

star BUSINESS

Prime Bank

**SAFEST
PARTNER**
to save your deposit



B2B startup ShopUp secures \$30m debt financing

MAHMUDUL HASAN

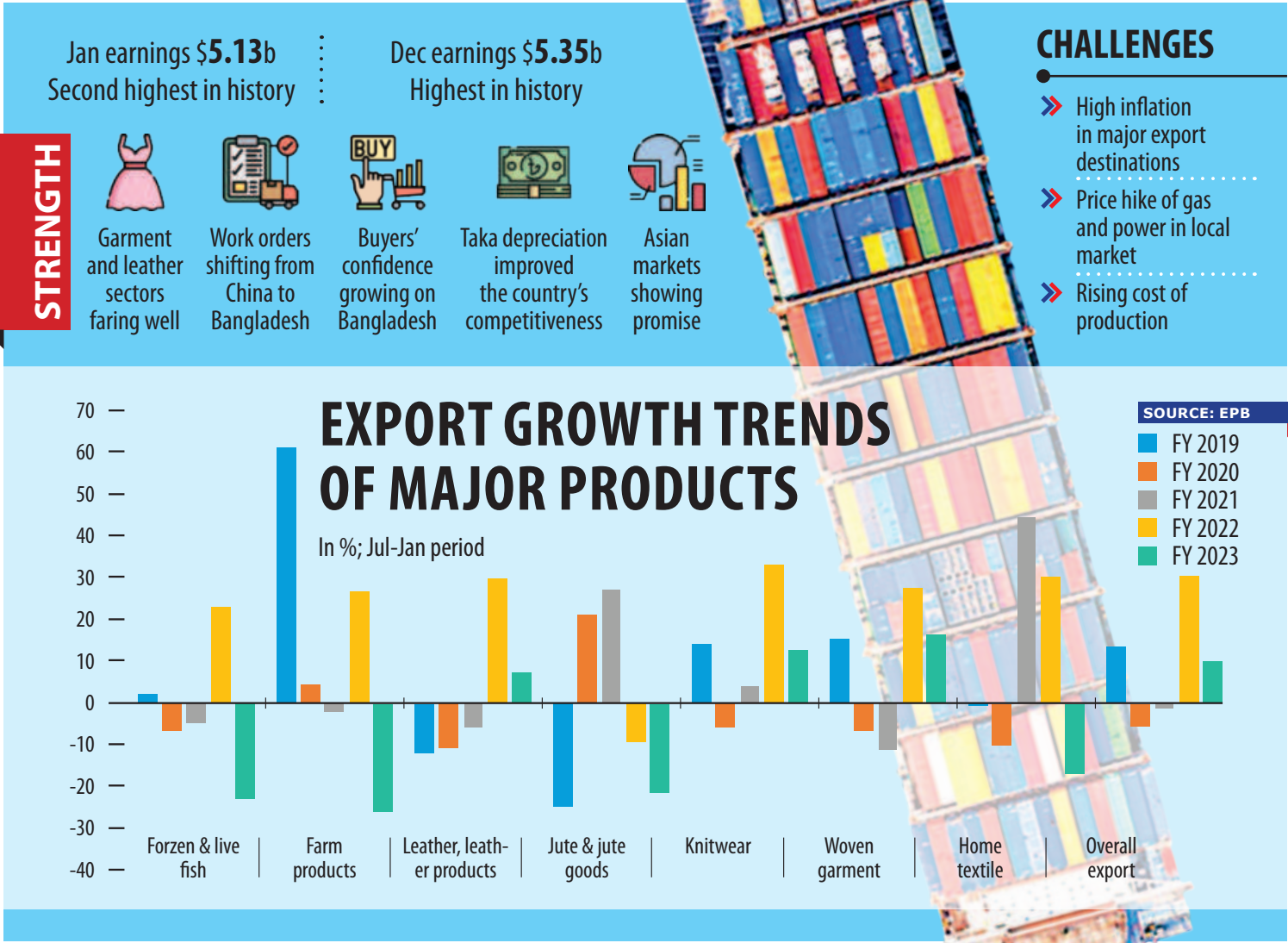
Business-to-business (B2B) startup ShopUp yesterday announced that it had secured \$30 million in debt financing from both local and global lenders.

The funds will be used to drive expansion efforts and strengthen the company's supply chain operations, benefiting small businesses and consumers across the country, the company said in a statement.

The financing comprised \$20 million from Lendable, a global debt financing provider for fintech companies in emerging markets, marking their first investment in South Asia.

The remaining was secured from City Bank, albeit in taka, the local currency.

The development
READ MORE ON B3



BB sells dollar at Tk 101 for first time

STAR BUSINESS REPORT

Bangladesh Bank has sold US dollar at Tk 101 each to banks for the first time, giving indication that it is likely to devalue the local currency to reflect the market reality.

The central bank sold \$89 million to banks on February 1 to enable the financial institutions to clear import bills on behalf their clients, said a BB official, seeking anonymity.

The latest depreciation comes nearly a month after the Bangladesh Bank sold the greenback to banks at Tk 100 to help settle import payments.

In the interbank market, the greenback traded at Tk 107 yesterday, reflecting 24.4 per cent loss of value of the taka against the US dollar from Tk 86 a year ago.

Like many other currencies, Bangladesh's taka has been under pressure against the dollar over the last one year owing to higher import payments than overall receipts from export and remittance.

READ MORE ON B3

Export earnings defy hard times

January brings in \$5.13b -- second single-month highest in history

REFAYET ULLAH MIRDHA

Despite the persisting volatility in the global economy and higher consumer prices in the western markets, Bangladesh's merchandise shipment grew 5.89 per cent year-on-year to \$5.13 billion in January, official data showed yesterday.

This was the second-highest single-month shipment in the history of the country. The previous highest was recorded in December when exporters brought home \$5.35 billion.

The higher export earnings, along with rising remittance flow, would give some breathing space to the economy reeling under foreign exchange instability owing to US dollar shortages. Remittance flow to Bangladesh rose to a five-month high in January as expatriates sent home \$1.95 billion.

M A Razzaque, research director of the Policy Research Institute of Bangladesh, describes the January earnings as commendable given the volatile economic situation.

The recent depreciation of the local currency against the US dollar contributed to the

overall export receipts since the country's competitiveness has improved globally, he said.

The taka has weakened by about 25 per cent against the US dollar in the past one year owing to the crunch of the American greenback.

In July-January, the first seven months of the current financial

The garment shipment, which accounted for about 85 per cent of national exports, rose 14.31 per cent year-on-year to \$27.41 billion in July-January. Of the sum, \$14.96 billion came from the knitwear segment and \$12.45 billion from the woven segment, registering 12.70 per cent and 16.30 per cent year-on-year

from China, and the improvement of the safety measures that brightened the image of the country and the sector.

He said local garment manufacturers have installed a lot of machinery after Covid-19 outbreaks receded as the demand was expected to receive a boost in the post-pandemic world, contributing to a spike in productivity.

"Many garment-producing countries have been forced to cut production because of the fall in orders owing to the volatility in the global economy. So, Bangladesh is getting more orders."

According to Hassan, Bangladesh is doing well in the manufacturing of value-added garment items.

"Many local garment exporters now sell a shirt worth \$20 to \$25 apiece. This was unthinkable even two to three years ago."

Moreover, Bangladesh's apparel shipment is faring well in new markets such as Japan, India, South Korea and Malaysia as well as some Middle Eastern countries along with its traditional markets, namely the United States, the European Union and Canada.

READ MORE ON B3



year, exports grew 9.81 per cent year-on-year to \$32.44 billion, according to data from the Export Promotion Bureau (EPB).

Although the overall monthly earnings were strong, only the apparel and leather sectors performed well in January. Other potential sectors performed poorly because of higher inflation in the major export destinations fueled by the Russia-Ukraine war.

growth, respectively.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, credited four factors for the strong showing by the apparel sector amid challenges at home and abroad.

The factors are the rising production of value-added garment items, the expansion in capacity, the shifting of orders

LC opening for Ramadan items rises: BB

STAR BUSINESS REPORT

Opening of letters of credit (LCs) for importing essential commodities meant for Ramadan increased in January, a development that is expected to increase supply of the items during the fasting month, said Bangladesh Bank yesterday.

LC opening for four out of five essential commodities -- sugar, edible oil, peas, onion and dates -- rose last month in terms of quantity of products, states data revealed by the central bank at a press conference at its headquarters in the capital.

The rise in the commodity LC opening will clear confusions over whether the products will be available during upcoming Ramadan starting in March, said Md Mezbaul Haque, the central bank's spokesperson, at the briefing.

January's LCs are to import 5.65 lakh tonnes of sugar whereas it was 5.11 lakh tonnes a year ago.

Similarly, in case of edible oil, the amount has gone up to 3.90 lakh tonnes from 3.52 lakh tonnes, onion 42,562 tonnes from 36,225 tonnes and dates 29,481 tonnes from 16,498 tonnes.

However, LC opening for peas decreased to 2.24 lakh tonnes from 2.65 lakh tonnes a year earlier.

The products will come to Bangladesh within a month or two, Haque said.

The central bank has already taken several policy measures in recent times to ensure that the items are available in the market during Ramadan, he said.

"If we can supply the commodities to the market appropriately, there will be no shortage of the commodities during Ramadan," he said.

The central bank is also monitoring the commodity market with the help of the commerce ministry, he said.

If required, the BB will provide all types of support to banks to clear the import bills of the commodities, he said.

Different quarters have recently said banks were now facing a dollar shortage which was why they were unable to open LCs.

"But the latest trend of LC opening is different. So, the central bank has arranged this press conference to clarify the issue," he said.



STOCKS	
DSEX ▲	CASPI ▲
0.27% 6,294.73	0.23% 18,583.23

COMMODITIES	
Gold ▲	Oil ▼
\$1,955.14 (per ounce)	\$76.57 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.35% 59,932.24	▲ 0.20% 27,402.05	▼ 0.41% 3,363.68	▲ 0.02% 3,285.67

Loan provision rules eased for stock intermediaries

STAR BUSINESS REPORT

The central bank yesterday relaxed the rules on the provisioning of bank loans to brokerage houses, merchant banks and stock dealers, a move that may make it easier for intermediaries to get credits.

A loan loss provision is an income statement expense set aside as an allowance for uncollected loans and loan payments. The provision is used to cover various kinds of loan losses such as non-performing loans and customer bankruptcy.

In 2012, the Bangladesh Bank advised banks to maintain a 2 per cent general provision on the unclassified amount for loans to brokerage houses, merchant banks and stock dealers.

Now it has been decided that banks will have to maintain a general provision of 1 per cent on the unclassified amounts for such loans, said the BB in a notice yesterday.

The new rate will come into force from March 30, it said.

"Thanks to the relaxed rules, banks will be more interested to lend to stock market intermediaries to invest in the market. So, the money supply to the market may rise," said Md Sayedur Rahman, president of the Bangladesh Merchant Bankers Association.

He said most of the banks were reluctant to lend to the intermediaries since they had to set aside a 2 per cent provision.

According to Rahman, keeping the 2 per cent provision was quite tough for banks since the interest rate spread -- the difference between the lending rate and the deposit

READ MORE ON B3



Travelling during the dry season is still limited to either on foot or horse-drawn carts for these people living in char areas along the Brahmaputra river in Gaibandha. Boat services are halted for a drop in the river's water level from November to June while a lack of paved roads makes it difficult for heavy vehicles to navigate the region. The photo was taken at Char Deluabari in Phulchari upazila at the end of last month.

PHOTO: MOSTAFA SHABUI

Mobile makers seek more time to preinstall Bijoy

MAHMUDUL HASAN

The Mobile Phone Industry Owners' Association of Bangladesh has recently sent a letter to the telecom regulator seeking more time to preinstall Bijoy software, saying that it requires a different set of tests as well as additional investments.

Bangladesh Telecommunication Regulatory Commission (BTRC) on January 13 sent an instruction to all local handset manufacturers and importers to preinstall Bijoy APK (Android Package Kit) in all android mobile handsets before seeking marketing approval from the BTRC.

In the letter to the BTRC chairman, the association said they had some observations and were

READ MORE ON B3