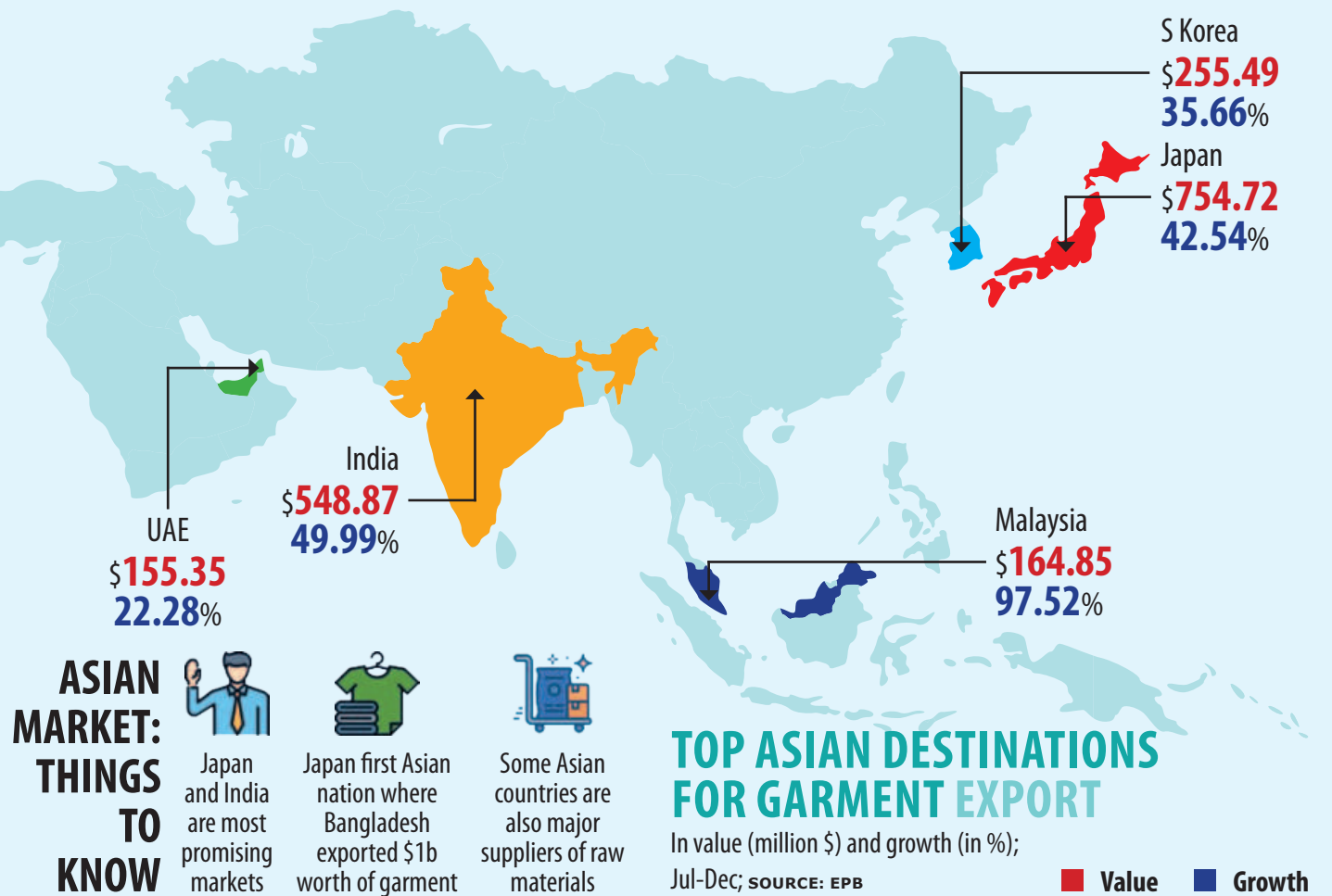




REASONS FOR HIGHER GROWTH IN ASIA

- High inflation in the EU and the USA
- Rising middle income consumers in Asian markets
- Short lead-time and easy transportation
- Better prices compared to the past
- Drive by local exporters to grab more Asian markets
- Product diversification by local exporters



Asia comes to RMG exporters' aid amid slowdown in EU, US

REFAYET ULLAH MIRDHA

Amidst the slowdown in garment shipment to the European Union and the United States owing to persistently higher inflation, the Asian markets are emerging as the saviour for the apparel exporters from Bangladesh.

Consumers in the two largest garment export destinations of Bangladesh have remained concerned about the lasting economic uncertainty caused by the raging Russia-Ukraine war.

As a result, the earnings from the garment export to the US, Bangladesh's single largest market, registered a paltry growth of 1.11 per cent year-on-year in the first six months of the current financial year. Similarly, the receipts from the EU market clocked a 16.61 per cent growth.

On the other hand, the export of apparel items to the major Asian markets posted substantial growth during the period and the momentum is expected to continue in the coming years as the continent gets richer.

For instance, the shipment to Japan, a very promising market for Bangladesh, rose 42.54 per cent year-on-year to \$754.72 million between July and December. It was \$529.46 million in the identical period

a year earlier, data from the Export Promotion Bureau (EPB) showed.

The export to India surged around 50 per cent to \$548.87 million and it climbed 35.66 per cent to \$255.49 million in South Korea and 97.52 per cent to \$164.85 million in Malaysia.

Garment sales to Turkey appear to be rebounding; the export to the country had been on the decline after Ankara maintained a 17 per cent duty on the import of garment items from Bangladesh since 2017.

Still, the apparel shipment to Turkey rose 83.70 per cent to \$117.43 million in July-December.

The export to Saudi Arabia was up 41.62 per cent to \$104.31 million and to the United Arab Emirates by 22.28 per cent to \$155.35 million.

The shipment advanced 15.27 per cent to \$127.24 million in China, which itself is the largest apparel supplier in the world.

"We are studying the Asian markets very seriously as part of our roadmap," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

He said this was not a normal time for the garment business as consumers in Bangladesh's

traditional export markets such as the US, Canada, the UK and the European Union are going through a tough time owing to higher consumer prices driven by the global energy shortage and supply disruptions.

"So, we are trying to ship more goods to Asia and other emerging markets like those

two months and its experts have also suggested expanding Bangladesh's apparel sales in Asia as the base of the middle-income consumer group is expanding in the countries in the continent.

More than 1 billion Asians are set to join the global middle class by 2030, according to Vienna-

based World Data Lab.

Asian nations make up more than half of the world's middle class, but they account for only 41 per cent of that group's consumer spending. The share is set to exceed 50 per cent within a decade.

The Asia-Pacific region is set to account for more than 40 per cent of the global menswear and womenswear sales by 2024, thanks to its high population density, increasing internet penetration, economic growth and the increased spending

ability of consumers, said London-based data and analytics company GlobalData in a forecast last year.

Some Asian markets such as India, China, Japan and South Korea are also major suppliers of raw materials to Bangladesh's \$52 billion ready-made garment sector.

The garment shipment to Russia, however, declined in July-December because of the ongoing war.

Exporters fetched \$180.64 million in the first half of FY23, which was \$341.21 million during the same period a year ago, a decline of 47.06 per cent.

Owing to the war, Bangladesh has been missing out on the promising market where shipments nearly touched \$1 billion just before the conflict erupted in February.

In early March last year, global payments messaging network SWIFT asked banks in Bangladesh to suspend transactions with half a dozen Russian lenders since they are facing sanctions from the US and the EU over Moscow's invasion of Ukraine, local exporters have been forced to send goods to Russia through alternative routes and receive payments in alternative currencies.

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Higher govt borrowing may crowd out private sector: DCCI

STAR BUSINESS REPORT

The central bank's target to raise the public sector credit growth in the January-June half of the ongoing fiscal year may crowd out the private sector, said the Dhaka Chamber of Commerce & Industry (DCCI) yesterday.

The credit growth target for the public sector has been adjusted upwards to 37.7 per cent from 36 per cent, according to the monetary policy statement (MPS) unveiled on Sunday. The actual credit growth was 26.6 per cent in the July-December period.

The goal for the private sector credit growth has been kept unchanged at 14.1 per cent, against an actual growth of 12.8 per cent in the first half of FY23.

"The target for public sector credit may cripple new borrowing and investment by the private sector," said DCCI President Sameer Sattar in a press release.

In order to reduce public sector borrowing, efficiency and good governance need to be continuously ensured through the reduction in government expenditure, austerity measures and prioritising development projects, he said.

The chamber, however, hailed the new monetary policy stance, saying it would help both the private and financial sectors turn around.

"As a whole, the MPS is promising with good indications to contain the current economic challenges," Sattar said.

"The target for public sector credit may cripple new borrowing and investment by the private sector," said DCCI President Sameer Sattar

"However, a timely implementation strategy through coordinated efforts from the public and private sectors along with strong monitoring by the central bank can achieve the core goals of the money market and the economy."

The MPS is primarily aimed at curbing inflation and stabilising the foreign exchange reserve.

Also, in the current market condition, the proposed relaxation of the lending rate cap for consumers' credit and the

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Speculative trading drives stocks

AHSAN HABIB

While most stocks in Bangladesh remain bearish, some surged in the first half of January fuelled by rumours.

Interestingly, the rumour is that manipulators are availing stakes in the stocks for which their prices will rise. This rumour is encouraging general investors to buy those stocks.

Meanwhile, stocks with good performance records are struggling to get buyers, for which their prices have remained unchanged these days.

Investor Abdul Malek was found buying stocks of Genex Infosys at a brokerage house. Asked by The Daily Star, he informed about the rumour.

"If anyone follows the manipulator, he can gain in the market now. Otherwise, none will get profit," he said.

Since January 2, the price of a number of stocks has gone up by a large extent, according to data from the Dhaka Stock Exchange (DSE).

They include Bashundhara Paper Mills (31 per cent), Genex Infosys (30 per cent), Meghna Life

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Matarbari deep-sea port to open in 2026

Says state minister for shipping

STAFF CORRESPONDENT, Ctg

State Minister for Shipping Khalid Mahmud Chowdhury yesterday hoped for a part of the Chattogram port's Bay Terminal to become operational from early 2026 while the Matarbari deep-sea port either from the middle or end of that year.

He also hoped for the Chattogram port's Patenga Container Terminal to be operational very soon as around 97 per cent of its construction was complete.

He was addressing as chief guest a ceremony marking the first time a Chattogram port jetty has been able to accommodate a 200-metre vessel with a 10-metre draught.

The vessel, MV Common Atlas, berthed at jetty no 1 of Chittagong Container Terminal (CCT) on Sunday afternoon.

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STOCKS	
DSEX ▼	CASPI ▲
0.07%	0.04%
6,246.06	18,440.49

COMMODITIES	
Gold ▼	Oil ▼
\$1,912.92	\$79.18
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.28%	▼ 1.14%	▼ 0.31%	▲ 1.01%
60,092.97	25,822.32	3,283.60	3,227.59

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MV Common Atlas, a 10-metre draught vessel, anchored at a jetty of Chattogram port on Sunday. With the arrival of the Marshal Island-flagged bulk carrier, the largest port of the country stepped into a new era as the movement of larger ships is expected to generate more revenue by cutting costs and saving time.

PHOTO: RAJIB RAIHAN