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Value-added garment items such as jackets have propelled growth of Bangladesh's apparel exports even amid times of economic uncertainty in recent years. In addition, local producers are offering competitive prices for their products, prompting global buyers to shift their orders from China and other countries.

PHOTO: STAR

Labaid Cancer Hospital plans to go public

AHSAN HABIB

Labaid Cancer Hospital and Super Specialty Centre, a sister concern of Labaid Diagnostic Centre, is planning to come to the stock market to raise fund. This will be the second hospital to go public after Samorita Hospital, which got listed with the Dhaka Stock Exchange in 1997. Labaid Cancer Hospital has already signed a corporate advisory and issue management agreement with City Bank Capital, a merchant bank, officials of the companies told The Daily Star. City Bank Capital will also act as the issue manager for the planned initial public offering of the hospital. Ershad Hossain, managing director and CEO of City Bank Capital, and Sakif Shamim, managing director of Labaid Cancer Hospital, signed a deal in this regard at City Bank Capital's headquarters in Dhaka yesterday. The healthcare sector needs huge capital expenditure and the capital market has the scope to

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Bangladesh now a hub for making winter jackets

REFAYET ULLAH MIRDHA

Bangladesh has gradually turned into a major manufacturing hub for winter jackets as work orders are mainly shifting away from China due to higher production costs and a shortage of skilled workers in the country. Winter jackets are a relatively new export sector as local apparel makers have been diversifying their products with this type of value-added garment item in recent years. Bangladesh's apparel shipments have grown even amid times of global economic uncertainty for two reasons, namely the shift of work orders from China and increased export of value-added garments. For instance, nearly 50 local apparel exporters are currently producing winter jackets that are priced between \$30 and \$50. This was unheard of even five years ago as the country's exports were mainly confined to basic t-shirts, woven shirts and trousers at the time. Other than China, work orders for high-end winter jackets are also shifting from Vietnam, India, Myanmar, Taiwan, South Korea and Japan, according to industry



people.

In addition, the winter jackets made in Bangladesh are even being sent to some Scandinavian countries in Europe as well as Russia, the US and Canada. "We have increased our sourcing of value-added winter jackets from some local factories as they have already improved their production capacity and offer competitive prices," said an official of a major European retailer in Dhaka on condition of anonymity. SM Khaled, managing director of Snowtex, a leading jacket exporter, said his company has been bagging a lot of work orders from international retailers and brands. Snowtex currently has the capacity to export between \$25 million and \$30 million worth of

jackets each month, he added.

Similarly, Abdullah Hil Rakib, managing director of TEAM Group, a leading outerwear exporter, said his company ships winter jackets worth \$10 every month. Winter jackets are the latest addition to TEAM Group's export basket with bulk shipments even reaching some Scandinavian countries, Taiwan, the US and Russia. The company's exports were previously limited to woven and other knitted garment items. Bakhtiar Uddin Ahmed, chief operating officer of Fakir Apparels Limited, said local manufacturers are getting a good response from global retailers and brands as they can supply winter jackets at competitive prices. Considering this heightened

demand, the company set up a new jacket manufacturing unit in Narayanganj four years ago. With this added capacity, Fakir apparels can ship 1.50 lakh jackets abroad each month. The price of these jackets is comparatively higher than other garment items as buyers usually pay between \$30 and \$50 per piece, he added. Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said local garment exporters get almost half of what their Vietnamese counterparts make from garment exports due to various reasons. This means international buyers will pay \$5 for a t-shirt made in Vietnam but the same product would get \$2.5 if made in Bangladesh. One of the main reasons behind the lower pricing for Bangladeshi garment items is the production of basic items. However, recent hikes in the production of high-end value-added garments is reducing this gap as global buyers are paying better prices for such products, Hassan added. READ MORE ON B3

Banglalink nearing stock market listing

Operator may raise over Tk 800cr
STAR BUSINESS REPORT

Banglalink Digital Communications Limited, the third-largest mobile phone operator in Bangladesh, plans to go public, a massive development for a stock market where investors have strong appetite for sound companies. Once the listing completes, the multinational telecommunication company would be the third mobile phone carrier in Bangladesh to go public after Grameenphone and Robi Axiata. Banglalink may raise more than Tk 800 crore through an initial public offering under the fixed-price method by offloading shares equivalent to 10 per cent of its paid-up capital. Bangladesh Securities and Exchange Commission (BSEC) Spokesperson Mohammad Rezaul Karim confirmed the development, saying the telecom operator has disclosed its plan to get listed in the stock market. Yesterday, a number of senior officials of Banglalink met with BSEC Chairman Shibli Rubayat Ul-Islam and discussed the listing issue. Kaan Terzioğlu, chairman of Banglalink, and group chief executive officer of VEON, the parent company of the operator, led the delegation. In March last year, Terzioğlu said Banglalink was aiming to enter the stock market in three years. "VEON sees a long term opportunity in Bangladesh and would like to make the people of Bangladesh a part of Banglalink's success story. In line with this, VEON had a good discussion with the BSEC and would be working together to explore future opportunities," said Taimur Rahman, chief corporate and regulatory affairs officer of Banglalink, yesterday. Launched in 2005, Banglalink's revenue rose 12.1 per cent year-on-year to Tk 5,374 crore last year, according to the 2022 earnings report. This was the third double-digit growth in consecutive quarters. The operator's annual service revenue grew 12.3 per cent last year while data revenue surged 26.6 per cent. "The company has inter-company loans and a syndication loan. Moreover, it has a plan to go for expansion, so it needs funds," said Karim. As the taka has depreciated significantly against the American greenback, its foreign currency loan is going to be costlier. The Bangladesh Bank is also suggesting it go to the stock market, he said. "On top of that, Banglalink wants to see its proper valuation. So, it has decided to get listed." The company's paid-up capital is about Tk 8,400 crore, so it would raise over Tk 800 crore from the market, according to Karim. Banglalink crossed the milestone of four crore subscribers by acquiring 3.3 lakh clients in January 2023. With the new customers, its subscriber base



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Consumers bracing for further belt-tightening

Costlier Ramadan groceries to leave them in a tight spot

SUKANTA HALDER and MD ABU TALHA SARKER

Prices of groceries which witness peak demand during Ramadan, the holy month of fasting for Muslims, have swelled significantly year-on-year owing to hikes in import and transportation costs alongside the value of dollar. Prices of daily necessities and the cost of living have also increased, resulting in a decrease in the sale of all those products, including chickpeas, dates, lentils, edible oil and sugar. According to the Trading Corporation of Bangladesh (TCB) and the country's retail traders, the market price of chickpeas was Tk 70 to Tk 75 per kilogramme (kg) a week before Ramadan last year. Now it is selling for Tk 85 to Tk 95 per kg. Sugar was sold at Tk 78 to Tk 80 per kg and right now is selling at Tk 115 to Tk 120. Consumers previously spent Tk 158 to Tk 165 to buy one litre of edible oil and now it is being sold at Tk 180 to Tk 185. In case of one kilogramme of red

lentil, it was Tk 95 to Tk 100 but now is Tk 130 to Tk 135. Quality dates, which were Tk 500 to Tk 600 per kg last year, are being sold at Tk 700 to Tk 800 this time around. According to Bangladesh Bank, the price of one dollar was Tk 86 in May last year, which has now increased to Tk 106. **Importers say that although prices of some products have decreased in the world market, local customers are not getting the benefits due to the increase in import costs** Importers say that although prices of some products have decreased in the world market, local customers are not getting the benefits due to the increase in import costs. Jihad Hossain, a resident of Tejgunipara of the capital, had bought about Tk 9,000 worth of spices, chickpeas, lentils, edible oil, sugar, broiler chicken, fish and some fruits for Ramadan last year.

An employee of a private company, Hossain said he lives in a two-room rented flat with his son, daughter and wife. "There is a matter of Eid shopping. I can't go for a sublet or a one-room flat to save some money. So, this time I bought a lesser amount of goods spending Tk 5,000 due to the increase in prices," he said. Laizur Rahman Masud, also a private company employee living in the Eastern Housing area of Mirpur, said household expenses were rising quite fast due to the "abnormal" increase in the prices of daily essentials and the cost of living. "We have decided not to buy iftar (fast-breaking evening meal) items this Ramadan. Rather we will eat homemade food along with dates," he said. Abdullah Al Mamun works as a salesman in a mobile phone shop in Bogura for a salary of Tk 8,000. Mamun said he and his father were the breadwinners of their six-member family and this year they had bought 40 per cent less groceries for the month due to the increase in prices. READ MORE ON B3



The hike in prices of goods has prompted customers to limit their purchases to only what was essential for their families

Kashem Mollah
A retailer in Mirpur-11



The annual sales conference 2023 of KAI-Altech Group, was held in Le Meridien, Dubai. The top 150 Business Partner of Bangladesh were presented in the program, along with the chairman of KAI-Altech Group Mr. Ebrahim D. Mamoon, the managing director, Mr. Al Amin Murshed, and other directors and high officials of the group. The leading dealers were highly honored on that program. Later on, the ceremony concluded with a 7-day excursion to some historical places of Dubai.

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