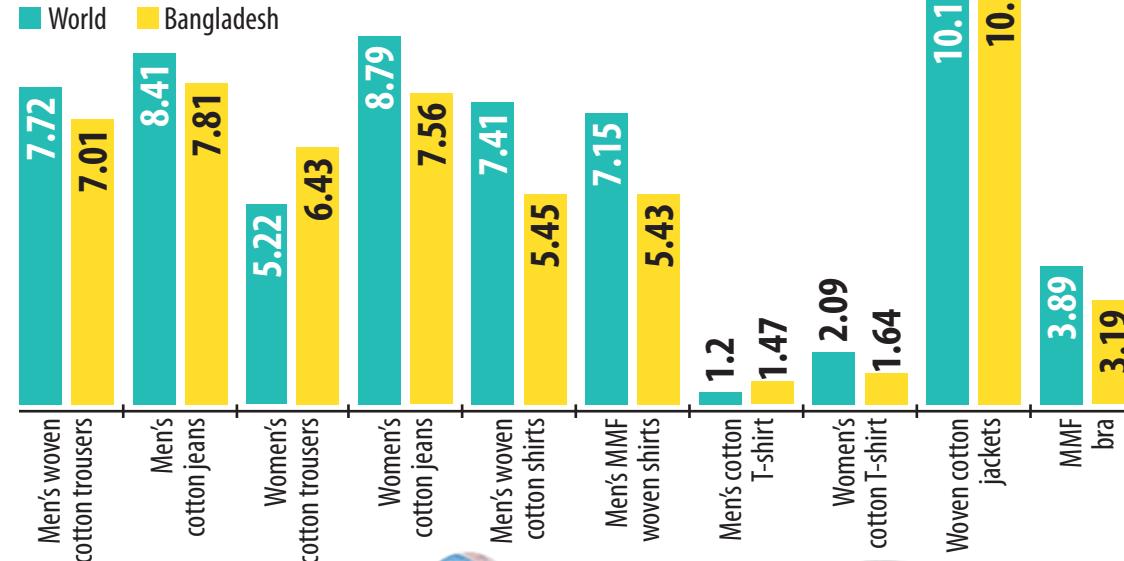


# star BUSINESS

## COMPARISON OF GARMENT PRICES

World average VS Bangladesh (In \$ per piece) SOURCE: ITC REPORT



BSEC finds manipulation in Provati Ins share trading

AHSAN HABIB

The Bangladesh Securities and Exchange Commission (BSEC) has found that three investors and their associates made gains of around Tk 12 crore by manipulating stocks of Provati Insurance in 2020.

Stocks of the insurer soared 129 per cent to Tk 67 from Tk 29 between September 6 and October 22 of that year.

Jashim Uddin, Easin Munshi, Md Saif Ullah, his brother AG Mahmud, and their associates made the profits by raising the shares price through serial trading, according to the BSEC.

Serial trading is the buying and selling of shares between the same beneficiary accounts in order to impact the share price.

After analysing the trading pattern of the investors, the BSEC found that Uddin and his associates were actively trying to lift the price by trading among themselves in violation of the rules.

Some of them were

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## Bangladesh gets up to 83pc lower price than rivals

Finds International Trade Centre study

close because of the lower FOB prices."

"The conclusion is that the fault lies with the customers and therefore, they should be forced to pay a higher FOB price."

The free-on-board price of exports and imports of goods is

In fact, local garment manufacturers receive rates that are 32 per cent to 83 per cent lower than the highest prices paid to the suppliers in other countries.

This validates, for the first time, Bangladeshi garment manufacturers' claims about receiving lower prices from global buyers and underscores the importance of moving up the value chain.

In a study report -- The Garment Costing Guide for small firms in value chains -- published in August, the ITC said there is a growing argument that customers -- retailers and brands -- should pay their suppliers a fair free-on-board (FOB) price since they are often paying the prices that are below the factory costs.

The data is clear and many factories have been forced to

the market value of the goods at the point of uniform valuation (the customs frontier of the economy from which they are exported).

Bangladesh is the second-largest apparel supplier in the world, behind China, bringing home \$42.61 billion in the last fiscal year.

Geneva-based ITC is a multilateral agency and has a joint mandate with the World

Trade Organisation and the United Nations through the United Nations Conference on Trade and Development.

The ITC said it looked at the problem using a cost-to-value analysis and saw a different picture.

In each case, supplying countries such as Bangladesh, Pakistan, and Cambodia are consistently paid lower than the world average prices, whereas Vietnam, Indonesia, Turkey and Mexico are given higher than the average rates.

"They are willing to pay higher prices to some countries but rather less to supplying countries that are unable to meet their needs," the ITC said.

For instance, men's woven cotton trousers made in Bangladesh were sold for \$7.01 per piece in 2020, which was 9.20 per cent below the global average of \$7.72.

Vietnam received \$10.76 per piece while Sri Lankan and Indian exporters got \$8 and \$8.41, respectively, for the same product.

Similarly, the locally made men's cotton jeans were sold at \$7.81 apiece, again 7.20 per cent

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The problem is not that customers are paying these factories less, but rather customers are paying everyone else more."

"The data is equally clear: customers pay a lower price because the value provided by the failing factories is worthless," it said.

The ITC conducted the study using data from the Office of Textiles and Apparel of the US.



As per a government policy, Bangladesh's annual demand for gold is 20 tonnes to 40 tonnes, almost 80 per cent of which is met through smuggling and the rest through recycling of old jewellery.

PHOTO: RAJIB RAIHAN

## AT A GLANCE

- Buyers are ready to pay more, but suppliers cannot meet the need of consumers
- Unhealthy price competition prevails in domestic markets
- Last fiscal year, 80pc of the \$42.61b garment export came from only five items

## PRICE DIFFERENCE

(Bangladesh and highest recipients)

SOURCE: ITC REPORT

Items	Highest price recipient	Higher than Bangladesh
Men's woven cotton trousers	Dominican Republic	35%
Men's cotton jeans	Vietnam	32%
Women's cotton trousers	Turkey	59%
Women's cotton jeans	Mexico	50%
Men's woven cotton shirts	Dominican Republic	55%
MMF woven shirts	Jordan	53%
Men's cotton T-shirt	Peru	83%
Women's cotton T-shirt	Peru	28%
Women's cotton jacket	Thailand	79%
MMF bra	Dominican Republic	50%

## Mobile subscriber base erodes on GP SIM ban

MAHMUDUL HASAN

The number of mobile subscribers in the country continued to slide in August after the regulator banned Grameenphone from selling new SIMs at the end of June citing its failure to provide quality service, including incurring excessive call drops.

Moreover, the number of customers gained by the other two private operators -- Robi and Banglalink -- could not make up for those lost by Grameenphone in July and August.

The total number of customers in the country dropped by about 5 lakh in August to 18.35 crore.

In August, Grameenphone lost about 9.5 lakh customers, taking its subscriber base from 8.40 crore to 8.31 crore, as per the latest data of Bangladesh Telecommunication Regulatory Commission (BTRC).

The country's top operator had lost another 8 lakh customers in July, meaning that it lost about 17 lakh customers in the two months since the ban came into effect.

In the two months, the country's mobile subscribers base dropped by 9 lakh despite gains made by Robi and Banglalink.

**the number of customers gained by the other two private operators -- Robi and Banglalink -- could not make up for those lost by Grameenphone in July and August**

Robi and Banglalink added about 2 lakh and 3 lakh customers respectively in August while state-run operator Teletalk's figures remained almost unchanged at 6.7 lakh.

On a year-on-year basis, the number of customers of Robi, which operates under the brand names Robi and Airtel, increased 5.2 per cent to 5.49 crore in August.

The number of subscribers of Banglalink rose by about 4.7 per cent year-on-year in June to about 3.87 crore.

Despite the recent fall, the number of subscribers of Grameenphone remained almost unchanged year-on-year in August.

Grameenphone still holds the industry's top spot by a big margin, accounting for 45.30 per cent of the market share based on subscribers.

Although the telecom watchdog banned Grameenphone from selling new SIMs on the grounds of call drops and low service quality, the network provider had earlier passed the regulator's test in this regard.

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STOCKS	
DSEX ▲	CASPI ▲
0.78% 6,500.85	0.57% 19,121.80

COMMODITIES	
Gold ▲	Oil ▼
\$1,671.22 (per ounce)	\$88.05 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.84% 57,625.91	▼ 0.01% 26,396.83	▼ 0.07% 3,083.19	▲ 1.53% 3,025.51

## Jewellery sales drop on gold market volatility

SUKANTA HALDER

The gold market of Bangladesh is witnessing high volatility in prices, raising concerns among jewellers who claim that sales this year have declined by 25 per cent to 30 per cent from what used to be in the pre-pandemic period.

Since the beginning of 2022, gold prices were revised 23 times by Bangladesh Jeweller's Association (Bajus). The prices were raised 12 times and reduced 11 times until September -- a situation the industry people have not witnessed in recent years.

Prices of gold rose to Tk 75,000 per bhoru (11.664 grammes) in the second week of February from Tk 73,133 per bhoru two months ago.

The price reached Tk 84,564 on September 10, the highest in the country's history. The current rate of Tk 81,298 came about on September 26.

These fluctuations have limited sales solely to purposes that have no alternatives such as weddings, said Sreebush Roy, owner of DDamas, one of the leading brands in Bangladesh.

Others are deferring purchases with hopes prices will go down in the future, he said, adding that though jewellers hope so too, it has a negative impact on business.

The price of gold has not reached such an

extent in such a short period of time in the past 20 years, Roy added.

This was echoed by Ganga Charan Malakar, chairman of Venus Jewellers. He said sales were down by 30 per cent.

However, the price rise also prompted many owners to sell their jewellery and they were higher in number this year, he said.

**Since the beginning of 2022, gold prices were revised 23 times by Bangladesh Jeweller's Association; the prices were raised 12 times and reduced 11 times until September**

Jewellers say current domestic price fluctuations were a ripple effect of what was happening in international markets, increase in the exchange rate of the dollar with the taka and the Russia-Ukraine war.

The international market price per ounce was \$2,052 in last February. Currently it is \$1,695, said Bajus.

Domestic prices have not gone down as much as it has internationally due to rises in exchange rates of currencies, including that of the dollar, said MA Hannan Azad, chairman of the price determination and price monitoring standing committee of Bajus.

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