

Berger Paints' profit jumps

STAR BUSINESS REPORT

Berger Paints Bangladesh Ltd posted a 23.49 per cent year-on-year increase in profit in the April-June quarter of 2022.

Consolidated earnings per share were Tk 19.87 in the first quarter for the multinational company, whose financial year runs from April through March. It was Tk 16.09 in April-June of 2021, according to the unaudited financial statements.

The consolidated net operating cash flow per share was Tk 0.26 in negative against Tk 1.24 in the same quarter of 2021.

The NOCFPS decreased due to an increase in trade debtors and a higher payment of tax, said the paints manufacturer in a filing on the Dhaka Stock Exchange yesterday.

Consolidated net asset value stood at Tk 247.26 on June 30 and Tk 227.39 on March 31.

Shares of Berger Paints Bangladesh closed 0.96 per cent higher at Tk 1,737 on the DSE yesterday.

India's trade deficit hits all time high

REUTERS, Mumbai

India's record high trade deficit in July signals a further deterioration in the country's external balances, which is likely to keep the rupee under pressure, analysts said on Wednesday.

Trade deficit in Asia's third largest economy widened to an all-time high of \$31 billion, data on Tuesday showed, prompting concerns about the country's ability to fund its current account deficit and hurting the outlook for the rupee.

"I think after looking at the July trade deficit, we need to re-work on our CAD and BoP number, and thus the view on the rupee", Vikas Bajaj, head of currency derivatives at Kotak Securities, said.

Bajaj pointed out that until now the market consensus for India's current account deficit (CAD) was around \$100 billion for the current fiscal year ending in March.

"But this definitely looks out of whack after July's trade number," he said.

In a note on Wednesday, QuantEco Research revised their CAD projections higher for the current fiscal year to \$130 billion from \$105 billion and the balance of payments (BoP) estimate to \$60 billion from \$35 billion.



Women are participating in a training for freelancers under a skills development programme. Such training could significantly improve employment and income opportunities of underprivileged women, as found by a recent study.

PHOTO: COLLECTED

Learn online to earn online

Training on freelancing can create jobs for underprivileged women: study

STAR BUSINESS REPORT

Training for online freelancers could have a significantly positive impact on the employment and income of underprivileged women, according to a recent study by the Brac Institute of Governance Development (BIGD).

It was also found that success in freelancing may be hindered by steep competition in the online marketplace and resulting loss of confidence, and time constraints in learning and building their portfolio due to household responsibilities.

These findings were announced through a workshop at the BRAC Centre Inn auditorium, where government officials, trainees and implementers came together to discuss ways to develop an inclusive and sustainable ecosystem for female freelancers in Bangladesh.

The study evaluated the impact of a freelancer training programme conducted by CodersTrust Bangladesh (CTBD) for women aged between 18 and 35.

The programme, titled "Women's Skills Development for Freelancing Marketplaces (WSDFM)", aims to develop 1,000 young underprivileged women into freelancers by providing them free training on different ICT-related skills and building their confidence through post-training technical mentorship and career advising.

The WSDFM was funded by the Dutch Foundation.

After receiving training, 71 per cent of the women in the targeted demographic

successfully started their career as a freelancer in multiple marketplaces and local enterprises.

The sample of the study of the BIGD consisted of 900 women with similar qualifications, where half received training and the rest did not.

Women who received training had a 28 per cent higher employment rate and a 53 per cent increase in monthly income from

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both freelancing and non-freelancing sources compared to women in the control group who were not trained.

However, constraints such as lack of family support, access to digital devices and connectivity, language barriers, and lack of time drove many women to drop out of the training programme.

The study found that only 55 per cent of the women enrolled for training took at least half of all classes, 25 per cent took all classes and 24 per cent took no classes.

As per the study, the training's impact was stronger for women who took a greater number of classes.

About 42 per cent of the participants who

took over half of the classes were employed while only 12 per cent of the non-participants got jobs.

The study said there were significant positive impacts of the training on independent decision-making and freedom to work outside the city or country of residence.

However, 24 per cent of the women got training and 12 per cent of the women who did not said family members accompany them when going out.

There was a large positive impact on employment, income and freelancing activities, especially on those taking more classes, the findings said.

Bangladesh ranks 141st out of 153 countries in terms of economic participation and opportunity, according to a World Economic Forum Report for 2020.

Increased labour market participation of women can play a pivotal role in mitigating this situation, and a potential pathway through which women can be introduced into the labour market is online freelancing, where Bangladesh already has a strong base, the participants of the workshop said.

"If you want to earn online, you must learn online," said Ataul Gani Osmani, country director of the CTBD.

Lopita Huq, a research fellow of the BIGD, said the pros and cons need to be weighted before involving local women in online freelancing.

Imran Matin, executive director of the BIGD, said unemployed educated youths are the prime concern for the country.

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Loan rescheduling tightened slightly

STAR BUSINESS REPORT

Bangladesh Bank yesterday slightly tightened its loan rescheduling policy for defaulted loans after facing criticism from different corners.

The loan rescheduling policy was substantially relaxed on July 18, allowing defaulters to repay their term loans over a period of six years to eight years. In contrast, it was previously nine months to two years.

The BB in the latest circular said borrowers who reschedule their non-performing loans (NPLs) would become defaulters once again if they failed to repay instalments six months in row.

In addition, banks will not be allowed to transfer the interest amounts, which were imposed on NPLs, to their income books after rescheduling the delinquent loans.

They will be allowed to transfer the unrealised interest to their income segment only after they realise the funds from borrowers.

Lenders will not be permitted to transfer the provisioning amount kept against the defaulted loans after rescheduling those for the third and fourth times. The provisioning amount will be transferred to the income book of banks only after the whole amount has been realised.

A central bank official said the revision of the previous circular would help reduce the number of delinquent borrowers to some extent.

The BB has also relaxed by a large extent rules on down payments which are required to be made by defaulters. As per the rules, defaulters who took term loans would have to provide only 2.5 per cent to 6.5 per cent of their total NPLs while rescheduling their NPLs instead of the previous 10 per cent to 30 per cent.

BB eases rules on encashment of export proceeds

STAR BUSINESS REPORT

The Bangladesh Bank yesterday eased rules on the encashment of the value-added portion of repatriated export proceeds in order to bring flexibility to trade transactions.

On May 29, the central bank asked banks to convert major export earnings of businesses into the taka immediately as it looks to increase the supply of US dollars in the economy.

The value-added portion refers to the export proceeds that are available to exporters after their import bills for back-to-back letters of credit have been met.

"It has been decided that banks may, on applications from exporters, retain the value-added portion of export proceeds in foreign exchange for a maximum period of 15 days," said the BB in a notice yesterday.

The retained fund will be used through the same banks for the settlement of other import obligations payable by the same exporters within this period.

STOCKS			
DSEX ▲		CSCX ▲	
0.81%		0.89%	
6,300.10		18,483.15	

COMMODITIES			
Gold ▲		Oil ▲	
\$1,771.5		\$96.12	
(per ounce)		(per barrel)	

ASIAN MARKETS				
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 0.37%	▲ 0.53%	▲ 0.4%	▼ 0.71%	
58,350.53	27,741.90	3,252.06	3,163.67	

Euro zone retail sales plunge

REUTERS, Brussels

Euro zone retail sales plunged in June and factory gate prices continued to rise, data showed on Wednesday, adding to fears the 19-country single currency zone is heading for recession.

The European Union's statistics office Eurostat said the volume of retail sales in the 19 countries sharing the euro, already adjusted for inflation, fell 1.2 per cent month-on-month in June for a 3.7 per cent year-on-year decline.

Economists polled by Reuters had expected unchanged monthly sales and only a 1.7 per cent annual fall.

Separately, euro zone business activity, measured by the purchasing managers index (PMI), contracted in July for the first time since early last year as consumers reined in spending amid a cost-of-living crisis.

"The impetus to growth in H2 2022 looks to be weakening as high and broad inflation, energy-saving measures and tightening financial conditions increasingly weigh on activity," Oxford Economics said in a note.

"Respondents see almost a 60 per cent chance of the euro zone following the US into technical recession in the next 12 months," it said, summing up its latest survey of risk perceptions among businesses. A technical recession is often defined as two successive quarters of negative growth.

The drop in retail sales, a proxy for consumer demand, comes as producer prices rose 1.1 per cent month-on-month in June for a 35.8 per cent year-on-year surge, Eurostat said.

As producer prices are a measure of prices of products sold as they leave the producer before taxes, transport and

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People shop at a local market in Nice, France. The volume of retail sales in the 19 countries sharing the euro, already adjusted for inflation, fell 1.2 per cent month-on-month in June for a 3.7 per cent year-on-year decline.

PHOTO: REUTERS/FILE

Indian rupee weakens after four-day gain

REUTERS

The Indian rupee lost ground on Wednesday after four straight sessions of gains as the country's ballooning trade deficit and uncertainty around the upcoming central bank decision dented its appeal.

The partially convertible rupee closed at 79.16 against the dollar, erasing gains from the previous session, when it closed at 78.71.

India's provisional July trade deficit widened to \$31.02 billion from \$10.63 billion a year earlier, as the country spent more on crude oil and coal imports, a government official said on Tuesday.

"The temporary relief we had seen on the back of a pullback in crude prices and a correction in the dollar index is over. We have to take domestic pressures into consideration," said Swati Arora, an economist with HDFC Bank.

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