

Unilever Consumer Care's profit surges 79pc

STAR BUSINESS REPORT

Unilever Consumer Care Ltd, a subsidiary of Unilever in Bangladesh, posted a 78.66 per cent year-on-year increase in profit in the April-June quarter of 2022.

The profit for the period stood at Tk 18.06 crore, up from Tk 10.10 crore a year ago, according to its financial statements.

The earnings per share were Tk 14.99 in the quarter compared to Tk 8.39 in the same period a year ago, Unilever Consumer Care said in a filing on the Dhaka Stock Exchange yesterday.

The company, which focuses on the consumer healthcare nutrition business, credited the efficiency in operating expenses, the reduction of corporate income tax rate as well as large one-off benefit coming out of reassessment of past liabilities and obligations in light of recent business development to the increase in the EPS.

Unilever Consumer Care made a profit of Tk 35.31 crore in the first half of 2022, an increase from Tk 22.38 crore registered in the same period last year.

Its net operating cash flows, a measure of a firm's financial strength, however, fell to Tk 13.22 per share in the first half against Tk 13.68 in the January-June period of 2021, due to the lower advance received from customers compared to a year ago.

Similarly, the net asset value per share decreased to Tk 108.20 on June 30 of 2022 owing to the reduction in cash balance resulting from the dividend payout. It was Tk 122.88 on December 31, Unilever Consumer Care said.

Shares of Unilever Consumer Care closed 1.29 per cent higher at Tk 2,860 on the DSE yesterday.

Vodafone resolving German issues

REUTERS, London

Vodafone is making progress towards resolving issues in its biggest market Germany after suffering a drop in service revenue there, its chief executive said on Monday.

The mobile phone and broadband group said it lost 79,000 TV and 64,000 broadband customers in the first quarter, resulting in a 0.5 per cent decline in service revenue in the country after a new law ended automatic renewals and an IT system underperformed.

No going beyond rules: BB

FROM PAGE B1

from different corners after issuing a circular on July 18 where it substantially relaxed policies for loan rescheduling.

As per the new rules, defaulters who took term loans would be allowed to repay funds over a period of six years to eight years each time they reschedule their defaulted loans. In contrast, it was previously nine months to two years.

The new rules also mentioned that defaulters who took term loans would have to make a down payment of only 2.5 per cent to 6.5 per cent of their total NPLs instead of the previous 10 per cent to 30 per cent.

Hussain claimed that the new rules would help banks with good corporate governance strengthen their financial health.

The BB governor warned in the meeting that the central bank would show zero tolerance to any breach of the new rescheduling policy.

Md Serajul Islam, spokesperson of the central bank, said the central bank



An avocado farmer is pictured with his plants at a farm in Kotchandpur upazila of Jhenaidah. The highly nutritious fruit is rather inexpensive to cultivate but offers significant returns for an extended period.

PHOTO: STAR

Avocado farming grabs attention in Jhenaidah

AZIBOR RAHMAN, Jhenaidah

Md Harun-ur-Rashid Musa, a resident of Kotchandpur upazila in Jhenaidah, cultivated avocados on six bighas of land in an effort to do something new with this love for farming.

Musa said he has travelled across Bangladesh and eight foreign countries but always returns home as farming remains at the root of his heart.

And despite being a secondary school teacher by profession, he left no stone unturned to reach his goal of being a step apart from traditional farmers.

Avocado originates in the Americas, namely the high-land regions of south-central Mexico and Guatemala.

The fruit, classified as a member of the flowering plant family Lauraceae, is highly popular in Western markets for its medicinal properties and unique flavour.

Musa said he was inspired to farm avocado after seeing a report by Dr Enamul Haque, former director general of the Department of Agricultural Extension (DAE), on YouTube in 2019.

"I met him later and as per his advice, I started farming avocado," he added.

Musa went on to say that his first harvest

in 2021 was not sufficient for commercial purposes and so, he distributed them among friends and relatives and also ate some himself.

But since then, his farm has come to include 250 avocado plants, 50 of which now bear fruit.

With minimal input costs, avocado cultivation is inexpensive but produces huge profits as once the plant matures after three years of planting, it can bear fruit for the next 100 years if appropriately cared for.

The fruit is highly popular in Western markets for its medicinal properties and unique flavour

Besides, each plant yields between 200 and 1,000 fruits per year.

"I will start my harvest from August 15 and end it in the last week of September," said Musa, who expects yields of around 35 to 40 maunds from his 50 fruit-bearing plants.

"I will provide these fruits to some super shops in Dhaka and as they are more profitable compared to traditional crops, they could sell for about Tk 600 to Tk 700

per kilogramme," he added.

Musa's success has not gone unnoticed by the locals as some of them have contacted him for saplings.

For example, Humayun Kabir and Saidur Rahman, also farmers of Kotchandpur upazila, have asked for 200 plants each.

Rahman said that as avocado farming is far more profitable than it is costly, he will sow 100 plants next year.

Dr Md Ashrafuzzaman Jahid, associate professor of the department of nutrition and food technology of Jashore University of Science and Technology, said the minerals present in avocado help regulate nerve functions and move nutrients into cells while taking away waste.

"Avocados are a great source of nutrients and they can help lower cholesterol. Plus, they can keep you satisfied for longer," he added.

Like other high-fat foods, avocados are calorically dense, meaning there are a lot of calories per gram. A serving of 100 grams (3.5 ounces) of avocado clocks in at 160 calories, according to the USDA.

Asgar Ali, deputy director of the DAE in Jhenaidah, said the soil quality in the district is very suitable for avocado farming.

AB Bank's profit rises 50pc in Q2

STAR BUSINESS REPORT

AB Bank Limited's profit surged 50 per cent year-on-year in the April-June this year, driven mainly by an increase in interest income, commission, exchange and brokerage revenues.

The consolidated earnings per share were Tk 0.24 in the quarter compared to Tk 0.16 in the same period a year ago, according to a filing on the Dhaka Stock Exchange yesterday.

The private commercial bank's consolidated EPS was Tk 0.42 in the first half of 2022 against Tk 0.31 during the half-yearly period of 2021.

Consolidated net operating cash flow per share improved to Tk 0.42 in January-June versus a negative Tk 8.73 during the same period last year. It rose mainly for the increase in deposits and the disbursement of new loans, said the bank.

Consolidated net asset value per share stood at Tk 30.55 on June 30 this year and Tk 31.07 on June 30 last year.

AB Bank's shares rose 2.04 per cent yesterday.

Eastland Ins profit up in Apr-Jun

STAR BUSINESS REPORT

Eastland Insurance Company Ltd posted a 7.14 per cent year-on-year increase in profit in the April-June quarter.

The earnings per share were Tk 0.45 in April-June against Tk 0.42 during the same quarter a year ago. The EPS rose to Tk 0.80 in the first half of 2022 from Tk 0.75 during the same six-month period the previous year, according to a filing on the Dhaka Stock Exchange yesterday.

Net operating cash flow per share went up to Tk 0.60 between January and June, which was Tk 0.57 in the first half of 2021.

Net asset value per share stood at Tk 21.46 on June 30 this year and Tk 21.22 on June 30 last year, showed the un-audited financial statements of the insurance company.

Metal holds annual business meeting

STAR BUSINESS DESK

Metal (Pvt) Ltd, an agricultural technology product manufacturing and marketing company of Bangladesh, organised the Metal Agri Machinery Business Annual Meet 2022 at the International Convention City Bashundhara in Dhaka on Saturday.

Aminul Islam, chairman of Metal (Pvt) Ltd, inaugurated the day-long event, a press release said. He unveiled three new models of the popular agricultural machinery Tafe Tractors — 241 DI Dynatrack 45, DI Dynatrack, and 245 DI — on the meeting premises.

Md Benajir Alam, director general of the Department of Agricultural Extension, Sadid Jamil, managing director of the company, AMM Farhad Hossain, Group chief executive officer, Md Golam Rabbani and Md Abul Kashem, advisers, Lt Col (ret'd) Tarekul Alam Khan, executive director, and Sumedh Varun, an expert from Tafe India, were present.

Stocks return to black after nine days

FROM PAGE B1

Moreover, the central bank called a meeting today regarding bank exposure issues. The investors are expecting positive decisions and so increased their participation which was reflected in the turnover, it added.

Turnover, another key indicator of the market, surged nearly 36 per cent to Tk 639 crore, down from Tk 470 crore on the previous day.

Of the securities traded on the day, 196 advanced, 131 fell and 53 remained unchanged.

Both the DS30, the blue-chip index, and the DSES, the Shariah-based index, advanced 9 points and 3 points respectively.

Among the sectors, ceramics rose 3.3 per cent, textile 2.5 per cent

and travel 2.3 per cent while paper dropped 1 per cent, telecom 0.7 per cent and life insurance 0.5 per cent.

Investors' activities were mainly focused on the textile sector (22.9 per cent of the turnover), followed by miscellaneous (11.2 per cent) and pharmaceuticals (10.2 per cent).

Zaheen Spinning topped the gainers' list, rising 9.83 per cent. Matin Spinning Mills, Monno Fabrics, KDS Accessories, and Salko Spinning Mills rose significantly.

Chittagong Stock Exchange (CSE) also rose yesterday. The Caspi, the all share price index of the port city bourse, increased 115 points, or 0.64 per cent, to 17,922.

At the CSE, 111 stocks advanced, 129 fell and 36 remained unchanged.

Kamal seeks budgetary support

FROM PAGE B1

Japan has become the single largest bilateral development partner of Bangladesh, Kamal said.

The Jica president said Bangladesh was an important country to Jica with regard to cooperation.

Bangladesh is now far ahead of different neighbouring countries in various economic and social indicators, Akihiko said while appreciating the country's economic progress.

Due to the successful cooperation engagements, Bangladesh is currently one of the countries on the list of Japan's official development cooperation, the Jica president added.

Japanese Ambassador Ito Naoki and Jica's Resident Representative Yuhō Hayakawa, Secretary to Economic Relations Division Sharifa Khan and other officials of the Jica and the finance ministry joined the meeting.

Ministries agree

FROM PAGE B1

This CEPA is a part of the government's massive initiatives to sign trade deals with major trading partners to retain duty benefits following the United Nations status graduation from a least developed to a developing country in 2026.

CEPA goes beyond being a free trade agreement (FTA) or preferential trade agreement (PTA) to be a broader kind of a trade deal which also includes investment and employment.

Recently the parliament adopted a law on signing such deals with potential and major trading partners as the country will need to retain its duty benefit after the graduation.

Commerce Minister Tipu Munshi in a visit to India in April this year said Bangladesh was keen on clinching a CEPA with India in a year. Both Bangladesh and India had agreed to sign a CEPA in 2018.

Taka slide brings

FROM PAGE B1

one of the biggest agro-processed food exporters in Bangladesh, says the local value addition of agro-processed foods would be up to 80 per cent.

"So, we are benefiting from the taka's depreciation."

According to Mohammed Mahbubur Rahman Patwari, a former chairman of the Bangladesh Jute Mills Association, exporters are getting Tk 92-93 for a dollar, up 9 per cent from Tk 85 earlier.

Jute goods exporters can retain as much as 98 per cent of their export earnings as the environmental-friendly jute is grown locally.

"We will do better if we are given low-cost loans to invest in modern machinery to enhance productivity," said Patwari.

Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, says the level of gain from the currency depreciation is lower than expected because exporters have to buy raw materials at higher costs.

For instance, of the total receipts from garment exports of \$42 billion in the last fiscal year, the net retention is \$28 billion after excluding the labour and raw materials costs.

The retention is 80 per cent in knitwear exports and 40 per cent in woven garment exports, said Rahman.

Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, says local banks are paying them Tk 93-Tk 94 per US dollar when they encash their export proceeds.

But when they open letters of credit to import raw materials and capital machinery, banks are charging Tk 103-Tk 104 per USD.

"So, it is the banks that are mainly making money from the currency depreciation, not the exporters," Hatem said.

Selim Raihan, executive director of the South Asian Network on Economic Modeling, said the sectors that are not highly import-dependent are reaping the advantage of the

depreciation.

"This is an opportunity for non-garment industries. The exports of non-garment products may rise if the problems faced by the exporters are addressed."

For instance, he said, the tannery industrial estate in Savar is not properly functional, while leather and leather goods makers don't receive equal treatment as garment makers when it comes to using the bonded warehouse facility while importing raw materials duty-free.

The import tariff for the materials used in light engineering and agro-processed products is also not favourable.

"The export by these sectors will increase if these issues are addressed," added Raihan, also a professor of economics at the University of Dhaka.

Amin Ullah, president of the Bangladesh Frozen Foods Exporters Association, said it would be tough for them to augment the shipment of locally grown shrimp and fish unless the taka lost its value.

"But we are not getting higher prices since European buyers are offering lower rates."

In the past, frozen food exporters had to depend on imported cartons and spare parts of machinery. Now, they can source the items locally.

"So, our value-addition is almost 100 per cent and we are retaining the full export earnings," Amin said.

He urged the government to give special attention to raising the exports of products that have a higher proportion of local ingredients.

Syed Md Shoaib Hasan, a former vice-president of the Bangladesh Agro-processors Association, demanded the government remove the restriction on aromatic rice export.

If inflation can't be contained, the currency depreciation may not bring much yield, said MA Razaque, research director of the Policy Research Institute.

Inflation in Bangladesh rocketed to 7.56 per cent in June, the highest in nine years.

US recession not inevitable: Yellen

REUTERS, Washington

US Treasury Secretary Janet Yellen said on Sunday that US economic growth is slowing and she acknowledged the risk of a recession, but she said a downturn was not inevitable.

Yellen, speaking on NBC's "Meet the Press," said strong hiring numbers and consumer spending showed the US economy is not currently in recession.

US hiring remained robust in June, with 372,000 jobs created and the unemployment rate holding at 3.6 per cent. It was the fourth straight month of job gains in excess of 350,000.

"This is not an economy that is in recession," said Yellen. "But we're in a period of transition in which growth is slowing and that's necessary and appropriate."

Still, data last week suggested the labor market was softening with new claims for unemployment benefits hitting their highest point in eight months.

Yellen said inflation "is way too high" and recent Federal Reserve interest rate hikes were helping to bring soaring prices back in check.

In addition, the Biden administration is selling oil from the Strategic Petroleum Reserve, which Yellen said has already helped lower gas prices.

"We've seen gas prices just in recent weeks come down by about 50 cents (a gallon) and there should be more in the pipeline," she said.

Yellen, who previously served as chair of the Federal Reserve, hopes the Fed can cool the economy enough to bring down prices without triggering a broad economic downturn.

"I'm not saying that we will definitely avoid a recession," Yellen said. "But I think there is a path that keeps the labor market strong and brings inflation down."