STOCKS		COMMODITIES		ASIAN MARKETS			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 1.54%	▼ 1.57%	▲ $1,731.35 (per ounce)	▲ $62.14 (per barrel)	▼ 1.74%	▼ 2.04%	▲ 0.05%	▼ 1.30%
5,330.12	9,304.21			49,180.31	28,405.52	3,133.31	3,367.06

CURRENCIES STANDARD CHARTERED BANK

	USD	EUR	GBP	CNY
BUY TK	83.95	98.40	114.34	12.64
SELL TK	84.95	102.20	118.14	13.29

City

Star BUSINESS

DHAKA THURSDAY MARCH 25, 2021, *CHAITRA 11, 1427 BS* ● starbusiness@thedailystar.net

Still a lucrative apparel sourcing hub

McKinsey report praises Bangladesh's might in garment business

Refayet Ullah Mirdha

Bangladesh's attractiveness as an apparel-sourcing destination has remained potent despite increased competition in recent years, according to a new survey of management consulting firm McKinsey & Company.

Although the 2019 Chief Procurement Officers (CPO) survey of McKinsey pointed to Bangladesh as the top global sourcing hotspot, Vietnam was close behind and was the preferred sourcing country among US executives.

The firm came up with the survey on Bangladesh after 10 years. It first published such a report in 2011, which had painted a rosy picture. In fact, all the predictions made by the McKinsey report in 2011 came true over the last decade.

This year, McKinsey & Company has conducted its flagship CPO survey titled "What's next for Bangladesh's garment industry, after a decade of growth?" among the top 10 global apparel sourcing companies over the last two months.

"Over the last decade, the garment industry in Bangladesh has experienced an unprecedented blooming," the survey report said, adding that recently, however, pandemic pressure and shifts in global markets have brought stiff challenges.

In order to meet the challenges, the sector will need to innovate, upgrade and diversify, investing especially in flexibility, sustainability, worker welfare and infrastructure, the report said.

McKinsey & Company pointed out that comparable data for global exports in 2020 has not yet been published by the World Trade Organisation (WTO).

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Call drop rate within limit: BTRC survey

Users' association rejects results

STAR/FILE

The benchmark for call drop rate is 2 per cent for mobile operators, whereas it ranged from 0.18 per cent to 0.37 per cent for the top carriers, BTRC found.

Star Business Report

Amid repeated complaints from users of being cut off during mobile phone calls, the telecom regulator yesterday said the rate of call drop in Bangladesh is still within the limit.

The benchmark for the call drop rate is 2 per cent for the mobile operators, whereas it ranged from 0.18 per cent to 0.37 per cent for the top carriers.

Grameenphone, the largest operator, had a 0.18 per cent call drop, followed by Banglalink 0.31 per cent and Robi 0.37 per cent.

State-run Teletalk was the worst performer, with a 1.31 per cent call drop.

The Bangladesh Telecommunications Regulatory Commission (BTRC) disclosed the data after conducting a comprehensive survey titled "Mobile Operators Quality of Service Drive Test of Dhaka City."

The survey was conducted on 13,027 call samples covering 1,121 kilometres of area from January 23 to February 8 this year.

The Bangladesh Mobile Phone Subscribers Association rejected the results of the survey.

"The BTRC survey has failed to portray the real picture of the quality of telecom services," Mohiuddin Ahmed, president of the association, told The Daily Star.

The results would have been much worse if the survey was conducted by a third-party surveyor, he said.

According to the survey, Grameenphone and Robi were the best performers in 4G download speed with 5.72 Mbps. But both of them failed to reach the standard of more than 7 Mbps set by the BTRC.

Banglalink 4G data speed hit a maximum of 4.94 Mbps, while Teletalk's figure was the lowest at 2.82 Mbps.

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Fresh loan moratorium hinges on bank-client relations: BB

Star Business Report

Borrowers will be able to avail a fresh repayment deferral support, this time for three months, based on the bank-customer relation.

Bangladesh Bank issued a notice yesterday saying lenders would have to take into consideration whether they would be able to do with not taking the instalment of loans from borrowers for the first quarter of this year. Borrowers will have to start providing the repayment instalments from the second quarter.

The central bank mentioned that borrowers taking three categories of loans -- term, demand and continuous -- will enjoy the loan deferral support.

This means all borrowers in the banking sector would enjoy the new facility, except for loans given out through credit cards, said a managing director of a bank, wishing not to be named.

A high official of the central bank said the banking regulator had taken the initiative given the rise in coronavirus infections at home and abroad.

READ MORE ON B2

No decision yet on lending to private sector from reserves

Finance minister says

Star Business Report

The government is yet to decide about lending money from the foreign exchange reserves to the private sector, Finance Minister AHM Mustafa Kamal said yesterday.

There would be a policy guideline on lending from the forex reserves, and everything would be done following the policy, he said.

"So far, no such policy has been made."

The minister spoke while addressing a press briefing following the meetings of the cabinet committees on purchase and economic affairs through a virtual platform.

Last week, the government, for the first time, took a move to lend money from the reserves for a development project.

When asked about sanctioning money from the reserves before formulating the guideline, the minister said the move would be incorporated in the guideline whenever it is formulated.

"Some more works are needed to be done on it since this is a new area," Kamal said.

It is decided that fund from the forex reserves can be spent on government projects, he said.

"As we are spending on a government project, it is good for us to utilise our own money instead of taking loans from abroad."

The government has formed the Bangladesh Infrastructure Development Fund to lend money from the reserves for the dredging of Rabnabad Channel for Payra Port, a seaport in Kolapara, Patuakhali.

On March 15, it sanctioned a loan of €524.56 million (Tk 5,417 crore) from the reserves for the dredging project.

The two main conditions for lending money from the fund include: the annual investment target can't be more than $2 billion, and the fund equivalent to clear at least six months' import bills should be there before lending any money from it.

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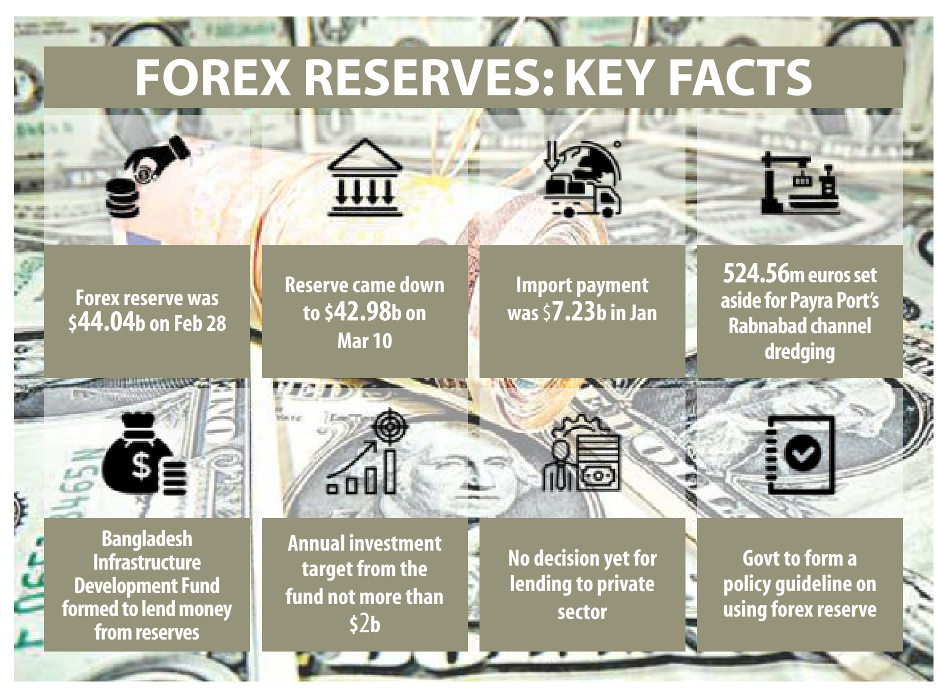

Hospitality industry suffers from fresh wave of pandemic

Mahmudul Hasan

Tourists have started cancelling their bookings amid a fresh wave of Covid-19 infections across the country, which threatens to derail recovery in the local hospitality industry.

Businesses related to tourism had just started recovering from the coronavirus fallout thanks to the return of holidaymakers during winter, according to industry insiders.

However, the progress made in this regard could be in jeopardy if the recent surge in infections continues.

"Over Tk 2 crore bookings for rooms till Ramadan have been cancelled so far," said Mohammad Asaduzzaman Nur, accounts and finance manager of Sayeman Beach Resort in Cox's Bazar.

This trend has continued since March 18 as travellers have become more cautious, he told The Daily Star on Tuesday.

The occupancy rate in the 240-room hotel was 80 per cent in February and the first half of March.

"As our customers are mainly affluent, they are more cautious than other people," Nur added.

Nur also urged the people to not worry as much and simply maintain their hygiene and other prevention guidelines while on vacation.

"Many people will lose their jobs if the sector collapses again," he said.

Rashed Chowdhury, head of sales at the 190-room Seagull Hotel, said the hotel business was just starting to come out of a Covid-induced slump.

"But now, we are smelling another danger," he added.

Around 30 to 40 per cent of Seagull's existing bookings were cancelled in the last few days.

According to Chowdhury, business during winter was satisfactory and helped recover some of their previous losses.

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SOHRAB HOSSAIN

Hotels and resorts in tourist destinations started their slow recovery in August last year after the lockdown measures and other restrictions were slowly eased. The photo was taken from Kuakata, a beach resort in Patuakhali, last week.

Payment rules eased for Covid drug import

Star Business Report

The central bank yesterday further extended its policy support for importing medicines for the treatment of coronavirus ailment, industrial raw materials and fertilisers due to a sudden rise in Covid-19 infections in the country.

Banks will have to accept advance payments of up to $500,000 from businesses to import coronavirus-related lifesaving drugs and essential medical items, including kits and equipment, without prior approval from the central bank.

Importers are usually allowed to make advanced payments of a maximum of $10,000 for the import of general items, including raw materials meant for industrial purposes and consumer goods, without prior approval from the banking regulator.

Global drug companies have been refusing to export such items if the payments are not made in advance, said a central bank official.

That is why the central bank further relaxed the rules, which will be applicable until June this year.

In March last year, Bangladesh Bank had taken the decision to ease the policy for the first time.

In the second instruction, the BB extended the one-year timeframe, which was six months before the pandemic's rise, to make import payments for industrial raw materials.

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