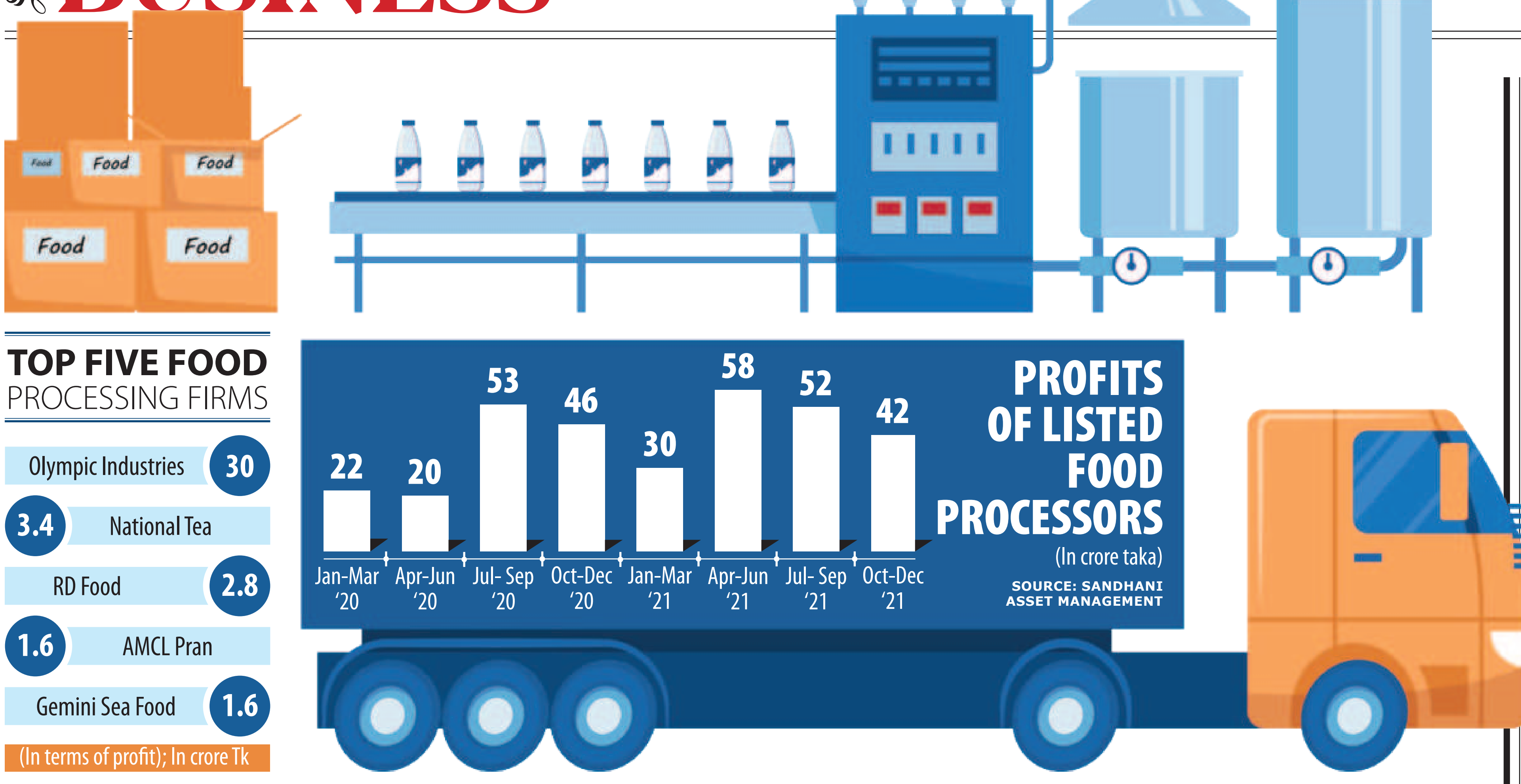

FOOD MAKERS HIT by falling profits as raw material prices rise

"Our main raw materials are flour, coarse flour, oil and sugar, and the prices of all the raw materials rose," said Madad Ali Virani, executive director of Olympic Industries

AHSAN HABIB

Profits of listed biscuit makers plunged year-on-year in the last October-December period owing to a rise in raw material prices.

In contrast, milk, juice and fish processors logged higher profits. In the case of ice cream makers and tea companies, profits more than doubled, according to data disclosed by the listed companies.

The overall profit of listed food processors dropped 8.6 per cent to Tk 42 crore in the second quarter of the current financial year of 2021-22.

Olympic Industries and Bangas, which own some of the best-selling biscuit brands, showed profit drops of 39 per cent and 78 per cent respectively in the three months.

Higher sales in the period could not offset the increase in raw material prices, showed their financial reports.

"Our main raw materials are flour, coarse flour, oil and sugar, and the prices of all the raw materials rose," said Madad Ali Virani, executive director of Olympic Industries.

Palm oil prices soared around 80 per cent while that of sugar grew by around 30 per cent over the past year.

"We are already trying to adjust the prices of our products but we are cautious as this is a very competitive market," he added.

Although the ice cream industry was also hit by the raw material price hike, an increase in sales saved the day.

The overall profit of listed food processors dropped 8.6 per cent to Tk 42 crore in the second quarter of the current financial year of 2021-22

"Our sales plummeted in 2020 owing to some rumours regarding the risks of consuming ice cream amid the Covid-19 pandemic but this year, we offered discounts and people are well aware of the safety, so sales rose," said Ekramul Haque, managing director of Taufika Foods and Lovello Ice-Cream.

Profits of the listed company rose 83 per cent to Tk 1.27 crore.

In spite of huge sales in the recent period, the company's profit was not that high due to the price hike of raw materials, he said, adding that the prices of two key ingredients -- powdered milk and chocolate -- had gone up.

However, profits in the October-December period are always low for ice cream producers due to the coming of winter, which is a dull period for sales, Haque added.

Golden Harvest, another ice cream producer, returned to a profit of Tk 64 lakh. A year earlier, the company had incurred losses of Tk 6 crore.

Among those who were able to rake in higher profits are: National Tea Company, Rangpur Dairy and Food Products, the Agricultural Marketing Company (Pran), Gemini Sea Food, Apex Foods, Beach Hatchery and Fine Foods.

Shakil Rizvi, a director of National Tea, said the company was drowning in losses in 2020 due to the pandemic.

But it bounced back this year as demand rose, he said, adding that the price of tea did not rise. In the first half of the current financial year, tea prices were faring well but now it has dropped again, he added.

Cigarette maker British American Tobacco Bangladesh was excluded from this analysis of the food industry.

Zeal Bangla Sugar Mills and Shyampur Sugar Mills were also excluded as the two state-run companies have been incurring losses for many years.

Europe's carbon price nears 100-euro milestone

REUTERS, *London/Brussels*

The price of permits in the European Union's carbon market closed at a record high above 96 euros on Friday, with analysts expecting the symbolic 100 euro level could soon be breached.

Known as the EU emissions trading system (ETS), Europe's carbon market compels factories, power plants and airlines to pay for each tonne of CO2 they emit - the higher the permit price, the greater the cost of producing planet-warming emissions, although some receive free permits to help them stay cost competitive in global markets.

The carbon price has risen more than 200 per cent since the start of 2021, due to factors including soaring gas prices that have also prompted some power generators to switch to coal, resulting in higher emissions and demand for permits.

The benchmark EU carbon permit contract traded as high as 97.50 euros per tonne on Friday before ending the day at 96.43 euros, the highest close since the carbon market launched in 2005.

Ford curbs production as chip shortage hits

AFP, *Washington*

Ford will cut its North American vehicle production next week due to a semiconductor shortage, US media reported Saturday.

Ford plans to suspend production of vehicles including the Ford Bronco, the popular F-150 pickup and the new Mustang Mach-E electric vehicle at its plants in Michigan, Illinois and Mexico, according to outlets including CNBC.

Production will be slowed at other facilities in Missouri, Michigan and Kentucky, while overtime will be eliminated at Ford's Oakville, Ontario operations in Canada.

The company has yet to respond to queries by AFP. A shortage of semiconductors -- essential components in new vehicles, and primarily manufactured in Asia -- has impacted automobile production since the beginning of the coronavirus pandemic, causing prices to spike and contributing to surging US inflation.

Dubai plans to cut carbon emissions 30pc by 2030

REUTERS

Dubai plans to cut carbon emissions by 30 per cent by the end of 2030, the emirate's government media office said on Sunday on its website.

The plan is part of a broader strategy, announced by the United Arab Emirates in October, to achieve carbon emission neutrality by 2050, the office said.

Dubai, a major regional business, financial and logistics hub, is the second-largest and wealthiest emirate making up the seven-member UAE federation, following oil-rich Abu Dhabi.

NRB Bank asked to punish

FROM PAGE B1

recommendations of its probe committee that was formed to see the illegal trading in the stock market. The lender has to take action against the officials and inform the commission within February 28, according to the BSEC letter.

NRB Bank suspended four employees, including Hasan, for their involvement in the anomalies, NRB Bank Managing Director Mamoon Mahmood Shah told The Daily Star in September last year.

The move came after the Bangladesh Bank unearthed that NRB Bank incurred a loss of Tk 103 crore as it intentionally became involved in unethical trading practices in the stock market in favour of the manipulators.

The unethical trading activity took place between January and August last year when it gave illegal benefits to manipulators by buying shares at higher prices and selling at lower prices, according to a special internal audit carried out by the private commercial bank.

For instance, the lender bought the shares of Paramount Insurance at a higher price though there was an opportunity for it to purchase them at 20-22 per cent lower rates.

Ctg-Italy direct shipping to slash

FROM PAGE B1

There was no vessel congestion at the Chattogram port during the pandemic while many global ports experienced seven to 45 days of congestion, he added.

In spite of a global container shortage and increased freight costs, Bangladesh exported \$35.81 billion worth of apparel in 2021, the highest ever in a single year, said Hassan.

It was \$4 billion in December 2021 alone and even higher in January. "This makes us more confident, and concerned too about the capacity needed to handle the rise in trade," he said.

He thanked the CPA chairman for giving a berth to Songa Cheetah right upon arrival.

Terming the service "just a beginning", European Union Ambassador Charles Stuart Whiteley hoped for the Chattogram port to expand its capacity in the coming years.

The direct service will surely cut shipping costs, which will help all parties involved, said Italian Ambassador to Bangladesh Enrico Nunziata.

Cotton production scanty

FROM PAGE B1

The state-run organisation has teamed up with a UK-based international clothing brand to enhance the capacity of 15,000 farmers under a project. The CDB mainly provides technical support.

Moreover, there are two more projects under the CDB aimed at alleviating poverty through cotton cultivation in hilly areas such as Bandarban and providing soft loans to farmers.

A minimum support price (MSP) can be a good tool to motivate farmers to grow more cotton, said Akhteruzzaman.

Khorshed Alam, managing director of Little Group, a cotton importer and consumer, says although the quality of the local variety of cotton is better than in other countries, the volume is small and the users cannot rely on domestic production.

Monsoor Ahmed, chief executive officer of the Bangladesh Textile Mills Association, a platform for spinners and millers, also said farmers have to be given MSP in order to accelerate cotton production.

The demand for cotton is growing rapidly as Bangladesh is a major hub for making cotton-based garments, he said.

In 2022, Bangladesh will import more than 9 million bales of cotton, up from 8.5 million bales last year, on the back of a nearly 30 per cent growth in garment exports in keeping with the recovery of the global supply chain.

Cut corporate tax

FROM PAGE B1

diversification strategy engaging all stakeholders to face the challenges," said Rahman.

Tariff rationalisation, reduction of non-tariff barriers in cross-border trade, and minimising anti-export bias are also important in this regard, he said.

The DCCI chief stressed automation of overall taxation, value-added tax, audit, arrears management, investigation and inquiry, appeal, revenue account management, taxpayer account management, and revenue information management.

He called for ensuring convenience, transparency and equity in the Income Tax Act 2022 to make it business-friendly and simplifying the VAT refund process.

"Only automation can remove corruption and hassles and ensure transparency and accountability."

According to the chamber, private investment came down to 21.25 per cent of GDP in 2020-21.

In order to revive private investment and attract foreign direct investment, the DCCI suggested rationalising corporate tax structure and making economic zones ready.

Rahman said cottage, micro, small and medium enterprises should get priority, especially in terms of easy access to finance.

To cope with the growing demand for a skilled workforce, he called for more investment in research and development, re-skilling, and upskilling.

Reduce duty

FROM PAGE B1

Samples from imports need to be tested at the Bangladesh Standards & Testing Institution's Dhaka office while the cargo must lie in wait in containers at ports for eight to 10 days, raising costs, he said.

Addressing as chief guest, FBCCI Vice President Md Amin Helaly urged entrepreneurs to start manufacturing fire safety equipment locally, says a press release.

Abu Nayeem Md Shahidullah, advisor of the FBCCI's Safety Council, said the FBCCI had already contacted International Labour Organization to start providing safety training in industries.

The government is also considering setting up a one-stop service at the national level to provide all fire safety certificates and permits, he informed.

RN Paul, managing director of RFL Group, cut a ribbon to inaugurate three outlets of RFL Best Buy at Mirpur-1, Pallabi and Adabor of Mohammadpur in Dhaka recently. Rahat Zahan Shamim, chief operating officer of RFL Best Buy, Dewan Mehedee Hasan, head of marketing, and Suprita Paul, adviser of Pran-RFL Public School, were present.

PHOTO: RFL BEST BUY

Wind powers change in UK's industrial heartland

AFP, *Kingston Hull*

On the banks of the River Humber in northern England, the winds of change are blowing through Hull, where factory workers busily craft turbine blades in a green revolution.

Hull, known for a once-thriving fishing industry, the poet Philip Larkin, rugby league, and the city's eponymous football club recently bought by Turkish TV personality Acun Ilicali, is home to Britain's biggest wind turbine blade plant.

That has placed Hull at the centre of the UK government's long-term plan to slash carbon emissions, tackle climate change and cut rocketing household energy bills.

German-Spanish giant Siemens Gamesa is rapidly expanding its facility to meet booming demand and keep the country's much-trumpeted 2050 net-zero target on track.

The need for cheaper sources of energy became increasingly urgent this week, as the government scrambled to head off a cost of living crisis, faced with runaway electricity and gas costs that are fuelling decades-high inflation.

Britain unveiled financial support for households after the UK energy regulator lifted prices to reflect the spiking natural gas market.

"We are doing our bit to tidy the world up and get cheaper and cleaner energy for everybody," blade painter Carl Jackson, 56, told AFP from the factory floor.

"I think wind power is a big part of the future. It's been a massive boost to jobs and the economy in Hull," added Jackson, who joined when Siemens Gamesa opened six years ago.

The hub has since manufactured 1,500 hand-made turbine blades and now employs more than 1,000 people.

Prime Minister Boris Johnson, host of last November's UN climate change summit in Glasgow, has vowed to "level up" economic opportunity in places like Hull, which voted overwhelmingly for Brexit.