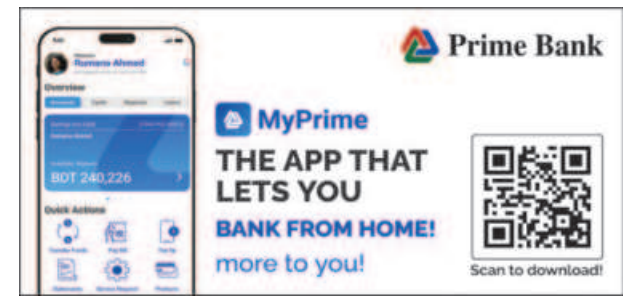


Star BUSINESS



Garment export to US falls

STAR BUSINESS REPORT

Bangladesh's garment exports to the United States of America (US) declined in January this fiscal year, suffered by dip in shipments of knitwear items to the biggest market. Exporters sent \$4.98 billion worth of garments in the July-January period of the current fiscal year (2022-23), down 1.98 per cent from \$5.08 billion the same period a year ago, data compiled by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) showed. Woven garment exports grew 6.7 per cent while shipments of knitwear slumped 17.6 per cent during the period. Until December this fiscal year, export receipts for apparels shipped to the US, which bought nearly one fifth of the overall earnings from clothing exports last year, was positive.

Exporters sent \$4.98 billion worth of garments in July-January of FY23, down 1.98 per cent from the same period a year ago

This is first time in four years that apparel exports to the US declined amid fears of recession. High inflation in the US is a factor behind the decline, said Mohiuddin Rubel, director of BGMEA. If this continues, overall export earnings may become negative. "However, increased exports to non-traditional markets have offset the fall in shipments to the US. This is a good thing," he added. Until January of the current fiscal, overall earnings from garment exports grew 14 per cent year-on-year to \$27.41 billion from a year ago. He said the sector registered growth in earnings because of good performance in other markets, including non-traditional ones. During July-January of FY23, apparel exports to the European Union (EU) increased by 15 per

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Trucks are seen parked at a terminal in the Nimtala area of the port city of Chattogram. Operators say they are not getting adequate trips to carry goods. The photo was taken on Monday.

PHOTO: RAJIB RAIHAN

Truck sales drop for lower demand

Higher dollar rate, fuel price and declining imports also to blame

JAGARAN CHAKMA

The sales of commercial vehicles, particularly heavy-duty trucks, fell nearly 22 per cent year-on-year in 2022 in Bangladesh due to their higher price, a surge in fuel costs and lower imports. According to data from the Bangladesh Road Transport Authority, 4,528 units of trucks were registered in 2022, down from 5,789 units in the previous year. "The decline in the sales of heavy-duty trucks points to the overall slowdown in the economy that started since the peak of the coronavirus pandemic in 2020," said Abdul Matlub Ahmad, chairman of Nitol Niloy Group, the distributor of Indian automobile giant Tata. The sales of vehicles in the heavy-duty segment of Nitol Niloy Group have declined by 48 per cent. According to the business leader, the operation cost of trucks has increased because of the price hike of diesel fuel.

Diesel costs Tk 109 per litre currently, up more than 36 per cent from Tk 80 in August. "The operational expenditure has gone up but the fare of trucks has not increased in line with the fuel price increase," Matlub said.

The government nor the business community has anything to do with the business slowdown since it has been the result of the global economic crisis, driven by the Russia-Ukraine war.

"The market is very dull due to the ongoing economic situation and there is no possibility for the situation to improve immediately," said Taskeen Ahmed, managing director of Ifad Autos, the sole distributor of Ashok Leyland of India.

Although Bangladesh posted higher-than-expected export growth, the sales of goods carriers like trucks and prime movers fell in 2022 compared to 2021.

The price of trucks and other commercial vehicles has gone up around 30 per cent due to the appreciation of the US dollar against the local currency, he said.

The taka has lost its value by about 25 per cent against the American greenback in the past one

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He said the price of a Tk 20 lakh truck has surged to Tk 40 lakh. As truck sales have declined drastically, its impact would be felt when the economy returns to normalcy, Matlub warned. The demand for container movers, which contribute to export and import activities, came down to about 300 units per year, way lower than the average of 800 units seen during normal times. Matlub admits that neither

The decline in the sales of heavy-duty trucks points to the overall slowdown in the economy that started since the peak of the coronavirus pandemic in 2020.

Abdul Matlub Ahmad
Chairman of Nitol Niloy Group

Ensure adequate power, gas for business: MCCI

STAR BUSINESS REPORT

The Metropolitan Chamber of Commerce and Industry (MCCI) has urged the government to ensure adequate supplies of electricity and gas for the sake of smooth economic activities.

The MCCI's call came in its review of Bangladesh's economic situation for the October-December period of 2022 which was made public yesterday.

Since the government hiked electricity prices by 5 per cent yesterday, Md Saiful Islam, president of the MCCI, in his reaction said it would have been better had the government not raised the energy prices right now as the prices had already been increased recently.

Energy prices are on a downward trend in the global market so the government should have waited for some time, he said.

The government raised the price twice in the last two months, first by 5 per cent and then by 8 per cent.

Apart from this, businesses suffered a lot of power cuts in the summer last year which hampered business activities.

With the price hike, cost of production of the manufacturing sector has risen, Islam said when contacted by The Daily Star.

Bangladesh's robust economic recovery from the pandemic has been interrupted by the Russia-Ukraine war, said the MCCI in its review.

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STOCKS	
DSEX ▲	CASPI ▲
0.28%	0.14%
6,216.95	18,326.02

COMMODITIES	
Gold ▼	Oil ▲
\$1,808.02	\$77.37
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.55%	▲ 0.07%	▼ 0.02%	▲ 0.66%
58,962.12	27,445.56	3,262.63	3,279.61

Realtors seek money whitening scope for 10 years

STAR BUSINESS REPORT

Realtors yesterday called for an unconditional black money whitening scope for five to 10 years with a view to stopping money laundering and attracting investments to the housing sector.

The Real Estate and Housing Association of Bangladesh (REHAB) made the demand during a pre-budget meeting at the head office of the National Board of Revenue (NBR) in the capital's Agargaon.

While placing the budget proposal, Shohel Rana, vice-president of the REHAB, said money is laundered abroad from Bangladesh thanks to the unconditional amnesty offered in other countries in the case of home purchases.

If the unconditional investment opportunity is provided here, the investors will come under the tax net in the future, he said.

"If the benefit is given, national wealth and economic growth will pick up the pace."

Currently, there is no unconditional amnesty for the black money whitening facility locally. And the amount of tax to legalise undisclosed property, comprising houses, land, buildings or

flats, has stayed unchanged from 2020-21. That tax depends on the location of the property.

Regarding the demand, NBR Chairman Abu Hena Md Rahmatul Muneem said that providing such facilities each year would only help pump more black money into the economy.

The amount of money legalised through investing in properties was about Tk 90 crore in 2021-22, down from around Tk 2,000 crore a year earlier

The amount of money legalised through investing in properties was about Tk 90 crore in 2021-22, down from around Tk 2,000 crore a year earlier when the NBR offered unquestioned amnesty to the investments in the housing sector.

The REHAB also proposed reducing the existing registration fee in the housing sector from 12.5 per cent to 7 per cent.

The Bangladesh Reconditioned Vehicles Importers and Dealers

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Evaly customers get back only Tk 1.45 lakh so far

STAR BUSINESS REPORT

Although Evaly owes Tk 400 crore to Tk 1,000 crore to its thousands of customers and merchants, only 14 clients have got back Tk 1.45 lakh after a refund process began last month, commerce ministry officials said.

Thanks to the refund process, customers of the controversial e-commerce platform are set to get Tk 2 crore out of the Tk 25.85 crore stuck with three gateways since 2021.

The Tk 2 crore was paid by Evaly customers through the payment gateways on September 14, 15 and 16 September of 2021, and the fund has been stuck with the gateways after the introduction of an escrow system, said Md Sayed Ali, deputy secretary at the Central Digital Commerce Cell of the commerce ministry.

"Evaly has sent a list of the customers to the gateways through the commerce ministry so that the refund can be made."

According to the

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