

# Bumper Eid for clothing retailers

SOHEL PARVEZ

Clothing retailers had a good run this Eid-ul-Fitr thanks to soaring demand from urbanites in keeping with their improved purchasing power.

"We are seeing a good crowd. People are buying," said Md Helal Uddin, president of the Bangladesh Shop Owners Association, adding that the sales this Eid will be at least 10 percent higher than the last.

Eid-ul-Fitr is the biggest religious festival of Muslims, which make up the majority of Bangladesh's population. Subsequently, it is the peak shopping season in the country, typically accounting for nearly one-third the total annual wholesale and retail trade, said traders.

Helal said they expect that overall sales from shops would be Tk 25,000 crore to Tk 30,000 crore this year.

"The growing popularity of e-commerce is affecting us. Plus, a section of the affluent people are also shopping abroad."

But still, the overall buying mood remains positive, he added.

"The stable political climate this year has been instrumental in



PRABIR DAS

Everyone seems to be in the mood to get something, be it for oneself or a loved one, once the month-long Ramadan fasting nears conclusion for Eid-ul-Fitr celebrations. The photo was taken at Bashundhara City shopping mall around 3pm yesterday.

boosting buying sentiment," said Shaheen Ahmmed, president of the Fashion Entrepreneurs Association of Bangladesh (FEAB).

Since the Eid would be celebrated right in the middle of summer, sales of cotton clothes are expected to be higher.

Azharul Haque Azad, former president of the FEAB, expects local fashion stores to log in about Tk 3,800 crore in sales this Eid,

up from Tk 3,500 crore last year.

"This is a better season compared to the last couple of years," he said.

Apart from clothing, footwear makers, electronics retailers and above all e-commerce stores are experiencing soaring demand.

Sales of televisions and refrigerators shot up during the month of Ramadan that crescendos into Eid-ul-Fitr, said Nahid Hasan, marketing manager of Transcom Digital, one of the leading electronics retailers.

"It appears electronics and furniture have become lifestyle items and many people buy them on the occasion of Eid," he said, adding that big screen and 4K ultra-high-

definition televisions are in particular demand this year.

Urbanites, remittance and labour income from soaring exports earning appear to be driving the Eid expenditure this year, said Zahid Hussain, lead economist of the World Bank's Dhaka office.

But the collapsing prices of paddy are likely to be depressing the buying mood of farmers, especially the small and marginal ones, he added.

The price of rice depending on the quality fell between 6 percent and 13 percent in the Dhaka city markets over the last one month, according to the state-run Trading Corporation of Bangladesh.

Agriculture is the main livelihood of 45 percent of the workforce and farmers are based in rural areas, home to more than 70 percent of the total population.

The World Bank in 2014 estimated that retail trade in Bangladesh's domestic market during the last two Eid festivals reached a staggering \$12 billion.

The size of the economy (as measured by total gross national income) has grown by more than 55 percent between 2014 and 2018.

If Eid spending grows at the same pace, it can be estimated to reach nearly \$19 billion this year, Hussain added. Remittance inflows and export receipts have been on the upward trend in the first ten months of the fiscal year.

Between July last year and April this year, \$13.30 billion flew in as remittance and \$33.93 billion as export earnings.

# Online shops log Tk 120cr Eid sales

MUHAMMAD ZAHIDUL ISLAM

Eid shopping through online platforms reached Tk 120 crore in the first three weeks of Ramadan thanks to the growing popularity of e-commerce among consumers across the country.

Compared to last year, the e-commerce industry has posted about 50 percent growth in sales this year, according to AKM Fahim Mashroor, chief executive officer of ajkerdeal.com, a popular e-commerce platform.

The industry's overall order number was about 50,000 pieces from 10th Ramadan to 20th Ramadan, the peak time for e-commerce, up from about 35,000 last year.

Overall sales crossed more than Tk 65

crore to Tk 70 crore in those 10 days and in the rest of the days the industry added another Tk 50 crore, according to Mashroor.

"I am happy about the business," he said.

Deligram, an online shop that has offline order and delivery channels, has got huge response. It received the highest number of orders on May 25 and May 26 and the order has since gradually declined, said Waiz Rahim, CEO of the company.

A third-generation businessman of Rahimafrooz Group, Rahim said mostly fashion items were higher in demand before Eid.

The e-commerce industry has also sold an increased number of digital products such as smartphones and televisions this time.

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# Foreign fund in DSE on the decline

Restrictions on GP, taka slide to blame

STAR BUSINESS REPORT

Net overseas investment in the Dhaka bourse has been in the negative for the last three months.

The amount hit Tk 65.16 crore in the negative in May when foreign investors purchased shares worth Tk 319.81 crore and sold Tk 384.97 crore, according to data of the Dhaka Stock Exchange.

The net foreign investment was Tk 154 crore in the negative in April, down from Tk 323.18 crore in February.

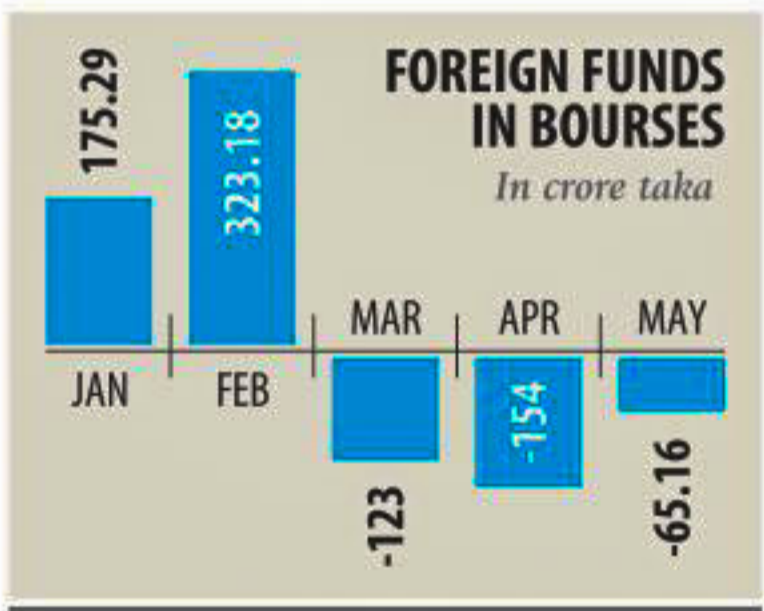
The telecom regulator's move declaring Grameenphone as a Significant Market Power (SMP) in February has played a big role in dampening the confidence of the foreign investors, who own around 40 percent of GP's shares offloaded in the capital market.

The Bangladesh Telecommunication Regulatory Commission did not consult with the stock market regulator to find out the aftereffects of the move, which is a must for any listed company, said a top official of a leading brokerage house.

As an SMP, higher charges will be applied on GP, which will squeeze the business growth of the leading mobile phone operator in Bangladesh.

In the last three months, GP's share dropped around 20 percent to Tk 337. GP is the largest stock on the DSE with a market capitalisation of Tk 47,233 crore.

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# Most garment workers get bonus, salary

REFAJET ULLAH MIRDHA

All BGMEA member factories have given Eid bonuses to their workers, while about 90 percent have paid the salary for the month of May as well.

Some 150 factories will disburse the salaries today, which is the last working day before the garment factories break up for the weeklong Eid holidays, said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association.

The development means there will not be any of the characteristic scenes of worker unrest that spoils the festive mood ahead of Eid.

The BGMEA though worked exhaustively to avoid any industrial unrest this year.

"We identified 916 factories that needed special attention with regards to salary and bonus. We specifically worked with all these factories and mitigated their issues," Huq added.

However, Abdus Salam, director general of Industrial Police, said four or five small factories that are neither members of the BGMEA nor the Bangladesh Knitwear Manufacturers and Exporters Association are still facing problems in paying the bonus and salary.

"We are in talks with the owners of those factories so that they can also pay the workers ahead of Eid," Salam said, adding that the number of workers in the factories range from



STAR/FILE

Some 150 factories will disburse workers' salaries today.

150 to 250.

Sirajul Islam Rony, a former workers' representative at the minimum wage board for garment workers, acknowledged that all big factories have paid their bonus and salary.

"But some small and medium factories did not pay yet. I hope they will complete the payment by today as their workers are still working for final shipments of goods ahead of the Eid vacation."

However, there is yet to be any

incidence of unrest over the payment issue, he said.

Earlier, in a meeting held at the ministry on May 23, the government's crisis management core committee headed by Begum Monnujan Sufian, state minister for labour and employment, decided to complete the payment of bonus by May 30 and salary of at least 20 days by June 2.

At the meeting, leaders of the BGMEA, BKMEA and Bangladesh Textile Mills Association agreed to stick to the payment schedule.

# Mercantile Bank plans to set up venture capital firm

STAR BUSINESS REPORT

Mercantile Bank wants to set up a venture capital company as a subsidiary to finance and provide equity to startups.

"We have applied to the Bangladesh Securities and Exchange Commission for approval," AKM Shaheed Reza, chairman of the bank, told The Daily Star recently. The subsidiary will be named MBL Asset Management Company.

Venture capital is a form of financing that investors provide to startup companies and small businesses that are believed to have long-term growth potential. But it is relatively a new idea in Bangladesh. Traditional lenders finance startups with normal loan products. But there are institutions that have set up subsidiaries to deal with the issue.

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# Benapole port closed only on Eid day

OUR CORRESPONDENT, Benapole

Benapole land port will stay closed on the day of Eid-ul-Fitr and open on the days leading up to and after in an attempt to keep trade, import and revenue collection uninterrupted.

The port usually remains open round the clock except for Friday, given that some 80 percent of industry and garment factory raw materials are sourced from India mainly via land ports.

The port saw a record revenue collection of Tk 27 crore last Thursday whereas it is half that on an average workday.

Traders tried making the most of the last workday as movement of heavy vehicles, especially goods-laden ones, usually stay halted on the highways on the three days before and after Eid. The annual revenue collection at the port amounts to around Tk 8,000 crore.

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