

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.94%	▲ 0.48%	\$1,786.50	\$74.85	▲ 0.75%	Flat	▲ 0.03%	▲ 0.01%	BUY TK 83.95	99.03	116.28	12.72
6,092.83	10,622.51	(per ounce)	(per barrel)	52,699.00	28,875.23	3,119.62	3,566.65	SELL TK 84.95	102.83	120.08	13.37

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## Manufacturing sector risks becoming uncompetitive: WB

STAR BUSINESS REPORT

Bangladesh's manufacturing sector risks becoming uncompetitive because of its reliance on low labour costs and lower productivity as wages are rising locally and the use of labour-saving technologies are growing globally, said the World Bank yesterday.

The export-led manufacturing growth model will remain

central to Bangladesh's sustained growth and job creation, but continued reliance on low labour costs to maintain the competitive edge is increasingly untenable as the country consolidates its middle-income status and its wage costs rise, the WB said in a report titled "Gearing up for the Future of Manufacturing in Bangladesh".

Simultaneously, major global trends—the growing use of labour-



The manufacturing sector of Bangladesh can improve its productivity by strengthening innovation and technology adoption, a World Bank report suggests.

PHOTO: STAR/FILE

"Following every global crisis we see shifts in the geographic economic centres and change in trade flows. So, we should expect major changes to come," says Hans Timmer, World Bank's chief economist for South Asia

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saving technologies, shifting trade patterns, and the increasing use of services inputs in production—are reducing the importance of wage costs in determining international competitiveness.

"In this changing manufacturing landscape, Bangladesh risks

becoming uncompetitive on both the wage and non-wage dimensions of productivity as it seeks to diversify its export basket and move up the value chain," the WB said.

The manufacturing sector needs to focus on the transition from competing on wages to competing

on productivity.

Bangladesh's emphasis must shift to broader considerations of efficiency and productivity upgrading as a precondition for sustainably generating well-paid jobs.

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## Stimulus eludes 83pc small businesses

BUILD-Policy Exchange survey finds, calls for tailored scheme

STAR BUSINESS REPORT

Eighty-three per cent of the cottage, micro, small and medium enterprises did not receive stimulus relief as it was not well-tailored and did not consider the challenges and needs of small entrepreneurs, a new survey found.

Of the respondents, 69 per cent reported that they were unable to pay wages to staff in 2020 due to the coronavirus pandemic, according to the rapid survey of the Business Initiative Leading Development (BUILD) and the Policy Exchange of Bangladesh.

The situation has not improved: 61 per cent of respondents think their revenue would fall in 2021.

The survey result was shared at a webinar styled "Covid Stimulus and Links to Employment, Consumption and Investment: The Bangladesh Experience, Global Lessons, and Priorities for Next Round Support".

The survey, carried out in February this year, was based on the interviews of 50 CMSMEs and top officials of private banks. The CMSMEs represented major industries, including leather and leather goods, trading, textiles, light engineering, packaging, and agriculture.

The sales of 86 per cent of the firms had been negatively impacted because of the pandemic, the survey found.

Ninety-five per cent of firms reported a depressed demand compared to the pre-Covid scenario, in an indication that consumption and demand have not recovered.

"All key growth drivers of Bangladesh were adversely impacted with the spread of Covid-19 where CMSMEs were impacted the most. Many of them didn't receive any government incentive," said M Masrur Reaz, founder and chairman of the Policy Exchange of Bangladesh, a private policy and strategy advisory platform.

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## Three more banks follow Brac's example

Cancel card transactions with some e-commerce platforms

STAR BUSINESS REPORT

Three banks yesterday cancelled their card transactions with some e-commerce platforms, a move that comes after Brac Bank made the same decision in order to protect the interests of its clients.

The lenders – Bank Asia, Dhaka Bank and The City Bank – took the decision after many clients recently alleged that they have not received their products on time despite having made advance payments to the e-commerce platforms.

They paid for the products in advance either through credit, debit cards or mobile financial services.

Brac Bank took the decision to discontinue card transactions with these platforms on June 23.

So, the clients of these three banks will not be able to purchase any products from the 10 e-commerce platforms by using either debit or credit cards.

The e-commerce platforms that face the embargo are: Evaly, Alesha Mart, Dhamaka, E-orange, Sirajganj Shop, Aladiner Prodip, Qcoom, BoomBoom Shopping, Adyan Mart, and Needs.

In some cases, the clients made payments several months ago but failed to get their products as per the commitment given by the e-commerce platforms.

Meanwhile, The City Bank also urged its customers not to conduct transactions with some e-commerce merchants

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## Apparel future lies in manmade fibre

Industry insiders say as use, production rise

REAYAT ULLAH MIRDHA

Bangladesh's primary textile sector is undergoing rapid changes with local millers taking to producing significant amounts of manmade fibres alongside cotton fibres to meet rising global demand.

Import of manmade fibres grew a substantial 45.72 per cent to reach 99,597 tonnes in the first five months (January to May) of this year compared to 68,348 tonnes during the corresponding period in 2020, according to Bangladesh Textile Mills Association (BTMA) data.

Of the imports, about 61,693 tonnes were polyester staple fibre, 32,454 tonnes viscose staple fibre, and around 5,450 tonnes tencel and flax fibre.

The spending on such imports also increased amidst the ongoing coronavirus pandemic, which had disrupted the global supply chain for

### MANMADE FIBRE: KEY POINTS

- Imports rose 45 per cent in Jan-May 2021
- Japan and China made a big change in MMF technologies
- Globally 78 pc garments are made from MMF
- Bangladesh makes 74 pc garment items from cotton fibre
- Prices of MMF-based garment are higher
- Currently 40 local mills produce MMF

a long time.

Local importers, millers, traders and spinners spent about Tk 1,221 crore during the January-May period this year compared to around Tk 706 crore in the same period the last year, registering 73 per cent year-on-year growth.

The three main manmade fibres – polyester, viscose and tencel – have emerged as substitutes for cotton fibres, bringing on a revolution in global fashion trends.

Of all garment items produced in the world, 78 per cent is made from manmade fibres while cotton fibre accounts for the rest, according to data from International Textile Manufacturers Federation (ITMF), a Switzerland-based platform for global textile makers.

Mainly Japan and China have brought significant changes to global fibre technologies while ensuring that

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## SCHOOL BANKING

### Cultivate a habit of saving

MD ABU TALHA SARKER

Finances play a significant role throughout a person's life. But money management skills are rarely taught at schools and colleges. As a result, most people struggle in making informed financial decisions.

You may feel that you have lost out because you never learned how to earn, save, and spend while you were a kid. But you have the opportunity to arm your children with basic personal finance knowledge, thanks to school banking.

In 2010, Bangladesh Bank initiated the programme to help students understand the importance of savings and develop a habit of savings to make them financially literate from an early age.

Currently, there are 60 banks in the country, and most of them are running school banking programmes. Although they didn't get much success in the first year, the adoption picked up in the following year.

Only 29,080 student accounts were opened in 2011. The number rose to 1.33 lakh in 2012. It now stands at 27.86 lakh, according to the latest data of the central bank.

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## 4 new pawns for stock gamblers

### ANALYSIS

AHSAN HABIB

Four small capital-based companies which have returned from the over-the-counter (OTC) market have been turned into new pawns by gamblers in Dhaka Stock Exchange (DSE).

The stock market regulator allowed Bangladesh Monospool Paper Manufacturing Company, Paper Processing and Packaging, Tamijuddin Textile Mills and Monno Fabrics to return to the main market and their trading started a week ago.

Soon after getting listed in the main board, the stocks started taking abnormal leaps although their financial performance

is not that better than many other listed companies of the same price.

Furthermore, when the bourse wanted to know whether they had any reason for it, they informed to have no undisclosed price sensitive information.

The Monospool's stocks rose 134 per cent to Tk 129 in a span of eight trading days.

Meanwhile, the Processing's stocks advanced 133 per cent, the Tamijuddin 132 per cent and the Monno 132 per cent.

Market analysts believe the basis of the rise are solely rumours and gamblers were picking such companies as it was easy to manipulate those with a low paid-up capital.

The Monospool has a paid-up capital of Tk 3.2 crore, the Processing Tk 3.73 crore and the Tamijuddin Tk 30 crore.

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### MISMATCH BETWEEN STOCK PRICES AND EARNINGS

COMPANY NAME	Paid-up capital (in crore taka)	EPS (Jul-Mar)	STOCK PRICE
Bangladesh Monospool Paper	3.2	Tk 0.28 (fell 94%)	134% rise
Paper Processing & Packaging	3.73	Tk 0.44 (fell 84%)	133% rise
Tamijuddin Textile Mills	30	Tk 0.91 (rose 20%)	132% rise
Monno Fabrics	115	Tk 0.04 (fell 33%)	132% rise



A desolate Foy's Lake Concord Amusement World in Chattogram. The amusement park industry is on the brink of collapse as owners are struggling to pay salaries, bank loans and hefty maintenance costs amid an ongoing closure that began in April due to the recent resurgence of Covid-19. The photo was taken on Wednesday.

RAJIB RATHAN