

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 1.50%	▲ 1.66%	\$1,845.11	\$55.42	▲ 1.00%	▲ 2.36%	▼ 0.31%	▼ 1.08%	BUY TK 83.95	101.12	112.41	12.74
5,718.75	10,045.55	(per ounce)	(per barrel)	49,269.32	28,139.03	2,983.90	3,531.50	SELL TK 84.95	104.92	116.21	13.40



# Star BUSINESS

DHAKA TUESDAY JANUARY 12, 2021, POUISH 28, 1427 BS • starbusiness@thedailystar.net

## Rising cotton prices take toll on apparel makers

REFAYET ULLAH MIRDHA

A rise in international cotton prices has had a ripple effect on local yarn, affecting garment shipments, especially of knitwear, during the ongoing coronavirus pandemic.

The widely consumed 30-carded yarn is now selling for \$3.60 to \$3.75 per kilogramme (kg) whereas it was \$2.60 to \$2.80 two months ago, according to knitwear manufacturers and suppliers.

On the other hand, between July last year and January this year, international cotton prices went up nearly 28.60 per cent.

In July, New York futures market was trading every pound of it in the range of 63 cents to 63.30 cents. However, yesterday it was ranging between 79 cents and 80.25 cents per pound.

Local spinners, traders, millers and consumers import cotton from the futures markets placing booking in advance as local growers can merely supply 2.50 per cent of the annual requirement of 75 lakh bales (one bale equals 480 pounds).

Charges for its transport to the mills adds to the local importers' costs, which also has an impact on yarn prices.

Cotton prices have gone up



### AT A GLANCE

Rising yarn prices affecting apparel shipment  
Cotton prices soared **28.6%** in int'l markets during Jul-Jan  
Global cotton prices rose due to higher imports by China  
Local cotton growers can supply **2.5%** of the **75** lakh bales required per year

in international markets mainly for increased imports by China, the largest consumer worldwide, because of a recovery trending among businesses.

Moreover, China and Pakistan, despite themselves being major

producers, have increased their import targets because of high prices prevailing in China and lower production in Pakistan.

This year, China has targeted to import an additional 5 lakh bales to take the total to 1,000 lakh bales

to tame its local market.

Similarly, Pakistan aims to import an additional 4 lakh bales, according to data from a United States Department of Agriculture (USDA) report.

READ MORE ON B3

## Take immediate steps against Uttara Finance scamsters

Two former governors say

AKM ZAMIR UDDIN

The central bank should take legal steps immediately against the scamsters who embezzled Tk 5,100 crore from Uttara Finance and Investment Ltd (UFIL) to protect the interest of depositors, two former governors said.

"The central bank should give its utmost importance to protect the depositors from the plunderers," said Salehuddin Ahmed, a former governor of the central bank.

An administrator should be appointed at UFIL in the quickest possible time and declare a deposit scheme for the depositors, he said.

Mohammed Farashuddin, another former governor, said the central bank should take prompt action to protect the depositors by appointing an administrator and dissolving the board of directors.

"There is no scope to waste time as this will help money plunderers launder the money."

In many cases in the past, the central bank delayed in taking actions, which helped delinquent borrowers embezzle money, he said.

Ahmed and Farashuddin also lambasted the central bank higher-ups for their failure to monitor UFIL, which helped the scamsters siphon off the money since 2013.

Their fury came after a central bank probe found that the board and management of UFIL committed irregularities involving Tk 5,100 crore.

Although the central bank had completed the investigation in November 25 last year, it is yet to take any punitive action against the wrong-doers although UFIL admitted the irregularities.

On December 1, the central bank asked UFIL to come up with explanations for the irregularities.

In response, UFIL Managing Director SM Shamsul Arefin wrote a letter to the BB on January 5 where he confessed to the irregularities.

READ MORE ON B3

## Cement companies see profit rise in Q1 despite pandemic

AHSAN HABIB and JAGARAN CHAKMA

Most listed cement makers witnessed higher profits in the July-September quarter last year thanks to an increase in demand from the construction sector amid the ongoing coronavirus pandemic.

Among the seven listed cement makers, four saw a rise in profits, one a fall, another a reduction of losses and the last an increase in losses.

Government development projects helped the cement makers stay afloat in the first few days of the quarter, when the private sector was yet to resume any construction, according to cement makers.

On the other hand, the companies that digitalised their systems fared quite well.

"Our efforts on health, cost, and cash have ensured that we stay focused during the crisis, while our fast progress on digitalisation helped us be effective in the marketplace," said Rajesh Kumar Surana, CEO and country representative of LafargeHolcim Bangladesh.

READ MORE ON B3



JAGARAN CHAKMA

The local market has emerged as a saviour for ceramics makers as the recovery in construction activities pushed up demand, helping manufacturers make a turnaround from the pandemic-induced losses amid a consistent fall in exports.

The relief came in the last three months of 2020 after domestic sales rebounded, allowing them to recover from the loss incurred in the initial months of the countrywide lockdown.

"The sector started to pick up from June after the demand for sanitary and tile items from the housing and construction sectors rose," said Abu Jubaid Mohammad Rassel, senior marketing manager at Akij Ceramics.

MA Jabbar, managing director of DBL Ceramics, said the business scenario might have improved but it was yet to regain its previous momentum and therefore, uncertainty remains.

"The year that just ended was a challenging one not just for the ceramic industry, but for the

## Local demand saves the day for ceramics makers



### INDUSTRY SNAPSHOT

Sanitaryware and tiles segments could recover from losses in 2020

But tableware sales dropped **40%**

Exports downturn continues

Demand for ceramics products increased **20%** annually during the last **10** years except 2020

Market size Tk **35,000** crore

Sector meets **85%** of local demand



whole world," he added.

Ceramic manufacturers in Bangladesh mainly produce three types of product: tiles, tableware and sanitary ware.

Of the 68 ceramic manufacturers currently operating, 20 produce tableware, 32 make tiles, and the rest 16 produce sanitary ware.

The sanitary ware and tiles segments made a turnaround in

July to October and reached the pre-pandemic level.

"The sanitary ware segment is necessary as household items, and there is no way to avoid replacement and installation," Rassel said.

An additional 10 per cent customs duty on the import of foreign tiles and sanitary wares that was slapped this fiscal

year helped the sector recover immediately, he said.

Not all manufacturers resumed operations just after the partial lifting of the lockdown in June.

"Those who showed courage and resumed operations were gainers," he added.

Ceramic exports, however, did not fare well even before the pandemic.

In the last fiscal year, ceramic exports dipped 59 per cent year-on-year to \$28 million, data from the Export Promotion Bureau (EPB) showed.

Ceramic exports fell 16 per cent year-on-year to \$15 million in the July-December period of the current fiscal year.

Ceramics were exported to more than 50 destinations, including the US, the UK, Canada and a few EU and Latin American countries.

"It will take until at least March for things to return to normalcy. Then export orders and domestic demand will go up," said Irfan Uddin, general secretary of the Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA).

The tableware segment witnessed at least 40 per cent business fall in 2020 as demand fell in both domestic and international markets.

Customers treated tableware as luxury items, so business was slow. The corporate order in 2020 was almost zero, he said.

READ MORE ON B3

## Liner sets off Thursday pioneering Ctg-Saint Martin's route



STAFF CORRESPONDENT, Chattogram

Ushering in a new era for tourism transport, Bay One is all set to cast off on Thursday pioneering the Chattogram-Cox's Bazar-Saint Martin's island route.

With return ticket prices ranging from Tk 3,000 to Tk 50,000, the 450 feet long and 55 feet wide ship offers 2,000 cabin accommodations, including presidential suites, bunk beds and twin bed cabins alongside economy chairs.

According to its weekly schedule, the vessel will leave the Patenga water bus terminal at 11:00pm every Thursday, Friday and Saturday to reach the coral isle at 7:00am.

It will set off from the island at 1:00pm every Friday, Saturday and Sunday to reach Chattogram's Patenga at 8:00pm. The ship has a top speed of 24 nautical miles or 44 kilometres per hour.

Officials say 17 mariners would sail the ship while a roughly 150-member crew would be engaged in catering services to passengers.

READ MORE ON B3

## Aziz Pipes suspends production for lack of funds

The loan defaulter could not buy raw materials

AHSAN HABIB

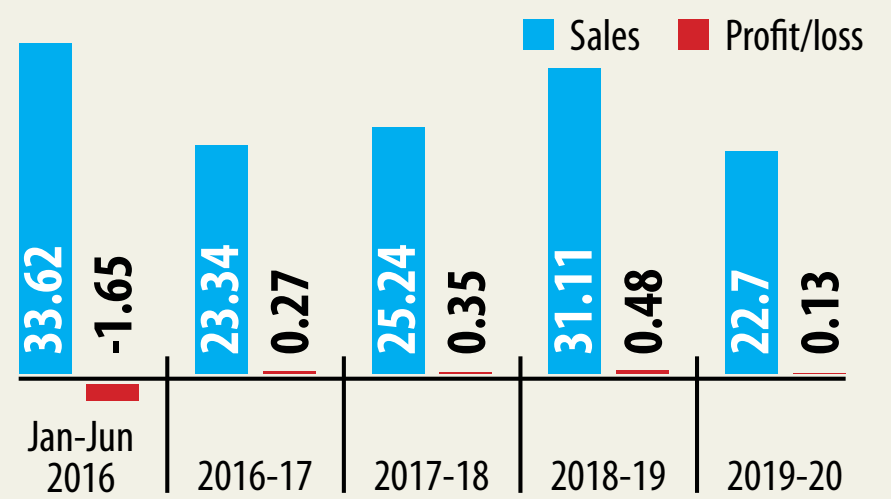
Aziz Pipes, a listed PVC product maker, has suspended production for a temporary period as it could not buy raw materials because of a shortage of funds.

"Our supplier did not deliver PVC resin, the main raw material, on time due to Covid-19," the company said in a filing on the Dhaka Stock Exchange (DSE) website yesterday.

READ MORE ON B3

### SALES AND PROFIT/LOSS OF AZIZ PIPES

In crore taka; SOURCE: ANNUAL REPORTS



With return ticket prices ranging from Tk 3,000 to Tk 50,000, the ship offers 2,000 cabin accommodations, including presidential suites, bunk beds, twin bed cabins and chairs.

STAR