





WHAT'S WHAT


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Bangladesh turning into a major sourcing destination for sweater
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Work orders are shifting from China to Bangladesh
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Sweater becoming an all-weather fashion item for climate change
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Canada, EU and USA are main export markets
- 

Russia, South Africa and Japan are emerging destinations
- 

SWIFT ban is acting as a barrier to sweater exports to Russia

BY THE NUMBERS

- Sweater exports were worth \$4.05b last fiscal year
- Shipment may reach \$6b this fiscal year
- Exporters receiving 20pc more work orders this year
- A major buyer from EU raised import by 15pc from Bangladesh
- Of the \$600m garment exports to Russia each year, most are sweater

Bangladesh becoming a key sweater sourcing hub

REFAYET ULLAH MIRDHA

Bangladesh is turning into a major sourcing hub for sweaters for international clothing retailers and brands as work orders are shifting from China and global fashion trends are changing.

Chinese manufacturers are no longer interested in making sweaters because of the complexities in the manufacturing process, higher cost of production, and shortage of skilled workers, according to industry insiders.

As a result, exports of the item are rising from Bangladesh, the world's second-largest garment supplier after China.

Earnings from sweater exports reached \$4.05 billion in the fiscal year of 2020-21, up 12.62 per cent year-on-year, data from the Export Promotion Bureau showed.

In FY20, the receipts stood at \$3.59 billion, a decrease of 15.47 per cent from the previous

year's \$4.25 billion, as the severe fallout of the coronavirus pandemic took a toll.

"Trends show that the export earnings will cross \$6 billion at the end of the current fiscal year," said Mostofa Quamrus Sobhan, managing director of Dragon Sweater and Spinning, one of the leading sweater exporters.

He secured 20 per cent higher rates this year compared to last year after his buyers adjusted the price in line with increased cutting and manufacturing costs and raw materials prices in the local and international markets.

"The buyers are also paying a bit higher this year because of an abnormal rise in freight charges," said Sobhan. He is receiving nearly 20 per cent more work orders this year compared to a year ago.

The demand for sweaters is rising worldwide because of changes in fashion trends.

Previously, people used to wear sweaters only during the

winter season but now they put on lightweight sweaters all year round as a fashion item.

"So, sweaters have turned into an all-weather fashion item," said Sobhan, who has

Moreover, the use of modern technologies such as the Jacquard machine in sweater production has raised productivity. Four or five workers are needed to run a



been shipping the item for a long time.

The temperature has gone up in many cold countries because of climate change, driving down the demand for thick sweaters and pushing up the consumption of lightweight sweaters.

Bangladesh has a strong position in the manufacturing of lightweight sweaters.

manual sweater machine but only a single labourer can operate four to five Jacquard machines that have a higher production capacity.

"This technological transformation has made exporters more competitive globally," said Shahidul Islam, managing director of Rupa Group, which sells sweaters worth \$30 million a year.

A number of new markets such as South Africa, Japan, and Russia have emerged as promising sweater export destinations from Bangladesh in recent years. The largest sweater markets for Bangladesh are Canada, Europe and the US.

Of the \$600 million garments exported to Russia last year, the majority were sweaters. Russians use sweaters all year round and they offer better prices than other countries.

At the beginning of the Russia-Ukraine war, Islam faced difficulties in getting payments from Russian buyers. The uncertainties disappeared as the banks he dealt with have not been banned by the global financial messaging network SWIFT.

What is more, Russian buyers are seeking to use alternative channels to pay Bangladeshi exporters so that their shipments to the country are not affected.

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Edible oil price manipulated at every stage

Unearths consumer rights body

STAR BUSINESS REPORT

Edible oil recently underwent price manipulation at each of the four stages of the value chain within the country involving refiners, dealers or supply order traders, wholesale traders and retailers, according to the Directorate of National Consumers' Right Protection.

This caused prices to spiral and ultimately consumers suffered, opined AHM Shafiquzzaman, director general of the directorate, yesterday.

Traders of Khatunganj in Chattogram and Moulvibazar in Dhaka are controlling the whole edible oil market of the country by trading through these four stages, he said.

The government is trying to bring an end to this practice, he said.

"Now, if you have around 500 people in your community and if you need around five tonnes of edible oil, you can buy it in bulk directly from the refiners at the mill gate at the price fixed by the government," he said.

"In this way we are trying to break the chain... and thus manipulation may come to an end," Shafiquzzaman said.

He was addressing as chief guest a views-exchange meeting organised by the Chittagong Chamber of Commerce and Industry (CCCI) on prices of essential commodities and the market situation at World Trade Centre in the port city.

Importers of essential commodities, wholesale traders of Khatunganj and representatives of different kitchen markets were present at the meeting.

Commerce Minister Tipu Munshi could not make a scheduled appearance as chief guest as he had fallen ill suddenly.

The directorate chief said the government withdrew duties on edible oil on March 16 and fixed the prices to bring stability to the market.

"But who made the market volatile before the government decision?" he asked.

To find the facts, the directorate conducted drives at each of the four stages of the market value chain and unearthed the price manipulation, he said.

When some 10 days to 12 days elapsed following the duty withdrawal, edible oil importers began claiming that not much of the

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| STOCKS | | WEEK-ON WEEK |
|----------|-----------|--------------|
| DSEX | CSCX | |
| 1.73% | 1.24% | |
| 6,641.23 | 11,700.31 | |

| COMMODITIES | | AS OF FRIDAY |
|-------------|--------------|--------------|
| Gold | Oil | |
| \$1,947.57 | \$97.92 | |
| (per ounce) | (per barrel) | |

| ASIAN MARKETS | | | | FRIDAY CLOSINGS |
|---------------|-----------|-----------|----------|-----------------|
| MUMBAI | TOKYO | SINGAPORE | SHANGHAI | |
| 0.70% | 0.36% | 0.62% | 0.47% | |
| 59,447.18 | 26,985.80 | 3,383.28 | 3,251.85 | |

Walton doubles motherboard production

Aims to meet local, export demand

MAHMUDUL HASAN

Walton has doubled its motherboard production capacity as the local technology giant looks to become savvier in high-tech and cut reliance on imports for advanced technologies.

It inaugurated its second motherboard manufacturing plant at its factory in Gazipur's Kaliakoir yesterday, where printed circuit board assembly (PCBA) is being produced.

Motherboards are used in the vast range of products that Walton manufactures, including computers, televisions, remote controls, LED lights, and mobile phone chargers.

Just like the first manufacturing unit, the second plant also has the capacity of installing 72,000 components per hour.

"We also use our own PCBs and PCBAs for Internet of Things (IoT)-based products and their market is expanding rapidly," said Liakat Ali, deputy managing director of Walton Digi-tech industry.

The IoT-run products include refrigerators, home appliances, and electronic appliances such as fans and switch sockets.

Walton's motherboards have been used in 61.67 lakh digital devices since January 2021. The motherboards are also used in the products it exports to the markets such as the EU and the US.

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Clothes shops are currently decked out with an array of collections ahead of Pahela Baishakh, the first day of Bangla new year, to be celebrated on April 14. This time around traders are hoping to recoup loss of sales for the celebrations being halted in the past two consecutive years due to the pandemic. The photo was taken on Bailey Road in the capital on Thursday.

PHOTO: ANISUR RAHMAN

NBR unearths Tk 1cr VAT evasion by PHP Float

SUKANTA HALDER

The National Board of Revenue (NBR) has unearthed more than Tk 1 crore VAT evasion by PHP Float Glass Industries Ltd after poring over the documents filed by the Chattogram-based company for the period from the fiscal year of 2013-14 to 2017-18.

Of the sum, Tk 65 lakh was evaded as value-added tax, while the rest Tk 34 lakh came as an interest on the amount, according to officials of the Audit, Intelligence & Investigation Directorate for Value Added Tax of the NBR.

In a report, the VAT Intelligence said PHP Float Glass claimed VAT rebates on various heads, including the excess use of gas.

In January this year, the company, however, deposited Tk 1,00,70,000 with Sonali Bank's Khatunganj branch as

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