

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Thursday			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 1.98%	▼ 2.06%	\$1,731.97	\$64.57	▲ 1.17%	▲ 1.56%	▲ 0.52%	▲ 1.63%	BUY TK 83.95	98.19	114.12	12.62
5,327.22	9,304.98	(per ounce)	(per barrel)	49,008.50	29,176.70	3,157.95	3,418.33	SELL TK 84.95	101.99	117.92	13.27



Star BUSINESS

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RMG orders slump

Buyers go slow amid fresh fears and lockdowns

REFAYET ULLAH MIRDHA

International buyers are following a 'go-slow' policy in placing orders with apparel suppliers in Bangladesh because of fresh lockdowns and stricter restrictions in key markets amid a rise in coronavirus infections and piling up of unsold goods amid depressed sales.

Local garment suppliers say there were receiving 20 per cent fewer work orders for the next season beginning from June.

The fewer order placements are taking place mainly in small and medium enterprises as they have less production capacity and weak financial strength, and a few trade partners or buyers abroad.

Moreover, the demand for deferred payment is still as severe as it was in the initial months of Covid-19 in 2020. In a few cases, it has worsened as the situation in the Western market is dire, industry insiders say.

AK Azad, managing director of Ha-Meem Group, a top garment supplier, faces fewer orders and deferred payment.

"I know the lockdown will lengthen, and there is an uncertainty, and I am trying to improve the efficiency so that I can survive during Covid-19."

The third wave of infections is sweeping through Europe, which accounts for 60 per cent of garment exports from Bangladesh.

RISKS AND WAY FORWARD

Exporters got **20%** fewer work orders for next season

Small enterprises are the worst sufferers

Third wave of infection sweeping through the West

Exporters improving efficiency to cut cost

Countries such as Italy, Germany, France and UK are reinstating stricter lockdowns, and many other countries across the world are following the suit.

Previously, buyers used to give at sight, a form of payment due on demand. It requires the party receiving the good or service to pay a certain sum immediately upon being presented with the bill of exchange.

Buyers are now requesting a deferred payment for 180 days, sometimes even more.

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Export dev fund being raised to \$5.5b

AKM ZAMIR UDDIN

Bangladesh Bank has decided to increase the size of its export development fund (EDF) as it reaches out to businesses tackling slowdowns from a recent resurgence in daily Covid-19 cases, the highest since last July.

The fund will come to stand at \$5.5 billion upon the addition of \$500 million, said a central bank official.

A notice is scheduled to be issued today stating the decision would take immediate effect.

The fund last saw a raise in April 2020 from \$3.50 billion soon after the coronavirus was first detected in the country.

The increase is expected to help exports rebound, given the fund had been depleted recently amidst immense demand for loans from the fund.

In addition, the central bank is allowing "Type-B" companies of export processing zones (EPZs) to avail foreign currency loans from the fund since last week.

Firms with 100 per cent foreign ownership are considered "Type-A". Joint venture companies with foreign and Bangladeshi ownerships are treated "Type-B" and those with 100 per cent Bangladeshi ownerships "Type-C".

Several years ago, the central bank allowed "Type-C" companies to enjoy loans from the fund.

The EPZ decision fuelled demand for the fund, said the BB official.

"This is a time-befitting decision beyond a doubt as it will make

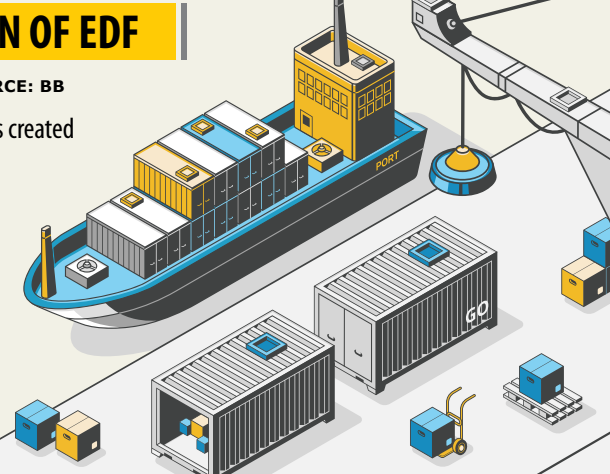
AT A GLANCE

- Extended amount to boost economy: exporters
- BB takes the move to meet market demand
- Interest rate of EDF 1.75pc
- Repayment tenure 6 months
- A notice to be issued today

EXPANSION OF EDF

Figures in \$; SOURCE: BB

- 1989: fund was created
- 2005: 100m
- 2010: 400m
- 2015: 1,800m
- 2020: 5,000m
- 2021: 5,500m



the whole economy vibrant," said Kutubuddin Ahmed, chairman and founder of Envoy Group, a conglomerate focusing on readymade garments and textile manufacturing.

The economy faces setbacks from time to time due to different causes but taking proper measures in tackling the situations is important, he said.

If the country's export sector suffers from a problem, it will have a spill

over effect on the whole economy, Ahmed added.

Exporters use the fund to settle import bills on time to secure raw materials smoothly.

Loans from the fund had to be paid back within three months from the date of disbursement but the central bank recently increased the repayment tenure to six months.

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GOVT INCENTIVE SME Foundation to hand Tk 100cr to small businesses

STAR BUSINESS REPORT

The SME Foundation will disburse Tk 100 crore as a government incentive to small and medium entrepreneurs in the current fiscal year to help them recover from the damages caused by the pandemic.

It will also hand over Tk 200 crore more in the next financial year, said Masudur Rahman, chairperson of the foundation.

He shared the information at the foundation's 15th annual general meeting at its office in Dhaka yesterday.

Regular coordination will be made with Bangladesh Bank to ensure smooth disbursement of these loans among the actual affected entrepreneurs through banks and financial institutions, the foundation said in a statement.

Some 10,199 entrepreneurs have benefited from SME Foundation's multifaceted activities related to product marketing, skills development and market expansion of products produced at home and abroad in 2019-20 financial year, said Nazim Hasan Sattar, general manager of the foundation.

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So many potatoes, yet nowhere to store

Farmers in trouble as cold storages are almost full

STAR BUSINESS REPORT

Increased potato production has become a cause for concern for farmers, particularly in the northern region of Bangladesh, as growers are finding it hard to manage space at cold storages to preserve the tuber.

The northern region accounts for 70 per cent of the total production of the popular vegetable in the country.

Most of the cold storages in the main potato producing region, Rangpur division, are already full, forcing many farmers and traders to return from the gates of the facilities. As they could not store a portion of their produce, the prices of the vegetable have declined at the farmers' end.

Mazidul Islam, who hails from the northwestern district of Lalmonirhat, could store only 150 bags (50kg each) of potato out of 460 bags in the cold storages. He has stored 50 bags of potatoes by following conventional methods in his house.

The 48-year-old grower had to sell the rest of the produce to local traders at Tk 8 per kg, which was below his cost of production.

"I had never thought that the potato market would be like this," he said.

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Cold storages are very near to reaching their capacity limit, frustrating potato farmers, especially those of the northern region, who have managed to secure increased harvests this time around. The photo was taken at Birganj upazila of Dinajpur last week.

Stock investors on edge over Covid surge

ANALYSIS

AHSAN HABIB

Stock investors are in a state of panic due to the sharp increase in Covid-19 infections across the country, leading to a downward trend in the market for the past two weeks.

Besides, the ongoing political unrest and announcement of a hartal have only exacerbated their anxiety.

Investors are mainly concerned about the economy deteriorating again due to the Covid-19 fallout as it could have a severe impact on the stock market.

"People are worried about the potential impact of a second wave of infections and so the market is falling," said Rezwana Islam, who has been invested in the stock market since 2015.

DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), dropped 192 points, or 3.47 per cent, in the last week.

Many investors nearly lost half of their funds in the last year, Islam said. "So they became careful now."

Thirty-nine people died from Covid-19 in the last 24 hours, according to a press



release issued yesterday by the Directorate General of Health Services (DGHS).

This is the highest number of deaths recorded in a single day due to Covid-19 in more than three months.

The total number of deaths has now reached 8,869 while the death rate stands at 1.5 per cent.

At least 3,674 new infections were recorded in the meantime, taking the total number of people infected to 591,806, according to the DGHS. The daily infection rate remained at above 3,500 for the fifth consecutive day yesterday.

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Uncertainty may curb rising card spending

AKM ZAMIR UDDIN

Spending through credit cards maintained an upward trend in Bangladesh in January, but bankers say the rising coronavirus infections and deepening uncertainty may discourage credit-based purchases.

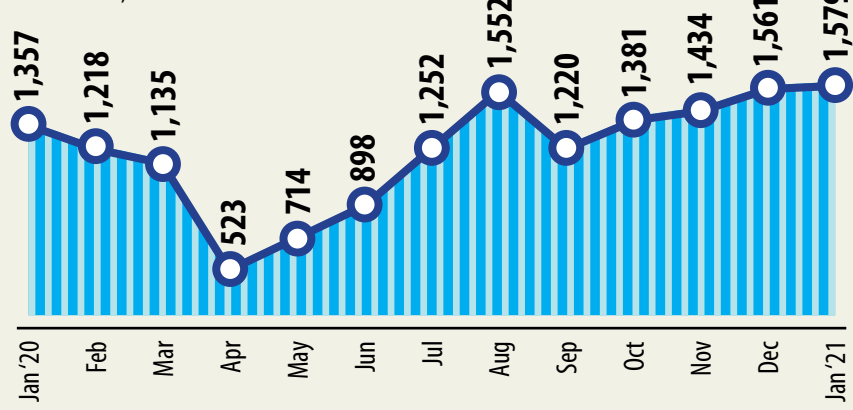
Total card loans stood at Tk 1,579 crore in January, the highest on record in a single month.

The figure is up 1.19 per cent from a month earlier and 16.38 per cent year-on-year, according to the latest Bangladesh Bank data.

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MONTHLY CREDIT CARD TRANSACTIONS

In crore taka; SOURCE: BB



1,320MW Payra plant awaits inauguration

SOHRAB HOSSAIN, Patuakhali

A coal-fired Payra power plant of 1,320 megawatts (MW) in Dhankhali area under Kalapara upazila of Patuakhali district is awaiting inauguration.

Already connected to the national grid, the plant's commercial supply is soon to be inaugurated by Prime Minister Sheikh Hasina, said AM Khorsheedul Alam, chief executive officer of North West Power Generation Company, one initiator of the construction.

Some 163 kilometres (km) of transmission lines connect the plant to a Gopalganj grid. Another 85km of lines are being set up to take it up to Amin Bazar in Dhaka.

The power plant's first unit has been supplying 660MW of electricity to the national grid since May 15 last year after being constructed in four years.

The second unit started production on December 8, 2020.

The plant is currently generating 1,000MW on an experimental basis, burning through some 13,000 tonnes of coal a day, generating 180 tonnes of fly and bottom ash as byproducts.

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A view of the 1,320MW coal-fired power plant in Dhankhali area under Kalapara upazila of Patuakhali district.

PHOTO: COLLECTED