

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
As on Wednesday								As on Wednesday			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 1.78%	▲ 1.83%	\$1,776.27	\$76.38	▼ 0.31%	▼ 0.29%	▼ 0.2%	▼ 0.07%	83.95	98.84	115.38	12.76
6,150.48	10,695.22	(per ounce)	(per barrel)	52,318.60	28,707.04	3,124.19	3,588.78	BUY TK	102.64	119.18	13.41
								SELL TK			

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Star BUSINESS

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Banks log higher than expected profits despite slowdown

AKM ZAMIR UDDIN

Banks in Bangladesh posted a hefty operating profit in the first half of 2021 despite the business slowdown caused by the coronavirus pandemic, data of 20 lenders showed.

The lower interest rate on deposits and the moderate lending rate helped banks register the higher operating profit in the January-June period, bankers said.

Lenders also managed a good profit from their investment in the capital market as the bourses performed well during the period.

The foreign exchange business also made a turnaround, and banks received good commissions and fees from the sharp rise in exports and imports.

A number of officials of the Bangladesh Bank, however, said that some banks might have shown their incomes from credits even if they did not get any instalment on the loans in the first half of the year.

The BB earlier allowed banks to grant deferral supports to clients in the first quarter, meaning that borrowers had not turned defaulters despite failing to repay the loan.

In such a situation, banks might have shown unrealised interest as incomes, inflating profits, said a BB official.

Islami Bank Bangladesh posted the highest profit amounting to Tk 1,020 crore in the first half in contrast to Tk 1,007 crore during

OPERATING PROFIT OF BANKS

In crore taka

BANK	FIRST HALF-2020	FIRST HALF-2021	BANK	FIRST HALF-2020	FIRST HALF-2021
Islami	1,007	1,020	Dhaka	263	310
DBBL	417	504	Al-Arafah	305	310
Pubali	401	503	Jamuna	262	301
Bank Asia	351	484	Premier	186	301
Southeast	342	472	Shahjalal	247	280
Eastern	372	450	Social Islami	175	227
Mercantile	243	358	NRBC	91	150
EXIM	317	340	Modhumoti	124	127
NCC	290	328	South Bangla	70	80
IFIC	159	321	Meghna	12	70

SOURCE: RESPECTIVE BANKS

the same period a year ago.

The profit in Dutch-Bangla Bank stood at Tk 504 crore, up 21 per cent year-on-year.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said that both interest rates on loans and deposits declined sharply in the first six months due to the business slowdown.

But, the interest rate on savings fell faster than that of the lending rate, allowing lenders to make a higher profit.

Many banks now mobilise deposits by giving 3-4 per cent in interest, whereas they offer loans at 7-8 per cent.

The interest rate spread, the gap between lending and deposit

rates, stood at 3.26 percentage points in May in contrast to 2.94 percentage points a year ago, data from the central bank showed.

Rahman said the profit earned by the banks was much higher than expected, given the declining trend of the private sector credit growth.

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BANGABANDHU INDUSTRIAL AWARD

23 firms picked for accolades

STAR BUSINESS REPORT

The government, for the first time, is going to honour 23 small, medium and large companies with the "Bangabandhu Sheikh Mujib Industrial Award" for their contribution to industrialisation, job creation, product diversification and innovation.

The industries ministry will award the firms in seven categories, including large, medium and hi-tech, to encourage innovation and investment.

Outstanding entrepreneurs in the micro, small, cottage and handicrafts industries will also be recognised, according to a notification issued by the industries ministry on June 27.

"We want to honour the industrialists in September this year," said Industries Secretary Zakia Sultana.

The ministry announced the names of the awardees more than one and a half years after it introduced the Bangabandhu Sheikh Mujib Industrial Award 2019 with a goal to recognise entrepreneurs for their efforts, creativity and innovation.

Sultana said activities related to the award got delayed because of the outbreak of Covid-19.

Businesses have been selected through scrutiny by a high-level committee headed by the industries minister, she added.

The move to recognise industrialists comes as the manufacturing sector's contribution to the economy is growing steadily.

The manufacturing sector posted double-digit growth in the last several years and now accounts for one-fourth of the country's gross domestic product, data from the Bangladesh Bureau of Statistics showed.

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INTRODUCING NEW
HOTLINE NUMBER 16704

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16704

Microsoft gets VAT registration

STAR BUSINESS REPORT

Microsoft, the introducer of the most widely used operating system Windows, yesterday got value added tax (VAT) registration from the National Board of Revenue (NBR), a development that would enable the revenue authority to get the tech company under its monitoring.

Microsoft is the fourth tech giant after Google, Facebook and Amazon that got registration from the VAT Commissionerate Dhaka South in the last two months.

Microsoft Regional Sales Pte Ltd, Singapore registered for a business identification number (BIN) on behalf of the leading American tech company, said SM Humayun Kabir, commissioner of VAT Commissionerate Dhaka South.

"We will now get returns from these tech companies and do auditing after the companies get registration," he said.

Kabir said the NBR was getting revenue as banks used to deduct VAT during payments to these companies by clients

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Workers having to walk home, left, following their shift in Chattogram Export Processing Zone yesterday. Others, right, jostle for space seeking a ride to factories at Baipail in the Ashulia industrial belt. Most factories did not arrange transport for workers in spite of being asked by the government to do so from the first day of a weeklong lockdown.



RAJIB RAIHAN AND AKLAKUR RAHMAN AKASH

Many apparel workers walk to work

Strict lockdown deepens transport crisis

REFAYET ULLAH MIRDHA, AKLAKUR RAHMAN AKASH and MOHAMMAD SUMAN

Many garment workers faced trouble yesterday as they walked to their workplaces in absence of public transport and for not having any transport arranged by the factories on the first day of a week-long strict countrywide lockdown.

The government recently imposed a lockdown across the country to contain the spread of Covid-19, including restrictions on public transport and movement.

However, industries and factories have been kept open with their managements instructed to follow health guidelines.

Garment workers at Savar and Ashulia industrial area have faced immense sufferings on their way to and back from factories due to the transport crisis, said our Savar correspondent.

Some of them also alleged that they had to face police harassment on their way to work in the morning.

Nizam Uddin a sewing operator of a garment factory at Dhour area in Savar, said they started coming to their factory from Ashulia at around 7:30am with some 90 workers. But the police stopped their rented car at Beribandh area in Dhaka and did not allow them to go forward in the car.

So the workers went to their factory

from Beriband area on foot. It took 20 minutes to go to the factory on foot from Beribandh area where the police stopped their car. Nizam Uddin said his factory did not arrange its own transportation for the workers.

However, police assured them that they will allow cars from the next days, Nizam Uddin told The Daily Star over the phone.

Rupali Aktar, another worker at Jamgora area, said she waited nearly one hour at the area but did not get any vehicle. "Finally I reached my factory on foot as the factory authority did not arrange transport for us," Rupali Aktar said.

"The factories have been kept open but

many owners did not arrange transports for the workers," said Nazma Akter, president of the Sammilito Garment Sramik Federation, a workers' platform.

As a result, many workers had to start walking from very early in the morning to go to their workplaces as there is a fear of the loss of jobs and attendance allowance for being absent for the day, Akter told The Daily Star over the phone.

Akter, who also sent a letter to the secretary of the labour ministry on Wednesday, demanded factories arrange their own transports for ferrying workers between their homes and workplaces.

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Kamal seeks additional assistance from ADB

REJAUU KARIM BYRON and MAHMUDUL HASAN

Just a day after parliament passed the budget, Finance Minister AHM Mustafa Kamal yesterday sought an additional assistance from Asian Development Bank (ADB) as the government looks to use a record amount in foreign aid in fiscal 2021-22.

The development came about when as Kamal virtually met Shixin Chen, the vice president for operations 1 of the ADB.

"Additional support has been sought to address the economic challenges posed by the pandemic and to continue development activities," a finance ministry official told The Daily Star.

The official said the ADB informed the government of its financial plan for a calendar year and for 2021 it has a plan to provide Bangladesh \$3.5 billion.

"Loan agreements for \$1.2 billion have already been signed," he said, adding, "The assistance Bangladesh sought in the meeting is beyond the ADB's calendar year-based plan."

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Online shopping: save money and time

MD ABU TALHA SARKER

Faria Binte Zaman Momo ordered a dress online in 2015 and this was first time she bought anything from digital shops.

Her experience was not a happy one because the item that was delivered at her doorstep was not identical to the image that was on display on the site.

At that time, young people, especially college and university students, would mostly jump at the eye-catching discounts offered by online retailers. Unfortunately, there were not many good brands with an online presence.

With the growing e-commerce landscape in Bangladesh in the last few years, Momo has gained experience.

"Now, I don't face any problems when I shop online because I buy from renowned brands," said the microbiology student at a private university in Dhaka.

In fact, e-commerce has become a boon for the busy people who can't manage time, for the homemakers who struggle to get out of houses because there is none to take care of children, for the educated elders and physically disabled who can't step out at their will, shop and bring them home, and for the millions who live in the hinterland.



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RedDot brings Tk 15cr private equity fund

STAR BUSINESS REPORT

RedDot Digital has unveiled a private equity fund worth Tk 15 crore called 'R-Ventures' to promote digital entrepreneurship in Bangladesh, according to a press release from the company issued yesterday.

The fund, a wholly-owned subsidiary of Robi Axiata, will work as an alternative investment fund registered under the Bangladesh Securities and Exchange Commission (BSEC).

With this move, the total number of venture capital and alternative investment funds available in the country stands at seven.

"The initiative to form the R-Ventures Alternative Investment Fund to support young

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Mango farmers' hopes shattered

Prices plunge as strict lockdown begins

ANWAR ALI, Rajshahi

With over 50 per cent of mangoes yet to be harvested, the nationwide lockdown beginning yesterday has upended the normal marketing system, upsetting the already disappointed farmers of Rajshahi region.

Mango prices that were already low over the prevailing lockdown in Rajshahi region dwindled further after the nationwide lockdown, the farmers said.

The mango variety Fazli has appeared in local markets early this week and started selling at Tk 25 per kilogramme against prices of around Tk 40 per kilogramme during the lockdown last year. Fazli prices went down to Tk 17 per kilogramme yesterday.

Quality mango varieties like Himsagar, Khirsapat and Langra that are still available, are selling better yet at lower than normal prices.

Green mangoes of these varieties that sold at above Tk 60 per kilogramme a few days ago went down to Tk 55 per kilogramme. Ripe ones that were sold at Tk 37 per kilogramme two days ago went down to Tk 32 per kilogramme.

At normal times, these varieties would have sold at Tk 80 per kilogramme and above during the end of season, the farmers said.

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Consignments of mangoes that were sent to different parts of the country by farmers and traders remained unsold.

PHOTO: STAR/FILE