Walton profit falls 24% in FY25

Board approves merger of Walton Digi-Tech with Walton Hi-Tech

STAR BUSINESS REPORT

Walton Hi-Tech Industries PLC (WHIPLC) saw its profit decline in the financial year that ended on June 30, 2025, due to reduced consumer demand and higher finance costs.

The company reported a profit of Tk 1,036.62 crore for the financial year, down 24 percent year-on-year.

Its earnings per share stood at Tk 34.22 in FY25, compared to Tk 44.78 in FY24, according to a price-sensitive information (PSI) disclosure made by the company yesterday.

The company attributed the fall in profit to lower revenue, higher finance costs, and increased distribution expenses.

Its revenue dropped by Tk 429.86 crore in FY25, mainly because of subdued consumer demand following the political changeover last year.

The company said its finance costs rose to 6.33 percent of sales in FY25 from 6.11 percent in FY24, driven by higher interest rates and foreign currency losses of Tk 123.60 crore resulting from the continued devaluation of the taka.

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Its selling and distribution expenses also went up due to market expansion efforts, further weighing on operating margins, the disclosure added.

Net operating cash flow per share stood at Tk 58.20 in FY25 against Tk 56.96 in FY24.

The board of directors recommended a 175 percent cash dividend and a 10 percent stock dividend for FY25, the lowest since 2020 when the company declared a 200 percent dividend.

Walton said the stock dividend would help finance its lithium-ion battery project.

In a separate PSI, the board approved a memorandum of understanding (MoU) on the proposed merger of Walton Digi-Tech Industries Ltd (WDIL) with WHIPLC.

The merger is subject to the consent of shareholders and creditors, approval from the High Court, and the execution of necessary agreements to maintain WHIPLC's distinct brand identity, it said.

WDIL, an IT company operating for more than eight years, manufactures hi-tech products across multiple categories. It currently offers over 123 products under 36 brands, according to the Bangladesh Investment Development Authority.

The merger is expected to strengthen WHIPLC's business portfolio and provide a competitive edge through vertical integration, enhancing its range of products to include laptops, desktop PCs, printers, mobile phones, printed circuit boards, IT accessories, electric bikes, and more, the company said.

As of July 31, 2025, the sponsor and director group of WHIPLC holds the largest share of the company, with a total stake of 61.09 percent, the general public holds 38.18 percent of the shares, according to the Dhaka Stock Exchange data.

There is a significant gap between the production cost and the final retail price of vegetables, stated Bangladesh Trade and Tariff Commission, suggesting that enhanced monitoring of the supply chain could help reduce prices. The photo was taken from Barishal city yesterday.

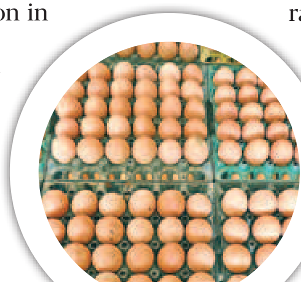
PHOTO: TITU DAS

Prolonged monsoon drives up vegetable, egg prices

SUKANTA HALDER

Heavy monsoon rains have disrupted Bangladesh's agricultural supply chain, driving up prices of essential vegetables and eggs across the country over the last three months.

A report by the Bangladesh Trade and Tariff Commission (BTTC), submitted to the commerce ministry yesterday, highlights that persistent rains could worsen food inflation in the coming weeks.



The BTTC, which reviewed market prices, supply conditions, and government interventions in its report, cites erratic weather and flooding during June, July, and August as the primary cause of supply disruptions.

Md Omar Faruk, a meteorologist at the Bangladesh Meteorological Department, told The Daily Star that rainfall in August last year was 50 percent above normal, compared with just 1 percent this August.

He noted that April and May this year received adequate rainfall, unlike the near-drought conditions in the same period last year. June and July this year also saw significant rain, in contrast to lower levels last year.

July alone saw rainfall 23.5 percent above the historical average, damaging farmland and pushing prices beyond the usual seasonal increase.

As vegetable supply thinned, demand for substitutes such as eggs rose, further driving up costs, the BTTC noted.

SPIRALLING PRICES OF ESSENTIALS

Citing data from the Department of Agricultural Marketing, the commission stated that several essential food items have seen sharp increases over the past three months as of September 3.

Green chilies posted the steepest rise, up 128.57 percent to Tk 140-Tk 180 per kilogramme (kg). Okra rose 75 percent to Tk 60-Tk 80 per kg, while brinjal increased 16.7 percent to the same range.

Local onion prices surged 45.45 percent, reaching Tk 75-Tk 85 per kg, and pointed gourd climbed 44.44 percent to Tk 60-Tk 70 per kg. Egg prices increased 6.25 percent to Tk 10-Tk 11.25 per piece.

Potatoes remained relatively stable, rising just 4.44 percent to Tk 22-Tk 25 per kg, while green papaya dropped 37.5 percent due to stable production and limited demand. Teasel gourd also fell 29.17 percent, now priced at Tk 65-Tk 90 per kg.

Besides, there is a significant gap between the production cost and the final retail price of vegetables, stated the commission, suggesting that enhanced monitoring of the supply chain could help reduce prices.

Green chilies, which are not grown locally during the monsoon, present a particular challenge, the commission observed. High import duties, 58.6 percent in total, along with a fixed dutiable value of \$0.50 per kg, have contributed to price increases.

At this valuation, the government earns about Tk 36 per kg, effectively maintaining high tariffs despite consumer hardship.

To rein in the spiralling prices of green chilies, the BTTC advised scrapping the 20 percent supplementary duty and replacing the fixed minimum import price with actual transaction values at least until September 30, 2025, to lower costs and stabilise the market.

The commission noted that potato and onion supplies have held up thanks to record domestic harvests and relaxed import policies. The agency, however, warned that further rainfall could destabilise this balance.

Bangladesh produced 1.15 crore tonnes of potatoes in the last harvesting season, the highest in history. The interim government has procured 50,000 tonnes to safeguard farmers amid falling market prices.

Onion production reached 44.48 lakh tonnes in FY2024-25.

The BTTC recommends that if onion prices exceed Tk 90 per kg or eggs rise above Tk 150 per dozen, imports should be allowed with temporary suspension of duties.

The report also points out that current prices of potatoes, onions, and eggs are still lower than the thresholds at which the government had previously allowed imports and granted tariff exemptions.

Meanwhile, traders said that in a rare moment of relief last August, when the student-led mass uprising ousted the Awami League-led government, markets briefly experienced fewer instances of extortion and transport bottlenecks, which led to a decline in prices.

That calm has since evaporated, leading to further pressure on prices, they added.

Job hugging!

MAHTAB UDDIN AHMED

We have always been champions of hugging. From clutching relatives at weddings long enough to make the stage creak, to embracing one another at mosques after prayers, to greeting colleagues with theatrical warmth at the first meeting of the week. And of course, the masters of the art, our politicians, hugging voters before elections with dazzling smiles, then hugging power afterwards as if their lives depended on it.

Now, a fresh variety has entered the economy: job hugging. No, not HR forcing employees into beanbags and yoga circles, but people clinging to their jobs for dear life, even when they secretly wish to leave, because they cannot believe a better one will appear. This hugging often goes to extremes, driven less by loyalty than by doubt. Doubt about skills, doubt about opportunities, and doubt about whether the next paycheque will ever arrive if they let go.

CNN reports that in the United States, people who once jumped jobs for fat increments are now holding tight to their desks. The pay boost from switching has shrunk, especially in white-collar fields like finance, tech, law and consulting. Bank of America says job hopping has slowed, and the once generous salary jumps have dried up. Meanwhile, a University of Michigan survey shows 60 percent of Americans expect unemployment to rise in the coming year, up from just 33 percent last November. That is the highest level of pessimism since the Great Recession. Fewer jobs, smaller raises, and more people hugging their office chairs like long-lost cousins.

Now picture that reality, but with Bangladeshi seasoning. Here, job hugging is not a trend but the default for much of the workforce. Not the high-flying few who juggle multiple offers, but the majority who are insecure, under-skilled, or drifting with the current. They do not dream of a career leap; they dream of receiving their salaries before the rent cheque bounces.

Switching jobs in Bangladesh was never as lucrative as in the West, but there used to be hope of a raise. A decade ago, or even in the post-Covid Great Resignation, changing companies often meant a 20 to 30 percent salary hike. Now, the figure has dropped to a historic low of about 7 percent. Many employers no longer bother offering more because they know people are unwilling to risk a move. Why would they, when inflation eats up 10 percent of household budgets each year, when onion prices can double between breakfast and dinner, and when new job openings are not keeping pace with the two million fresh entrants to the labour market annually?

For many, staying put is less about comfort than fear. Fear of being replaced by a younger, cheaper, more tech-savvy recruit. Fear of joining a firm that could collapse within months. Fear of failing to juggle tuition fees, loan instalments and groceries without the certainty of a regular paycheque. In such a climate, loyalty is not romantic; it is reluctant.

But the cost is heavy. An economy where workers cling too tightly to jobs eventually loses vitality. Creativity fades, ambition shrinks, and offices fill with people who function on resignation rather than inspiration. Job hugging may keep the household running, but it extinguishes the spark of innovation. When job switching slows, bargaining power weakens, employers grow complacent, and pay stagnates while demands increase. The ecosystem decays, and in the end, everyone suffers.

The West may call it a new trend, but in Bangladesh, we have been hugging jobs forever. The bigger irony is that our policymakers and employers cling to outdated policies even more tightly. Without bold reform, this will not be job security but a national straitjacket, wrapping survival so tightly that progress cannot breathe.

The writer is president of the Institute of Cost and Management Accountants of Bangladesh and founder of BuildCon Consultancies Ltd

Gold prices ease from record peak

REUTERS

Gold prices declined on Thursday, pulling back from a record high as investors locked in profits, while attention shifted to US jobs data for further insight into the Federal Reserve's policy path.

Spot gold was down 0.5 percent at \$3,541.78 per ounce as of 1041 GMT, while US gold futures for December delivery dipped 1 percent to \$3,600.90.

On Wednesday spot gold hit a record high of \$3,578.50 amid rising bets for a US Federal Reserve rate cut and lingering geopolitical and economic uncertainties.

"The market was way overbought and needed to correct," StoneX analyst Rhona O'Connell said.

The focus is now on weekly jobless claims and the ADP report due later in the day, and US non-farm payrolls data due on Friday. "If the jobless claims are way out of line, then we could see a reaction (in prices) – down if below, up if high," O'Connell said.

A Labor Department report showed on Wednesday that job openings fell more than expected to 7.181 million in July. Meanwhile, several Fed officials said labour market worries continue to animate their beliefs that rate cuts are imminent.

The market is now pricing in a 98 percent chance of a 25 basis-point rate cut this month, CME Group's FedWatch tool showed.

Non-yielding gold typically performs well in a low interest-rate environment and in times of uncertainty.

Questions about Federal Reserve independence will take centre stage on Thursday when President Donald Trump's economic advisor Stephen Miran testifies at a Senate Banking Committee hearing on his nomination to the US central bank's seven-member governing board.

China's carmakers are heading for a crash

REUTERS, *Hong Kong*

China's automotive industry must seem like an unstoppable force to outsiders. Local champions like BYD and Geely have supplanted the international brands that first made the country the world's largest car market in 2009. They sport the most advanced battery technology. And the People's Republic is now the largest vehicle exporter, prompting the US and the European Union to impose tariffs. Despite these advantages, scores of their carmakers are heading for a crash.

The ostensible problem is a vicious price war that has lasted more than two years. Rivalry has spiralled into what policymakers call "neijuan", which translates literally to "involution", a buzzword for a frantic, self-destructive struggle. The average price of a new car is likely to fall to around \$24,000 this year for a basket of six automakers including Great Wall Motor and BYD; that's 21 percent lower than 2021, according to estimates gathered by Visible Alpha. Carmakers also try to outdo one another with features like built-in hotpot cookers and multiple screens, free insurance and cheap loans.

That's crushing the industry, especially automakers focused on gas guzzlers. Some, like Mitsubishi Motors, have already left. Others are trying a different tack: Dongfeng Motor is taking its core business private and spinning off a nascent EV brand after sales fell 14 percent in the first half of 2025, prompting a profit warning. But smaller electric-car makers aren't immune. Last year for the first time, more EV-focused manufacturers left the market than entered it, consultancy AlixPartners noted, tallying 16 such exits.

The photo shows BYD electric cars waiting to be loaded to the automobile carrier BYD Shenzhen, in China's eastern Jiangsu province. BYD, the world's largest electric-vehicle maker, last week reported a nearly 30 percent drop in quarterly net profit.

PHOTO: AFP/FILE

Big players are starting to feel the squeeze. After growing both market share and margins for much of the price war, BYD last week reported a nearly 30 percent drop in quarterly net profit. The world's largest electric-vehicle maker followed that on Monday with its second consecutive fall in monthly production, the first time that happened since 2020. The \$136 billion manufacturer had tried to boost sales with big discounts while splurging more on research and building new factories abroad. It was a similar story for Great Wall Motor, whose first-half net profit fell 10 percent.

Beijing insists it wants to end this extreme level of competition, with President Xi Jinping railing against disorderly price cuts. Soon after, in July, the industry ministry told carmakers to pursue "rational competition". Authorities are tweaking rules and guidelines, too.

Such measures have had little success. Worse, none of them addresses the root cause of the industry's woes: overcapacity. Passenger vehicle sales reached 27.6 million last year, per consultancy Automobility, but production capacity hit 55.6 million units, more than 50 percent higher than a decade ago, according to AlixPartners.