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PHOTO: STAR/FILE

Bangladesh primed for \$8B MONTHLY RMG EXPORT

STAR BUSINESS REPORT

Garment manufacturers are confident about supplying garment products worth \$8 billion a month to international buyers after Bangladesh consolidated its place in the global supply chain by remaining open for businesses even during the peak of the coronavirus pandemic.

The government's bold move contrasts to many garment-producing countries that kept shut factories to tame the raging virus. What is more, apparel and textile entrepreneurs in Bangladesh have kept expanding to meet the growing demand as economies return to normalcy.

Now, local apparel manufacturers are flooded with orders and many global retailers and brands have moved orders to Bangladesh from its competitor countries.

"Bangladesh is gradually getting ready to cater garment work orders worth \$7 billion to \$8 billion every month. At

present, we are not capable of supplying products worth \$7 billion to \$8 billion, but we are expanding our capacity," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The target would be double the current level.

For the first time in the history of Bangladesh, the monthly export of garment items crossed \$4 billion in December, helped by a surge in demand in keeping with the global recovery from the severe fallouts of Covid-19.

Hassan shared his views at an event styled "ERF Dialogue" at the conference room of the Economic Reporters' Forum (ERF) in Dhaka yesterday.

The pandemic is far from over, and what is more, Omicron, the latest variant of Covid-19, is spreading fast across the world although it has not proved to be fatal like that of the Delta variant.

But the virus is sweeping across Europe and the US, the

two main export destinations of Bangladesh and home to more than 80 per cent garment shipment from the country.

But Hassan is unflinching. "Garment exporters are not worried as no work order has been cancelled or suspended because of Omicron so far. Only a few buyers have demanded deferred shipments for 10 to 15 days." The reason for Hassan's bullishness is some export destinations are increasingly becoming major buyers. And he is hopeful that shipment to a number of Asian markets, including India, China, South Korea, and Japan will surge in the near future as buyers are placing more orders.

In Asia, only Japan has turned into a \$1-billion market for Bangladesh. But India, China, and South Korea would soon follow suit, he said. Since the garment export is on the rise, a lot of investment will flow to the spinning, weaving, dyeing and other primary textile sectors in 2022,

according to the entrepreneur.

The spinning sector witnessed a major jump in investment last year as entrepreneurs set up 26 new mills to meet rising demand. Entrepreneurs pumped Tk 5,970 crore in the new manufacturing plants.

"The current trend of garment exports will continue up to April this year as we are booked with a huge quantity of orders," said Hassan. Garment export from Bangladesh to the US is also rising.

And Hassan called on the US to reinstate the Generalised System of Preferences (GSP) as manufacturers had improved the workplace safety and compliance in sync with global standards and the conditions set by the American government.

The US suspended GSP for Bangladesh in June 2013, citing serious shortcomings in labour rights and workplace safety.

The BGMEA chief stated that there were some issues related to the National Board

of Revenue, the customs department and the port that should be resolved through discussions for maintaining the current positive course of exports. Despite the major strides made by the garment sector in Bangladesh in recent years, both the number of workers and active factories have declined. Hassan, however, could not say immediately how many factories were closed and workers lost jobs.

The BGMEA is carrying out three studies on technical garment products, fibre diversification and the post-Covid-19 roadmap to lift the industry to the next league.

"The studies are aimed mainly at finding out the potential markets and how to shift the production base to high-end garment items and technical clothing items," Hassan added.

SM Rashidul Islam, general secretary of the ERF, moderated the dialogue, which was chaired by M Shafiqul Alam, acting president of the association.



Maksudha Khanam

Md Zoshim Uddin Bhuiyan

Exim Bank promotes two to deputy MD

STAR BUSINESS DESK

Exim Bank has recently witnessed the promotion of two of its additional deputy managing directors to the posts of deputy managing directors.

Of the duo, Maksudha Khanam joined the bank in 1999 as a principal officer, says a press release.

She started her banking career with National Bank in 1995 as a probationary officer on obtaining her bachelor's and master's degrees in economics from Jahangirnagar University.

Meanwhile Md Zoshim Uddin Bhuiyan joined the bank as a principal officer in 2000.

He started his banking career with City Bank in 1989 as a probationary officer on obtaining his bachelor's and master's degrees in accounting from the University of Chittagong.

Euro zone recovery stumbles

REUTERS, London

The euro zone's economic recovery stuttered in December as a renewed wave of Covid-19 infections curtailed growth in the bloc's dominant service industry, a survey showed on Wednesday, and could weaken further if tighter restrictions are imposed.

As the Omicron coronavirus variant spread rapidly at the end of last year governments reimposed measures to contain infection rates, particularly in Germany, Europe's largest economy.

That meant IHS Markit's Composite Purchasing Managers' Index (PMI), a good gauge of overall economic health, sank to 53.3 in December from 55.4 in November, its lowest since March.

While the final reading was below an earlier 53.4 "flash" estimate it did hold above the 50 mark separating growth from contraction.

"The final Composite PMIs for December confirm that the euro zone economy ended 2021 on a weak note. The economy lost momentum at the end of last year but still appeared to be expanding," said Jack Allen-Reynolds at Capital Economics.

US triumphs over Canada in trade dispute

AFP, Washington

The US government on Tuesday said it had won its fight with Ottawa over restrictions in the Canadian dairy market, claiming victory in the first-ever dispute under the revamped North American free trade pact.

But rather than remove a point of conflict between the trading partners, the issue may exacerbate stresses, since both sides have vowed to fight to protect their own industries and workers.

120MW solar power plants approved

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seven proposals were approved worth Tk 4,145.70 crore. South Korean companies Daehan Green Energy and HI Korea Company and Pabna Solar Power will jointly build an 80MW grid-tied solar power plant in Pabna's Ishwardi upazila.

The government will purchase electricity from it for 20 years at Tk 8.12 per unit for a total cost of Tk 1,843.20 crore.

Another venture among French company Total Eren SA, Norwegian Renewables Group AS and Urban Services will build the 50MW grid-tied solar power plant in

Mukttagachha upazila of Mymensingh.

Each unit will cost Tk 8.12, bringing the total cost to Tk 1,315.20 crore. This is also for the next 20 years.

Meanwhile, the government approved a four-year extension of a contract for a 40MW gas-based rental power plant in Bhola of Bangladesh Power Development Board with sponsor Venture Energy Resources. The total cost for purchasing electricity is Tk 360.90 crore, with each unit being of Tk 2.7176.

The government also extended the tenure of at least four gas-based rental power plants by 1 to 5 years last week.

Pharma export buoyant

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Remdesivir and Favipiravir – used to treat coronavirus patients has expanded the export basket of the pharma sector. Now, around 20 companies from Bangladesh, including Eskayef, Beximco, Incepta, Beacon, Square, Popular, Opsonin, ACI, Renata, and Ziska Pharmaceuticals export Covid-19 drugs.

Mohammad Mujahidul Islam, executive director for marketing & sales at Eskayef Pharmaceuticals Ltd, said although the pandemic has brought many challenges, the company has kept the supply of its regular medicines uninterrupted across the globe.

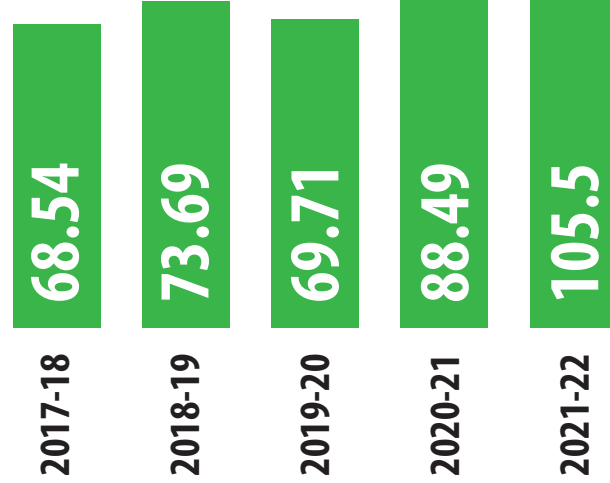
Apart from its regular basket of products, the company has contributed tremendously to the foreign sales of anti-coronavirus drugs as well. It introduced Remivir, the first global generic version of anti coronavirus drug Remdesivir, which was manufactured by US company Gilead Sciences Inc. "We have served Covid-19 patients in 43 countries with Remivir," Islam said.

Simultaneously, Fareast Islamic Life Insurance Company's life fund plunged 21 per cent to Tk 2,474 crore. CEO Mohammed

SHIPMENTS

(In million \$; Jul-Dec)

SOURCE: EPB



Eskayef has also exported the first generic version of oral anti-Covid medicine Molnupiravir under the brand Monuivir.

Recently, Eskayef launched the first-generation generic version of US FDA-approved oral anti-Covid-19 combination drug "Nirmatrelvir and Ritonavir" under the brand name "Paxovir" as its sole purpose of serving the humanity.

"Our pharmaceuticals

industry is proving its capability by manufacturing the generic version of anti-coronavirus drugs and supplying them globally.

This is helping us boost the export growth of the sector," said Monjurul Alam, director for global business at Beacon Pharmaceuticals.

"It was the result of timely decision of the government and courageous initiative of the

local manufacturers."

Beacon, however, is not taking new export orders for anti-coronavirus drugs as it has decided to cater to the local demand.

Alam thinks the pharmaceuticals sector will achieve significant growth in exports this year as companies are increasingly getting registration for new drugs and in new destinations.

Bangladesh also exports high-value drugs.

For example, oncology products account for at least 20 per cent of the total export earnings from the local pharmaceuticals industry.

Rabbur Reza, chief operating officer of Beximco Pharmaceuticals Ltd, says the pharma export value is gradually improving, and the growth will be faster in the coming years.

"This is because we continue to enter and consolidate our position in the emerging and developed countries."

The exports are not without challenges.

"We are facing challenges, especially in terms of rising costs of

many raw materials and freight costs," said Reza.

For example, the cost of shipping a 40-foot container unit has eased some 15 per cent from record highs above \$11,000 touched in September, according to the Freightos FBX index. But before the pandemic, the same container cost just \$1,300, reported Reuters in December.

Bangladesh exports more than 2,000 types of pharmaceuticals products to over 150 countries.

Of the total, antibiotic and oncology products account for 50 per cent of the items, said the Bangladesh Association of Pharmaceutical Industries (BAPI). SM Shafiuzzaman, managing director of Hudson Pharmaceuticals and secretary general of the BAPI, says the government is placing emphasis on the sales of pharmaceutical products abroad to raise exports.

Bangladesh's exports are largely concentrated in garments, which made up about 85 per cent of the annual external sales of \$38.76 billion in the last fiscal year.

NBR to outsource maintenance services

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receipts issued to customers by retailers through the EFDs to award prizes and encourage customers to seek receipts.

He said with the current manpower of the NBR, it can cover around one-third of the VAT area. "We cannot cover all the places to ensure proper collection of VAT from the retailers," he said.

It will bring good pace in retail VAT collection if electronic fiscal device (EFD) machines could be spread across the country through the outsourcing process, he said at the event at the NBR headquarters.

The move comes more than one year after the NBR began to install the much-talked-about electronic cash registers to fight VAT dodging, in August 2020 at the retailers, mainly in Dhaka, for free after purchasing the devices using taxpayers' money.

The revenue authority initially planned to install 10,000 EFDs and Sales Data Controllers (SDC) by June 2021 under the initiative.

It decided to expand the coverage gradually so that the state gets actual receipts of VAT, evasion of which is alleged to be rampant, particularly at

retails. It also launched a lottery to encourage consumers to ask for receipts of purchases issued by the EFDs.

Until now, the NBR could install nearly 3,500 EFDs, use of which is mandatory for 25 types of businesses, including shops, hotels, restaurants, sweet stores, clothing, furniture and electronics outlets and jewellers.

As per the latest plan to outsource the EFD, SDC and EFD management systems, the NBR would accept bids from interested firms until January 16, 2022, according to the tender notice.

Life insurance business lifeless for long

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business, the pandemic hit. "We are really trying," he added.

Simultaneously, Fareast Islamic Life Insurance Company's life fund plunged 21 per cent to Tk 2,474 crore. CEO Mohammed

Alamgir Kabir did not receive phone calls or reply to text messages.

Meanwhile, Padma Islamic Life Insurance's life fund plummeted 96 per cent to Tk 13 crore.

Company Secretary Shakhawat Hossain also did not receive phone calls

and reply to text messages.

During this time, Sandhani Life Insurance Company's life fund dropped around 12 per cent to Tk 797 crore.

Claim settlements have been higher than premium income, reasoned CEO Nemai Kumar Saha,

adding, "So, our liability is falling."

He lamented that business growth had not been that good while some insurers had not abided by rules, affecting the overall business.

"Our business is now growing," he added.

Its share price rose 80 per cent to Tk 36 in the last two years.

Stocks of Padma Life Insurance climbed 193 per cent to Tk 51, Sunlife 95 per cent to Tk 39, Fareast Islamic Life Insurance 56 per cent and Popular Life slightly up at Tk 85.