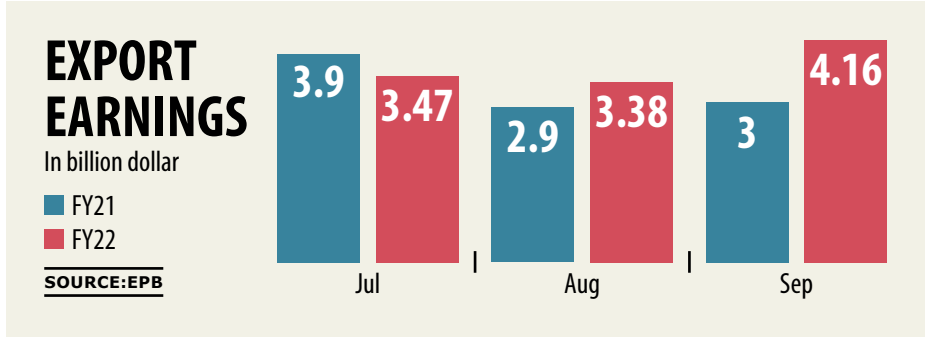


\$4.16b in Sept, highest ever monthly exports



REFAJET ULLAH MIRDHA

Bangladesh has recorded its highest single-month export earnings at \$4.16 billion in September this year thanks to a strong rebound of garment shipments amid a recovery of the global supply chain from the severe fallout of the Covid-19 pandemic.

The September data showed exports earnings climbed 38 per cent year-on-year from \$3 billion the previous year.

Exporters registered previous two highs in 2019: \$3.67 billion in January and \$3.8 billion in May.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, said earnings from garment shipments increased mainly for the reopening of the Western economies

from the severe fallout of Covid-19.

With the reopening of the economies, demand for woven garment items also started growing.

Demand for woven garment items, mostly worn outdoors, fell significantly because of people staying at home for longer periods, which in turn increased the use of the comfortable knitwear items such as polo shirts and t-shirts.

"We are expecting the trend of positive export growth of garment items from the country will continue in the coming months as we have already received more than the expected work orders from international clothing retailers and brands," said Hassan.

With the September earnings, total export earnings in the first quarter of the current fiscal year beginning from July stood at \$11 billion, registering 11 per cent growth over \$9.89 billion during the July-September period of the previous fiscal year.

Of the earnings in the three-month period of the current year, \$9 billion came from garment items, which registered 11.4 per cent growth year-on-year.

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Local suppliers feel the heat of Chinese power cuts

REFAJET ULLAH MIRDHA

Power cuts in China have started to affect Bangladesh's garment and other industries reliant on raw material supply from the country, a blow that could derail the recovery of the economy from the coronavirus pandemic.

China is the main source of raw materials for export-oriented local garment, textile, garment accessories, pharmaceutical and plastic goods.

So, if production in the industries in the world's second-largest economy is hampered, it will have implications for Bangladesh.

Bangladesh imports nearly \$18 billion worth of goods, mainly industrial raw material from China, the country's largest trading partner.

Take the example of Rasel Khandokar, country marketing representative of Bonher Textile, a Chinese textile supplier.

He supplied two million yards of fabrics in 2019 to garment factories.

In 2020, his business was severely affected due to the pandemic. He has sold 1.1 million yards of fabrics so far this year.

The electricity crisis in China comes at a time when Khandokar's business is recovering from the fallout of the pandemic as the global supply chain is returning to normalcy.

The Chinese company mainly supplies fabrics that Bangladesh does not produce, like viscose, synthetic fabrics, man-made fibre yarn, fabrics for outerwear, and specialised fabrics for garment

POWER CUTS IN CHINA FACTORIES

Chinese power cuts affecting Bangladesh's garment and other sectors

Chinese factories cannot run in full swing due to power cuts

China is the main source of raw materials for export-oriented industries

Reasons of power cuts: lowering carbon emission, coal crisis

Bangladesh imports \$18b worth of goods from China per year

Uncertainty has been created in supply chain

ADB extends \$1.78b for Dhaka-Sylhet corridor

STAR BUSINESS REPORT

The Asian Development Bank is providing \$1.78 billion in loans to Bangladesh under the multi-tranche financing facilities, making it the highest proposed financing from the Manila-based lender against any single project.

The "South Asia Sub-regional Economic Cooperation Dhaka-Sylhet Corridor Road Investment Project" will be implemented under a framework financing agreement (FFA), the finance ministry said in a statement yesterday.

Under this FFA, a loan of \$400 million for tranche-1 was approved on September 8 this year, according to the statement.

The main objective of the project is to improve the sub-regional transport and trade through upgrading the 209.33 kilometres of corridor to a four-lane standard with the feature of the slow-moving vehicular traffic lane.

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Rising int'l coal prices may affect domestic market

Relevant industries cautious about outcome

JAGARAN CHAKMA and KONGKON KARMAKER

A huge demand for coal in China has had a butterfly effect that may reach Bangladesh's construction, garment, and power generation industries as the highly-required fossil fuel is becoming increasingly expensive in

global markets.

International prices of coal soared about 70 per cent per tonne over the past year as the demand for the fuel has risen amid the global economic recovery.

As a result, the cost of both domestic and foreign coal used for industrial or

personal purposes has risen.

Bangladesh completely depends on imports for its annual requirement of about 80 lakh tonnes of coal, 70 per cent of which is used by brickfields while the rest goes to garment makers and the power sector, according to Falah Uddin Ali Ahmed, a major coal importer.

At best, there are just 10 or 12 companies, including Partex, Bashundhara, Akij and Uttara traders that import coal from Australia, Indonesia, India and South Africa.

And putting aside the ripple effect of China's ban on Australian coal, the situation worsened when conservationists prevented coal imports from India for around eight months.

"So, the price of coal in Bangladesh increased as a direct result of the impacts in international markets as well as higher freight costs amid the ongoing pandemic," Ahmed said.

As such, the price of coal has reached as much as \$120 per tonne now while it was around \$70 per tonne just one year ago.

Similarly the price of coal in local markets has risen to about Tk 18,000 per tonne while it was previously Tk 8,000 at the same time last year.

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Bangladesh completely depends on imports for its annual requirement of about 80 lakh tonnes of coal.

STAR/FILE

Tax receipts rise as economy recovers

But Jul-Aug collection lags far behind target

SOHEL PARVEZ

Revenue collection soared nearly 15 per cent to Tk 34,548 crore in the July-August period of the current fiscal year from Tk 30,160 crore, powered by a recovery in economic and business activities since lifting of the countrywide lockdown early August.

Surging imports extended support to revenue collection growth through overseas trade, according to provisional data from the National Board of Revenue (NBR).

Despite the strong gain, the revenue collector still lagged Tk 5,215 crore behind its target of Tk 39,759 crore for the first two

months of the fiscal year.

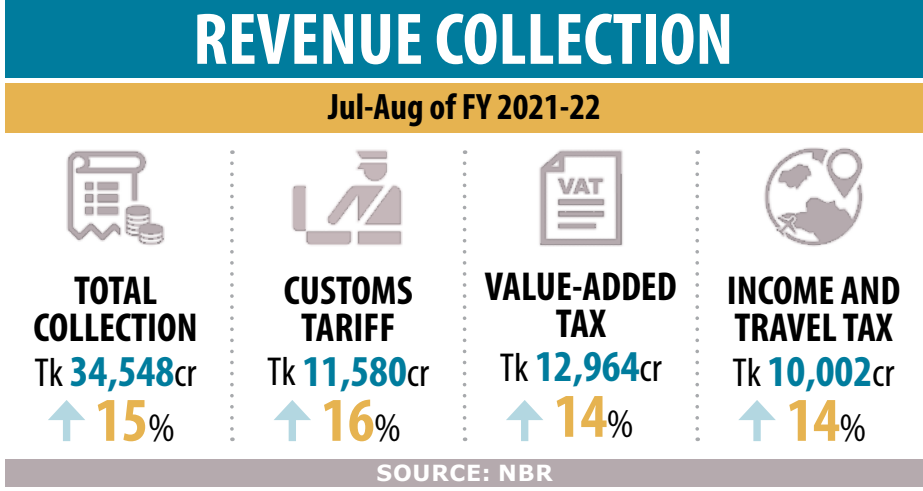
The NBR has been tasked with collecting Tk 330,000 crore from the whole of the fiscal year ending in June.

Towfiqul Islam Khan, senior research fellow of the Centre for Policy Dialogue (CPD), said the annual collection target was unlikely to be achieved despite the growth.

He said the latest collection growth was in line with the recovery following the second wave of the coronavirus pandemic.

"Surely, increasing provisions for tax deducted at source in the last budget has also helped," he said.

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