

star

BUSINESS



March exports hit record \$4.76b

STAR BUSINESS REPORT

Export receipts hit \$4.76 billion in March, the highest ever on record in a single month, posting 55 per cent growth year-on-year as buoyancy remained in shipments of major manufactured goods such as garments, home textiles and leather footwear despite the Russia-Ukraine war's effect on global trade.

The previous record was of October 2021 when it reached \$4.73 billion.

With March, the total earnings from shipping goods abroad rose 33.4 per cent year-on-year to \$38.6 billion in nine months since July of fiscal year 2021-22, providing much-needed support to the country's foreign exchange reserves, which is under pressure amid ballooning imports.

The export figures were compiled a day after Bangladesh Bank said migrant workers sent a higher amount of remittance in March than in February, which would also help offset the reduction in foreign exchange reserves at the end of the month.

The foreign exchange reserve, which stood at \$46 billion

Total earnings from shipping goods abroad rose 33.4 per cent year-on-year to \$38.6 billion in July-March period of fiscal 2021-22

on December 29, 2021, stood at \$44.25 billion on March 30, according to Bangladesh Bank.

The Export Promotion Bureau (EPB) data showed that garment exports fetched \$31.42 billion in the nine months to the end of March of fiscal year 2021-22, up 33 per cent from that a year ago.

"Buyers are shifting orders from various countries. Prices of yarn and raw material costs also increased," said MA Jabbar, managing director of DBL Group, one of the leading garment exporters.

He said the products shipped in March were booked earlier.

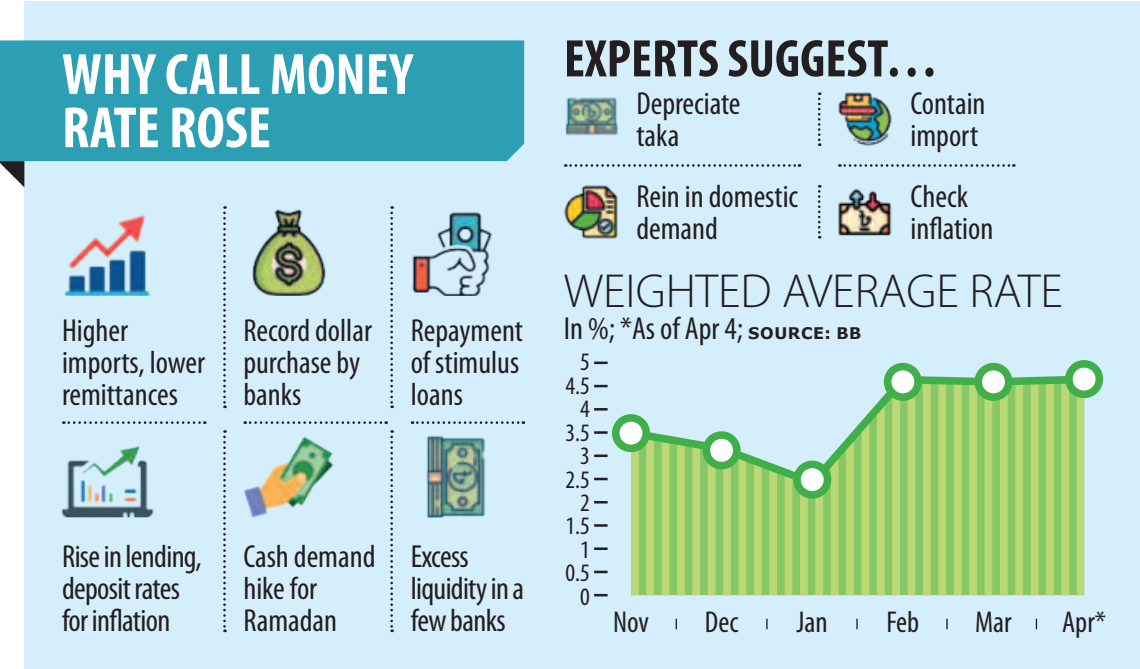
"Booking is good while our capacity utilisation has increased. We have also not seen cancellation of any order," he said responding to question on the Russia-Ukraine war.

"The markets from where we got bookings were not affected for the war," he said.

"We are concerned but we expect the export growth momentum to continue this year," said Jabbar.

Garments, comprising woven and knitwear, made up 81 per cent of the overall export receipt of \$31.4 billion in the

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Forex crisis spills over into call money market

AKM ZAMIR UDDIN

The ongoing strain on Bangladesh's foreign exchange regime has created cash shortages in the banking sector, sending the interbank call money rate to a 19-month high yesterday.

The weighted average rate in the interbank call money market, where banks borrow from each other on an overnight basis, stood at 4.65 per cent yesterday in contrast to 3.52 per cent a month ago and 1.89 per cent a year prior, data from the central bank showed.

The previous peak was recorded in August 2020 when the rate stood at 4.7 per cent.

The current forex crisis confronting the financial

sector are mainly responsible for squeezing the supply of cash in the banking sector. The cash shortage may exacerbate further this month amid growing consumption in Ramadan and the upcoming spending spree centring Eid-ul-Fitr.

In addition, credit demand is on the rise as the economy has been firing on all cylinders, helped by a sharp fall in coronavirus caseloads.

"But ensuring a sound foreign exchange market will play a pivotal role in riding out the ongoing crisis," said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

Banks are purchasing American greenbacks

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bKash losses almost double

Reasons include higher costs on training, investment

AHSAN HABIB

Losses of bKash, a subsidiary of Brac Bank, widened by 83 per cent year-on-year in 2021, even though its revenue rose by 21 per cent, for incurring higher costs on training, investment and waivers on the charge to send money.

The mobile financial service provider incurred a loss of Tk 123 crore in 2021, which was Tk 67 crore in the previous year, according to its financial statements.

This is the third consecutive year of losses for the company. In 2019, its loss amounted to Tk 63 crore.

The losses rose due to the higher burden of the cost of services that were deducted from revenue, and lower income from interest, revealed an analysis of the report.

In 2020, the company spent 72.64 per cent of its net revenue behind cost of services, which rose to 76.24 per cent in 2021.

In other words, mobile network operators' service charges and "channel commission" rose for the mobile financial service provider last year.

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| STOCKS | |
|----------|-----------|
| DSEX ▼ | CSCX ▼ |
| 0.78% | 0.62% |
| 6,718.91 | 11,818.58 |

| COMMODITIES | |
|-------------|--------------|
| Gold ▲ | Oil ▲ |
| \$1,928.73 | \$103.21 |
| (per ounce) | (per barrel) |

| ASIAN MARKETS | | | |
|---------------|-----------|-----------|----------|
| MUMBAI | TOKYO | SINGAPORE | SHANGHAI |
| ▲ 2.25% | ▲ 0.25% | ▼ 0.06% | ▲ 0.94% |
| 60,611.74 | 27,736.47 | 3,416.97 | 3,282.72 |

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