High-yielding hybrid rice saplings being nurtured under an initiative of the Department of Agricultural Extension at Rakudia village in Barishal's Babuganj upazila. Researchers have found 17 ecotypes of rice for the country's different ecosystems. The photo was taken recently.

PHOTO: TITU DAS

Garment exports to EU soar 24pc in Jul-Dec

Shipment to other major markets also strong

REFAYET ULLAH MIRDHA

Garment shipments to the European Union, including the UK, Bangladesh's single largest export destination, rose 23.83 per cent year-on-year to $12 billion in the current fiscal year's first half.

And this came about in spite of the pandemic's fallout in the global apparel supply chain.

With the reopening of the economy, garment shipments to the EU started rebounding strongly, notably from June last year. Shipments to other major export destinations also grew significantly.

For instance, garment export to the US market grew 45.91 per cent year-on-year to $4.23 billion between last July and December, according to data from the Export Promotion Bureau (EPB).

Bangladesh's garment shipments to the US have been witnessing a massive growth mainly for three important reasons – its competitive prices, the Biden administration's stimulus cheques for Americans which propelled demand in the economy and the US-China tariff war.

Meanwhile in the neighbouring North American country of Canada, apparel shipments from Bangladesh have witnessed a major growth of 23.78 per cent year-on-year to $0.60 billion.

Of the non-traditional markets, Bangladesh has been staging a strong performance in India, China and Japan.

Garment export also increased by 24.26 per cent year-on-year to $3.05 billion in the non-traditional markets during the same period, the data also said. Except for the EU, Canada and the US, all markets are considered non-traditional.

"I am hopeful that both the EU and the US markets will continue to perform strongly in the near future," said MA Jabbar, managing director of DBL Group, a leading garment exporter.

"The international retailers and brands have been coming up with loads of work orders with the strong reopening of their economies," he said.

DBL Group witnessed a 39 per cent year-on-year growth in export in 2021 and Jabbar expects to achieve the same this year.

Of the shipments, a majority were to the EU as the world's largest trade bloc is the main export destination for his products. Jabbar declined to mention the exact amount of export earnings by his company.

However, he is expanding his production capacity, which he said was for an abundant inflow of work orders to his factories.

Regarding Omicron and the markets, Jabbar said the retailers and brands want a continuous supply of goods as they were running their outlets in full swing.

"That means we also need to run our factories," he said.

Omicron might not have any serious negative impact on the shipments of goods to the major markets as this virus has so far not caused any massive loss of lives, he added.

AK Azad, chairman and chief executive officer of Ha-Meem Group, another leading garment exporter, said his group exported $750 million worth of garments and fabrics last year.

Of the amount, some $550 million is garment items, 95 per cent of which went to the US markets. Azad is expecting to ship $650 million worth of garment items at the end of the current year.

"The responses from the US retailers and brands are still very positive and I hope that it will continue to grow," Azad told The Daily Star over the phone.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, said the exports would continue to grow in the near future as retailers and brands still had high confidence in the global supply chain.

"We have been running the factories following the health protocols," he said.

"The overall situation is still very good and it is expected that the same condition will prevail as we have booked a lot of work orders from our retailers and brands," Hassan told The Daily Star over the phone.

Usually, the sale of clothing items is a bit slow in December and January as people in the Western world check their spending after Christmas celebrations, he said.

Even during such a time, the export order inflow is better than what it was during this time last year, Hassan said.

VAT benefit for mobile makers in economic zones, hi-tech parks

STAR BUSINESS REPORT

Mobile phone manufacturing or assembly plants in hi-tech parks and economic zones will get VAT benefits, according to a recent notification from the National Board of Revenue (NBR).

The companies have to obtain registration as manufacturers from the Bangladesh Hi-Tech Park Authority (BHTPA) and Bangladesh Economic Zones Authority in order to avail the value-added tax benefits.

The NBR offered VAT exemption to facilitate domestic manufacturing of mobile handsets in 2019.

At the time, it said manufacturers would require to be registered with the Bangladesh Investment Development Authority (BIDA) and Bangladesh Telecommunication Regulatory Commission to get the privilege.

However, it did not mention anything for factories established under the BHTPA.

To get full VAT exemption, manufacturers have to attain the capacity of manufacturing printed circuit boards, chargers, batteries, housings and casings of mobile sets.

Local handset production has made impressive strides in recent years, aided by the government's huge tax benefits unveiled in fiscal 2017-18. Since then, 14 plants have been set up while another four are in the pipeline, creating jobs for around 15,000 people.

Currently, about 58 per cent tariff is imposed on smartphone imports whereas the tax on locally assembled and manufactured handsets is about 15 per cent.

Recently, two companies started manufacturing Nokia and Maximus-branded mobile phones at the Bangabandhu Hi-Tech City in Gazipur.

Unilever eyes GSK's consumer goods arm in possible £50b deal

REUTERS

Consumer goods giant Unilever said it had approached Glaxosmithkline about buying the pharmaceutical group's consumer goods arm, after a newspaper reported that a 50 billion-pound ($68.4 billion) bid it made had been rebuffed.

Unilever, which has been under fire from some investors for the group's underperforming share price, confirmed the approach about a potential acquisition of the business in a statement on Saturday.

"GSK Consumer Healthcare is a leader in the attractive consumer health space and would be a strong strategic fit as Unilever continues to re-shape its portfolio," it said.

"There can be no certainty that any agreement will be reached."

GSK declined to comment on the approach.

Earlier, Britain's Sunday Times said the Unilever bid for the business made late last year was worth roughly 50 billion pounds, and had been rejected as too low by GSK and Pfizer, which owns a minority stake in the division.

More leeway for ICDs

FROM PAGE B1

The policy comes as businesses are calling for setting up more depots in line with the increasing volume of the country's foreign trade, which stood at over $100 billion in the last fiscal year.

According to the policy, a proposed ICD needs to have a storage capacity of 4,500 TEUs containers. It needs to have a five-year experience of handling export and import containers and cargoes and be located over an area of at least 15 acres.

The NBR adopted the policy to resolve the problems faced by the ICD operators due to the inconsistencies in the two separate guidelines, issued by the NBR in 1998 and by the shipping ministry in 2016.

According to the guidelines of the NBR, ICDs needed to be established within 20 kilometres of the port. But the shipping ministry directed that ICDs should be located beyond 20km from the port in order to reduce traffic congestion.

BICDA Secretary Md Ruhul Amin Sikder said due to the differences in the guidelines, they had frequently faced problems as authorities several times directed the existing ICDs located near the port to relocate.

Under the new policy, proposed ICDs have to be built at a distance of at least 20km from the port. It says nothing about the existing ICDs.

"This shows that the new policy has more practical approach for the sector," said Sikder.

The ICD Policy 2021 has said nothing about tariffs which seems to be a positive approach for the sector as well, he said.

The shipping ministry's 2016 guideline directed that tariffs needed to be fixed by a committee of the ministry. Such condition caused them many hassles, according to Sikder.

The new policy also has made it optional for ICDs to set up of scanners. It was mandatory under the previous guidelines.

It, however, states that operators with scanners would get extra facilities like the scope to handle higher volume of imported goods.

"Such a facility will surely encourage ICDs to invest," Sikder said.

ICD users, however, were not pleased.

Bangladesh Freight Forwarders Association Vice President Khairul Alam Sujan said the NBR should have discussed with all the stakeholder before formulating the policy.

"The new policy allows ICD operators to fix tariffs at their will," he said.

Geyser market heats up

FROM PAGE B1

However, sales of geysers in the Rangpur region have slightly dropped this season in comparison to the previous years due to the late arrival of winter.

Mohammad Sohag, owner of Sohag Sanitary at Thakurgaon bus stand area, says he has sold about 50 geysers so far this year. Of them, seven to eight were locally made, while the rest were imported.

The retailer sold 80 geysers last year.

Anisur Rahman, owner of Manjeel Sanitary in Thakurgaon town, sold around 100 geysers this season, down from about 200 last year.

He blamed the late arrival of winter for the lower sales. "The cold in the northern part of Bangladesh is less severe this year than usual," he said.

Md Abdul Matin, owner of Matin Enterprise at Mosjidpara in Panchagarh town, sells geysers of various brands. Usually, customers of the district choose locally made products for water heating.

He has sold about 70 geysers in the current winter season priced between Tk 6,000 and Tk 7,000.

Golam Mortuza, zonal sales manager of Butterfly Marketing Limited, says sales have dropped in the current season in comparison to previous years.

Butterfly has sold about 280 geysers of Eco+ brand worth about Tk 28 lakh through its showrooms in eight northern districts in the Rangpur division in the current season, which was around 300 last year.

In December, Walton sold 92 units of geysers worth Tk 8 lakh through its 43 sales centres in the division while sales executives of Pran-RFL say the company has sold about 750 units worth Tk 60 lakh through their showrooms in the region.

10 Minute School

FROM PAGE B1

Although local startups received at least $163 million in foreign funding in 2021, only Shikho's $1.3 million seed money can be deemed a notable investment in the online learning segment.

On the other hand, Indian online learning platforms received billions of dollars in 2021.

"Logistics and fintech has so far attracted global investors. But, I think 2022 will be the year for online education platforms as the pandemic has proved the importance of online education," Ayman Sadiq, founder and CEO, 10 Minute School, told The Daily Star.

"We have experienced an unprecedented twelvefold business growth in our platform in 2021 during the pandemic. And the number of our employees now stands at 300, up from 60 in the end of 2020," he said.

The past year marked a significant year of growth for 10 Minute School, with more than 9 million new learners joining the platform, 8 million learning hours delivered and over 17,000 new videos added to its learning ecosystem.

The app (10ms.app) has recently surpassed 3 million users, making it the largest learning app in the country.

"The growth is a strong validation from our users who experienced our learning contents," said Sadiq.

"Sequoia Capital India's Surge joining us as our first investor is a very humbling experience for the team, and it further validates our vision for democratising access to high quality education for all in Bangladesh," he said.

"We want to double down on our growth trajectory this year while creating an unparalleled learning experience for our students," he added.

Jointly founded by Sadiq and Abdullah Abyad Raied in 2015, 10 Minute School, in a statement, said it was on a mission to democratise education for all in Bangladesh.

The platform, which has now over 25,000 classes and skills courses, wants to launch live coaching classes for students from classes V-XII and test paper courses for HSC and SSC examinees.

It also seeks to offer complete admission and BCS programmes, a whole series of interactive academic books for classes III to XII and 25 more sought-after upskilling courses in the first quarter of 2022.

The 10 Minute School sees an immense opportunity to help support the existing education system of the country, which has 43 million students today, the statement added.

The team also aspires to contribute to the upskilling of its significant youth population of 5 million, leading to increased employment and demographic dividends for the country.

A delegation of the Association of Bankers Bangladesh Ltd (ABB) led by its newly elected Chairman Selim RF Hussain greets Bangladesh Bank Governor Fazle Kabir with a bouquet at the central bank's head office in Dhaka recently. Khondoker Rashed Maqsood, secretary general of the ABB, and the board members of the association were also present.

PHOTO: BRAC BANK

PHOTO: AB BANK

Abdur Rahman, deputy managing director of AB Bank Ltd, and Christopher Baker, general manager of Hotel Amari Dhaka, exchange signed documents of an agreement at the bank's head office in Dhaka recently. The deal will give the opportunity to the lender's debit and credit cardholders to enjoy discounts on the rents of hotel room, convention halls, fitness centre, cafés and bakery items.

Investors wary on bank growth

REUTERS, *Washington*

While big US bank bosses were optimistic on the economic outlook on Friday, pointing to an uptick in some lending businesses and a jump in consumer spending, investors were skeptical on the growth outlook for the sector.

JPMorgan Chase & Co, Citigroup Inc and Wells Fargo & Co, bellwethers of the US economy, reported combined profits of $19 billion for the fourth quarter, each comfortably beating analyst estimates.

However, analysts noted that the beats were helped by reserve releases and other one-off items and that underlying performances were less compelling.

Bank shares across the board were down 2.1 per cent, with only Wells Fargo bucking the trend amongst the top six, amid worries over a decline in trading revenues and loan growth. "Investors are concerned about where growth is going to come from," said Viola Risk Advisors bank analyst David Hendler.