

# 40pc ice cream non-branded

Officials of Igloo say during Ice Cream Day event

STAR BUSINESS REPORT

Nearly 40 percent of the ice cream sold in Bangladesh every year are the non-branded ones, which is a matter of great concern for public health, GM Kamrul Hasan, group CEO of Igloo, said yesterday.

People consume around 50 million litres of branded and 30 million litres of non-branded ice creams every year in Bangladesh and Igloo holds 42 percent market share in the branded category, he said.

Hasan shared the info at the opening of a two-day event at its factory at Kadamtali in Dhaka to celebrate Ice Cream Day.

Igloo has organised the event for the first time in Bangladesh to celebrate the day which became official 35 years ago when US President Ronald Reagan declared the third Sunday of July as the National Ice Cream Day in America.

During the launch of the event, the officials of Igloo Ice Cream—a concern of Abdul Monem Group Ltd—also took journalists from print and electronic media to a tour to its Kadamtali factory.

Igloo also plans to organise several programmes in different educational institutions and corporate houses to communicate with the consumers.

Igloo has been serving its consumers for over 50 years and it has become the best ice cream brand in Bangladesh, Hasan said at the launch event.

"We have maintained high standards for our products from ingredients collection to production to all the way through the supply chain."

Hasan said they want to remain the best brand by satisfying the consumers with the best quality products.

"We now offer at least 86 types of ice creams. No other ice cream company in the whole world



Maj (retd) Khairul Basher, executive director of Igloo ice cream's parent company Abdul Monem; GM Kamrul Hasan, group CEO of Igloo ice cream, milk and food; Surayya Siddiqua, Igloo ice cream's head of marketing, and Sumit Chakraborty, senior manager brand, cut a cake at the sweet treat factory in the capital's Kadamtali yesterday announcing to celebrate "Ice Cream Day" today.

has such a huge variety." Igloo won the Best Brand Award 2018 in ice cream category given by Bangladesh Brand Forum.

Major (Retd) NU Md Khairul Basher, executive director of Abdul Monem Ltd; Mazidul

Hoq, national sales manager of Igloo Ice Cream; Surayya Siddiqua, head of marketing at Igloo Ice Cream, and Ikram ul Hossain, factory head of the Igloo Ice Cream unit, also attended the launch event.

# US Steel to lay off 2,500 workers in Slovakia

AFP, Bratislava

The United States Steel Corporation said Friday it would cut around a fifth of its workforce in Slovakia over by the next two years due to competition from cheap steel imports from outside the European Union.

The company also faulted EU environmental regulations that have driven up the cost of power used to run the massive plant.

The layoff will affect some 2,500 of the nearly 12,000 workers at the Kosice plant located in Slovakia's poorer east struggling with high unemployment.

The steel mill ranks among the largest employers in the eurozone country of 5.4 million people focused primarily on car production.

By the "end of 2021 we will reduce the number of employees working at U.S. Steel Kosice and its subsidiaries by 2,500 employees," company president James Bruno said in a statement.

"We must act to protect our business and

remain competitive," he added.

A month ago, management decided to idle one of the plant's blast furnaces and reduce the working week to four days to save on costs. Slovak government officials were not available for immediate comment.

U.S. Steel pointed to "higher electrical costs" and "CO2 credit costs that have risen five times in the past year" as significant factors in its decision to shed employees, according to a separate statement published on the company website. EU industries using power generated from coal have faced rising costs to purchase pollution rights under the bloc's Emissions Trading System.

"Steel plants in Europe face substantial CO2 allowances costs, which our competitors from third countries massively exporting steel to Europe don't have to bear at all," the statement said. In May, the European Steel Association (EUROFER) called for urgent action by EU policymakers to help the sector facing a flood of cheap steel exports deflected to the EU because of the US imposition of steel import tariffs in 2018.

# Govt to set up firm to fund startups

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Two years back the government created a fund of about Tk 800 crore to nurture innovative ideas on education, agriculture, health, financial services, e-commerce, e-Governance and some other service sectors under the iDEA project.

"We are trying to create a culture of tech companies here and that's why we are

taking the lead. If we can produce just one world-leading startup it would be good enough for us," Palak added.

A few hundred applications have been received since Startup Bangladesh has been formed as a project in 2016 and some has been shortlisted for funding. Once due diligence and some other formalities have been completed they will get their funding.

# BB bent on 9-6pc interest rates

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Now, the central bank has decided to crack its whip on the banks. The issue will be discussed again today at the quarterly meeting of all banks' managing directors at the central bank headquarters.

But economists and bankers said the BB's demand will deteriorate the sector's financial health.

This time the liquidity crunch in the banking sector is more intense than last year, said Ahsan H Mansur, executive director of Policy Research Institute.

As of April, the excess liquidity in the banking sector stood at Tk 66,760 crore, down 12.60 percent from December last year and 8.23 percent a year earlier, according to data from the central bank.

"The whole banking sector will go up in flames if the central bank tries to set the rates artificially."

Depositors will shy away from banks if they get returns as low as six percent, he said. Instead, many will park their funds with the capital market or the real estate and some may even turn to money laundering.

Already, savers are opting for government savings tools because of their higher yield in comparison to banks' deposit products, he said.

The interest rate of the national savings instrument ranges from 11.04 percent to 11.76 percent while banks offer a maximum of 7-8.50 percent.

In June, the interest rates on both lending and deposit of 31 banks exceeded the 9-6 percent bounds, according to data from the central bank.

Some 12 banks failed to offer the 9 percent interest rate on lending, while four banks offered more than 6 percent interest for deposits.

Banks will hardly bother to follow the central bank instruction as interest rates are determined by demand and supply, said a managing director of a bank wishing not to be identified.

"There is no scope to disburse loans at 9

percent if banks fail to mobilise deposits at six percent."

He went on to goad the central bank to issue a blanket, watertight instruction to all banks to follow the 9-6 percent interest rates instead of sending warning letters.

"But the central bank will not do it because it will go against the open market policy. So, the instruction is absurd."

Asked why lenders would not follow the 9-6 interest rates despite giving their word to the government, he said, "The directors do not run banks -- they are not aware of the problems we have to face every day to run the bank."

The finance ministry had earlier said the state-run corporations would keep their deposits with banks at six percent rate but no one has done so, he said.

Besides, the ministry also decided to deposit 50 percent of the government agencies' funds with private banks, up from 25 percent previously.

But only a few lenders with strong links with the government have managed the facility, he added.

"We want to lower the interest rate on lending to 9 percent but that totally depends on the rate at which we manage to attract deposits," said Syed Mahbubur Rahman, chairman of the Association of Bankers, Bangladesh, a platform of the private banks' managing directors.

The government agencies and corporate entities will have to be forced to keep their deposits at six percent.

"Only then will the lending rate be in single digits," said Rahman, also the managing director of Dhaka Bank.

Salehuddin Ahmed, a former governor of the central bank, echoed the same.

"The 9-6 percent interest rates cannot be implemented by dictating. Only a sound corporate governance in the banking sector can ensure the desired rates."

The high volume of default loans has pushed the lending rates up, he said, adding that the operational costs also should be reduced.

# Asia Gold: Consumers cash in on price rally, some switch to silver

REUTERS, Mumbai/Bengaluru

Consumers in leading Asian hubs continued to sell off physical gold this week, with some switching their holdings to silver, after a jump in prices that also attracted interest from investors betting further gains.

Global benchmark spot gold surpassed \$1,450 an ounce for the first time in more than six years on Friday.

"Demand has been muted, with most people selling off gold to take profit," said Brian Lan, managing director at Singapore dealer GoldSilver Central.

However, with many people looking to rebalance their portfolio "gold is the asset to be in this year", he added.

In top consumer China gold was sold at a premium of \$10-\$11 per ounce over the benchmark, little changed from last week's \$10-\$13 range.

"Investment buying has picked up somewhat," said Samson Li, a Hong Kong-based precious metals analyst with Refinitiv GFMS, adding that prices would have to hold near current levels for longer to trigger more interest.

In Hong Kong, gold was sold at a premium of \$0.50-\$1.20 an ounce, compared with a discount of 30 cents to a \$1.20 premium last week. In Singapore, premiums of \$0.40-\$0.60 were charged, compared with \$0.60-\$1 previously.

"There is renewed interest to enter the market and to buy more gold. This trend can be seen in Hong Kong, Singapore and the UK," said Joshua Rotbart, managing partner at J. Rotbart & Co in Hong Kong.

"Scrap continues to be available



A saleswoman displays a gold necklace inside a jewellery showroom in Kolkata, India.

for refiners in relatively large quantities."

The steep rally in gold is prompting some to switch to relatively cheaper silver, traders said.

"In a way, the gold train has left the station, but silver is yet to leave," said Vincent Tie, sales manager at Silver Bullion.

In Japan, gold was sold at a \$0.25 discount, having been at benchmark parity last week, a Tokyo-based trader said.

In India, the world's second-biggest gold consumer, dealers were forced to offer the highest discounts since August 2016, at about \$33 over official domestic prices. This compared with \$20 discounts last week.

"For the past few weeks, demand has been very weak. Jewellers have enough stocks and they don't want to buy at record levels," said Chanda Venkatesh, managing director of CapsGold, a bullion merchant in the southern city of Hyderabad.

India recently raised import duties on gold and other precious metals to 12.5 percent from 10 percent.

Gold futures hit a record of 35,409 rupees per 10 grams on Friday.

"Price rises in the world market and a duty hike by the government is prompting a few people to book profits," said one Mumbai-based dealer with a private bullion-importing bank. "They're selling old stocks instead of buying."

# Youngsters use tech for real-life problems

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Each team will be awarded Tk 4 lakh in prize money. Besides, Dell will present a high configuration laptop to each member of the winning teams.

Shahriar Hoque, associate director of the technology division of Brac, said more than 50 percent of Bangladesh's population are youths and many of them are students or enthusiasts of technology.

"We want to tell them that all of you need not go abroad to design chips. You don't have to be basement programmers. There are many social problems in Bangladesh and if you go out to the fields, you will be able to develop tech-based solutions to these problems."

Bracathon is a platform designed to encourage and engage young technology students and professionals of Bangladesh in solving problems associated with social issues such as financial inclusion, healthcare and education.

This is the third round of the event after Brac organised the inaugural one in 2016.

# India to touch renewable energy capacity by 2024: govt

REUTERS, New Delhi

India expects to achieve a renewable energy capacity target of 260 gigawatt (GW) by 2024, a government official said on Friday, as the country sees rapid growth in renewable capacity backed by government orders, private equity and pension fund investments.

India's renewable power capacity soared by almost 150 percent in the last five years to 77.6 GW, while the government set a target of 175 GW by 2022.

India is also formulating a policy to build a 30 GW local capacity for manufacturing solar cells and modules by 2024, Anand Kumar, secretary to the ministry of new and renewable energy, said.

# Pharma exports soar 26pc

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According to his estimates the market size of the sector is about Tk 22,000 crore.

In 2012, the local market size stood at about Tk 9,390. In 2017, it stood at Tk 18,755.6 crore, according to IMS Health Care Report.

Karim also emphasised on upgrading technology and infrastructure to boost exports and enter regulated markets.

In 2015, the US Food and Drug Administration gave approval to Square Pharmaceuticals and Beximco Pharmaceuticals after inspecting the oral solid dosage facilities of the two companies.

Bangladesh has made commendable progress in pharma sector over the years through policy support from the government, skilled workforce, cost competitiveness, modern infrastructure and cGMP compliance, said Rabbur Reza, chief operating officer at Beximco Pharmaceuticals. The export potential for differentiated products -- such as metered dose inhaler, dry powder inhaler, sterile ophthalmic, injectable -- is high in key emerging and developed markets due to less competition, he added.

# Future uncertain for PLFS staff

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They have also been barred from transferring their moveable and immovable assets as well.

The NBF's problems came to the surface in 2013-14, when some of its directors made off with Tk 570 crore by way of submitting fake documents, according to a central bank inspection report.

Later, the central bank removed four directors from its board in 2015 and a group of new faces joined.

# American Airlines-Qantas joint venture wins final US approval

REUTERS, Washington

The US Department of Transportation (DOT) on Friday granted American Airlines (AA) and Qantas Airways Ltd final approval to operate a joint venture after a prior effort was rejected in 2016.

The department last month had issued an order tentatively approving the agreement and granting antitrust immunity to the airlines covering international service.

U.S. Transportation Secretary Elaine Chao announced the approval on Friday afternoon, noting it was the first completed review of an airline joint venture proposal during the Trump administration.

Reuters was the first to report on the planned announcement earlier on Friday.

An application for a joint venture covering the United States, Australia and New Zealand was rejected in November 2016 by former President Barack Obama's DOT. It tentatively concluded after a 17-month review that the venture "would reduce competition and consumer choice."

The deal will allow the airlines to coordinate planning, pricing, sales and frequent flyer programs, with new options

and customer service improvements. The two OneWorld alliance carriers are planning up to three new routes within the first two years as well as increased capacity on existing routes, the department has said.

American Airlines did not immediately comment on Friday, but Chief Executive Doug Parker said last month the joint venture would also create new jobs in the airlines and industries.

In June, JetBlue Airways Corp told the DOT that it took no position on the alliance, but said it would "substantially reduce competition in relevant markets and concentrate a huge level of market share and power in the hands of immunized alliances."

It also said the three major global airline alliances - OneWorld, SkyTeam and StarAlliance - will control 86% of the U.S.-Australia market. U.S. regulators in 2001 approved similar joint venture agreements for United Airlines and Air New Zealand Ltd, and in 2011 for Delta Air Lines Inc and Virgin Australia. The U.S. DOT is, however, requiring American and Qantas to perform a self-assessment of the venture's impact on competition seven years after it takes effect and report their findings to the government.