

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.58%	▲ 0.49%	\$1,799.63	\$74.63	▼ 0.26%	▼ 1.39%	▲ 0.09%	▼ 0.58%	83.95	98.15	115.57	12.65
6,417.19	11,182.30	(per ounce)	(per barrel)	52,443.71	27,581.66	3,141.75	3,361.59	BUY TK	84.95	101.95	119.37
								SELL TK	84.95	101.95	119.37

Star BUSINESS

DHAKA THURSDAY JULY 29, 2021, SRABAN 14, 1428 BS • starbusiness@thedailystar.net

Home appliance assemblers turning into manufacturers

VAT exemption encourages them to develop facilities

JAGARAN CHAKMA and SOHEL PARVEZ

The value-added tax exemption for producing air conditioners, refrigerators and freezers locally has created interest among home appliance manufacturers in Bangladesh as firms are increasingly setting up full-fledged facilities, cutting their reliance on assembling.

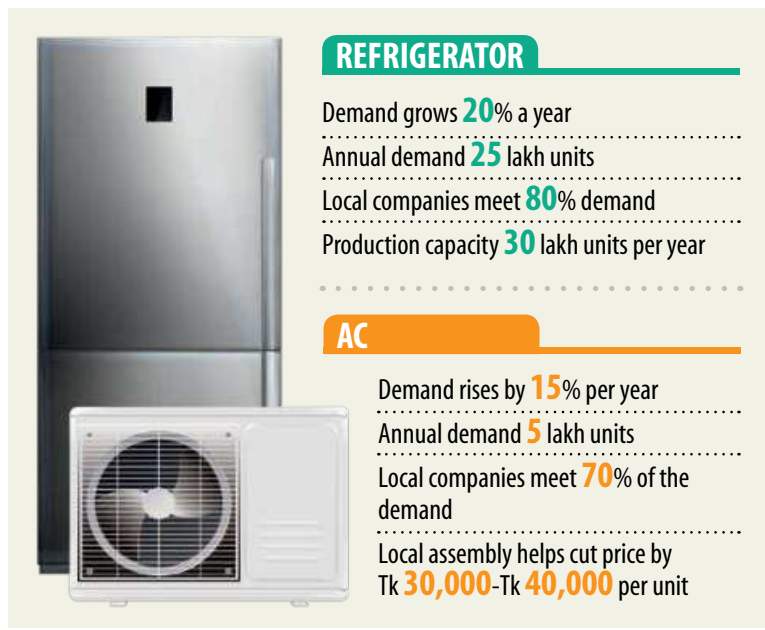
For the last decade, the National Board of Revenue has been encouraging the manufacturing of the major home appliances by withdrawing the indirect tax on raw materials import and production.

Initially, only a few came forward to avail themselves of the benefit.

The revenue authority began to register increased applications from local electronics sellers in 2017 as they look to stay competitive since a 15 per cent VAT waiver provides a considerable advantage in terms of pricing.

Now 10 local companies are making refrigerators, freezers and ACs.

Officials said companies that availed the VAT benefit have to invest a lot to fulfil 30 per cent



value addition criteria.

"The home appliance manufacturing capacity has increased. This is particularly apparent in the case of refrigerators and freezers," said Md Masud Sadiq, a member of the VAT policy of the NBR.

He said the government wanted to encourage businesses to promote locally made products, create jobs and enable people to buy electronic appliances at a lower price by extending tax and VAT benefits.

"The VAT exemption has encouraged firms to consider making goods in Bangladesh." The benefits offered such sectors will expand the capabilities of the investors, and the government expects them to invest in other areas as well, said Sadiq.

Once fully import-dependent, local manufacturers and assemblers now meet nearly 80 per cent of the annual demand for refrigerators of 25 lakh units. The rest is met

through imports from global companies.

The NBR provides VAT and supplementary duty waivers on the imports of raw materials. Industry stakeholders say many components and parts, such as bodies and foams are made locally.

In the case of ACs, local manufacturers and assemblers cater to almost 70 per cent of the domestic demand, which had been growing until the coronavirus outbreak in the country in March last year.

A decade ago, local manufacturers and assemblers met as much as 15 per cent of the demand.

Manufacturers say the price of AC has gone down by up to 45 per cent compared to the imported ones on the back of the growing local manufacturing.

The earlier benefit expired in June. The government has extended the exemption for the foreign and local procurement of raw materials for compressors and ACs to June 30, 2024.

The exemption facility for the import and local purchase of raw materials for compressors, refrigerators and freezers has been extended to June 30 next year.

In addition, the NBR spared manufacturers from paying VAT on the production of washing machines, microwave ovens and electric ovens until June 2023. The concession has also been made available on sourcing raw materials from both local and foreign markets.

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MIGRANT WORKERS

5 lakh return since onset of pandemic

2 lakh to receive cash support, training as Ecnec approves project

STAR BUSINESS REPORT

The government yesterday approved a Tk 427 crore project to provide one-off cash assistance to two lakh returnee migrant workers, create a database for them and extend other support to improve their skills.

The potential beneficiaries are among the five lakh expatriates who have returned home after losing jobs in their host countries since the start of the Covid-19 pandemic.

The Executive Committee of the National Economic Council (Ecnec) approved the World Bank-funded project. Prime Minister Sheikh Hasina joined the meeting from Ganobhaban through a digital platform, while others from the NEC conference room.

Under the project, two lakh migrant workers will receive Tk 13,500 each.

When migrant workers return from abroad, they are registered at the help desk at the airport, said Planning Commission Member Sharifa Khan.

READ MORE ON B3

New MFS hits market

STAR BUSINESS REPORT

A new mobile financial service (MFS) provider, Trust Axiata Pay, launched business operations yesterday aiming to promote cashless transactions.

The brand, styled tap, is of Trust Axiata Digital, a subsidiary of Trust Bank founded in May last year to provide MFS.

Trust Bank owns a 51 per cent stake in the company while Axiata Digital Services Sdn Bhd, Malaysia the rest. Formed under Bangladesh Mobile Financial Services Regulations, 2018, Trust Axiata Digital would operate as a MFS provider and a payment service provider (PSP) in Bangladesh.

READ MORE ON B3

STIMULUS FOR LARGE INDUSTRIES

Give priority to new clients: BB

STAR BUSINESS REPORT

Bangladesh Bank yesterday asked banks to prioritise new clients while giving out loans from the stimulus package dedicated to the large service and industrial units.

As of June, 3,275 units in the service and industrial sectors received loans from the economic support package, which has tenure for three years.

The BB introduced the Tk 40,000 crore package in April last year to protect the industrial and service sectors from the business slowdown brought on by the coronavirus pandemic.

The clients, who could not to secure any fund from the stimulus fund last year, will have to be given priority from this year, according to a central bank notice.

Customers can take a maximum of 30 per cent of their working capital from the fund.

The clients, who are yet to get the full amount entitled under the package, will also get the priority.

The central bank had initially allocated Tk 30,000 crore for the package. It later expanded the size of the fund to Tk 40,000 crore.

Of the fund, Tk 7,000 crore has been allocated for the firms operating in the zones run by the Bangladesh Economic Zones Authority, the Bangladesh Export Processing Zones Authority, and the Bangladesh Hi-Tech Park Authority.

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INTRODUCING NEW
HOTLINE NUMBER
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Wheat import drops for pandemic

MOHAMMAD SUMAN, Chattogram

Wheat import has declined by 15 per cent, or 9.91 lakh tonnes, year-on-year in fiscal 2020-21 for international price hike and a fall in local demand due to the pandemic.

Importers say bakery and restaurant sales have dropped while international market prices rose 7 per cent to 10 per cent for decreased production and stockpiling by some countries.

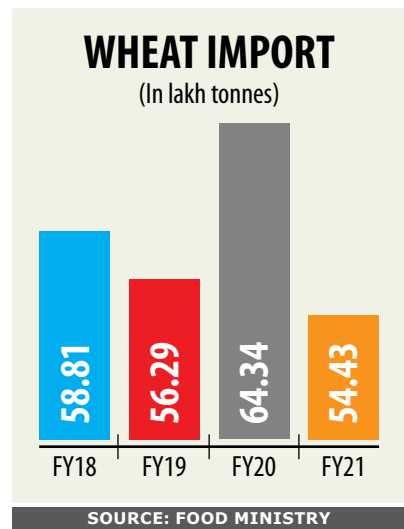
Some 54.43 lakh tonnes were brought over in fiscal 2020-21 whereas it was 64.34 lakh tonnes in fiscal 2019-20, according to the food ministry.

The average price of each tonne imported last fiscal year was Tk 21,112. Currently, it is Tk 22,685.

The price has gone up by Tk 1,573, or 8 per cent, per tonne, according to the National Board of Revenue (NBR).

Being an essential commodity, wheat bears no import tariff.

It arrives from 16 countries,



including Russia, Canada, Ukraine, India, the US, Cyprus, Italy, Australia, Argentina, Estonia and Belgium.

Importers say last fiscal's decline was contrary to the past decade's

growth in domestic wheat and wheat product purchases of 10 per cent to 15 per cent almost every year.

Several exporting countries have had reduced production, including Russia and Ukraine.

This prompted Russia, one of the top exporters, to impose an export duty of €50 per tonne since July last year, they said.

This raised international market prices by \$20-30 per tonne, they added.

The country has an annual demand for around 70 to 75 lakh tonnes, 85 per cent of which is met through imports, according to data from the food ministry and the Department of Agricultural Extension (DAE).

Bangladesh produced about 13 lakh tonnes from 3.5 lakh hectares of land last fiscal whereas it was 10.3 lakh tonnes from 3.29 lakh hectares in fiscal 2019-20, said the BSS.

READ MORE ON B3

Unilever profit falls 26pc in Q2

STAR BUSINESS REPORT

Despite higher sales, profits of Unilever Consumer Care, formerly known as GlaxoSmithKline, dropped in the April-June period of 2021 as duty on raw materials rose and bank interest income fell.

The multinational company's sales rose 8 per cent to Tk 89.58 crore in the second quarter of the year. However, its profits were down 26 per cent to Tk 10 crore from Tk 13.7 crore year-on-year.

Unilever is one of the world's leading consumer goods companies, making and selling nutrition, hygiene and personal care products under around 400 brands in more than 190 countries.

In the half yearly, its

READ MORE ON B3

Shikho raises \$1.3m seed money

STAR BUSINESS REPORT

Shikho, a startup aiming to make education accessible and affordable in Bangladesh, yesterday announced raising \$1.3 million in seed money, making it the largest round of financing by a local edtech startup yet.

The round was led by Anchorless Bangladesh, a New York-based early-stage venture capital firm active in the local startup ecosystem, and LearnStart, the seed fund of Silicon Valley-based edtech investment specialists Learn Capital.

It also had participation from Southeast Asia-focused venture capital firm Wavemaker Partners, its first investment in Bangladesh, and Ankur Nagpal, founder and CEO of American edtech firm Teachable.

Shikho's funding takes the total amount received by Bangladeshi startups so far this year to \$36.2 million, according to data from LightCastle Partners. Of the sum, \$33 million came from foreign sources.

Founded in April 2019, Shikho is aiming to build a digital learning ecosystem centred on modernising the delivery of the Bangladeshi national curriculum and making it fit for the 21st century.

READ MORE ON B3



Banks closed on Sunday, Wednesday

STAR BUSINESS REPORT

Banks will remain closed on Sunday and Wednesday next week as part of the government attempts to rein in the soaring cases of coronavirus, the central bank said yesterday.

The banking hours, however, have been extended so that clients can settle financial transactions smoothly.

Clients will receive banking services from 10am to 2.30pm on Monday, Tuesday and Thursday, according to a central bank notice.

The BB earlier said that banks would be open for customers till 1.30pm during the ongoing strict restrictions on movement, which will end on August 5.

The central bank has now come up with the latest decision as the infection rate from the highly contagious virus is rising.

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Kabir Ahmed Chowdhury, head of branches and distribution of Green Delta Insurance, and Syed Aliul Ahab, financial controller, handed over a claim settlement cheque to Dewan Zakir Hussain, executive director of Evergreen Factory (BD), at the company's head office in Dhaka yesterday. Md Moniruzzaman Khan, head of digital business and brand communication of the insurer, and Md Habibul Hasan, financial controller of Evergreen Factory (BD), were present.



Mohammed Monirul Moula, managing director and CEO of Islami Bank Bangladesh, virtually addressed its Business Development Conference for Cumilla zone recently. Md Omar Faruk Khan, additional managing director, Taher Ahmed Chowdhury, deputy managing director, Md Siddiqur Rahman, Mohammed Shabbir and Md Mahboob Alam, senior executive vice presidents, and AM Shahidul Amran, assistant vice president, attended the conference.

US studies plan to pay fishing industry for offshore wind impacts

REUTERS
The Biden administration is considering ways to ensure the US commercial fishing industry is paid for any losses it incurs from the planned expansion of offshore wind power in the Atlantic Ocean, according to state and federal officials involved in the matter. Discussions between state and federal officials, which participants described as being at a very early stage, are aimed at addressing the top threat to President Joe Biden's efforts to grow offshore wind - a centerpiece of his clean energy agenda to fight climate change. Commercial fishing fleets have vehemently opposed offshore wind projects, labeling them a significant threat to catches of crucial stocks including scallops, clams, squid and lobsters, by interfering with navigation and altering ecosystems. That opposition has contributed to delays in permitting the nation's first commercial-scale projects and is among the reasons the US has lagged Europe in offshore wind development. Minimizing those conflicts could speed the lengthy federal permitting process as Biden seeks to add 30 gigawatts of offshore wind to the nation's waters in just nine years. US government researchers estimate that offshore wind projects could displace some commercial fisheries by as much as a quarter. The administration's new effort was prompted in part by a letter to Biden from nine coastal states last month urging the federal government to lead the way in crafting "mitigation frameworks for demonstrated negative

impacts" on fisheries from offshore wind projects, according to the officials. "Building on the request made in the multi-state Governor's letter, the New Jersey Department of Environmental Protection has had preliminary discussions with counterparts in other signatory states on engaging the federal government to advance an equitable mitigation framework for potential impacts to the commercial fishing industry from offshore wind projects," the state said in an emailed statement. "While in early stages of development, NJDEP anticipates more to be shared in the coming months." The United States has yet to install a major offshore wind farm, yet developers pursuing those projects have spent years hashing out potential fishing industry compensation schemes with states and the fleets. Until now, the federal government has not pursued a federal approach. Brian Hooker, a marine biologist with the US Bureau of Ocean Energy Management (BOEM), said at a June meeting of a regional fishery management body that "compensatory mitigation is something that we're taking a very serious look at" and cited the June letter from states as a reason, according to a recording of the meeting reviewed by Reuters. The June 4 letter to Biden was signed by the governors of New York, Massachusetts, Rhode Island, New Jersey, Maine, Connecticut, Virginia, Maryland and New Hampshire - all states with sizable fishing fleets. BOEM officials declined further comment.



A crane hangs over the first jacket support structure installed to support a turbine for a wind farm in the waters of the Atlantic Ocean off Block Island, Rhode Island.

It remained unclear what authority BOEM has to require or oversee payouts for the fishing industry. Representatives of both the fishing and offshore wind industries said the federal permitting process could incorporate such a program during evaluation of economic and environmental impacts. The National Environmental Policy Act, for example, requires projects on federal property to avoid, minimize or compensate for their impacts. Under such an approach, offshore wind developers would set aside funds to compensate fishing fleets for damage. Industry representatives said

they were broadly supportive of a standardized federal program. "We can see a benefit to a more regional approach to mitigation, but at the same time, we want to continue to engage with all the stakeholders including state and federal agencies, fishermen, and other developers as the conversation evolves to ensure the best outcome," Vineyard Wind, which is developing the first major US offshore wind farm, said in a statement. Vineyard Wind is a joint venture between Avangrid Inc and Copenhagen Infrastructure Partners. The company has established more than \$40 million in funds for fishers, primarily in

Massachusetts and Rhode Island. US offshore wind development so far is primarily focused in the Northeast, a center of the US commercial fishing industry. This year the Biden administration provided the first federal permit to a large offshore wind project to Vineyard Wind, off the coast of Massachusetts. This year, members of Rhode Island's fishing industry protested developer Orsted over a proposed wind farm 19 miles southeast of Block Island. Orsted agreed to downsize the planned project and pay a \$5.2 million lump sum to cover impacts to the industry, a sum the fishing industry said was too small.

China takes aim at pop-up windows in further tech clampdown

AFP, Beijing
Beijing on Wednesday told Tencent and other tech developers to address "harassing" pop-up windows on their apps, in the latest salvo in China's battle against the sector. The order came as a Chinese bike-sharing firm scrapped plans for a New York IPO as Beijing also tightens the reins on domestic firms seeking to list overseas. China recently unveiled sweeping new regulations for a range of industries that have rattled global markets. Investor anxiety prompted state media on Wednesday to publish articles saying markets would stabilize and that the new rules would prove beneficial in the long run. On Wednesday authorities took their latest shot at the tech sector by ordering Tencent and 13 other developers to deal with pop-up windows that officials said could contain misleading information. The Ministry of Industry and Information Technology said failure to abide by the order would mean penalties. The directive against pop-ups, which are often used for in-app advertisements, follow a series of probes into monopolistic behaviour and data security in the tech industry. The crackdown has hit hard some of China's biggest IT firms, including many listed in the United States such as ride-hailing giant Didi Chuxing. Beijing has also recently proposed new rules requiring that most companies seeking to list abroad must undergo a cybersecurity review. Chinese bike-sharing firm Hello Inc has since formally scrapped plans for an IPO in the United States, according to a regulatory filing on Tuesday. Outside the tech sector investors have also been sent scurrying this week after Beijing unveiled a series of new rules for the private education and food delivery sectors. Bloomberg said nearly \$1.5 trillion had since been wiped off the value of companies in Hong Kong and mainland China. Tencent shares sank more than five percent Wednesday, adding to a three-day, 18 per cent sell-off. Chinese media came out Wednesday to temper the panic. The sharp drops in stocks were "unsustainable" and indexes were expected to gradually stabilise, the Securities Daily said. Another publication, the Securities Times, added: "While adjustment of policies in some industries may affect their current business model, it will be beneficial toward unleashing more social vitality in the mid-to-long term and aid consumption in most other areas." "Private tutorial firms became subject to heavy selling after officials announced new rules over the weekend compelling them to register as non-profit organisations and banning them from raising capital or going public.

UK house prices fall in July as tax cut is scaled back

REUTERS, London
British house prices fell in July after a coronavirus emergency tax break for buyers was scaled back at the end of June but demand for bigger homes as a result of the pandemic is likely to support the market, mortgage lender Nationwide said. In monthly terms, house prices fell by 0.5 per cent from June, their first fall since March, slowing the annual increase to 10.5 per cent from June's leap of 13.4 per cent which was the steepest rise in 17 years. Economists polled by Reuters had expected a less marked cooling of the market, predicting prices would rise by 0.6 per cent from June and by 12.1 per cent in annual terms. Nationwide's chief economist Robert Gardner said the rush to qualify for the full tax break - housing transactions hit a record in June, according to official data - meant savings from the incentive had been

dwarfed by the surge in house prices. Under the incentive scheme, the first 500,000 pounds (\$693,850.00) of any property purchase in England or Northern Ireland were exempt from the stamp duty tax until the end of June. A 250,000 pound tax-free allowance is now running until the end of September. Gardner said July's slowdown had been expected after the run-up in prices which rose by an average of 1.6 per cent a month over the April-to-June period, more than six times the average monthly gain during the five years before the pandemic. "Underlying demand is likely to remain solid in the near term," he said. Improved consumer confidence, low borrowing costs and a shortage of homes on the market would provide support for house prices despite an expected rise in unemployment as the government scales back its pandemic jobs support programme.



New residential homes are seen at a housing estate in Aylesbury, Britain.

Cloud, business services lift Microsoft earnings

AFP, Washington
Microsoft on Tuesday reported a jump in profits in the recently ended quarter, keeping strong momentum from accelerated gains in cloud computing during the pandemic. Profits for the fiscal fourth quarter rose 47 per cent to \$16.5 billion and revenue grew 21 per cent to \$46.2 billion. "We are innovating across the technology stack to help organizations drive new levels of tech intensity across their business," said Satya Nadella, chairman and chief executive officer of Microsoft. "Our results show that when we execute well and meet customers' needs in differentiated ways in large and growing markets, we generate growth, as we've seen in our commercial cloud - and in new franchises we've built, including gaming, security, and LinkedIn, all of which surpassed \$10 billion in annual revenue over the past three years." "The results included a 20 per cent rise in revenue in Microsoft's Office commercial products and cloud services, and a 46 per cent increase in revenue for its LinkedIn professional social network.

Climate activists challenge Britain's support of North Sea oil and gas producers

REUTERS, London
The British High Court has agreed to hear a case by environmental campaigners claiming that the government's support of North Sea oil and gas companies conflicted with its plans to slash the country's carbon emissions by 2050. The legal challenge revolves around tax breaks oil and gas producers receive in order to help cover costs for dismantling and clearing up ageing infrastructure, in what is known as decommissioning. The case names as defendants the Oil and Gas Authority (OGA) which oversees the North Sea industry as well as the Secretary of State for Business, Energy and Industrial Strategy (BEIS) Kwasi Kwarteng. The OGA earlier this year said it will focus on "managing the declining production and maximising value" from the North Sea, one of the world's oldest offshore oil and gas basins, as part of the government's plans to reduce greenhouse gas emissions to net zero by 2050. The claimants argue that the decommissioning tax breaks are not consistent with the government's net zero emissions targets. Many countries offer producers decommissioning tax relief. "Instead of using public money to prop up the oil and gas industry, the UK should be funding a just transition that retrains workers and builds the low-carbon industries of the future," Mikaela Loach, one of the three

claimants, said in a statement. The OGA said in a statement that its strategy "which includes net zero requirements on industry, is the primary tool the OGA has to hold industry to account on emission reductions." BEIS did not immediately respond to a request for comment. Royal Dutch Shell and BP, which have both operated in the North Sea for decades, paid no taxes to the British government in 2019 as a result of decommissioning tax relief, according to the firms' tax reports.



Drilling rigs are parked up in the Cromarty Firth near Invergordon, Scotland, Britain.



Mohammed Mahtabur Rahman, chairman of NRB Bank and Al Haramain Perfumes Group, attended an Investor Summit styled "The Rise of Bengal Tiger: Potentials of Trade & Investment in Bangladesh" organised by the Bangladesh Securities and Exchange Commission (BSEC) at InterContinental New York Barclay recently. Salman F Rahman, private industry and investment affairs adviser to the prime minister, Abdur Rouf Talukder, senior secretary to Finance Division, and Shibli Rubayat-ul-Islam, chairman of the BSEC, were present.

GSK sees smaller 2021 profit fall after Q2 beat

REUTERS
GSK forecast a smaller drop in 2021 profit on Wednesday as the drugmaker beat second-quarter earnings expectations, buoyed by a recovery in routine visits to doctors as pandemic restrictions ease. The British company, which is spinning off its consumer health arm to focus on improving its pharmaceuticals business, said it made adjusted earnings per share (EPS) of 28.1 pence in the three months to the end of June on sales of 8.1 billion pounds (\$11.2 billion).

BEF gets new president, vice-president



STAR BUSINESS DESK
Bangladesh Employers' Federation (BEF) has had its president and vice-president elected for 2021-23. The president, Ardashir Kabir, is the managing director of Sathgao Tea Estate, Laboni Corporation, Ironside and Sathgao Agro Farms, director of Kedarpur Tea Company, a former chairman of Bangladesh Tea Association and a former director of Bangladesh Tea Board, says a press release. The vice-president, Shusmita Anis, is the managing director of ACI Formulations. She is also a director of ACI Ltd.

Shikho raises \$1.3m seed money

FROM PAGE B1
Combining expertise across content, instruction, media and technology, Shikho utilises multi-layered gamification and modern learning methods to make online learning enjoyable, engaging and effective for students of classes 9 to 12. The technology platform addresses each part of a Bangladeshi student's journey - covering daily lessons, homework, exam preparations, tutoring and skill development. With 11.7 crore internet users and over 40 per cent of mobile phone users having smartphones, edtech startups have a huge potential in Bangladesh, according to experts. As the pandemic accelerated digital adoption and many now rely on remote learning, there has been a boom of edtech startups around the world.

Bangladesh has over 45 lakh secondary and college level students who are all potential users of Shikho. Since they all have been out of classrooms for over 15 months, such platforms have a great potential to gather a huge audience and of a high engagement rate. Shikho's app includes access to animated video lessons, a library of in-app questions and solutions, along with interactive features for collaboration among peers. Through Shikho's online platforms, students will soon be able to attend both live and pre-recorded classes taught by subject experts and professional instructors. This will allow them to gain access to quality instruction that may otherwise be outside of their reach in physical classroom settings, said a statement.

Half of the 165 million people in Bangladesh are below the age of 25, said Shahir Chowdhury, co-founder and CEO of Shikho, which previously raised \$275,000 in a pre-seed financing from LearnStart and strategic angel investors. However, there is a clear lack of quality online educational resources for students and young professionals, he said. "As an experienced teacher, I understand the importance of personalised instruction and differentiated learning. This combined with regular feedback are the most powerful tools a teacher has at their disposal," said Zeeshan Zakaria, co-founder and COO of Shikho.

"With this round of investment, we look forward to furthering the technology that brings these features into an automated personalisation engine and the platform as a whole," he said.

Bangladesh has one of the largest allocations of private education expenditure as a percentage of disposable income in the world, said Rahat Ahmed, founding partner and CEO at Anchorless Bangladesh.

But it lags behind countries like India and Indonesia when it comes to edtech funding, he said.

This was the sixth deal of Anchorless Bangladesh since 2020. The other investments include funding for Maya, AliceLabs, Loop Freight and Gaze.

New MFS hits market

FROM PAGE B1
This is the third subsidiary of a bank offering MFS. Previously it was Brac Bank and United Commercial Bank which established bKash and upay respectively. Transactions through MFS stood at Tk 63,479 crore in April, up 119 per cent year-on-year, according to data from Bangladesh Bank.

General SM Shafiuddin Ahmed, chairman of Trust Axiata Digital, announced the launch at a ceremony in Trust Bank's Dhaka head office.

"In this technological era, MFS is a very fitting and useful technological tool. This is why Trust Bank has partnered with Asian tech giant Axiata Digital Services to launch 'tap'," he said.

Humaira Azam, managing director of Trust Bank, said the bank aimed to provide the best banking services to people of the country.

"This is the reason for our partnership with Axiata Group. I believe digital transaction services can reach new heights through this partnership," she said.

Dewan Nazmul Hasan, chief executive officer (acting) of Trust Axiata Digital, said he believed people of the country would welcome this initiative by Trust Bank.

"Trust Axiata Digital Limited will become an icon of trust in mobile banking in the country," he said.

The MFS provider has aimed to promote cashless and universal banking, meaning anytime and anywhere payments and transactions using mobile phones in Bangladesh.

The service will cater to all customers alongside corporate and government payments, such as for merchant shopping, insurance and utility bills and passport fees and allow fund transfers, availing cash from agents, adding money from banks and so on.

Wheat import drops for pandemic

FROM PAGE B1
Wheat production in almost all countries worldwide has declined due to the ongoing pandemic, Abul Bashar, chairman of BSM Group, one of the country's top wheat importers, told The Daily Star.

"We imported slowly due to the price hike in international markets. Besides, suddenly our country's demand has declined due to the ongoing pandemic," he said. "However, the demand for wheat has seen an upward trend due to changing food habits and increased demand and export of baked goods over the last decade," he added.

IndexMundi, a facts and statistics data portal, ranks Bangladesh sixth among wheat importers, 18th in consumption and 34th in production in the world.

Economists say inflation won't last

REUTERS
Executives who run companies making everything from airplane parts to cars and steak burritos are at odds with economic policy makers on how durable the recent surge in US inflation will be and see higher prices hitting margins and profits through the remainder of this year, if not longer. Rising inflation has been the immediate focus of Federal Reserve officials and other global policy makers in recent weeks. There is a growing divide between those worried prices may be increasing too quickly and those arguing that economies need much more time to grow.

The International Monetary Fund said on Tuesday it views inflation pressures as the transitory result of "supply-demand mismatches" as economies reopen, with inflation expected to return to pre-pandemic ranges in most countries in 2022.

Still, it warned that persistently high inflation readings could lead to a "reassessment" of the monetary policy outlook by the Federal Reserve and other central banks in advanced countries.

A global survey of nearly 500 economists taken this month also concluded recent rising inflation in key economies around the world would be transitory. Over 70 per cent of economists, or 152 of 209, said the current

up-trend in global inflation was transitory, the Reuters poll showed.

Big corporations, however, are increasingly sounding the alarm in quarterly earnings reports as they struggle to cope with supply chain disruptions and labor shortages that are pushing up prices as economies rumble back to life after Covid-19. General Electric Co Chief Executive Larry Culp said on Tuesday his industrial conglomerate is facing inflationary pressure that will intensify in the remainder of the year. Culp joins executives at other manufacturers who see an overheating economy.

People are "questioning whether, you know, what we're seeing in terms of upward prices is permanent or transitory" US aerospace manufacturer Raytheon Technologies Corp Chief Financial Officer Neil Mitchell told Reuters in an interview. But he said he needed more time to see how it plays out and "where the Fed comes out in that regard."

Competitor Lockheed Martin Corp CFO Kenneth Possneried said on Monday the price of the most popular version of the F-35 fighter jet could increase, citing inflation.

Last week, Harley-Davidson Inc told investors it has a 2 per cent pricing surcharge on some bike models in the United States to mitigate mounting costs due to raw material price inflation. The owner of the 118-year-old motorcycle brand also warned that soaring raw material prices and supply chain and logistics bottlenecks would hurt its earnings in the second half of the year.

Others are saying rising prices will be harder to offset. Restaurant chain Chipotle Mexican Grill Inc's profits were lifted by menu price increases in the second quarter, a benefit that will be offset in the near-term by higher beef and freight costs.

Similarly, global consumer conglomerate Unilever Plc last week warned that surging commodity costs would squeeze its full-year operating margin as a full spectrum of input costs rises on higher freight, packaging and distribution costs.



A vegetable seller checks sweet potatoes at a greengrocery store in a street market, in Buenos Aires, Argentina on June 15.

Home appliance assemblers turning into manufacturers

FROM PAGE B1
"This policy support will help manufacturers strengthen the capacity and will benefit the consumers ultimately," said Tanvir Rahman, chief executive officer of Walton Air Conditioner.

"As consumers pay the VAT, the impact of the exemption will benefit them directly in terms of prices."

The price of ACs has become more reasonable thanks to the local production, he said.

According to NBR officials, companies such as Walton Hi-Tech,

RFL, Fair Electronics, Unitech BD Ltd, Elite Hitech, Rancon Motors, Minister Hitech Park, Jamuna Electronics, Trade International Industries Ltd, and Butterfly Marketing Ltd have received the VAT-exemption.

Walton and Elite Hitech have completed the construction of the AC manufacturing facility, officials of the companies said. Walton can manufacture 300,000 units of refrigerators per year.

"Except for compressors, all major parts and components are

manufactured at the Walton factory," Rahman said.

He said more companies would be keen on local production, and consumers would access good quality products at reasonable prices.

Noor Alam, deputy managing director of Elite Hitech Industries, said the extension of the VAT exemption for AC manufacturing would play a key role in developing the local industry and attract long-term investment in technology and product research and development.

5 lakh return since onset of pandemic

FROM PAGE B1
According to the information, 4.80 lakh migrant workers have come back. Based on that, it was said that about five lakh expatriates have returned, she said.

Some of the workers have also found jobs in the overseas markets, Khan said.

"We are beginning the project by considering two lakh workers. But we will take projects to cover all of them."

The government will prepare a database on migrant workers, outlining their host countries and their skills.

Apart from the one-off cash assistance, each of the targeted beneficiaries would be allocated Tk 5,000 to receive training from reputed training centres to turn them into skilled workers for overseas jobs.

"We will counsel them on how to secure loan facilities," the planning commission member said.

Planning Minister MA Mannan said the prime minister appreciated the project for employment generation in the informal sector aiming to reintegrate the migrant workers, reported UNB.

"The expatriates who returned home contributed a lot to the country. Now the country will have to provide support to them," Mannan quoted the prime minister as saying. State Minister for Planning Prof

M Shamsul Alam said a database of all returnee migrant workers would be created and assistance would be provided considering their financial state.

According to a recent survey by the Brac Migration Programme, 47.23 per cent of the migrant workers do not have any income. Besides, 98 per cent were under serious stress due to inadequate earnings, unemployment and inability to reintegrate into society.

Of the project cost, the World Bank will provide Tk 425 crore. The Wage Earners Welfare Board of the expatriates' welfare ministry will implement the project from 2021 to 2023.

Ten development projects involving an estimated cost of Tk 2,575.42 crore got approval at the meeting. Seven of these projects are new, while the remaining three are revised ones.

The new projects include Modernisation and expansion of the services and research facilities of the Institute of Tissue Banking and Biomaterial Research project involving Tk 173.80 crore; the construction of three underpasses and Paduar Bazar intersection U-Loop on Dhaka-Chattogram National Highway project with Tk 568.93 crore; and the protection of the left bank of the Padma River on the downside of the Padma Multipurpose

Bridge in various locations under Louhajang and Tongibari upazilas of Munshiganj involving Tk 446.12 crore.

A full-fledged child cardiology and child cardiac surgery unit will be set up at the Bangabandhu Sheikh Mujib Medical University at the cost of Tk 72.09 crore.

The meeting approved a Tk 146.87 crore project to construct the Bangladesh Chancery Bhaban at Canberra in Australia and a Tk 98.61 crore project to set up the BSCIC food processing estate in Thakurgaon.

The three revised projects are: up-gradation of district highways into proper standard and width (Mymensingh Zone) (1st revised) with an additional cost of Tk 111.58 crore; district-based computer training for women (3rd revised) project with an additional cost of Tk 31.82 crore; and reconstruction or replacement of iron bridges in the southern region (1st revised) project at an additional expenditure of Tk 498.30 crore.

Give priority to new clients: BB

FROM PAGE B1
As much as 98 per cent of the fund allocated to the service and industrial firms located outside of the zones has been disbursed by June 20 this year.

Boeing posts first profit in almost two years

REUTERS
Boeing Co on Wednesday posted its first quarterly profit in almost two years, as deliveries of its best-selling 737 MAX jets to airlines gained traction amid a sharp rebound in travel bookings following an increase in global Covid-19 vaccinations.

The 737 MAX is integral to Boeing's financial recovery, as the US planemaker scrambles to recoup billions of dollars in lost sales from the pandemic, push past the safety scandal caused by two fatal 737 MAX crashes, and deal with structural defects of its bigger, more profitable 787 planes. Boeing shares were up nearly 6 per cent at \$235.18 in early trading following the results, which were also fueled by higher defense and services sales.

Unilever profit falls 26pc in Q2

FROM PAGE B1
sales increased 11 per cent to Tk 204 crore. However, profits dropped 29 per cent to Tk 22.38 crore.

The profit fall mainly resulted from a lower gross margin due to a duty increase in dry mix ingredients (DMI) from 15 per cent to 25 per cent and significant reduction in finance income, said the company in its financial highlights.

Yesterday, the financial statements were approved at its board meeting.

In the first half of the year, its net finance income nosedived 87 per cent to Tk 1.31 crore from Tk 10.77 crore a year earlier.

The finance income dropped as banks offered lower interest rate on bank deposits, clarified the company.

From April 1, 2020, scheduled banks implemented a single digit interest rate of 9 per cent for all kinds of loans and 6 per cent on deposits.

Abiding by the central bank order, they have been offering the lower rate.

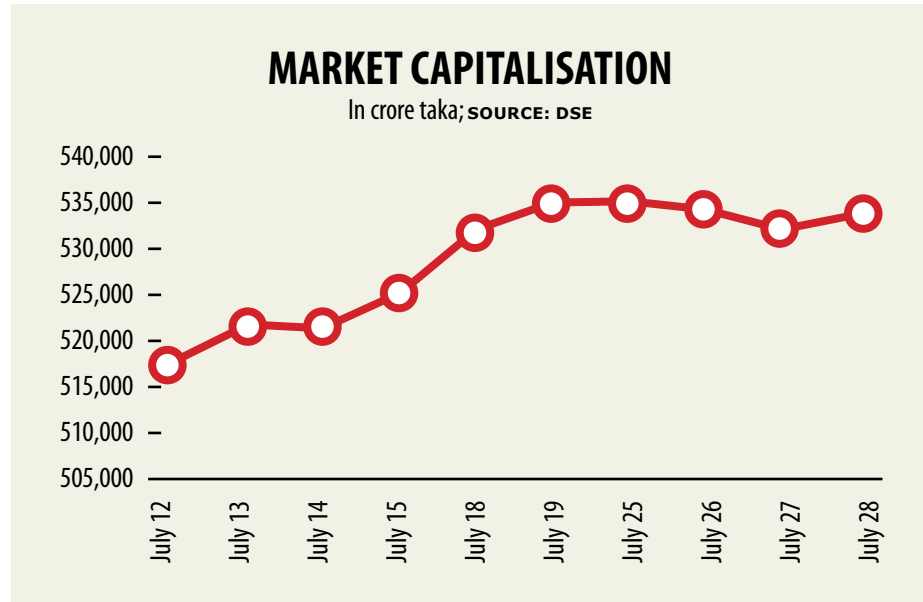
Net operating cash flow per share increased by 146 per cent in the half yearly period for a change in its distribution model following the acquisition by Unilever, with a majority of sales done are on a cash basis, added Unilever Consumer Care.

Yesterday, stocks of Unilever Consumer Care closed 0.36 per cent higher at Tk 2,922 at Dhaka Stock Exchange.

Earlier in 2018, GSK Bangladesh, a subsidiary of British multinational GSK Plc, shuttered its 60-year-old pharmaceuticals business in Bangladesh.

Last year, Unilever bought more than 82 per cent of GlaxoSmithKline's (GSK) health food and drinks business in Bangladesh from Setfirst, a corporate director of the company.

Stocks bounce back after two days



STAR BUSINESS REPORT

The stock market bounced back yesterday as institutional investors took to fattening up their portfolios.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose 37.5 points, or 0.58 per cent, to 6,417 compared to the previous day. It had dropped 45 points on the preceding two days.

In another development, stock market trade is scheduled to remain suspended next Monday and Wednesday as Bangladesh Bank has decided to keep banks shut on those two days.

For the remaining three working days of the week, trade will run from 10:00am to 2:00pm.

Though general investors are hesitant, some institutional investors preferred buying stocks amidst the intensification of the pandemic, said a top official of a leading brokerage firm.

Money is very much available in the banking sector and there is no lucrative scope for investments, so some big investors are preferring the stock market to keep their money rolling, he said.

Excess liquidity in the banking sector stood at Tk 231,462 crore as of June, up 66 per cent year-on-year and 9 per cent from a month ago, according to Bangladesh Bank data. The investors believe the upcoming monetary policy will be expansionary, making their investment decision logical, said the broker.

The central bank is scheduled to announce the monetary policy for the current fiscal year today.

However, general investors are less active in the market now, he added.

Turnover, an important indicator of the market, fell 6.97 per cent to Tk 1,360 crore compared to the previous day. Peoples Insurance Company topped the gainers' list yesterday, rising 10 per cent for the second consecutive day on disclosing earnings for the April-June period of the current year. Its earnings per share rose 57 per cent to Tk 0.60.

Stocks of Fu-Wang Ceramic Industry were traded the most, worth Tk 44 crore, followed by Saif Powertec, Beximco, GPH Ispat and Central Insurance Company.

Despite disclosing higher profits, stocks of HeidelbergCement Bangladesh shed the most in the market, falling 5.12 per cent followed by Emerald Oil Industries, Global Heavy Chemicals and C&A Textiles.

Earnings per share of the HeidelbergCement stood at Tk 11.79 in the first half of the current year while it was Tk 2.54 in the negative in the same period last year. At the DSE, 218 stocks advanced, 122 fell and 35 remained unchanged.

Chattogram Stock Exchange also rose yesterday. The CASPI, the general index of the port city bourse, increased 89 points, or 0.48 per cent, to 18,621.

Among 315 stocks to undergo trade, 172 advanced, 103 fell and 40 remained unchanged.

Rawhide business battered by Covid restrictions

Traders unable to find fair prices amid low supply

STAR BUSINESS REPORT

Rawhide traders across Bangladesh have been left disappointed by low prices this year, according to market insiders.

Besides, many people opted not to sacrifice animals during Eid-ul-Azha, for which the supply of rawhides has diminished significantly compared to pre-pandemic levels, they said.

Eid-ul-Azha, one of the two largest religious festivals for Muslims, accounts for more than half of the country's annual rawhide collection.

This year though, amid a slew of restrictions aimed at curbing the spread of Covid-19, the number of cattle sacrificed was considerably lower as most people avoided big expenses during this time of crisis.

A total of 90.9 lakh cattle were sacrificed this year, down by about 3.8 per cent from that in 2020, according to data from the Department of Livestock Services (DLS).

Rawhide wholesalers in Barishal say the supply of sacrificial animal skins was at least 20 per cent lower compared to last year.

Keramat Ali, a rawhide trader based in the Barishal wholesale market, said he bought 4,000 pieces of untanned leather this year while it was 6,000 pieces in 2020.

"There were at least 10 traders in Barishal market who used to do this business but that number has since come down to four thanks to coronavirus-induced financial troubles," he added.

Around 4.61 lakh cattle were sacrificed in the division this year, down by about 37,000 animals compared to that in 2020, as per data from the DLS Barishal office.

Similarly, the poor supply and low prices have taken a toll on the Pakuatia rawhide market in Ghatail upazila of Tangail.

As a result, many of the local traders now fear they may face huge losses.

More than four lakh rawhides



TITU DAS

Cattle skins are being offloaded from a truck at a rawhide wholesale market in Barishal. Due to inadequate supply this year, traders are in fear of losses. The photo was taken recently.

Rawhide production during Eid-ul-Azha, one of the two largest religious festivals for Muslims, accounts for more than half of the country's annual collection

4 lakh worth of rawhides and had to spend another Tk 40,000 for other costs.

"But with the current price situation in the market, it seems that I cannot sell my rawhides for more than Tk three-and-a-half lakh," he added.

On the other hand, Abu Sayeed, a representative from Ajmer Tannery in Dhaka, said rawhide prices have dropped because of a similar decline in prices at the international level.

Besides, the Covid-19 pandemic has only exacerbated the situation, he added.

However, Sayeed expressed hope that prices may rise a bit after the ongoing nationwide lockdown comes to an end.

Still though, most seasonal rawhide traders say they cannot wait for a potential rise in prices since they have to repay their loans.

were brought to the market in 2020 whereas just one-fourth of this amount is up for sale this year.

Moreover, thanks to the restrictions on public movement, only a small number of tannery owners, agents and wholesalers have been able to pay a visit.

During a recent visit to the wholesale market beside the Tangail-Mymensingh highway, several rawhide traders said they were forced to sell their products

at a loss in order to reduce the debt incurred to purchase these skins.

Punya Sarkar, a seasonal rawhide trader of Moter Bazar of Madhupur upazila in Tangail, said he availed 700 rawhides for Tk 500 apiece, which includes the cost of salt and transport.

"But buyers are offering not more than Tk 500 per hide," he added.

Likewise, Arun Kumar of Fulbaria in Mymensingh said he bought Tk



GLOBAL BUSINESS

Pfizer raises 2021 Covid vaccine sales forecast to \$33.5b

REUTERS

Pfizer Inc on Wednesday raised its forecast for sales of the Covid-19 vaccine that it developed with Germany's BioNTech by 28.8% to \$33.5 billion, as countries scramble to secure supply of the shots.

The company said the raised sales forecast of the vaccine is based on signed deals for 2.1 billion doses this year, and that it could increase if it signs additional contracts. Pfizer and BioNTech expect to produce 3 billion doses of the vaccine this year.

Pfizer gained a head start in December with the first US emergency authorization of a Covid-19 vaccine, and has since jumped ahead of rivals that have faced manufacturing hurdles. Johnson & Johnson's vaccine has also been under scrutiny over safety concerns.

J&J last week estimated full-year Covid-19 vaccine sales of \$2.5 billion, while Moderna has forecast \$19.2 billion.

Pfizer has said it believes a third "booster" dose of its vaccine will be needed in the future, which could help it bring in more sales in 2022. The company said on Wednesday it could file for an emergency use authorization for a potential booster dose as early as August.

Top infectious disease official Anthony Fauci said on Sunday that Americans who are immune compromised may end up needing booster shots as the United States deals with increasing cases from the Delta variant of the coronavirus. The United States purchased 200 million more doses of the Pfizer/BioNTech vaccine last week to help with pediatric vaccination as well as possible booster shots - if they are needed.

Pfizer's previous forecast in May of \$26 billion was based on deals signed for 1.6 billion doses. Wall Street was broadly in line with that forecast at \$28.51 billion, according to nine analysts polled by Refinitiv.

Expenses and profit from the vaccine are split 50-50 between Pfizer and BioNTech.



REUTERS/FILE

A person walks past a Pfizer logo amid the coronavirus disease pandemic in the Manhattan borough of New York City on April 1.

US oil refiners set for first profit during pandemic



REUTERS/FILE

A general view of the Marathon petroleum refinery in Carson, California, US.

REUTERS

US oil refiners are set to post their first quarterly profit since the Covid-19 pandemic, even though higher oil prices and weaker margins in June have tamed analysts' optimism fostered by the rebound in fuel demand.

US gasoline and diesel fuel demand has nearly recovered to 2019 levels following the plunge in travel and business activity during the worst of the coronavirus pandemic in 2020. Refiners ramped up processing on the back of the resurgence in activity, but are also grappling with higher crude oil prices, which have surged 48 per cent this year.

The top three US independent refiners - Valero Energy Corp, Phillips 66 and Marathon Petroleum Corp - are projected to report combined net income of about \$675 million in the second quarter.

That would be down from \$1.3 billion in profit forecast just 30 days ago, and analysts are concerned that the resurgence in coronavirus cases will undermine economic demand.

"There is a fear that second quarter could be peak earnings for the group

this year," said Cowen and Co analyst Jason Gabelman.

US crude has rallied nearly 24 per cent in the quarter, and while prices of transportation fuels tend to pick up in tandem, prices of other products like naphtha, asphalt and propane tend to lag the increase, squeezing margins.

The US Energy Information Administration earlier this month forecast US liquid fuels consumption in 2021 to rise by 1.5 million barrels per day from 2020. Gasoline product supplied rebounded in the second quarter to levels not seen since prior to the pandemic's beginning.

That has analysts optimistic about coming reports, after the top three refiners lost \$1.3 billion in the first quarter, according to Refinitiv IBES data. Valero reports its earnings on Thursday, followed by the other two next weeks.

Going forward, the spread of the highly transmissible Covid-19 Delta variant is threatening the nascent recovery in travel, with the United States saying this week that it will not lift any existing travel restrictions "at this point."

Refining margins started to decline in June, falling to about \$19.11

per barrel at the end of the month, compared with \$20.42 at the end of the first quarter, Refinitiv Eikon data showed. In the second quarter, blending ethanol into gasoline also hurt margins as price for the combased fuel was at a rare premium to gasoline, analysts said.

Refiners also had to pay more for US renewable fuel credits, which touched a record \$2 in the quarter. The cost for Renewable Identification Numbers (RINs) - the credits used for compliance with US biofuels blending laws - increased by 22 cents each to \$1.54 at the end of June from \$1.32 at the end of the first quarter.

Refiners are required, by law, to blend biofuels into their gasoline pool, or pay up so others can do the same.

The pandemic has reduced blending activity generally, and as a result, fewer credits have been issued, increasing their costs.

Delta Airlines' refinery in Trainer, Pennsylvania, in early July posted a \$157 million operating loss in the second quarter, in part due to the higher costs associated with blending biofuels into its products.

NEWS In Brief

Oil price rises to \$75

REUTERS, London

Oil rose to around \$75 a barrel on Wednesday ahead of an industry report expected to show US crude inventories fell more than expected, bringing the focus back to a tight supply and demand balance rather than rising coronavirus infections.

US crude stocks fell 4.7 million barrels, two market sources citing American Petroleum Institute figures said, more than analysts forecast. Official US Energy Information Administration inventory figures are out at 1430 GMT.

"This price catalyst may inject some much-needed momentum into proceedings, especially after the API set a bullish tone," said Stephen Brennock of broker PVM, referring to the EIA report.

Brent crude rose 57 cents, or 0.8 per cent, to \$75.05 a barrel at 0950 GMT, after posting on Tuesday its first decline in six days.

British PM expects steady recovery for economy this year

REUTERS, London

British Prime Minister Boris Johnson said Britain's economy would show a steady recovery this year albeit with "bumps on the road" after the country posted a strong increase in the number of employees on company payrolls in June.

"You're seeing the job numbers increasing and I think the rest of this year there will still be bumps on the road but I think you'll see a story of steady economic recovery," Johnson told LBC radio on Wednesday.

Nissan posts surprise Q1 profit

REUTERS, Tokyo

Japanese automaker Nissan Motor Co on Wednesday raised its earnings outlook for the year, helped by a weaker yen and favourable demand in the United States, after reporting a surprise first-quarter operating profit.

Nissan reported an operating profit of 75.68 billion yen (US\$688.6 million) for April-June, compared with a 153.93-billion-yen loss in the same period a year earlier.

Deutsche Bank optimistic on revenues

REUTERS, Frankfurt

Deutsche Bank on Wednesday beat expectations with a surge in second-quarter profits after outperforming rivals in fixed income trading and raised its revenue outlook for next year.

The profit figures are good news for CEO Christian Sewing, who launched a major restructuring in 2019 to return the bank to profitability after a string of regulatory failings. Sewing said in a memo to staff: "The right strategy and hard work do pay off."

Deutsche Bank has lost around 8.2 billion over the past 10 years, but Wednesday's results mark the group's fourth consecutive quarterly profit, its longest streak in the black since 2012.