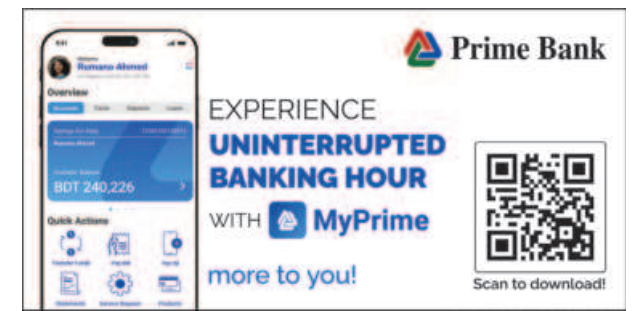


# Star BUSINESS



## Lift import tariffs on onion

Tariff commission requests NBR

STAR BUSINESS REPORT

The Bangladesh Trade and Tariff Commission (BTTC) yesterday requested the revenue authority to lift all import tariffs on onion until December 31 this year as its domestic prices spiked after India slapped 40 percent export duty on the vegetable.

In a letter to the National Board of Revenue (NBR), the BTTC said the prices of Indian onions may rise to \$400-\$420 a tonne from \$280-\$300 after the imposition of the new export duty by New Delhi.

It said onion traders require to pay a total of 10 percent import tax, including 5 percent customs duty, to bring in the bulb and the import demand of the perishable item rises in the August-January period every year owing to the gradual depletion of the domestic variety.

**Onion traders require to pay a total of 10 percent import tax, including 5 percent customs duty, to bring in the bulb**

The onion prices are likely to get affected by the imposition of the Indian export duty, the BTTC letter said signed by its Deputy Chief for Trade Policy Md Mahmudul Hasan.

Under these circumstances, the import tariff can be waived and the private sector along with the Trading Corporation of Bangladesh (TCB) can be encouraged to bring in onions from Myanmar, Turkey and Egypt, the letter also read.

"It appears that the measures will ensure stability in the supply and prices of onion in the local market," said the BTTC.

The tariff commission said Bangladesh can meet up to 75 percent of its requirement through local production of onions and the country imports the rest, particularly from India.

Yesterday, locally grown onion was sold at prices up to Tk 90 per kilogramme (kg) in Dhaka, which was Tk

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Jute exports dropped 19 percent in fiscal year 2022-23, and in the ongoing harvesting season, farmers are at best getting Tk 2,700 per maund (around 37 kilogrammes), nearly 15 percent lower than what they were getting a year ago. The photo was taken at Taraganj Bazar in Nilphamari on Saturday.

PHOTO: EAM ASADUZZAMAN

## Falling exports hit jute growers

Prices of raw jute decline

STAR BUSINESS REPORT

Falling export of jute and jute goods is now having an effect on jute growers as prices of the natural fibre have fallen during the current harvesting season.

Cultivated as a cash crop, raw jute is fetching farmers at best Tk 2,700 per maund (around 37 kilogrammes) at local haats (market) of Faridpur, Pabna and some northwestern districts, reports our correspondents from there.

The current prices are nearly 15 percent lower than the Tk 3,200 or so they were getting in the same period a year ago.

The development comes at a time when farmers increased jute acreage by 2 percent to 7.45 lakh hectares in the current season, up from 7.29 lakh hectares previously, according to the data of the Department of Agricultural Extension.

Jute prices fell to Tk 2,500 to Tk 2,700 per maund

**It would be difficult to realise production costs if price continues to remain lower than that in the previous year, said a jute grower**

this harvesting season, said Jahangir Alam, a farmer of Chinavatkur of Chatmohar upazila under the northwestern district of Pabna.

In the previous year, it was Tk 3,200 to Tk 3,300, he said.

It would be difficult for to realise production costs this year if prices continue to remain lower than that in the previous year, said Md Asadul Islam, another jute grower of the same upazila.

The situation is the same in Rangpur, a northwestern division.

Millers blamed declining exports of jute and jute goods, the third largest export earning sector after garment and leather and leather goods, for the prices of raw jute to have gone down.

Jute and jute goods exports dipped 19 percent year-on-year to \$912 million in fiscal year 2022-23. This was the second consecutive year for exports to have reduced, according to data of the Export Promotion Bureau.

In July of fiscal year 2023-24, export earnings from the sector picked up by 3 percent to \$63 million.

"Demand for jute products and jute yarn has fallen in the global market," said Helal Ahmed, chief operating officer of Janata Jute Mills and Sadat Jute Industries Ltd, one of the largest jute yarn and jute goods maker and exporter.

"So, mills are making purchases according to their requirement," he said.

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## Apparel behemoths expanding into new sectors

REFAYET ULLAH MIRDHA

Textile and garment behemoths in Bangladesh have started ploughing their surplus wealth into new sectors in order to tap the potential in an economy that is growing at a healthy clip and consumers' purchasing power is rising.

Immensely successful garment and textile millers have expanded into sectors such as electricity generation, real estate, agriculture, dairy, hospitality, banking, tea estate, computer chips making, insurance, capital market, health, education, leasing, e-commerce, construction, pharmaceuticals, and economic zones.

Textile and garment manufacturers have been playing a vital role in the economy by earning foreign currencies and creating jobs since the late 1970s when a group of local entrepreneurs sowed the seed for a successful sector exploiting the then quota system.

They have been contributing nearly 85 percent to national export earnings for more than three decades. Currently, over 100 textile and garment factories register an annual export turnover of \$500 million, industry people say.

One of the top garment and textile manufacturers that has invested in other sectors like bank, insurance, media, and tea estate is Ha-Meem Group.

"Although I have started investing in other sectors, my prime focus is still textile and

technologies, agricultural and dairy products.

"These areas offer huge growth potential," said MA Jabbar, managing director of DBL Group.

He also said the core business of DBL is apparel and garment and the group has already

several millions of dollars to generate electricity.

The entrepreneur plans to spend further to produce 1,600 megawatts of power.

Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry, which mainly represents industrial conglomerates, says big groups are investing more in diversified sectors as the risk is low in the domestic market whereas the profit is high.

"The economy is expanding and new opportunities are emerging. On the other hand, the risks in the export markets are higher and there is fierce competition in the international markets as well."

Bangladesh is expected to be the ninth-largest consumer market globally by 2030, leaving behind the United Kingdom and Germany, said a report by HSBC Global Research last year. In 2021, the country was the 16th largest consumer market worldwide.

"The investment and the growth in the textile and garment sector are also increasing simultaneously," Islam said.

Md Amin Helaly, senior vice-president of the Federation of Bangladesh Chambers of Commerce and Industry, thinks

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garment sector," said AK Azad, chairman and chief executive officer of Ha-Meem.

The group is expanding its footprint in the textile and garment sector by producing more denim and recycled fabrics with a view to meeting the demand of international retailers and brands.

DBL Group, one of the largest textile and garment manufacturers in Bangladesh, has invested hugely in tiles, ceramic and pharmaceuticals sectors as well as in digital

expanded a lot.

Ananta Group, another textile and garment group, has ploughed money into real estate, e-commerce, hotel, and leasing companies.

"Despite the huge investment in other sectors, our primary focus lies in textile and garment," said Sharif Zahir, managing director of Ananta Group.

A textile and garment entrepreneur whose company makes high end value-added garment items for western buyers says he has already invested

## PROJECTS WITH CHINESE FUNDS (\$8,084.92M)

Name of the projects	Chinese fund	Time of loan deal signing (Loan disbursed up to June)
Padma Bridge Rail Link	\$2,667.94m	April 27, 2018 (\$1,991.47m)
Construction of Multi Lane Road Tunnel under river Karnaphuli	\$705.8m	October 14, 2016 (\$660.51m)
Installation of Single Point Mooring (SPM) with Double Pipeline	\$550.67m	November 3, 2017 (\$465.46m)
Development of ICT Infra-network for Bangladesh Government Phase III (Info Sarker 3)	\$156.56m	October 27, 2017 (\$165.56m)
Modernisation of Telecommunication Network for Digital Connectivity	\$231.5m	April 10, 2018 (\$224.53m)
Expansion and Strengthening of Power System Network under DPDC Area	\$1,402.93m	July 4, 2019 (\$534.75m)
Power Grid Network Strengthening Project under PGCB	\$966.28m	June 7, 2020 (\$219.08m)
Construction of Dhaka-Ashulia Elevated Expressway	\$1,126.99m	October 26, 2021 (\$170.6m)
Rajshahi WASA Surface Water Treatment Plant Project	\$276.25m	April 27, 2023 (\$55.25m)
<b>Total</b>	<b>\$8,084.92m</b>	<b>\$4,487.21m</b>

SOURCE: ERD

## PROJECTS WITH CHINESE LOANS

# One complete, eight running at adequate pace

Says ERD official

JAGARAN CHAKMA

One of the development projects undertaken on Chinese loans has been completed while eight others are being implemented in full swing following a prolonged hiatus for the pandemic, said relevant officials and Economic Relations Division (ERD).

A memorandum of understanding titled "Strengthening investment and production capacity cooperation", comprising 27 projects and a cost of \$20 billion, was signed during Chinese President Xi Jinping's visit to Bangladesh in 2016.

Agreements for loans of \$8.08 billion for nine have been signed, out of which the

**Agreements for loans of \$8.08 billion for nine have been signed, out of which the Chinese authority disbursed \$4.47 billion till June 2023**



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The eight projects are running at an "adequate" pace at the moment and disbursement of funds is also "satisfactory", said a senior ERD official.

The ERD is sitting with project implementing entities, the embassy of China and the Exim Bank of China from time to time to identify bottlenecks, he

said.

The project that has been said to be completed is titled "Development of ICT Infra-network for Bangladesh Government Phase III".

The project encompassed ensuring internet access for 60 per cent of the country's population by establishing broadband connections in 2,600 unions.

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