



Fridge manufacturers, retailers hopeful of sales growth



JAGARAN CHAKMA

Refrigerator retailers and manufacturers are anticipating a third consecutive dull sales season due to the ongoing coronavirus pandemic.

The lead up to Eid-ul-Azha is usually the peak season for refrigerator sales as many people need to buy personal cold storage solutions to preserve the meat of their sacrificial animals.

As such, retailers come up with various offers such as discounts, cashback and prizes to attract

customers but it could be all for naught amid the current crisis.

Around 22 lakh fridges were sold in 2018 while it was 14 lakh in 2014, registering an annual average growth of about 25 per cent, according to market players.

However, sales took a hit in 2019 because of flash floods and dengue fever while 2020 was dull due to the advent of Covid-19, they said.

Major players of the local home appliance market are: Walton Group, Transcom Digital, Rangs Electronics,

Rangs Toshiba, Singer Bangladesh, Best Electronics, MyOne Electronics, Jamuna Electronics, Pran RFL (Vision), Esquire Electronics, Electra International, and Super Star Group.

Popular foreign brands available in the country include Samsung, LG, General, Sharp, and Whirlpool.

Saikat Azad, assistant general manager for marketing at Transcom Digital, which retails appliances of the Whirlpool, Hitachi, Transtec and Samsung brands, said they are not very optimistic about Eid sales this year due

to the pandemic-induced economic downturn.

Still though, they are hopeful about sales on the eve of Eid, when chest freezers are the most sought after.

Besides, the company will offer 15 to 20 per cent discounts and cashback from next week in an attempt to draw more customers.

Customers can also avail a further 5 to 7 per cent discount if they use credit cards to pay for the product in 12 equal monthly installments without interest.

"Although Eid is in the third week of July, the demand has already increased because of rising temperatures," said Raziur Rahman, senior manager of marketing communications at Singer Bangladesh.

Some people buy their freezers well ahead of the Eid festival while others prefer to upgrade their older units with a superior model.

"Historically, refrigerator sales skyrocket as Eid nears, so despite the current challenges, we hope to enjoy a similar experience this year," Rahman added.

Walton Group currently has about 200 models of various cold storage solutions in the market, according to Anisur Rahman Mollick, chief executive officer of the company's refrigerator division.

Walton recently unveiled 27 new models of freezers on the occasion of Eid-ul-Azha, the country's second largest religious festival.

They also released another 50 models with updated designs and features.

The company occupies 70 per cent of the domestic refrigerator market with an existing production capacity of around 35 lakh units per year.

With a price range of between Tk 10,000 to Tk 90,000, Walton's

refrigerators are 100 per cent locally made, including the spare parts and compressor.

Their products include inverter technology, IoT-based smart control, a wide range of modes, elegant designs, smart diagnosis, and stabilizer free operation.

They are also less noise polluting, affordable, maintain global standards, and can be bought on easy installment facilities.

Regarding other benefits at the consumer's end, Mollick said they could get a Tk 10 lakh cash prize under the 'Eid Mega Festival' being conducted through 'Digital Campaign Season-11'.

Besides, customers could exchange their old refrigerators for any brand new Walton freezer.

But despite all these measures, Mollick remains slightly anxious about sales.

"Sales are dull so it might be the same as last year," said Manzurul Karim, general manager of Esquire Electronics, the sole authorised distributor of Japanese brands General and Sharp.

The recent spike in coronavirus infections is taking place amid the peak sales season and so, business could again be hampered this year.

"Sales at more than 15 frontier districts that have high infection rates are completely nil," he added.

Karim went on to say that even most distributors are suffering from the same problem while high operating costs amid low sales will make it difficult to pay Eid bonuses.

The industry will not be able to achieve its annual sales target as this year's tally cannot cross the previous scale of 22 lakh units.

So, market players are not very optimistic this year, he said.

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Offers galore for electronics purchases



SUKANTA HALDER

Home appliance retailers have come up with numerous offers to lure in customers ahead of Eid-ul-Azha, the biggest sales season for electronics in Bangladesh.

Many families purchase home appliances such as refrigerators, washing machines and numerous other products with their festival bonuses. To attract these buyers, retailers often roll out promotional campaigns that include cashback offers, discounts, two-for-one deals and so on.

Many families purchase home appliances such as refrigerators, washing machines and numerous other products with their festival bonuses. To attract these buyers, retailers often roll out promotional campaigns that include cashback offers, discounts, two-for-one deals and so on.

Some even provide customers with the scope to exchange their old products for a significant discount on new ones.

"We are giving special discounts and facilities for old fridges and air conditioners so that customers can get new ones easily," said Augustin Sujan

Barai, additional director of the creative and publications department at Walton Group.

When buying a new Walton air conditioner, buyers can get as much as 25 per cent off on their purchase by handing in an old unit.

Apart from the exchange offer, Walton, the biggest electronics manufacturer in the country, is offering a Tk 10 lakh cash prize as a part of its 'Eid Mega Festival'.

Similarly, Fair Group, which assembles home appliances of global electronics giant Samsung, will give as much as Tk 1 lakh as cashback to customers that buy a 55-inch QLED television set.

The company has also unveiled a buy one, get one offer for 55-inch & 75-inch UHD television sets.

In case of refrigerators, it plans to provide up to Tk 40,000 cash back, said Mohammed Mesbah Uddin, chief marketing officer of Fair Group.

According to various electronics retailers, nearly one-fifth of their annual sales come from the Eid-ul-Azha period as people spend a major portion of their earnings at the time in search of convenience.

Saikat Azad, assistant general manager of marketing at Transcom Digital, said the Eid-ul-Azha festival is the biggest sales season for home and kitchen appliances.

As such, Transcom has a number of

offers on the table as well.

"We are giving a lot of discounts and offers for both online and offline customers," he said, adding that online purchases would come with free delivery and installation.

Raziur Rahman, senior manager of marketing communication and head of department at Singer Bangladesh, said 45 buyers of refrigerators have already received 100 per cent discounts against their purchases as of June 26.

"This means they got their products absolutely free of cost," he

said, adding that the company plans to provide a full discount for 500 refrigerators in total.

Each buyer is eligible for a 100 per cent discount on refrigerators, including chest freezers, as well as the chance to win those products for free.

Customers can also avail a discount of up to Tk 15,000 by exchanging a used refrigerator while purchasing a side-by-side freezer model, Rahman said.

ASM Muntashir Chowdhury, head of products and marketing at Butterfly Group, which manufacturers certain

electronics of the LG and Hisense brands, said if anyone buys a Eco Plus, Hisense or LG product for a minimum of Tk 5,000, the buyer could win up to 100 per cent cashback or a free air conditioner, fridge or television.

Electronics retailers such as Electro Mart and Esquire Electronics have also come up with offers.

Nurul Afser, deputy managing director of Electro Mart, said the current nationwide strict lockdown would affect sales ahead of Eid.

Following an unprecedented rise in coronavirus infections across the country, the government decided to impose a nationwide hard lockdown from yesterday.

However, Afser said his company will try to make up their sales online.

"But the feedback does not seem to be coming very well since only small products are sold online in Bangladesh. Still though, our call center will be open for people who want to buy products," he added.

Kamruzzaman Kamal, director of marketing at Pran-RFL Group, suggested that buyers should follow the rules of warranty cards so that they can claim the warranty if needed.

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High-end home appliance sales enjoy healthy growth

A result of increased purchasing power, changing tastes and fashion among citizens



AHSAN HABIB

The demand for premium brand refrigerators, televisions, air conditioners, and other home appliances has soared each year despite increasing prices thanks to the unique features offered by such products.

With people becoming more health and fashion conscious by the day, they now prefer quality, modern products, according to market players.

Besides, the rising purchasing power of middle class people is also behind the growing demand as the sales of high

priced home appliances has increased by more than 20 per cent annually.

However, most of these sales come from urban areas, not the country's rural regions.

"The price of a product depends on many things, such as the use of modern technology to improve quality," said Saikat Azad, marketing manager of Transcom Electronics.

The company retails the home appliances of foreign brands such as Whirlpool, Hitachi, Transtec, and Samsung.

Azad went on to say that premium

brand refrigerators have increased prices since they feature inverter technology.

"But this technology helps the user cut costs on energy use as well," he added.

A fridge's freezing quality is also considered when deciding its price range.

For example, high-end refrigerators have a non-frost facility that preserves the food without freezing it solid. This way, the food's texture remains the same and is easier to cook.

As a part of these measures to help preserve food for longer, premium brand freezers have advanced filter technology that prevents bacteria from causing rot while moisture levels are maintained to keep vegetables fresh for up to 14 days.

"People once did not realise the importance of a good refrigerator but since things have changed, the sale of high-end freezers has grown by over 20 per cent or even 40 per cent annually in some cases," Azad said.

Transcom locally assembles the products of foreign brands so that these products can be provided at lower prices, he added.

Manzurul Karim, general manager of Esquire Electronics, which retails the refrigerators of Japanese brand Sharp, echoed the same.

"As peoples' incomes are rising, many of them prefer world-class products," he said.

All premium brand refrigerators have unique features which ultimately influence people to buy them as they help preserve the real taste, moisture and smell of products for a certain period of time.

"Our bacterial killing technology has the ability to thwart Covid-19 in 93 per cent of the cases," he added.

Performance, durability, quality and unique features are the main reasons behind the high price of global brands, according to ASM Muntasar Chowdhury, head of products and marketing at Butterfly Group.

"We follow the value for money approach, which means value addition leads to increased prices and if it costs more now, it will give more productivity

"Our high priced refrigerator and air conditioner sales have risen by more than 25 per cent every year," said Anisur Rahman Mallik, chief executive officer of Walton Group's refrigerator division.

"Meanwhile, the growth rate for high priced washing machine and television sales is much higher," he added.

There are many reasons other than increased purchasing power behind the

To help preserve food for longer, premium brand freezers have advanced filter technology that prevents bacteria from causing rot while moisture levels are maintained to keep vegetables fresh for up to 14 days.

in the future," he said.

Chowdhury gave an example of two new features in an LG refrigerator, where you can see the unit's contents by knocking twice on the door.

In addition, its door-in-door facility allows users to collect their desired bottles of water or the like without having to open the full door.

These two features help save electricity and show how value addition increases prices but is ultimately cost-effective in the long-run, he said.

Similarly, Singer Bangladesh says that its side-by-side refrigerators that boast sleek designs are able to rapidly cool stored food, which is ideal for preserving flavour as well as nutritional value.

The company retails side-by-side refrigerators with capacities ranging from 436 litres to 521 litres. Singer is the sole local distributor for the EU's top home appliance brand, Beko.

rising demand.

For example, fashion choices, lifestyle changes, attractive payment facilities, and the use of modern technology all play a part.

"The demand for all high priced home appliances has risen by over 20 per cent on average each year due to their premium quality," said Nurul Afser, deputy managing director of Electro Mart.

The company's top selling products are Gree air conditioners.

People once wanted these products at cheap prices but things are different now since they have more purchasing power.

They want to upgrade their status by using better appliances for convenience while rising environmental and health consciousness have also influenced sales.

"The demand for these products is higher in the cities than in rural areas," Afser added.

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SINGER Side by Side No-Frost Refrigerators	beko Side by Side Refrigerators	SINGER No Frost Refrigerators	beko No Frost Refrigerators																						
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SUPPLEMENT DESK

The economy of Bangladesh is fast-growing. The World Bank projects our GDP to grow at 3.6 percent in the fiscal year 2020-21, while Asian Development Bank expects the growth to be 5.5 to six percent. During such a boom, people in both urban and rural areas are experiencing higher levels of disposable income. With the vision of Digital Bangladesh still going strong, it's no surprise that a large part of the population is spending their extra earnings on new technology that can

help make their everyday lives easier.

The advent of the COVID-19 pandemic has further pushed us towards digitisation, even at the consumer level. According to a study conducted by the High Commission of India on the "Electronics sector of Bangladesh", there is estimated to be a 3.61 percent growth in the consumer electronics market by this year. The growth is projected to increase to 4.15 percent in 2022.

As the country has shifted to school, university, and work online, the demand for laptops and

computers has risen significantly. While some opted for budget laptops to adapt to the changing world, other consumers upgraded their laptops and PC setup to ensure efficient learning and working environments within their homes. 35-year-old Ahsan has bought not only an upgraded laptop but new accessories, such as a more ergonomic mouse, higher-quality webcam, and comfortable headphones to ensure an optimum experience working from home.

Ahsan's cousin, Payel, a fourth-year university student, saved up to buy

a tablet to take down digital notes during her online classes. The tablet is also a medium for reading her electronic textbooks. Academic needs aside, she uses the tablet for digital art, which has become both a hobby and professional activity for many people in the country.

Maintaining social distancing during the pandemic has led to some households forgoing house help and dividing household chores between family members. Many have switched to better technology to make this transition easier. For example, Ahsan's household is planning on buying a washing machine in the next month to avoid spending copious amounts of time handwashing and manually drying clothes. Another frequent purchase has been vacuum cleaners, and smart floor mops since keeping floors clean is always a mammoth task.

While COVID-19 safety measures have limited the forms of entertainment available to us, many have found newer ways to spend quality leisure time. More people in Bangladesh have been using streaming services such as YouTube and Netflix since access to the internet and volume of internet usage have both increased. Many

have bought smart TVs to access these services more efficiently. With more downtime, younger consumers are also purchasing video game consoles to have a digital channel for spending time with friends through multiplayer formats.

Many people have taken up new hobbies during the pandemic. One that stands out globally is cooking. Although restaurant food delivery services are still open, many have tried to recreate the dishes at home. Cooking high-quality food at home has become much simpler because of the easy access to kitchen appliances such as food mixers, microwave ovens, blenders, toasters, etc. Some people missing the taste of lattes from their favourite cafes are even buying espresso machines for their homes. Thankfully, the time to clean up after making a mess of pots, plates, and cutlery has been cut short, with more households buying portable dishwashers.

While the digital divide between the urban and rural population still exists, people in rural areas are also slowly transitioning to using more devices and appliances. During Eid, people usually spend their bonuses to buy appliances such as refrigerators and televisions. With schools being closed in rural areas, many households have purchased affordable smartphones for their children to continue education. As more villages and rural regions gain internet access, we will see a more significant rise in the use of electronic devices.

Despite the challenges faced by our people attempting to adapt to the changes prompted by the pandemic, it is clear that the push towards digitalisation has done more good than harm. The rise in digital literacy will help the country and its people learn the necessary skills to compete with the rest of the world. Adopting more advanced appliances within households will also help us reach new heights in our standard of living.

Maintaining social distancing during the pandemic has led to some households forgoing house help and dividing household chores between family members. Many have switched to better technology to make this transition easier.

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Jaldhaka, Nilphamari

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Md. Majedul Islam
Father: Md. Roschidul Islam
Utar Chemaga, Jaldhaka, Nilphamari

Buying Fridge
From M/S. Araf Traders
Goelonda Meer, Rajbari

NOW I AM MILLIONAIRE

Mr. Hanif Sardar
Father: Bakkar Sardar
Kajarna, Baharpur, Rajbari

Buying Fridge
From Walton Plaza, Banli Bazar
Araihazar, Narayanganj

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Father: Md. Jalal Uddin Mia
Giro, Doyra, Arahazar, Narayanganj

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STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Wednesday			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.95%	▲ 0.68%	\$1,786.79 (per ounce)	\$76.17 (per barrel)	▲ 0.32%	▲ 0.27%	▲ 0.15%	▼ 1.95%	BUY TK 83.95	98.84	115.38	12.76
6,150.48	10,695.22			52,484.67	28,783.28	3,128.95	3,518.76	SELL TK 84.95	102.64	119.18	13.41



Star BUSINESS

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A new way of manipulating stocks

Vested group places heavy buy orders to entice unsuspecting investors, and sells shares once they are in

AHSAN HABIB

On June 23, buy orders were placed in the early hours of the trading day at the Dhaka Stock Exchange (DSE) to purchase around seven crore shares of Malek Spinning. The targeted scrips accounted for about 80 per cent of the total tradable securities of the company.

Seeing such a high demand for the share, general investors were reluctant to sell because any sensible person would take that as a signal that the price is going to go up.

So, as expected, they held the shares and tried to buy more, sending the stock higher.

On the day, buyers were ready to offer a 10 per cent higher price at Tk 31.6 compared to the previous day's last trading price. Ten per cent is the maximum limit a stock is allowed to go either up or down in a single day at the premier bourse.

Malek Spinning's stocks started sliding just after two days and declined to Tk 29 on June 29. Although the price fell, no heavy buy order was placed again, surprisingly.

Actually, this was the latest ploy of the manipulators to draw unsuspecting investors into the game.

As a part of the strategy, a vested group quotes to purchase a large volume of

STOCK PRICES OF FIRMS THAT GOT ABNORMAL BUYING ORDERS	
In the last two months	
Malek Spinning: 157%	▲
NRBC Bank: 235%	▲
Fortune Shoes: 152%	▲
Delta Life Insurance: 99%	▲

SOURCE: DSE

shares. When general investors see the elevated demand, they begin to buy even at higher prices.

And the group, who bought shares earlier at lower prices, swings into action and starts dumping their holdings. Soon, the investors who have bought the shares at higher prices witness their funds get stuck as prices decline. Malek Spinning was not the lone target of the vested group.

On May 23, buy orders for one crore shares of NRB Commercial Bank were placed. The buyers wanted to purchase them at Tk 28.4 against the previous day's closing price of Tk 25.9.

On the day, the total sale order was only for 18,600 shares, and the highest expected price was Tk 28.2. A day earlier, orders were placed to buy 64.45 lakh shares.

The same happened to the stocks of Delta Life Insurance, Beach Hatchery, Fortune Shoes, and Genex Infosys at the DSE in recent days.

Do away with unnecessary regulations

Mannan urges Bida

STAR BUSINESS REPORT

Planning Minister MA Mannan has urged the Bangladesh Investment Development Authority (Bida) and all other concerned government bodies to do away with unnecessary rules that are not investment-friendly.

The minister was speaking as chief guest at a webinar on "Attracting Foreign Investment in Bangladesh and Branding Bangladesh", jointly organised by Bida and the Better Bangladesh Foundation (BBF) on Saturday. There are currently various rules in place that could discourage investment.

"You (Bida) know about the unnecessary rules and so do I, and since we both know, let's push it out, clean it. Let's keep fewer rules so that business can be done faster," Mannan said.

He also urged the authorities concerned to make a level playing field for everyone to do business.

"The ease of doing business is a subject in which we are not scoring very high. So, we have to work on that," he added.

The Federation of Bangladesh Chambers of Commerce & Industries (FBCCI), Bangladesh Garment Manufacturers and Exporters Association (BGMEA), and BBF could work together to stand between the government and investors.



RAJIB RAIHAN

Prime movers form a queue outside an inland container depot in Chattogram, awaiting the scope to unload goods meant for export on vessels in the neighbouring port. An acute shortage of containers globally and delays in getting space in vessels over the past couple of weeks have led to unprecedented hold-ups for Bangladesh's exports. The photo was taken outside the depot of Esack Brothers Industries yesterday.

Tk 68cr project to amp up agarwood exports

SUKANTA HALDER and MD ABU TALHA SARKER

The government has undertaken a project of about Tk 68 crore to increase the production of high quality agarwood and generate more revenue through its export.

The Ministry of Environment, Forest and Climate Change initiated the project titled "Innovation of Agar Resin Collection Technology at High Quality in Whole Trees", recognising agarwood and its essential oil as being some of the most expensive raw materials in the world.

The Executive Committee of the National Economic Council (Nec) on June 22 this year approved the project, which would be implemented by the Bangladesh Forest Research Institute (BFRI).

According to the BFRI, the international market for agarwood is currently worth about \$12 billion. Only 35 per cent of the demand can be met. And the bulk of it comes from natural forests.

Bangladesh exported some Tk 275 crore-worth of agarwood in fiscal 2018-19 and of Tk 169 crore the following year.

Oil, lentil, sugar on OMS from today

STAR BUSINESS REPORT

Soybean oil, lentils and sugar will be made available from today at Open Market Sale trucks of the Trading Corporation of Bangladesh (TCB) to aid low-income people during the lockdown and ahead of Eid-ul-Azha.

The state-owned TCB in a notification yesterday said soybean oil would cost Tk 100 per litre, lentils Tk 55 per kilogramme (kg) and sugar Tk 55 per kg.

Each customer will be allowed to buy 2 to 4 kg of sugar, 2 kg of lentils and 2 to 5 litres of soybean oil at a time.

The sale would be run in every divisional city, district and upazila through its 450 trucks.

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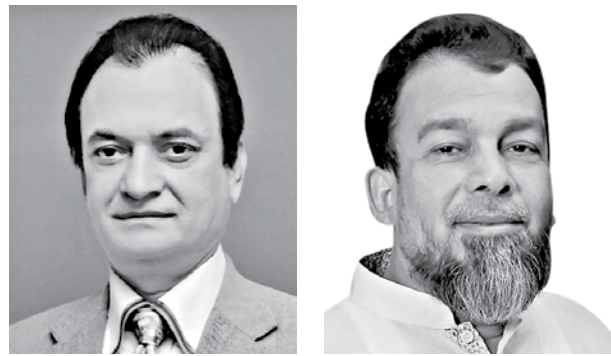
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ASM Feroz Alam Md Abdul Hannan

Mercantile Bank gets new vice chairmen

STAR BUSINESS DESK

Mercantile Bank has recently witnessed the appointment of two new vice chairmen at its Board of Directors.

The appointees, ASM Feroz Alam and Md Abdul Hannan, were previously sponsor directors, says a press release.

Alam is the managing director of Bengal Trading (Tokyo) while Hannan chairman of Debstar Associates and Murad Apparels.



Kazi Akram Uddin Ahmed, chairman of Standard Bank's Board of Directors, virtually presided over its 344th board meeting recently. Vice Chairman Ashok Kumar Saha, Managing Director and CEO Khondoker Rashed Maqsood, Additional Managing Director Md Touhidul Alam Khan, Deputy Managing Director Mohammad Rafiqul Islam, and acting company secretary Md Ali Reza attended the meeting.

Biden orders probe of latest ransomware attack

REUTERS, Central Lake, Michigan

President Joe Biden said on Saturday he has directed US intelligence agencies to investigate who was behind a sophisticated ransomware attack that hit hundreds of American businesses and led to suspicions of Russian gang involvement.

Security firm Huntress Labs said on Friday it believed the Russia-linked REvil ransomware gang was to blame for the latest ransomware outbreak.

Last month, the FBI blamed the same group for paralyzing meat packer JBS SA.

Biden, on a visit to Michigan to promote his vaccination program, was asked about the hack while shopping for pies at a cherry orchard market.

Biden said "we're not certain" who is behind the attack. "The initial thinking was it was not the Russian government but we're not sure yet," he said.

Biden said he had directed US intelligence agencies to investigate, and the United States will respond if they determine Russia is to blame.

During a summit in Geneva on June 16, Biden urged Russian President Vladimir Putin to crack down on cyber hackers emanating from Russia, and warned of consequences if such ransomware attacks continued to proliferate.

LankaBangla gets data security certification

STAR BUSINESS DESK

LankaBangla Finance has recently received a Payment Card Industry Data Security Standard (PCI DSS) certification for adopting and applying mandatory control systems.

Bangladesh Bank made it mandatory to ensure effectiveness, efficiency, confidentiality and integrity of overall credit card business operations, says a press release.

"Security for payment cards is an essential part of our business and we take this obligation seriously... Processes are now better aligned than before to the organisation's strategy and purpose," said Khwaja Shahriar, managing director and CEO of LankaBangla Finance.

The PCI DSS is a payment card security standard for organisations handling branded cards from the major card schemes. The PCI Standard is mandated by the card brands.

Correction

In a report with the headline "Banks shut for 4 days" published on B1 on July 1, we inadvertently mentioned that bank holidays are observed on July 1 and January 1. Actually, July 1 and December 31 are bank holidays, meaning no banking transactions take place on those days. We regret the error.

Investors eye high-dividend stocks as Treasury yields languish

REUTERS, New York

Expectations that Treasury yields may stay tame in the second half of the year are pushing some investors to take a second look at companies whose dividend payouts beat those offered on US government bonds.

The ProShares S&P Dividend Aristocrats ETF - a measure of companies that have increased their dividends annually for the last 25 years or more - is up 14.3 per cent this year, compared to a 15.8 per cent rise for the benchmark S&P 500.

Some investors believe these stocks may be a good bet in coming months, however, as a more hawkish tone from the Federal Reserve and signs of peaking growth dent expectations that Treasury yields will resume a surge that began in the first quarter but has more recently died down.

The S&P Dividend Aristocrats index pays a dividend yield of 2.15 per cent, while the 10-year Treasury pays a dividend yield of 1.48 per cent. The S&P 500 Dividend Aristocrats ETF remains about 4 per cent below its May peak.

"Increasingly, the market will focus on companies with the potential for growing payouts and rising current returns," said Bob Leininger, portfolio manager at Gabelli Funds. Overall, dividend payouts in the S&P 500 will grow by 6 per cent this year and next, well above the 0.8 per cent growth rate implied by current valuations, according to estimates from Goldman Sachs.

Of the 57 companies that decreased or suspended their dividends in 2020, 22 have resumed or increased their dividends and another 19 will likely increase their dividends by the end of the year, the firm estimates.

Financial companies will likely lead the way for dividend increases after the Federal Reserve relaxed limitations on

payouts and buy-backs, noted Mark Haefele, chief investment officer at UBS Global Wealth Management.

Firms including Goldman Sachs Group, Morgan Stanley, JPMorgan Chase and Bank of America said on June 28 they were hiking their payouts after they passed the Fed's stress tests, which evaluate how companies would fare in a significant economic downturn.

Overall, the total buy-back and dividend payouts from financial companies will likely top \$130 billion, according to analyst estimates.

Leininger said that he is starting to target companies such as brewer Molson Coors Beverage Co, which suspended its dividend last year but said in April that it expects to reinstate it by the end of 2021.

Shares of the company are up nearly

19 per cent for the year to date.

Dividend-paying stocks trade at below 18 times forward earnings, a small discount relative to their historical median - increasing their allure in a market where valuations are elevated compared to historical levels, said Katie Nixon, chief investment officer for wealth management Northern Trust.

"We anticipate that dividends will increase at a rate above inflation over the next several years, offering investors the opportunity to generate their own cash flow in a yield-starved world," she said.

Investors may get a deeper glimpse at the Federal Reserve's views on inflation when the minutes from its most recent meeting are released Wednesday, while the ISM reading of service industry activity is set to be released on Tuesday.

The index hit a record high in May as the economy recovery accelerated.

Dividend-paying stocks look to be in a sweet spot, offering stable payouts that are expected to increase if the economic rebound continues, said Burns McKinney of NFI Investment Group.

McKinney is looking at companies that suspended or cut their dividends during the widespread economic lockdowns last year and will likely increase them this year.

"You've got a number of companies that are going to keep up with inflation and you're going to get rewarded in the meantime" through rising dividend payouts, he said. This includes companies such as industrial firm Honeywell International Inc and technology firm Broadcom Inc as well as the S&P 500 energy sector, he said.



A Wall Street sign is pictured outside the New York Stock Exchange in New York.

REUTERS/FILE

Tunisia hopes Libya stability could bring economic relief

AFP, Ben Guerdane

After years of war in Libya, Tunisian traders celebrated the reopening of the border with their oil-rich North African neighbour as a positive sign they hoped would stimulate economic growth.

In the hardscrabble Tunisian coastal town of Ben Guerdane, some 30 kilometres (18 miles) from Libya's frontier, merchant Jaafar Ben Ali said it was a big relief.

"Now that the war (in Libya) is over, and that the borders are open, it is much easier," said Ben Ali, who crosses to Libya to buy Turkish-made blankets.

"I do a round-trip in a day. Tunisia's economy has lurched from crisis to crisis since the country's 2011 revolution, most recently due to the coronavirus pandemic and lockdown measures.

But it was also hit by the impact of war next door in Libya, where a decade of conflict raged ever since the 2011 uprising that killed dictator Moamer Kadhaafi.

One United Nations study estimated the Libyan crisis was "responsible for 24 per cent of the deceleration of economic growth" in Tunisia from 2011-2015.

That was equivalent to a loss of \$880 million per year, or two per cent of Tunisia's GDP, the UN said.

The town of Ben Guerdane, in Tunisia's under-developed and impoverished southeastern region, felt the impact harder than most.

For years, Tunisian authorities had turned a blind eye to smuggling, partly because of the dire economic situation in the border region.

But in 2016, after a jihadist attack claimed by a Libyan branch of the Islamic State group, Tunisia imposed stricter controls, sparking protests.

EU to propose aviation fuel tax in green policy push

REUTERS, Brussels

The European Commission has drafted plans to set an EU-wide minimum tax rate for polluting aviation fuels, as it seeks to meet more ambitious targets to fight climate change, a document seen by Reuters shows.

The European Commission is drafting an overhaul of EU energy taxation, as part of a package of measures it will propose on July 14, to meet a target to reduce EU greenhouse gas emissions by 55 per cent by 2030, from 1990 levels. A draft of the Commission's tax proposal takes aim at aviation, which escapes EU fuel taxes.

That exemption "is not coherent with the present climate challenges and policies," the document said, adding that EU tax rules promote fossil fuels over green energy sources and need rewriting to support the bloc's climate goals.

The proposal would impose an EU-wide minimum level of tax on energy products supplied as aircraft fuel for flights within the EU.

From 2023, the minimum tax rate for aviation fuel would start at zero and

increase gradually over a 10-year period, until the full rate is imposed. The draft proposal did not specify what the final rate would be.

Sustainable fuels, including renewable hydrogen and advanced biofuels, would not face minimum EU taxes during that 10-year period. The Commission declined to comment on the draft proposal, which could change before publication.

Introducing the proposals could be politically difficult. Changes to EU tax rates require unanimous approval from the 27 EU countries, meaning a single state could veto them. EU countries are responsible for setting national taxes, although Brussels can set bloc-wide minimum rates.

The levies would be based on a fuel's energy content and environmental performance, meaning polluting fuels would become pricier.

The aim is to encourage airlines to start switching to sustainable fuels, such as e-kerosene, to curb greenhouse gas emissions. Uptake of such fuels has been hampered by high costs, and they make up less than 1 per cent of Europe's jet fuel consumption.



An aeroplane flies underneath the jet stream of another aircraft above the Italian city of Padua.

REUTERS/FILE

European vacation: car rentals complicated and expensive

AFP, Paris

After long months of lockdowns and curfews Europeans are looking forward to jetting off for a bit of sun and sand -- only to find that their dream vacation risks turning into a nightmare as no rental cars are available.

In many areas popular with tourists cars are simply not available or subcompact are going for a stiff 500 euros (\$600 per week). Car rental comparison websites show just how expensive renting a vehicle has become for tourists this summer.

According to Carigami, renting a car for a week this summer will set tourists back an average of 364 euros compared to 277 euros two years ago.

For Italy, the figure is 407 euros this summer compared to 250 euros in 2019.

In Spain, the average cost has jumped to 263 euros from 185 euros. According to another website, Liliglo, daily rental costs have nearly doubled on the French island of Corsica.

At the resort city of Palma on the Spanish island of Mallorca, rental prices have nearly tripled.

Today's problem is a direct result of the coronavirus pandemic.

Faced with near absence of clients, selling off vehicles to raise cash made a lot of sense for car rental firms struggling to survive.

"Everyone drastically reduced their fleet," said the head of Europcar, Caroline Parot. Until the spring, most companies

still had fleets roughly a third smaller than in 2019, she said.

Car rental firms are used to regularly selling their vehicles and replacing them, so rebuilding their inventory should not have been a problem.

Except the pandemic sent demand for consumer electronics surging, creating a shortage of semiconductors, or chips, that are used not only in computers but increasingly in cars.

"A key contributor to the challenge right now is the global chip shortage, which has impacted new vehicle availability across the industry at a time when demand is already high," said a spokesman for

Enterprise.

It said it was working to acquire new vehicles but that in the meantime it is shifting cars around in order to better meet demand.

"We've begun to warn people: if you want to come to Italy, which is finally reopening, plan and reserve ahead," said the head of the association of Italian car rental firms, Massimiliano Archiapatti.

He said they were working hard to meet the surge in demand at vacation spots.

"But we've got two big islands that are major international tourism destinations," he said, which makes it difficult to move cars around, especially as the trip to

Sardinia takes half a day.

"The ferries are already full with people bringing their cars," he added.

"Given the law of supply and demand, there is a risk it will impact on prices," Archiapatti said. The increase in demand is also being seen for rentals between individuals.

GetAround, a web platform that organises such rentals, said it has seen "a sharp increase in searches and rentals" in European markets.

Since May more than 90 per cent of cars available on the platform have been rented on weekends, and many have already been booked for much of the summer.

GetAround has used the surge in demand to expand the number of cities it serves. For some, their arrival can't come fast enough.

Bruno Riondet, a 51-year-old aeronautics technician, rents cars to attend matches of his favourite British football club, Brighton.

"Before, to rent a car I was paying between 25 and 30 euros per day.

Today, it's more than 90 euros, that's three times more expensive," he said. In the United States, where prices shot higher during the spring, tourists visiting Hawaii turned to renting vans.

In France, there are still cars, according to Jean-Philippe Doyen, who handles shared mobility at the National Council of Automobile Professionals.

"Clients have a tendency to reserve at the last minute, even more so in the still somewhat uncertain situation," he said.



Long wait at car rental counters is something that many vacationers in Europe may face this summer.

AFP/FILE

Progress on Covid and economy under Biden, but disunion haunts US

REUTERS

Most US adults are vaccinated but Covid-19 cases are rising. The economy is accelerating but inflation looms. Bipartisan cooperation has improved but political rancor is high.

More than five months into Joe Biden's presidency, the United States has changed in multiple ways, with a healthier business outlook and a pandemic - at least in many parts of the country - increasingly under control.

But as the world's largest economy celebrates its 245th birthday on July 4, the Independence Day holiday will not be the full celebration that Biden had hoped, or promised.

A White House goal of vaccinating 70 per cent of adults against Covid-19 with at least one shot will not be met, and legislation to repair the nation's infrastructure is still far from arriving on Biden's desk.

Biden will celebrate with a 1,000-person party on the White House lawn and fireworks over the National Mall.

Historians said he, and the country, have a reason to do so.

"Compare where we are versus a year ago economically, in terms of public health, in terms of national psyche, it is almost like living in a different country," said presidential historian Michael Beschloss.

He said Biden had to walk a careful line between celebrating the progress made on the pandemic and declaring: Mission Accomplished.

"If Biden had been too hasty in declaring the pandemic over, which he has not, it would be difficult to ask Americans for future sacrifices and it would also make Democrats politically vulnerable next year if the pandemic in some way recurs," Beschloss said.

Trouble may loom ahead, though. The US government said on Thursday that daily coronavirus cases rose in the past week, driven by increases in the Midwest and Southeast where vaccination rates are low and the highly contagious Delta variant, first found in India, is spreading.

"We are celebrating, as a country, at the same time as we recognize the fact that we're in a serious situation for those who have not been vaccinated," said infectious disease expert Dr

Anthony Fauci.

"And the message is: Get vaccinated."

In a sign of economic progress, the Labor Department said on Friday that US companies hired the most workers in 10 months in June.

But the economy is far from back to normal, with 7 million fewer jobs than it had in February 2020, before the pandemic.

Meanwhile some businesses are having trouble hiring the employees they need, as workers struggling with childcare or worried about illness choose to stay home.

Vanderbilt University historian Thomas Alan Schwartz noted the country's challenges had changed since the tumultuous tenure of former President Donald Trump.

"Our problems are really different now," he said. "I think Joe Biden's America is a calmer, gentler place."

Demonstrations over racial disparities have fallen after massive unrest in 2020 over the death of George Floyd, a Black man, and the white police officer charged with murdering him was sentenced to 22-and-a-half years in prison.

Biden commemorated the 1921 massacre of Black Americans in Tulsa, Oklahoma, last month and signed a bill into law making June 19 a federal holiday commemorating the emancipation of the enslaved.

At the same time, threats from home grown extremism, particularly white supremacists, are on the rise, Biden's Justice Department has said.

And a Republican-led fight against "critical race theory" has turned the teaching of American history into a new political battleground.

Despite Biden's pledge to get Republicans and Democrats in Congress to work together - and massive popular support - legislation on infrastructure, police reform, and gun safety still has not crossed his desk.

The January 6 storming of the Capitol by Trump supporters, during which five people died including a Capitol Police officer, remains an open wound.

House of Representatives Republican leader Kevin McCarthy has criticized members of his party who cooperate with a committee set up by Democratic Speaker Nancy Pelosi to investigate the insurrection.

Still, McCarthy attended a White House event on Friday to honor the Los Angeles Dodgers baseball team, the 2020 World Series winners. Baseball is the quintessential American pastime.



US President Joe Biden holds up a jersey given to him during a ceremony honouring the members of the 2020 World Series Champion Los Angeles Dodgers in the East Room at the White House in Washington, US on July 2.

Britain's Morrisons agrees \$8.7b takeover by Fortress-led group

REUTERS, London

Morrisons has agreed to a takeover led by SoftBank owned Fortress Investment Group that values Britain's fourth-largest supermarket chain at 6.3 billion pounds (\$8.7 billion) and tops a rival offer from a US private equity firm.

The offer from Fortress, along with Canada Pension Plan Investment Board and Koch Real Estate Investments, exceeds a 5.52 billion pound unsolicited proposal from Clayton, Dubilier & Rice (CD&R), which Morrisons rejected on June 19.

However, it was less than the 6.5 billion pounds asked for by top 10 Morrisons investor JO Hambro last week.

Shareholders will get to vote on the Fortress offer, which gives the supermarket chain an enterprise value of 9.5 billion pounds once its net debt of 3.2 billion is taken into account.

Under British takeover rules CD&R has until July 17 to come back with a firm offer. CD&R declined to comment. Analysts have also speculated that other private equity groups and Amazon, which has a partnership deal with Morrisons, could enter the fray in a potential bidding war.

The Fortress deal underlines the growing

appetite from private funds for British supermarket chains, which are seen as attractive because of their cash generation and freehold assets.

"We have looked very carefully at Fortress' approach, their plans for the business and their overall suitability as an owner of a unique British food-maker and shopkeeper with over 110,000 colleagues and an important role in British food production and farming," said Morrisons Chairman Andrew Higginson.

"It's clear to us that Fortress has a full understanding and appreciation of the fundamental character of Morrisons."

Fortress, an independently-operated subsidiary of Japan's SoftBank Group Corp, is a global investment manager with about \$53 billion in assets under management as of March. It purchased British wine seller Majestic Wine in 2019.

"We are committed to being good stewards of Morrisons to best serve its stakeholder groups, and the wider British public, for the long term," said managing partner Joshua A Pack.

But Britain's opposition Labour Party called for close scrutiny from the government.



A Morrisons store is pictured in St Albans in London, England.

Do away with unnecessary regulations

FROM PAGE B1

Highlighting the government's efforts to attract more foreign direct investment (FDI), the planning minister said everyone agrees that this year's national budget was made business-friendly.

"So, what else should we do? Open up, liberalise and cut down unnecessary rules and regulations," Mannan added.

Japan's Ambassador to Bangladesh Naoki Ito said more than 300 Japanese companies are now operating in the country. The number of Japanese companies in Bangladesh has tripled in the last 10 years.

Japan is the largest Asian export market for Bangladesh with shipments amounting to about \$1.3 billion. So, Japanese companies are ready to expand their business here even despite the difficulties presented by the ongoing Covid-19 pandemic.

"We see three important factors to increase business and facilitate trade and investment -- further development of infrastructure, better investment climate and workforce development, particularly of young people," Ito said.

He went on to say that Bangladesh's infrastructure would change drastically in the next five years and Japan is fortunate to be a part of this journey through its involvement in numerous development projects, such as the Matarbari deep seaport and Dhaka metro rail.

Mentioning that the country's investment climate has improved, Ito said

some issues still remain, such as delays in customs clearing, securing letters of credit, and certain restrictions.

So unless a solution to these issues is found, they will further hinder the flow of investment for Bangladesh.

"Since we are working on the construction of Araihaaz special economic zone, the success in Araihaaz is very very crucial for future partnerships between Japan and Bangladesh," he said.

"I do hope that at the end of the day, Araihaaz will have hundreds of companies and at least \$1 billion in investment. But we need a better business environment as well as investment incentives," the Japanese ambassador added.

While speaking about future investment prospects in Bangladesh, Ito said they recently announced a \$25 million investment in the local garment sector, including the Ishwardi Export Processing Zone.

Besides, Mitsubishi Corporation is considering the possibility of investing in the local automobile manufacturing sector.

"I do hope that Mitsubishi will make the investment decision soon," he added.

Sirazul Islam, executive chairman of Bida; Md Jashim Uddin, president of FBCCI; Faruque Hassan, president of BGMEA, and Ghulam M Alomgir, chairman of Max Group and director of FBCCI, also spoke at the programme.

Masud A Khan, chairman and founder of BBE, moderated the event.

Dhaka Bank rides on tech to make retail, SME banking vibrant

FROM PAGE B4

Huq said the bank had never adopted any aggressive strategy to make quick bucks in its history.

"We have always concentrated on quality growth. We always try to provide financial services to clients in line with global standards. As a result, we have been able to avoid any major financial anomalies."

The noted banker also touched upon the macroeconomic situation of Bangladesh, saying the major indicators were now in good shape despite the pandemic.

Higher export earnings and robust growth in remittances have assisted the government in tackling the economic uncertainty comfortably. The ballooning

of foreign exchange reserves has given a breathing space.

According to Huq, both Bangladesh Bank and the country's lenders should continue supporting SMEs as the economy would not return to its higher growth trajectory if the sector did not make a turnaround.

Excess liquidity has become a burden for banks owing to lower credit growth for the time being. But the private sector would absorb the additional funds in the coming months as many businesses plan to expand their footprint.

"On top of that, the global economy is gradually recovering from the slowdown, and the revival will have a positive impact on our economy," he said.

Oil, lentil, sugar on OMS from today

FROM PAGE B1

Besides, every truck will carry 500 to 800 kgs of sugar, 300 to 600 kgs of lentils and 800 to 1,200 litres of soybean oil, according to the notification.

The move comes at a time when people, mostly from the low-income groups, are struggling to afford daily essential commodities due to the economic fallouts of the Covid-19 pandemic.

This is especially the case of the daily wage-earners who have been passing

miserable days amidst the soaring prices of almost every essential commodity in the local market as they are unable to go out to find work during the ongoing shutdown.

In retail markets, bottled soybean oil is being sold at Tk 149 per litre, lentils being sold at Tk 110 and Tk 120 per kg and sugar Tk 72 and Tk 78 per kg.

In the notification, the TCB said the OMS programme would continue till July 29, except for the Eid holidays.

Tk 68cr project to amp up agarwood exports

FROM PAGE B1

Agarwood comes from the *Aquilaria malaccensis* tree. If it comes to suffer an external damage, a fungal infection grows inside called *Phialophora parasitica*. This prompts the tree to produce an aromatic resin, which coagulates over time to create agarwood.

Since the frequency of natural infections is extremely low, the artificial practice for triggering the resin secretion is hammering iron nails into the tree.

Dr Mohammad Jakir Hossain, an official of the BFRI's Department of Forest and Biomaterials Science, who prepared the project, said agarwood was produced both artificially and naturally in Bangladesh.

Only 5-10 per cent of a tree's volume materialised in the form of resin in the current iron nail method, he said, adding that the agarwood produced using iron nails was of substandard quality.

He said they were trying out other ways of triggering the resin's secretion, one of which was a "transfusion or saline method".

"So far, we have had the most success with this method in trials. Hopefully, we will be able to generate 80 per cent of agarwood from a tree through the method," Hossain said.

Out of all the methods, the one that turns out to be the most fruitful will be adopted, he said.

Businesspeople of the agarwood industry said the traditional iron nail method has been in use around the world, including Bangladesh, since

ancient times.

They, however, said they were open to new ideas, provided it was organic.

Abdul Kabir, an entrepreneur of the industry and a resident of Sujannagar union of Moulvibazar's Barlekha upazila, said they have been in this business for a few generations.

"I own an agar garden and processing plants," he said.

He sees the project as a government support for the industry. "If the government can collect agar resin without using chemicals, they, the entrepreneurs of this industry, will welcome it," he said.

"But the entrepreneurs will not appreciate it if they take any initiative to collect the substance by using any artificial or non-traditional means," he added.

Ansarul Haque, president of the Bangladesh Agar and Perfume Manufacturers and Importers Association, labelled the project to be a futile effort.

"The project the government is initiating would not be beneficial for us. It will only waste the government's money by doing the research," he said.

However, he said, if the proposed methods turned out to be beneficial for producing agarwood, then they would adopt it.

"Our overarching aim is to reach an annual export revenue of \$1,000 crore by 2025 through this project," said Dr Jakir Hossain.

Bangladesh exports agarwood mainly to

Singapore, Hong Kong, Dubai, Qatar, Riyadh, Bahrain, China, Japan, Korea and Taiwan.

Agarwood is also produced in Indonesia, Malaysia, Vietnam, Thailand, India, Myanmar, Laos, Cambodia and some other countries.

According to the BFRI, there are currently about six crore *Aquilaria* trees in Bangladesh.

At present, private forestries of *Aquilaria* trees are managed in Sylhet, Chattogram, Chattogram Hill Tracts, Cumilla, greater Mymensingh and Gazipur.

The project encompasses areas including Chattogram, Moulvibazar, Sylhet, Khagrachhari, Rangamati and Mymensingh.

Its implementation period is estimated to be five years spanning from January 2021 to December 2025.

A project official informed that they were looking to conduct some research on issues, including artificial storage, oil extraction and quality determination, engaging in partnerships with universities or institutes of Malaysia, Indonesia, Vietnam and Japan.

Over 300 agarwood oil refineries are present in different parts of the country. This industry has directly or indirectly created employment opportunities for about 20,000 people.

BFRI Director Dr Masudur Rahman said if the project was implemented properly, agarwood production would increase several fold.

"And if we can capture the international market, we will be able to play a greater role in the country's economy," said Rahman.

A new way of manipulating stocks

FROM PAGE B1

"Normally, these types of abnormal buy orders come from manipulators," said Faruq Ahmed Siddiqi, a former chairman of the Bangladesh Securities and Exchange Commission (BSEC).

"The regulator should investigate and find out who did this and for what reasons. Exemplary punishment may rein in the trend."

The shares of many small-capitalised companies had been manipulated, but no concrete action was yet to be seen from the regulator, Siddiqi said.

Using the trick, some people dump low paid-up capital-based shares and earn money, whereas general investors incur losses.

"It is the responsibility of the regulator to curb artificial price mechanisms," said the former secretary.

A vested quarter places such an aggressive buy order to create an artificial demand for a stock and send a message to general investors to buy it, said a former director of the DSE.

"This is a new style of manipulation."

In order to buy the big volume of shares of Malek Spinning, at least Tk 210 crore was needed to be kept in the beneficiary owner's (BO) account. "The question is whether the amount was kept in the account," he said.

A few individual investors have such a huge amount of funds at their disposal, and the

institutional investors are not involved in buying these shares, said the veteran stockbroker.

The vested quarter either had insider information or placed the buy order to manipulate the stock because such orders could not be normal, the broker said.

In most cases, the order is not executed as general investors opt not to sell shares as they expect the stock to go up further.

Stocks of NRB Commercial Bank soared 224 per cent to Tk 39 in one month. Delta Life Insurance stocks surged 97 per cent to Tk 154. Beach Hatchery's shares advanced around 40 per cent to Tk 18 in the span of one month.

"There might be an ill-motive behind the buy order, so the regulator should look into it," said Sharif Anwar Hossain, president of the DSE Brokers Association.

Md Nazrul Islam Mazumder, CEO of MTB Securities, blamed investors' behavioural problems for the placement of such massive purchase orders by the manipulators.

"There is no point to chase these stocks because they have no potential. Some people are just playing with the general investors."

Some investors like to run after the stocks that see abnormally high buy orders despite knowing that they are being manipulated, in the hope of making a profit from the gamble, he said.

In order to make a quick buck, some

people bid for shares at higher prices for the companies that did not see sellers on the previous day, said Rahmat Pasha, CEO of UCB Stock Brokerage.

"They think if the stocks rise for three days, they will sell off and make some profits on the day the shares mature," he said.

When general investors start buying shares, the vested group discontinues the order and starts selling, he said.

"This is nothing but wickedness. The regulator can easily identify the manipulators, and it should do it because the investment of many general investors gets stuck."

"Anyone can place a buy order. But we have to see whether they have enough money in the BO account," said Mohammad Rezaul Karim, spokesperson of the BSEC.

"We are getting information that some people are placing these orders with a motive to increase the price of stocks," he said.

The BSEC had taken steps against such orders for the shares in case of an initial public offering, bringing down the incidences of false bids, Karim said.

"But steps have not been taken for other companies. We will take measures if this happens again for any low-performing companies where such a buy order is abnormal," said the executive director of the commission.

Dhaka Bank rides on tech to make retail, SME banking vibrant

Emranul Huq, managing director of the lender, talks to The Daily Star

AKM ZAMIR UDDIN and SUKANTA HALDER

Dhaka Bank Ltd has embraced technologies to make its retail and SME banking vibrant instead of relying on the corporate segment as it looks to drive the next phase of growth.

The bank has set a target to disburse 30 per cent of its total outstanding loans to the small and medium enterprises sector and retail clients within the next year and 40 per cent by 2025, up from 20 per cent now.

The aim is to reduce the credit risk as banks usually face a major problem when a large borrower turns into a defaulter.

"Such risks can be reduced by adopting diversified loan disbursement models," Emranul Huq, managing director of the bank, told The Daily Star in an interview recently.

Dhaka Bank marks its 26th founding anniversary today.

Over the years, the private commercial lender has gained huge experience from running wholesale banking. It selects corporate borrowers based on their previous business records to avoid non-performing loans.

Now it plans to duplicate the success in the retail and SME banking segments. In order to become successful in the two areas, the bank

has already embraced technologies to serve clients in the changing banking industry.

Many banks around the world have jumped on the bandwagon of digital banking in recent years, and the adoption of technologies has accelerated during the coronavirus pandemic.

Dhaka Bank introduced Robotic Process Automation (RPA) in 2019, becoming the first lender in Bangladesh to do so. The system helped it run operations efficiently when the country came under a lockdown during the first wave of the pandemic.

UiPath, a global software company based in New York, recognised Dhaka Bank with UiPath Automation Excellence Awards in December last year, also the first among the banks.

RPA makes it easy to build, deploy, and manage software robots, which emulate human actions interacting with digital systems and software.

Software robots can complete the right keystrokes, navigate systems, identify and extract data, and perform a wide range of defined actions. It reduced the cost of disbursing financial aids and incentives to thousands of payroll clients and garment and other factory workers during the pandemic.



Emranul Huq

RPA is also helping clients open an account with Dhaka Bank straight from home and receive the account opening pack at their doorsteps. This means there will be no requirement for them to visit a branch to collect the debit card and cheque book.

"This has inspired us to automate our banking process more and more," said Huq, who was promoted to the pole position in February last year from the post of additional managing director.

The bank looks to introduce a nano digital loan product for payroll customers in the quickest possible time.

Clients who have a salary account with the bank will be able to avail themselves of the loan within two hours if they apply for the credit during banking hours.

Depending on the income, they will

initially get loans ranging from Tk 16,000 to Tk 50,000. The amount will go up to Tk 300,000 gradually.

The artificial intelligence technology will be used to make the new programme successful. "We will make the product available for all customers in the future," Huq said.

The bank is pinning its hopes on the expanding middle-class to widen the retail banking operation. It recently started financing SMEs under a digital platform.

It has focused on SME clients linked to the corporate entities financed by Dhaka Bank.

Two categories of small businesses have been selected for the loans. One of the categories comprises the businesses that supply raw materials to large groups. The other group is traders who sell products manufactured by the groups.

Importers, too, are now allowed to open letters of credit online.

The bank has already secured a strong position in the foreign exchange business: it is one of the largest lenders in terms of earnings in the segment.

Dhaka Bank contributed around 3.50 per cent to the country's total trade volume last year, and it expects to lift it to 4 per cent this year.

Between January and May this year, total exports and imports through the bank stood at \$1.54 billion, up 63 per cent year-on-year.

"We have been able to attract foreign exchange business through the digital platform," said Huq, who has been with Dhaka Bank for 24 years.

Huq hopes that the foreign trade volume of the bank would get a boost in the days to come.

The bank, which commenced its operation in 1995, does not attach much importance to opening full-fledged branches because of the banking industry's shift towards digitalisation globally.

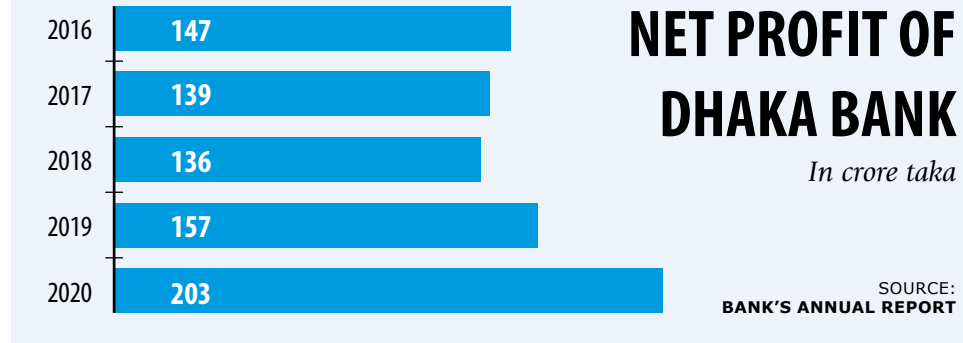
"We only open sub-branches in the remotest parts of the country where people are yet to be brought under the formal financial umbrella. This will help expedite the financial inclusion agenda," said Huq, who started his banking career in 1986.

The success in corporate financing has helped the lender bag the prestigious "Best Corporate and Investment Bank 2021" under the Asia money Bangladesh Awards 2021.

"They have considered the quality of our loans given to large infrastructural projects implemented by corporate groups," Huq said.

Dhaka Bank accounts for 10 per cent of the financing in the power sector, which has increased electricity generation fourfold in the last decade.

READ MORE ON B3



GLOBAL BUSINESS

Amazon, Tata say Indian govt e-commerce rules will hit businesses

REUTERS

Amazon.com Inc and India's Tata Group warned government officials on Saturday that plans for tougher rules for online retailers would have a major impact on their business models, four sources familiar with the discussions told Reuters.

At a meeting organised by the consumer affairs ministry and the government's investment promotion arm, Invest India, many executives expressed concerns and confusion over the proposed rules and asked that the July 6 deadline for submitting comments be extended, said the sources.

The government's tough new e-commerce rules announced on June 21 aimed at strengthening protection for consumers, caused concern among the country's online retailers, notably market leaders Amazon and Walmart Inc's Flipkart.

New rules limiting flash sales, barring misleading advertisements and mandating a complaints system, among other proposals, could force the likes of Amazon and Flipkart to review their business structures, and may increase costs for domestic rivals including Reliance Industries' JioMart, BigBasket and Snapdeal.

Amazon argued that Covid-19 had already hit small businesses and the proposed rules will have a huge impact on its sellers, arguing that some clauses were already covered by existing law, two of the sources said.

The sources asked not to be named as the discussions were private. The proposed policy states e-commerce firms must ensure none of their related enterprises are listed as sellers on their websites. That could impact Amazon in particular as it holds an indirect stake in at least two of its sellers, Cloudtail and Appario.

On that proposed clause, a representative of Tata Sons, the holding company of India's \$100 billion Tata Group, argued that it was problematic, citing an example to say it would stop Starbucks - which has a joint-venture with Tata in India - from offering its products on Tata's marketplace website.

Bezos steps aside after living high on the hog

REUTERS

Jeff Bezos has some solid timing. The founder and chief executive of Amazon.com is handing over the CEO role to Andy Jassy, head of the cloud division AWS, after a fortuitously good year at the \$1.7 trillion retail giant.

The new boss will face a different, more challenging normal that includes regulatory scrutiny.

First the results: Amazon said Tuesday that fourth-quarter revenue rose 44 per cent year-over-year to \$126 billion.

That's the first time the company topped \$100 billion of sales in a quarter helped by delivering items to customer's doorsteps during the pandemic and, of course, the holidays.

That's the good news. The rest



Jeff Bezos, founder of Amazon, attends a company event in New Delhi, India on January 15, 2020.

Amazon to grant new CEO Jassy \$200m in stock

REUTERS

Amazon.com Inc plans to award incoming Chief Executive Andy Jassy more than \$200 million in extra stock, which will pay out over 10 years, the company said in a regulatory filing on Friday.

Amazon will record the grant of 61,000 shares on July 5, the filing said. That's the date Jassy succeeds Jeff Bezos in the online retailer's first CEO transition since its founding in 1994. As of Friday's close, those shares are worth about \$214 million.

harkens some major challenges for Jassy. Operating expenses ballooned 42 per cent in part because costs associated with worldwide shipping rose about two-thirds.

The vaccine rollout will coincide with choice, which could make life harder for Amazon.

The company is forecasting sales volume to drop by a quarter in this period compared to three months ending December.

The hurdles may partly be why Jassy is now leading the company. AWS is one of Amazon's jewels.

NEWS In Brief

US on way back to pre-crisis employment levels: Fed official

REUTERS

Federal Reserve Bank of San Francisco President Mary Daly said Friday that at the current pace of job growth, averaged over the past three months, US employment could reach its pre-crisis level by the end of next year.

"Today's job market report just says, we're on our way," Daly told CNN in an interview, referring to a government report earlier Friday that showed US employers added 850,000 jobs in June.

She added that she was very confident that by fall more Americans will be returning to the workforce.

Former French PM Fillon joins Russian oil company board

AFP

Former French prime minister Francois Fillon has been named to the board of Russian state oil company Zarubezhneft, a list published by a website specialising in business information disclosure showed.

Zarubezhneft did not respond Friday to a request for comment on the list posted to the e-disclosure.ru website run by the Interfax news agency, which said Fillon had been on the board since June 28.

Fillon, who ran the French government under President Nicolas Sarkozy between 2007 and 2012, is head of Ateras, a consultancy he set up after an ignominious 2017 presidential bid. His campaign was capsized by a fake-jobs scandal, for which a court sentenced him in June 2020 to five years in prison, three suspended.

He has already worked with Russian firms through Ateras and was nominated for his role on the Zarubezhneft board by the government in Moscow in June.

Fillon, 67, is just the latest in a string of former senior European politicians to join Russian energy companies.

Austrian ex-foreign minister Karin Kneissl, who notoriously dined with President Vladimir Putin at her wedding in 2018, was in June named to the board of Rosneft, Russia's biggest oil producer.

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