

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 1.23%	▼ 1.67%	\$1,807.20	\$73.52	▼ 1.54%	▼ 1.79%	▼ 0.55%	▼ 1.16%	BUY TK 84.85	94.32	111.91	13.05
6,783.19	11,862.07	(per ounce)	(per barrel)	57,011.74	28,545.68	3,111.63	3,632.36	SELL TK 85.85	98.12	115.71	13.73



Star

BUSINESS

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Rahul Anand (centre), division chief of IMF's Asia and Pacific department, speaks at a press briefing at the InterContinental Dhaka yesterday.

Phase out interest caps

IMF also suggests ending regulatory forbearance

STAR BUSINESS REPORT

The International Monetary Fund (IMF) yesterday advised the government not to extend general forbearance to banks and corporations.

The Washington-based multilateral lender also called for phasing out the interest rate caps on lending and deposits.

It sounded the alarm about Bangladesh's ongoing economic recovery given the rapid spread of the latest variant of Covid-19, saying that it may have an adverse impact on the rebound.

The IMF also suggested the government widen its tax to GDP ratio, ensure exchange rate flexibility and strengthen the business-friendly environment to attract foreign direct investment (FDI).

An IMF team offered these recommendations during a press briefing at the InterContinental Dhaka after completing several meetings with different government entities and representatives of businesses, banks and labour unions.

Rahul Anand, division chief of the IMF's Asia and Pacific Department, led the team, which visited Bangladesh between December 5 and December 19 under the multilateral lender's Article IV consultation.

The IMF yesterday raised its projection on the country's economic growth for fiscal 2021-22 from 6.5 per cent to 6.6 per cent. However, the projection is still lower than the government's target of 7.2 per cent.

The GDP growth is expected to pick up further to hit 7.1 per cent in FY2022-23, the IMF said.

Explaining the slight rise in this year's growth forecast for Bangladesh, Anand said the country's export sector was doing well.

"We have seen lots of export orders being diverted from Vietnam, Myanmar, China and India to Bangladesh, and that is helping the country increase its export earnings," he said.

In addition, business activities, including that of the garments sector, have picked up, prompting the IMF to raise its projection.

"But, there are uncertainties around this because we still have half a year till the fiscal year ends."

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It seems like Santa's workshop has shifted to Dhaka as scenes like this are commonplace ahead of Christmas, the biggest religious festival for the Christian community. The photo was taken at Farmgate in the capital yesterday.

PHOTO: PROBRIS DAS

Ctg port's container handling hits record high

Indicates economy is roaring back, say businesses

DWAIPAYAN BARUA, Ctg

Chittagong port handled 31.15 lakh twenty-foot equivalent units (TEUs) of containers so far this year, the highest since it began dealing with containers in 1977, as the economy of Bangladesh is returning to normalcy at a faster clip.

The premier seaport of the country handled these import, export and empty containers as of yesterday, according to data from the traffic department of the Chittagong Port Authority (CPA).

The CPA prepares the data by calculating the number of containers loaded and unloaded at the main jetties of the port, the Pangaon Inland Container Terminal in Keraniganj, and the Kamalapur Inland Container Depot (ICD) in Dhaka.

"This is a very good sign. We hope export and import will continue to grow," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), which represents the readymade garment industry that brings 84 per cent of the country's \$38.7 billion export earnings.

Annual container handling by the port crossed 30 lakh TEUs for the first time in 2019. The growth in the container handling was in the negative last year because of the drop in foreign trade due to the impact of the pandemic.

Due to the decrease in the volume of container handling, the port slipped nine notches to 67th in the latest ranking of Lloyd's List's One Hundred Container Ports.

Port officials now say the figure may reach 32 lakh TEUs by the end of 2021.

Speaking about the record container



handling, Chittagong Chamber of Commerce and Industries Vice President Syed Md Tanvir said, "It definitely indicates that the country's economy is moving

towards the pre-pandemic period. We have already recovered from the hit of the pandemic and we will go further."

"The growth potential is there. We expect that the port will also be ready to handle the growth," said Tanvir, also the managing director of Pacific Jeans, a denim exporter.

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Malek Spinning closes RMG unit for losses

STAR BUSINESS REPORT

Malek Spinning has decided to shut the RMG unit of its subsidiary Salek Textile Mills due to continuous losses and low demand for its products.

The board of Malek Spinning approved the closure of the readymade garment unit with effect from December 31, 2021 due to accumulated losses and expiry of the lease agreement of the factory building and premises, said the company in a regulatory filing posted on the website of the Dhaka Stock Exchange (DSE) yesterday.

Malek Spinning holds 97.925 per cent stake in Salek Textile.

The RMG unit has a capacity of producing 66 lakh pieces of garment items per annum, according to the company's annual report.

The unit produces some special

types of denim garments that have gone out of fashion in the international market, said Syed Saiful Haque, company secretary of Malek Spinning.

So, it incurred losses in the last two financial years. The loss stood at Tk 12 crore in 2019-20 and Tk 2 crore in 2020-21.

The liabilities of the unit will be settled by selling the assets of the unit such as factory plant and machinery, and borrowing from Salek Textile.

Malek Spinning will not have to bear any cost related to the settling of the liabilities, said the disclosure. Malek Spinning shares closed 3.19 per cent lower at Tk 27.30 on the DSE yesterday.

The textile sector in general, and the RMG sector in particular, had faced various internal and external difficulties, said AFM Zubair,

chairman of Malek Spinning, in the annual report for 2020-21.

Enhanced and costly compliance standards from customers, new regulations in regard to building and fire safety, high wage rate as fixed by the government, and the price hike of power and gas had had direct negative impact on the cost of production and the price of products and export revenues, making survival difficult, he said.

Despite the adverse effect of the Covid-19 pandemic, Malek Spinning had succeeded in clocking higher net profit thanks to an increase in turnover in 2020-2021.

Sales rose 53 per cent year-on-year to Tk 1,503 crore in the last financial year, while profits surged to Tk 65 crore reversing from a Tk 33 crore loss in the previous year, according to the annual report.

NBR eases bonded warehouse rules to boost exports

SOHEL PARVEZ

With many export-oriented firms facing losses for cancellation of export orders by buyers or other factors and sit with stock of raw materials, the National Board of Revenue (NBR) has relaxed rules regarding holding period of raw materials imported duty-free by firms under bonded warehouse licence.

Additional time will be granted for export-oriented factories with bonded warehouse licence if the quality of raw materials remain good and the firms' get buyers abroad.

The decision is welcomed by the exporters as it facilitates exports and cuts the exporters' risk of increased liabilities.

"It is a good decision," said Faruque Hassan, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the country's one of the largest trade associations representing readymade garment industry, which accounts for nearly 84 per cent of annual exports of \$38.7 billion.

He said exporters bring in raw materials in order to make finished products for shipping. On many occasions, buyers cancel orders, go bankrupt.

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Yuletide spirit comes to town

Hotels, restaurants, shops decked out for Christmas

MAHMUDUL HASAN

With Christmas just around the corner, upscale hotels are organising parties, restaurants are floating various offers and shops are stocking up on festive products ahead of the biggest religious festival for the Christian community.

For example, Boss Cosmetics in Dhaka's Farmgate is selling artificial Christmas trees, Santa dolls, hats and other items.

"As there is a Christian community in the capital's Farmgate area, we sell different items every year and the response from customers is tremendous," Md Shaju, the shop's proprietor, told The Daily Star.

For the last few days, about 45 to 50 customers have visited the shop and over a dozen of them made purchases. The price of a plastic Christmas tree starts from Tk 250 and stretches up to Tk 10,000 depending on quality and size.

"Not only the Christian community, but a significant number of products are sold to different business outlets as they adorn their floors with Christmas trees and lights," he said.

Aarong, a leading lifestyle brand, is one such business that has already decorated its Gulshan outlets in Christmas colours.

"We plan to decorate all of our outlets in the Christmas theme," said Mohammad Ashraf Alam, chief executive officer of Aarong.

During the yuletide season each year, Aarong introduces a colourful collection of clothing alongside many decorative pieces to commemorate Christmas.

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Walton launches e-commerce company Walcart

STAR BUSINESS REPORT

Walton, one of top local electronics and home appliance manufacturers and exporters, yesterday launched its e-commerce platform Walcart Limited to capture a major share of the growing online business.

In a press release, Walcart said it has targeted to achieve the highest consumer satisfaction and represent the country in the global arena.

"We will not give any crazy offer to our consumers. We will sell goods in 20 categories primarily, and gradually will sell all kinds of products targeting all kinds of consumers," said Sabiha Jarin Orona, managing director of Walcart, over phone.

She did not disclose the amount of initial investment in Walcart.

The opening ceremony of the platform was held at Walton corporate office in Dhaka.

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