

| 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).

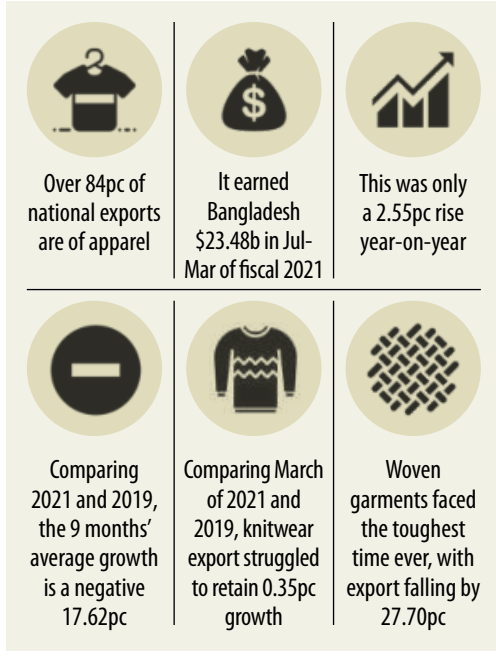
Business activities in Bangladesh had reached near normalcy over the last few months despite the fear of the pandemic and lockdowns in some major export destinations in Europe and the US, which had affected shipment of goods to some extent.

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.

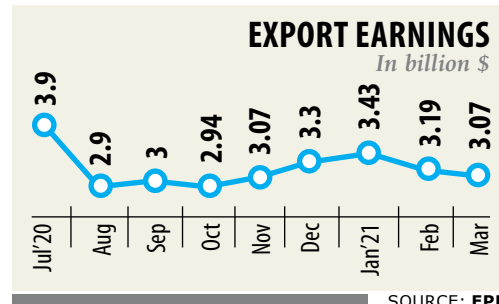
Between July and March of the current fiscal year, Bangladesh earned \$23.48 billion from apparel shipments, which was only 2.55 per cent lower than earnings from the items in the corresponding

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.

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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.

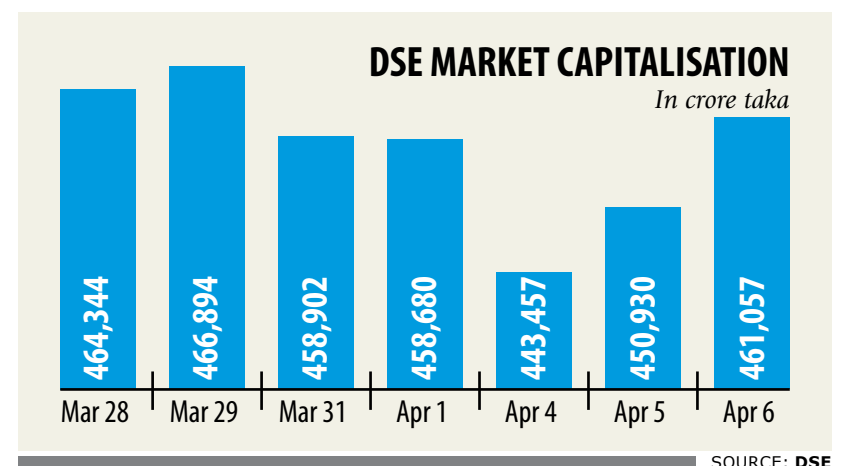
Market analysts say that many well-performing stocks dropped by around 15 per cent in the past month to reach the bottom level.

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.

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