

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DXSE	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▲ 0.14%	▲ 0.17%	\$1,495.90	\$61.91	▼ 0.43%	▼ 0.77%	▼ 0.01%	▲ 0.11%	BUY TK 83.50	90.31	101.72	0.76
4,975.73	9,177.46	(per ounce)	(per barrel)	38,822.57	21,878.90	3,125.63	2,932.17	SELL TK 84.50	94.11	105.52	0.79

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star BUSINESS

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Yarn consumption doubles in six years

REFAYET ULLAH MIRDHA
Yarn consumption doubled over the last six years because of high demand from domestic garment manufacturers and high volume of garment export, according to industry insiders.
In fiscal 2012-13, local knitters and weavers consumed 10 lakh to 11 lakh tonnes of yarn. Last year, the amount stood at 22 lakh tonnes, said Monsoor Ahmed, secretary to the Bangladesh Textile Mills Association (BTMA), the platform for the primary textile sector.
Between fiscal 2012-13 and 2018-19, Bangladesh's garment export increased nearly 10 percent.
Last fiscal year, apparel shipment from Bangladesh was \$34.13 billion, which was \$21.51 billion in fiscal 2012-13, according to data from the Export Promotion Bureau.
Despite a lot of internal and external shocks, garment shipment from Bangladesh maintained robust growth over the last seven years because of competitive prices and flawless supply of yarn and fabrics, which reduced lead time significantly, exporters said.
Internal shocks include the two deadliest



Higher demand from domestic garment makers has raised yarn consumption, insiders say.

industrial accidents including Tazreen Fashions fire in November 2012 and Rana Plaza building collapse in April 2013.
The sector also witnessed a setback in shipment because of elections in some major markets, financial crisis in some economies and Brexit. However, the sector could bounce back.
On the other hand, there were some sunny sides for the local garment exporters like new export destinations such as Japan, India and China, where Bangladesh's garment export has been growing at a faster rate in comparison to traditional markets like the EU, the US and Canada.
The local garment exporters have been receiving a lot of work orders because of the US-China trade war that compelled many international retailers and brands to come to Bangladesh.

SME contribution still negligible: study

STAR BUSINESS REPORT
The contribution of small and medium enterprises (SMEs) to the economy is still negligible as the sector has not developed fully for some challenges like scarcity of fiscal incentives, management problem, access to finance and bureaucracy, according to a new study released yesterday.
The SMEs are yet to be fully utilised in Bangladesh although they have the ability to create numerous jobs and increase contribution to the gross domestic product (GDP).
The contribution of SMEs to the GDP is only 20.25 percent in Bangladesh, whereas it stands at 80 percent in India, 60 percent in China and 69.50 percent in Japan.
The sector accounts for 35.49 percent of the total employment in Bangladesh, according to the study, which was conducted by the International Cooperation Organisation for Small and Medium Enterprises in Asia (ICOSA), Japan.
Leaders of Japan Bangladesh Chamber of Commerce and Industry (JBCCI) shared the findings of the report with journalists at a meeting held at the JBCCI office in Dhaka.
The share of SMEs in all enterprises is 80 percent in Bangladesh, according to the study. It stands at 97.60 percent in India, 99 percent in China and 99.70 percent in Japan, the study revealed.
The study found that Bangladesh has 17,384 micro enterprises, 15,666 small ones, 6,103 medium and 3,639 large scale enterprises, where a total of 5.02 million people are engaged.
The SMEs constitute 50.91 percent of the total number of micro-economic units in Bangladesh, the ICOSA study also found.

Currently, Japan is the best user of SMEs in the world, the study said.
The Fareast nation has only 19 big business groups, with more than 99.7 percent of the industrial and services units being SMEs.
In Japan, 3.8 million companies, including 0.41 million manufacturing units, are SMEs.
According to the statistics of the Planning Commission of Bangladesh, at present SMEs account for about 45 percent of manufacturing value addition, 80 percent of industrial employment, 90 percent of total industrial units and about 25 percent of the labour forces.
SMEs' contribution to export earnings varies from 75 percent to 80 percent.
During the study, a 15-member delegation from ICOSA had visited Bangladesh in November last year, which gave a very good opportunity for the SME Support Committee of Bangladesh to get involved.
The study found that policy inconsistency is also a major challenge for the development of the SMEs.
It recommended proper training and technological support for SMEs to improve the quality of their products.
SMEs face problem when it comes for product standardisation. So, the committee recommends the government consider setting up a dedicated laboratory to certify the quality of SME products.
The committee of the ICOSA recommends a separate division in the ministry of industries for dealing with SME affairs. In countries like India and Indonesia there is a separate ministry for dealing with SMEs.

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Dev spending soars 52pc in Jul-Aug

STAR BUSINESS REPORT
Development spending was around 52.42 percent higher in the first two months of the current fiscal year thanks to the power division's outstanding performance in implementing the annual development programme (ADP).
From July to August, the ADP-implementing entities were able to utilise Tk 9,626 crore while it was Tk 6,318 crore in the corresponding period last fiscal year.
Power division alone utilised Tk 3,382 crore, which is around one third of the total expenditure and 11.83 percent of its total allocation of Tk 28,583 crore for the current fiscal year.
The ADP's total outlay is Tk 215,114 crore, of which 4.48 percent has been spent during the first two months, according to a monthly progress report of the Implementation Monitoring and Evaluation Division (IMED) of the planning ministry.
The ministry's officials said the implementing entities were off to an auspicious start with the ADP this year compared to what was last fiscal year.
According to them, the implementation was sluggish last fiscal year due to the parliamentary election.
Planning Minister MA Mannan recently attributed the outstanding implementation

to some initiatives.
Once endorsed, the budget allocation against a project is going directly to the project director's account, significantly increasing the implementation rate, he claimed.
However, except for power division and some ministries, performance of most was not good, the IMED data showed.
Fifteen ministries and divisions account for 81 percent of the total ADP allocation.
Local government, bridges and power divisions exceeded their average implementation rate while the remaining 12 ministries and divisions performed below their average.
The civil aviation and tourism ministry stands out for not spending a single penny.
The power, energy and mineral resources ministry spent only 0.15 percent of its allocation, industries 0.19 percent and housing and public works, shipping and railway less than 2 percent.
Road transport and highways division could utilise 3.39 percent, while local government division spent 6.36 percent and bridges division 5.45 percent of their allocation.
Of what has been implemented, 5.43 percent was government funds and 3.13 percent foreign aid -- up from 3.29 percent and 2.77 percent respectively last fiscal year.

Citi honours micro-entrepreneurs

STAR BUSINESS REPORT
When Imdadul Haque was in a fix after incurring a huge loss in his fishing farm in 2015 for a heavy flood, he opted to change his business immediately.
But his love for fish farming held him back. He got to know about recirculating aquaculture system, which does away with flood risks through the use of tanks and circulation of a fixed amount of water through biofiltration.
Haque set up a system in his Katakhal house in Rajshahi investing Tk 3,700 and started rearing colourful freshwater fish meant for aquariums.
A huge profit followed suit within a few months, prompting him to invest around Tk 6.5 lakh more with the help of ASA Bangladesh, a microcredit lender.
This investment turned out to be a game changer as he is now making around Tk 1 lakh every month. "Such a huge profit comes from the business as there is huge demand for the colourful fish," he said.
Haque has included tilapia and two types of catfish in his farm and is thinking of going for export.
He is one of 12 micro-entrepreneurs who were recognised for their contribution to the economy and employment creation at the 14th Citi Microentrepreneurship Awards (CMA) jointly organised by Shakti Foundation and Citi Foundation in the capital's InterContinental Dhaka yesterday.
Agriculture Minister Muhammad Abdur Razzaque said microfinance institutions were helping countries by creating entrepreneurs among youths as well as giving them financial



assistance.
A large number of youths are looking up to the government for jobs but question remains on how such employment will be created, he said.
Youths should come forward with innovative ideas to become entrepreneurs and help the country creates jobs, he added.
Abdul Awal, executive director of the Credit & Development Forum, said the banking sector has been suffering from a liquidity crunch which has impacted microfinance institutions.
The institutions are unable to provide loans as per demand, he said, adding that such a situation would affect the government's poverty reduction plan.
Rokia Afzal Rahman, acting chairperson of the 14th CMA advisory committee and chairperson of Arlinks Ltd, said the country's micro entrepreneurs need skills alongside policy support from the government.

Remittance to soar if youths trained on new tech: ADB

GDP growth to hit double digits in five years, Kamal says at conference on blockchain

STAR BUSINESS REPORT
Bangladesh can receive as much as \$100 billion from remittance if the country's huge volume of young population is trained in new technologies, said the Asian Development Bank yesterday.
In fiscal 2018-19, about 12 million migrant workers sent home \$16.4 billion.
"One of the fascinating technologies of our times is the blockchain technology," said Manmohan Parkash, country director of ADB, in an international conference on blockchain technology organised by the ADB.
Blockchain is a cutting-edge high-level creative technology that can revolutionise many areas of modern life by improving transparency,



accountability and efficiency in service delivery, governance, financial sector, industries, trade and other areas.
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NEWS IN brief

ACI to float new subsidiary

ACI is going to set up a new subsidiary named ACI Marine Riverine Technologies, according to a posting on the website of the Dhaka Stock Exchange.
The new subsidiary's authorised capital would be Tk 50 crore and paid-up capital Tk 10 crore.
ACI will hold 77 percent shares in the subsidiary. Prices of ACI stocks rose 0.35 percent to Tk 258.5 on the DSE yesterday.

Jamuna Bank, One Bank to issue bonds

One and Jamuna banks are going to issue non-convertible perpetual bonds worth Tk 400 crore each subject to approval from the regulatory authorities concerned.
The boards of the banks took the decisions recently.
The proceeds of the bonds would be treated as capital and will help the banks raise investment and loan portfolio.
One's bond would be issued at a floating rate while Jamuna's bond is coupon-bearing.

Bajaj launches new bike

STAR BUSINESS REPORT
Bangladesh is one of the world's fastest growing sports motorcycle markets, a top official of India's Bajaj Auto said yesterday.
"We introduced the first generation of Pulsar in Bangladesh in 2002 and till now around 5 lakh units have been sold," said Milind Bade, vice president of Bajaj Auto India, at the launch of a new model of Pulsar at InterContinental Dhaka.
With a 160cc engine, 12-litre tank, fuel injection and anti-lock braking system, Pulsar NS160 is priced at Tk 254,900.



Matiur Rahman, chairman of Uttara Motors, the sole distributor of Bajaj motorcycles in Bangladesh, and Milind Bade, vice president of Bajaj Auto, India, launch Pulsar NS160 at the InterContinental Dhaka yesterday.