



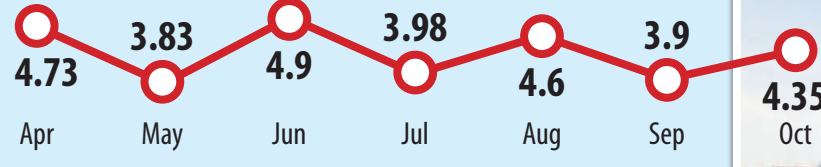
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SCAN FOR DETAILS


### EXPORT EARNINGS

In billions of \$; SOURCE: EPB




Month	Earnings (billions of \$)
Apr	4.73
May	3.83
Jun	4.9
Jul	3.98
Aug	4.6
Sep	3.9
Oct	4.35


### WHY EXPORTS FALLING




High inflation in European countries




Gas and power crisis in factories



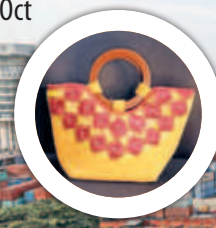
Delay in placement of work orders from buyers



Drop in export to Russia for war





A decline in global demand for clothing items



### RISKS AHEAD

- Slowdown in export may continue for a long time
- Closure of small and medium factories
- Work orders may fall further
- Possibility of labour unrest
- Rising losses incurred by factories



# RMG EXPORT SLOWS

## Other major sectors see dip

**STAR BUSINESS REPORT**

The growth of garment shipment from Bangladesh halved in July-October compared to a year ago while the earnings from a number of major sectors declined – all because of higher inflation in Europe owing to the Russia-Ukraine war.

This came despite overall merchandise shipment rising by 7.01 per cent year-on-year to \$16.85 billion in the first four months of the current fiscal year.

The export is decelerating as Europeans are finding it difficult to make a living amid rising consumer prices.

For example, nearly three-quarters of European consumers are cutting back spending on everyday items, including food, to make ends meet amid a worsening cost-of-living crisis, according to IRI, a data analytics and market research company, reported Bloomberg.

Since Europe accounts for more than 60 per cent of Bangladesh's merchandise exports, its cost-of-living crisis has hit the shipment from the South Asian nation.

For example, the export of frozen foods declined by 23.78

per cent year-on-year to \$171.67 million in the first four months of 2022-23, according to the Export Promotion Bureau (EPB).

Similarly, agricultural products fetched 23.81 per cent lower earnings at \$353.62 million.

The shipment of chemical products fell 24.56 per cent to \$93.59 million, and handicraft exports declined 23.81 per cent

**In July-October, garment exports grew only 10.55 per cent year-on-year to \$13.95 billion. It rose 20.78 per cent during the identical period last year**

to \$10.08 million. Jute and jute goods shipment fell 1.96 per cent to \$326.47 million.

The sales of garment items in the international markets decelerated as well.

In July-October, garment exports grew only 10.55 per cent year-on-year to \$13.95 billion. It rose 20.78 per cent during the identical period last year.

Of the total earnings from the apparel segment, \$7.72 billion

came from knitwear, which was up 7.14 per cent. The woven sector fetched \$6.22 billion, an increase of 15.08 per cent.

The real export earnings from the apparel shipment showed a positive growth as orders are shifting from other countries, especially China, according to exporters.

Md Shahidullah Azim, vice-president of the Bangladesh

Garment Manufacturers & Exporters Association, said the apparel export is struggling because of the escalated inflation in the western economies.

"International buyers have placed 30 per cent fewer orders for the next season," he said. The next season runs from March to May.

Since Europe is suffering from the energy crisis, the shipment

from Bangladesh will also suffer a lot in the near future, Azim warned.

Garment exporters say they are worried that the shipment to the continent might fall by as much as 20 per cent.

The high prices of raw materials in the global markets and the increased freight costs are also hurting garment shipment.

Textile millers and garment exporters say production in the primary textile sector has declined by 50 per cent recently because of a sharp rise in fuel bills. This may ultimately impact the shipment of garments as local spinners supply 90 per cent of the raw materials consumed by the knitwear sector and 40 per cent of the inputs used by the woven sector.

Globally, the demand for luxury items dipped.

Abul Hossain, president of the Bangladesh Jute Mills Association, blamed the anti-dumping duty imposed by India on Bangladesh's jute and jute goods for the slowdown in exports of the items from the country.

"The rising use of plastics is also responsible for the slowdown."

The production at jute mills has been suffering since the beginning of Covid-19 as some factories could not run properly.


"The production of jute has been falling for the last few years in the absence of government support."

Leather and leather goods export climbed by 17.42 per cent to \$428.46 million in July-October. Sectors such as home textile and footwear also fared well.

Overall exports declined 7.85 per cent year-on-year to \$4.35 billion in October.

Exports hit an all-time high of \$52.08 billion in the last fiscal year. This was the first time it went past the \$50-billion mark. The government has set a merchandise export target of \$58 billion for 2022-23.

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# IMF calls for tariff rationalisation

**REJAUL KARIM BYRON**

International Monetary Fund (IMF) has advised the government to rationalise the existing tariff structure by reducing various types of para and non-tariff barriers to improve competitiveness of domestic industries.

A visiting delegation of the multilateral lender made the recommendation at a meeting with top officials of the commerce ministry yesterday. The delegation arrived on October 26 for talks over Bangladesh's \$4.5 billion loan request.

In response, the ministry officials said the government would rationalise the tariff structure gradually in line with a National Tariff Policy it was now drafting.

Bangladesh's average nominal tariff protection rate, which is the percentage of tariff imposed on a product as it enters the country, was 27.08 per cent in fiscal year 2020-21, according to a paper by Policy Research Institute of Bangladesh.

It was 26.75 per cent the previous year, it said.

The nominal tariff protection rate was 29.09 per cent in fiscal year 1999-20.

Prevalence of supplementary and regulatory duties on various products in different sectors is the cause of high tariff protection which is skewed in favour of import-substituting activities resulting in a substantial anti export bias

The Bangladesh Trade and Tariff Commission (BTTC) is preparing the national tariff policy to increase the competitiveness of domestic industries by gradually reducing import duty protection for them.

It was also to encourage exports in view of Bangladesh's upcoming United Nations status graduation from a least developed country to a developing one by 2026.

READ MORE ON B3

RMG-led export growth has been a key driver of economic growth and job creation in Bangladesh but it remains one of the least diversified low-income countries, both in terms of products and destination, said the IMF.

PHOTO: STAR/FILE

# E-orange founder, her relatives bought assets with customers' money

## BFIU submits report to HC

**ASHUTOSH SARKAR and MAHMUDUL HASAN**

She took advance payment from customers luring them with hefty discounts and then purchased a plot and flat with over Tk 9 crore. Her relatives also purchased property with the customers' money.

This is how Sonia Mehjabin, founder of controversial e-commerce platform E-orange, and her relatives and associates laundered customers' money, according to a report of Bangladesh Financial Intelligence Unit (BFIU) submitted to the High Court.

The report said E-orange Shop and E-orange Bangladesh took deposits of Tk 900 crore from customers against 3.04 lakh orders through payment gateway SSLCOMMERZ.

However, it is not clear whether the products were delivered to the customers, said the report.

**The BFIU report said E-orange Shop and E-orange Bangladesh took deposits of Tk 900 crore from customers against 3.04 lakh orders through payment gateway SSLCOMMERZ**

The report said the accused appeared to have been involved with fraud as they have not delivered the products against the advance payments and laundered the money through transfers to personal accounts and purchase of assets.

Mehjabin's husband Masukur Rahman, who is the chief executive officer of E-orange, brother, absconding police inspector Sohel Rana, and her uncle, Mohammad Zayedul Firoz, purchased fixed assets of over Tk 9 crore.

According to a previous BFIU report, Mehjabin handed over the platform's ownership to Sohel.

Mehjabin and several of the platform's officials have been in jail since their arrest on August 16 last year on charge of embezzling Tk 1,100 crore of customers.

Shamim Khaled Ahmed, representing the BFIU, submitted the report before the High Court bench of Justice Md Justice Nazrul Islam Talukder and Justice Khizir Hayat Lizu yesterday in compliance with its April 7 order.

The April 7 order directed the BFIU to conduct a probe into the allegations of embezzlement and laundering of money deposited by subscribers of E-orange.

READ MORE ON B3

STOCKS			
DSEX ▲		CASPI ▲	
0.56%		0.38%	
6,388.56		18,804.92	

COMMODITIES			
Gold ▲		Oil ▼	
\$1,655.69		\$88.10	
(per ounce)		(per barrel)	

ASIAN MARKETS				
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▼ 0.35%	▼ 0.05%	▲ 0.34%	▲ 1.15%	
60,906.09	27,663.39	3,141.13	3,003.37	

# Remitters to get Tk 107 per dollar for sending fund thru banks

**STAR BUSINESS REPORT**

Migrant workers and non-resident Bangladeshi will get Tk 107 per US dollar for sending the greenback through banks and exchange houses, according to a decision of the Bangladesh Foreign Exchange Dealers' Association (Bafeda) early this week.

The move comes as the flow of remittances, one of the main pillars of the economy, has been falling through formal channels for the last couple months.

Bankers and analysts blamed money transfers through hundi or unofficial channels as banks were offering Tk 99 per dollar to remitters, which was much lower than the rates at the kerb market.

Following the latest decision of the association, banks will be able to offer Tk 107 for each greenback to remitters.