

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
▲ 0.18%	▲ 0.29%	\$1,261.30	\$51.16	▲ 0.04%	▲ 0.93%	▲ 0.50%	▼ 0.32%	BUY TK	77.90	87.70	112.67	0.71
4,420.42	8,272.88	(per ounce)	(per barrel)	27,020.66	16,830.92	2,862.38	2,926.70	SELL TK	78.90	91.10	116.07	0.74

# Star BUSINESS

DHAKA THURSDAY JUNE 9, 2016

আপনার বিআরটিএ ফি এবং সকল ইউটিলিটি বিল এসআইবিএল এর যে কোন শাখার মাধ্যমে জমা দিন



ফি অনলাইন সেবা  
যে কোন প্রয়োজনে ০৯৬২২০০৯২২

## Exports on course to record

Exports are homing in on the target of \$33.5 billion for this fiscal year after May's receipts took the tally to a touching distance.

Bangladesh received \$3.03 billion from exports in May, up 6.69 percent year-on-year, according to data from the Export Promotion Bureau.

May's exports take earnings in the first 11 months of fiscal 2015-16 to \$30.67 billion. The government has set a doable target of \$2.83 billion for June. Full-year receipts of \$33.5 billion would be a record for Bangladesh.

Garment, which typically accounts for 80 percent of the country's export earnings, led the charge, bringing home \$2.45 billion last month, up 9.35 percent year-on-year.

"The future trend for garment exports from Bangladesh is good," said Siddiqui Rahman,

### EXPORT TREND



president of Bangladesh Garment Manufacturers and Exporters Association.

Bangladesh's garment exports are looking up for two reasons: the country is receiving the work orders that are being shifted in bulk from China and are producing value-added items, he said.

The international retailers have been placing work orders in Bangladesh due to the higher costs of production in China, the largest garment exporter in the world.

"China is no more a favourite destination for international garment retailers. They are shifting work orders to other destinations and preferably to Bangladesh."

The garment makers in Bangladesh have been producing value-added items as the prices of basic garment items declined 40 percent over the last 15 years.

As a result, the receipts from apparel shipments are on the rise, he said.

"We have the potential to grab more market share. However, we need to increase productivity to be more competitive in the global apparel market," Rahman added.

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## WB's growth forecast lower than govt's

STAR BUSINESS REPORT

The World Bank yesterday said the Bangladesh economy would grow 6.3 percent in the upcoming fiscal year, which is much below the government's target of 7.2 percent.

The Washington-based multilateral lender also said the country's gross domestic product will expand 6.5 percent this fiscal year -- again lower than the government's estimate of 7.05 percent.

This was disclosed in a report of the WB on the global growth for 2016.

On Tuesday, Finance Minister AMA Muhith said in parliament that multilateral organisations make forecast on the basis of small study whereas the Bangladesh Bureau of Statistics does so on the basis of a large study.

"I can assure you that Bangladesh will achieve the 7.05 percent growth in the current fiscal year, and three months later the multilateral organisations will accept it," he said.

In its Bangladesh Development Update in April, the WB Dhaka office said it is difficult to reconcile the government's 7.05 percent growth estimate for the current fiscal year with the growth-related indicators, in which Bangladesh is mostly lagging.

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## Credit growth beats expectations

SAJJADUR RAHMAN

Private sector credit growth continues to beat expectations in 2016, suggesting borrowers are eager to take advantage of the low interest rates.

In April, private sector lending, which includes home, personal and business loans, rose 15.59 percent year-on-year, according to Bangladesh Bank data. It stood at 15.16 percent in March and 15.11 percent in February.

However, credit growth in the first ten months of the fiscal year stood at 12.21 percent, much lower than the target of 14.8 percent.

### PRIVATE SECTOR CREDIT GROWTH



Lenders attributed the recent spike in private credit growth to the turnaround in economic activities after a gap of three years.

Mega projects floated by the government and declining cost of funds are also pushing the credit growth up, they said. A rise in

import ahead of Ramadan also helped.

"We are seeing higher demand for loans from some sectors, such as transport, steel, garments and textiles and so on in recent months," said Ahmed Kamal Khan Chowdhury, managing director of Prime Bank.

A decline in foreign currency loan, for which the cost has started to creep up, is also creating a demand for local loans, he said.

Private sector credit growth was subdued for three years since January 2013, when it stood at 14.4 percent.

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## Trade deficit narrows, helped by exports

STAR BUSINESS REPORT

Trade deficit narrowed 10.22 percent in the first ten months of the fiscal year as exports grew twice as imports.

Between July last year and April this year, trade deficit stood at \$5.27 billion in contrast to \$5.87 billion a year earlier, according to Bangladesh Bank's balance of payments data.

In the first ten months of fiscal 2015-16, capital machinery imports increased 12.24 percent against 20.81 percent recorded a year earlier, according to letters of credit settlement statistics.

Industrial raw material imports during the same period increased only 2.36 percent, which was 4.16 percent a year earlier.

Not only industry-related items, the import of other goods like food and petroleum have declined.

Food grain imports in the first ten

months of the fiscal year plummeted 25.15 percent and petroleum 39.65 percent, according to LC settlement statistics.

On the back of the reduced trade deficit, the balance of payments surplus widened about 20.42 percent during the period.

At the end of April, the overall surplus stood at \$3.97 billion in contrast to \$3.29 billion a year earlier, according to central bank statistics.

One of the reasons for the increase in overall surplus this year is that the net credit is in favour of Bangladesh, said BB officials.

The net trade credit in the first ten months of fiscal 2015-16 stood at \$1.65 billion in the negative, down from \$1.81 billion in the negative a year earlier.

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বিনিয়োগ প্রকল্প



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## Stocks bubble under as investors watch

STAR BUSINESS REPORT

Stocks closed almost flat yesterday, as investors remained cautious about the market outlook. DSEX, the benchmark index of the premier bourse, rose only 7.91 points, or 0.17 percent, to finish the day at 4,420.42 points.

The market started off on an optimistic note, with buying pressure on sector-specific stocks.

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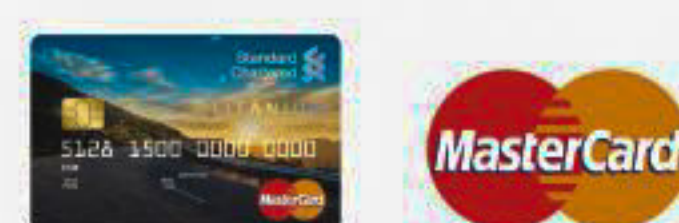
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