

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.62%	▼ 0.67%	\$1,790.76 (per ounce)	\$84.22 (per barrel)	▼ 0.18%	▼ 0.43%	▲ 0.41%	▼ 1.10%	BUY TK 84.75	97.31	114.86	13.02
6,954.35	12,256.58			60,029.06	29,520.90	3,232.37	3,505.63	SELL TK 85.75	101.11	118.66	13.69

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BUSINESS

DHAKA WEDNESDAY NOVEMBER 3, 2021, KARTIK 18, 1428 BS
 starbusiness@thedailystar.net

Exports firing on all cylinders

October receipts leap to single-month high of \$4.72b

REFAJET ULLAH MIRDHA

Exporters in Bangladesh have kept setting new records as merchandise shipment fetched \$4.72 billion in October, the highest single-month receipts.

The earnings were 60.37 per cent higher year-on-year, data from state-owned Export Promotion Bureau (EPB) showed yesterday.

October's receipts shattered the previous single-month highest export earnings posted in September when overseas sales brought home \$4.17 billion.

The stunning rebound in apparel shipment contributed to the surge in the earnings last month.

The export of garments, which usually account for about 85 per cent of the national shipment, surged for a confluence of factors.

There was the relocation of work orders from China, Vietnam, India, and Myanmar as the cost of production has risen in those countries.

A good portion of the earnings in October was down to the settlement of the deferred payments the local suppliers had faced last year after international buyers suspended or put on hold orders worth \$3.18 billion owing to the severe fallout of Covid-19.

The US and European buyers also bought goods from Bangladesh in bulk quantity to sell them in the run up to Christmas as the developed economies have returned to normalcy on the back of a rapid coronavirus vaccination.

Besides, the buyers offered better prices for the garment items made in Bangladesh as they took into account the higher freight cost and prices of raw materials used to produce the goods, exporters say.

In July to October, the first four months of the current fiscal year, the earnings from garment shipment were \$12.62 billion, up 20.78 per cent year-on-year.

Of the sum, \$7.21 billion came from the knitwear shipment, which grew 24.27 per cent. Woven garment shipment rose 16.41



DRIVERS OF EXPORT GROWTH

Jul-Oct period

SOURCE: EPB

Knitwear: \$7.21b ↑ 24%

Woven garments: \$5.41b ↑ 16%

Agriculture products: \$464m ↑ 29%

Home textile: \$412m ↑ 16%

Leather and leather goods: \$364m ↑ 29%

Engineering products: \$339m ↑ 142%

per cent to \$5.41 billion, EPB data showed.

Shahidullah Azim, vice-president of the Bangladesh Garment Manufacturers and Exporters Association, said the demand for garment items had picked up as people were coming out of their homes thanks to the improvement in the pandemic situation.

He said the export would continue to grow if exporters could expand their capacity since they were receiving a handsome quantity of orders from the buyers, who were diverting orders from China, India and Vietnam.

"Our shipment is increasing in Asian markets," he said, adding that buyers had started releasing the deferred payments.

The entrepreneur, however, warned about the disruption to the supply chain caused by the power cuts in China as

Bangladesh imports a significant quantity of fabrics from the world's second-largest economy to make woven garments for the export markets.

Domestically, Bangladesh needs to improve road, port, airport and transport infrastructures to retain the export momentum, he said.

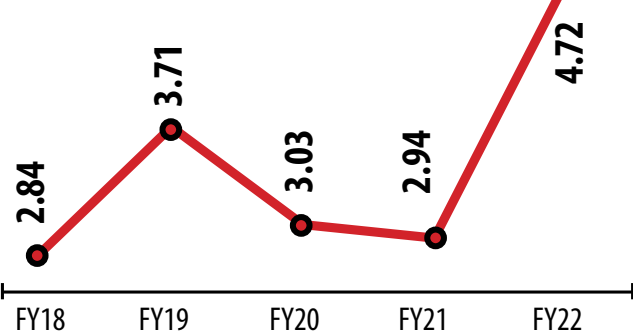
Md Saiful Islam, president of the Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh, echoed Azim, saying the higher trend of exports would continue.

"This is because globally, countries are cutting their reliance on a single country which is China."

He said the prices of locally made items were going up gradually as manufacturers now shipped high-end products to Europe and the US, the two largest export

EXPORT RECEIPTS IN OCTOBER

In billion dollar



SECTOR SUFFERING LOSS

Jute and jute goods: \$332m ↓ 24%

TOTAL EARNINGS

\$15.74b ↑ 23%

destinations for Bangladesh.

"However, the longer lead time is still a major challenge."

Overall, export earnings increased 22.62 per cent to \$15.74 billion in July to October, according to the EPB.

Frozen and live fish exports grew by 17.46 per cent to \$225.23 million, agricultural products rose 29.34 per cent to \$464.11 million, and leather and leather goods shipments were up 28.85 per cent to \$364.9 million.

The sales of terry towels in the export markets posted 31.90 per cent growth to take the earnings to \$16.83 million during the four-month period. Home textile exports went up by 16.52 per cent to \$412.78 million.

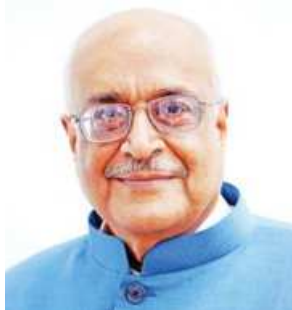
Jute and jute goods exports, however, fell by 24.11 per cent to \$332.98 million.

Weakening exchange rate driving down remittance flows

Economist Debapriya Bhattacharya says in an interview

AKANDA MUHAMMAD JAHID

The flow of remittance to Bangladesh has been shrinking for the last several months as the number of people going abroad in search of jobs is declining and money transfers through informal channels like hundi have made a comeback with the ease of pandemic restrictions.



Debapriya Bhattacharya

Expatriate Bangladeshis sent home \$1.65 billion in October, down 4.6 per cent from the previous month and 21.7 per cent year-on-year, data from the Bangladesh Bank showed.

Speaking about the factors for the sharp decline in remittance, Debapriya Bhattacharya, a distinguished fellow at the Centre for Policy Dialogue, says the first thing is that the number of Bangladeshis going abroad for jobs has fallen over time.

Moreover, as people's international movement resumed after a lull for more than a year owing to coronavirus restrictions, the global hundi cartel, which operates an illegal cross-boundary financial system, has become active again.

But the flow of remittance, which plays a major role in strengthening the country's foreign exchange reserves, fell 20 per cent year-on-year to \$7.05 billion in the first four months of the current fiscal year.

The decline came after it had posted 36 per cent year-on-year growth in the last fiscal year, the sharpest in 30 years.

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City Bank arranges Tk 742cr for power plant

STAR BUSINESS REPORT

City Bank has arranged a Tk 742 crore syndicated loan with Bank Asia and Eastern Bank for a heavy fuel oil-based power plant being run by Manikganj Power Generations Ltd.

The financing will help the power plant operate smoothly, said a City Bank official. The plant, located at Shingair of Manikganj, has a production capacity of 162 megawatts (MW) and is owned by Doreen Group.

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Bangladesh to be ostracised if coal not phased out

Planning minister says

STAR BUSINESS REPORT

Bangladesh could be ostracised if it does not phase out coal-based power projects, Planning Minister MA Mannan said yesterday.

"We must get out of the coal-based power industry because if we don't, we will be alone with the whole world on one side and us on the other," he said during a webinar on energy efficiency financing.

Mannan went on to say that the government was looking for alternative sources of energy.

For example, the prime minister has already emphasised on building a second nuclear power plant and as such, a search for adequate space for the project has

begun in the country's southern region.

"It is a green and profitable alternative to fossil fuel-based power generation," Mannan said.

By using fossil fuel, the world has achieved development through the industrial revolution. Although only a few grabbed the benefits of that revolution, all of humankind has been facing grave consequences ever since.

"We have to find an alternative to fossil fuel and phase out coal," he added.

In the name of low cost loans, many development partners impose conditions that make project implementation difficult and Bangladesh has been paying the price for such conditional loans, he said.

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\$121m US assistance provided for SMEs

Says envoy

STAR BUSINESS REPORT

The US has provided \$121 million in financial assistance for disbursement among small and medium enterprises, especially rural ones, affected by the pandemic's severe fallout under a corporate social responsibility programme, said the US ambassador to Bangladesh yesterday.

The envoy, Earl R Miller, said the Covid-19 and vaccination situation has been improving in Bangladesh.

The vaccination programme uses US donations of Pfizer and Moderna vaccines. "To date, the United States has donated 15 million doses," he said.

The USAID on October 19 announced \$25 million in funding for the vaccination campaign and Bangladesh's capacity to develop oxygen supplies, he told

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