

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 1.65%	▼ 1.62%	\$1,796.01	\$64.07	▼ 2.25%	▲ 0.46%	▲ 0.02%	▼ 1.45%	BUY TK 83.95	100.72	116.86	12.76
5,385.21	9,389.08	(per ounce)	(per barrel)	49,744.32	30,156.03	2,881.21	3,642.44	SELL TK 84.95	104.52	120.66	13.42

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## Small garment factories struggling to stay afloat

REFAVET ULLAH MIRDHA

The dearth of work orders from international retailers and brands to small and medium-sized garment factories is so acute that many entrepreneurs are looking for buyers to sell units and exit the industry for good.

The fallout of the coronavirus pandemic have brought the SME garment units to their knees as orders collapsed with the global drop in sales.

The units of the apparel industry, considered the lifeline of Bangladesh's economy, had faced abnormal delays in payment from buyers, order cancellations and suspensions and non-availability of loans from the stimulus package.

However, the large garment factories in this top export earning sector are faring better to some extent when it comes to getting orders, thanks to better coping mechanisms stemming from their large production facilities and ability to make shipments on time.

During the pandemic last year, 300 SME units which are also members of the BGMEA had to shut down, said Rezwana Selim, a director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), citing the trade body's data.

Of them, nearly 20 factories have reopened and some are struggling to reopen as they did not receive work orders and were not able to manage funds, said Selim, who looks after labour affairs and closed factories.

The flow of work orders is not good even for the big factories, he added.

A majority of the factories, particularly the SMEs, are running at 40 to 50 per cent capacity because of the lockdown in major export destinations due to the second wave, he said.

Since the inflow of orders in big units is slow, the SMEs are not getting the associated subcontracting orders, Selim said.

Nearly 50,000 workers lost jobs for the closure of the factories, he said.

Seeking to remain unnamed, a garment factory owner in Gazipur said he was looking for a buyer for his factory built in 2017 on 22 bighas of land.

He had 1,400 workers in his factory before the pandemic hit the country in March last year. Six months later in September, he had to shut the factory, leaving his workers without a job.

The entrepreneur

### PANDEMIC IMPACT ON SMALL UNITS

300 factories were shut

20 reopened

50,000 workers lost jobs

### EFFECT ON OVERALL INDUSTRY

About 3.57 lakh jobs wiped out, study says

More than 50% of factories had fewer workers in Sep



partially reopened the factory to cater to the domestic market. Now 70 workers are employed at his factory.

The over-60-year-old investor lost Tk 12 crore as one of his American buyers declared bankruptcy due to the Covid-19.

As production came to a halt, raw materials worth Tk 20 crore lay unused on his factory floor and at the port.

"I had been struggling to revive my business even before the pandemic as I spent a lot of money to comply with the

factory safety recommendations of the Accord," he said.

The Accord on Building and Fire Safety in Bangladesh had referred factory safety improvement plans. In Bangladesh, more than 70 per cent of garment factories are small and medium-sized.

About 10 per cent of the factories said during the ongoing business slowdown, 50 per cent to 100 per cent of the work orders did not cover costs, yet those had to be accepted.

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## KEPZ to build first private hi-tech park

STAFF CORRESPONDENT, Ctg

A hi-tech park will be set up at Korean Export Processing Zone (KEPZ) in Chattogram, which is owned by Korean global business conglomerate Youngone.

The KEPZ will develop 100 acres out of 2,492 acres of land to set up the country's first privately-owned IT and hi-tech park.

A tripartite agreement was signed among Bangladesh High-Tech Park Authority (BHITPA), the KEPZ and Startup Bangladesh at the zone yesterday to develop a high-tech industry and innovation ecosystem, says a press release.

Cooperation will focus on developing infrastructures, increasing foreign investment, strengthening the start-up ecosystem and support entrepreneurs through upskilling by way of startup camps, design thinking and innovation projects.

The parties envision to collaborate and exchange knowledge and expertise regarding technology and associated sectors for innovations, developing collaborative relationship with foreign countries, especially with South Korea and the US, and conducting joint research activities.

"Bangladesh High Tech Park Authority will create digital entrepreneurs by developing an innovation ecosystem in the country to increase investment from the private sector," said State Minister for ICT Division Zunaid Ahmed Palak as chief guest.

There will be no problem in inflow of investment in the proposed park, although mutation of the land has not been completed, he said.

Palak said Samsung, another Korean company, wanted to invest in this park in 2004, but unfortunately it could not make the investment.

The government allocated the zone's land to Youngone in 1999.

Later, Samsung placed its investment in Vietnam and now exports \$70 billion worth mobile products from there, he said.

Samsung has also been assembling mobile phones at a Bangladeshi factory in Narsingdi and will start producing sets within the next one year, Palak said.

"We want our youth to put their minds into creating jobs rather than looking for them," he said.

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## Farmers get funds to recoup flood-induced losses

STAR BUSINESS REPORT

The agriculture ministry has so far provided incentives worth Tk 372 crore among 57 lakh farmers to help them recover from losses incurred from repeated floods and the pandemic.

It also intended to encourage diversification of crops during the winter season, said a press release from the ministry.

Farmers were given seeds, saplings and fertiliser for the cultivation of crops on nearly 23.65 lakh bighas of land.

Of the fund, Tk 122 crore was intended to cover losses. Another Tk 90 crore was for increasing cultivation of sunflower, black gram, mustard and maize.

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## DELTA LIFE INS CRISIS BSEC appoints special auditor to find out reasons

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has appointed a special auditor for Delta Life Insurance Company to assess the firm's health.

The move comes following allegations of regulatory breaches by the listed insurer.

The Insurance Development and Regulatory Authority (IDRA) appointed Sultan-ul-Abidin Mollah as an administrator of Delta Life Insurance on February 11.

The IDRA said they took this initiative to protect the policyholders' interests and submit a report on the company's situation within four months.

Earlier, Delta Life Insurance accused IDRA Chairman M Mosharraf Hossain of seeking Tk 50 lakh in bribes to approve the reappointment of the company's CEO and renewing

**AT A GLANCE**

BSEC move comes following allegations of regulatory breaches against the insurer

IDRA appointed administrator for it on Feb 11

Administrator to submit report by four months

Delta had accused IDRA chief of seeking Tk 50 lakh in bribe

Insurer filed a complaint with ACC and later applied to withdraw it

the actuarial valuation basis.

The insurer filed a complaint against Hossain with the Anti-Corruption Commission (ACC) on December 7 last year, alleging that he demanded a bribe, and then again on December 9.

"Regarding the ongoing crisis, we listened to a statement from Delta Life Insurance and the IDRA," said Prof Shibli Rubayat-Ul Islam, chairman of the BSEC, during a press briefing.

"After listening to both sides, it seems that there are two stories. So, our duty is to find out the real thing and to that end, we have appointed a special auditor," Islam added.

The press briefing was organised at the BSEC headquarters yesterday by the stock market regulator on the roadshow held from February 9 to 12 in Dubai.

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## Heidelberg seeks to amalgamate with Emirates Cement, Emirates Power

STAR BUSINESS REPORT

Heidelberg Cement is going to seek approval from its shareholders to amalgamate with Emirates Cement Bangladesh and Emirates Power Company.

Through a post on the Dhaka Stock Exchange website yesterday, the listed cement maker informed that it is going to organise an extraordinary general meeting on May 2 to seek consent in this regard.

In 2019, the German cement manufacturer decided to acquire Emirates Cement Bangladesh and Emirates Power Company at a cost of nearly Tk 183 crore.

Emirates Cement Bangladesh, which was incorporated in 2000, produces and retails cement in both the local and international markets.

The company's factory situated in Munshiganj has the capacity to produce 660,000 tonnes of cement per annum.

Meanwhile, with a production capacity of 10 megawatts, Emirates Power Company supplies energy to Emirates Cement Bangladesh, which registered sales of around Tk 69 crore in the last nine months.

**HEIDELBERGCEMENT BANGLADESH LTD.**

The listed cement maker has been incurring losses since the second quarter of 2019 due to fierce competition in the market, higher prices of clinker, imposition of advance income tax and higher interest costs.

However, Emirates Cement which mainly markets two brands -- Scan and Ruby -- made a profit in the first quarter of 2020.

The listed cement manufacturer incurred a loss of Tk 17 crore in the first nine months of this year compared to a profit of Tk 94 lakh a year earlier.

Heidelberg Cement Bangladesh, which was listed in 1989, did not provide any dividend to its shareholders last year due to losses.

Along with its depressing performance, the company's stock prices plunged around 50 per cent to Tk 161 in the last two years.

## DSE turnover nosedives to seven-month low

STAR BUSINESS REPORT

Stocks nosedived yesterday when the market's turnover reached a seven-month low due to a confidence crisis among investors.

DSEX, the Dhaka Stock Exchange's (DSE) benchmark index, dropped 90.77 points, or 1.65 per cent, to 5,385.21.

Turnover, an important indicator of the stock market, was downed by 32 per cent, to Tk 467 crore. The last time it was so low was on July 29, 2020 when turnover reached Tk 399 crore.

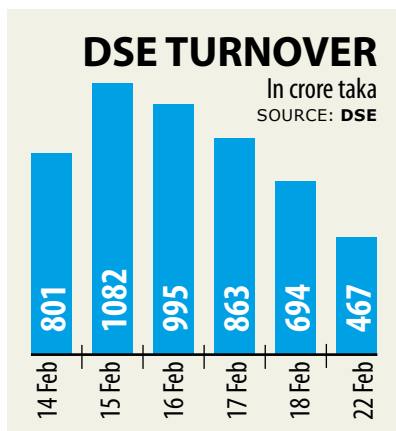
The index has been overcast for the last couple of weeks, so many stock prices were a source of losses for investors which ultimately had an impact on confidence, said a stock broker.

Investors have their money stuck as they can not sell shares without incurring losses, he said.

So many investors are silent now, he said, adding that investors' funds were mostly stuck with stocks of Beximco Pharmaceuticals, Robi Axiata and LankaBangla Finance.

If investors hold stocks of companies with good performance records, they will not end up losing out in the long run, so they should not go for making sales, he added.

Companies whose performances are low might be the cause of losses anytime, he added.



The index has been overcast for the last couple of weeks, so many stock prices were a source of losses for investors

gainers' list rising 10 per cent, followed by Intech, Walton Hi-tech Industries, Unilever Consumer Care and the Mithun Knitting and Dyeing.

Beximco topped the turnover list with trade worth Tk 105 crore followed by Robi Axiata, British American Tobacco Bangladesh, LankaBangla Finance and Beximco Pharmaceuticals.

Prime Finance First Mutual Fund shed the most dropping 6.50 per cent followed by Mir Akhter Hossain, Robi Axiata, Jute Spinners and Sandhani Life Insurance Company.

Meanwhile the port city bourse also dropped. The CASPI, the Chittagong Stock Exchange's (CSE) general index, fell 256 points, or 1.61 per cent, to 15,564.99. Among 186 stocks to witness trade, 26 rose, 122 dropped and 38 remained the same.

Alhaj Textile Mills topped the

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