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Bangladesh is a major exporter of garment and footwear items to the US market. Apparel export to the American market from Bangladesh grew 45.91 per cent year-on-year to \$4.23 billion in the July-December period.

PHOTO: STAR/FILE

Exporters enjoying US sales bonanza

US consumers expected to purchase 30pc more garment, footwear in 2022: study

REFAYET ULLAH MIRDHA

Spending behind apparel and footwear in the US exceeded pre-pandemic levels in every month of 2021, says a new study by online personal styling service Stitch Fix. And this translates as good fortunes for Bangladeshi exporters.

The US apparel and footwear spending is expected to grow 30 per cent year-over-year, Stitch Fix said in its 2022 Style Forecast report on January 14.

The pandemic greatly accelerated the shift toward online shopping. E-commerce grew to account for 36 per cent of total apparel and footwear sales in 2020, versus 26 per cent in 2019, it said.

It is expected to remain at about 32 per cent even as the world reopens, it added.

Available in the United States and United Kingdom, the styling service uses recommendation algorithms and data science to personalise clothing items based on size, budget and style.

The study is based on data

collected from 4.2 million clients and thousands of expert stylists and merchandisers.

Bangladesh is a major exporter of garment and leather footwear goods to the US markets.

Apparel export to the American markets from Bangladesh grew 45.91 per cent year-on-year to \$4.23 billion in the July-December period.

Export of goods and leather made of leather to the US markets also increased thanks to high demand from retailers and brands.

The export growth was mainly driven by three factors – the US-China trade tension, strength in production of both basic garment items and those in the middle range of price and quality, and competitive prices.

“I agree with the Stitch Fix findings as export from my garment factories has been rising steadily to the US markets,” said AK Azad, chairman and chief executive officer of Ha-Meem Group, a leading exporter.

He exported \$550 million

worth of garment items in 2021 of which 95 per cent went to the US markets. This year some \$100 million-worth more garment items are expected to be shipped to the US markets.

Similarly, Md Shahidullah Chowdhury, chief executive

Bangladesh.

Western retailers and brands have been heading over to Bangladesh with plenty of work orders in an attempt to diversify sources and reduce overdependence on a single source.

Agreeing with the findings, Md Shahidullah Azim, managing director of Classic Fashion, said garment export to the US markets at the end of the year may cross \$8 billion as the growth was very high.

“We are feeling the effect US retailers and brands are having through the high volume of export orders for garment items,” said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association.

“We have already received 30 per cent more work orders than what was estimated for the past six months,” he said.

“Confidence on Bangladeshi apparel items has improved a lot following the strengthening of workplace safety and continuation of product supply even during the pandemic’s peak,” he said. Talking to The Daily Star over the phone, Hassan also said the local manufacturers were also very strong in the production of garment items which Stitch Fix talked about in the report.

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officer of Noman Group, another leading garment exporter, said his group has also been receiving more work orders from the US-based retailers and brands this year compared to last year.

“I also agree with the Stitch Fix findings,” Md Saiful Islam, president of the Leathergoods and Footwear Manufacturers & Exporters Association of

Islam said leather and leather goods and footwear export have witnessed growth of over 18 per cent year-on-year in the July-December period.

The US retailers and brands need a lot of finished goods at this time of recovery and they are coming here now, said Islam, also the president of the Metropolitan Chamber of Commerce and Industry.

Six ICDs soaking up 60pc of cargo volume

DWAIPAYAN BARUA, Ctg

An intense competition is ongoing among private inland container depots (ICDs) to see who can handle the most import and export cargoes, which is helping ease congestion at Chittagong Port by facilitating the quick clearance of shipments.

At present, there are 19 private ICDs located in and around Chittagong city.

Among these, six ICDs have remained in the top position for handling both export and import containers in the last five years.

Around 10.12 lakh TEUs (twenty-foot equivalent units) of import and export containers were handled by the 19 ICDs in the just concluded calendar year. However, the six leading ICDs jointly handled around 60 per cent of the total volume.

The six ICDs are: KDS Logistics Ltd, Portlink

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PERFORMANCE OF INLAND CONTAINER DEPOTS

Top ICDs in handling exports

In TEUs; Year: 2021

ICDs	EXPORT
KDS	103,393
SAPL (E&W)	95,189
ESACK	67,396
PORTLINK	65,255
ICL	64,573
BM	56,329
SAPL (N)	49,771
ISATL	49,518
SHAFI	28,932
GOLDEN	27,558



Top ICDs in handling imports

In TEUs; Year: 2021

ICDs	IMPORT
PORTLINK	72,199
KDS	43,750
ICL	32,096
ESACK	30,768
SAPL (E&W)	24,109
BM	21,316
EASTERN	12,114
QNS	10,301
CCTCL	9,330
ISATL	8,236

BOOK BUILDING

Little perks for good firms going public

AHSAN HABIB

Over the last year, the stock market regularly maintained a uniform rule for price discovery of companies willing to issue shares with premium prices instead of the fixed price method.

Under the system that was put in place following allegations of malpractice in price development, share prices of a company coming to the stock market are derived based on a simple average of its asset value and yield analysis.

Prices can be predicted under the current method as a bidder cannot bid 1.2 times the value, which may deprive a financially sound and prospective company of getting fair value of its shares, according to market operators.

The issue came to the surface after a bidding of JMI Hospital Requisite Manufacturing ended in only 5.44 seconds with most bidders offering Tk 25 for its shares at the same time.

Market operators said as the Bangladesh Securities and Exchange Commission (BSEC) is trying to attract good companies to the stock market to increase the supply of quality scripts, the current rule of price discovery through the book building method may not be attractive enough to lure them in.

Last month, the Dhaka Stock Exchange (DSE) held a meeting with big business houses to encourage them to get listed.

“But the existing pricing process will discourage big and renowned companies from entering the stock market,” said Md Moniruzzaman, vice-president of the Bangladesh Merchant Bankers Association.

Merchant bankers do the main task for bringing a company to the stock market but the companies will not get lucrative prices under the system.

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Farmers get 10 new high-yielding paddy varieties

STAR BUSINESS REPORT

Ten new varieties of high-yielding paddy, including a zinc-enriched crop, have been registered and released for cultivation next season.

Of these, two inbred varieties – Brri Dhan 101 and Brri Dhan 102 – were developed by the Bangladesh Rice Research Institute while two other inbred varieties – BINA 25 and Dhan 2 – were developed by the Bangladesh Institute of Nuclear Agriculture and Brac respectively.

The other six varieties are hybrids developed by private institutions.

The National Seed Board gave the approval at a meeting chaired by Agriculture Secretary Md Sayedul Islam, also chairman of the board, at the secretariat yesterday.

Inbred crops are produced by repeated inbreeding over multiple generations, typically through self-pollination.

Meanwhile, a hybrid crop is a result of two different varieties of the same plant that are cross-pollinated to create off-springs that contain the best traits of each parent.

As such, Brri Dhan 101 is resistant to bacterial burns and Brri Dhan 102 is a zinc-enriched rice variety, according to a press release from the agriculture ministry.

In the trial cultivation, the average yield of Brri Dhan 101 was about 7.72 tonnes per hectare while Brri Dhan 102 produced 8.11 tonnes per hectare. The zinc content in Brri Dhan 102 rice is 25.5 milligrammes per kilogramme.

The average yield of BINA 25 is 7.64 tonnes per hectare and the white rice is very long and thin,

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CURRENCIES

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	\$ USD	€ EUR	£ GBP	¥ CNY
BUY TK	85.05	95.92	115.14	13.17
SELL TK	86.05	99.72	118.94	13.84

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.90% 60,754.86	▼ 0.27% 28,257.25	▼ 0.24% 3,280.04	▲ 0.80% 3,569.91