

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 2.00%	▲ 1.98%	\$1,734.90	\$63.09	▲ 0.09%	▼ 0.30%	▼ 0.07%	▼ 0.04%	BUY TK 83.95	98.01	115.75	12.57
5,281.37	9,207.74	(per ounce)	(per barrel)	49,201.39	29,696.63	3,207.63	3,482.97	SELL TK 84.95	101.81	119.55	13.21

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Star BUSINESS

DHAKA WEDNESDAY APRIL 7, 2021, CHAITRA 24, 1427 BS • starbusiness@thedailystar.net

Low gas pressure hurts over 300 large factories

Allege industrialists in Narayanganj and Narsingdi

REFAYET ULLAH MIRDHA

More than 300 factories, especially textile, spinning and garment industries in Kanchpur, Narayanganj and Narsingdi have been facing a massive production loss every day because of a disruption in gas supply since March 13.

The sufferers also include steel mills and glassware factories.

Industry owners feared that they might face the cancellation of work orders from international retailers and brands or expensive air shipment because of the sudden disruption in the gas supply.

"When there is full pressure of gas, I can produce two lakh yards of fabrics every day. Now I can produce only 20 per cent of that by using alternative energy, which is very expensive for me," said Azahar Khan, chairman of Mithela Textile Industries Ltd in Araihaazar of Narayanganj.

Md Saleudh Zaman Khan, managing director of NZ Textiles Ltd, a spinning mill at Bhulta in Narayanganj, said the production at his mills had fallen to 50 per cent since March 13 because of the low pressure of gas.

The spinning mill has a capacity of producing 100 tonnes of yarn every day. The factory employs 6,000 workers.

"But half of the workers have been sitting idle during the peak season," Zaman Khan said.

As the production of the factories has dropped, they are under pressure to deliver goods in line with the promised deadline.

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PALASH KHAN

A near desolate Shapla Chattar in the capital yesterday afternoon devoid of its usual hubbub being a commercial centre. The second day of a seven-day 'lockdown' had apparently taken effect in this part of the town. The government restrictions to check Covid-19 cases are yet to be strictly enforced. Many city dwellers continue to move around without masks, let alone follow social distancing.

Exports rebound in March

Rise 12.6pc to \$3.07b

REFAYET ULLAH MIRDHA

Earnings from merchandise exports rebounded in March rising 12.59 per cent year-on-year to \$3.07 billion mainly due to a slow recovery in garment shipments over the last few months on the back of relaxed lockdowns in the West.

However, receipts from March's shipment of goods were 10.79 per cent below the monthly export target of \$3.44 billion, showed data from the Export Promotion Bureau (EPB).

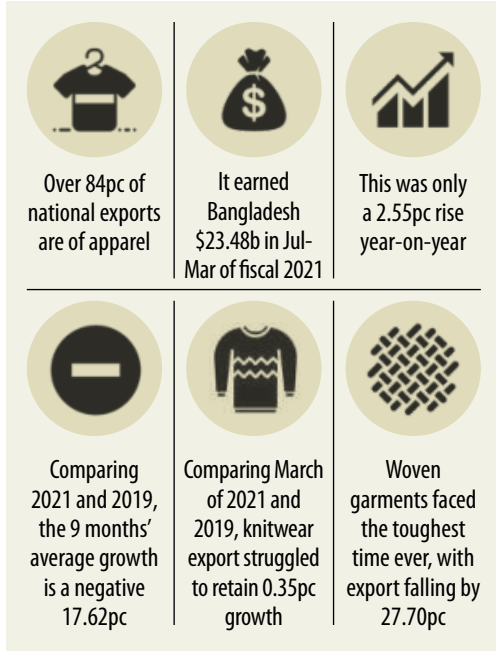
Business activities in Bangladesh had reached near normalcy over the last few months despite the fear of the pandemic and lockdowns in some major export destinations in Europe and the US, which had affected shipment of goods to some extent.

Since the factories were running almost in full swing in Bangladesh with renewed bookings of work orders from the international clothing retailers and brands, the garment sector were able to ship goods timely, achieving good productivity compared to that last year during the time of the pandemic.

Shipment of apparel items, which accounts for more than 84 per cent in national exports a year, is near a path to recovery for a significant amount of knitwear shipments because of a rise in demand for long stays at home by the consumers and for their shorter lead times.

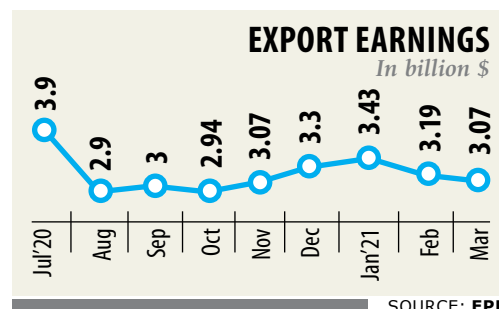
Between July and March of the current fiscal year, Bangladesh earned \$23.48 billion from apparel shipments, which was only 2.55 per cent lower than earnings from the items in the corresponding

AT A GLANCE



period last fiscal year, reads the data.

Of the total earning from the garment items, \$12.65 billion came from knitwear which also registered a 5.85 per cent growth year-on-year while earnings from woven shipments was



\$10.83 billion, which declined by 10.83 per cent year-on-year.

Demand for woven items declined for a downturn in many formal occasions worldwide in the time of pandemic and lockdowns.

"Considering such a crisis worldwide, the earning from the apparel shipment is highly satisfactory. We need to continue the export and running of the factories," said Md Fazul Hoque, managing director of Plummy Fashions.

"However, we should also be very careful so that the factory management staff and workers are safe. If the current trend continues in export I am hopeful that the apparel shipment will get better soon," he said.

"We do not have the luxury to shut the factories as we will have to maintain export, payment, employments, and keeping the economy afloat," Hoque told The Daily Star over the phone.

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National Bank under BB scanner

Asked not to disburse loan without prior approval

AKM ZAMIR UDDIN

Bangladesh Bank has asked National Bank not to disburse any loan without its prior approval.

The banking watchdog recently received allegations that the lender had disbursed a good amount of funds sidestepping approval from its board.

This prompted the central bank to issue the instruction on April 5 asking the bank to send by yesterday detailed information of loans approved and disbursed since December 26.

But the bank yesterday sought five working days to send the information, saying it was not possible to provide data within only one day, said ASM Bulbul, acting managing director (MD) of the lender.

He claimed that they had not disbursed any large loan, which requires approval from the board, in recent months.

If no board meeting is held, the bank has to take the permission from the central bank.

The central bank has also asked National Bank to inform whether Bulbul was working under a valid contract.

READ MORE ON B2



KEY POINTS

- NBL to take approval from BB to disburse large loans
- Acting MD to be barred from doing job
- NPL Tk 2,085cr as of last year
- Provision shortfall Tk 435cr
- Loss-making branches 40
- Directors' loans Tk 7,216cr

IMF lifts GDP growth forecast to 5pc

REJAIL KARIM BYRON and DWAIWAN BARUA

The International Monetary Fund has raised its projection for the economic growth of Bangladesh to 5 per cent for 2021, up from 4.4 per cent it forecast in October.

The Washington-based multilateral lender came up with the projection in its World Economic Outlook, which was published yesterday.

According to the IMF, the country will return to its high growth trajectory next year, when the gross domestic product (GDP) is projected to expand by 7.5 per cent.

The GDP will grow by 7.2 per cent in 2026.

Experts, however, say higher GDP growth is still uncertain since the country is currently experiencing a fresh surge of coronavirus infections, which have forced the government to impose strict containment measures from Monday, restricting mass mobility and shutting down businesses.

Zahid Hussain, a former lead economist of the World Bank's Dhaka office, said the IMF had upgraded its global projections mainly due to the



progress in vaccination programmes across the world.

"But they could not anticipate the latest surge in coronavirus infections because all the figures are finalised a month before the report is published," he said.

The IMF's projection had been very plausible if there were no pickup in coronavirus caseloads and disruptions as external demand was expected to pick up in the second half of 2021, the economist said.

"The problem is Bangladesh is now in lockdown, and there is a surge in infections. So, uncertainty has deepened," he said.

In Bangladesh, domestic demand,

especially private consumption expenditure is the bigger component of the economy compared to the external demand.

"We were experiencing a recovery in the private consumption expenditure as people started purchasing. This will now face a setback again," Hussain said.

On March 31, the World Bank projected Bangladesh's GDP to grow as high as 5.6 per cent in the fiscal year 2020-21, subject to three factors.

The projected expansion will depend on how the ongoing vaccination campaign proceeds, whether new restrictions to mobility are required, and how quickly the world economy recovers, the WB said in its "South Asia Economic Focus Spring 2021 South Asia Vaccinates" report.

A gradual recovery is expected to continue in Bangladesh, particularly if the government's Covid-19 recovery programmes are implemented swiftly. According to the IMF's projection, India's GDP would grow by 12.5 per cent in 2021, Sri Lanka by 4 per cent, Nepal by 2.9 per cent, and Pakistan by 1.5 per cent.

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Stocks rising over increased investor participation

A result of lucrative share prices, market analysts say

STAR BUSINESS REPORT

The stock market continued to rise for a second consecutive day as investor participation increased after many shares reached lucrative prices in the recent bearish trend.

DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), surged 103 points, or 2 per cent, to 5,281 yesterday.

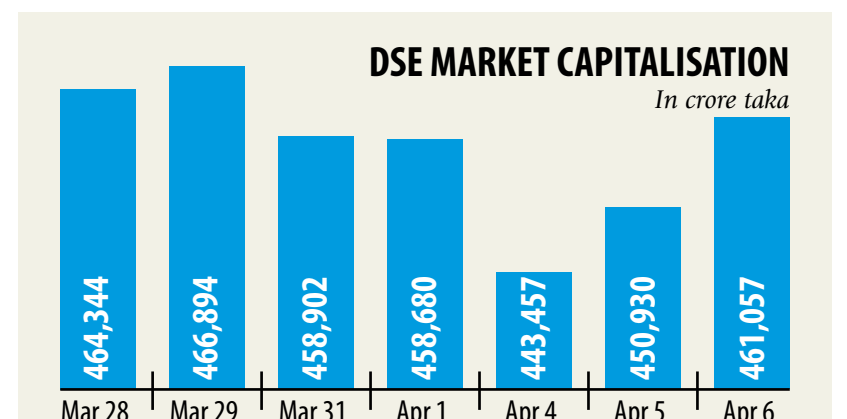
Market analysts say that many well-performing stocks dropped by around 15 per cent in the past month to reach the bottom level.

In this position, many investors consider these stocks to be lucrative and so, they are investing.

Besides, investors know about the Covid-19 pandemic's impact, so it seems that they expect the situation to return to normal after a few months.

However, a downside for the market is that the insurance sector is once again on the top gainers' list, proving that gamblers are still active.

Stocks of the insurance sector



witnessed significant growth over the past few months due to incessant gambling, the analysts said.

Northern Insurance topped the gainers list, rising 10 per cent, followed by Islami Insurance, Aramit Cement, Reliance Insurance, Bangladesh National Insurance and Federal Insurance.

Stocks of Beximco Limited traded

the most with Tk 44 crore worth of shares changing hands, followed by Robi Axiata, Asia Pacific Insurance, LankaBangla Finance, and Beximco Pharmaceuticals.

Mercantile Bank shed most, dropping 12 per cent, followed by BIFC, ACI Formulations, ICB Islamic Bank and SEBL First Mutual Fund.

READ MORE ON B3

Indian refiners deepen cuts to Saudi oil purchases in May

REUTERS, New Delhi/London Indian state refiners will buy 36 per cent less oil from Saudi Arabia in May than normal, three sources said, in a sign of escalating tensions with Riyadh even after the Kingdom supported the idea of boosting output from OPEC and allied producers last week.

Energy relations between India, the world's third-biggest oil importer and consumer, and Saudi Arabia have soured as global oil prices spiked.

New Delhi blames cuts by the Saudis and other oil producers for driving up crude prices as its economy tries to recover from the pandemic.

State-run refiners have placed orders to buy 9.5 million barrels of Saudi oil in May, compared with the previously planned 10.8 million barrels, three sources said.

The refiners - Indian Oil Corp, Bharat Petroleum Corp, Hindustan Petroleum Corp and Mangalore Refinery and Petrochemicals Ltd - normally buy 14.8 million barrels of Saudi oil a month.

The decision to place nominations for less oil was taken on Monday, within two days of a telephone conversation between Indian oil minister Dharmendra Pradhan and his Saudi counterpart Prince Abdulaziz bin Salman on Saturday, three sources said.



Hassan O Rashid, managing director and CEO of Prime Bank, and Khondkar Morshed Millat, general manager for Sustainable Finance Department of Bangladesh Bank, exchange signed deals at the central bank headquarters recently over a refinancing support for export-oriented industries from a Technology Development/Upgradation Fund.



Rupayan Group Chairman LA Mukul hands over a letter appointing Nawrin Jahan Mitul as managing director of Ratul Properties, a sister concern of the group, at the company's head office on Sunday.

LG Electronics fans bemoan end of era as firm exits smartphone business

REUTERS, Seoul Fans of LG Electronics smartphones rued the loss of more affordable Android-based devices after the South Korean tech company said on Monday it would quit the business, with some praising LG for the innovation it brought to the industry.

LG smartphone users in South Korea and the United States posted nostalgic tributes on social media after the firm announced the exit, citing a prolonged sales slump. LG still holds a roughly 10 per cent share of the U.S. smartphone market, according to researcher Counterpoint, though its slice of the global pie is just 2 per cent.

"Please release the Rollable phone before you die," said one user on a 300,000 member-strong forum on Naver, South Korea's largest online search portal, referring to LG's latest expandable display here concept that the company flaunted at the CES trade



LG Electronics' Wing smartphone is displayed at a store in Seoul, South Korea, on April 5.

show in January. Fans fondly noted some of the company's more unique designs, such as a T-shaped dual screen, as well as features including a double-tap to turn a screen on and off. "LG has some of the best audio hardware of any phone," Kim

Dong-woon, who has used six LG smartphones, told Reuters. "It's a shame that LG is withdrawing." Influential U.S. tech reviewers echoed the sentiments.

"LG were never perfect but in a world of boring slabs they delivered some of the most unique phone designs, ideas and features ever," said YouTuber Austin Evans here on Twitter. LG, which had been making mobile phones for about a quarter of a century, ultimately fell behind rivals Apple Inc and Samsung Electronics Co Ltd, in part due to lacklustre marketing and slow software updates.

Its smartphone division logged nearly six years of losses, totalling roughly \$4.5 billion by the end last year. For all the fandom, some criticised the phones, saying the shutdown was inevitable.

"The writing has been on the wall for a long time... things didn't improve," said user cdegallo on Reddit.

National Bank under BB scanner

FROM PAGE B1 Bulbul was an additional MD before serving the lender as acting MD. He acknowledged that his employment tenure ended on March 31 but that the bank's authority had earlier extended it by one month.

But the board of directors is yet to approve the extension, he said.

The board will give the approval in the quickest possible time, Bulbul said. The central bank asked the bank not to allow Bulbul to get involved in regular banking activities if he had not been reappointed.

But yesterday Monowara Sikder, chairman of the bank, issued Bulbul a reappointment letter enabling a one month extension.

National Bank has done it in a hurried manner to legalise Bulbul's activities since his contract's expiry, which will also help it to respond to the central bank letter, said a BB official.

The lender has been also asked to provide all documents of any board meeting held since December 26.

The bank's board was restructured after its chairman, Zainul Haque Sikder, passed away on February 10.

Zainul's spouse Monowara Sikder was elected chairman of the board on February 24 but no board meeting has been held since that day.

Despite that, the bank has allegedly disbursed loans breaching the rule, said a central bank official.

Bulbul claimed that branches of the bank now disbursed small-scale loans which do not require prior approval of the board.

The central bank also instructed the bank to send detailed information of loans given out to four companies - Rongdhanu Builders, Desh TV, Rupayan

and Shanta Enterprise. Bulbul claimed that the lender had earlier disbursed loans for Desh TV and Rupayan but did not have any plan to give out loans to the remaining two.

Md Serajul Islam, spokesperson and an executive director of the central bank, said the BB would take measures after verifying documents sent by the lender.

The financial health of the first generation bank started worsening since 2009 when Sikder Group commenced to take control of the board of the lender.

The central bank earlier discovered a number of irregularities taking place during the sanctioning and disbursing of loans by National Bank.

The bank had also disbursed a large amount of loans among directors of other banks.

A good number of banks have been giving out such loans under mutual understanding among directors, which has created concern over corporate governance in the banking sector.

The bank gave out Tk 7,216 crore to directors of other banks, or 18 per cent of its total outstanding loans as of December last year, showed data from the central bank.

Defaulted loans in the bank stood at Tk 2,085 crore as of December last year in contrast to Tk 388 crore in 2009.

Non-performing loans in the bank would have been much higher than the existing amount had the lender not written off Tk 2,154 crore last year.

The bank also faced a provision shortfall of Tk 435 crore last year due to its weak financial health.

In addition, 40 of its 214 branches are incurring losses. Six banks in the country's banking sector now have 40 or more loss-incurring branches.

Lockdown makes things worse for Pabna milk producers

FROM PAGE B4 "So we urged the government to help the farmers ride out this crisis."

According to local livestock officers, they have already taken measures to rescue the farmers.

"Since consumption may fall amid the lockdown, we asked processing factories to collect more milk from the farmers," said Md Aktaruzzaman Bhuiyan, district livestock officer of Sirajganj. The state-owned Baghabari Milk Vita factory, Bangladesh's biggest dairy factory, is the main consumer of milk produced by marginal farmers in both Pabna and Sirajganj.

Other than Milk Vita, other major companies like Pran and Brac have established collection centres across the two districts, which collectively process around 20 lakh litres of milk daily.

The private companies consume about 50 per cent of the total daily production while the rest is sold at local markets both inside and outside the districts.

"Milk vita and other milk processing companies have continued production so there is no problem for the local farmers," Md Abdulla Al Mamun, district livestock officer of Pabna, told The Daily Star.

Besides, the demand may increase in the upcoming Ramadan, he said. Md Shariful Islam, in-charge of the Pran milk collection centre at Baghabari in Sirajganj's Shahzadpur upazila, said they collect around 650 litres of milk from farmers every day.

"Our company continued normal production in the lockdown so we are buying milk from the farmers as usual," he added.

IMF lifts GDP growth forecast to 5pc

FROM PAGE B1 Even with high uncertainty about the path of the pandemic, a way out of this health and economic crisis was increasingly visible, the lender said.

"Thanks to the ingenuity of the scientific community, we have multiple vaccines that can reduce the severity and frequency of infections. In parallel, adaptation to pandemic life has enabled the global economy to do well despite subdued overall mobility, leading to a stronger-than-anticipated rebound, on average, across regions."

The lender has projected a stronger recovery in 2021 and 2022 for the global economy compared to its previous forecast, with growth projected to be 6 per cent in 2021 and 4.4 per cent in 2022. Nonetheless, the outlook presents daunting challenges related to divergences in the speed of recovery, both across and within countries and the potential for persistent economic damage from the crisis.

Table with 5 columns: No., Name, Age, Education, and Remarks. It lists various individuals and their details, including names like Hassan O Rashid, Khondkar Morshed Millat, and others, along with their educational backgrounds and other relevant information.

Sri Lanka bans palm oil imports, tells producers to uproot plantations

REUTERS, Colombo/Mumbai

Sri Lanka on Monday banned imports of palm oil and new palm plantations, and told producers to uproot existing plantations in a phased manner...

Palm oil imports and the number of plantations have been increasing in recent years in Sri Lanka, a leading producer of coconut oil.

Sri Lanka's President Gotabaya Rajapaksa said in a statement the aim was to "make the country free from oil palm plantation and palm oil consumption."

Environmentalists say palm oil production has led to widespread deforestation and damage to ecosystems.

Sri Lanka imports around 200,000 tonnes of palm oil every year, mainly from Indonesia and Malaysia, traders estimate.

"Those companies and entities which have done such (palm oil) cultivations shall be required to remove them in a phased manner



REUTERS/FILE

A palm oil plantation is pictured next to a burnt forest near Banjarmasin in South Kalimantan province, Indonesia.

with 10 per cent uprooting at a time and replacing it with the cultivation of rubber or environmental friendly crops each year," the statement from president's office said.

Sri Lanka's palm oil industry has invested 26 billion Sri Lankan rupees

(\$131 million) and the country has around 11,000 hectares of palm plantations - just over 1 per cent of the total area planted with tea, rubber and coconut, according to estimates from the country's Palm Oil Industry Association.

India court dismisses ByteDance's plea to unblock bank accounts

REUTERS, Mumbai

An Indian court on Tuesday dealt a blow to China's ByteDance by dismissing its plea to unblock its bank accounts which have been frozen by federal authorities investigating alleged tax evasion.

An Indian tax intelligence agency in mid-March ordered HSBC and Citibank in Mumbai to freeze accounts of ByteDance India as it probed some of the firm's financial dealings.

After a government counsel said ByteDance owed the authorities about 790 million rupees (\$11 million), the High Court in Mumbai said the company will need to keep that amount blocked in a state-run bank.

Credit Suisse takes \$4.7b hedge fund hit

AFP, Zurich

Credit Suisse said Tuesday that it had taken a \$4.7 billion hit from its links to troubled hedge fund Archegos Capital Management, cut dividends and announced the departure of two senior executives.

Switzerland's second-biggest bank and Japan's Nomura warned last month that they could face significant losses due to their exposure to a US hedge fund forced to liquidate its holdings.

Bloomberg News reported last month that the troubled fund was little-known Archegos Capital Management, which sold more than \$20 billion in stocks from US media and Chinese companies as it sought to cover its obligations to its lenders.

Credit Suisse said its pre-tax loss of 900 million Swiss francs in the first three months of the year includes 4.4 billion Swiss francs (\$4.7 billion, 3.9 billion euros) related to "the failure by a US-based hedge fund to meet its margin commitments as we announced on March 29".

Trading on margin is the practice of using borrowed funds to invest in financial assets such as stocks. It can be very profitable for borrowers as they are often only required to put down a small percentage in cash while the stocks serve as collateral for the lender.

But large shifts in share prices can force borrowers to put up more money to meet their margin commitments, or sell the shares and potentially lose more than their investment and default on their loan.

Andreas Venditti, an analyst with the Zurich financial services company Vontobel said the 4.4 billion Swiss francs hit was "at the higher end of the range" but had been limited thanks to "very strong operating results".

The bank's board of directors opened an investigation into the matter.

Air France gets EU green light for 4b euro aid

AFP, Paris

The EU authorised the French government on Tuesday to double its stake in Air France and inject up to four billion euros into the struggling airline whose revenues have been hit by the pandemic-induced drop in passenger traffic.

The agreement, worth \$4.7 billion, follows weeks of negotiations with the EU commission, which must ensure that state aid does not give companies an unfair advantage.

Air France posted a 7.1 billion euro (\$8.4 billion) loss in 2020 as its business, like that of the rest of the world's airlines, suffered from coronavirus restrictions which all but grounded global air traffic.

In return for its green light, the commission, which is the EU's anti-trust regulator, said Air France would relinquish about 18 slots per day at Orly, Paris' second-largest airport after Charles de Gaulle.

French Finance Minister Bruno Le Maire said the EU had also allowed the French state to raise its stake in Air France-KLM group to 30 percent, up from the current 14.3 per cent.

The Netherlands' flag-carrier KLM, which forms an alliance with Air France, will not benefit from the aid.

Nevertheless, the Dutch government welcomed the approval of additional aid. In a joint statement Le Maire and his Dutch counterpart Wopke Hoekstra said a recapitalisation of KLM by the government of the Netherlands was being looked at.

The recapitalisation of Air France will take place by converting three billion euros in loans it received from the French state last year into perpetual hybrid Air France-KLM bonds that are considered as a form of equity, plus a new issue of shares that is open to existing and new shareholders.

The French state has committed to participating, according to Air France-KLM. China Eastern Airlines, another major shareholder, will also participate. However, Delta Airlines said it could not due to restrictions placed on airlines receiving US government assistance.

Air France-KLM CEO Benjamin Smith said the capital injections "will provide Air France-KLM with greater stability to move forward when recovery starts, as large-scale vaccination progresses around the world and borders reopen."

Shares in Air France-KLM fell by around 1.5 per cent in Amsterdam and Paris in early morning trading. While they recovered part of that loss, they were underperforming both markets which were trading higher.

Independent aviation analyst John Strickland told AFP that "competitors will not be happy and it is important to see that the proposed slot remedy at Orly has real meaning in terms of facilitating additional competing services."

The Irish-based low-cost carrier has long railed against the support given to national champions, and is often backed by Brussels.

Apple chief Tim Cook talks of autonomous cars

AFP, San Francisco

Apple chief Tim Cook portrayed self-driving cars as an ideal match for the technology giant during an interview released Monday by the New York Times.

Talk of an autonomous vehicle bearing the Apple brand has long been among rumors swirling around the iPhone maker, which has remained tight-lipped about its plans for the market.

"We love to integrate hardware, software and services, and find the intersection points of those because we think that's where the magic occurs."

He expressed admiration for electric car maker Tesla, which is among companies developing autonomous driving capabilities in vehicles.

Japanese auto maker Nissan and South Korea-based Hyundai in February denied reports of potential alliances with Apple on self-driving cars.

Low gas pressure hurts over 300 large factories

FROM PAGE B1

"My buyers are demanding air shipments of goods so that they can sell them on time," Azahar Khan said.

Zaman also complained that his European and American buyers were demanding air shipment for timely delivery of goods.

But air shipment is very expensive for any exporter, and it is an additional burden for the manufacturers whose businesses plummeted because of the lower demand in western markets owing to the pandemic.

Monsoor Ahmed, secretary of the Bangladesh Textile Mills Association, said production in at least 40 big textile mills had been affected in the largest industrial belt since March 13.

Usually, textile and spinning mills need a lot of gas pressure to produce quality products.

Ahmed said most of the mills were busy producing goods for international buyers

as well as the spending season ahead of the upcoming Eid-ul-Fitr.

"If they can't produce goods on time, hundreds of factories will be in trouble, and they will miss the sales during Pabala Baishakh and Eid-ul-Fitr," he said.

According to Ahmed, there was a leak in the gas network at the Haripur point in Kanchpur area of Narayanganj on March 13.

Although state-run Titas Gas Transmission and Distribution Company Ltd (TGTDC) has assured of fixing the problem, the leak is yet to be repaired, Ahmed said.

At the same time, gas has been diverted to power plants from the point without supplying it to the industrial units, he said.

"We have already fixed the gas supply problem in Haripur," said Ali Iqbal Mohammad Nurullah, managing director of TGTDC, over the phone, without elaborating.

Exports rebound in March

FROM PAGE B1

However, Rubana Huq, the outgoing president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), termed the July-March earnings from apparel shipment "depressing".

She said since the first wave of Covid-19 hit the country in March last year, exports started particularly getting affected.

A year-over-year comparison of monthly exports between 2020 and 2021 would be misleading and any growth in export for the months of 2021 has to be calculated with the corresponding months of 2019, she said.

After the third quarter of fiscal 2020-21, export earnings from garment stood at \$23.49 billion which was \$25.95 billion during the same period of FY2018-19, indicating a 9.49 per cent or \$2.46 billion decline.

Knitwear export struggled to retain 0.35 per cent growth in March 2021 over March 2019; the average growth of knitwear export for July-March 2020-21 than July-March 2018-19 is 1.15 per cent in the negative.

Woven garments is facing the toughest time ever, while export has suffered double digit declines since August 2020, and in the month of March 2021 compared to March 2019 woven export fallen by 27.70 per cent.

The nine month average growth between 2021 and 2019 stands 17.62 per cent in the negative.

The price trend continues to worsen as the month of March 2021 posts a 5.11 per cent decline in unit price compared to March 2019. The average decline in unit price for July-March 2020-21 compared to July-March 2018-19 is 3.58 per cent in the negative.

"Such consecutive declines in unit price do not require further analysis to understand the magnitude of vulnerability the industry is dwelling with. The export markets are still struggling to contain the spread of the virus, the third wave has only added to the woes," Huq also said.

"Until recently Bangladesh was faring well in containing the infection; however

the present lockdown, which is a timely move by the government, would further impact the already depressed performance of the industry," Huq told The Daily Star in a WhatsApp message.

In the July-March period, the overall earnings from export was \$28.93 billion which is a decline of only 0.12 per cent year-on-year. However, the July-March earnings from overall shipments is 4.43 per cent below the periodic target of \$30.27 billion, the data also said.

During the July-March period, shipment of goods from some potential sectors registered a positive growth.

For instance, jute and jute goods export grew by 22.94 per cent year-on-year to reach \$953.57 million showing a strong rebound after a few years with high demand from buyers.

Carpet export grew by 41.86 per cent to \$25.62 million, agricultural products 3.43 per cent to \$746.72 million, pharmaceuticals 12.04 per cent to \$119.01 million and home textile 41.5 per cent to \$846.45 million.

The performance of some sectors was negative during the period.

For instance, shipment of frozen and live fish declined 8.66 per cent to \$367.74 million, terry towel 4.49 per cent to \$28.69 million, headgear/cap 3.3 per cent to \$160.82 million and ceramics 8.87 per cent to \$22.71 million.

Stocks rising over increased investor participation

FROM PAGE B1

At the DSE, 240 stocks advanced, 15 declined and 91 remained unchanged.

The Chittagong Stock Exchange also remains in an upward trend. CASPI, the general index of the port city bourse, rose 297 points, or 1.98 per cent, to stand at 15,264.

Among its 188 traded stocks, 146 rose, 12 fell and 30 remained unchanged, CSE data shows.

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার. আউটসোর্সিং পদ্ধতিতে জনবল সরবরাহের দরপত্র বিজ্ঞপ্তি. Includes details about the tender process, contact information, and a table of specifications for various goods.

Govt seeks \$500m WB fund to implement budget

STAR BUSINESS REPORT

Finance Minister AHM Mustafa Kamal has sought \$500 million in loans from the World Bank to help Bangladesh implement its budget.

The assistance will be used to educate female students with science and ICT knowledge and in educational projects for their stipend as part of efforts to increase women's participation in the workforce, he said.

It will also be used in the government's efforts to recover from the fallout of the ongoing Covid-19 pandemic, the minister added.

He made the call in a virtual meeting yesterday with the officials of the global lender, who joined the event from Washington, the finance ministry said in a press statement yesterday. The World Bank has assured the minister of taking the issue into consideration positively, according to the statement.

The virtual event held on April 5 was organised as part of the ongoing Spring Meetings 2021 of the World Bank Group, where Kamal led the Bangladesh team and World Bank's Vice President for South Asia Hartwig Schafer led the WB team.

In the programme, the finance minister lauded the WB for the timely measures it took to fight the Covid-19 contagion.

He also thanked the international lender for extending its support to Bangladesh under the Programmatic Jobs Development Policy Credit project and for the \$500 million fund for Covid vaccines.



Lockdown makes things worse for Pabna milk producers

AHMED HUMAYUN KABIR TOPU, Pabna

The ongoing countrywide lockdown has made things worse for the milk producers in Pabna and Sirajganj, who have already been suffering from poor sales due to a slump in local consumption.

In a bid to tame the alarming rate of coronavirus infections across Bangladesh, the government announced a seven-day lockdown that began on Monday.

During this period, restrictions on public movement will be enforced, making it difficult for local milk consumers to travel to the market as transportation facilities are limited.

Besides, even if milk production continues, the closure of sweetmeat shops and other businesses that use milk as a raw material has led to a slump in sales, the producers said.

If the lockdown is prolonged, marginal dairy farmers in the two major milk producing districts may face huge losses.

Md Khalilur Rahman, a marginal dairy farmer of Per-Faridpur village in Pabna's Faridpur upazila, told The Daily Star that his farm produces 40 to 50 litres of milk every day.

He sells about 20 litres to the Pran collection centre while the remainder goes to local hotels and sweetmeat shops.

"But due to the lockdown, I am unable to find buyers for the remaining 20 litres



Producers are selling milk among local consumers in Ishwardi upazila of Pabna.

STAR/FILE

after supplying Pran," Rahman said.

Md Saiful Islam, president of the Per-Faridpur Milk Producer Cooperative Society, echoed the same.

"Since most of the shops and public

transport have been shut, most local consumers are unable to visit the markets," he said.

Moreover, the oversupply of milk has pulled down milk prices, causing another

significant loss for the farmers, who have already been suffering from increased production costs due to the soaring prices of cattle feed, he said.

READ MORE ON B2

B2B e-commerce to rise 70pc by 2027

DHL study predicts

STAR BUSINESS DESK

Logistics services provider DHL Express forecasted business to business e-commerce will increase by more than 70 per cent by 2027 to \$20.9 trillion, up from \$12.2 trillion in 2019 as Covid-19 pandemic accelerated the pace of digitalisation and purchasing behaviours.

The company's study—The Ultimate B2B E-commerce Guide: Tradition is out. Digital is in—also predicts that 80 per cent of all business to business sales interactions between suppliers and professional buyers will take place in digital channels by 2025.

"The impact of the Covid-19 pandemic on the pace of digitalisation and the purchasing behaviour of technology-savvy millennials, who are now of an age to be the professional business to business decision-makers, are the main drivers of this global E-commerce growth," according to a statement.

John Pearson, CEO of DHL Express, said "Even in times of worldwide shutdowns, globalisation has shown its resilience, fuelled by digitalisation and the power of global trade."

"These trends have led to an ever growing number of consumers to shift their shopping activities online. The pandemic has accelerated



this development like never before, with a sharp rise in businesses selling their goods in the global marketplace. E-commerce and global logistics thus provided the key to unlock local shutdowns, keep economies running and mitigate the impact of Covid-19 for many of our customers."

DHL Express, which is a subsidiary of Deutsche Post, witnessed its revenue shot up by almost 11.9 per cent last year to \$22.41 billion as a slew of the companies and consumers around the world switched to e-commerce due to the pandemic.

"Specifically in Asia Pacific excluding China, we have witnessed a 17.3 per cent year-on-year rise in shipment volume during the peak months of November and December 2020 driven by

more active shippers and a 21 per cent higher spend per customer," said Ken Lee, CEO of DHL Express Asia Pacific.

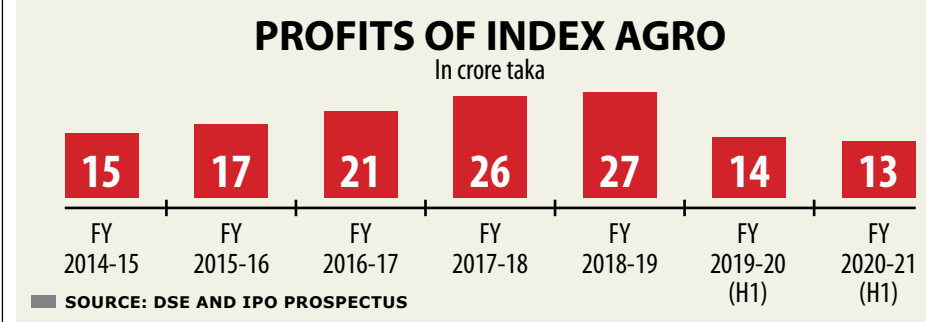
"In those two months alone, there were 65 per cent more business to customer shipments of which consumer technology products and fashion apparel contributed the most," Lee said.

"This unabated surge in volume further underscores the growth in online shopping and demand for cross-border shipping, making it critical that logistics providers remain agile to continuously adapt and respond to consumer needs," he added.

Md Miarul Haque, managing director of DHL Express Bangladesh, said "DHL Express Bangladesh has been placing our utmost focus on E-commerce business since 2018. Some of our customers include high profile retail brands and marketplaces to whom we are committed to providing our high quality of service and logistics support."

"In 2020, we registered significant growth in our shipment volumes and revenue driven in part by e-commerce. We look forward to working with many other local manufacturers and be a valuable partner in their cross-border e-commerce journey," he added.

Index Agro's profit falls, stock debut today



STAR BUSINESS REPORT

Index Agro Industries gave the bad news of a fall in profits yesterday ahead of its trade debut on the stock exchanges.

The agro-based product manufacturer's half-yearly profit figure hit Tk 13 crore in 2020-21, which was Tk 14 crore last year.

Its earnings per share dropped 7 per cent year-on-year to Tk 3.36 in the six months to December 2020, according to the data published by the Dhaka Stock Exchange.

Index Agro, which has raised a fund of Tk 50 crore under the book-building method, will make its trade debut today.

When a company carries a good track

record and seeks a high price over its face value, then it adopts the book-building method to find a cut-off price, which is determined by bidding among eligible investors. The cut-off price of the shares of Index Agro was fixed at Tk 62 each.

As per the book-building method, general investors and non-resident Bangladeshis get shares of initial public offering at a 10 per cent discount on the cut-off price.

But, they got the shares at Tk 50 each, as the company gave a 20 per cent discount on the cut-off price. Index Agro will utilise the IPO proceeds to acquire machinery and equipment, construct building, do civil works and meet the IPO expenses.

GLOBAL BUSINESS

H&M to lay off more than 1,000 staff in Spain

AFP, Madrid

Swedish fashion giant H&M is to lay off more than 1,000 staff in Spain who are currently on furlough due to the pandemic, the Workers' Commission (CCOO) union said Tuesday.

The fashion chain was not immediately available to confirm the information.

A CCOO statement said the fashion brand had indicated it was "going to begin redundancy proceedings which would affect more than 1,000 people and involve the closure of 30 shops."

"It called the shop closures "absolutely disproportionate" and the layoffs of furloughed staff unjustified. "While it is true there may have been a change in consumer habits which could justify a change in the workforce, this in no way justifies such a large number of redundancies, especially considering that H&M has benefitted from the government's furlough scheme during the pandemic. "The funding of such temporary unemployment schemes was one of the key measures put in place by Socialist Prime Minister Pedro Sanchez's government to bolster an economy battered by months of lockdown."

That and other emergency measures to ease the crisis have cost the Spanish treasury a dizzying 40 billion euros (more than \$47 billion) since the start of the pandemic. In return, companies are banned from laying off staff for six months after the end of the scheme which is currently set to run until May 31, but is likely to be extended.



REUTERS/FILE

People walk past an H&M store in a shopping area in Beijing.

IMF upgrades global growth outlook again

REUTERS

The International Monetary Fund raised its outlook for global economic growth again on Tuesday, forecasting worldwide output would rise 6 per cent this year, a rate unseen since the 1970s, thanks largely to the unprecedented policy responses to the COVID-19 pandemic.

That upgrade, from 5.5 per cent less than three months ago, largely reflects a rapidly brightening outlook for the US economy, which the IMF now sees growing by 6.4 per cent in 2021, the fastest since the early 1980s. That's up 1.3 percentage points from the IMF's 5.1 per cent projection in late January and nearly double the rate it estimated in October.

The IMF forecast, if realized, would mark the fastest pace of global growth since 1976 but also comes off the steepest annual downturn of the post-war era last year as the pandemic brought commerce around the world to a near stand-still at times. The fund said the world economy contracted 3.3 per cent in 2020, a modest upgrade from an estimated contraction of 3.5 per cent in its January update.

The latest World Economic Outlook - released at the start of the IMF's and World Bank's spring meetings - reflects a dramatic divergence between the outlook for the United States and much of the rest of the world courtesy of another \$1.9 trillion in pandemic relief spending recently enacted in Washington.

The outlooks for other advanced economy heavyweights, such as Germany, France and Japan, hardly improved at all since January. Nonetheless, with the help of the US outlook improvement as the main driver, the IMF marked up its advanced



REUTERS/FILE

International Monetary Fund Managing Director Kristalina Georgieva makes remarks at an opening news conference during the IMF and World Bank's 2019 Annual Fall Meetings of finance ministers and bank governors, in Washington.

economy growth estimate to 5.1 per cent from 4.3 per cent. Forecasts for emerging market economies, while somewhat improved, took a back seat to their developed peers. The fund's outlook for EM economies rose by just 0.4 percentage point - half of the advanced economy mark-up - to 6.7 per cent from the view in January.

"(M)ultispeed recoveries are under way in all regions and across income groups, linked to stark differences in the pace of vaccine rollout, the extent of economic policy support, and structural factors such as reliance on tourism," the IMF said in its report summary. The United States economy this year will join China in regaining a level of gross domestic product that exceeds where it stood before the pandemic struck just over a year ago,

the IMF said. China recaptured all of its lost growth by the end of 2020.

The IMF emphasized the high degree of uncertainty surrounding the outlook, and that improvements could easily be tripped up by any of several factors, with success against the pandemic topping the list.

"Greater progress with vaccinations can uplift the forecast, while new virus variants that evade vaccines can lead to a sharp downgrade," it said.

Another big risk centers around the persistence of accommodative policies, from the United States in particular. Long-term interest rates around the world have risen sharply since January, as market participants revise their expectations for how soon the US Federal Reserve begins to normalize its policy stance.

NEWS In Brief

India power demand falls for first time in 35 years

REUTERS, Chennai

India's annual electricity demand fell for the first time in at least 35 years in the fiscal year to March, government data reviewed by Reuters showed, mainly due to strict coronavirus-induced lockdowns across the country.

Power demand fell 1 per cent during the year ended March 2021, the data showed, mainly due to the imposition of lockdowns that resulted in a decline in electricity consumption for six straight months ending in August.

Demand for electricity has picked up since, and generation grew 23.3 per cent in March from a year earlier, a Reuters analysis of daily load dispatch data from federal grid operator POSOCO showed, making it the seventh consecutive monthly increase and the fastest since March 2010.

Power generation fell 0.2 per cent during the year 2020/21, compared with the previous year, the POSOCO data showed.

Power generation in March grew much faster than the average increase of 6 per cent in the last six months, mainly because India had imposed an intense nationwide lockdown in the last week of March 2020, resulting in a dramatic fall in power usage.

Eurozone unemployment stable, no jobs crisis for now

AFP, Brussels

The level of unemployment in the eurozone did not change in February, official data showed on Tuesday, as national schemes to keep companies afloat held off the worst effects of the pandemic.

Eurostat, the EU's statistics agency, said unemployment was at 8.3 per cent in the 19 countries that use the euro single currency, the same as a revised figure for January.

Youth unemployment in the eurozone, which has risen more sharply during the Covid crisis, edged lower to 17.3 per cent, Eurostat said.

That still remained higher than a year before, just before a wave of lockdowns crushed the economy, when unemployment in the eurozone had stood at 7.4 per cent, with youth unemployment at 15.4 per cent.

Joblessness in Europe exploded in the spring of 2020, the result of a landmark recession as restrictions on movement kept people at home in many countries across the globe.