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BUSINESS



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AT A GLANCE


Local IT firms are expanding their business fast



Export growth is driven by business process outsourcing


Industry may take a blow if global economy falls into recession


Many firms, freelancers bring earnings thru unofficial channels



Experts suggest developing skills of youths for faster growth


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EXPORT EARNINGS
In million \$; SOURCE: EPB


194	182	225	276	303	592
FY17	FY18	FY19	FY20	FY21	FY22

BY THE NUMBERS


IT sector earned \$596m from exports in FY22


Exports posted 95pc year-on-year growth last fiscal year


BASIS estimates unofficial annual earning now over \$1.3b


Bangladesh has set IT export target at \$5b by 2025

IT exports cross half a billion-dollar mark

MAHMUDUL HASAN

Information technology exports from Bangladesh crossed a major mark in the last fiscal year as local firms and freelancers earned more than half a billion US dollars for the first time from external sources.

Local IT companies saw their export earnings shoot up 95 per cent year-on-year to \$592.06 million in 2021-22, up from \$29.67 million a year ago, while software exports rose to \$60 million from \$51 million in 2020-21.

Export earnings of Brain Station 23, one of the top software exporters in Bangladesh, grew 40 to 50 per cent in the last fiscal year.

"Orders are flowing in," said Raisul Kabir, chief executive officer of Brain Station 23, which hired more than 200 people in the last one year to take its total employees to 670.

Apart from traditional software such as payment gateway software, web application and mobile application, the demand for data science-related work is growing tremendously, the entrepreneur said.

"Products and services that drive the 4th industrial revolution-centric agenda,

including machine learning, are also in great demand."

Export receipts for the installation, maintenance and repair of computers and peripheral equipment increased by around 65 per cent to \$9.93 million in 2021-22.

"It is definitely a good sign for our industry and it also indicates the capability of our industry," said Rashad Kabir, managing director of Dream71 Bangladesh Ltd, an export-oriented software company.

"Due to higher inflation globally, many IT companies, especially from Europe, are going to cut costs and buy services from the countries in Asia."

In September, consumer

prices rose 8.2 per cent in the US and 10 per cent in the eurozone.

Despite the phenomenal growth, Bangladesh's IT export has remained at a far lower level than those of its peers.

For example, India's exports of software services were \$156 billion in the last fiscal year, according to The Economic Times.

Even Pakistan's earnings from IT exports, including those related to telecommunication, computer and information services, surged 29.26 per cent to \$1.94 billion in the July to March period of FY22, reports the Dawn.

Syed Almas Kabir, a former president of the Bangladesh Association of Software and

Information Services, however, said the actual export earnings from the IT sector were much higher than the official figures.

The estimated annual IT export now stands at \$1.3 billion, he said. "This is because many firms and freelancers don't bring in their full amount."

Industry people also allege that many firms and freelancers fetch their export proceeds through unofficial channels due to the higher rate of the dollar against the taka in the informal market.

The taka has lost its value by at least 20 per cent against the American greenback in the last seven months amid US dollar shortages caused by higher import bills amid the Russia-Ukraine war.

Almas also blamed the scarcity of skilled workforce in the sector.

"We have more than six lakh freelancers, but their per-hour earnings rate is very low since they mostly do low-value tasks. But Vietnamese and Indian freelancers earn at least three times as much as Bangladeshi freelancers owing to their superior skills."

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Revenue collection growth slows

REJAUL KARIM BYRON and DWAIPAYAN BARUA

The revenue collection growth decelerated to 12.63 per cent in Bangladesh in the first quarter of the current fiscal year, driven by the cost-of-living crisis at home and abroad, narrowing the fiscal space for the government, official figures showed.

It was much lower than the 21 per cent growth recorded by the National Board of Revenue (NBR) in the first two months of 2022-23.

The NBR collected Tk 65,737 crore in the forms of income tax, value-added tax (VAT) and customs tariffs between July and September, according to the provisional data of the tax administration.

Revenue collection went up by 16.75 per cent to Tk 58,368 crore during the same three-month period in the previous fiscal year.

A senior official of the NBR said the slow growth could be a seasonal effect caused by the lean economic activity in September.

The lower revenue collection is the latest indicator that painted the grim economic scenario of Bangladesh as well as other parts of the world.

Bangladesh's export earnings and remittance inflow both saw a drop in September.

Export earnings slipped 6.25 per cent year-on-year to \$3.9 billion in September, the first fall in 14 months, as runaway inflation in the western countries took its toll on Bangladesh's main foreign currency earning sector.

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6,494.25	19,110.91	

COMMODITIES		AS OF FRIDAY
Gold	Oil	
\$1,644.15	\$85.60	
(per ounce)	(per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
1.20%	3.25%	0.03%	1.84%	
27,919.97	27,090.76	3,039.61	3,071.99	

DWINDLING RESERVE Lift interest rate cap, let monetary policy work

SADIQ AHMED

Deft macroeconomic management over the past three decades has served Bangladesh well. Total export earnings, buoyed by a heady pace of growth in earnings from readymade garments, and foreign remittances, climbed to \$ 81.4 billion in FY2022, rising from a mere \$5.2 billion in FY1990.

Imports boomed that supported rapid growth in GDP, investments, and exports. All this was possible without any pressure on the balance of payments (BoP).

The current account was either in surplus or in a small deficit that allowed external debt to grow only moderately



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The football World Cup alongside that of cricket gives a big boost to annual sales of sportswear and sporting merchandise in Bangladesh, which could be anywhere from Tk 1,000 crore to Tk 1,200 crore as per rough estimates.

PHOTO: FIROZ AHMED

World Cup jersey sales yet to gain momentum

Businesspeople keep hopes up

MD ABU TALHA SARKER

Sales of football and cricket kits in markets across the country have started ahead of the biggest international competitions of the two sports which are set to mesmerise an ocean of fans and supporters all over the world.

Australia will host the 2022 ICC Men's T20 World Cup from today. And just seven days after the end of cricket's showpiece event, the FIFA World Cup will take place in Qatar from November 20.

Businesspeople said any World Cup usually triggers excitement among people a couple of months in advance but this year it was a bit different.

The sales season for the two sports in Bangladesh

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