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BUSINESS



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Taka slips further as BB sells USD at Tk 102

STAR BUSINESS REPORT

The taka has weakened further against the US dollar as the Bangladesh Bank is selling the American greenback to banks at Tk 102.

The move is aimed at adjusting the exchange rates gradually in line with the market demand and supply.

The latest depreciation comes a month after the central bank sold the greenback to banks at Tk 101. Since January, the BB depreciated the local currency by 2 per cent.

The BB is selling the US dollar to banks to help them meet their foreign currency requirements, particularly for import payments, amid the foreign exchange crisis that has been lingering for a year.

The central bank sold \$56 million to

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Govt mulls reopening of STOL airports

STAR BUSINESS REPORT

The government is mulling whether to resume operations at five Short Take-Off and Landing (STOL) airports to facilitate domestic travel considering the improved living standard of people in Bangladesh, according to Mahbub Ali, the state minister for Civil Aviation and Tourism.

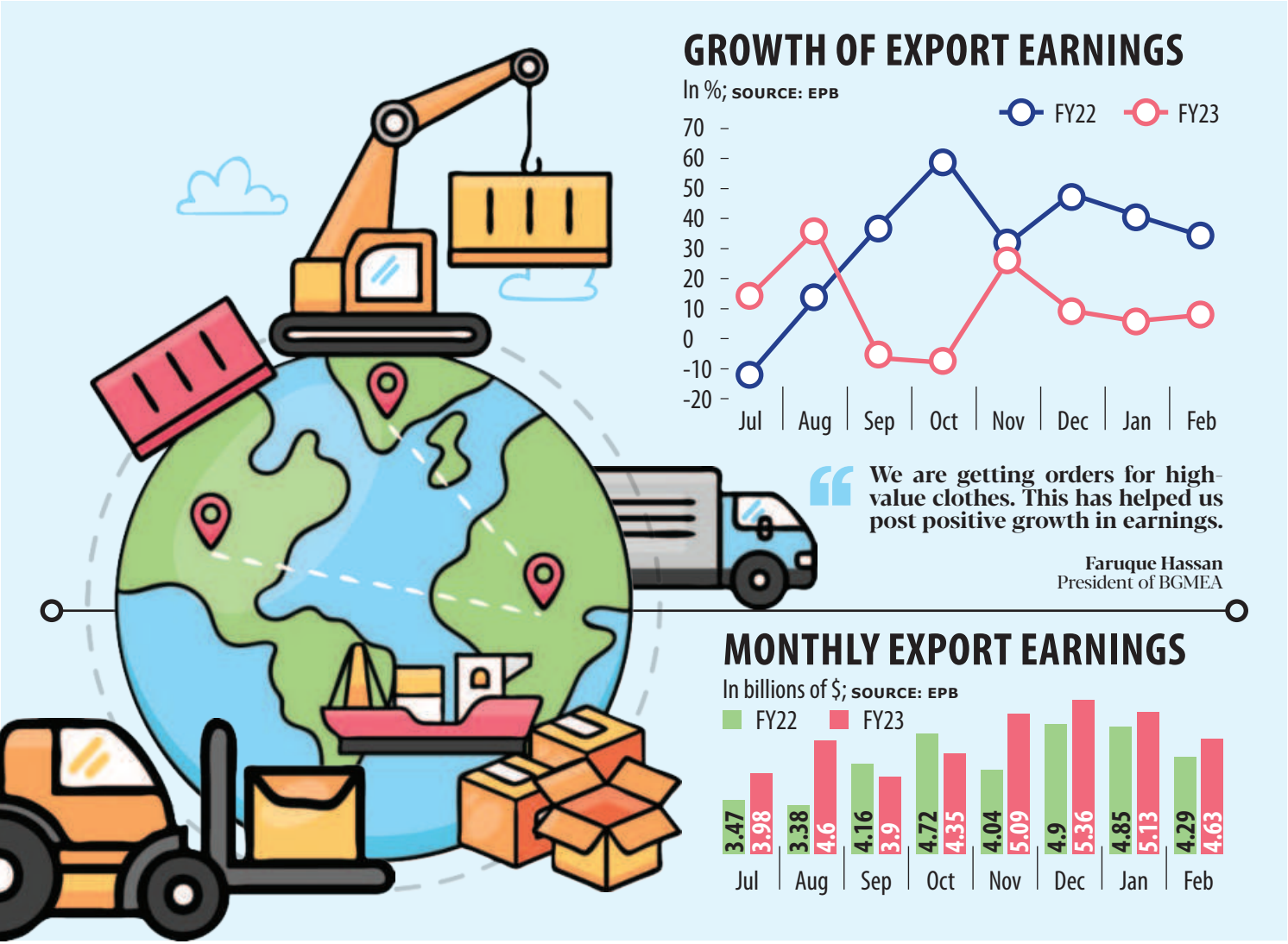
He made these comments at a seminar on "capacity building of international airports and opening of stalled domestic airports in Bangladesh" at a hotel in Dhaka yesterday.

The seminar, organised by Bangladesh Monitor to promote smart aviation in the country, was supported by Eastern Bank Ltd.

STOL airports are used by conventional fixed-wing aircraft that have short runway requirements for take-off and landing.

The five STOL airports in the country are situated in the Ishwardi, Thakurgaon, Lalmonirhat, Shamshearnagar and Cumilla regions.

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Export brings \$4.63b in Feb, lowest in four months

SOHEL PARVEZ

Bangladesh's export earnings stood at \$4.63 billion in February, the lowest in four months, although overall receipts rose 7.81 per cent year-on-year led by apparel, leather and leather goods shipments, official figures showed yesterday.

Last month's receipts took the total proceeds from the shipment of goods to \$32.44 billion in the July-February period of the current financial year of 2022-23. The growth moderated to 9.56 per cent in the eight months to February, according to the Export Promotion Bureau (EPB).

The latest data comes at a time when apparel exporters are complaining about falling orders from global clothing retailers as high inflation erodes the purchasing capacity of consumers in Europe and the US, the two biggest export destinations for Bangladesh.

The impact of the weak global demand is already visible for other major sectors such as jute and jute goods, frozen fish and shrimp.

Garment exporters say the overall shipment in volume declined but receipts increased in value.

"We are getting orders for

high value clothes. This has helped us post positive growth in earnings," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

"Once we were used to getting orders to make jackets worth \$15-\$20. Now we are receiving orders

to make jackets that are sold at \$100. This is a very positive development."

Earnings from apparel exports, which accounted for about 85 per cent of national shipments in July-February, rose 14.06 per cent year-on-year to \$31.36 billion.

Knitwear exports brought home \$17.06 billion, up 13.21 per cent compared to a year earlier. Woven shipment generated \$14.30 billion, a spike of 15.08 per cent, EPB data showed.

Bangladesh has performed well in new markets too, said the

BGMEA chief.

"But overall export declined in quantity. If we take into account the expansion of factories in the past two years, we will see that a number of them are running below capacity," said Hassan, also the managing director of Giant Textiles Ltd.

The war in Ukraine, geopolitical tension and high consumer prices have eroded the buying capacity of consumers in Europe and the US.

"For this, we are worried," he said.

"But the good news is a number of buyers has shown interest in placing higher orders. So, Bangladesh's share in the global apparel market will increase in 2023."

Leather and leather products exports rose 6 per cent to \$832 million in July-February. Other

major sectors – home textiles, jute and jute goods, frozen and live fish and agricultural products – suffered more than 20 per cent decline in earnings.

Frozen fish and shrimp exporters recorded a nearly 22 per cent slump in exports to \$318 million.

"The volume of exports has declined too. It has resulted in a stockpile as the shipment is not taking place as it should be," said Md Amin Ullah, president of the Bangladesh Frozen Foods Exporter Association.

"Exporters are selling products at reduced rates in order to bear operational expenses."

He, however, hoped for a rebound in export receipts from frozen fish and shrimp, grown mainly in the southwestern coastal region.

Amin said because of the falling imports, there will be a shortage of products in the western market.

"The demand will improve as people can't stop eating despite the war. So, prices will rise."

Helal Ahmed, chief operating officer of Janata Jute Mills and Sadat Jute Industries Ltd, also expects a revival in export earnings in the second half of 2023.

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No limit on loans for power producers' fuel purchase

STAR BUSINESS REPORT

Bangladesh Bank yesterday allowed banks to keep private sector power producers out of the purview of the single borrower exposure limit when giving them loans for the import of raw materials, including fuel oil.

As per the single borrower exposure limit, banks are not allowed to give out loans that are more than 25 per cent of their capital to a single person, entity, or business group.

But the rule will not be applicable for independent power producers (IPPs) in running their plants as Bangladesh Bank will allow the companies to take loans from lenders beyond the limit, according to a central bank notice.

Banks will have to follow the new rule until December this year.

A central bank official, on condition of anonymity, said Bangladesh Independent Power Producers' Association (BIPPA) wrote a letter to the central bank governor on February 20 requesting him to arrange sufficient dollars for the power plants to import heavy fuel oil.

As per the letter, the IPPs together will require approximately \$250 million per month from March to June this year to import heavy fuel oil (HFO).

Given the ongoing international price of the HFO, including the cost of shipping and insurance, the IPPs will require \$1.05 billion in the four months.

Without this kind of support from Bangladesh Bank, the country will inevitably face widespread load shedding during this critical time of irrigation, Ramadan and summer, the BIPPA said in its letter.

The BB official said the central bank has addressed the BIPPA's demand by issuing the notice.

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STOCKS	
DSEX ▼	CASPI ▼
0.01% 6,213.74	0.29% 18,282.79

COMMODITIES	
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\$1,832.83 (per ounce)	\$77.94 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.84% 58,909.35	▼ 0.06% 27,498.87	▼ 0.62% 3,234.90	▼ 0.05% 3,310.65



A crowd of people are seeing the latest pharmaceutical equipment and technologies on display at the 14th Asia Pharma Expo 2023. Having kicked off at the International Convention City Bashundhara in Dhaka yesterday, the three-day event features 645 companies from 27 countries.

PHOTO: RASHED SHUMON

Pharmas saw small profits last year

Industry people say as expo begins in Dhaka

STAR BUSINESS REPORT

Although the pharmaceutical industry in Bangladesh saw growth last year, there was a significant decline in profit margins due to rising raw material prices in the global market, according to industry people.

Besides, the devaluation of the taka against the US dollar also adversely impacted business.

"On the one hand, the price of raw materials is increasing fast due to supply chain disruptions. On the other, currency devaluation has pushed up costs," said Nazmul Hassan, president of the Bangladesh Association of Pharmaceutical Industries (BAPI).

For example, the price of raw materials that previously cost Tk 85 has jumped to Tk 110 amid the ongoing US dollar crisis, he added.

Hassan was speaking at the inaugural session of the three-day 14th Asia Pharma Expo 2023, organised by BAPI in collaboration with GPE EXPO Pvt Ltd at the International Convention City Bashundhara in Dhaka yesterday.

A total of 645 companies from 27 countries, including the US, China, England, Germany, Malaysia, India, Thailand, Italy, Japan, Switzerland, Taiwan and Ireland, are participating in the event.

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Adani gets \$1.87b investment from US firm

REUTERS, Bengaluru

US boutique investment firm GQG Partners has bought shares worth \$1.87 billion in four Adani group companies, marking the first major investment in the Indian conglomerate since a short-seller's critical report sparked a stock rout.

The group's seven listed companies have lost some \$135 billion in market value since January 24, when Hindenburg Research accused it of improper use of offshore tax havens and stock manipulation – allegations the billionaire Gautam Adani-led group has denied but led it to call off a \$2.5 billion share sale.

US-based, Australia-listed GQG has, through block deals, bought shares worth 154.46 billion rupees in four Adani group companies, including the conglomerate's flagship firm Adani Enterprises, a regulatory filing showed.

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