

| STOCKS   |          | COMMODITIES |            | ASIAN MARKETS |       |       |        | CURRENCIES |       |          |       |        |       |     |       |     |       |         |       |
|----------|----------|-------------|------------|---------------|-------|-------|--------|------------|-------|----------|-------|--------|-------|-----|-------|-----|-------|---------|-------|
| DSEX     | 0.19%    | Gold        | \$1,259.40 | MUMBAI        | 0.08% | TOKYO | Closed | SINGAPORE  | 0.17% | SHANGHAI | 1.45% | USD    | 77.85 | EUR | 86.15 | GBP | 95.51 | JPY     | 0.74  |
| CSCX     | 0.21%    | Oil         | \$52.69    |               |       |       |        |            |       |          |       | BUY TK | 78.85 |     |       |     |       | SELL TK | 78.85 |
| 4,689.31 | 8,773.44 |             |            |               |       |       |        |            |       |          |       |        |       |     |       |     |       |         |       |

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# Star BUSINESS

DHAKA TUESDAY OCTOBER 11, 2016, ASHWIN 26, 1423 BS

## Bangladesh can become no. 1 apparel exporter in a decade

Analysts call for proper steps to reap benefit from China's rise

STAR BUSINESS REPORT

Bangladesh could become the world's top exporter of garments in a decade as China is gradually moving away from its long-held supremacy over the manufacture of low-end apparel, analysts said yesterday.

Farooq Sobhan, president of Bangladesh Enterprise Institute, a think-tank, said the Chinese are now planning to relocate a number of their industries, particularly garments and textiles, to Bangladesh by setting up factories in a special economic zone that the government is planning to award to Beijing.

"China itself could play a major role in making Bangladesh the number 1 readymade garment exporter in the world."

"And I see that happening within the next 10 years, if not sooner, if we can play our cards correctly," he told a discussion at The Daily Star Centre in Dhaka.

The English daily organised the roundtable -- Bangladesh-China Relations: Connecting the Two Economies -- ahead of Chinese President Xi Jinping's upcoming visit to Bangladesh.

The global consumption of apparel products stood at \$445 billion in 2015, according to data from the World Trade Organisation.

China, the number one exporter, accounted for 39.26 percent global market share while Bangladesh's share was 5.9 percent.

Bangladesh's apparel export last fiscal year was \$28 billion. The country has set a target to raise it to \$50 billion by 2021.

Meanwhile, China is losing its market share mainly due to higher costs of production and shortage of a skilled workforce.

### THINGS TO DO

- Speeding up project implementation
- Removing roadblocks, mistrust
- Exploring manpower export opportunity to China
- Working with China to explore marine resources
- Starting negotiation with China on rules of origin
- Identifying products that China imports
- Paying attention to environmental concerns at SEZs

Bangladesh's apparel export is on the rise as the global retail giants are also increasing the volume of work orders for quality garments at competitive prices. Sobhan said a lot is going to depend on Bangladesh's ability to implement.

"There are several issues that need to be addressed, such as terms and conditions of Chinese loans and Bangladesh's own ability to provide facilities to fast-track the implementation."

The former ambassador said Bangladesh could soar, riding on the wings of two regional superpowers -- China and India.

It will be a measure of the country's diplomacy; if Bangladesh can achieve that and play a role in removing some of the roadblocks and mistrust

that exist in moving forward, it could be a game-changer for the whole of South Asia, he said.

Munshi Faiz Ahmad, a former ambassador of Bangladesh to China, said Bangladesh should not worry too much about the trade deficit with China.

"Whatever we purchase from China, whether capital goods or consumer goods, we buy them because we need them."

However, China has been sensitive about the gap as it does not look good and is trying to reduce it as much as possible, he said, adding that Beijing is offering duty-free access to more than 5,700 products.

"We are hoping China will be forthcoming on the other items as well."

Ahmad, chairman of Bangladesh Institute of International and Strategic Studies (BISS), said China is becoming more and more costly as the production base and labour are becoming pricey.

"We hope Bangladesh will be able to send workforce to China in the near future."

Ahmad said Bangladesh also needs to work with its friends to explore its maritime potential. China is one of the top countries in terms of marine technology and experience in working at sea.

Bangladesh needs zero-tariff access for most of its items, including apparel, to expand its footprint in China, said Mahfuz Kabir, acting research director of the BISS, in his presentation.

He said 17 products, including apparel, synthetic fibre and tobacco, are expected to get duty-free market access, which would significantly help reduce the gigantic trade deficit, and bilateral trade would be much bigger in the foreseeable future.

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## Exports slide in Sep

REFAYET ULLAH MIRDHA

Export earnings in the month of September slid 5.63 percent year-on-year to \$2.24 billion, due to a slowdown in garment exports, according to data from Export Promotion Bureau.

The earnings also missed the September target of \$2.73 billion by 18.06 percent, data showed.

However, export earnings increased 4.12 percent to reach \$8.08 billion in July-September, from the corresponding period of last year.

But the quarterly target of \$8.95 billion was also missed by 9.69 percent, according to data.

"Export earnings from garment shipments declined because of a long break during Ramadan and Eid-ul-Fitr," said Siddiqur Rahman, president of Bangladesh Garment Manufacturers and Exporters Association.

"We could not produce goods for almost

half the month and we hope exports will pick up from next month as the trend is good."

Earnings from garment shipments in the first quarter of the current fiscal year were counted at \$6.67 billion, which is 3.52 percent higher from the same period of last fiscal year.

But here also, the export target of \$7.34 billion was missed by 9.25 percent.

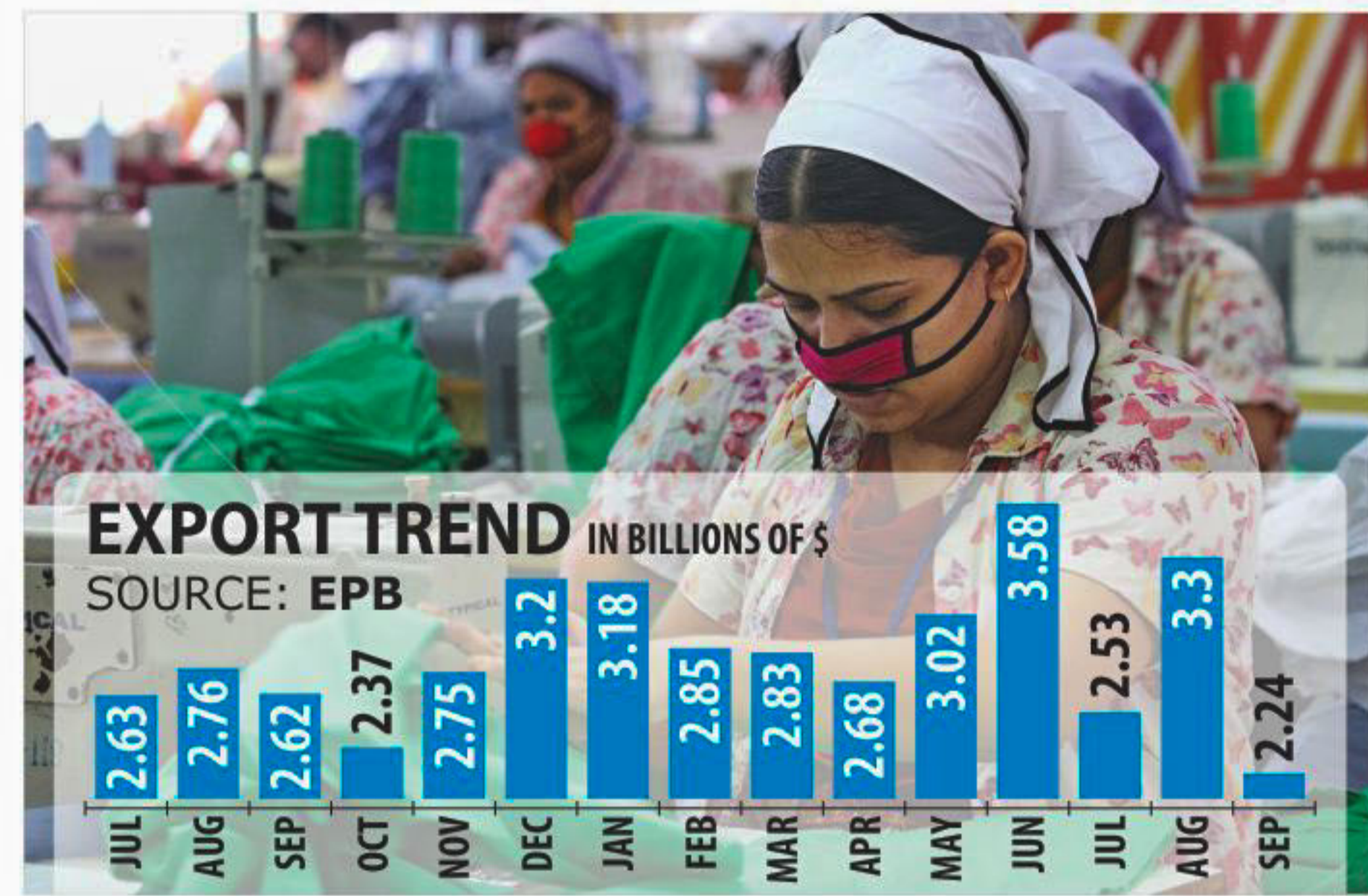
Leather and leather goods performed well in July-September, fetching \$319.06 million, which is 16.69 percent higher than that in the same period last fiscal year.

Exports of leather and leather goods surpassed the periodic target of \$294.98 million by 8.16 percent.

Earnings from footwear exports also increased 28.04 percent to \$59.87 million during the July-September period.

Exports of frozen foods and live fishes rose 13.87 percent to \$136.72 million.

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## Silo near Mongla port to open soon

SOHEL PARVEZ

The grain silo near Mongla port is set to become operational by the end of this month, enabling the food directorate to unload imported wheat without pilferage and store the cereal for distribution in the south and southwest region.

"The construction of the silo is done and is ready for use. Now commissioning is on," Bimal Bhuiyan, deputy project director of the concrete grain silo project at Mongla port, said yesterday.

The silo, constructed at Tk 578 crore on the bank of Pashur river at Joymonirghol, has the capacity to store 50,000 tonnes of wheat.

Bhuiyan said the silo would be fully operational after its inauguration later this month by Prime Minister Sheikh Hasina through a video conference.

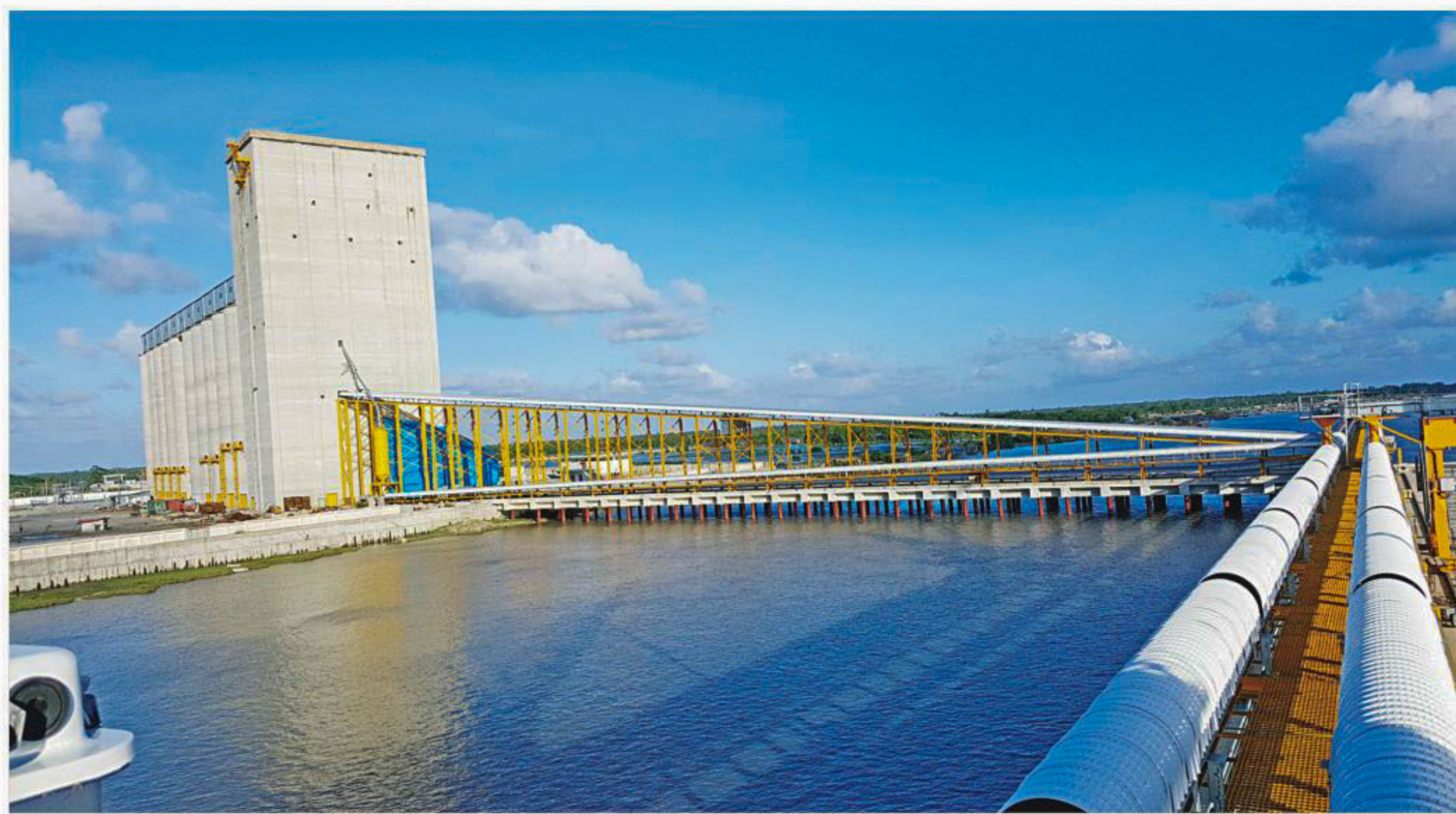
Grains storing may begin by unloading 21,000 tonnes of imported wheat from a ship that is likely to arrive at Mongla by the third week of this month, he said.

This is the country's fifth silo, which has been constructed decades after building of the first four silos.

The four silos were built between the years of 1967 and 1970 with World Bank financing, said food officials.

Officials said the government based on grant from Japan Debt Cancellation Fund had earlier planned to build a food grain silo at Mongla port to arrest pilferages from imported cargoes.

At present, food grains are unloaded



A view of the grain silo near Mongla port. The silo, constructed at Tk 578 crore, has the capacity to store 50,000 tonnes of wheat.

manually from the port and 90 percent of imports are unloaded from the lighter vessels without even getting weighed.

As a result, nearly 10 percent of the imported cargoes at the port are lost every year, with the missing volume reaching

1.21 lakh tonnes last decade, said project officials earlier.

The new food storage will have modern handling and weighing equipment, according to officials.

"We will be able to unload grains faster,"

he said, citing that cereals would be unloaded automatically from vessels.

"This will save time that was needed for manual handling. It will also reduce system loss," Bhuiyan said.

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## Toll-free short code 999 to go live next week

MUHAMMAD ZAHIDUL ISLAM

The ICT division has started testing the toll-free national help desk number of '999', which is expected to be inaugurated next week during Digital World 2016.

On Sunday, the authorities demonstrated its call routing process, which is aligned with all the mobile phone operators. Currently, the call centre is receiving hundreds of calls a day, said a senior official of the division.

The services will be provided under the national help desk, which is being set up at a cost of Tk 60.50 crore under a programme of the ICT division.

Initially, the help desk will provide emergency police, fire and ambulance services. But once it is relocated to the Kaliakoir Hi-Tech Park, its activities will be scaled up, said officials related with the issue.

ICT-related non-governmental organisation DNet is operating the help desk and has already appointed two internet protocol telephony service providers (IPTSP) -- Agni Systems and Amber IT -- to handle the call volumes.

Both the IPTSP operators have the capacity to handle 120 calls at a time, said Suman Kumar Shaha, a senior executive of Amber IT. However, the mobile phone operators raised questions about the costs and some other issues related to the running of the help desk and have subsequently sent a letter to the telecom regulator recently.

In its letter, the Association of Mobile Telecom Operators of Bangladesh said there will be a tendency among many subscribers to misuse or irrationally overuse the numbers as it would cost them nothing.

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## Gold recovers

REUTERS, London

Gold recovered on Monday from its biggest weekly drop since November after downbeat US payrolls data on Friday dampened speculation of a near-term interest rate hike and as Chinese buyers returned after the Golden Week holiday.

The metal slid 4.5 percent last week, touching a four-month low of \$1,241.20 an ounce on Friday, after a break of support at \$1,300 unleashed a wave of technically-driven selling.

## Brac Bank plans to raise Tk 500cr through bonds

STAR BUSINESS REPORT

Brac Bank plans to raise Tk 500 crore by issuing subordinated bonds to expand business and consolidate capital base for fulfilling Basel-II requirements.

"The board of directors has decided to issue the subordinated bonds with the tenure of 84 months to meet regulatory capital requirement as well as the need of business growth," the bank said in a posting on the Dhaka Stock Exchange yesterday.

The issuance of the bond is, however, subject to approval of regulatory authorities, including the Bangladesh Securities and Exchange Commission.

A subordinated bond is a debt security. It is referred to as subordinate because debt providers (lenders) have a subordinate status in relationship to the normal debt. It is also known as subordinated loan, debenture or junior debt that carries a lower-priority claim on the issuer's income or assets than that of other debt.

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