

Star BUSINESS



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Rising rubber production helping local tyre industry

JAGARAN CHAKMA

Rising rubber production in Bangladesh is helping local tyre manufacturers cut the country's reliance on the imports of the product used in making bicycles, motorcycles, three-wheelers and easy bikes, said an industry insider.

According to the Bangladesh Rubber Board and producers, 67,939 tonnes of raw rubber were grown last year, up 58 per cent from 43,000 tonnes in 2021, driven by an increase in the number of gardens and acreages under cultivation.



Luthful Bari

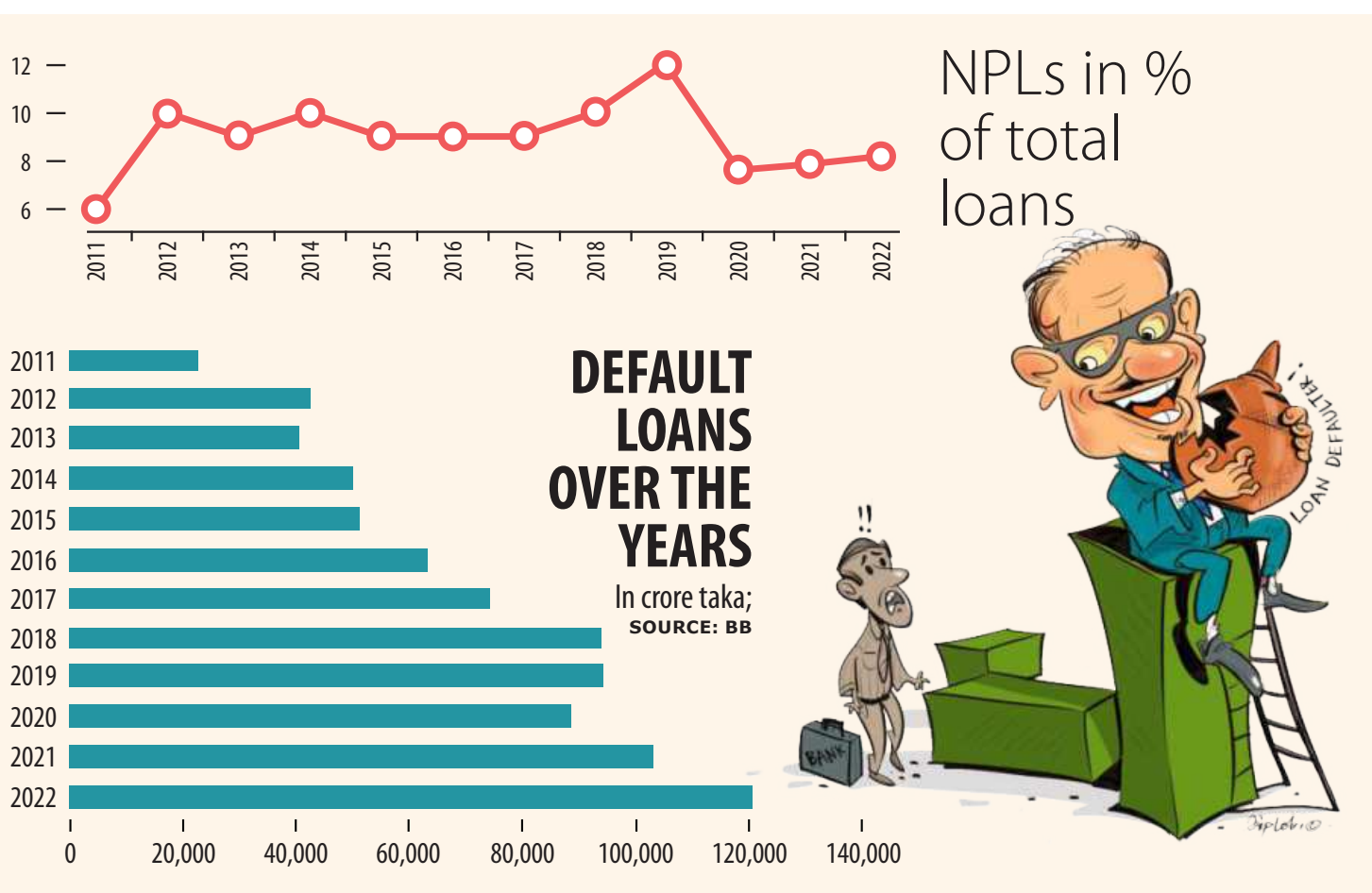
Growers put the size of the local raw rubber market at Tk 1,020 crore. Both producers and processors are benefiting from the rising production.

"This is because growers can sell their produce while processors don't have to import raw rubber," said Luthful Bari, chief operating officer of Meghna Group, one of the major rubber users in the country, during an interview with The Daily Star on Saturday.

"The local production saves at least Tk 250 crore in foreign currencies every year."

Meghna Group's enterprise Meghna Innova Rubber Co Ltd, Hussain Tyre, and Gazi tyre are the

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Relaxed rules can't tame default loans

AKM ZAMIR UDDIN

Default loans in Bangladesh's banking sector jumped 17 per cent year-on-year to Tk 120,656 crore last year owing to a lack of corporate governance and the ongoing business slowdown.

As a result, the ratio of bad loans rose to 8.16 per cent of the outstanding loans in December compared to 7.93 per cent in the same month in 2021, data from the Bangladesh Bank showed.

Analysts say that the forbearance for loan repayments and the relaxed loan rescheduling policy offered by the central bank have failed to rein in the upward trend of non-performing loans (NPLs).

NPLs, however, decreased 10.2 per cent in the final quarter of 2022 from Tk 134,396 crore reported in the July-September period.



"The trend of the last quarter can't be considered as a major progress as many banks might have reported a lower-than-actual volume of bad debts through window dressing," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

Window dressing refers to the manipulation of accounts so as to present financial statements in a way that portrays a better

position than the actual scenario. Mansur, also a former official of the International Monetary Fund, said banks normally recover a nominal amount of loans compared to hefty unpaid installments just before the end of a year in a bid to paint a rosy picture of their balance sheets.

The central bank has recently relaxed the rules on rescheduling to bring down the rate of default loans.

In July, the BB allowed defaulters to reschedule term loans, whose repayment tenure is more than a year, by giving only 2.5-6.5 per cent down payment of their total NPLs instead of the previous 10-30 per cent.

Similarly, the down payment for the NPLs related to working capital or demand loans was made 2.5-5 per cent from 5-15 per cent previously.

"Such a relaxation has apparently painted a better picture of the banking sector. But it will erode the strength of the sector in the long run," said Mansur, also the chairman of Brac Bank.

"A lower amount of default loans usually helps shareholders enjoy a better profit."

Mansur suggests the central bank align its loan classification and rescheduling policies in line

READ MORE ON B3

NBR plans to widen bonded warehouse facility

STAR BUSINESS REPORT

The National Board of Revenue plans to bring more export-oriented sectors under the bonded warehouse privilege so that entrepreneurs can import raw materials duty-free, said its chief yesterday.

"Upon completion of the present bond automation project, it will be feasible to expand it. If the facility is extended before the automation, it might be misused," said NBR Chairman Abu Hena Md Rahmatul Muneem.

He made the comments at a pre-budget meeting at the NBR's head office in the capital's Agargaon with the Bangladesh Investment Development Authority (Bida), the Bangladesh Export Processing Zones Authority (Bepza) and the Bangladesh Economic Zones Authority (Beza).

The agencies placed a number of proposals seeking tax benefits. The NBR organised the meeting to hear the views and concerns of businesses and stakeholders as part of its preparation to framing tax proposals for the fiscal year of 2023-24, which begins in July.

Studies have shown that a good export market for shoes, leather goods and bicycles has been created. And discussions are going on whether they can be given some support even before the completion of the bonded automation project, Muneem added.

The bonded warehouse facility allows export-oriented industries to import raw materials and packaging materials without paying any duties or taxes.

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STOCKS	
DSEX ▼	CASPI ▼
0.29%	0.24%
6,227.93	18,383.63

COMMODITIES	
Gold ▲	Oil ▼
\$1,842.64	\$76.43
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.52%	▼ 0.66%	▲ 0.52%	▼ 0.77%
61,002.57	27,513.13	3,328.37	3,224.02



A stall attendant lets visitors have a better look at bedsheets at the monthlong Chattogram International Trade Fair on the Railway Pologround in the port city. Organised by the Chittagong Chamber of Commerce and Industry, the fair aims to promote domestic products at home and abroad. The photo was taken yesterday. PHOTO: RAJIB RAZHAN

UK seeks level-playing field for investment

STAR BUSINESS REPORT

A level-playing field needs to be maintained for foreign companies interested in investing and operating in Bangladesh, emphasised the United Kingdom (UK) in a statement after a dialogue yesterday.

The UK also invited Bangladesh to engage with its private sector to pursue a commercial dispute resolution system to unlock the full potentials of foreign direct investment (FDI) in the south Asian country.

The second Bangladesh-UK Trade and Investment Dialogue was held in Dhaka with Tapan Kanti Ghosh, senior secretary to the commerce ministry, representing the Bangladesh side.

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US remains top source of remittance

STAR BUSINESS REPORT

For the second consecutive quarter, the United States of America has been the biggest source of remittance for Bangladesh, leaving the Kingdom of Saudi Arabia (KSA) in second place even though the Middle Eastern nation hired the highest number of workers during the period.

Bangladeshis in the North American country sent \$966.89 million in the October-December period of 2022, up nearly 16 per

READ MORE ON B3

WE MOURN Mr. Abdur Rouf Chowdhury (1937-2023)

We express our deepest compassion on the demise of **Mr. Abdur Rouf Chowdhury**, Founder and former Chairman of Bank Asia, Founder Chairman of Rangs Group and leading business personality of the country. We extend our heartfelt condolences to the members of his bereaved family and hope that they will overcome the irreparable loss with time.

May Almighty Allah grant his departed soul eternal peace.



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Workers turn paddy to evenly dry them out in the sun as a part of the process for availing rice in a mill in Jamalpur's Sarishabari upazila. A day's work earns each of them Tk 600. The photo was taken near Diggait Bazar at the start of this month.

PHOTO: SAHIDUL ISLAM NIRAB

Nestle plans price hikes

REUTERS, Zurich

The world's biggest food group Nestle will push through further price increases this year, Chief Executive Mark Schneider said on Thursday, after more expensive ingredients contributed to lower 2022 profits.

He declined to comment on the planned level of price increases, which he said were necessary to offset the damage caused by commodity price rises.

For consumers, whose spending power has already been cut by inflation at multi-decade highs, they are likely to add to concerns about strained household budgets and weakened economies.

The maker of Nescafe instant coffee and KitKat chocolate bars raised prices by 8.2 per cent last year.

But the measures did not fully offset the increased cost of ingredients such as coffee and dairy products, meaning profit margins dwindled.

"Our gross margin is down about 260 basis points - that is massive. That is after all the pricing we have done in 2022," Schneider told reporters.

Price adjustments are likely to vary depending on markets.

"We have some markets, like the US and UK, where we see strong continued inflation, and other markets like China and like here in Europe where inflation is more muted," Schneider said.

The packaged goods industry has also increased prices to cope with surging costs for almost all raw materials.

Already, it had been disrupted by supply-chain bottlenecks caused by the pandemic when Russia's invasion of Ukraine almost a year ago added to rising costs for energy and other commodities.

Schneider said inflationary pressures from logistics and more expensive arabica coffee and dairy products have eased, but remained high.

Sales volumes and mix were resilient, he added, rising by 0.1 per cent during 2022. Together with the 8.2 per cent increase in pricing, this brought Nestle's full year organic sales growth to 8.3 per cent.

Nestle said it targeted organic sales growth - which cuts out the impact of currency moves and acquisitions - in a range of 6-8 per cent in 2023.

During 2022 the company's reported sales increased 8.4 per cent to 94.4 billion Swiss francs (\$102.31 billion).

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (FEB 19, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	1.5 ↑	5.47 ↑
Coarse rice (kg)	Tk 48-Tk 52	2.04 ↑	5.26 ↑
Loose flour (kg)	Tk 56-Tk 60	-3.33 ↓	65.71 ↑
Lentil (kg)	Tk 95-Tk 100	-4.88 ↓	0
Soybean (litre)	Tk 168-Tk 172	0.59 ↑	6.25 ↑
Potato (kg)	Tk 20-Tk 25	-10.64 ↓	20 ↑
Onion (kg)	Tk 30-Tk 35	-18.75 ↓	-27.78 ↓
Egg (4 pcs)	Tk 47-Tk 50	16.87 ↑	31.08 ↑

SOURCE: TCB

Cultivation of zinc-rich rice yet to catch on

Experts blame low demand due to a lack of awareness

STAR BUSINESS REPORT

The cultivation of zinc biofortified paddy is yet to reach sufficient levels due to low demand stemming from a lack of awareness on the benefits of consuming the grain, according to various experts.

Zinc deficiency is a major concern in Bangladesh as about 32.5 per cent of the children and 45.40 per cent of women in the country do not consume adequate amounts of the essential nutrient.

As a result, many of them are suffering from stunted growth and malnutrition.

"But it would be possible to eliminate this issue by consuming zinc-fortified rice as about 70 per cent of a person's daily requirement can be obtained from the grain," said Ashek Mahfuz, portfolio lead of the Global Alliance for Improved Nutrition (GAIN), a Geneva-based non-profit foundation.

"So, zinc fortified rice should be

popularised among the people to foster demand and subsequently increase production across the country," he added.

Mahfuz made these remarks at a roundtable, styled "Opportunity of Reducing Malnutrition through Biofortified Zinc Rice in Bangladesh", jointly organised by GAIN and Empiric Research Limited at the Hotel Sheraton Dhaka yesterday.

Speaking as chief guest, Agriculture Minister Muhammad Abdur Razzaque said zinc deficiency in women and children has reached alarming levels.

"During the coronavirus pandemic, we clearly understood the necessity of zinc in our diet," he added.

Razzaque then said they have long been working on reducing vitamin, iron and iodine deficiencies in the country.

"Now, we want to work on zinc. For this, a well-planned target has to be taken at the public and private levels," he added.

Moshiur Rahman, an agronomy professor of Bangladesh Agricultural University, said along with bringing changes in the cropping pattern, diversifying the peoples' diet to include zinc should also be prioritised.

Shaikh Mohammad Bokhtiar, executive chairman of the Bangladesh Agricultural Research Council, said all concerned should broaden their focus on cultivating other zinc-rich crops along with paddy.

He also insisted on raising awareness on the benefits of zinc-rich foods through countrywide campaigns.

Md Shahjahan Kabir, director general of the Bangladesh Rice Research Institute (BRRI), said the human body requires 11 milligrams of zinc each day as it cannot produce or store the nutrient on its own.

So far, the BRRI has developed seven zinc-rich varieties of rice.

Among them, the BRRI Paddy-84 has the highest concentration of the nutrient.

"The BRRI is now bringing high zinc-rich rice. The concentration of zinc in the rice available is about 45 parts per million," Kabir added.

Md Momtaz Uddin, additional secretary of the food ministry, said they are buying zinc rice from different districts to provide people with nutrient-rich food under various support programmes.

"To ensure nutrition among low-income people and encourage farmers to cultivate zinc rice, the ministry will continue such programmes," he added.

The event was chaired by Wahida Akter, secretary to the agriculture ministry.

Among others, Badal Chandra Biswas, director general of the Department of Agricultural Extension, FH Ansarey, president of ACI Agribusiness, Golam Itekhhar Mahmud, special correspondent of Prothom Alo, and Rudaba Khondker, country director of GAIN, spoke at the event.



Zafar Alam, managing director of Social Islami Bank, attended a meeting with Hajj agencies of Chattogram region at Peninsula Chattogram in the port city on Saturday. Mohammad Forkanullah, deputy managing director, presided over the meeting, where Prof Mohammad Gias Uddin Talukder, chairman of the Central Shariah Board of the Islamic Banks of Bangladesh, and Mohammad Shah Alam, vice-president of the Hajj Agencies Association of Bangladesh, were present.

PHOTO: SOCIAL ISLAMI BANK



Md Abul Bashar, chairman of NCC Bank, attended an annual business conference for executives and branch managers at the Grand Sultan Tea Resort and Golf in Sreemangal, Moulvibazar yesterday. Mohammad Mamdudur Rashid, managing director, presided over the ceremony, where Sohela Hossain, vice-chairman, SM Abu Mohsin, chairman of an executive committee, and Amjadul Ferdous Chowdhury, Khairul Alam Chaklader and Mohammed Sazzad Un Newaz, directors, were present.

PHOTO: NCC BANK

NBR plans to widen bonded warehouse

FROM PAGE B1

It aims to encourage industrialisation, facilitate exports and enhance the competitiveness of the products made in Bangladesh.

The facility has been extended to export-oriented readymade garments and shipbuilding industries as well as deemed exporters of packaging materials, cartons, labels, polybags, buttons and hangers.

The Bepza recommended a 12-year tax rebate facility for technology-related and non-traditional products besides garments.

The Bida recommended that the rate of deduction of tax at source applicable on the income of non-residents be 5 to 10 per cent instead of 20 per cent.

It proposed the withdrawal of the current 1 per cent advance tax on raw materials and spare parts as well as the reduction of the advance tax rate in all cases to 3 per cent.

A new entitlement policy on bonded warehouses should be framed, said the Business Initiative Leading Development (BUILD) in its budget proposal, which was also placed in the same meeting.

The think-tank also demanded putting in place separate administrations formulating tax policies and collecting revenue.

"The NBR makes tax policies and collects taxes, but this creates problems on many occasions," said BUILD Chief Executive Officer Ferdous Ara.

In reply, Muneem said it may be examined.

He, however, said he did not understand why the demand was being raised.

"Laws related to tax, VAT and income taxes are very technical and complex. So, none can frame policies if they don't have strong expertise in these areas."

Luxury sector eyes

FROM PAGE B4

With the restrictions having restrained consumption, the reopening of the Chinese economy is being looked at as a growth opportunity for 2023.

Analysts at UBS say 2023 will be the "year of the Chinese consumer", noting that the pandemic restrictions pushed down the share of Chinese consumers in global luxury spending to 17 per cent last year, compared with 33 per cent before the pandemic.

"The Chinese clientele is much more important than it was in 2019," LVMH's financial director Jean-Jacques Guiony told journalists.

Guiony does not expect Chinese tourists to return to Europe, where they traditionally spent heavily on luxury goods, before next year. Instead, luxury groups are focusing on Chinese consumers at home.

LVMH's Arnault said it was no secret that China needs growth and that the government would likely take steps to facilitate economic

expansion as the country reopens. "If that is indeed the case - and it began in the month of January - we have every reason to be confident, even optimistic about the Chinese market," he said at the presentation of LVMH's 2022 results.

China is a "volcano ready to explode", said Arnaud Cadart at asset manager Flornoy Ferri.

"There is an incredible amount of savings that has been built up, an incredible reserve in the hands of the well-off class which wants to purchase luxury goods," he added.

Cadart estimated the luxury market in China could jump by 30 per cent this year.

Kering's chief executive Francois-Henri Pinault visited China at the end of January and said he was amazed by the people thronging stores "like the virus had never been in China".

"This is a good sign," said Pinault, who also welcomed moves by Chinese authorities to boost domestic consumption.

New platform to thwart

FROM PAGE B4

Munshi said people are getting various benefits of digitalisation such as shopping online for convenience.

As a result, the coverage of e-commerce has expanded a lot when fraudulent practices have also increased, he said.

"We all have to be aware of this,"

he said. At the event, State Minister for Information and Communication Technology Zunaid Ahmed Palak said the popularity of e-commerce has increased as it has eased the lives of people.

All are getting the benefit of national emergency service by dialing 999, he said.

BASIS SoftExpo

FROM PAGE B4

Parliament Shirin Sharmin Chaudhury is expected to inaugurate the exhibition, the organisers said at the press briefing.

Post and Telecom Minister Mustafa Jabbar and State Minister for ICT Zunaid Ahmed Palak are scheduled to attend the event as

special guests. BASIS has been holding bilateral meetings and making different business agreements to accelerate business in various countries of the world. B2B Matchmaking will be held between Bangladeshi companies and foreign companies in the fair this year.



Although these tomatoes seem ripe for picking, the fruits have been left hanging from their vines as farmers are unable to get adequate prices due to oversupply amid the ongoing peak season. The picture was taken from Rupsha upazila of Khulna recently.

PHOTO: HABIBUR RAHMAN

BASIS SoftExpo kicks off on Feb 23

STAR BUSINESS REPORT

BASIS SoftExpo 2023, the largest digital and ICT sector exhibition of Bangladesh, will begin on February 23 at Bangabandhu Bangladesh China Friendship Exhibition Centre at Purbachal in Dhaka.

The Bangladesh Association of Software and Information Services (BASIS) is organising the four-day mega show, which is funded by the private sector to highlight the latest technological innovations and ICT capabilities of Bangladesh to the world.

The capacities of Bangladesh's information technology sector will be highlighted through various programmes in this information technology exhibition.

BASIS President Russell T Ahmed shared the information at a press conference at Sheraton Dhaka at Banani in the capital.

Convener of BASIS Softexpo 2023 Abu Daud Khan was also present at the briefing.

Speaker of Bangladesh

READ MORE ON B2

Tomato farmers face peak season plight

Prices plummet as supply soars

DIPANKAR ROY and JAGARAN CHAKMA

Tomato farmers, particularly those in the southwest division of Khulna, are facing steep losses as prices for the fruit have come down drastically due to oversupply, as is the case around this time each year.

As a result, many growers are being forced to sell their tomatoes for less than Tk 2 per kilogramme (kg) at the field level while the crop is going for up to Tk 30 per kg at retail in Dhaka.

The returns are so low in fact that the transport cost outweighs any potential gains for some farmers, leaving them to either dump the fruit or distribute it for free for use as cattle feed.

Omar Md Imrul Mohsin, director general of the Department of Agricultural Marketing in Khulna, said they cooperate with farmers to help ensure good prices for their crops through proper marketing.

But as most farmers lack a good business plan and also do not follow the diversified crops system, they end up cultivating abundant amounts of the same crop and prices come down as a result, he added.

Mohammad Jahangir Alam, a professor of the agribusiness and marketing department at Bangladesh Agriculture University, said tomato farmers get better prices when they harvest the fruit early in the season.

"But there is oversupply against demand during the peak season, leading to lower prices," he added.

Citing his research on tomato cultivation, he said a total of 4.48 lakh tonnes of the fruit

was produced across the country in 2021 while consumption was only 4.26 tonnes that year.

In the past few years, farmers in the region started growing tomatoes on a commercial basis in the "ghers" or enclosures of fish farms, even in the saline prone areas of Bagerhat, Satkhira and Khulna.

At the beginning of the season, tomatoes were sold at Tk 2,500 to Tk 3,000 per maund (37 kgs). Now, the price has come down to Tk 170-200 per maund.

Md Kuddusur Rahman, a farmer of Tilak village under Rupsha upazila of Khulna, said he cultivated tomatoes on 22 decimals of land this season.

According to him, tomatoes are now selling for Tk 1.5 to Tk 2 per kg while it was Tk 30 to Tk 40 per kg just one month ago.

"During the last four days, no buyer came to my field to buy the crop, which is now rotting," he added.

Like Rahman, growers in other villages of the same upazila are facing similar losses.

Sheikh Ali Imam, a farmer of Mulghar union in Bagerhat, said he sold the tomatoes he grew on two bighas of land for Tk 70,000, which was quite a loss for him.

Many farmers are unable to even meet their labour costs by selling the crop at this rate, he added.

Hasanul Banna, who owns a retail outlet at the truck terminal wholesale market in Khulna city, said traders like him are unable to offer better prices to farmers as there is low demand in the market.

Md Rafiqul Islam, deputy director of the

Department of Agricultural Extension in Bagerhat, said 1,850 hectares of land were brought under tomato cultivation this year with a production target of 40,700 tonnes.

However, the total acreage was exceeded by more than 100 hectares while some 58,500 tonnes of the fruit were produced.

Local agro-processors such as Pran, Square Food and Beverage Limited, BD Foods Limited and Ahmed Food Products (Pvt.) Ltd procure tomatoes from farmers to make ketchup, tomato paste and other food items.

Of them, Pran, the leading agro-processor in the country, set a target to procure 20,000 tonnes of tomato this year.

The company has already started collecting tomatoes at its Barind Industrial Park in Rajshahi. Pran also collects the fruit at its other factory in Natore.

Sarwar Hossain, general manager of the Barind Industrial Park, said they are collecting tomatoes from the Rajshahi, Natore, Chapainawabganj, Dinajpur, Pabna and Naogaon districts.

Some 10,000 contracted farmers of Pran have cultivated tomatoes on 2,200 bighas of land in these areas, he added.

Kamruzzaman Kamal, marketing director of Pran-RFL Group, said sauces are very popular in Bangladesh and many other countries.

"Pran is the market leader in this sector, and we have capacity to produce 18,000 tonnes of sauces every year," he added.

Officials of Pran say they are collecting tomatoes from farmers at the going market rate.

New platform to thwart fraud in e-commerce

STAR BUSINESS REPORT

The commerce ministry yesterday launched a Central Complaint Management System (CCMS) in order to protect consumers from fraud while purchasing goods and services from e-commerce firms.

The platform will also provide scope to the consumer to file complaints against deception by the sellers in the digital sphere, said the commerce ministry in a press release.

"We are introducing the system to ensure safe purchase and prevent irregularities in the e-commerce transaction. We expect to see its benefit," Commerce Minister Tipu Munshi said after inaugurating the system at the ministry office.

The commerce ministry said the CCMS platform will act as a bridge between the consumers, regulators and the e-commerce stakeholders.

The consumers will be able to file complaints through the Directorate of National Consumers Right Protection (DNCRP) against frauds by online sellers.

The authorities launched the system amid rising complaints against many e-commerce sites filed by the consumers.

In the last two years, thousands of consumers lost money because of embezzlement of their funds by a number of digital commerce companies namely E-orange, and Evaly.

Md Hafizur Rahman, director general of the WTO Cell and chief coordinator of e-commerce cell at the commerce ministry, said the decision of a CCMS was taken against the backdrop of e-commerce scams.

"The idea of having an online platform is to resolve complaints quickly," he added.

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Confidence Cement's profit down 20% in Q1

STAR BUSINESS REPORT

Confidence Cement Ltd reported a Tk 22.51 crore profit in the October-December quarter of the current financial year.

The profit was, however, down nearly 20 per cent from the Tk 28.09 crore the cement manufacturer made in the first quarter of the previous financial year of 2021-22.

Thus, the consolidated earnings per share (EPS) were Tk 2.74 in October-December of 2022-23 against Tk 3.42 in the same quarter a year earlier, according to the unaudited financial statements.

The EPS decreased due to a higher raw material price in the international market and the foreign currency fluctuation loss at home, said Confidence Cement in a filing on the Dhaka Stock Exchange.

The profit fell to Tk 36.39 crore in the July-December half of FY23, which was Tk 47.15 crore in the identical period of FY22, a year-on-year decrease of 22.83 per cent.

The consolidated net operating cash flow per share of Confidence Cement was a negative Tk 4.98 in the first half of FY23 against a negative Tk 5.25 in the same half of FY22.

"The net operating cash flow per share increased due to a rise in the selling price and lower payments to suppliers," said the filing.

The consolidated net asset value per share fell to Tk 76.22 on December 31 from Tk 72.24 on June 30, driven by a hike in profit portion from associate companies.

Shares of Confidence Cement closed unchanged at Tk 89.00 on the DSE yesterday.

Luxury sector eyes reopening of China

AFP, France

After a year of record sales and profits despite slowing global growth the luxury sector is looking to the reopening of China to deliver further expansion in 2023.

The world's largest luxury group LVMH posted a 23-per cent jump in sales to a record of 79 billion euros (\$86 billion) in 2022 and saw profits climb 17 per cent to 14 billion.

The company's chief executive, Bernard Arnault, wants to continue along that path in 2023, "at the risk of becoming boring". LVMH's rivals also managed blistering growth in sales and profits last year.

Sales at Hermes jumped 29 per cent to 11.6 billion euros and profits soared 38 per cent to a record 3.4 billion.

Kering, despite a tough time for its flagship brand Gucci, still managed a 15 per cent increase in sales to 20 billion euros, while profits rose 14 per cent to 3.6 billion.

Ferrari also saw sales race to a new record of five billion euros, delivering 13,221 vehicles last year.

The 2022 results were barely dented by the disruption in China linked to end of its coronavirus-related travel restrictions and their progressive lifting at the end of the year, with LVMH calling the month of December an "air pocket". Only Hermes escaped unscathed.

"There was no drop in traffic in our stores," said Hermes chief executive Axel Dumas.

The company's sales rose 30.7 per cent in its Asia-Pacific region excluding Japan.

The gradual reopening of China – which abandoned the last of the draconian travel restrictions of its zero-Covid policy on January 8 – should help its economy expand by 5.2 per cent in 2023, according to the International Monetary Fund's latest forecast.

READ MORE ON B2



Tourists visit the Angkor Wat temple complex, a Unesco World Heritage Site, in Siem Reap province in Cambodia. The kingdom has recently launched a tourism pilot programme for 20 nations in a bid to revive the sector from the fallout of the Covid-19 pandemic.

PHOTO: AFP

Reckitt reports 18% earnings drop

STAR BUSINESS REPORT

Reckitt Benckiser (Bangladesh) PLC made a profit of Tk 65.91 crore in the year that ended on December 31, down 18.44 per cent year-on-year.

The maker of Harpic, Mortein and Dettol raked in a profit of Tk 80.81 crore in 2021. Thus, Reckitt Benckiser reported earnings per share of Tk 139.50 for last year against Tk 171.03 a year earlier.

The net asset value per share of the local operation of the multinational company slipped to Tk 176.80 in 2022 from Tk 200.65 in 2021. The net operating cash flow per share, however, rose to Tk 271.66 from Tk 134.90 during the period.

The board of directors of Reckitt Bangladesh recommended a 980 per cent final cash dividend for 2022, according to a posting on the Dhaka Stock Exchange. This is the lowest cash dividend in four years.