

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.78%	▼ 0.45%	\$1,769.26 (per ounce)	\$84.86 (per barrel)	▲ 0.94%	▲ 1.81%	▲ 0.29%	▲ 0.40%	BUY TK 84.70	97.25	115.65	12.94
7,186.46	12,625.03			61,305.95	29,068.63	3,173.91	3,572.37	SELL TK 85.70	101.05	119.45	13.60



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BUSINESS

DHAKA MONDAY OCTOBER 18, 2021, KARTIK 2, 1428 BS
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Jute exports slump on costly shipping

SOHEL PARVEZ

The rising shipment of jute and jute goods from Bangladesh has come to a halt owing to higher prices of the raw fibre and unprecedentedly high freight costs.

Jute millers fetched \$212 million in exports in the first quarter of the current fiscal year, down 31 per cent year-on-year, data from the Export Promotion Bureau (EPB) showed.

“We are really depressed. Buyers are not placing fresh orders unless purchases are essential,” said Mohammad Mahbubur Rahman Patwari, chairman of the Bangladesh Jute Mills Association (BJMA).

Raw jute prices in the local market have remained at an elevated level while container freight cost shot up by nearly 10 times to \$18,000-\$19,000 because of the global container crisis in the last one year.

The fresh blow for the industry comes several months after export earnings from jute and jute goods hit \$1.16 billion in the fiscal year 2020-21, the highest on record,



EXPORT OF JUTE, JUTE GOODS

In million \$; Jul-Sep period;

SOURCE: EPB



EXPORTS IN FY22

(Jul-Sep)

Raw jute	\$39m	4%	↓
Jute yarn & twine	\$127m	40%	↓
Jute sacks & bags	\$25m	28%	↓

REASONS FOR FALL

Flow of order shrinks for high prices of raw jute

Soaring freight charges also affect demand



driven by a higher price of raw jute and an increased demand.

Millers say buyers are slashing orders against the backdrop of spiralling prices of the natural fibre, which hit a historic high of more than Tk 5,000 per maund in February this year owing to

higher demand for exports and a decline in crop production in the previous season.

And the rising container freight charge worsened the situation for jute mills, which make yarn, twine, bags, sacks and other jute goods for mainly the export

markets.

Supported by favourable weather, farmers in Bangladesh annually grow roughly 80 lakh bales of jute over the past five years. The fibre is used mainly for industrial purpose.

Fresh harvest of raw jute has

arrived in the market, but the raw jute is selling at Tk 2,500-Tk 3,100 per maund.

Patwari says the prices are still high, and international buyers are switching to alternatives of jute goods.

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Steel prices go up

Reasons include price hike of raw materials, supply constraints

JAGARAN CHAKMA

Steel prices in Bangladesh have been on an upward curve as millers hiked the rates in the wake of continuous spiralling of scrap metals in the international market owing to a pickup in demand and constrained supplies.

In the last one year, the price of steel has up gone by 38 per cent in Bangladesh, which will push up the construction cost of bridges, culverts, flyovers and homes, according to industry people.

The retail price of 60-grade MS (mild-steel) stood at Tk 75,700 per tonne yesterday, up from Tk 73,000 two months ago and Tk 55,000 last year, data from state-run Trading Corporation of Bangladesh showed.

The price of scrap metals, which are used to produce steel products, has increased in the international market due to the constrained supply globally after production declined in Japan and European countries due to the coronavirus pandemic.

At the same time, demand picked up after



the economies began to operate in full swing in keeping with the easing of coronavirus restrictions, driving up the price of scrap steel in most markets.

“The impact of the rising price of scraps

globally is being felt in the local market in Bangladesh,” said Tapan Sengupta, deputy managing director of BSRM, the largest steelmaker in Bangladesh.

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IPDC Finance’s Q3 profit rises 18pc

STAR BUSINESS REPORT

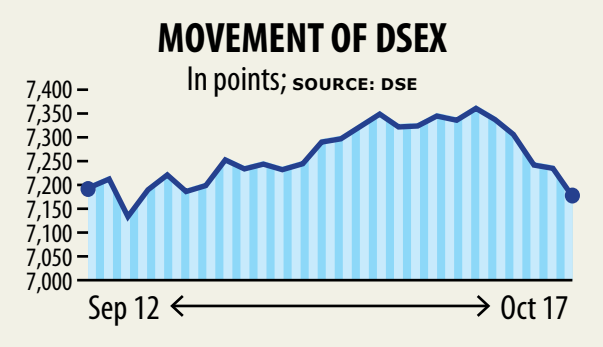
IPDC Finance Limited witnessed higher profits year-on-year in the July-September period (third quarter) of the current year despite generating a lower net interest income.

The profits of the non-bank financial institution were augmented by higher investment income and commission.

It logged net profits of Tk 22 crore in the quarter, up 18 per cent from Tk 18.61 crore in the same period of the previous year.

Investment income rose 16 per cent to Tk 10.1 crore in the period. However, net interest income dropped 6 per cent to Tk 50.2 crore.

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Turnover of the DSE, however, rose 15 per cent to Tk 1,655 crore from Tk 1,433 crore the preceding day.

At the DSE, 65 stocks advanced, 287 fell and 24 remained unchanged.

The Dhaka stocks witnessed another big fall as the shaky investors continued profit booking sell-offs on large cap sectors, said International Leasing Securities Limited in its daily market review.

Some investors continued restructuring their portfolios to take up fundamentally sound stocks based on their ongoing earnings and dividend declarations, it said.

Heavy sales pressure was observed in general insurance, paper, IT, mutual fund and pharmaceuticals sectors. However, optimistic investors opted for tannery, cement and financial institution sector stocks, it added.

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Int’l trade summit from Oct 26

STAR BUSINESS REPORT

A week-long international trade and investment summit will be organised from October 26 celebrating the birth centenary of Bangabandhu Sheikh Mujibur Rahman and 50 years of Bangladesh’s independence.

The virtual “Bangladesh Trade & Investment Summit 2021” will be jointly hosted by the Ministry of Commerce and Dhaka Chamber of Commerce & Industry (DCCI).

The meeting will help showcase and take necessary measures in formulating new policies to grow into a developed economy, speakers told a press conference at the DCCI auditorium yesterday.

Bangladesh has made remarkable progress, especially in electricity generation and infrastructure development, which is an added advantage to attracting foreign trade and investment, they said.

Commerce Minister Tipu Munshi said the ministry was relentlessly working to get free and preferential trade agreements signed with countries that bear potential for delivering benefits.

The agreements will tackle challenges that will arise once Bangladesh makes the United Nations status graduation from a least developed to a developing country, he said.

“(The summit) will be a great platform to connect the traders and investors around the world,” he said.

“Our exports are mainly dependent on RMG and it is high time for us to work on other potential sectors to expand our export market and diversify our products as well,” said Munshi.

In a presentation, DCCI President Rizwan Rahman said the summit would highlight nine sectors underscoring critical enablers and avenues of the economy which demand massive investments.

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PHOTO: SHEIKH NASIR

Bangladesh is the 9th largest tea producer in the world with about 165 commercial plantations across the country, most of which are based in Sylhet’s Moulvibazar district, according to Bangladesh Tea Board. With this year’s harvesting season coming to a close, tea gardens in the region are now bustling with activity. Here, some plantation workers are seen carrying away sacks of tea for weighing at the Shathgao tea garden in Moulvibazar Sadar upazila. The picture was taken recently.



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