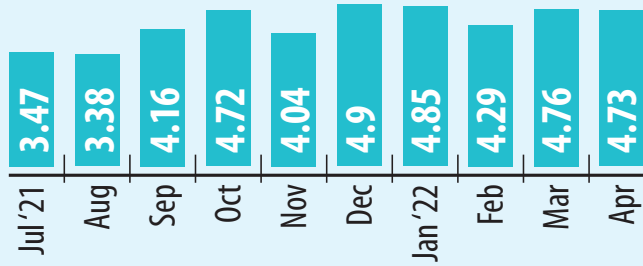


# Star BUSINESS



## 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

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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.

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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

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