

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.94%	▼ 0.99%	\$1,864.04 (per ounce)	\$82.17 (per barrel)	▲ 1.28%	▲ 1.13%	▼ 0.03%	▲ 0.18%	BUY TK 84.85	96.13	112.98	13.08
6,930.07	12,195.09			60,686.69	29,609.97	3,228.45	3,539.10	SELL TK 85.85	99.93	116.78	13.75

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# Star BUSINESS

DHAKA MONDAY NOVEMBER 15, 2021, KARTIK 30, 1428 BS • starbusiness@thedailystar.net

## Listed pharma post higher profits as demand picks up

AHSAN HABIB

Almost all listed pharmaceutical companies in Bangladesh logged higher profits in July to September thanks to higher sales as people shook off coronavirus fears to avail treatments and the lower cost of bank finances.

Among the 10 major drug companies in Bangladesh, the profits of eight -- ACI Ltd, Acme Laboratories, Beximco Pharmaceuticals, IBN Sina, Renata, Square Pharmaceuticals, Orion Infusion, and Indo-Bangla Pharmaceuticals -- rose.

The earnings of Orion Pharmaceuticals and Silva Pharmaceuticals dropped.

The pharmaceuticals business saw slowdown at the heights of the pandemic in Bangladesh. Though the crisis hit the country in March 2020, it intensified in the first few months in 2021. People were reluctant to leave their houses to go to hospitals unless it was emergency.

Similarly, many doctors had cut business hours, but their service has almost returned to normalcy as coronavirus caseloads have dropped sharply in the last several months.

"As a result, the sales and profits of pharmaceutical companies went up," said M Mohibuz Zaman, chief operating officer of ACI Pharmaceuticals.

Profits of ACI Ltd, the parent company of ACI Pharmaceuticals, stood at Tk 30.12 crore in the first quarter, up a staggering 647 per cent from Tk 4.03 crore a year ago, according to the financial statements.

Md Moniruzzaman, managing director of IDLC Investments, one of the leading merchant banks in Bangladesh, echoed Zaman.

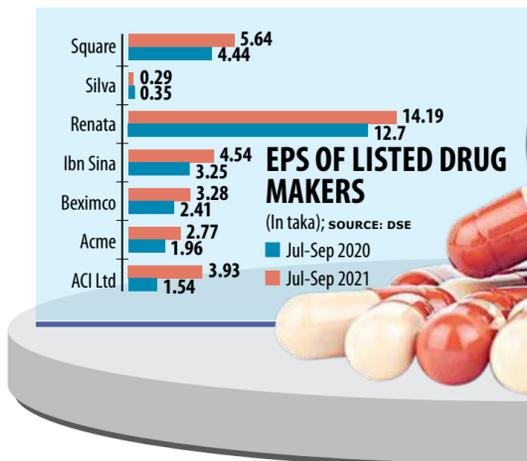
"This year, almost all drug-makers

### PHARMAS WITH HIGHEST PROFIT GROWTH

COMPANY NAME	GROWTH (IN %)
ACI Ltd	155
Acme	41
Ibn Sina	39
Beximco	36
Square	27
Renata	12

### REASONS BEHIND HIGHER PROFITS

- Higher sales of prescription medicines
- Better export earnings
- A rise in seasonal diseases such as cold and fever
- Lower rates of interest
- Higher sales of Covid-related medicines



witnessed a big jump in their profits than their usual growth of 10 to 12 per cent," he said.

ACI Ltd's profit grew 155 per cent compared to the same quarter a year ago. The profits of Acme Laboratories were up 41 per cent, IBN Sina's 39 per cent, Beximco Pharma's 36 per cent, and Square Pharmaceuticals' 27 per cent.

"The profits of the listed drug makers were sales-driven," said Moniruzzaman.

The sales were higher in the quarter for a confluence of factors.

A huge number of people contracted Covid-19, so the demand for virus-related medicines was higher.

In the export markets, pharmaceutical shipment from Bangladesh grew 33 per cent year-on-year in the July-September quarter on the back of anti-coronavirus drugs and the cash incentives from the government.

Medicines worth \$56 million were exported during the period, up from \$42.17 million in the same three-month period last year, data from the Export Promotion Bureau showed.

The lower interest rate on bank loans, owing to the lending rate cap enforced by the central bank since April last year, contributed to the sharp increase in the

profits, according to Moniruzzaman.

The July to September quarter is the peak season for the pharmaceutical industry, and the period produced good profits, said Md Jubayer Alam, company secretary of Renata.

Renata clocked profits of Tk 139 crore in the first quarter of 2021-22, which was Tk 126 crore a year ago. Its earnings per share were the highest among all the listed drug-makers at Tk 14.19, the company's financial statements showed.

Many senior doctors had stopped private practices at their chambers last year due to the pandemic, sending the sales of medicines lower. Now, consultations are done in person.

READ MORE ON B3

## Italian company wants to recycle Savar tannery waste

SUKANTA HALDER

An Italian company has proposed being authorised to manage Savar Tannery Industrial Estate's (STIE) solid waste so that it could recycle it into biogas and fertilisers.

Ilsa SPA in its website says it produces and markets biostimulants and products with a specific action, organic and organo-mineral fertilizers, solids and liquids.

The proposal alongside a draft memorandum of understanding for conducting a feasibility study is now with the Ministry of Industries, forwarded by the Bangladesh Small and Cottage Industries Corporation (BSCIC).

Italy will work to transfer green technology in a joint venture between Bangladesh and Italy and increase Italian investment in Bangladesh, said Italian Ambassador to Bangladesh Enrico Nunziata paying a courtesy call on the BSCIC chairman at his office yesterday.

Some 50 tonnes to 60 tonnes of solid waste, such as fleshings, trimmings, and shavings, are currently being generated every day by 132 out of the 155 tanneries in operation at the STIE.

During the peak four months of production centring the sacrifice of animals during Eid-ul-Azha, the amount goes up to 150 tonnes a day, according to the BSCIC.

In absence of dumping yards, all of the waste is being stored in a nearby vacant space under the open sky on a temporary basis, polluting the locality of Hemayetpur in Savar.

The government had shifted the tanneries from the city's Hazaribagh to Savar in 2017 aiming to make the leather sector more environment-friendly.

But the STIE still lacks proper solid waste management alongside a fully functional effluent treatment plant.

"We are struggling with solid waste. It will not be possible to manage. So we have to take help of foreign technology," said Md Mostaque Hassan, chairman of the BSCIC.

"The BSCIC will sign the MoU as soon as the ministry gives the approval. We hope to implement this initiative within a year," he said.

READ MORE ON B3

### SAVAR TANNERY ESTATE

132 out of 155 tanneries in operation

Generating 50 tonnes to 60 tonnes of solid waste daily

Waste includes fleshings, trimmings, and shavings

All being stored in a nearby vacant space under the open sky

Italian company seeks to manage it through recycling

Will make biogas and fertilisers

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## MJL sees profits soar 71pc

STAR BUSINESS REPORT

MJL Bangladesh Ltd saw its profits surge to Tk 62.8 crore in the July-September quarter, up 71 per cent from Tk 36.7 crore during the same period a year ago, as the reopening of economic activities since August powered its lubricant sales.

The company registered revenue of Tk 606 crore in the quarter, up 30 per cent from Tk 506 crore a year ago.

"We had good business in the July-September quarter as industries and power plants ran, while there was increased vehicle movement," said Md Rokibul Kabir, company secretary of MJL Bangladesh.

READ MORE ON B2

## Singer faces Tk 94cr VAT evasion charge

SOHEL PARVEZ

A field office of the National Board of Revenue has brought a VAT evasion allegation against Singer Bangladesh Ltd and claimed nearly Tk 94 crore as indirect tax from the electronics and home appliance seller.

The multinational denied the allegation.

Inspections last May revealed that Singer had not registered 314 sales centres and 19 warehouses, said Large Taxpayers Unit, Value Added Tax, which collects the indirect tax from big local and multinational companies.

Singer's records of March officially showed it had 110 showrooms, said the NBR field office, adding that this discrepancy was a violation of rules.

Singer Bangladesh has three separate VAT registrations.

It itself is registered with the Customs, Excise & VAT Commissionerate, Dhaka (South) as a trading entity for selling imported and locally manufactured appliances.



Its factory is listed with the LTU, VAT as a manufacturer. Another factory, International Appliance Ltd, is registered with the Customs, Excise & VAT Commissionerate, Dhaka (West).

The inspections found that a 15 per cent VAT should be realised from Singer on products delivered from two of the unregistered warehouses between December 2020 and April 2021, said the LTU, VAT.

The company's Genda, Savar warehouse delivered Tk 363.46 crore of appliances, the VAT on which amounts to Tk 54.52 crore, it said.

Similarly, Singer's Rajfulbaria, Savar warehouse delivered products of Tk 56.6 crore, on which VAT of Tk 8.49 crore is applicable, it added.

READ MORE ON B2

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of relocated  
**Khawja Garib Newaz Avenue Branch**  
Trust Bank Limited

**Tropical Akhand Tower**  
Khawja Garib Newaz Avenue  
Plot# 23, Sector# 11, Uttara, Dhaka-1230  
Phone: 02-48964666, 02-48964667



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## Stocks snap winning streak

STAR BUSINESS REPORT

The stock market dropped yesterday snapping a three-day gaining streak as quarterly earnings disclosures failed to cheer investors.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), fell 65 points, or 0.94 per cent, to 6,930.

International Leasing Securities Ltd blamed the quick profit-booking for the decline.

The risk-averse investors opted for booking profit as quarterly earnings disclosures from a number of companies during the trading hours failed to meet their expectations, it said in an analysis.

Among the sectors, tannery, IT and bank sectors posted price appreciation, while cement, travel and ceramic witnessed correction. The investors' activity was mostly centred on bank and pharmaceuticals sectors.

Turnover, an important indicator of the market, fell 28 per cent to Tk 1,102 crore. It was Tk 1,506 crore a day earlier. On the DSE, stocks of 68 companies advanced, 273 fell, and 32 remained the same.

READ MORE ON B2

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## EBL wins JP Morgan award

STAR BUSINESS DESK

Eastern Bank Ltd (EBL) has recently been awarded a JP Morgan "US Dollar Clearing MT202 Elite Quality Recognition Award" for exceeding JP Morgan's Straight Through Processing (STP) performance benchmark.

Ali Reza Iftekhar, managing director of the EBL, received the award from Sazzad Anam, executive director of JP Morgan Chase Bank NA Bangladesh Representative Office, at a ceremony in the EBL head office, said a press release.

"This award is a recognition of the EBL's commitment to high quality performance," said Iftekhar.

The award recognises STP rates above 99.70 per cent and the EBL maintained 99.98 per cent.

JP Morgan has been awarding US Dollar clearing clients who achieved operational excellence by properly formatting their swift payments since 1997.



Bank Asia unveiled its 22nd Anniversary Logo at Bank Asia Tower, Karwan Bazar, Dhaka yesterday to celebrate its journey of over two decades on November 27. Rumea A Hossain, chairman of the bank's Board Executive Committee, was the chief guest while directors Enam Chowdhury and Romana Rouf Chowdhury and President and Managing Director Md Arfan Ali were present. Chairman of the Audit Committee of the Board Dilwar H Choudhury and directors Ashrafal Haq Chowdhury, Helal Ahmed Chowdhury, Maj Gen (ret) Mohammad Matiuur Rahman and Nafees Khundker virtually joined the event. Deputy managing directors and members of the senior management team of the bank were present while heads of departments and branches attended virtually.

## Stocks snap winning streak

FROM PAGE B1

Sena Kalyan Insurance Company topped the gainers' list rising 10 per cent, followed by Acme Pesticides, Gemini Sea Foods, Golden Son, and Beach Hatchery.

Beximco Ltd was the most-traded stock with its shares worth Tk 154 crore changing hands, followed by Brac Bank, Orion Pharmaceuticals, IFIC Bank, and Genex Infosys.

Premier Cement gave up the most, dropping 9.95 per cent followed by Argon Denims, Far East Knitting & Dyeing Industries, Ambee Pharmaceuticals, Safko Spinnings Mills, and Shinepukur Ceramics.

The Chattogram Stock Exchange (CSE) also fell. The CASPI, the main index of the bourse in the port city, edged down 218 points, or 1.06 per cent, to 20,278.

Among the 271 stocks traded, 58 advanced, 199 fell and 14 remained unchanged.

South Asian Regional Standards Organization (SARSO)  
(A Specialized Body of SAARC)  
Dhaka, Bangladesh

SARSO/GSS Recruitment/03/2021/2483 14 November 2021

### Vacancy Announcement

Category: General Service Staff (GSS)

Applications are invited from the citizens of Bangladesh for filling up the following vacant posts on a **three-year contract basis** (Renewal).

Designation & No. of post along with level	Salary and allowances	Qualifications, experience and age
Senior Finance Officer 1 (one) post GSS-I	Pay Scale: US\$ 241 House Rent Allowance: 50% of basic pay Conveyance Allowance: US\$ 50.00 Medical Allowance: US\$ 50.00 Children Education Assistance: As per rule Festival Allowance: One-month basic pay per annum Others: As per SAARC Harmonized Rules.	M.Com/MBA with at least 8 (eight) years relevant experience in line with the job requirements. Competent to handle financial matters independently using computer software, such as budgetary control, fund release, maintaining accounts and finance in Tally software, desk monitoring and audit. Experience in financial management of foreign/donor agency and large government enterprise will be of added advantage. Computer literacy is a must. Should be capable of preparing Annual Budget, claim of contributions from the Member States, preparing the relevant document for presenting in the Governing Board. Capable of providing the relevant financial matters/documents to the Regional Audit Team and reply to the queries, should have good knowledge in foreign currency dealing. Age: Maximum 35 years as 20 December 2021.
MIS Officer 1 (one) post GSS-I	Pay Scale: US\$ 241 House Rent Allowance: 50% of basic pay Conveyance Allowance: US\$ 50.00 Medical Allowance: US\$ 50.00 Children Education Assistance: As per rule Festival Allowance: One-month basic pay per annum Others: As per SAARC Harmonized Rules.	MS/M.Sc. in Computer Science/Computer Engineering/Electrical and Electronics with at least 8 (eight) years' experience in system design, programming, installation, operation, maintenance of data base system, LAN, WAN and website management in programs. Knowledge in Apache Server, PHP, ASP, NET, MySQL, CSS/HTML etc. will be of added advantage. Preparation of computer aided presentation materials, report writing and communication with audience in discussion forum, meetings and training classes are the key prerequisites. Age: Maximum 35 years as of 20 December 2021.
Office Assistant 1 (one) post GSS - II	Pay Scale: US\$ 185 House Rent Allowance: 50% of basic pay Conveyance Allowance: US\$ 40.00 Medical Allowance: US\$ 40.00 Children Education Assistance: As per rule Festival Allowance: One-month basic pay per annum Others: As per SAARC Harmonized Rules.	Graduate with minimum 5 (five) years relevant work experience and good speed in typing. Should have skill and ability to prepare official correspondences/documents independently. Must be conversant with and having practical experience in MS Office (Word, Power Point, Access and Excel). Age: Maximum 35 years as of 20 December 2021.

For more details, please visit [www.sarso.org/](http://www.sarso.org/) [www.sarso.org.bd](http://www.sarso.org.bd)

**Conditions:**

- Application must be made in English along with complete "Curriculum Vitae" stating name, father's name, present and permanent address, date of birth, nationality, qualifications and experiences with all supporting documents, along with clearly indicating post against which the application is made, duly attested shall have to reach the **Director General, SARSO Secretariat** through e-mail at [dg@sarso.org](mailto:dg@sarso.org) and [dg@sarso.org.bd](mailto:dg@sarso.org.bd) with a copy by e-mail to SAARC Secretariat, Kathmandu at [dirind@saarc-sec.org](mailto:dirind@saarc-sec.org) by 20 December 2021.
- Application must be addressed to the Director General, South Asian Regional Standards Organization (SARSO) at 116/A, Tejgaon Industrial Area, Dhaka-1208.
- Two copies of recent passport size photographs duly attested and character certificate from a First Class Gazetted Officer must be submitted along with the application.
- Selection will be made as per applicable criteria of the SAARC Secretariat.
- Only short-listed candidates will be contacted for test/interview.
- No TA and DA will be paid for appearing in the test/interview.
- Age and qualification may be relaxed for highly experienced candidates from the governments/semi-governments/autonomous organizations.
- The candidates who are in service shall apply through proper channel.
- The appointment would be made subject to satisfactory police verification report.

K. Jayantha Sirikumara  
Director



Mohammed Haider Ali Miah, managing director of Export Import Bank of Bangladesh Ltd, cuts a ribbon to inaugurate the bank's 134th branch at Birganj, Dinajpur recently.

## China satisfied with Boeing 737 MAX changes

REUTERS, Beijing

China's aviation regulator has told airlines it is satisfied that design changes Boeing Co proposed for its 737 MAX plane could resolve safety problems, in a sign it is closer to lifting a more than two-year flight ban in Chinese skies.

The Civil Aviation Administration of China (CAAC) invited airlines to give feedback on a proposed airworthiness directive for the 737 MAX by November 26, according to an undated notice seen by Reuters.

The directive outlines specific procedures for pilots to perform in case of problems similar to those that emerged in two deadly crashes before the plane's grounding in March 2019. It also lists all the systems that must be functioning in order for the plane to be dispatched.

A return to the skies in China, the world's biggest aircraft market, would be a major boon to Boeing. Broker Jefferies said in September an announcement would be worth a 5 per cent boost to the stock price.

## Singer faces Tk 94cr VAT evasion charge

FROM PAGE B1

A VAT at source on space rent is also applicable, said the LTU, VAT.

Moreover, Singer claimed a Tk 30.88 crore input tax credit on electricity and utility bills of the 19 warehouses and transport services, it said.

Input tax credit refers to the reduction applicable when paying tax on output, considering the tax already paid on inputs.

Since the establishments were unregistered, "the rebate already claimed will be cancelled", said the LTU, VAT in a letter to Singer sent earlier this year.

"We have asked for explanations," said a senior LTU, VAT official seeking to remain unnamed.

Contacted, Singer said it had 431 retail outlets and warehouses and all were registered with the South commissionerate.

"We have papers with regard to registration," said Singer Bangladesh Chief Financial Officer Akram Uddin Ahmed earlier this month.

"We have not evaded paying any VAT," he said, adding that Singer was paying the indirect tax on sales of all its showrooms.

Singer will give its explanation in a reply to an LTU, VAT notice issued last month, he said.

A South commissionerate official said Singer had VAT registration for 110 units until March this year but it showed over 400 showrooms in its return and claim for input tax rebate.

"The company gave a summary of its showroom based sales in the returns and did not give details. So we also got some gaps," said the official, seeking to remain unnamed.

Beginning operations in Bangladesh in 1905 with its iconic sewing machine, Singer now offers multiple brands of electrical home appliances.

The company's turnover rose 8 per cent year-on-year in the January-September period of 2021 to Tk 1,334 crore.

Meanwhile, its profit after tax declined 6 per cent to Tk 59 crore, according to its latest unaudited financial statements.

## MJL sees profits soar 71pc

FROM PAGE B1

He went on to say that the company's profit soared as it could cut its administrative expenses and loan costs by 22 per cent and 18 per cent respectively in the July-September period.

MJL's share price rose 0.53 per cent to

Tk 94.90 yesterday at the Dhaka Stock Exchange. The company has the capacity to produce around 150,000 barrels of blended lubricants each year and imports about the same quantity of finished lube oil, which is mostly consumed by the domestic market.

**EDCL** ESSENTIAL DRUGS COMPANY LIMITED  
395-397, Tejgaon Industrial Area  
Dhaka-1208

### INTERNATIONAL TENDER NOTICE

EDCL invites **Two Envelope System** International Tender for Supply of Pharmaceutical Raw Materials on C&F/Dhaka By Air and Chittagong by Sea basis :

SL No	Tender No & Date	Name of the Items	Cost of Tender Schedule	Last date of Closing & opening
01.	IMP/RM/SEM/32/2021-2022 dated 14/11/2021	Pharmaceutical Raw Materials (specification as per tender schedule) : 01. Benzyl Benzoate BP 02. Phenoxymethyl Penicillin Potassium BP 03. Stearic Acid BP 04. Potassium Chloride BP 05. Sodium Chloride BP	Tk. 1900.00/set Equivalent to US\$ 22.00 Non-refundable	Closing : 06/12/2021 at 11.00 AM Opening : 06/12/2021 at 11.15 AM

Tender schedule will be sold from the Accounts Department of Essential Drugs Company Limited, Dhaka on payment as stated above during office hours on all working days (except Friday, Saturday and Govt. Holidays). No tender schedule will be sold on the opening date of the tender.

The tender will be accompanied by an amount of Earnest Money in the form of Bank Draft/Pay Order/Bank Guarantee from any Schedule Bank of Bangladesh in favour of "Essential Drugs Co. Ltd." without which the tender will be considered as non-responsive.

EDCL authority reserves the right to accept or reject any or all the tenders without assigning any reason whatsoever.

**N.B : This Information is also available at our Website : [www.edcl.gov.bd](http://www.edcl.gov.bd)**

**General Manager**  
Procurement  
For : Managing Director



# E-commerce can be 10-20 times bigger in five years

Bjarke Mikkelsen, founder and CEO of Daraz Group, calls for shifting focus from discounts to enriching lives of customers

Daraz, one of the largest e-commerce companies in Bangladesh, has recently had its biggest promotion event 11.11. The platform posted Tk 190 crore in sales during the daylong campaign. On the occasion of its single largest promotion, we spoke to Bjarke Mikkelsen, founder and CEO of Daraz Group. He shares his vision and thoughts for Daraz in Bangladesh with Shahriar Rahman from The Daily Star.

DS: How did Single Day go in Bangladesh and other regions?

Mikkelsen: It was a very good day for us. We had a total of about 14 million shoppers that came to the platform on the date. It is by far the highest that we've ever had. At a group level, it is more than about 130 per cent higher compared to what we did last year on the same day.

In Bangladesh, we had about 5 million people coming to the platform and also almost doubling the number of orders. What excited me most was that we had 20,000 active sellers in Bangladesh who were selling on the platform on the day. Interestingly, out of them, 55 per cent actually joined during the pandemic.

DS: The pandemic accelerated the growth of the e-commerce industry in Bangladesh. How was Daraz able to fare during this period?

Mikkelsen: During the pandemic, understanding the need of the market, we initiated a seller stimulus programme. As we all know, during the lockdown, SMEs were suffering immensely. Our stimulus programme enabled these sellers to sell on Daraz commission-free for three months.

We provided all kinds of special support to those who were struggling in the market. There was a lot of handholding to make sure they could make the best out of the platform. So, for me, it was the biggest success that, out of our 20,000 active sellers, actually 55 per cent came during the pandemic. It just shows that our stimulus programme of trying to help

businesses through the pandemic actually worked right. I think this is just a proof that the digitalisation strategy of the Bangladesh government has started to bring about the desired impact.

DS: What are Daraz's key priorities in the coming days? What strategy would it follow as the market is slowly maturing in Bangladesh?

Mikkelsen: The core strategy is still the same: it is about growing our core e-commerce marketplace. In order to grow our core e-commerce marketplace, we need to bring more customers and more sellers onboard. We also have to make sure that they all have a good experience and that they trust the services that they receive.

When you see services like the dMart, the Daraz Mall or Digital Sheba, it is all part of that strategy. It is just about thinking in terms of user experiences instead of thinking in terms of categories. We made that shift a couple of years ago. This was actually one of the big learnings from Alibaba.

We agreed that we should not just think about our categories like electronics, fashion or home appliances. Instead, we should really think about user experiences. Some users prefer to go to mall and some prefer to go to the market. We need to be able to provide a solution for both of them. So, when you see these channels and these concepts on the platform, it is all part of our long-term marketplace strategy to create an integrated community on our app, but with different user experiences.

We also want to continue to drive logistics efficiencies and really build a cost-efficient ecosystem that can be scaled up. It is because we are still a loss-making business and we're not going to make any profits for probably at least another three to four years. In order to become profitable or break even, we need to continue to drive



Bjarke Mikkelsen

down the logistics cost and become more efficient.

We are also focusing a lot on digital payment. We are doing quite well in digital payments. More than 55 per cent of our sales during this campaign were digital payment. We will continue to integrate this digital ecosystem and allow customers to store credits on our platform which is going to be convenient, safe and efficient.

DS: In 2020, Daraz announced investment of Tk 200 crore in strategic infrastructure and logistics. How has it impacted business and operation?

Mikkelsen: We are still investing a lot in infrastructure and logistics. Part

of it is going into building the biggest fulfillment centre in Bangladesh. We are also building the biggest sortation centre. We spent most of our time, energy and capital in the last couple of years so that we can scale up this business because e-commerce is far from being mature. We think that e-commerce can be 10-20 times bigger over the next five years. That is why, we have invested in building a foundation that can allow that scalability.

A good portion of the investment is going into salaries. In Bangladesh, we employ 8,000 people. Of them, 5,000 are managing the logistics side, 2,000 warehouse operators, and about 1,000 work in our Dhaka headquarters.

DS: How big is the e-commerce industry of Bangladesh right now?

Mikkelsen: We were looking at the numbers a couple of days ago about the e-commerce market size. In Bangladesh, it is probably between 1.5 per cent and 2 per cent of the total retail market. In Indonesia, it is more than 20 per cent and is expected to grow up to 35 per cent by 2025. If we are only less than 2 per cent, then there is a lot that can be done.

We are now starting to see integration of e-commerce services as a part and parcel in people's lives. We are also trying to break free from the idea that e-commerce is about cheap products. It is not about discounts or vouchers. E-commerce is about services and helping people so that they can have an easier life and can have meaningful digital engagement. It is about having an experience that you can share.

DS: The recent fiasco in the e-commerce industry has led to a lack of confidence in e-commerce among the mass people. What is your opinion?

Mikkelsen: Ups and downs are normal in any businesses. Unfortunately, what happened here was not normal. But I always believe in market correction. There might be lack of confidence now, but in the long term, people will eventually see that e-commerce is not about unrealistic discounts or a fraudulent scheme.

Everyone now knows that those kinds of business are not sustainable. E-commerce is and should always be about services. This noise in the market is sort of a catalyst of the fact that we need to shift the focus from discounts to enriching the lives of customers through the digital ecosystem of e-commerce platforms.

DS: In order to bring more transparency and accountability to the e-commerce industry, the government has introduced several regulations. What's your thoughts about them?

Mikkelsen: I think regulation is good and it is really good that the government is focused on this now. I think we are all a bit late and should have had these discussions five years ago. But what makes me very optimistic is that the discussion is happening with the private sector.

I think the government also needs to recognise that e-commerce is still at its infancy in Bangladesh. There's a misconception because we are showing good numbers, but it must be kept in mind that e-commerce operates in a business model that will only make money when it is operated in a very large scale. It will take years for us to get there. So, whatever regulation is put in place, it needs to recognise that and allow us to scale up.

*"We are now starting to see integration of e-commerce services as a part and parcel in people's lives. We are also trying to break free from the idea that e-commerce is about cheap products."*



## GLOBAL BUSINESS

## From crab balls to cars, Biden's hometown feels inflation pinch

AFP, Wilmington

A pizzeria in President Joe Biden's hometown Wilmington recently took sparkling water off the menu because it got so pricey managers figured no one would buy it.

At the car dealership that Biden's presidential motorcade occasionally passes when he comes to town, sales people have had trouble keeping new vehicles in stock, while prices for their used models have climbed ever higher in recent months.

"Each day is a new day. We're not really sure what's going to happen in the business or in the economy when we wake up in the morning," said Jim Ursomarso, vice president of Union Park Automotive.

The wave of inflation that's swept the United States this year as Covid-19 vaccines have helped businesses reopen and consumers spend has spared no part of the country -- not even Wilmington, the city that has provided a backdrop for much of Biden's political career.

Voters in the Mid-Atlantic city gave Biden seven times more votes than his predecessor Donald Trump in last year's election, but business owners now fret as prices rise and public approval in his administration falls.

"Here in Delaware, he's loved. But as time has gone by, we have been lacking the reciprocity," said Serena Kelley Jefferson, co-owner of Serena's Soulfood, whose mother cooked for Biden, and who recently took crab balls off her menu because they became too costly to serve profitably.

Inflation was predicted to increase as the US economy recovered in 2021, but a Wednesday report from the Labour Department showing the consumer price index last month experienced its biggest year-on-year gain in more than three decades was an unwelcome surprise.

This year's initial price spikes were most severe for products like used cars and airplane tickets.

The latest data, however, showed them extending into groceries and gasoline, with ripple effects across



Gianni Esposito (C), whose eponymous pizza parlour has received Biden repeatedly, including on the day he began his latest presidential campaign in 2019, speaks to an employee as another serves pizza at Gianni's Pizza in Wilmington, Delaware on November 12.

AFP/FILE

the economy.

"After the pandemic, this was the worst thing that could happen to small businesses, especially restaurants," said Gianni Esposito, whose eponymous pizza parlor has received Biden repeatedly, including on the day he began his latest presidential campaign in 2019.

"Now you cannot find a lot of employees. Everything you have to buy, it's 30, 40, 50 per cent more expensive."

"As of Friday, poll amalgamator FiveThirtyEight put Biden's approval rating at 42.8 per cent, lower than all other presidents at this point in their terms except for two.

"I didn't vote for him, but I wasn't against him like I am now," said Candice Gronski, 50, an accountant living just over the state line in Pennsylvania who typically votes Republican but felt like Biden

nonetheless failed to meet her expectations.

The US inflation rate has been muted for years, and the latest price increases are driven by a mix of factors that might not have occurred without the pandemic.

Supply chains are snarled worldwide thanks to the disruptions caused by Covid-19, while energy costs have risen after global oil prices briefly went negative in 2020.

In the United States, American consumers are flush with cash and spending it with the help of three rounds of stimulus checks and an expanded government social safety net that both Trump and Biden approved.

But businesses haven't been able to keep up, since many people who could work have decided not to. Meanwhile, the global semiconductor shortage has slowed down production across a range of industries, including the auto

sector, driving prices higher.

The increases may well hamper Biden's push for an expansion of the country's social services costing \$1.85 trillion over 10 years.

Following the latest inflation report, Joe Manchin, a centrist senator whose vote is crucial to getting the bill through Congress, warned, "the threat posed by record inflation to the American people is not 'transitory' and is instead getting worse."

"As he filled up his car with gasoline that was upwards of a dollar more expensive per-gallon then it was a year ago, Phil Johnson said inflation wasn't affecting his life.

Biden "inherited a lot of this when he took office in January," the 32-year-old worker in the financial sector said.

"The stimulus checks won't last forever and inflation can't stay at six per cent.

## Need for new planes steady despite pandemic: Airbus

AFP, Dubai

The pandemic will have no long-term impact on the need for new aircraft, according to a market outlook released Saturday by European plane maker Airbus, which foresees greener fleets emitting less CO2.

There would be demand for 39,020 new passenger and freighter aircraft by 2040, bringing the global fleet to 46,720, the company said, releasing its outlook ahead of the Dubai Airshow's opening on Sunday.

The forecast is not far off the 39,210 planes Airbus estimated in its 20-year market forecast issued in September 2019 -- before a Covid-induced downturn which will still leave airlines with close to \$52 billion in losses this year.

While Airbus has returned to profit and delivered 460 aircraft in the first 10 months of the year, its American rival Boeing is still losing money and has supplied just 268 planes.

Yet Boeing projects new deliveries in the industry to total 43,610 by 2040, or roughly the same as the 43,315 forecast by aviation data firm Cirium.

Global air traffic has started to bounce back from the worst of its pandemic decline, though in October it was still around half

the level before the global health crisis idled aircraft.

"Our industry is extremely resilient, the only thing is that we've lost two years of traffic because of the pandemic," Christian Scherer, chief commercial officer and head of Airbus International, told reporters in Dubai.

The market is only expected to return to pre-pandemic levels between 2023 and 2025. Domestic air travel is doing better -- which benefits Airbus and its A320 family of narrow-body aircraft.

"While having lost nearly two years of growth over the Covid period, passenger traffic has demonstrated its resilience and is set to reconnect to an annual growth of 3.9 per cent per year," Airbus said in the statement.

"The middle classes, who are the likeliest to fly, will grow in number by two billion people to 63 per cent of the world's population."

Growth would be fastest in Asia, with China's domestic market becoming the largest.

Close to 40 per cent of the industry's new planes would be for replacement, according to Airbus, which sees demand shifting "from fleet growth to the accelerated retirement of older, less fuel-efficient aircraft".

## China regulator proposes cybersecurity review for some companies

REUTERS, Beijing

China's cyberspace regulator on Sunday proposed requiring companies pursuing share listings in Hong Kong to apply for cybersecurity inspections if they handle data that concerns national security.

Large internet platforms planning to set up headquarters, operating or research centres abroad should also submit a report to regulators, the Cyberspace Administration of China said in the draft rules.

The document, published on the regulator's WeChat account website, calls for requiring public comment on internet platforms formulating privacy policies or making amending rules that could significantly affect user rights and interests.

Firms with more than 100 million daily active users would need to have changes reviewed by third-party agencies and obtain government approval.

Companies that provide instant messaging services should, unless they have

justifiable reasons, stop restricting users from accessing other or transferring files to other internet platforms, the regulator said.

The proposals, open to public review until December 13, come as Beijing tightens its oversight over its technology sector with rules on how they should handle the vast troves of data they control, treat users and interact with rivals.

China, which has recently passed laws on data security and personal information protection, is looking to set up governance rules for how firms use algorithms. It has also urged firms to stop a long-used "walled gardens" practice that prevents rivals' links and services from being shared on their platforms.

The agency in July proposed that companies with data for more than 1 million users should undergo a security review before listing shares overseas, just days after suspending the initial public offering of ride-hailing giant Didi Chuxing over alleged data violations.