Ceramics of 150 brands of 120 companies from 20 countries are being showcased at a three-day exhibition opening at International Convention City Bashundhara in Dhaka yesterday. The event is being organised by the Bangladesh Ceramic Manufacturers and Exporters Association.

PHOTO: RASHED SHUMON

Adequate gas can boost ceramics export: entrepreneurs

STAR BUSINESS REPORT

Product output of the ceramics industry of Bangladesh has increased at least 200 per cent while investment 20 per cent over the last decade, according to the Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA).

"Currently, over 70 firms are producing ceramic products in a full-fledged manner while about 10 years ago, there were only 18 to 20 firms active across the country," said Md Shirajul Islam Mollah, president of the BCMEA.

Annual local market sales amount to around Tk 7,000 crore, he added.

Meanwhile this sector has made an investment of around Tk 15,000 crore and some 5 lakh people are involved with it, he said.

Mollah was addressing the inauguration of a three-day exhibition of ceramics organised by the BCMEA, this being for the third time, at International Convention City Bashundhara.

However, the industry's production is now facing severe disruptions for the ongoing gas crisis, said Mollah, also the managing director of China-Bangla Ceramic Industries.

He went on to say that currently Bangladesh was annually exporting goods worth around Tk 500 crore to over 50 countries.

"If we can recover from the crisis, the ceramic industry will contribute in giving a boost to the country's foreign exchange reserves," he said.

Addressing as chief guest, Commerce Minister Tipu Munshi acknowledged the prevalence of the gas crisis.

"We all know that there is a problem with gas. With gas not being supplied uninterrupted, it is difficult to run the industry. But we're still trying to solve the problem," he said.

Giving assurance to the businesses, he also said the situation would improve by January next year.

An industrial city and technical institute for ceramics need to be quickly established, Mostofa Azad Chowdhury Babu, senior vice president of the Federation of Bangladesh Chambers of Commerce and Industry, said as the special guest.

Moreover, VAT on raw materials and locally produced products need to be withdrawn, he said.

He called for providing major export sectors, including ceramics, facilities and policy support similar to the ones enabled for the garment sector.

The exhibition is showcasing 150 brands of 120 companies from 20 countries.

"I have come to the exhibition to choose some ceramics products for my home decoration," said visitor Shamima Begum from the Bashundhara residential area.

"We usually purchase these kinds of products from showrooms but this exhibition has given a big opportunity to choose products from hundreds of stalls," she added.

Walking with a bagful of brochures and leaflets from the organisers, Gendaria resident Md Tanvir Reza said, "I have collected many companies' contact numbers and brochures to contact them later for my business."

"This exhibition is helping me get a huge number of companies together at a single place," he added.

Among others, Irfan Uddin, general secretary of the BCMEA, and Moynul Islam, senior vice president, also spoke.

Beximco Digital to use Bangabandhu satellite

STAR BUSINESS REPORT

Bangladesh Satellite Company Limited (BSCL) has signed an agreement with Beximco Digital Distribution Limited (BDDL), under which the latter will use Bangabandhu Satellite-1 (BS-1) to distribute foreign clean-feed pay-tv channels in Bangladesh.

As such, the concern of Beximco Group will become the first foreign pay-tv channel distributor to avail downlinking services from the BS-1.

Md Shafiqul Islam, managing director of BSCL, and Jamanul Bahar, managing director of BDDL, formally signed the agreement on behalf their respective organisations in Dhaka yesterday.

Shahjahan Mahmood, chairman and chief executive officer of BSCL, said Beximco is their biggest customer.

"Today [Thursday], we have signed another agreement with Beximco for distributing eight foreign clean-feed pay-tv channels using BS-1. I believe the cooperation between BSCL and Beximco will grow even further in the coming days," he said.

"In continuation of this historic moment, there is a good possibility of other foreign television channels being added to BS-1," Mahmood added.

Shayan F Rahman, chairman of BDDL, also spoke.

Jewellers, BFIU to combat gold smuggling

STAR BUSINESS REPORT

The Bangladesh Jeweller's Association (BAJUS) yesterday said it would work with the Bangladesh Financial Intelligence Unit (BFIU) to combat gold smuggling.

The association will also carry out awareness campaigns among its 40,000 members in order to stop money laundering through gold smuggling.

The two organisations arranged the meeting at the Bangladesh Bank headquarters in Dhaka.

Md Masud Biswas, head of BFIU, presided over the meeting.

The association informed the BFIU that smugglers might be illegally importing gold bars and ornaments worth Tk 73,000 crore per year.

BAJUS also recommended gearing up the drives made by law enforcement agencies to tackle gold smuggling.

A Bangladesh Bank official said a vested quarter collects remittances from migrant workers abroad to purchase gold bars and ornaments with the funds, after which the items are sold in domestic markets.

The cartel then pays the funds owed to the beneficiaries of remittances, which is why the country is now being deprived of a substantial amount of foreign currency, the central bank official said.

Dilip Kumar Agarwala, general secretary of BAJUS, told reporters after the meeting that the country's foreign exchange reserve is now in a precarious position.

But if gold smuggling can be stopped, the reserves will get a boost, he said.

Nearly 67% garment export

FROM PAGE B1

The investment in the woven sector did not match that of the knitwear sector. So, woven garment makers rely on the countries such as China, India and Pakistan to source raw materials like woven fabrics.

Local weavers can supply 45 per cent of raw materials to woven garment exporters.

In the home textile sector, the retention value is also high as entrepreneurs have invested a lot for the production of fabrics.

Ha-Meem Group, one of the leading garment exporters in Bangladesh, purchases 60 per cent of fabrics for denim products, 50 per cent of fabrics for woven products, and 70 per cent of accessories from the domestic markets.

"The higher use of local yarn and fabrics is the main factor for the growing retention value in garment export," said AK Azad, chairman of Ha-Meem Group.

The consumption of locally made yarn and fabrics has increased since China can't meet the demand amid a fall in production in the world's second-largest economy in recent years, according to Kutubuddin Ahmed, chairman of Envoy Textiles, another large garment exporter.

He said a shorter lead time is a major factor in the garment sector because of the rapid changes in fashion and styles.

"International retailers and brands want a quick delivery of goods. So, exporters purchase yarn and fabrics from the local market that allows them to manufacture quickly and maintain a stricter lead time."

It takes at least 30 days more if garments are made from imported fabrics and yarn from China and then ship them to western markets.

Bangladesh is a major producer of denim fabrics and local millers can meet 60 per cent of the demand for the textile item.

Md Fazlul Hoque, managing director of Plummy Fashions Ltd, thinks the retention value will continue to grow as exporters are using more local raw materials.

The Narayanganj-based manufacturer uses 90 per cent local raw materials to produce knitwear products for the export markets.

"The higher retention value proves the strength of the country and the sector," said Mohammad Ali Khokon, president of the BTMA.

The retention in the future will depend on the energy sector, he said, adding that many mills are failing to run at full capacity owing to the ongoing energy crunch.

Renewed calls

FROM PAGE B1

"noticeably safer", CCC said.

"It is a disgrace that while 186 brands have signed this agreement, some laggards, most notably several brands which have first-hand experience with workers dying in their death trap factories, have failed to commit to protecting the safety of the workers in their supply chain," said Kamrul Hasan from Akota Garment Workers Federation in the statement.

German brands Tom Tailor, Deichmann, Swedish furniture and home textile giant IKEA and US online retailer Amazon are yet to sign the International Accord.

To make the brands sign on the dotted line, the European Centre for Constitutional and Human Rights and Femnet, supported by a range of Bangladeshi unions, have sent a letter warning them that if they failed to join the initiative they could face legal action under the German supply chain law that will take effect on January 1 next year, the statement said.

"While legal action should not be necessary for brands to take their workers' safety to heart, we hope that this will be the final push for major brands like Amazon and IKEA to sign the Accord, and make other laggards follow."

CCC, including its Bangladeshi partners and global allies, will continue to monitor if the Accord's Bangladesh operations keep these records up, by taking real action against non-compliant factories, being transparent about its operations, and continuing to ensure workers can speak out without fear of retaliation by management.

Export-import to be easier

FROM PAGE B1

Sometimes export-bound and imported goods remain stuck at warehouses and ports for several days for the delay in collecting signatures and in the release of goods. This forces exporters to cancel orders and even offer discounts to international trade partners.

Bangladesh signed the Trade Facilitation Agreement (TFA) of the World Trade Organisation (WTO) in February 2021 to promote paperless trade both at home and abroad and for goods in transit.

Earlier, the WTO, during its ninth ministerial meeting in Bali of Indonesia, adopted the TFA to speed up trade and business and curb bureaucratic tangles and corruption.

Estimates show that the full implementation of the TFA could reduce trade costs by an average of 14.3 per cent and boost global trade by up to $1 trillion per year, with the biggest gains expected to be made by the poorest countries.

The fee on the IRC and ERC would be realised according to the tenure of the certificates, said the commerce ministry in a circular on Wednesday.

Private sector driving Bangladesh

FROM PAGE B1

transformation and 61 per cent are pursuing strategic international expansion to create global brands.

According to the report, a key driver is the domestic consumer market.

The local consumer market is set to become the ninth-largest in the world driven by a rapidly expanding middle and affluent class, which is projected to grow from about 19 million in 2020 to about 34 million by 2025.

With an average annual GDP growth of 6.4 per cent between 2016 and 2021, Bangladesh has outpaced major Asian peers such as India, Indonesia, Vietnam, the Philippines, and Thailand. The country's growth rate was around double its fellow lower-middle-income countries and significantly higher than the global average of 2.9 per cent.

The country has high economic resilience with a savings rate of 34 per cent against the global average of 27 per cent. The government debt at 19 per cent is the lowest among peers, said the report.

"Besides China, the two most dynamic countries in the world are in South Asia. I would say India and Bangladesh have strong momentum," said Hans-Paul Bürkner, global chair emeritus for BCG, in an interview with The Daily Star last week.

"One of the key elements now for Bangladesh is to really make good use of these opportunities. I think this is crucial."

"Don't see yourself as a poor country, lagging far behind and without having many opportunities. Actually, there is a real opportunity to really move forward to become a middle-income country in the coming years and decades."

But, of course, it takes special efforts, according to Bürkner.

Companies around the world are diversifying their supply chain and Bangladesh can seize the opportunity.

"A massive shift in the supply chains will occur in five to seven years where Bangladesh can play a role. I think the key is really to be open to grab these opportunities," he added.

He urged Bangladesh to build infrastructures in order to lower logistics and transportation costs significantly.

"There are opportunities. That's why we are positive about Bangladesh. We feel progress is being made, but a lot more needs to be done."

Bangladesh is widely recognised for its important role in the global supply chain for textile and apparel, and the BCG continues to see growth in this sector with major domestic players expanding their businesses globally.

The momentum in the digital industry, three times increase in public spending in the last decade, the government's 2041 vision and the Smart Nation Plan are also powering growth.

The telecom industry is led by three private players, Grameenphone, Robi and Banglalink, which have helped position Bangladesh as the ninth-largest mobile market in the world.

The NGO sector has also been a major driver of growth for the economy, with the world's largest NGO Brac and the pioneer of microfinance Grameen Bank providing a safety net for the bottom of the pyramid, the report said.

The startup industry has raised funding of over $700 million and now the government is taking an active role in promoting start-ups.

Other sectors are also emerging on the global stage with players like multinational goods company Pran-RFL establishing franchises in Africa and the Middle East, and pharmaceuticals and animal health companies driving expansion in Europe, the UK, and the US.

The BCG is aware about the challenges Bangladesh faces amid the current global uncertainty.

"No story is without ups and downs. The current economic climate has created some uncertainties, with liquidity challenges, foreign exchange risks and inflationary pressures in the short term. But the measures the country is taking should allow Bangladesh to remain on its course towards a trillion-dollar economy," the report said.

There are areas where Bangladesh needs to do more, said Saibal Chakraborty, managing director and a partner of the BCG office in New Delhi. He co-authored the report.

"For example, digital analytics is an area where more needs to be done."

Although the country is enjoying a great demographic dividend, some companies are feeling the crunch when it comes to cutting-edge managerial talent or tech talent, said Chakraborty.

The BCG found that 56 per cent of organisations have social impact at the top of their mind and are geared to drive meaningful change.

Zarif Munir, managing director and senior partner in the Kuala Lumpur office of BCG, said: "In 2015, we observed one big trend in Bangladesh and that was the middle and affluent class, and they were the driving force of the economy."

"Now, we believe the next big driving force after the middle class are local companies. They're young, They're hungry. They want to grow despite the challenges."

The report assessed companies based on three pillars: growing beyond, operating beyond, and organising beyond.

The companies that are "growing beyond" to realise global ambitions with societal impact at heart are Brac, bKash, Brac Bank, PHP, ShopUp, Pathao, Walton, Pran, and Summit.

The companies that are "operating beyond" through partnerships and multi-local delivery networks are Square, Walton, PHP, ShopUp, Pran, Patho and Meghna Group.

The firms that are "organising beyond" include Confidence Group, Beximco and Pran.

"Bangladesh is on the move. But to reach its full potential, the emerging champions will need to lean in," said Tausif Ishtiaque, a partner in the Kuala Lumpur office of the BCG and a co-author of the report.