

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▲ 0.99%	▲ 1.09%	\$1,837.61	\$49.25	▲ 1.00%	▼ 0.22%	▲ 0.62%	▲ 0.07%	BUY TK 83.95	100.73	111.91	0.79
5,024.38	8,681.71	(per ounce)	(per barrel)	45,079.55	26,751.24	2,839.89	3,444.58	SELL TK 84.95	104.53	115.77	0.83



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## Garment sector to lose \$4b in EU if duty-free benefit ends

BGMEA study finds

REFAYET ULLAH MIRDHA

Bangladesh's garment exporters will lose \$4 billion if the duty-free trade benefit for the country comes to an end in the European Union following its graduation to a developing nation, according to a new study.

If the Standard Generalised System of Preferences (GSP) can be availed, the loss will be \$3.2 billion, the study by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) said.

The EU offers Standard GSP for low and lower-middle-income countries. This means a partial or full removal of customs duties on two-third of tariff lines.

Bangladesh currently enjoys duty-free, quota-free access for all products except arms and ammunition in the EU market as a least developed country under the EBA (Everything But Arms) facility.

Bangladesh's shipment to the EU will face the worst impact after graduation as the bloc accounts for 61 per cent of the duty-free export from the country, the study said.

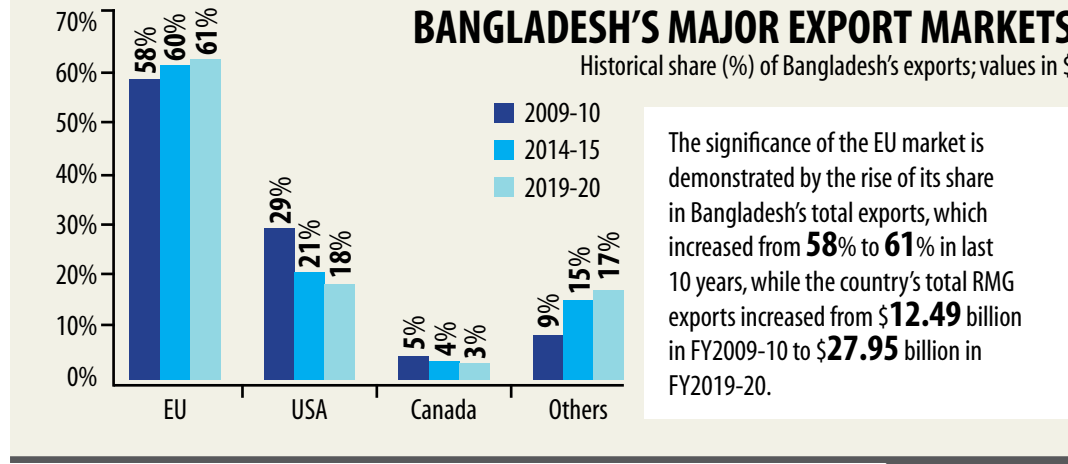
The country's export to the EU has grown by 9.03 per cent in the past 10 years to \$17.15 billion.

Currently, \$25 billion, or 73 per cent of the external trade of Bangladesh, enjoys duty-free access as an LDC. This will come to an end as the LDC graduation takes effect, the study said.

The significance of the EU market is demonstrated by the rise of its share in Bangladesh's total exports: it went up from 58 per cent to 61 per cent in the last decade.

Garment export rose from \$12.49 billion in the fiscal year of 2009-10 to \$27.95 billion in FY2019-20.

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## Govt to import 5 lakh tonnes of rice

SOHEL PARVEZ

The government may import up to 5 lakh tonnes of rice to replenish the country's depleting food stocks and tame the soaring prices of the staple, according to a senior official of the food ministry.

The Directorate of Food has already floated a tender to buy 100,000 tonnes of parboiled rice from abroad. Meanwhile, the government placed an order for 50,000 tonnes of rice last week and plans to purchase another 100,000 tonnes from foreign sources soon.

"We will buy more rice from the international market instead of depending too much on local millers," Food Secretary Mosammat Nazmanara Khanum said yesterday.

The food ministry aims to buy 300,000 tonnes of rice from abroad in the first phase.

"And we have a target to purchase 500,000 tonnes of rice in total this year," she added.

The food ministry has decided to increase rice imports due to a lack of interest among local farmers and millers to supply the cereal grain to state warehouses. This is a result of reduced yields caused by inclement weather and recurrent flooding.

The Directorate of Food has decided to buy 200,000 tonnes of paddy from local growers and 600,000 tonnes of rice from millers for the current Aman rice season.

But since the beginning of the procurement period last month, it could buy only 507 tonnes of parboiled rice and 27 tonnes of paddy as of December 2.

The food ministry is trying its best to reach the previously set target to ensure fair prices for the farmers, Khanum said.

Asked about the reluctance among millers to supply rice to state warehouses, Khanum said they have not asked the local producers to supply rice to the warehouses.

"Instead, we are bringing it from abroad since they [local farmers] cite shortages in the domestic market. Let them supply it there," she added.

This is the first time in three years that the government turned to overseas markets to refill food stocks and intervene in the market through various social safety net schemes to curb a spike in the price of a staple food.

Food stocks dipped 43 per cent year-on-year to 7.9 lakh tonnes as of December 2 this year, according to the food ministry.

Khanum also said the government has started providing



## Bilateral trade to grow 15pc as Dhaka-Thimphu sign PTA

Commerce Minister Tipu Munshi says

STAR BUSINESS REPORT

Bilateral trade between Bangladesh and Bhutan will grow by 15 per cent every year after the two countries struck a preferential trade agreement (PTA) yesterday to give a boost to commerce and connectivity.

Commerce Minister Tipu Munshi and Bhutanese Economic Affairs Minister Lyonpo Loknath Sharma signed the agreement at the State Guest House Sugandha in Dhaka, in the virtual presence of Prime Minister Sheikh Hasina and her Bhutanese counterpart Lotay Tshering.

This is Bangladesh's maiden PTA with any country.

"The bilateral trade between the two countries will grow by 15 per cent every year thanks to the agreement," Munshi said after signing the deal.

Under the agreement, 100 products from Bangladesh will enjoy the duty-free benefit in the Bhutanese market. Bangladesh would extend the similar privilege to 34

### THINGS TO KNOW...

This is Bangladesh's maiden PTA with any country

Bangladesh will enjoy duty-free benefit on exports of 100 products, Bhutan on 34 products

PTA allows to raise the number of trading items

Bangladesh is the second largest trading partner of Bhutan

Chilahati-Haldibari railway route to start functioning soon to establish railway link with Bhutan



Bhutanese items.

The goods from Bangladesh would include garment items, fruit juices, particle boards, potatoes, cement, biscuits, cosmetics, sugar, jute or coconut fibre carpets, footwear, corrugated iron sheets, iron rods, cables and dried fishes.

Some of the major goods of Bhutan that will be eligible for the benefit are milk, natural honey, cement clinkers, soap, mineral water, portland cement, ferrosilicon, wheat bran, boulder stone, dolomite, gypsum, calcium carbonate, apples, pears, cabbage, cauliflowers, orange, seed potatoes, dried chillies, and cardamom.

There is a provision in the PTA that the two countries can increase the number of trading items in the future, Munshi said.

With the signing of the deal, Bangladesh entered a new era as it has inked many trade agreements to protect the trade benefit after it graduates to a developing

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### BID TO BEEF UP STOCK



Govt to buy upto 5 lakh tonnes of rice this fiscal year

Some 3 lakh tonnes to be bought initially

Tender has been floated to buy one lakh tonnes

Govt's domestic procurement from Aman season was insignificant

Foodgrain stock fell 43% to 7.9 lakh tonnes as of Dec 2

cash under some of the social safety net programmes such as Test Relief, Food for Works and Vulnerable Group Feeding in a bid to move away from the previous practice of providing food grains.

"So reduced food stock is unlikely to become a problem," the food secretary said.

In order to contain artificial price spikes, the food ministry has kept watch so that no one can hoard the grain, she added.

## DSE key index goes past 5,000 points

Highest since Sep 28

STAR BUSINESS REPORT

The benchmark index of the Dhaka bourse went past the level of 5,000 points yesterday after more than two months riding on higher demand for shares of banks, non-bank financial institutions and pharmaceuticals.

The DSEX, the benchmark index of Dhaka Stock Exchange, rose 49

points, or 1 per cent, to 5,024.38 yesterday. This is the highest since September 28.

Normally, banking and NBFIs stocks see an upward trend in the month of December as these firms declare profits and yearly dividends in the month after, said stock investor Abdul Halim.

The stocks are rising following the

trend, he said.

As most of the banks' profits are being considered artificial this year, the lenders are moving relatively slower despite the rise in profits, he said.

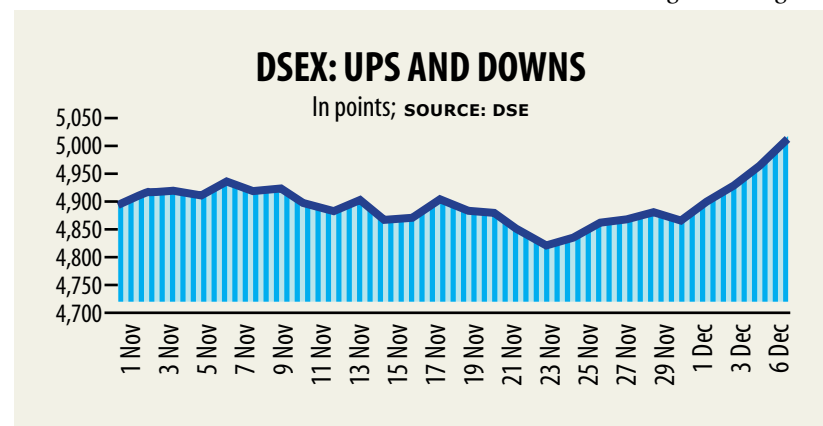
Bangladesh Bank has asked lenders not to consider businesspeople to be defaulters if they fail to repay instalments this year, considering the economic fallout of the pandemic.

This curbed provision requirements. Banks in other countries have set aside additional provisioning to protect their financial health from the potential risks emerging from the ongoing hardship.

Turnover, another important indicator of the stock market, increased 2.55 per cent to Tk 843 crore yesterday on the DSE.

Aramit Cement topped the gainers' list yesterday rising 9.92 per cent followed by Al-haj Textile, Fortune Shoes, Dominage Steel,

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## Investment summit tomorrow to attract Dutch businesses

STAR BUSINESS REPORT

A two-day investment summit is scheduled to begin tomorrow to identify areas for potential collaboration in trade and investments among businesses of Bangladesh and the Netherlands, said a statement.

Termed Netherlands-Bangladesh Investment Summit, the event will have panellists discussing about key investment prospects and potential collaboration opportunities between the two nations.

"It would serve as the perfect melting pot for corporations, small and medium enterprises (SME) and innovators to co-create value and absorb the immense learning

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## FBCCI launches centre to develop technopreneurs

STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday launched a technology centre to facilitate the growth of local tech startups and technopreneurs.

The main aim of this initiative is to build a digital ecosystem in the country by creating "Impact Tech-Preneurs" who can solve social problems and have a measurable and transformative impact on the digital landscape.

The centre, dubbed "FBCCI Tech C", is a part of the FBCCI Impact 4.0 (2020) project, which was launched to mark the centennial birth anniversary of Bangabandhu Sheikh Mujibur Rahman.

The country's apex trade body signed agreements with various international organisations such as the Massachusetts Institute of Technology (MIT), University of Toronto, Accelerating Asia and Seneca College to train local startups through this initiative.



COLLECTED

Sheikh Fazle Fahim, president of the Federation of Bangladesh Chambers of Commerce and Industry, speaks at the launch of technology centre FBCCI Tech C by the trade body in Dhaka yesterday.

The technology centre was inaugurated through a ceremony held at the FBCCI's Icon Tower in Dhaka.

Education Minister Dipu Moni and State Minister for ICT Zunaid Ahmed Palak participated in the ceremony.

FBCCI Tech C is one vertical of FBCCI Impact 4.0 (2020), which was adopted by the current board, according to FBCCI President Sheikh Fazle Fahim.

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