

Jute: a bright spot in export basket

SOHEL PARVEZ

Jute and jute goods brought home the bacon this fiscal year when most other export-earning sectors flatlined, thanks to a recovery in demand for natural fibre-based yarn and biodegradable products abroad.

Earnings from the sector rose 21 per cent year-on-year to \$602 million in July-January this fiscal year, according to Export Promotion Bureau data.

"This is definitely a positive development. If the trend continues, we will come out of the woods," said Md Zahid Miah, chairman of Bangladesh Jute Spinners Association (BJSa), whose members fetch more than 60 per cent of the total export receipts in the jute and jute goods sector.

Buoyed by domestic cultivation of jute, the industry saw shipment soar at a time when distressing apparel exports cast a pall on the overall earnings. Jute and jute goods account for 2 per cent of the total annual export receipts of more

than \$40 billion.

The jute industry, representing more than 160,000 workers and tens of thousands of farmers, depends largely on exports as the domestic market for jute goods is not big.

For the last several years, jute and jute goods have been witnessing fluctuations in shipments due to a prolonged crisis in the Middle East and the anti-dumping duty slapped by another major destination India in January 2017.

The sector recorded the highest exports at \$1.03 billion in fiscal 2012-2013, but took a hit in the following year. Shipment started to rebound slowly since fiscal 2014-15.

Recovery was dented again last year, as earnings fell 20 per cent year-on-year, EPB data showed.

The demand for jute goods rose marginally this year after the global carpet industry, especially that in Turkey, made a turnaround, Miah said.

Turkey is the largest consumer of Bangladesh's yarn followed

by China, India, Egypt and Iran, according to the BJSa.

The demand for jute yarn had plummeted because of an economic downturn in Turkey and the devaluation of its currency, said Miah, also the managing director of Karim Jute Spinners Ltd.

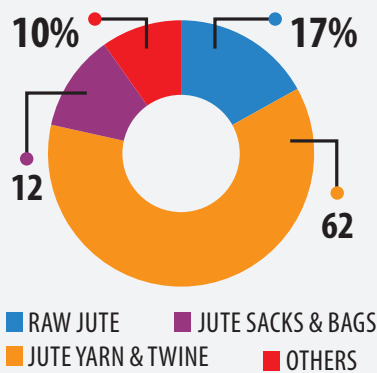
"Many of our factories had to stop production as markets were dull," he said, adding that normalcy has returned in the markets now.

Insiders also attributed the recovery in export to a consensus among businesses that they would not sell products below their cost prices or undercut prices to win orders from buyers.

Yet the rebound in export is not enough to enable the industry to recover from losses, said MA Raihan, a director of Nowapara Jute Mills Ltd.

The domestic market for jute goods has not expanded much, he said, adding that jute mills could not fully benefit from the law on the mandatory packaging of certain commodities by jute bags.

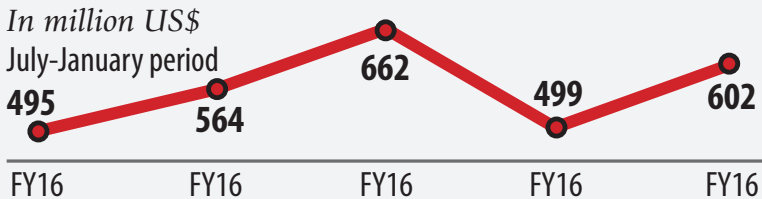
JUTE EXPORT IN FIRST HALF OF FISCAL YEAR



JUTE SECTOR AT A GLANCE

In numbers	
Workers in public and private mills	1.62 lakh
Annual average production of raw jute	14 lakh tonnes
Annual average use by jute mills	11.60 lakh tonnes
Annual average raw jute export	1.90 lakh tonnes
Annual average jute goods export	7.64 lakh tonnes

JUTE AND JUTE GOODS EXPORT



GOVT SUPPORT STILL A PROMISE

The benchmark index of the DSE was in a downward trend in the last week as investors were waiting for the government support that was talked about among many stakeholders' meetings. However, nothing has yet been implemented.

DSEX dropped to **4,388.75** points
(dropped **64.20** points, or **1.44%**)

Turnover fell to Tk **361.97** crore (dropped
Tk **14.58** crore, or **3.87%**)

TOP FIVE GAINERS

Company	Gain (in %)
Tosrif Industries	8.18
Matin Spinning	7.94
Green Delta	5.16
CAPM BDBL Mutual fund one	5.12
Prime Textile	4.56

TOP FIVE LOSERS

Company	Loss (in %)
Delta Spinners	8
Apex Spinning	7.43
Mercantile Insurance	6.89
Jute Spinners	6.49
United Airways	6.25

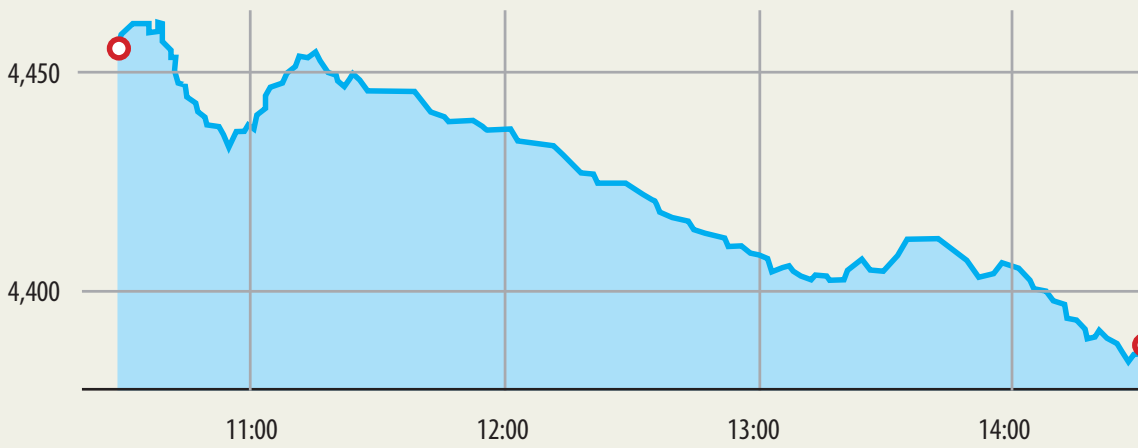
TOP SECTORAL FALL

Sector	Loss (in %)
Cement	3.8
Engineering	2.2
Fuel & Power	2.1
Bank	1.2
Pharmaceuticals	0.71

TOP TURNOVER

Company	Average turnover (in crore Tk)
LafargeHolcim	21.07
Bangladesh Shipping Corporation	13.34
ADN Telecom	10.12
Singer Bangladesh	8.38
Indo-Bangla Pharmaceuticals	10.49

DSE BROAD INDEX



Female participation crucial for growth ambitions

Says Commerce Minister Tipu Munshi

STAR BUSINESS REPORT

Bangladesh will not achieve double-digit GDP growth without the participation of women in business and economic activities, said Commerce Minister Tipu Munshi yesterday.

At present, only 7.2 per cent of small and medium business owners are women.

"This is not very impressive. We still have a long way to go to reduce the gap," said at the opening session of the Corporate Connect 2020 Conference & Business Fair.

The World Bank and the commerce ministry organised the event in collaboration with W E C o n n e c t International and Women Entrepreneurs Finance Initiative (We-Fi) at the capital's Radisson Blu Dhaka Water Garden hotel.

The government is taking initiatives to improve the business culture for women, Munshi said, while lauding female students for outdoing their male counterparts in the last decade.

"The conference provides a platform for the government, private sector and institutional partners to support women entrepreneurs so that they may make a mark on both the local and global economy."

Munshi hopes the programme will encourage companies to buy from women-owned businesses which provide innovative home-grown products and services.

Women-owned businesses in Bangladesh need better access to markets and corporate value chains in order to boost the country's inclusive growth strategy and create more jobs, said Wendy Werner, country manager of the International Finance Corporation.

In Bangladesh, only 5 per cent of formal micro, small and medium-sized companies are owned by women, she said.

"As an investor in emerging markets, the IFC strongly believes that to enable companies and economies to grow, we must reduce gaps between women and men in the private sector," she added.

Riding on the success of a recently completed pilot, the WB and WEConnect yesterday launched a project that aims to help 1,200 women-owned businesses

potentially connect with large local and multinational corporate buyers, a WB statement said.

The project, supported by We-Fi, will help enterprises access value chains and expand their business.

The Washington-based multilateral lender provided capacity building training to more than 150 women entrepreneurs and facilitated links with large corporations through various networking opportunities during the pilot project, which led to the country's first Supplier Diversity Advisory Committee.

Nearly 90 per cent of the beneficiaries reported improvements in their businesses.

"The development of supply chain strategies is critical to the success of any business but women-owned firms are often overlooked as key participants," said Caren Grown, a WB senior director.

Over the next three years, the project will help create a database for Bangladeshi women entrepreneurs in order to increase their participation in corporate value chains.

If more women-owned businesses are connected with corporate buyers, both the female entrepreneurs and Bangladesh as a whole will benefit, Grown said.

The conference, where discussions were held on how to best diversify value chains, was attended by policymakers and business leaders. A business fair was also organised to help women build networks and access corporate procurement opportunities.

On a global scale, women-owned small and medium businesses earn less than 1 per cent of the money spent by large corporations and governments on suppliers.

Connecting women entrepreneurs with corporate buyers would help diversify value chains while delivering equitable, broad-based economic growth.

"We call on other buyers and women business owners to join the movement for supplier diversity as we work to achieve gender equality," said Elizabeth A Vazquez, chief executive officer and Co-Founder of WEConnect.

WOMEN-OWNED BUSINESSES AT A GLANCE

- Only **7.2%** of SMEs owned by women
- Only **5%** of formal SMEs owned by women
- 1,200** women-owned businesses connect with foreign and local buyers
- 150** women entrepreneurs took part in the programme
- Women-owned businesses in Bangladesh need better access to markets

Digitalisation synonymous with local ICT's success

Commerce minister says at the end of BASIS SoftExpo

STAR BUSINESS REPORT

Bangladesh's digitalisation will not be possible if local companies do not flourish and the BASIS SoftExpo's way of showcasing industry skills plays a great role in motivating companies and reaching out to targets, said Commerce Minister Tipu Munshi yesterday.

Addressing the closing of a four-day BASIS SoftExpo, he expected the BASIS to not only uphold but also strengthen the private and public sector software and services industries.

The government is organising training programmes on a massive scale through which about six lakh manpower have already been added to the industry, he said.

"There are currently about 10 lakh youths related with the country's ICT sector and by 2021, total employment in ICT related professions will hit 20 lakh," said State Minister for ICT Zunaid Ahmed Palak.

The time has come for Bangladesh to compete in the global market and using the latest technologies, Bangladeshi ICT companies will achieve excellence in the sector, he added.



COLLECTED

Farhana A Rahman, senior vice president of the Bangladesh Association of Software and Information Services (BASIS), hands over a memento to a participant of the BASIS SoftExpo at the event's closing ceremony at the International Convention City Bashundhara in the capital yesterday. Syed Almas Kabir, BASIS president, was present.

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Some movement in talks on the BBIN agreement



PALLAB BHATTACHARYA, from New Delhi

Bangladesh, Bhutan, India and Nepal have agreed on the need to expeditiously finalise passenger and cargo protocols for implementation of

the agreement to regulate the movement of passenger, personal and goods vehicles among the four countries.

The decision to speed up efforts to implement the Bangladesh-Bhutan-India-Nepal Motor

Vehicles Agreement (BBIN-MVA) that was signed in June, 2015 was taken at a meeting of senior officials of the four countries in New Delhi yesterday.

The Bangladesh delegation at the meeting was led by Mohammad Sarwar Mahmood, director general for South Asia in the foreign ministry.

This was the first meeting of the group of officials since their meeting in Bengaluru in January 2018, when the two protocols were discussed, said the Indian external affairs ministry in a statement.

Representatives of Bhutan participated in the meeting in the capacity of an observer.

The officials at yesterday's meeting recalled the commitments made at the highest political level for implementation of the BBIN MVA and the importance of trade, economic cooperation and people-to-people contact through enhanced regional connectivity, including through facilitation of regional cross-border road transport.

They expressed satisfaction over the progress made by each country in internal consultations with their stakeholders for the protocol for movement of passengers.

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