

Vessel with 8.5-metre draft anchors at Mongla

OUR CORRESPONDENT, Bagerhat

A vessel of 8.5-metre draft anchored at the Mongla port yesterday, the highest draft recorded by the country's second biggest port.

The previous record was set by the arrival of a container ship of 8 metre draft on March 27 of this year.

Draft is defined as the distance between the ship's keel and the waterline of the vessel.

MV Maersk Nusantara anchored at jetty number 9 yesterday, said Captain Md Asaduzzaman, a member of Mongla Port Authority.

The Singapore-flagged vessel was carrying 7,357 tonnes or 489 twenty-foot equivalent units (TEUs) of goods which are expected to be unloaded at the port.

The vessel is also set to be loaded with 367 TEUs of goods before it is scheduled to depart.

The capacity of the port has been increased several times and the Padma Bridge has played a vital role in transforming Mongla into a world class port, said Asaduzzaman.

Dollar scales 4-week peak

REUTERS, London

The dollar scaled a four-week peak against major peers on Thursday after upbeat labour market data a day earlier, while sterling edged lower ahead of an expected rate hike from the Bank of England.

Data out on Wednesday showed US private payrolls rose more than expected in July, while plans by the US Treasury to increase the size of government bond auctions in the third quarter pushed longer-dated US Treasury yields higher and boosted the dollar.

"In a world where the US continues to perform and avoids a hard landing while the rest of the world is struggling, it's an environment which is going to keep the dollar elevated," Barclays FX strategist Lefteris Farmakis said.

The dollar index, which measures the currency against six major peers, rose as high as 102.84, the highest level in four weeks. It was last up 0.1 percent at 102.68, extending Wednesday's 0.5 percent gain.



The Singapore-flagged MV Maersk Nusantara is seen anchored at jetty number 9 of Mongla port yesterday.

PHOTO: STAR

Aristopharma to make medicines for Square

STAR BUSINESS REPORT

Leading local drugmaker Aristopharma has signed a contract manufacturing deal with market leader Square Pharmaceuticals PLC to produce some products for the latter.

Aristopharma will manufacture some injectable items, tablets and dry syrups for the listed pharmaceuticals company, officials of the two firms told The Daily Star.

The board of directors of Square Pharmaceuticals gave go-ahead to the contract manufacturing agreement on July 12 this year to meet increased demand of its existing products and to introduce new products.

Square Pharmaceuticals shared the information through a posting on the website of the Dhaka Stock Exchange (DSE) yesterday.

Aristopharma is a non-listed company that started its operations in 1986 and has a state-of-the-art manufacturing plant in Dhaka's Shampur Kadamtali.

Yesterday, stock prices of Square Pharmaceuticals remained almost the same as the previous day and traded at Tk 209 at the DSE.

During July of 2022 to March of 2023, Square's sales grew 10 per cent year-on-year to Tk 4,814 crore.



ASM Feroz Alam, vice-chairman of Mercantile Bank, and Mati Ul Hasan, additional managing director, hand over power tillers to farmers of Kalaiya, Daspara, Najirpur, Madanpura and Kalisuri union of Bauphal upazila in Patuakhali yesterday as part of CSR activities of the bank.

PHOTO: MERCANTILE BANK

Bangladesh's share in global RMG trade

FROM PAGE B1
of skilled workforce and skilled managers, improved productivity, ensured faster delivery of goods, enhanced quality, and introduced green initiatives.

The garment sector as defied major domestic and global crises such as the elimination of the quota system, the financial crisis of 2007-08, the Tazreen Fashions fire, the Rana Plaza building collapse and political crisis.

"It has been possible because of the commitment of entrepreneurs," he said. Bangladesh's reputation as a predictable supplier received a major boost during the peak of the coronavirus pandemic as the country kept factories open for most of the time whereas many competitors had kept their industries closed for a longer period.

Anwarul Alam Chowdhury Parvez, a former president of the BGMEA, said the growth of global population over the last 20 years also helped lift Bangladesh's export receipts.

"Similarly, a higher cost of raw materials brought better prices."

FUTURE LOOKS EVEN BRIGHTER
Exporters are gearing up to grab

more market share on the back of diversified products and markets. They are putting more money in new projects, marketing, fashion, and design.

Bangladesh is expected to raise its market share to 10 percent by 2025 as the shipment is on the rise despite the disruptions caused by post-Covid-19 challenges and the ongoing Russia-Ukraine war.

Local exporters are betting on Asian markets such as Japan, India, South Korea and Australia where exports are rising phenomenally and there is more room to grow.

With the trade row in place, not only American buyers but also European and Japan retailers and brands have started reducing sourcing from China.

Bangladesh has also started producing high-end garment items like a jacket worth \$100 apiece. This was almost impossible a few years ago.

Although Bangladeshi will have to go a long way before outracing China in the global apparel trade, local exporters have overtaken their competitors in the second-biggest economy in the world and are set to repeat the same success in other markets as well.

Last year, Bangladesh's garment export to the US surged 53 percent to nearly \$10 billion.

However, in the January-April period of 2023, the shipment to the US declined by nearly 17 percent against China's more than 30 percent owing to the impacts of higher consumer prices. This indicates that Bangladesh's sales in the world's largest economy will grow despite facing a 15.62 percent duty.

The BGMEA has set a target to generate export earnings worth \$100 billion and lift market share to 14 percent by 2030 on the back of the growth in Asian markets and the increasing use of man-made fibre-based garment items, which fetch almost double prices compared to cotton-made products.

Kutubuddin Ahmed, chairman of Envoy Legacy, said the cotton price has played a major role for the higher export growth from Bangladesh.

Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, said green initiative is one of the major reasons for the spike in shipment growth.

But policies that make local sales more profitable than export, structural impediments and compliance issues regarding export of agricultural produce are major barriers to increasing exports, he added.

"And this is not a new issue. We are talking about this a lot. But actions are moving at a snail's pace," said Hussian.

"Bangladesh's domestic market is limited and it is not as big as the economies such as India. So, reliance on only the domestic market will not help the nation achieve its aspiration of economic development," he said.

"The country's export growth has been decreasing over the years, which is not congenial to our economy," said Selim Raihan, a professor of economics at the University of Dhaka.

"It is not a good sign for the economy," said Prof Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue.

It is true that Bangladesh's global trade has increased, he said.

"But the country's exports didn't increase at the pace of the country's GDP's growth rate. So, the ratio of export to GDP has declined," he said.

"Trade is important for economic growth," said Zahid Hussian, a former lead economist at the World Bank's Dhaka office.

The export basket is also tiny as garments account for 85 percent of the overall export earnings, he said.

This indicates a decreased role of export in the economy and that the

ADB mobilises \$261m

FROM PAGE B1
institution based in Bangladesh, it said.

The remaining \$68 million is being provided by sponsors as equity contributions, the ADB said, adding that it assisted in project structuring, negotiation, tender execution, and provided support for commercial award and financial closure.

"We worked with the public authorities in Bangladesh to prepare, market and attract private sector partners to design, build, finance, operate and maintain this expressway," said Cleo Kawasaki, head of ADB Office of Markets Development and PPP.

It will provide commuters with quicker access to their destinations by improving connectivity between Dhaka and eastern and south-eastern districts of Bangladesh, including the cities of Chattogram, Narayanganj, and the north-eastern city of Sylhet, she added.

Kawasaki also said the Rampura-Amulia-Demra PPP project was delivered under an availability payment mechanism with partial revenue linked to US dollar and taka exchange rate movements, whereas the first road transaction, the \$370 million Dhaka Bypass Road PPP, was structured as a minimum revenue guarantee.

"The ADB has therefore helped establish the pathway for both types of payment mechanisms in Bangladesh for future private sector investments in infrastructure," she added.

The ADB is currently advising the government on the Joydebpur-Mymensingh Expressway PPP project, which will improve connectivity to 10 special economic zones.

The Rampura-Amulia-Demra Expressway will be designed, constructed, financed, operated, and maintained during a 25-year concession period by a consortium comprising China Communications Construction Company Limited and China Road and Bridge Corporation.

Bangladesh remittance fair in New York next month

STAR BUSINESS DESK

In a bid to increase remittance flow from the USA, a show titled "Bangladesh Remittance Fair" will be organised at Hilton Midtown Hotel in New York next month.

Muktadara New York and USA Bangladesh Business Links, in association with the Greater New York Chamber of Commerce will organise the event, said a press release.

The exhibition will be organised alongside the "Bangladeshi Immigrant Day and Trade Fair-2023" to be held on September 22-23.

Biswajit Saha, founder of the Muktadara New York, said a number of banks, mobile financial services, remittance related app services, money exchange houses and remittance channel partners will participate in the event.

Top 300 remittance senders will be invited to the event, and the best 10 will be given remittance awards, he added.

Top three money exchange companies/ remittance channel partners will also be awarded.

India's services growth at 13-year high

REUTERS, Bengaluru

India's dominant services sector expanded at its fastest pace in 13 years last month as demand increased significantly despite elevated inflationary pressures, a business survey showed on Thursday.

S&P Global's India services purchasing managers' index rose to 62.3 in July from June's 58.5, confounding expectations in a Reuters poll for a dip to 58.0. It was the highest index reading since June 2010 and has remained above the 50-mark that separates growth from expansion for two years.

"The resilience of the service sector underscores its vital role in fuelling India's economy, with the PMI results for July so far pointing to a notable contribution from the sector to overall GDP for the second fiscal quarter," noted Pollyanna De Lima, economics associate director at S&P Global Market Intelligence.

India's economy is expected to grow 6.2 percent in the July-September quarter, according to the latest Reuters survey.

Overall demand remained strong. While the new business sub-index showed demand had risen since August 2021, the pace of growth was the highest since June 2010.

International demand also gathered steam, rising significantly in July and was the second-strongest since the series started in September 2014.