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BUSINESS



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SCAN TO GET VALENTINE OFFERS

Mobile payments at shops surge
Online purchase using cards recovering slowly

MAHMUDUL HASAN and MD ASADUZ ZAMAN

Purchases through mobile financial services (MFS) increased significantly in December as people are getting more prone to using digital means for availing necessities.

Merchant payments, which include all types of purchases using MFS including that from e-commerce, shot up 62 per cent year-on-year in December to Tk 3,462 crore.

This was 13.5 per cent higher from that in November 2021, according to Bangladesh Bank's latest data.

The number of transactions was 1.26 crore for merchant payments in December, up from 1.18 crore a month earlier. The number of transactions was 1.04 crore in December 2020.

Card-based e-commerce transactions also increased 38 per cent year-on-year in December to Tk 825 crore. Compared to that of November 2021, it was a rise of 3 per cent

"We have noticed that people are gradually becoming dependent on mobile financial services because of the comfort and convenience for merchant and bill payments," said Tanvir A Mishuk, managing director of Nagad, which added 3.4 crore customers in 2021.

"Payment through mobile phones is also becoming a part of the digital life and helping people upgrade on digital spaces. Certainly, Covid-19 has played a massive role in habituating citizens using this kind of payment facility," he said.

"We are quite sure that this trend will help us establish a cashless society in Bangladesh and push forward the country to become a developed nation," he added.

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Uniforms of foreign defence forces are on display at a garment factory in Bangladesh. Exporters ship outfits usually donned by military, police, firefighters and many other professionals worth nearly \$500 million a year and are looking to capture a major share of the \$370 billion global market for technical clothing items.

PHOTO: REFAYET ULLAH MIRDHA

Uniform export fetches half a billion dollars

REFAYET ULLAH MIRDHA

Bangladesh has turned into a major sourcing hub for uniforms for the military, navy, air force, fire brigade and police for countries around the world as local garment manufacturers have enhanced their capacity and diversified products.

The country has also been a good source to supply dresses to the army of the North American Treaty Organisation (Nato), an intergovernmental military alliance, for many years.

However, manufacturers mainly supply the uniforms indirectly: international retailers and brands place work orders with Bangladeshi factories and they supply the products to the forces.

For instance, Team Group, a garment exporter, supplies uniforms to the Belgian army and Kosovo police through a buyer.

"Currently, I am making uniforms for the army of Belgium and the police of Kosovo. The quantity is small but I have the capacity to produce a lot," said Abdullah

Hil Rakib, managing director of the company.

Last year, Team Group exported garment items, mainly outerwear, worth \$36 million. Uniforms account for nearly 2 per cent of the



shipment to the countries, mainly in Europe.

Uniforms of forces, personal protective equipment, technical clothes, medical bed sheets and medical clothes have a huge market worldwide, according to Rakib.

"Bangladesh needs to improve the capacity to grab the globally value-added garment markets."

The global market size of technical clothing items is

more than \$370 billion.

Of over \$31 billion garment exports from Bangladesh, defence dresses fetch between \$400 million and \$500 million annually, according to industry insiders.

It also produces work apparel and outerwear for farmers, engineers, firefighters and other professionals.

Snowtex's Managing Director SM Khaled says the market of outerwear is growing at a faster rate because of higher demand.

The company is set to export \$300 million worth of garment items in 2022, which will include \$50 million worth of outerwear.

Urmi Group, another garment supplier, used to manufacture uniforms for the Belgium army a few years ago, albeit in a small quantity.

"We have the potential to grab the market as we are diversifying products," said Asif Ashraf, managing director of the group, adding that buyers either supply fabrics or nominate suppliers to make the uniforms for forces.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), thinks Bangladesh's next growth potential lies in the high-end value-added garment items.

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Credit growth instills optimism into economy

Says new chief economist of BB

STAR BUSINESS REPORT

Md Habibur Rahman, the new chief economist of Bangladesh Bank, said that he would give utmost priority to addressing the challenges that arose from the coronavirus pandemic.

"I will try my best to provide policy efforts to deal with the coronavirus-induced challenges in an effective manner," he said in an interview with The Daily Star yesterday.

The BB appointed Rahman as its new chief economist on February 13. The board of directors of the central bank decided to appoint him for the position at its meeting on January 20. He is the fifth chief economist of the central bank.

The country is now reeling under heavy inflationary pressures stemming from the global supply chain disruptions, said Rahman, who joined the central bank in 1990.

"We will address the issue with the highest importance such that the common people get some respite from the price escalation," he added.

Asked about the performance of the country in the first half of this fiscal year, he said Bangladesh has fared reasonably well in terms of reviving domestic demand and maintaining strong growth in export earnings despite the volatility in the global economy.

Private sector credit growth has rebounded strongly, which is another sign of economic recovery, Rahman said.

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STOCKS			
	DSEX ▼		CSCX ▼
	0.40%		0.33%
	7,060.73		12,432.48

COMMODITIES			
	Gold ▼		Oil ▼
	\$1,854.77		\$92.41
	(per ounce)		(per barrel)

CURRENCIES		AS ON THURSDAY STANDARD CHARTERED BANK			
	₹ USD	€ EUR	£ GBP	¥ CNY	
BUY TK	85.05	95.85	114.35	13.3	
SELL TK	86.05	99.65	118.15	13.81	

ASIAN MARKETS					
	MUMBAI		TOKYO		SINGAPORE
	▼ 3.00%		▼ 2.23%		▼ 0.23%
	56,405.84		27,079.59		3,421.20
					▼ 0.98%
					3,428.88

Rains ruin raw bricks
Industry loss could be Tk 2,400cr

MD ASADUZ ZAMAN, EAM ASADUZZAMAN and MIRZA SHAKIL

While rain can be a blessing in providing life-sustaining water, recent showers have turned into the bane of many brick manufacturers' lives for their use of traditional kilns.

Rain on February 4 and 5 spoiled crores of raw bricks across the country, all of which had been stacked out in the open to dry in the sun prior to being baked in kilns.

Little to no rainfall during the months of February and March make it a prime period for moulding clay-rich soil into bricks and heating them in high temperatures to get the final hard and durable product.

The financial repercussions are quite substantial, spilling onto the sector's several lakh workers who do not get paid for halts in production for inclement weather.

A rough guestimate of the Bangladesh Brick Manufacturing Owners Association puts it to as much as Tk 2,400 crore.

"We have around 8,000 brick kilns across the country. Each kiln lost 10 lakh to 12 lakh raw bricks or Tk 25 lakh to Tk 30 lakh," said Asadur Rahman Rakib, the association's general secretary.

"Many of our brick kiln owners will face losses of up to Tk 1 crore at the end of the year," he said.

The damage has intensified woes of the brick kiln owners who are already reeling with soaring production costs for the spiralling of prices of coal, the key fuel used in firing the kilns.

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Raw bricks spoiled in recent rains at Chantara village of Tangail's Ghatail upazila. The bricks were kept out in the open to dry in the sun prior to being baked in kilns. The photo was taken last week.

PHOTO: MIRZA SHAKIL

BSTI to establish 69 more labs

STAR BUSINESS REPORT

The Bangladesh Standards and Testing Institution (BSTI) will set up 69 new laboratories by 2041, including 21 to analyse physical standards of goods for certification, said BSTI Director General Md Nazrul Anwar yesterday.

Government institutions and the private sector are working together to upgrade the country's testing, certification and quality compliance regime regarding rooftop solar power generation equipment, he said.

Currently, the BSTI standard and safety certification is mandatory for 229 products, he told a discussion organised by the Business Initiative Leading Development (BUILD) in collaboration with International Finance Corporation's Partnership for Cleaner Textile (PaCT) project.

The BSTI has already introduced Bangladesh

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