

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Thursday			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 1.52%	▲ 0.38%	\$1,813.58	\$75.41	▼ 0.13%	▼ 1.80%	▼ 0.43%	▼ 0.42%	83.95	98.43	116.00	12.73
6,307.36	11,190.25	(per ounce)	(per barrel)	52,586.84	27,283.59	3,166.94	3,397.36	BUY TK	102.23	119.80	13.38
								SELL TK			

# Star BUSINESS

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## Online sales growth slows

Industry insiders blame disrupted supply chain, consumers' cautious spending

MAHMUDUL HASAN

The high-flying growth of the e-commerce sector of Bangladesh has slowed in recent months, largely because of disrupted supply chains caused by strict lockdown and tightening of belts by consumers.

Besides, the recent controversy involving some e-commerce platforms spooked consumer confidence.

As a result, the number of online deliveries now hovers around 1.7 lakh daily, after it surpassed the 2-lakh mark in December, according to industry people.

"There was an increase in orders during Eid-ul-Azha, especially for fast-moving consumer goods. But the overall pace of growth has slowed," said Asikul Alam Khan, chief executive officer of PriyoShop.

Although the platform clocked more than 20 per cent year-on-year growth in the first half of 2021, the sales ahead of Eid were not satisfactory, according to Khan.

"Currently, we are making deliveries of 5,000 to 6,000 on average every day. It should be 8,000 to 10,000."

The demand for laptops and mobile phones and accessories has fallen. PriyoShop's top-selling items are oil, handwash, chocolate and baby food.

Khan says customers are now very cautious and keener to buy only basic items.

This is because many have lost jobs, and many have been receiving partial salaries since April owing



to the second wave of coronavirus infections.

As Covid-19 has pushed everything online, chaldal.com's growth has been turbocharged during the pandemic. However, the pace has lost steam since January.

"Spending habits change, and people are spending less now," said Waseem Alim, chief executive officer of the platform.

Chaldal makes an average daily delivery of 8,000 to 10,000 during Eid, which is less than the 15,000 it had expected to carry out. During this time last year, it made around 4,500 deliveries per day.

According to Alim, the rising price of rice and edible oil and the supply chain disruptions owing

to the countrywide suspension of transport movement were slightly to blame for the slower than expected growth.

Chaldal's top-selling items were mangoes, oil, and potatoes recently. Daraz Bangladesh, the leading e-commerce platform in the country, says it has been facing huge supply chain disruptions for the lockdown as most of its consumer electronic items are dependent on imports.

"Due to the port congestion, we are facing difficulties in our supply chain," said Shayantani Twisha, head of public relations, media and communications at Daraz, a subsidiary of Alibaba.

Laptop and computer sales on

the platform have decreased, while the sales of computer accessories, internet protocol cameras and storage devices have a positive impact on the business, she said.

Daraz made monthly deliveries of 50,000 to 60,000 in the last couple of months, down from 65,000 in March.

Due to the strict lockdown, it had to cancel the Eid Big Sale Campaign. However, it sold more than 400 sacrificial animals, up from 170 a year ago.

The orders on Pickaboo, a platform focused on selling laptops, computers, accessories, watches, electronics and appliances, increased 30 per cent during Eid.

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## Most multinationals draw bigger profits

AHSAN HABIB

Most listed multinational companies dealing in construction and pandemic-related products were blessed with a higher year-on-year growth in profits in the first half of the current year.

Of the 13 listed companies, seven logged higher profits and two returned to profits from losses.

Three counted lower profits and one is yet to publish the associated report.

Linde Bangladesh, HeidelbergCement Bangladesh, LafargeHolcim Bangladesh and RAK Ceramics witnessed the highest profit growths.

Sanitisation and pandemic-related product producers are doing well everywhere as demand is very high, said Yawer Sayeed, managing director and CEO of the AIMS of Bangladesh, the first private asset management company of Bangladesh.

Asset management companies prefer multinational companies when investing their funds.

Linde Bangladesh, which supplies oxygen, logged a 65 per cent growth in profits while sanitisation goods producer Reckitt Benckiser 7 per cent.

Demand for construction-related products was also higher in the country as many big infrastructure projects of

*Of the 13 listed multinational companies, seven logged higher profits and two returned to profits from losses*

the government are in progress, so the sector's multinational producers are making good profits, he said, adding that local companies were not lagging behind either. Profits of LafargeHolcim Bangladesh surged 156 per cent to Tk 215 crore.

HeidelbergCement Bangladesh's profit was Tk 66.6 crore whereas it was Tk 14 crore a year earlier.

RAK Ceramics also returned to a profit of Tk 43 crore whereas it was previously incurring loss of Tk 3.6 crore.

Multinational companies are doing better than many local companies mainly due to having better management practices and better sources of raw materials, said Sayeed.

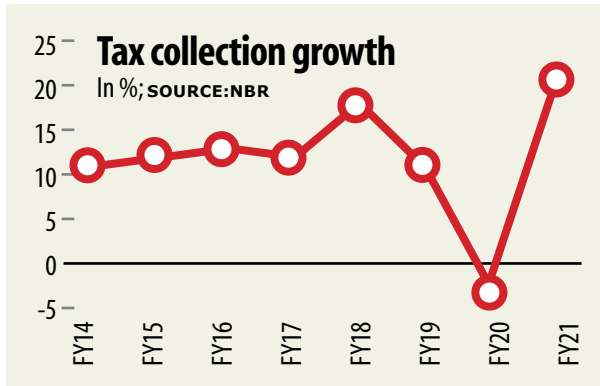
"So, their costs become lower," he said. The confidence people have on them and a higher efficiency give them the extra mileage, he said.

They bring the latest technologies and invest after careful planning and analysis, so their profitability is higher, added the asset manager.

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## Tax receipts rebound

Growth hits decade high



STAR BUSINESS REPORT

Tax collection bounced back in Bangladesh in the last fiscal year to grow at the sharpest pace in 10 years, riding on increased imports and an uptick in receipts of value-added tax.

The National Board of Revenue (NBR) collected around Tk 260,000 crore in 2020-21, up more than 20 per cent from Tk 216,540 crore year-on-year, provisional data showed.

This is the highest growth rate since fiscal 2011-12.

The recovery came a year after the NBR posted its first-ever decline since independence in the face of the onslaught of the coronavirus pandemic, which forced the government to impose a two-month-long countrywide shutdown from the end of March to May, crippling the economy.

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## 25 lakh masks sold daily

Manufacturers say; market size now Tk 400cr

JAGARAN CHAKMA

One and a half years ago, the demand for surgical masks in Bangladesh was met through imports. But the deadly coronavirus pandemic has pushed the local companies to build capacity to produce the essential item locally as the country struggles to tame the contagion.

Now, around 25 lakh pieces of surgical masks are sold daily, manufacturers say.

There is no reliable data about the market size of face masks in Bangladesh. Industry people say the market size might have reached Tk 400 crore as demand has surged manifold since the start of the pandemic due to the spike in caseloads.

Before the outbreak of Covid-19, the use of surgical masks was limited to hospitals, pharmaceutical factories and a few individuals.

The Directorate General of Drug Administration (DGDA) has provided no-objection certificates to 35 local companies to manufacture surgical masks as of July 23, said Md Ayub Hossain, a director of the state-run medicine regulator.

"Local companies can now meet the entire local demand of masks."



RASHED SHUMON

Before the outbreak of Covid-19, the use of surgical masks was limited to hospitals, pharmaceutical factories and a few individuals.

Md Abdur Razzak, managing director of JMI Group, said the company had received permission to manufacture surgical and KN95 face masks.

According to him, local companies make quality surgical masks and cater to 100 per cent of the demand. JMI Group can produce 1.5 lakh

pieces of surgical masks a day.

The cost of manufacturing masks has fallen sharply from around Tk 22 apiece after the government waived the import duty of the raw materials used to make the product as demand skyrocketed following the outbreak.

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## BROADBAND INTERNET User number hits 1cr milestone

MAHMUDUL HASAN and SHAHID BAPPY

The number of broadband internet connections has surpassed the 1 crore mark in June for the first time as a vast number of people now rely on the internet due to the pandemic which propelled work from home practices and remote learning.

According to Bangladesh Telecommunication Regulatory Commission, broadband subscribers shot up around 18 per cent year-on-year in June.

However, the sharp increase in the number of broadband internet consumers can be seen when the figures are compared to the pre-pandemic levels.

Broadband connections took a staggering jump of 76 per cent since pre-pandemic times of February last year when there were 57 lakh such customers. In other words, the pandemic added over 43 lakh subscribers.

"It's a landmark and it was achieved mainly due to the increase of data consumption, which more than doubled since the start of the pandemic," Mustafa Jabbar, posts and telecommunications minister, told The Daily Star.

"And data is the future. We realised it long ago so we launched 3G in 2013 and 4G in 2018. We are now taking fibre optics connectivity to union levels within this year," he said.

About recent criticisms over internet speed ranking, Jabbar said within over a year data consumption more than doubled but adequate infrastructure for it was yet to be installed due to supply chain disruptions amidst the pandemic.

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## 'Allow all factories to reopen'

STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has called upon the government to allow them to reopen all types of factories for the sake of investment, employment and smooth supply chain.

*Let all banks operate in industrial areas: FBCCI*

FBCCI President Md Jasim Uddin made the call yesterday, a day after the government decided to keep all export-oriented factories and industries open from today amid the strict nationwide lockdown.

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Long-term strategic planning needs to be taken for sustainable river dredging, while private and foreign investment should be encouraged with more fiscal and policy incentives, analysts said.

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## Efficient river dredging to propel industrial growth: experts

STAR BUSINESS REPORT

Experts yesterday emphasised sustainable and efficient river dredging and its proper maintenance to improve the country's inland waterways to propel industrial and socio-economic development.

They described waterways as the cheapest means of transportation and blamed lack of maintenance, weakening upstream flow and human interventions for declining navigable waterways.

Long-term strategic planning needs to be taken for sustainable dredging, while private and foreign investment should be encouraged in the sector with more fiscal and policy incentives, they said.

The experts spoke at a webinar titled "Sustainable River Dredging: Challenges and Way Forward" organised by the Dhaka Chamber of Commerce and Industry (DCCI), according to a press release.

DCCI President Rizwan Rahman, who moderated the discussion, said the number of rivers in Bangladesh was dwindling due to siltation and the falling water flow, affecting inland waterways.

Navigable waterways have manifold effects on the economy as it saves time for container movement and is comparatively cheaper for goods transportation.