

# Star BUSINESS

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Retaining its position as the second biggest exporter of apparel globally, Bangladesh is also supplying quality high-end value-added garment items, hoping to take the nation's share to double-digits in three years and earn \$100 billion by 2030. The photo was taken at a "Made in Bangladesh Week" organised in Dhaka last month by the Bangladesh Garment Manufacturers and Exporters Association in partnership with Bangladesh Apparel Exchange.

PHOTO: RASHED SHUMON

## Bangladesh's share in global apparel trade grows

REFAYET ULLAH MIRDHA

While retaining its second position globally, Bangladesh had its share in global apparel trade grow by 2.23 per cent to 6.40 per cent in 2021, according to World Trade Organization (WTO) data published on Wednesday.

The country shipped \$34 billion worth of garments last year.

The share of Bangladesh in global apparel business was 6.26 per cent in 2020. World Trade Statistical Review 2022 showed that Bangladesh retained its second position worldwide after China.

China retained its top position grabbing a 32.8 per cent market share and exported apparel worth \$176 billion, said the data.

Vietnam became the third largest garment exporter with a 5.8 per cent market share and exported garment items worth \$31 billion.

Turkey became the fourth largest garment exporter grabbing a 3.5 per cent share and exported apparel worth about \$19 billion last year.

The WTO statistics also showed that the annual export value of the top 10 exporters of clothing stood at \$460 billion, a big jump from \$378 billion in 2020. The value was recorded at \$411.0 billion in 2019.

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) recently organised the country's biggest-ever event in the apparel sector as it looks to raise the nation's share in the global apparel market to double-digit in three years and earn \$100 billion by 2030.

The BGMEA plans to elevate the country's share in the global apparel business to 10 per cent by 2025 from the current 6.26 per cent.

Garment shipments clocked a 35.47 per cent year-on-year growth in fiscal year 2021-22, netting \$42.61 billion. The BGMEA's roadmap is aimed at diversifying markets and products and decreasing risks, if any.

Due to a lack of market diversification, 73 per cent of garment exports go to the US.

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## Monthly export receipts go past \$5b for first time

REFAYEY ULLAH MIRDHA

Bangladesh's earnings from merchandise shipment crossed the \$5-billion mark for the first time in November, a major boost for the country reeling from the foreign exchange crisis, official figures showed yesterday.

It came despite a gloomy global economic scenario stemming from the Russia-Ukraine war and the dragging impacts of Covid-19 and amid warnings from the manufacturers that exports could slide amid the persisting higher inflation in the developed markets.

Last month, exporters brought in \$5.09 billion, the highest in a single month, according to provisional data from the Export Promotion Bureau (EPB), which is yet to publish the full export data for November. It was up 26.01 per cent from November last year.

The previous monthly high was recorded in June when the merchandise shipment surged to \$4.908 billion.

The record exports would extend some breathing space to Bangladesh since the country's foreign currency reserves are on the decline owing to the higher import payments.

Exports grew 10.89 per cent year-on-year to \$21.94 billion in July-November, EPB data showed.

"This is an extraordinary export performance," said Senior Commerce Secretary Tapan Kanti Ghosh.

"The demand for locally made garment items is still very high despite the higher inflation in Europe."

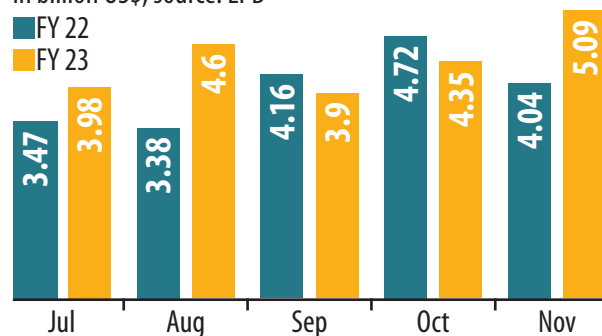
Bangladesh is a dominant supplier in basic garment items and the demand for apparel products has remained strong among the consumers amid the runaway cost of living.

"Still, we did not expect such a big jump in export growth in a time of crisis," Ghosh said.

He said the good thing is that inflation the US, the

### Monthly export earnings

in billion US\$; source: EPB



single largest export market for Bangladesh, has started falling.

"This has inspired the consumers to spend more."

In the US, consumer prices rose 7.7 per cent in October, less than the 7.9 per cent that analysts had expected and down from 8.2 per cent in the year through September.

A forecast by the National Retail Federation in October said holiday sales in the US during November and December are expected to rise up to 8 per cent to as much as \$960 billion.

Inflation, however, has remained at an elevated level in Europe, which accounts for more than 60 per cent of Bangladesh's shipment, because of the war-induced energy crisis. The eurozone inflation hit 10.7 per cent last month.

Local garment exporters say international retailers and brands are coming back with a handful of work orders as their stock of unsold products is waning rapidly. Apparel shipment represents about 85 per cent of the national export earnings.

This is because, for the first time in three years, which witnessed the outbreak of the coronavirus pandemic and the war, western retailers and brands are recoding a massive sale ahead of Christmas.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, said recently international retailers and brands have started paying a bit higher prices to local suppliers to help them absorb the higher cost of production driven by the escalated prices of raw materials in the global markets.

Moreover, Bangladesh has also started exporting more high-end value-added garment items, which have driven up earnings, he said.

SM Khaled, managing director of Snowtex, expects the export of garment items to continue to grow from January.

The country is looking to exports and remittance, which grew 4.5 per cent to \$1.59 billion last month, to replenish its forex reserves and avert any major economic crisis.

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STOCKS	
DSEX ▲	CASPI ▲
0.15%	0.06%
6,245.37	18,419.62

COMMODITIES	
Gold ▲	Oil ▲
\$1,783.43	\$81.63
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.29%	▲ 0.92%	▲ 0.07%	▲ 0.45%
63,284.19	28,226.08	3,292.73	3,165.47

## Remittance ticks up in November

STAR BUSINESS REPORT

Remittance flow went up slightly in November but it still hovered around lower-than-expected \$1.5 billion that Bangladesh received in the previous two months, official figures showed yesterday.

Money transferred by Bangladeshi workers living abroad stood at \$1.59 billion last month, up 4.5 per cent on October and 2.64 per cent from a year earlier, according to data from the Bangladesh Bank.

Remittance receipts were \$1.54 billion in September and \$1.52 billion in October.

Between July and November, remittance inflow stood at \$8.60 billion, down 2.14 per cent year-on-year.

Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue, calls the remittance trend quite disappointing.

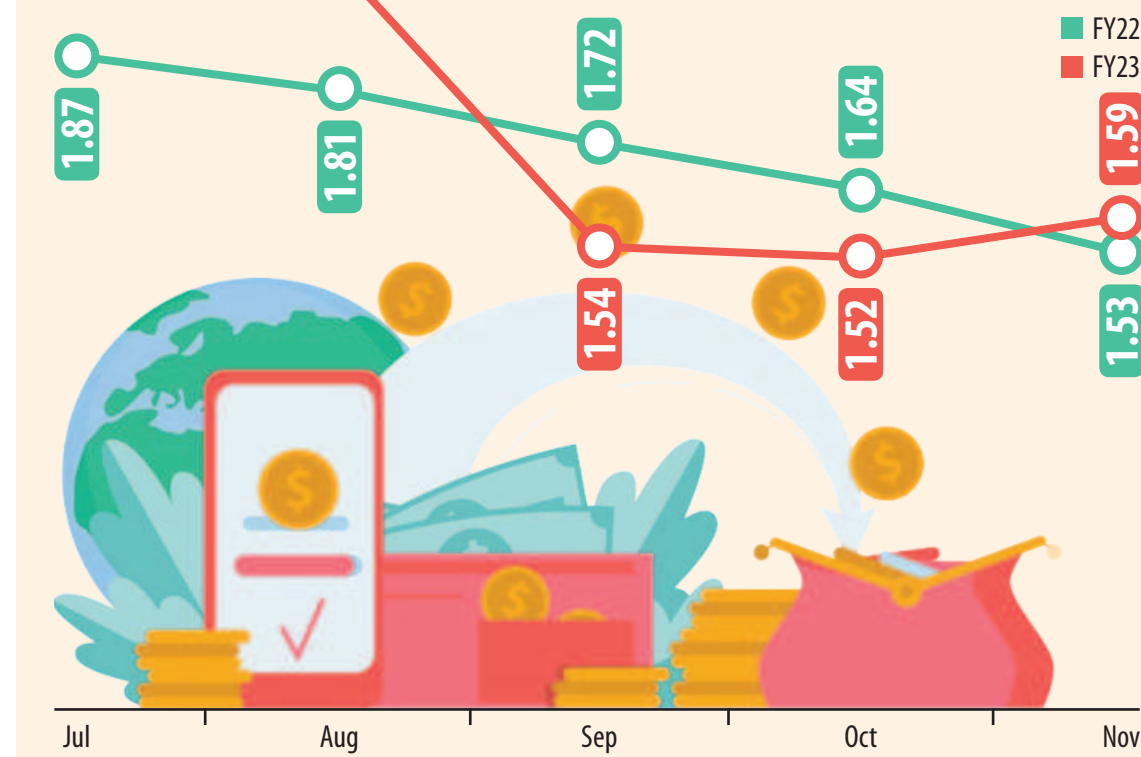
His frustration came as large number of migrant workers have gone abroad in search of jobs in recent months, a development that was expected to give a much-needed boost to remittances, the cheapest source of foreign currencies for Bangladesh.

More than 7.84 lakh male and female workers went to various countries from Bangladesh between January and August, up 191 per cent year-on-year. Of them, around 7 lakh, or 90 per cent of the total, went to the Middle East, data from the Bureau of Manpower Employment and Training showed.

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## Bangladesh's monthly remittance earnings

(In billion \$)  
 SOURCE: BB



## WB projection for remittances in South Asian countries

Year: 2022  
 Remittances (in billion \$)  
 SOURCE: WB

India	100
Pakistan	29
Bangladesh	21
Nepal	8.5
Sri Lanka	3.6
Afghanistan	0.4
Bhutan	0.1

## Remittance receipts to fall by \$1b in 2022

World Bank projects

REJAUL KARIM BYRON and JAMIL MAHMUD

With a \$21-billion inward remittance anticipated, Bangladesh is likely to be the seventh highest recipient of remittance globally this year, said the World Bank's latest report.

However, as per the global lender's projection, remittance inflow to Bangladesh will see a drop of \$1 billion from the \$22 billion the country received last year.

As reasons behind the drop in inward remittance, the report, "Migration and Development Brief: Remittances Brave Global Headwinds", released yesterday, mentioned that "domestic and external shocks" hit Bangladesh as

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