MODHUMOTI BANK

Humayun Kabir, chairman of Modhumoti Bank, presides over the bank's 7th annual general meeting yesterday through a digital platform. The bank approved 4.5 per cent cash and 5.5 per cent stock dividends for 2019. Md Shafiul Azam, CEO, was present.

Bank of Japan maintains policy, says economy slowly reviving

AFP, *Tokyo*

Japan's central bank on Thursday said it would maintain its ultra-loose monetary policy as the virus-hit economy gradually picks up, with no big changes announced the day after new Prime Minister Yoshihide Suga took office.

Suga has pledged to continue the work of former leader Shinzo Abe, whose signature "Abenomics" programme involved vast government spending, massive monetary easing and attempts to cut red tape.

The Bank of Japan kept its negative interest rate of 0.1 per cent on bank deposits, as well as its policy of unlimited purchases of Japanese government bonds, to ensure their 10-year yields remain around zero per cent.

Haruhiko Kuroda, the bank's governor, said the institution would continue to work closely with the government, adding he has "no plan" to step down before his term ends in 2023.

As new Prime Minister Suga took office yesterday, we will continue to support the Japanese economy with the current monetary policy," he told reporters.Through its stimulus measures, the bank will "make efforts to ensure financing of businesses and stability of financial markets" in the face of the coronavirus pandemic, Kuroda added.

The world's third largest economy shrank 7.9 per cent in the second quarter of this year -- the worst figure since comparable data became available in 1980.It was in recession even before the coronavirus hit, owing to damage from a powerful typhoon last year, and a sales tax hike in October.

Bank of Japan Governor Haruhiko Kuroda

But the bank was slightly more upbeat in its evaluation of the economy's health than in July -- although it warned that the overall outlook remains rocky.

"Japan's economy has started to pick up with economic activity resuming gradually, although it has remained in a severe situation due to the impact of the novel coronavirus at home and abroad," it said in a statement on Thursday.

While there has been a slow rise in consumption, "the pace of improvement is expected to be only moderate while the impact of Covid-19 remains worldwide", it warned.The bank said it would closely monitor the effects of the pandemic on the economy, "and will not hesitate to take additional measures if necessary".

In its July quarterly report, the bank said Japan's economy would contract 4.7 per cent in the year to March 2021, projecting a recovery the following year but adding that deep uncertainty remains.

Since March, the bank has taken a series of measures to cushion the impact of the coronavirus. These include strengthening of asset repurchases and establishing mechanisms for zero-interest loans, especially for small and medium-sized businesses.

"Until the new administration gets settled, the BoJ will sit on the fence and monitor the effect of its policy unless markets move a lot," Nobuyasu Atago, economist at Okasan Securities, told Bloomberg News.

The bank also kept its inflation target of two percent, which aims to end the deflation that has long haunted the Japanese economy, but so far has remained stubbornly out of reach.

Southeast Bank approves 7.5pc cash and 2.5pc stock dividends

STAR BUSINESS DESK

Southeast Bank on Wednesday declared 7.5 per cent cash and 2.5 per cent stock dividends for 2019.

The shareholders of the bank took the decision at the bank's 25th annual general meeting held through a digital platform.

Alamgir Kabir, chairman of the bank, presided over the meeting.

The bank's Vice-Chairperson Duluma Ahmed, Directors MA Kashem, Azim Uddin Ahmed, Jusna Ara Kashem, Rehana Rahman and Md Akikur Rahman; Independent Directors Syed Sajedul Karim, Quazi Mesbahuddin Ahmed and Mohammad Delwar Husain, Managing Director M Kamal Hossain and Advisor Zakir Ahmed Khan participated in the meeting.

The bank earned an operating profit of Tk 8,982.98 million in 2019 (consolidated). The shareholders also approved the audited financial statements of the bank.

Coca-Cola bottlers are feeling flat, even as US grocery sales sparkle

REUTERS, *Chicago/London*

Martin Williams' great-grandfather founded their Coca-Cola distribution business in Corinth, Mississippi, in 1907, just a handful of years after Coke was first sold in bottles across the United States.

He's part of the fourth generation to run it, and he's determined not to be the last.

Williams' business is one of nearly 70 US Coca-Cola "bottlers" - third-party, independent companies that put Coke and other beverages into cans and bottles and deliver the drinks to retailers and restaurants in every corner of the country.

The future of such companies is not only critical for their owners and employees, but also key for their main supplier - Coca-Cola, the world's No.1 soft drink maker - which needs them to flourish to help it recover from a slump in sales. But COVID-19 has upended their business models.

"It was chaos. You just had no idea what the world was going through and what we were up against," said Williams, the finance head of his family's firm. "It's on our shoulders to try to take our business forward into the future and to maintain the work that our ancestors have done."

Shoppers in lockdowns snapped up cases of Coke, Fanta and Sprite at grocery stores rather than at gas stations, restaurants and stadiums.

That left bottlers scrambling to keep stores stocked with bigger, often less-profitable packages. Lucrative sales to restaurants and convenience stores are still only a fraction of what they were before the pandemic hit the United States.

The bottlers - now saddled with too much product meant for restaurants - have also been hit by a shortage of aluminum cans due to a surge in demand for canned drinks as people stay home.

Williams, whose business distributes rather than makes drinks, has adapted to this new order over the last six months, while grappling with higher costs for fuel, transportation, labor, safety gear and cleaning products. Pressures have eased since the lockdown, but his firm is still affected.

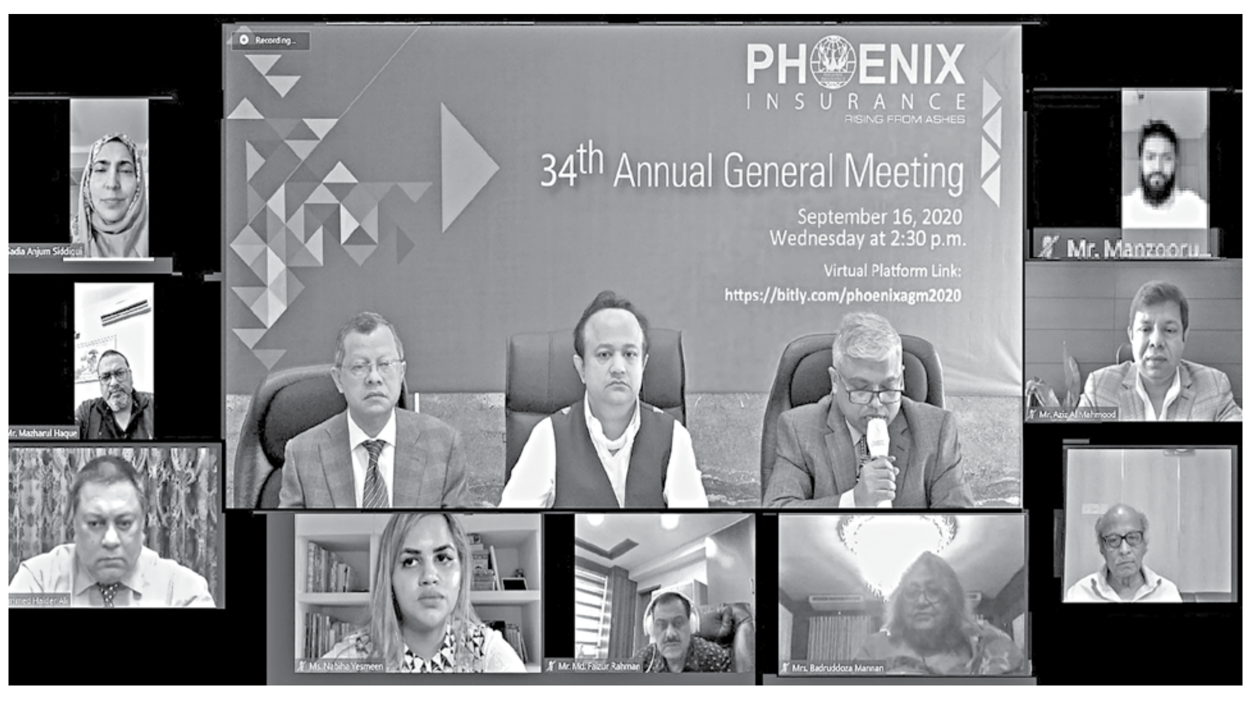
Coca-Cola sells syrups, powders and base ingredients - known as concentrates - to bottlers, who mix, package and sell drinks to retailers, giving a cut back to the soda giant.

The company works with many large publicly listed bottlers around the world, including in Europe and Asia. But many US players are small, family-owned businesses, with limited reserves to draw from as sales and profits shrink.

About two-thirds of them received pandemic aid from the US government to keep in hand or stay afloat, which is important for Coca-Cola to increase its own sales.

All the while Coca-Cola, with whom they have a symbiotic relationship, has also been under intense pressure.

The drinks giant's volume sales in North America declined 16 per cent in the latest quarter. Nearly 40 per cent of its over 10,000 employees in the region will decide by Thursday whether to volunteer for severance as part of a sweeping restructuring.



PHOENIX INSURANCE COMPANY

Mohammed Shoeb, chairman of Phoenix Insurance Company Ltd, presides over the company's 34th annual general meeting on Wednesday through a digital platform. The company approved 12 per cent cash dividend for 2019. Md Jamirul Islam, CEO, was present.

DHL Express raises shipment price by 4.9pc

FROM PAGE B1

"These and future advances will help us, our customers and partners, make a significant contribution to improving our ecological footprint," said Haque.

Prices are adjusted on an annual basis by DHL Express, taking into consideration inflation and currency dynamics such as administrative costs related to regulatory and security measures.

These measures are updated by national and international authorities on a regular basis in each of the more than 220 countries and territories that DHL Express serves.

DHL is the leading global brand in the logistics industry. It offers logistics services ranging from national and international parcel delivery, e-commerce shipping and fulfilment solutions, international express, road, air and ocean transport to industrial supply chain management.

DHL is part of Deutsche Post DHL Group. The group generated revenues of more than 63 billion euros in 2019.

DHL Express has been operating in Bangladesh since 1979. Initially, it ran through agent operations before opening a full-fledged subsidiary in 2008, in an endorsement to the country's growing importance.

It handles around 70 per cent of all inbound shipments, thus becoming the largest international air courier in the country.

DHL Express Bangladesh delivers time-sensitive and high value but impactful small parcels and documents within a short time, which support trade facilitation and manufacturing. Currently, it employs more than 550 people.

Novo Nordisk launches world's fastest acting insulin in Bangladesh

FROM PAGE B1

He also said 8.3 million people or 9.2 per cent of the adult population of Bangladesh have diabetes and 4 million patients have been diagnosed as of yesterday.

Some 15 million adults could have diabetes by 2045 and some $535 million was spent treating diabetes in 2019, he said.

Novo Nordisk, in partnership with Eskayef Pharmaceuticals, a leading pharmaceutical company owned by Transcom Group, has been manufacturing insulin in Bangladesh since 2012. Transcom Distribution Company distributes the insulin across the country.

Mohammad Mahbubur Rahman, head of medical and quality of Novo Nordisk; Md Tanbir Sajib, head of commercial affairs; Gazi Towhid Ahmed, public affairs manager, and Mezba Ul Gaffar, group product manager, were also present.

Onions retail at four times the import price

FROM PAGE B1

This shows how some unscrupulous traders have jacked up the prices of the essential cooking ingredient, cashing in on the supply crunch in the domestic market, according to market observers.

The crisis stemmed from the Indian ban on onion exports from September 14 and a dwindling stock of locally-grown onions.

During a visit to Khatunganj, the largest wholesale market in the country, yesterday, it was found that most of wholesalers in the port city are not selling the item in hopes that the price would go up further.

The price of onion has increased from Tk 35-40 to Tk 80-90 per kg in three days at the Khatunganj wholesale market.

Mintu Sawdagar, a wholesaler in Khatunganj, said wholesalers sell onions at the price fixed by importers and they get 2 to 3 per cent in commission.

According to Asaduzzaman, an importer and proprietor of Shah Amanat Traders, if there is a crisis in the market, then the import price does not become a big deal.

"The demand suddenly increased due to the fear of a price hike," he said, adding that the same happens when supply exceeds demand when items have to be sold at a much lower rate than they are imported at.

Around 15-20 per cent of total onion gets rotten on its way to the local market, he said.

Many traders have opened letters of credit to import onion from China, Egypt, Pakistan, the Netherlands and Myanmar in the last few days. The price would stabilise after two to three weeks when the new consignments arrive, according to importers.

They say onion price has risen by $100-120 per tonne to $460 to $480 in the international market after India banned exports.

The import price of the upcoming consignments would be Tk 41 to Tk 44 per kg. The transport cost would add another Tk 3 to Tk 7 per kg before they become available in the wholesale market, they said.

Twenty-five traders have submitted documents to import 58,000 tonnes of onion from China, Egypt, Pakistan, the Netherlands, Myanmar, Turkey, Thailand and New Zealand, according to data from the Plant Quarantine Centre at the Chattogram Port.

The onion will be arriving in the port by the beginning of October.

India on Monday prohibited exports of onion as prices trebled in a month after excessive rainfall hit crops in southern states.

Wholesale prices in India's largest onion trading hub, Lasalgaon in the western state of Maharashtra, have nearly trebled in a month to $408.52 per tonne, Reuters reported.

Bangladesh's annual onion production capacity has been steady at 17-18 lakh tonnes for the last three years but a further 11 lakh tonnes had to be imported each year during that time as well to meet the supply deficit, according to data from the Bangladesh Bureau of Statistics.

Imports declined 33 per cent year-on-year to 8 lakh tonnes in the first nine months of the ongoing fiscal year, the BBS data showed. India is the biggest supplier of onions to Bangladesh.

In September last year, India also imposed a ban on the export of onions, prompting the price of the kitchen staple to reach to as high as Tk 250 per kg in Bangladesh.

UNION CAPITAL

Chowdhury Tanzim Karim, chairman of Union Capital Ltd, presides over the company's 22nd annual general meeting yesterday through a digital platform. Chowdhury Manzoor Liaquat, CEO, was present.

Automakers in India should reduce royalty payments to foreign parents: official

REUTERS, *New Delhi*

Indian automakers should reduce royalty payments to foreign partners to bring down costs instead of seeking tax cuts, a finance ministry official said on Thursday, days after reports that Toyota would halt expansion in the country due to high taxes.

Having suffered a 50 per cent fall in passenger vehicle sales in the five months through August as a result of the coronavirus pandemic, automakers have lobbied the government to lower taxes. But on Tuesday, Toyota Motor Corp, the world's biggest carmaker, issued a statement saying it is committed to the Indian market after a senior executive at its local unit said the automaker would not scale up in the country if taxes remain high.

The Japanese automaker issued another statement earlier on Thursday saying it plans to invest more than $272 million in India over coming years. Taxes on cars sold in India are as high as 28 per cent and after additional levies can rise to up to 50 per cent for some models.

The Society of Indian Automobile Manufacturers (SIAM) has urged the government to cut the tax on cars, motorbikes and buses to 18 per cent while warning that it would take three to four years for sales to return to their peak levels of 2018.

India's tax policy on automobiles has been quite consistent for the last three decades in the form of allowing foreign investment and incentivising local manufacturing by providing reasonable protection from imports, said the finance ministry official, who did not want to be named.

Automakers in India are accustomed to the country's regulatory and taxation environment and have flourished in this regime, the official said, adding that this is evident from "the huge payouts in the form of royalty" made to their parent companies abroad.

India's commerce minister told representatives of automakers in the country that they should find ways to reduce royalty payments to foreign parent companies, Reuters reported last month.

Credit growth rises despite pandemic

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Private banks are also worried as many of their loans may turn sour because of the tough business condition, said another banker.

The central bank has set a public sector credit growth target of 44 per cent for fiscal 2020-21 and kept unchanged the private sector credit growth target at 14.8 per cent.

The advance-to-deposit ratio (ADR) of state banks stood at 60.06 per cent last fiscal year, private commercial banks 83.29 per cent, foreign banks 58.22 per cent and the two specialised state banks at 77.39 per cent.

ADR is used to assess a bank's liquidity by comparing a bank's total loans to its total deposits for the same period.

If the ratio is too high, it means that the bank may not have enough liquidity to cover any unforeseen fund requirements. Conversely, if the ratio is too low, the bank may not be earning as much as it could be, according to Investopedia.