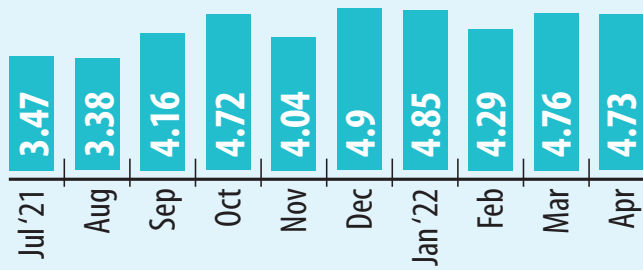


Star BUSINESS



EXPORT EARNINGS

In billions of \$; SOURCE: EPB



WHY EXPORTS ROSE

- Garment shipment pushed up overall earnings in Jul-Apr**
- Export rose sharply due to improvement of Covid situation**
- Work orders are shifting from China, Myanmar, India, Pakistan and Vietnam**
- Bangladesh is a preferred destination for importers due to low prices**
- Agriculture, leather and leather goods also performed strongly**
- Higher shipment of garment may continue up to July**

BY THE NUMBERS

- April export earnings soared **51.18pc** year-on-year to **\$4.73b**
- April earnings **40.66pc** higher than the monthly target
- In Jul-Apr, exports rose **35.14pc** to **\$43.34b**
- Earnings **20.52pc** higher than target in Jul-Apr
- Apparel shipment grew **35.98pc** to **\$35.36b** in Jul-Apr
- \$19.24b** came from knitwear shipment
- Woven garments fetched **\$16.11b**

EXPORTS BOOMING despite gloomy global outlook

Shipment clocks 51.18pc growth to hit \$4.73b in April

REFAYET ULLAH MIRDHA

Earnings from merchandised exports from Bangladesh soared 51.18 per cent year-on-year in April to \$4.73 billion helped by higher shipment of garments, home textiles and footwear, official figures showed yesterday.

The higher flow of export receipts continues despite persisting global uncertainties emanating from the Russian-Ukraine war, dragging supply chain disruptions, and higher inflationary pressures.

In fact, exports from Bangladesh have been posting stellar growth since September, sending monthly receipts above \$4 billion for the first time in the country's history, as demand rebounded in the western economies in keeping with the receding coronavirus pandemic.

Earnings hit an all-time high of \$4.9 billion in December and the momentum continued in the subsequent months.

Between July and April, the first 10 months of the current fiscal year, earnings surged 35.14 per cent year-on-year to \$43.34 billion, according to data from the Export

Promotion Bureau (EPB).

With the improvement of the Covid-19 situation worldwide, the global apparel supply chain is also recovering fast. As a result, exports from Bangladesh are growing at a faster clip.

From July to April, apparel shipment, which accounts for about 85 per cent of the national exports, swelled by 35.98 per cent to \$35.36 billion.

"We need to improve ease of doing business significantly to be more competitive in the global markets," said a BGMEA leader

Of the total, \$19.24 billion came from knitwear shipments, up 37.49 per cent, and \$16.11 billion from woven shipments, a rise of 34.23 per cent.

The buoyancy in the shipment of apparel came as international clothing retailers and brands are flocking to Bangladesh in droves to place orders as many other producing countries are struggling to

meet rebounding demand.

Orders are shifting from China, India, Pakistan, Vietnam, Sri Lanka, Myanmar and Ethiopia to Bangladesh as the cost of production has gone up there.

"Export will keep growing until July because local suppliers have received a significant volume of orders," said Md Shahidullah Azim, senior vice-president of the Bangladesh Garment Manufacturers and Exporters Association.

Manufacturers are now taking orders for October and November seasons.

However, they are selective in booking orders as the prices of raw materials such as yarn, fabrics and chemicals have increased at home and abroad in order to avoid losses, said

Azim.

"Many suppliers suffered losses as they had to supply goods even at lower prices as they had booked orders before the prices of the raw materials went up."

The entrepreneur says the Russian-Ukraine war has had little impact on the garment export until now as the shipment is growing every month.

However, if the war continues, it might have an impact on the export as consumers in the western economies would face higher inflationary pressures.

Eurozone inflation soared to 7.4 per cent in March, an all-time high for the currency club, while inflation in the US hit 8.5 per cent in the month, the sharpest annual rate since

1981. The EU and the US are the two biggest markets for Bangladesh.

Besides, Bangladesh has already lost the Russian market due to the war as the export to the country is declining.

Before the war erupted, it was expected that the export of garments to Russia would cross the \$1-billion mark at the end of the current fiscal year, for the first time. The milestone might not be hit in 2021-22 as the conflict shows no sign of abating.

"We need to improve the ease of doing business significantly to be more competitive in the international markets," Azim said.

Earnings from leather and leather goods shipment grew 32.97 per cent to \$1.01 billion in the July-April period, data from the EPB showed.

Frozen foods and live fish exports grew 17.45 per cent to rake in \$463.62 million and agricultural products exporters brought home \$1.04 billion, an increase of 26.29 per cent, year-on-year.

Jute and jute goods shipment, however, declined 6.68 per cent to \$966.51 million.



Taka slides further against dollar

BB depreciates taka for fourth time this year to rein in volatility

AKM ZAMIR UDDIN

The country's foreign exchange market has remained volatile even though the Bangladesh Bank has depreciated the taka against US dollars four times this year.

The latest devaluation came yesterday when the BB depreciated the inter-bank exchange rate by Tk 0.25 to Tk 86.70 per USD.

Because of the currency devaluation, the importers had to buy the American greenback at as high as Tk 95 to pay import bills yesterday.

Banks usually sell US dollars to importers, under the arrangement known as BC (bills for collection) selling rate, by Tk 0.05 with the inter-bank exchange rate.

Importers had to buy greenback at as high as Tk 95 to pay import bills yesterday at a time when BB depreciated the inter-bank exchange rate by Tk 0.25 to Tk 86.70

But, managing directors of four banks, requesting anonymity, say that they are now compelled to ignore the BC selling rate, which was quoted at Tk 86.75 per dollar yesterday.

This is because banks have to spend Tk 94-Tk 95 to purchase one dollar.

Bankers blame the rising import payments for the ongoing volatility in the foreign exchange regime.

The coronavirus pandemic had disrupted the supply chain around the world, which subsequently pushed up the commodity prices in the global market. The Russian invasion of Ukraine has deepened the crisis.

The central bank has depreciated the local currency on a regular basis in recent months in a bid to contain imports. But economists have urged the central bank to weaken the taka at a faster pace.

The BB devalued the local currency by Tk 0.20 to Tk 86.45 a dollar on April 28. The inter-bank

READ MORE ON B3

STOCKS	
DSEX ▲	CASPI ▲
0.42% 6,698.08	0.22% 19,639.13

COMMODITIES	
Gold ▼	Oil ▼
\$1,864.53 (per ounce)	\$106.62 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.67% 54,470.67	▼ 2.53% 26,319.34	▼ 0.51% 3,275.07	▲ 0.08% 3,004.14

Rupali Bank has insufficient capital to manage risks

Audit report finds

STAR BUSINESS REPORT

Rupali Bank, the only listed state-run lender, is lacking in its capital adequacy ratio, said its audit report for 2021.

The lender will be required to maintain a minimum capital to risk weighted assets ratio (CRAR) of 10 per cent of the total risk weighted assets (RWA) in line with Basel III, it said.

The CRAR is known as capital adequacy ratio, meaning the ratio of a bank's capital to its risk. A bank's CRAR ensures that the bank can absorb a reasonable amount of loss and complies with statutory capital requirements.

However, Rupali Bank maintained a CRAR of Tk 2,366.56 crore against a required Tk 4,252.84 crore, meaning a shortfall of Tk 1,886.28 crore, that is 5.56 per cent instead of 10 per cent, the auditor said in its emphasis of matter paragraph.

Dhaka Stock Exchange (DSE) disclosed the auditor's emphasis of matter paragraph on its website yesterday.

If an auditor considers it is necessary to draw users' attention to a matter presented or disclosed in the financial statements that is of such importance that it is fundamental to users' understanding of the financial statements, the auditor includes the emphasis of matter paragraph in the auditor's report.

In the paragraph, the auditor said the government injected Tk 679.99 crore in the form of share money deposits for the issuance of share.

READ MORE ON B3



Although there is an abundance of watermelons at this wholesale market in Dacope upazila of Khulna, traders are currently not getting their expected prices. Here, wholesalers are selling 100 pieces of the fruit for between Tk 800 and Tk 12,000 depending on size. The photo was taken on Saturday.

PHOTO: HABIBUR RAHMAN

ABC to sell 27pc of its Mutual Trust Bank shares

STAR BUSINESS REPORT

Associated Builders Corporations (ABC), a corporate sponsor of Mutual Trust Bank (MTB), yesterday announced that it would sell 27 per cent of its holdings at the prevailing market price in the block market.

The block market is an exchange platform where a large number of stocks are traded in a single transaction without affecting the index. The amount being traded needs to be at least Tk 5 lakh.

The corporate sponsor of the lender expressed its intention to sell 63.37 lakh shares out of the 2.34 crore it had, said a disclosure posted on the Dhaka Stock Exchange (DSE) website.

Rashed Ahmed Chowdhury, a nominated director of Associated Builders Corporation, expressed his intention to buy the shares at the

READ MORE ON B3



The demand for coconuts, which provide a nutrient-rich and refreshing way to keep hydrated, has gone up in recent weeks amid the heatwave across the country. Here, workers are seen unloading coconuts from a boat before shipping them off to traders in Dhaka, who buy each piece of the fruit for between Tk 45 and Tk 50 at wholesale depending on size. The photo was taken recently.

PHOTO: TITU DAS

China's export growth hits 2-year low amid virus curbs

REUTERS, Beijing

China's export growth slowed to single digits, the weakest in almost two years, while imports barely changed in April as tighter and wider Covid-19 curbs halted factory production and crimped domestic demand, adding to wider economic woes.

Exports in dollar terms grew 3.9 per cent in April from a year earlier, dropping sharply from the 14.7 per cent growth reported in March although slightly better than analysts' forecast of 3.2 per cent. It was the slowest pace since June 2020.

Imports were broadly stable year-on-year, improving slightly from a 0.1 per cent fall in March and a bit better than the 3.0 per cent contraction tipped by the Reuters poll.

The weak figures show China's trade sector, which accounts for about a third of gross domestic product, is losing momentum as lockdowns across the country ensnared supply chains in major centres like Shanghai, heightening risks of a deeper slowdown

in the world's second-largest economy and beyond.

"The virus outbreaks in China led to huge difficulties in the production chains and the supply chains," Chang Ran, a senior analyst at Zhixin Investment Research Institute said in a note on Monday. "Meanwhile, some countries in Southeast Asia have transitioned from recovery to production expansion, replacing Chinese exports to some extent."

Julian Evans-Pritchard, senior China economist at Capital Economics, said the main headwind to exports is weakening foreign demand.

"The sharpest falls were in shipments to the EU and US, where high inflation is weighing on real household incomes," he said. "The declines were also especially pronounced in electronics exports which suggest a further unwinding of pandemic-linked demand for Chinese goods."

Beijing's extraordinary efforts to curb the country's largest Covid-19 outbreaks in two years have clogged highways and ports, restricted activity in dozens of

cities including Shanghai and forced companies from Apple supplier Foxconn to automakers Toyota and Volkswagen to suspend some operations.

Factory activity was already contracting at a sharper pace in April, industry surveys showed, raising fears of a steep slowdown that could also hit global growth.

Shi Xinyu, a foreign trade manager in Yiwu, a commodities trading hub, said only 20-50 per cent of stores in the city are open due to Covid disruptions.

"The weak import demand came amid the downward economic cycle and Covid hit," Shi said. "Life is already hard enough and it happens we've got a leaky roof as it rains."

Additionally, heightened risks from the Ukraine war, persistently soft consumption and a prolonged downturn in the property market are also weighing on growth, analysts say.

With the national jobless rate at a near two-year high, authorities have promised more help to shore up confidence and ward off further job losses in a politically sensitive year.

Some analysts even warn of rising recession risks, saying policymakers must provide more stimulus to reach an official 2022 growth target of about 5.5 per cent if Beijing doesn't ease its zero-Covid policy. However, there are few signs of that happening. The country's top leaders said last week they would stick with their "zero-Covid" policy, stoking worries of a sharper economic downturn.

Exports may have found some support from a weaker yuan, which suffered its worst month in April in nearly two years.

Zhiwei Zhang, chief economist at Pinpoint Asset Management, does not expect export growth to perk up in May as supply problems persist.

"The contraction of imports is a signal, as many firms' imports of parts of components probably got disrupted," Zhang said in a note. "The resumption of production is quite slow at this stage."

China posted a trade surplus of \$51.12 billion in the month, slightly wider than a forecast for a \$50.65 billion surplus. The country reported a \$47.38 billion surplus in March.

Japan to take time phasing out Russian oil: PM

REUTERS, Tokyo

Japan will take time to phase out Russian oil imports after agreeing on a ban with other Group of Seven (G7) nations to counter Moscow's invasion of Ukraine, Prime Minister Fumio Kishida said on Monday.

The G7 nations committed to the move "in a timely and orderly fashion" at an online meeting on Sunday to put further pressure on President Vladimir Putin, although members such as resource-poor Japan depend heavily on Russian fuel.

"For a country heavily dependent on energy imports, it's a very difficult decision. But G7 coordination is most important at a time like now," Kishida told reporters, repeating comments he made at the G7 meeting.

"As for the timing of the reduction or stoppage of (Russian) oil imports, we will consider it while gauging the actual situation," he said. "We will take our time to take steps towards a phase-out." He did not elaborate.

There have been no ships loading Russian oil for Japan since mid-April, according to Refinitiv data. About 1.9 million barrels were exported from Russia to Japan in April, 33 per cent down from the same month a year ago.

The country imported a total of 89 million barrels of oil in March.

The Ukraine crisis has highlighted Japan's energy dependence on Russia even as Tokyo has acted swiftly and in tandem with the G7 in instituting sanctions.

The latest ban underlines a turn in Japan's policy. Japan has said it would be difficult to immediately cut off Russian oil imports, which accounted for about 33 million barrels of Japan's overall oil imports, or 4 per cent, for 2021.

S Korea's incoming govt may join US economic pact

REUTERS, Seoul

South Korea is "positively considering" joining an Indo-Pacific economic pact planned by the United States, a government official said on Monday, after domestic media said the incoming administration had decided to join as a founding member.

The Indo-Pacific Economic Framework (IPEF) could launch as soon this month, to fill a gap in engagement with the region since 2017, when then President Donald Trump quit a multinational deal that became the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

"It is listed in 110 national tasks that the incoming government is positively considering," said a South Korean finance ministry official, who sought anonymity in line with government practice.

The remarks came after the Asia Business Daily, citing government sources, said the government of President Yoon Suk-yeol, who is set to be sworn in on Tuesday, had decided to join the pact on its launch.

Three cheers

FROM PAGE 4

Export Promotion Bureau, the National Board of Revenue, the Bangladesh Export Processing Zones Authority, the Bangladesh Economic Zones Authority, the Bangladesh Investment Development Authority and all other regulators on the other. Hats off!

THE ANTICLIMAX

The bottom line, however, remains that of a titanic \$4.5 trillion annual trade of the US with the world, we could only capture a paltry 0.23 per cent market share. It is far less than 1 per cent, with the top three Canada, Mexico, and China holding 14 per cent of the pie each.

How do we broaden our share then? What can we do differently? What crafts can elevate us to a one-per cent holding? A quick look at our export basket to the US will say it all.

We have exported 67 major kinds of products to the US in the first nine months of the current fiscal year but the poor composition of it is painful.

Articles of apparel knitted or crocheted and not knitted or crocheted sit tight on the top of the table with \$6.59 billion worth of export, holding an 86.53 per cent share of our total export.

Footwear, other made-up textile and headgears are the only other export items we have that could cross the \$200-million mark. Travel goods, artificial flowers, articles of human hair, furniture, and mattresses are striving to make a mark. Our export to the US was

\$7.62 billion as of March, data from the Export Promotion Bureau showed.

The harsh reality is that our excessive dependence on readymade garments is still omnipresent. We are not going to repeat the diversity prescription here as our export to the US is quite diversified already.

Entrepreneurs and government are appeared to be trying everything from pharmaceuticals to ceramic ware, from toys and games to glass and glassware, and from electrical machinery to plastics to feed the target destination.

Why success is hard to come by though is a debate we would spare today. It is an occasion to celebrate the milestones and keep the spirits high for the next nine months.

Just a quick food for thought if we leave here: if some more of our big-name exporters in non-apparel industries had been a little more mindful about the depth of the US market, that could have done wonders. For instance, fish and lobsters. For our fish exporting giants, Europe continues to be the comfort zone. Sadly, the \$40-million export to the US is largely consumed by the Bangladeshi diaspora. So, one can call it a pseudo export.

MYTH VS REALITY

The name America generally does not click in people's minds when it comes to inward remittances. It is always the Middle East that we think all the remittance is coming from. But our

central bank data shows the US is the second-highest remittance sending country after Saudi Arabia. In the last financial year, it was \$5.72 billion and \$3.46 billion, respectively.

Surprised? Then, brace yourself for more bumping!

When it comes to foreign direct investment, many would put China first. Many others might name Japan or Korea. The fact of the matter is these countries are our valued partners, but not really the toppers if FDI stock is counted.

The top three investing countries are the US, the UK and the Netherlands.

The cumulative FDI inflow from the US stood at \$4.32 billion as of December 2021, out of the \$21.58 billion global total. That is one single country has invested one-fifth of the total FDI that came from all around the world.

LAST WORD

America leads in more ways than one then!

In FY2019-20, America reclaimed its position as the top destination for our export with Germany, the UK and Spain as the next three major markets. 2020-21 followed suit. This fiscal year, the US is on a hat-trick as our biggest buyer on earth.

Let us raise our glasses to the champion!

The author is a member of the Pacific Council on International Policy and a former commercial counsellor at the Los Angeles Consulate. He can be reached at amamoon42@gmail.com

Indian rupee falls to new

FROM PAGE B4

declined the most, with market heavyweight, the conglomerate Reliance, losing more than 3.0 per cent following its quarterly results reported late on Friday.

Foreign investors have withdrawn a net 1.34 trillion rupees (\$17.3 billion) from Indian equities so far this year, stock exchange data showed.

The war in Ukraine and resurgence of Covid-19 restrictions in China have exacerbated outflows from emerging markets like India as foreign funds turn risk-averse.

Inflation worries on the back of rising commodity prices have also soured sentiment in Asia's third-largest economy, which imports more than 80 per cent of its oil needs.

Consumer price inflation in India hit a 17-month high of 6.95 per cent year-on-year in March, and economists expect data to be released later this week to show that number rising beyond seven per cent in April.

The US Federal Reserve last week hiked the key lending rates by half a percentage point, but also held off on signalling more aggressive measures.

"After an unscheduled rate hike by the Reserve Bank of India, if India's inflation moves higher than 7.0 per cent... the pressure will be on for the RBI to act again," forex firm OANDA's Jeffrey Halley said in a note.

"That may give some strength to the rupee but is unlikely to be bullish for local equities."



Emranul Huq, managing director of Dhaka Bank, and MA Muttaleeb, managing director of International Classic Composite, exchanged signed documents of an agreement on cash management services at the bank's head office in Gulshan, Dhaka recently. Mohammad Abu Jafar, additional managing director of the bank, Md Mostaque Ahmed, deputy managing director, Shamima Nasrin, chairman of International Classic Composite, and Mosharaf Hussain Chowdhury and Mehrab Al Shaheen, directors, were present.

PHOTO: DHAKA BANK

Asian stocks tumble on global anxieties over inflation

AFP, Hong Kong

Asian stocks fell on Monday as investors remained anxious over inflation and the ongoing impact of China's Covid lockdown policies, despite an initial Wall Street bounce thanks to a solid US jobs report.

Global markets have taken a beating over a series of crises including surging inflation, rising interest rates, China's economic slowdown and the war in Ukraine.

Investors were given more bad news on Monday as China's April exports slumped to their lowest level in almost two years, due to Beijing's strict zero-Covid policy which has pushed millions under lockdowns and halted manufacturing hubs.

Exports plunged to 3.9 per cent on-year, while imports were stagnant for April.

Chinese customs spokesman Li Kuiwen tried to strike an upbeat note by saying the economy still had room to make a turnaround

but experts were less optimistic.

"Asian equities are down heavily in the red today as regional markets react to tightening Covid-19 restrictions in China and fears of a prolonged slowdown in the world's second-largest economy," Jeffrey Halley, a senior market analyst at OANDA Asia Pacific, said.

Lockdowns across dozens of Chinese cities -- from the manufacturing hubs of Shenzhen and Shanghai to the breadbasket of Jilin -- have wreaked havoc on supply chains over recent months, crushing small businesses and trapping consumers at home.

The jitters reverberated across Asian equities Monday, tanking in Australia, Singapore and Seoul. Tokyo's Nikkei index closed down more than 2.5 per cent, while China's two mainland indices -- Shanghai and Shenzhen -- saw a slight bump throughout the day.

Hong Kong's stock exchange was closed for a public holiday.

Markets were briefly lifted by a solid US jobs report released Friday. The US Labor Department

had announced that the world's largest economy added a better-than-expected 428,000 jobs in April, with the unemployment rate remaining at a low 3.6 per cent.

But any uptick was short-lived, as the United States' fierce monetary tightening has continued to send traders running for the hills.

The Federal Reserve hiked borrowing costs by half a percentage point last week -- the most since 2000.

Wall Street's S&P 500 dropped 0.6 per cent, while the other two US indices had also dipped by close of Friday. Nasdaq suffered the most at 1.5 per cent.

The losses globally capped a volatile week, and markets are bound to remain "messy", said Diana Mousina, a senior economist at AMP Investments.

"There may be more downside as markets worry about a significant economic slowdown or 'hard landing' and aggressive interest-rate hikes," she wrote in a note according to Bloomberg.

China's Iranian oil imports ease on lure of Russian oil

REUTERS, Singapore/London

China's Iranian oil imports in April came off peak volumes seen in late 2021 and early 2022 as demand from independent refiners weakened after Covid-19 lockdowns pummeled fuel margins and on growing imports of lower-priced Russian oil.

The easing of Iranian oil purchases, which still make up some 7 per cent of imports by the world's largest crude importer, came as Western diplomats have largely lost hope in reviving a 2015 nuclear pact while high oil prices emboldened Iran to take its time to return to an agreement.

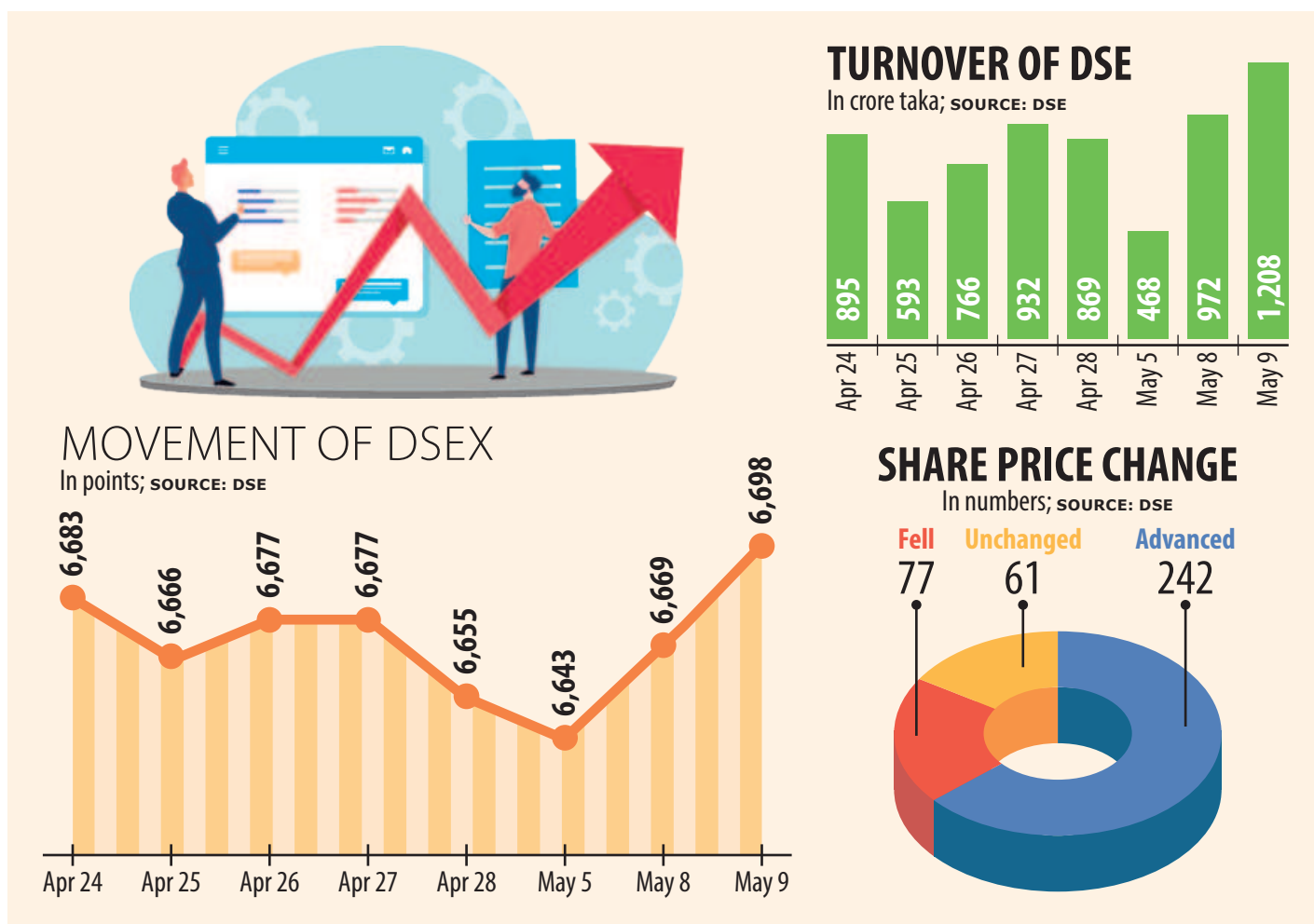
A revived nuclear deal would allow Iran to boost its oil sales beyond China — Iran's number one customer for the past two years

A revived nuclear deal would allow Iran to boost its oil sales beyond China — Iran's number one customer for the past two years — to previous clients in South Korea and Europe.

Meanwhile, Russian crude, displaced by falling demand in Europe on growing concerns about sanctions over Russia's invasion of Ukraine, is heading to China. Russia sent tens of thousands of troops into Ukraine on February 24 in what it called a special operation.

Initial assessments by Vortexa Analytics showed China imported nearly 650,000 barrels per day of Iranian crude in April, slightly less than the nearly 700,000 bpd discharged in March.

Kpler, another data analytics firm, tentatively pegged Iran's April exports at 575,000 bpd, down from an average of 840,000 bpd in the first quarter of 2022, though the agency expected to revise up April volumes in coming weeks.



Stocks turnover crosses Tk 1,200cr

Key index also rises thanks to an increase in investor participation

STAR BUSINESS REPORT

Turnover at Dhaka Stock Exchange (DSE) reached over Tk 1,200 crore yesterday after two and a half months thanks to an increase in the participation of investors in the market following the Eid-ul-Fitr vacation.

The DSEX, the benchmark index of the DSE, rose 28 points, or 0.42 per cent, to 6,698 at the end of the day. This is the second consecutive days' rise for the index.

The DSE's turnover rose around 24 per cent to Tk 1,208 crore from that the previous day. On February 16, it was Tk 1,213 crore.

Normally, the stock index adopts a rising trend after an Eid vacation as people want to buy stocks to continue running their trading business, said a stock broker.

This time the stock index went down to a very low level ahead of Eid-ul-Fitr, so general investors went on a buying spree in the last two days, he added.

At the DSE, 242 stocks advanced, 77 declined and 61 remained unchanged.

The stocks ended in the positive for the second consecutive day with a rise in the turnover as investors showcased

interest and placed fresh bets on sector-specific issues, said International Leasing Securities in its daily market review.

Flows of institutional funds to the market created a bullish vibe among the investors, causing their participation to increase significantly, it said.

All the sectors achieved price appreciations, albeit jute which dropped 0.3 per cent. Ceramics rose the most, by 5.8 per cent, while financial institutions by 3.1 per cent.

As per the turnover, investors' attention was mainly concentrated on pharmaceuticals and chemicals (13.9 per cent), engineering (10.8 per cent) and miscellaneous (9.3 per cent).

Stock investors are divided over two scenarios — while the country's remittances are rising alongside export earnings, the overall economic situation around the globe is not supportive of investments, said a merchant banker.

The central banks of Germany and England have already expressed apprehensions over another recession in the world, so it may have an impact on the Bangladesh stock market too, he said.

So, some of the institutional investors

were not optimistic enough to purchase stocks at this moment, he added.

The merchant banker recommended investing in good stock to safeguard funds in case any tough period ensues.

ACI Formulations topped the gainers' list, with a rise of about 9.99 per cent rise. The National Housing Finance and Investments, Shinepukur Ceramics, National Feed Mills, and Eastern Housing also saw major gains.

Imam Button Industries shed the most, with a drop of 4.9 per cent. ICB Islamic Bank, Pubali Bank, Genex Infosys and Coppertech Industries were among those suffering heavy losses.

Fortune Shoes became the stock to be traded the most, with shares worth Tk 64 crore changing hands, followed by JMI Hospital Requisite Manufacturing, IPDC Finance, Orion Pharma and Shinepukur Ceramics.

Chittagong Stock Exchange (CSE) also rose yesterday. The CASPI, the main index of the CSE, went up 44 points, or 0.22 per cent, to close the day at 19,639.

Of the 302 stocks to undergo trade, 178 rose, 92 fell and 32 did not see any price movement.

GRAIN EXPORT

Canada to help Ukraine find options

REUTERS, Kyiv

Canada will help Ukraine work out options on how to export stored grain to uphold global food security that has been shaken by Russia's invasion of the country, Canadian Prime Minister Justin Trudeau said late on Sunday.

Nearly 25 million tonnes of grains are stuck in Ukraine and unable to leave the country due to infrastructure challenges and blocked Black Sea ports including Mariupol, a UN food agency official said last week. Mariupol has endured the most destructive fighting of the 10-week war.

Food prices soared to record highs in March in the wake of Russia's invasion of Ukraine, the world's No 4 exporter of maize (corn) in the 2020/21 season and the No 6 wheat exporter. Prices eased slightly in April.

"We know people around the world are going to be starving because of the actions of Russia," Trudeau told Reuters in an interview.

"There is grain waiting to be shipped in Ukraine. We have to make sure that Russia doesn't prevent the grain that the world needs from getting out to the world."

Since Moscow launched what it calls a "special military operation" in Ukraine in late February, the latter has been forced to export grain by train over its western border.

Kyiv has also been looking to use ports on the Danube river in the country's south to help with exports.

UAE's non-oil sector maintains solid growth

REUTERS, Dubai

The United Arab Emirates' non-oil private sector maintained solid growth in April but inflationary pressures loomed, a survey showed on Monday.

The seasonally adjusted S&P Global UAE Purchasing Managers' Index (PMI) slipped marginally to 54.6 in April from 54.8 in March, remaining above the series average of 54.1 and above the 50.0 mark that separates expansion from contraction.

The output sub-index rose to 61.5 from 60.5, which survey respondents largely attributed to rising orders, ongoing projects and increased marketing. It was the sharpest growth recorded in 2022.

"Cost pressures remained at their highest level for more than three years, driven by rising fuel and material prices, forcing businesses to raise their selling charges for the first time since July last year. The increase will spur greater concern of an inflationary-led dip in demand, particularly as the positive efforts from the pandemic recovery and Expo 2020 fade," wrote David Owen, economist at survey compiler S&P Global, referring to the Expo world fair hosted by Dubai from October 2021 to March 2022.

Hyundai plans US EV plant

REUTERS, Seoul/Detroit

Hyundai Motor Co plans to announce a new electric-vehicle manufacturing plant in the United States and has been in discussions to build a facility in Georgia, near existing plants for the Hyundai and Kia brands, the Korean automaker and people with knowledge of its plans told Reuters.

"We are excited to announce a new EV plant plan in the United States soon, but we do not have details to share at this stage," Hyundai Motor said in a statement to Reuters when asked about its investment plans.

Hyundai has been in advanced discussions with state officials to build a dedicated EV facility in Georgia, three people with direct knowledge of the talks told Reuters. Details of the investment, including its projected cost and the number of jobs it would be expected to create, were not immediately known.

The new Georgia EV facility, if it is finalized, would serve both Hyundai and Kia as the brands move to roll out a pair of fully electric SUVs — the Ioniq 7 and EV9 — aimed at the US market,

the three people with knowledge of the plans told Reuters.

Representatives of Georgia's economic development authorities could not be immediately reached for comment.

The announcement of an investment deal by Hyundai would come at a time when the administration of President Joe Biden has been pushing for more investment in EVs and related suppliers to create jobs and drive a clean-energy agenda. It would also mark a major economic development win for Georgia, which has pushed to establish itself as a regional hub for the emerging EV industry.

Hyundai had been working to announce its U.S. investment in EV manufacturing sometime later this month to coincide with Biden's planned visit to Seoul, another person with knowledge of the plans said.

Hyundai announced a \$300-million investment last month to manufacture the all-electric Genesis GV 70 and a hybrid version of the Santa Fe at its Alabama plant. The Genesis model would be Hyundai's first EV made in the United States.

ABC to sell 27pc of its Mutual

FROM PAGE B1

price in the block market through the DSE within the next 30 working days, it added. Stocks of MTB closed at Tk 19.20 at the DSE yesterday. Considering the stock price, the value of the 63.37 lakh shares would be Tk 12.16 crore.

The lender declared 10 per cent stock dividend for 2021 and provided 10 per cent stock dividend in 2020, and 5 per cent cash and 5 per cent stock dividend in 2019, shows DSE data.

Taka slides further

FROM PAGE B1

exchange rate stood at Tk 84.80 on May 9 last year.

The country's import payments increased 44 per cent year-on-year to \$61.5 billion in the first nine months of the current fiscal year. Exports grew 33 per cent to \$36.6 billion during the period.

Against the backdrop, the trade deficit rocketed to an all-time high of \$24.90 billion between July and March.

The central bank is also injecting greenbacks into the market at a large volume to support banks such that they can settle import payments smoothly. It has so far sold around \$5 billion this fiscal year.

Still, it has failed to keep the foreign exchange market stable.

The central bank bought a record volume of US dollars, amounting to \$7.93

Its consolidated earnings per share was Tk 3.66 for 2021 whereas it was Tk 1.19 previously.

The bank's paid-up capital is Tk 812 crore and it has reserves and surpluses of Tk 779 crore, according to DSE data.

Sponsors and directors are holding 42.33 per cent of the company's shares while institutional investors, foreign investors and general investors hold 22.65 per cent, 0.16 per cent and 34.86 per cent respectively.

billion, from local banks in the last fiscal year when imports plummeted amid the coronavirus pandemic. This boosted the country's foreign exchange reserves, which stood at more than \$48 billion in August last year.

But the higher-than-expected import payments are now squeezing the reserves as it fell to \$44 billion on April 30.

The reserves will fall further as the country is scheduled to make import payments to the Asian Clearing Union (ACU), an arrangement by which participating countries settle payments for intra-regional transactions.

Bangladesh, Bhutan, India, Iran, the Maldives, Myanmar, Nepal, Pakistan and Sri Lanka are members of the Tehran-headquartered ACU, which was established in 1974.

Rupali Bank has insufficient

FROM PAGE B1

Rupali Bank has already sent letters to the Ministry of Finance on November 8 for approval of the issuance of shares but the approval has not yet been received in this regard.

Last week, the bank declared 2 per cent stock dividend for shareholders

for 2021. Its earnings per share stood at Tk 1.10 in the year whereas it was Tk 0.45 in the previous year.

Giving out the bonus shares, the directors recommended strengthening the capital base of the bank to support business growth and maintain a CRAR

as per Bangladesh Bank guidelines, said the bank.

Its paid-up capital was Tk 455 crore while its reserve and surpluses Tk 690 crore, according to DSE data.

Stocks of Rupali Bank closed 1.10 per cent higher at Tk 27.50 at the DSE yesterday.

UAE to introduce unemployment insurance

REUTERS, Dubai

The United Arab Emirates will introduce a form of unemployment insurance, the cabinet said on Monday, the latest reform by the Gulf country as it strives to attract talent and investment amid increasing regional economic competition.

Insured workers would receive some money for a limited time period if made unemployed, UAE Prime Minister and Vice-President Sheikh Mohammed bin Rashid al-Maktoum, who is also the ruler of trade hub Dubai, said on Twitter, citing a cabinet decision.

"The intention is to strengthen labour market competitiveness, provide a social umbrella for workers and

establish a stable working environment for all," the statement said.

The statement did not specify whether this would apply equally to citizens and non-citizen residents in the UAE.

Permission to reside in Gulf countries like the UAE, where foreigners make up 85 per cent of the population according to the IMF, has traditionally been tied to employment, and loss of job usually means the worker has to leave the country.

Gulf states Qatar, Oman, Kuwait and Saudi Arabia have provided some form of unemployment support to citizens, and Bahrain also has a form of jobless insurance for resident non-citizen workers.

PUBLIC ANNOUNCEMENT

GRAMEEN ONE : SCHEME TWO
the second scheme of
GRAMEEN MUTUAL FUND ONE

Having consent from the Bangladesh Securities and Exchange Commission (BSEC), AIMS of Bangladesh Limited is pleased to announce a RECORD DATE under Rule 46(2) of SEC (Mutual Fund) Rules 2001 for GRAMEEN ONE: SCHEME TWO, the second Scheme of GRAMEEN MUTUAL FUND ONE on Tuesday, 17 May 2022.

All Unitholder(s) whose name appear on the Register of the Fund on the Record Date will be privileged to be issued with an 'Entitlement' for subscription of any number of units of Tk100 each at par with minimum of 50 units or multiples thereof of the proposed open-end 'GRAMEEN BANK-AIMS FIRST UNIT FUND' (Micro-Savers Special Purpose Growth Scheme in Perpetuity), under sponsorship of Grameen Bank with an initial contribution of Tk100 crore and under management of AIMS of Bangladesh Limited, the pioneer private asset management company of the Country.

The Entitlement Letters will be ready for hand delivery from the office of AIMS of Bangladesh Limited at Unique Trade Center (UTC), 8 Panthopath (Level 6), Karwan Bazaar, Dhaka 1215 during normal office hours of weekdays from Sunday, 22 May 2022 to Thursday, 26 May 2022. Thereafter, undistributed letters will be dispatched through courier and/or registered postal service to the respective mailing addresses. Subscription against Entitlement(s) will be collected from Sunday, 22 May 2022 to Thursday, 16 June 2022.

The Vision of the Grameen Bank-AIMS First Unit Fund is to achieve financial inclusion through the mutual fund vehicle by creating a reliable and affordable financial instrument for the micro-savers and middle-class cluster of the society and integrating them with the national capital market in a structured and responsible way. Along with the growing risk averse retiree senior citizen section of the community, institutional investors would also find the Scheme a safe sanctuary for predictable income stream and capital gains.

AIMS OF BANGLADESH LIMITED
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Email : hello@aims-bangladesh.com; Web : www.aims-bangladesh.com



Labourers unload wheat grain from a trailer at a wholesale grain market on the outskirts of Amritsar in India on April 16.

PHOTO: AFP

ANALYSIS

Feed home or the world? India's wheat dilemma

PALLAB BHATTACHARYA, *New Delhi*

In September last year, when Prime Minister Narendra Modi met US President Joe Biden in Washington on the margins of the first in-person summit of the Quad group of countries, he had conveyed to him that India was ready to supply food grains to the world if the World Trade Organisation agrees.

Six months on, India's production of wheat has been hit by a severe heatwave that singed large swathes of the country in March and April this year and private traders look for export in view of the shortage of supply due to the Ukraine conflict.

Food stock, particularly wheat, in different parts of the world is dwindling due to the war in Ukraine. And India, though not among the top 10 wheat exporters of the world in the past, suddenly sensed an opportunity to export wheat to the rest of the world as the price of the crop goes up.

Commerce Minister Piyush Goyal said on April 3 that during the Covid-19 pandemic India emerged as a major global supplier of food and essential agriculture products and India recorded the highest-ever agricultural products export in the 2021-22 financial year.

He let it be known that higher agricultural exports signify the ability of Indian farmers to meet the domestic requirement of the 1.35 billion population and yet produce a surplus to export to the rest of the world. He also assured that India will step up wheat

supplies to countries hit by the Ukraine war and is likely to exceed wheat exports by over 10 million tonnes in the 2022-23 financial year.

According to data from the Directorate General of Commercial Intelligence and Statistics, the top 10 importing countries for Indian wheat in 2020-21 were Bangladesh, Nepal, Sri Lanka, the United Arab Emirates, Yemen, Afghanistan, Qatar, Indonesia, Oman, and Malaysia. These countries accounted for more than 99 per cent share of India's wheat exports in 2020-

However, India now faces the prospect of a decline in wheat output. The government had set a wheat production target of 110 million tonnes for 2021-22, which is higher than the estimated production of 109.59 million tonnes.

State-owned Food Corporation of India procured an estimated 27 per cent less in the first 20 days of wheat procurement season this year, compared with the same period last year, leading to fears of increased prices of the foodgrain in the coming months.



The top importing countries for Indian wheat in 2020-21 included Bangladesh, Nepal and Sri Lanka. So, if restrictions are imposed on wheat exports, the most affected will be these neighbours

21, in both volume and value terms. Traditionally, India has not been a large exporter of wheat to the global market, but the war in Ukraine and drought in some major growing countries have underlined the importance of India as one of the few remaining places with ample stockpiles. Major buyers, including Egypt, have recently approved the purchase of Indian wheat.

The government had recently lowered its wheat purchase estimates.

As on April 1, 2023, India would have stocks of 8 million tonnes of wheat, well above the minimum requirement of 7.5 million tonnes, an official statement said. India will have surplus wheat in the financial year of 2023 even though production is expected to be 105 million tonnes, slightly lower than the initial estimate of 111 million tonnes.

Responding to a question on the lower procurement of wheat, Food Secretary Sudhanshu Pandey said that due to higher market prices, a large quantity of wheat was being bought by traders at a higher rate than the Minimum Support Price, which he said, was good for farmers.

"Due to an increase in market prices and higher demand by the private players both for the domestic as well as export purposes this year, the purchase by the government agency is less."

But the early onset of the severe heat this year has damaged India's wheat crop. What has further complicated the matter is the rising food inflation, particularly that of wheat, and put the government in a dilemma whether to keep the domestic prices of wheat in check or allow exports to continue. Can both go hand in hand?

If restrictions are imposed on wheat exports, the most affected will be India's South Asian neighbours like Bangladesh, Nepal and Sri Lanka. Food ministry officials, however, maintain India doesn't see a case for controlling wheat exports but cut the estimate for 2021-22 production.

India would like to be seen as a reliable supplier of foodgrains to the world. But at the same time, the Modi government would not like its image dented by any scarcity of wheat in the domestic market like the acute shortage of Covid-19 vaccines, triggered by exports to other countries, had done in 2020 at the height of the pandemic.

TRADE WITH US

Three cheers for \$12b

AL MAMOON

Bangladesh's total trade with the United States has crossed the \$10-billion mark in 2021, a feat that we should celebrate and beat our drums in the run-up for 2022 that is beckoning a 12 billion-dollar milestone! First, let us look at blockbuster ten.

Data from the United States Census Bureau tells us how we made it year by year, billion by billion.

In 2016, it was only \$6.82 billion of total trade, meaning export to the US and import from the US combined. With exports mounting higher and higher, the figures rose to \$7.16 billion, \$8.18 billion and \$9.01 billion in three successive years. That says we could hit the 10 billion-dollar jackpot in 2020 had there been no pandemic.



We did quite well though. Braving the deadly disease, we exported \$6.07 billion worth of goods lifting the total trade to \$7.92 billion.

And then came the lucky charm 2021: \$2.33 billion in imports plus \$8.30 billion in export took us to \$10.64 billion in the total trade, an astronomical 34.31 per cent rise, year-on-year.

There is not much of a change in imports from the US over the years, rather it is the steady growth of our export that did the trick. When new Boeings are added to our fleet, import goes up, or else it stays below \$2 billion. The traditional biggies are seeds, scrap iron and steel, cotton, natural gas and liquefied natural gas.

The quite fascinating fact is that not only have we maximised our export volume, we also sprinted faster than our rivals. From the 54th goods trading partner of America in 2016, we moved up to the 45th position last year, up

The bottom line remains that of a titanic \$4.5 trillion annual trade of the US with the world, we could only capture a paltry 0.23 per cent market share. It is far less than 1 per cent, with the top three Canada, Mexico, and China holding 14 per cent of the pie each

eight notches in a span of six years, among 232 nations and territories that the US has trading relations with.

THE ROAD TO \$12 BILLION

More good news is brewing! The first quarter of 2022 came out as the best three months ever in history! This is unprecedented, unmatched and extraordinary.

These stunning, never-seen-before numbers demand the never-seen-before attention of all stakeholders. Historic month-to-month data also tells us that year closing figure is never a straight quadruple of any quarter. Rather, 12 months in total generally register a higher volume than a fourfold of the first quarter. Put it simply, we are eyeing on \$12 billion of total trade this year, if not more!

This has been a long uphill climb. Having traded since independence, it took us till 1992 to touch the \$1-billion mark and three decades more to turn it double-digit. But indications are loud and clear that we are not going to stop here.

And, at this vantage point, let us give due credit to both sides of the aisle, individuals and associations who sell to America on one side, and the Prime Minister's Office, the Ministry of Commerce, the Ministry of Finance, the Ministry of Foreign Affairs, the Bangladesh Bank, the

READ MORE ON B2

G7 countries pledge to stop Russia oil imports

AFP, Washington

The G7 club of wealthy nations committed Sunday to phasing out its dependency on Russian oil and issued a scathing statement accusing President Vladimir Putin of bringing "shame" on Russia with his invasion of Ukraine.

The statement from the Group of Seven - France, Canada, Germany, Italy, Japan, Britain and the United States - did not specify exactly what commitments each country will make to move away from Russian energy.

But it was an important development in the ongoing campaign to pressure Putin by crippling Russia's economy, and underscores the unity of the international community against Moscow's actions.

"We commit to phase out our dependency on Russian energy, including by phasing out or banning the import of Russian oil. We will ensure that we do so in a timely and orderly fashion, and in ways that provide time for the world to secure alternative supplies," the joint statement said.

"This will hit hard at the main artery of Putin's economy and deny him the revenue he needs to fund his war," the White House said.

The announcement came as the G7 held its third meeting of the year on Sunday via video conference, with Ukrainian President Volodymyr Zelensky participating.

The West has so far displayed close coordination in its announcements of sanctions against Russia, but has not moved at the same pace when it comes to Russian oil and gas.

The United States, which was not a major consumer of Russian hydrocarbons, has already banned their import.



France's President Emmanuel Macron takes part in a video-conference with G7 leaders on Ukraine at the Elysee Palace in Paris on May 8 on the 74th day of the Russian invasion of Ukraine.

PHOTO: AFP

Indian rupee falls to new low on fears over inflation

AFP, Mumbai

The Indian rupee plunged to an all-time low against the greenback on Monday, as US monetary policy tightening roiled sentiment and foreign investors continued to dump domestic stocks.

Rising oil prices and a strengthening US dollar have weighed heavy on the rupee with a surprise rate hike by the Reserve Bank of India (RBI) last week doing little to stem capital outflows.

The rupee fell past its previous record low of 76.98 against the US dollar in March to 77.56 on Monday.

The fall came as Indian stocks on the benchmark Sensex and Nifty50 indices extended losses for a fourth day, falling more than one percent each on Monday before recovering ground later in the day.

Banks, metals and oil and gas stocks

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