

Star BUSINESS



Set quota of dollar for import of Ramadan essentials

Commerce ministry sends letter to BB

REFAYET ULLAH MIRDHHA

The commerce ministry yesterday requested the Bangladesh Bank for keeping a certain quota of the US dollar to facilitate import of six essential commodities to ensure smooth supply of the goods during the Ramadan.

The ministry's move comes as a dip in imports of a number of essentials created a concern regarding containing their prices before the month of Ramadan, when demand for the items increased.

On Wednesday, businesses in a meeting with the commerce minister alleged that they could not open letters of credit (LCs) for banks' reluctance amid dollar shortage and warned a supply shortage may

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appear if imports do not increase.

A commerce ministry paper was presented at the meeting between the commerce minister and the essential commodity traders and processors held at the commerce ministry in Dhaka on January 4.

In the paper, it was shown that opening of LCs for import of raw sugar slumped 28 per cent year-on-year to 3.75 lakh tonnes in the last quarter of 2022.

In the case of chickpea, it dropped 47 per cent to 75,319 tonnes and dates 30 per cent to 21,980 tonnes.

Commodity processors and importers urged the government to allow them to open LCs even if it meant releasing a portion of funds from the central bank's foreign exchange reserve.

They also demanded a reduction in the exchange rate of the dollar for settling the import bills to cut costs

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BY THE NUMBERS

- Industry witnessed **20pc** annual growth in last 5 years
- Number of local companies in the industry: **100**
- Market size of locally produced items: Tk **500cr**

TOP LOCAL PLAYERS

RFL, HomeTex, Swan, Apex, Karmo, Bengal, EuroAsia

WHY POPULAR

The products are...

- Washable
- Warmer
- Low-cost
- Lightweight

OTHER KEY POINTS

- Demand for comforter, quilt and blanket rising every year
- Retailer Shwapno sold over **53,000** comforters this season, while RFL sold **70,000**
- Quilt is also sold during summer
- Sales of traditional duvet are falling



Comforter-quilt market expands as lifestyle changes

Big companies coming with substantial investments

MAHMUDUL HASAN and SUKANTA HALDER

Consumers in Bangladesh are increasingly switching to comforters, quilts and blankets from traditional duvets in order to stay warm throughout the chillier winter nights and amid a change in lifestyle, drawing a substantial investments and big companies to the segment.

About 100 companies, including a dozen of big corporations, have invested heavily in the business in the last five years.

With an annual increase of 15 per cent to 20 per cent in the last five years, the market size of locally manufactured comforters, quilts and blankets now stands at Tk 500 crore, according to industry people.

Pran RFL Group, HomeTex, Swan, Apex, Karmo, Bengal, and EuroAsia now manufacture the products.

Pran RFL Group, which made the foray into the market in 2016, has so far invested about Tk 15 crore to set up production facilities for comforters

alone. It also produces foams, mattresses, pillows, baby sets, and mosquito nets.

Starting on a limited scale initially, the company is now thinking of investing more. Its sales are growing more than 20 per cent annually.

In the past, these products were mainly imported from China, but the growing demand has encouraged local investors to set up factories. However, a big chunk of the demand, especially that for the blanket, is still met by imports.

are also manufacturing the products.

Monir Hussain, a resident in the capital's Agargaon, purchased a comforter on Wednesday at Tk 2,500.

"Comforter is very light-weighted but warmer," he said.

Abu Raihan, head of corporate sales of Hometex Bangladesh Manufactory, said quilt sales have witnessed massive growth in Dhaka this winter.

"If we take the sales across the country into account, comforters and quilts' share will be 50-50."

He said a good number of quilts are also sold during summer.

People have rushed to retail outlets selling comforters, quilts and blankets in the last few days due to a significant drop in mercury amid the cold wave.

A mild cold wave is sweeping across several districts and it may continue, said the Bangladesh Meteorological Department yesterday.

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Cost of foreign borrowing may rise

BB report blames weaker taka and global rate hike

STAR BUSINESS REPORT

The significant depreciation of the taka, upward movements of interest rates in the advanced and emerging economies, and the tight global financial condition might lift the cost of foreign borrowings and debt burden, said the Bangladesh Bank.

Widening current account deficit in the face of a surge in imports, soaring global energy and non-energy commodity prices, and tepid remittance inflows, monetary tightening by the US Fed, and geopolitical tension together led to depreciating pressure on the taka against the US dollar.

Moreover, the BB has allowed more flexibility in the exchange rate culminating in a sharp depreciation of the taka.

The waning of the current account deficit, the net sales in the foreign exchange market, and several policy measures of the Bangladesh Bank helped moderate the rate of depreciation, said the central bank's quarterly report for July-September.

The exchange rate volatility emanating from the Russia-Ukraine war and worsening non-performing loans will remain a concern in the coming months, the central bank said

The BB sold \$3.6 billion in the quarter to mitigate the demand-supply gap in the foreign exchange market. Consequently, the gross official foreign exchange reserve declined to \$36.48 billion in September.

The current depreciation of the local currency and several policy initiatives aimed at increasing exports and remittance inflows and limiting luxury and unnecessary imports are expected to help improve the current account balance and stabilise the exchange rates of the taka in the coming months.

However, it added that the exchange rate volatility emanating from the Russia-Ukraine war and worsening non-performing loans will remain a concern in the coming months.

The continuous BB's intervention by selling US dollars in the foreign exchange market to mitigate the pressure on the balance of payments might create some downside risk in liquidity conditions in the banking sector.

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STOCKS	
DSEX ▼	CASPI ▼
0.13%	0.09%
6,193.96	18,298.89

COMMODITIES	
Gold ▼	Oil ▲
\$1,846.64	\$74.31
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.50%	▲ 0.40%	▲ 1.55%	▲ 1.01%
60,353.27	25,820.80	3,292.66	3,155.22



PHOTO: STAR/FILE

Small scale farming of the vannamee shrimp in 2021 and 2022 provided yields between 8.33 tonnes and 12.34 tonnes per hectare whereas per hectare yield of locally farmed black tiger shrimp is nearly half a tonne.

Govt to allow commercial farming of vannamee

Cultivation of the non-native variety to boost exports

SOHEL PARVEZ

The government is going to allow commercial cultivation of non-native vannamee species of shrimp, also known as whiteleg shrimp, as experimental farming in three farms in the southern coastal region showed severalfold higher yields compared to that of locally farmed black tiger shrimp.

The development comes as a technical panel, formed by the Department of Fisheries (DoF) earlier to assess the feasibility of the whiteleg shrimp culture in Bangladesh, suggested taking necessary steps to grow the shrimp commercially to catch up with the export market.

The DoF is going to place the recommendation before the fisheries and livestock ministry for final approval, said DoF Director General Kh Mahbul Haque.

"We expect the ministry to give a decision this month. If so, it will be possible to start commercial cultivation of vannamee in the coming farming season, starting from March," he said.

Frozen food exporters who had been pursuing the government to allow cultivation of the non-native shrimp in the face of falling export earnings for over a decade cheered the decision.

"It is a historical achievement. This is going to bring a revolutionary change in shrimp production and brighten prospects in frozen foods sector," said Md Amin Ullah, president of Bangladesh Frozen Foods Exporters Association.

He said a majority of shrimp processing plants were going through a downturn as they could not utilise their full capacity because of a dearth of their raw material.

Today, around 35 plants are operational while the rest of our 105 members are going through a downturn, he said.

"Production of shrimp will increase for cultivation vannamee and we will get enough raw materials," he said.

The DoF, which had been unwilling to grant permission for cultivation of the non-native shrimp fearing negative impact on biodiversity and environment, started giving permission for experimental culture of the whiteleg shrimp since 2019.

Initially it allowed Shushilan, a nongovernmental organisation, to pilot the first culture of whiteleg shrimp in the southwestern division of Khulna, a major farming region for export-oriented shrimp.

Later, it granted permission to MU Seafood, Jashore and Grotec Aquaculture, Paikgacha in the southwestern division.

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