2025. That deadline is locked in. Our time is nearly up.

There is still space for damage control, but only if we act with clarity and speed. We can still adjust trade by importing two to three billion dollars' worth of key US goods, agricultural machinery, aviation tech, medical devices, fertiliser, LNG, ICT equipment. These are not token purchases. They support our own economy.

This should not be a one-off fix. Our strategy must include a regular import commitment aligned with what we export to the US; goods we truly need for industrial growth, energy efficiency and food security. A balanced flow would strengthen trust and resilience in trade.

Some recent steps deserve credit. The government has ordered 25 US-made aircraft -- a strategic move to reduce the trade gap. At the same time, a delegation led by Commerce Adviser Sk Bashir Uddin is in Washington, meeting policymakers and private sector leaders. Though late, this shift towards economic diplomacy is welcome.

Earlier, the government agreed to import 220,000 tonnes of high-protein US wheat, with a five-year deal for up to 700,000 tonnes. But these must be part of a broader, faster and more coordinated push.

This is not just about any industry. It is about ready-made garments and consumer goods -- the backbone of our exports. The US is our biggest single-nation garments buyer and our top remittance partner. Losing competitiveness in that market could weaken reserves, choke imports and dent investor confidence.

We need more than government action. Exporters, economists and private sector leaders must guide the strategy. They know the margins, bottlenecks and real stakes.

And while we act at home, we must also act abroad. Bangladeshi-American professionals, US-based lobbyists and diplomats who know Washington, especially under Trump, need to be in the room. These talks will not be won with formal memos. They need speed, business acumen and storytelling.

Bangladesh has a rare edge as most export industries are locally owned. That matters. The US worries about Chinese transhipment. We can prove our goods are genuinely Bangladeshi. That authenticity is a card we must play.

Some talk of pivoting to BRICS or regional markets. But those are not easy options. BRICS markets are protected and bureaucratic. The Gulf has high income, but limited scale. The US remains the most open, high-volume destination.

We have lost time already. Losing what little remains would be unforgivable.

There are still days, perhaps hours, to act. If we move now, with courage and coordination, we may still bring that 35 percent tariff down. Trump plays hardball, but he respects boldness. Let us give him something to respect.

The writer is co-founder and CEO at Accfintax

US second quarter GDP growth to reflect tariff turbulence

AFP, *Washington*

US economic growth is expected to rebound in the second quarter, analysts said, in a momentary comeback reflecting trade shifts as companies tried to avoid the harshest of President Donald Trump's wide-ranging tariffs.

The world's biggest economy is anticipated to expand at an annual rate of 2.5 percent in the April to June period, according to a consensus forecast by Briefing.com.

This marks a reversal of a 0.5 percent decline, annualized, seen in the first three months of the year.

But cost pressures from tariffs, among other factors, could later bog down investment and consumption -- a key driver of the US economy.

"It's very much distorted by the trade flows and inventory," said Nationwide chief economist Kathy Bostjancic, referring to second quarter growth.

At the start of the year, businesses rushed to stock up on products in an effort to avoid Trump's threatened tariff hikes -- but this build-up is now unwinding.

The imports surge ahead of tariff hikes in the first quarter led to the largest drag on GDP growth from net exports on record, analysts at Goldman Sachs said in a recent note.

This means a bounce back is expected once imports cool.

But the acceleration is not sustainable, Bostjancic told AFP.

Trump had raised the idea of across-the-board tariffs targeting trading partners during election campaigning last year, and since returning to the US presidency in January he has rolled out wave after wave of fresh duties.

These included a 10 percent levy on almost all US partners, higher duties on steel, aluminum and auto imports, as well as separate actions against Canada and Mexico over illegal immigration and illicit fentanyl flows.

In April, the Trump administration separately took aim at the world's number two economy, China, as Beijing pushed back on US tariffs.

Both countries ended up imposing tit-for-tat tariffs on each other's products, reaching triple-digit levels and bringing many trade flows to a halt before Washington and Beijing reached a temporary agreement to lower duties.

After two days of talks in the Swedish capital of Stockholm this week, negotiators from both countries signaled there could be an extension of the truce -- although the final call depends on Trump.

People shop in a supermarket in Manhattan, New York City. The US economy is anticipated to expand at an annual rate of 2.5 percent in the April to June period, according to a consensus forecast by Briefing.com. PHOTO: REUTERS/FILE

Bostjancic expects that underlying activity driving US gross domestic product will be moderating, although not collapsing.

"The US economy continues to navigate a complex set of crosscurrents, obscuring a clear reading of its underlying momentum," said EY chief economist Gregory Daco in a note.

But he added that one trend is evident, which is that "economic activity is decelerating even as inflationary pressures are reemerging."

"Tariff-induced cost pressures, persistent policy uncertainty, severely curtailed immigration, and elevated interest rates are collectively dampening employment, business investment and household consumption," Daco said.

Analysts are closely eyeing the impact of Trump's tariffs on inflation, with economists warning that the duties could fuel price increases. They expect to learn more from data in the summer months.

All of this could impact consumer spending -- a key economic driver.

"The trend in GDP growth is best analyzed by considering the first and second quarters together," said Samuel Tombs, chief US economist at Pantheon Macroeconomics.

"The likely average growth rate of about 1.5 percent over these two quarters represents a clear deceleration from the 3 percent rates in the previous two years," he added.

He said in a note that the US economy would probably "lose more momentum" in the third quarter, when consumer prices for imported goods likely will rise sharply.

And "adverse consequences" of economic policy uncertainty will also start to materialize when it comes to business investment, Tombs said.

Analysts have noted that companies tend to hold off major decisions during times of uncertainty, given the risk of sudden policy shifts.

"We continue to expect GDP growth to average just 1 percent in the second half of this year," Tombs said.