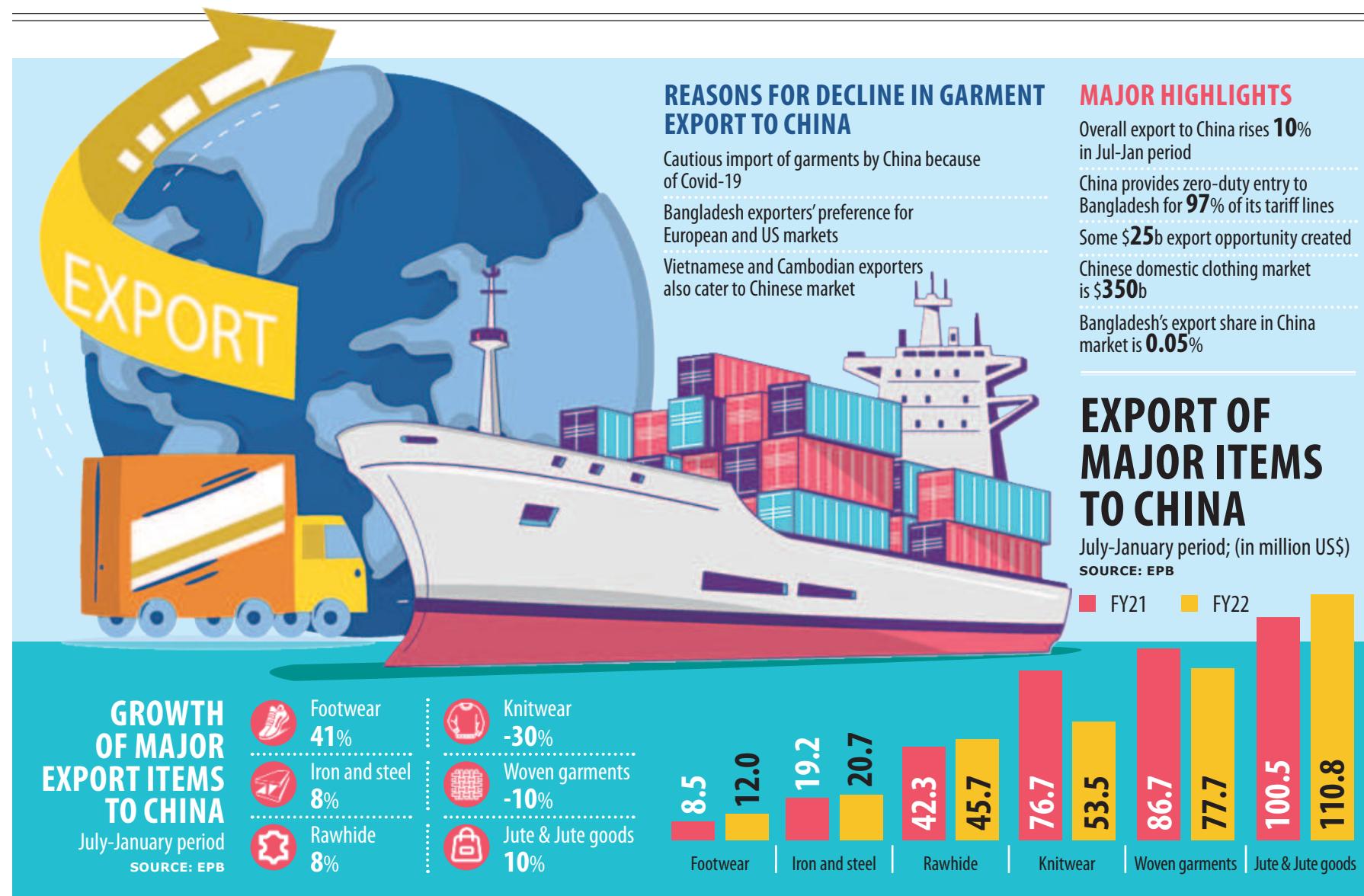


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Apparel exports to China dwindle

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

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

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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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 Godnai 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.



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 (Ecnec), 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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PHOTO: RAJIB RAIHAN

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