

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
▼ 0.30%	▼ 0.30%	\$1,768.95	\$47.69	Closed	▼ 0.79%	▼ 1.75%	▼ 0.49%	BUY TK	83.95	99.42	111.04	12.57
4,866.84	8,427.06	(per ounce)	(per barrel)		26,433.62	2,805.95	3,391.76	SELL TK	84.95	103.22	114.84	13.21



Ice cream makers pass the worst year

AHSAN HABIB
The ice-cream industry was getting ready for their busiest season of the year in March. But instead of hauling in record sales, the industry witnessed its steepest lean period because of the coronavirus pandemic as people opted to stay indoors mostly.

The economy reopened in June, but the sales did not pick up much as many people still prefer avoiding the option of eating out. As winter kicks in, the industry stares at its worst year.

Already, many non-branded ice-cream producers have been compelled to shut factories. Ice cream brands are incurring losses and have so far been able to stay afloat because of strong financial backup.

"I have never seen such a bad year for the ice-cream industry in my 11 years of retailing," said ice-cream vendor Abdur Rahim, who parks his cart in front of the TSC building at the University of Dhaka every day.

His daily sales in the last

couples of years reached Tk 2,000 to Tk 2,500 on an average. Because of the pandemic, it has now dropped to Tk 400 to Tk 500.

"I sold nothing during the two-month lockdown," he said, referring to April and May when the country enforced a strict restriction on movement of people and vehicles.

His sales were affected mainly because of the presence of students and visitors on the TSC premises remains thin as the university has been closed for most of the year.

Bangladesh reported its maiden coronavirus case on March 8. As the number of cases surged, the government announced a general leave from March 26 to contain the spread of Covid-19.

Although the economy reopened from June, the government has refrained from opening educational institutions.

"I'm fond of having an ice-cream two or three days a week when I go to university. But this year, I was bound to rein in the habit as it might be a reason for me to catch the pathogen," said Tajkia Jannat, a student of the



POINTS TO NOTE

Many non-branded ice-cream producers have been compelled to shut

Sales were low since March to July

Overall sales may see a 25-30% this year

Annual sales of the industry were around Tk 1,500cr last year

university.

The third-year student said she had been confined to her house most of the time since March.

The industry usually sees the highest sales in April when temperatures soar.

But this year sales dropped from March due to the fear of the contracting the Covid-19, and this continued to July, said Ahmed Rajeeb Samdani, chairman of Golden Harvest Group, which has 15 per cent share of the market with Kwality and Bloop brands.

"This year has been the worst-ever for the ice-cream industry." As winter has already arrived, sales would fall automatically, he said.

The second wave of infections is knocking at the door. It means people would again limit going out.

3,220 taxpayers come clean, NBR gets Tk 380cr

SOHEL PARVEZ
Some 3,220 individual taxpayers have so far disclosed their undeclared properties, enabling the National Board of Revenue (NBR) to get Tk 380 crore from the amnesty it offered to holders of black money that none would be able to question the sources of income.

However, responses from owners of undisclosed income regarding investing in stock markets remain lukewarm as only 138 taxpayers declared investing their undisclosed money into securities such as stock, mutual fund, bond and debentures.

The NBR fetched Tk 19 crore from stock investors who availed the benefit of showing undeclared incomes on payment of 10 per cent tax on the invested amount, a development that apparently shows that the condition of a one-year lock-in of the invested amount discourages many.

"We expect that collection will increase as more people are likely to declare their moveable and immovable properties to take the opportunity to legalise their incomes without facing any question," said a senior official of the NBR seeking to remain unnamed.

The government gave the scope to legalise undisclosed incomes without question in its bid to generate an increased amount of revenue as the pandemic-induced economic slowdown affected tax collection.

Until last fiscal year, taxpayers could declare their undisclosed incomes as per income tax rule. However, very few would show interest to take the opportunity as other state agencies could ask the sources

of such incomes.

Against the backdrop, the NBR brought the new provision in the law that none would raise the question about the sources of income.

Under the new provision, individual taxpayers will be able to disclose any undisclosed properties, including land, buildings and flats, by paying a specific amount of tax per square metre depending on the location of the properties.

Taxpayers will also be able to show their undisclosed cash, bank deposits, savings certificates, shares, bonds or any other securities in their income tax returns by paying 10 per cent tax on the amount—much lower than the highest rate at 25 per cent for individual taxpayers.

The NBR offered the benefit to the holders of black money for one year, from July 1, 2020, to June 30, 2021.

The NBR official said queries from tax consultants increased in recent times for clarification related to disclosure of undeclared income in tax returns.

And the extension of the deadline for submission of income tax returns for one more month is likely to give a further impetus to the holders of undeclared money, the official added.

Over the years, the government has allowed legalising black money. However, responses remain lukewarm.

In fiscals 2007-08 and 2008-09, Tk 9,682.99 crore was legalised during the regime of the army-backed caretaker government, which was the highest in the country's history, the NBR data showed.

In the previous two governments of the Awami League, Tk 1,805 crore and Tk 4,856 crore were legalised respectively.

DHL Express to invest Tk 250cr to expand operations

MAHMUDUL HASAN
DHL Express, the world's leading express mail service provider, will invest Tk 250 crore to build a new facility for incoming and outgoing shipments in Bangladesh to cater to the growing demand for logistics services.

The deal is a part of the company's investment plan for the Asia Pacific region, which is worth about \$900 million.

From 2020 to 2022, DHL Express Asia Pacific spent close to \$830 million on infrastructure development across key markets in the region to increase the capacity and efficiency of its operations.

Around \$72 million was also committed to boosting the company's air network with new aircraft and routes.

The investment comes at a time when the airline industry has taken a big hit due to the decreased demand for passenger flights amid the ongoing coronavirus pandemic.

However, the air cargo sector remains comparatively unharmed by the Covid-19 fallout.

With this investment, DHL Express Bangladesh will establish the new facility.

The facility, which is expected to open in March, 2022, will bring about a 35 per cent increase in the company's shipment processing capacity.

"The facility will not only increase our current capacity, but also provide the

scope for further expansion," Md Miarul Haque, managing director of DHL Express Bangladesh, told The Daily Star yesterday.

"As we have always been optimistic about the business outlook of Bangladesh, we generally invest ahead of the curve so that we are better prepared to support the country's economic growth," he added.

The managing director also said that DHL became the global leader in its sector by investing in and implementing new technologies for greater efficiency.

The new state-of-the-art facility will accommodate the country's increasing volume of shipments, which is a result of organic economic growth, industry diversification and cross border e-commerce development, according to Haque.

The modern facility, which is located in the Kuril Bishwa road area in Dhaka, will meet global standards and all other security, efficiency and productivity requirements by minimising the errors which often occur at cramped facilities. The new addition will take the number of DHL service centres in the country to six, which are spread between Dhaka and Chattogram.

The express mail service company picks up shipments from a sender's doorstep before processing it at a service centre. This includes a thorough scanning with an explosive detection system that meets EU security standards.

Default loans fall slightly for relaxed rules

AKM ZAMIR UDDIN
Defaulted loans in the banking sector went down slightly in the third quarter this year thanks to the moratorium on bank loan payments provided by the central bank.

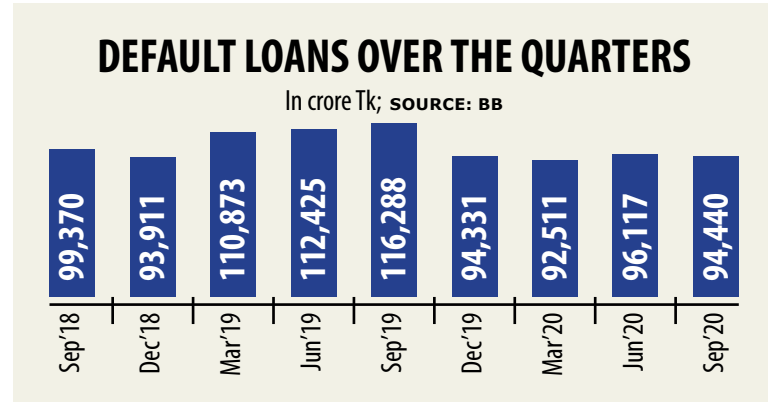
Non-performing loans (NPLs) stood at Tk 94,440 crore as of September, down 1.74 per cent from three months earlier and 18.73 per cent year-on-year, data from the Bangladesh Bank showed.

But experts and bankers termed the reduction in the NPLs "meaningless" as it occurred due to the central bank's instruction to lenders not to classify any loans until December this year.

The moratorium on bank loan payments was introduced in the middle of March after the coronavirus pandemic arrived on the shores of the country and started hammering economic activities.

The support was initially expected to last until the end of June. Later it was extended up to December as the health crisis showed no signs of abating.

The ratio of defaulted loans stood at 8.88 per cent of the total outstanding loans of Tk 10,63,626 crore in the banking sector as of September.



The ratio was 9.16 per cent in June this year and 11.99 per cent in September last year.

The ratio of the NPLs declined as banks are disbursing loans by using the stimulus packages initiated both by the government and the central bank.

"Banks are now able to recover loans to some extent despite the economic hardship, helping bring down their defaulted loans slightly," said MA Halim Chowdhury, managing director of Pubali Bank.

The actual picture of defaulted loans would be apparent in the middle of the next year when the moratorium facility will not be available, he said.

The NPLs declined massively in the final quarter of last year on the back of another regulatory forbearance of the central bank.

For instance, defaulted loans stood at Tk 116,288 crore as of September last year, but the figure nosedived to Tk 94,331 crore at the end of the year.

The central bank had allowed banks to reschedule their defaulted loans by accepting a down payment of only 2 per cent of the outstanding amount instead of the existing 20-50 per cent.

Banks rescheduled defaulted loans of more than Tk 50,000 crore under the relaxed facility.

The ongoing moratorium facility has had a big impact on the reduction of the NPLs this year.

NPLs in September

NPLs declined **1.74pc** quarter-on-quarter

Ratio of default loans stood at **8.88pc**

More than **50pc** NPLs held by nine state-run banks

Delinquent loans in private banks stood at **Tk 45,037cr**

What experts say

Reduction in defaulted loans is meaningless

Moratorium helps arrest the upward trend of toxic loans

NPLs may decrease further this quarter

Banks to face challenges once moratorium is lifted

Banks should disburse funds cautiously to avert potential crisis

Olympic to invest Tk 42cr to expand biscuit production

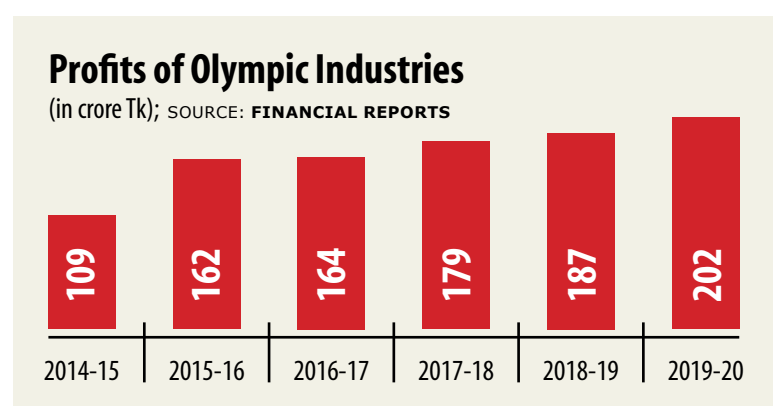
AHSAN HABIB
Olympic Industries, a listed manufacturer and retailer of consumer goods, is set to enhance its biscuit production capacity by more than 10 per cent.

The maker of popular brands such as Energy Plus, Tip and Nutty will invest around Tk 42 crore to expand its annual production capacity by 12,442 tonnes, the company said in a disclosure on the Dhaka Stock Exchange (DSE) website.

The stock of the company closed 1.21 per cent higher at Tk 175.60 yesterday.

At present, the company can produce 117,214 tonnes of baked goods per annum.

To enhance its production capacity, Olympic will import a new 1.80-metre-wide cracker and hard biscuit line, complete with ancillary and packing machinery,



flour and sugar handling systems and a gas generator.

The new line will produce the same biscuits that are being made by the company's existing facilities, said Md Nazimuddin, company secretary of Olympic Industries.

"With the new machinery, which will be brought from Italy, China, Hong Kong and India, production will increase to a great extent," he added.

The local biscuit industry has been growing by about 15 per cent annually, indicating that there is enormous potential in this market.

So, Olympic is looking to grab the opportunity with this new investment, which has attracted investors to the company's stocks as well, according to stock investor Khorshed Alam.

"We expect that it will continue to provide higher dividends since the pandemic has created an opportunity for the bakery industry," he added.

Olympic's overall sales between April and September stood at Tk 859.3 crore, up 19.7 per cent year-on-year.

The company had announced 52 per cent cash dividends for the year that ended on June 30.

With a market share of around 23 per cent, the leading biscuit maker logged profits of Tk 202.5 crore in the 2019-20 financial year, up 8.2 per cent from that in the year before.

Danish project looks to raise productivity in garment factories

STAR BUSINESS REPORT
The Ahsanullah University of Science and Technology (AUST) and the University of Southern Denmark yesterday rolled out a project in Bangladesh to train factory workers and mid-level managers as part of efforts to help the garment industry raise productivity.

The Danish government will finance the "Network to Integrate Productivity and Occupational Safety and Health Improvement (NIPOSH)" project, which will be implemented in collaboration with the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

"The launch of this very initiative is the first stepping stone to our pledges to the industry to move it from a basic producer to a mature manufacturer and a strategic partner of global apparel brands," said BGMEA President Rubana Huq during the virtual inauguration of the project.

"The improvement in productivity is important to be more competitive in the global apparel business," she said.

Each participating factory will be

charged \$200 a year for implementing the project through training up workers, mid-level and top managers, said Mohammad Monowar Hossain, senior deputy secretary of the BGMEA.

The factory will have to apply to participate, and the BGMEA will select 30 factories. Once the project comes to an end, the association will run it with the same module, he said. The project will begin from January 1.

Sarwar Morshed, a professor on industrial and production engineering at the AUST and the project leader, said the outcome of the piloting in more than 50 factories was very strong.

"Initially, 15 per cent improvement in productivity is possible easily, and it can be elevated up to 30 per cent by the adoption of lean manufacturing and OSH programme," he said.

Peter Hasle, a professor on global sustainable production at the University of Southern Denmark, said in the garment industry, there are some challenges that impacted the value chain.