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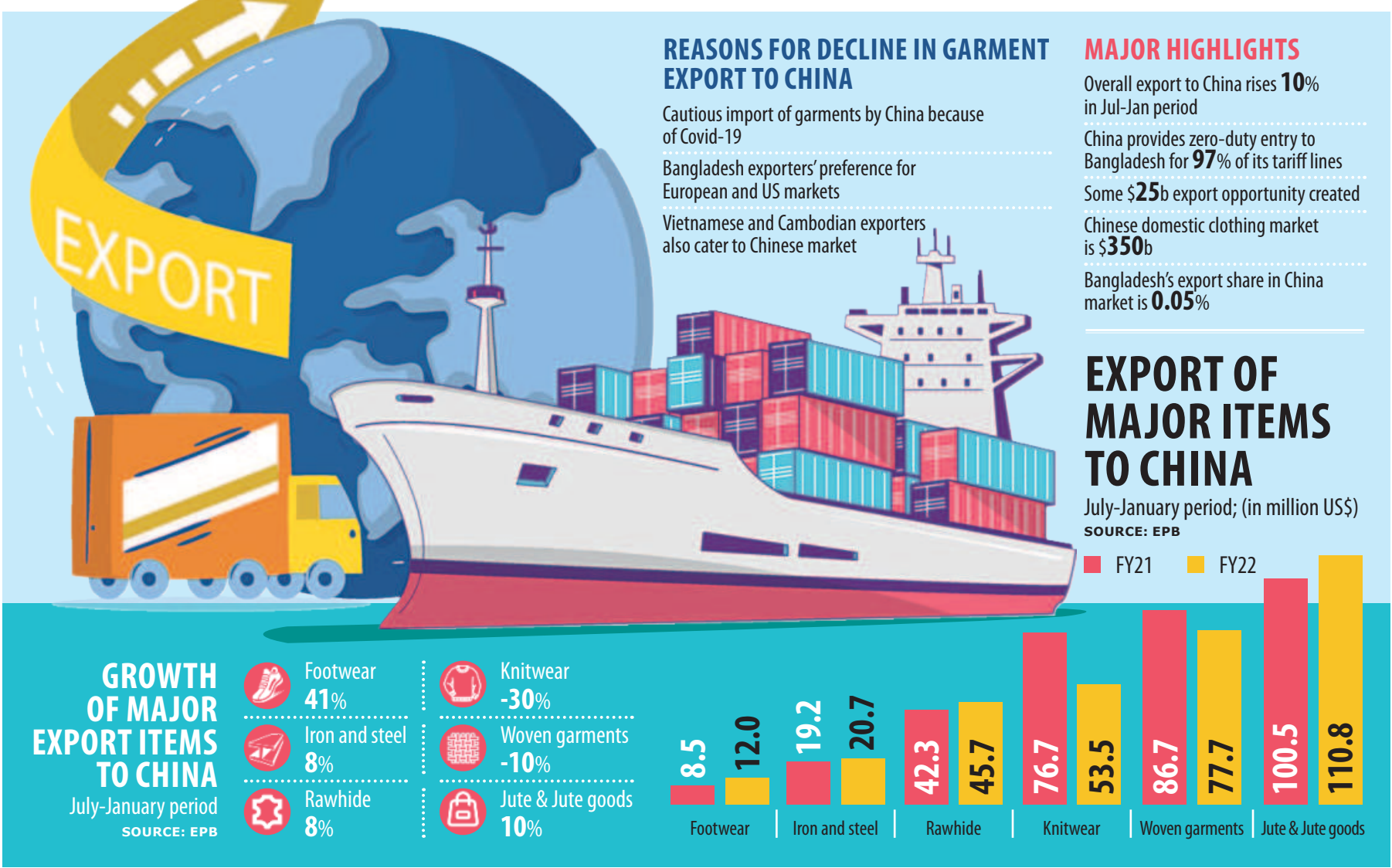


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Apparel exports to China dwindle

REFAYET ULLAH MIRDHA

Although Bangladesh's overall export earnings from China increased 9.81 per cent year-on-year to \$426.14 million in the last seven months, apparel shipments to the East Asian nation failed to meet expectations despite enjoying duty benefits.

Apparel shipments to China fell to \$131.20 million in the July-January period of the current fiscal year, a decrease of 19.66 per cent from \$163.30 million in 2020-21.

Of the total garment exports to the world's second-largest economy during the period, knitwear shipments brought home \$53.53 million and woven products fetched \$77.68 million, registering a negative growth of 30.77 per cent and 10.36 per cent respectively, data from the Export Promotion Bureau showed.

China became a highly promising export market for local apparel products after Beijing extended duty-free benefits to 97 per cent of

Bangladesh's garment items considering its status as a least-developed country in July 2020.

Products that now enjoy duty-free access to the world's most populous nation include 299 garment items, of which 226 products are also covered by the Asian Pacific Trade Agreement.

Under the garments category, Bangladesh mainly exports woven T-shirts, polo shirts, trousers, sweaters, and other knitted items to China, the world's largest apparel producer and exporter.

Other items that enjoy the same benefit are jute and jute goods, leather and leather goods, live and frozen fish, and agricultural products.

With China's move to allow duty-free access for Bangladeshi apparels, an opportunity to export \$25 billion worth of garment items has opened up, according to a number of research papers showed.

To be more precise, Bangladesh's exports to China

could grow to \$25 billion if local suppliers just grab an additional 1 per cent share of the Chinese apparel market of \$350 billion.

Currently, the country's share of exports to the Chinese market is 0.05 per cent, which

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is equivalent to a bit above \$1 billion.

Syed Sadek Ahmed, chairman of Space Sweater Ltd, said he has been exporting sweaters to China for many years but the number of shipments is on a downward path. He declined to elaborate.

However, Faruque Hassan, president of the Bangladesh

Garment Manufacturers and Exporters Association (BGMEA), did speak extensively on the matter.

Garment exports to China fell in recent months for mainly two reasons, he said.

First, China has almost

completely stopped importing garment items as a part of its zero-tolerance policy towards the spread of Covid-19.

Second, Chinese consumers were affected by a recent depreciation in their local currency.

"So, the Chinese government is encouraging the production of their own garment items,

which negatively impacted Bangladesh's exports," Hassan said.

He is hopeful that the export to China will grow with the easing of coronavirus restrictions.

Commerce Minister Tipu Munshi said the government has been monitoring the China export situation amid the country's ongoing recovery from the pandemic-induced shocks.

However, the shipment to other countries such as the US and those in the EU has risen significantly at this stage and so, local exporters are keener about these destinations, Munshi added.

Azizul Akil David, senior vice-president of the Bangladesh China Chamber of Commerce and Industry, said Bangladesh should not target Chinese markets for garment shipments as China itself is the world's largest apparel producer.

"So, the export of jute and jute goods, leather and leather

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More relief for mobile users on the way

MAHMUDUL HASAN

The telecom regulator is set to bring massive changes to mobile data and other packages, a move that will cut the number of offers and enable customers to carry forward their unused data of the current deal to the next one.

According to a new guideline of the Bangladesh Telecommunication Regulatory Commission (BTRC), operators have to bring down the number of packages to 95, from a few hundred packages each now.

The move aims at giving relief to customers irked by a huge number of packages with a complex web of conditions, which cause confusion for them in selecting products.

The commission has already instructed the operators to follow the new directives from March.

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ACC seeks account details of Agrani MD, spouse

STAR BUSINESS REPORT

The Anti Corruption Commission (ACC) has asked banks to submit by today information pertaining to accounts of Agrani Bank Managing Director Mohammad Shams-Ul Islam and his spouse Nasrin Hasan Chowdhury.

The anti-graft watchdog issued a letter to banks on January 13 as a part of its investigation on Islam's alleged involvement in laundering money abroad.

The ACC received allegations that Islam took bribes in giving out loans.

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Sonali Paper, too, makes more money from share business than core operation

AHSAN HABIB

Sonali Paper & Board Mills Ltd is yet another company that logged higher profits from equity investment compared to its core business in the first half of the current financial year.

On the back of the higher returns from the stock market investment, the paper manufacturer's profits after tax surged more than seven times to Tk 25.6 crore in the July to December period.

As a result, the share of the low paid-up capital-based company jumped almost four times to Tk 720 in the last six months. Its paid-up capital is Tk 21 crore, data from the Dhaka Stock Exchange (DSE) showed.

Profit before tax from Sonali Paper's stock market operation was Tk 17.84 crore, whereas Tk 17.75 crore came as profit before tax from its core operation, according to its financial statements.

When a company makes more money from its share market investment, then it is clear that its own business is in a tough situation, said a stockbroker.

"Making money is not a bad thing, but the stock market is relatively a risky place to keep funds. And a company's profits may turn into losses overnight."

"Therefore, the investors should be careful. They will be affected if they buy the company's shares considering the current income flow."

The stockbroker says small investors have a tendency to annualise such abnormal earnings of a company

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A welder works on a 249.57-kilometre fuel pipeline being set up from Chattogram to Dhaka at a cost of Tk 758 crore. Currently private entities transport 22 lakh tonnes of fuel annually on coastal tankers from the port city to Godnail and Fatullah in Narayanganj and Daulatpur upazila of Khulna. The pipeline will save Bangladesh Petroleum Corporation Tk 5,000 crore a year alongside ensuring energy security. The photo was taken at Sitakunda upazila last month.

PHOTO: RAJIB RAIHAN

PM for finding ways to phase out subsidies

STAR BUSINESS REPORT

Prime Minister Sheikh Hasina yesterday strictly directed the ministries to find ways to gradually get rid of the huge amount of subsidies that have to be spent for various sectors.

The premier came up with the directives while speaking about the subsidies on gas and electricity at a meeting of the Executive Committee of the National Economic Council (Ecneec), said Planning Minister MA Mannan.

"Put an end to subsidies in phases -- gently, economically and effectively," the planning minister quoted the prime minister as saying.

Usually, the government shells out subsidies amounting to Tk 50,000 to Tk 60,000 crore annually for different sectors. However, the government will have to spend about Tk 70,000 crore in subsidies in the current fiscal year in the

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