
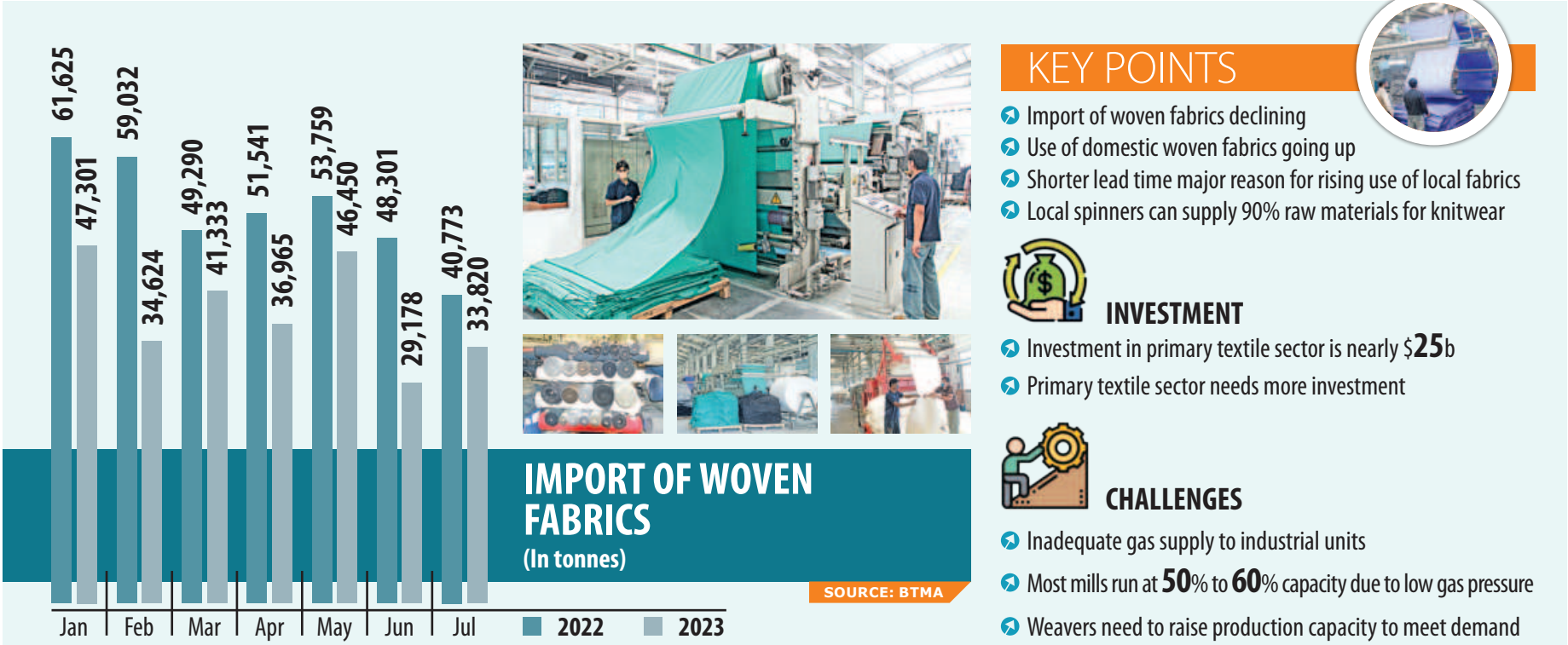



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Garment makers reducing reliance on imported fabrics

REFAYET ULLAH MIRDHA

The import of woven fabrics declined by 25.97 percent in the first seven months of this calendar year, compared to the same period last year, as garment makers have brought down their reliance on imported products because of an increase in local production.

Another reason is that international clothing retailers and brands now demand a significantly shorter lead time to catch business in tune with the recovery in the global supply chain from the severe fallouts of the pandemic and Russia-Ukraine war, and so local sourcing of materials is more efficient.

International retailers and brands are hungry for new fashion items as they want

to establish 12 sales seasons instead of the six or eight of the pre-pandemic times owing to fierce competition in the business.

As a result, they want quick shipment of goods and in many cases, they seek the goods through expensive air shipments instead of the normal delivery route over sea.

Following such a change

in the business behaviour of international retailers and brands, the local garment suppliers, textile millers, weavers, spinners and knitters have also changed their production and procurement behaviour to match up.

The local garment suppliers started procuring fabrics from local sources instead of imported fabrics to comply with

demands for a shorter lead time. Currently, international retailers and brands demand a lead time of 45 days to 60 days as opposed to the previous 90 days and 120 days for the delivery of goods.

It is almost impossible to maintain such a lead time if the garment is made from imported fabrics as it takes at least 30 days to import the fabrics from other countries, mainly from China, to Bangladesh.

If the lead time takes any longer, there is a possibility of the work orders being cancelled. As a result, the local garment exporters, especially the woven garment manufacturers, have started procuring the fabrics they require from the local markets to reduce the lead time.

For this, import of woven

fabrics stood at 2,69,671 tonnes between January and July of this year whereas it was 3,64,321 tonnes in the corresponding period last year, according to Bangladesh Textile Mills Association (BTMA).

In terms of the value, it was a decrease of 16.08 percent to Tk 19,860.83 crore, the BTMA data also showed.

The increase in the local sourcing of woven fabrics also indicates that more value addition is taking place in the domestic garment sector.

Abdullah Al Mahmud (Mahin), chairman and managing director of Mahin Group, which is a supplier of woven fabrics, said he has been receiving an increasing number of work orders over

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Govt may sign MoU with Russia on food import

REFAYET ULLAH MIRDHA

Bangladesh may sign a memorandum of understanding (MoU) with Russia soon to import some food items as those were offered at competitive prices, said Senior Commerce Secretary Tapan Kanti Ghosh yesterday.

Russia sent a letter to the commerce ministry recently expressing intent to sell wheat, lentil, sunflower seeds and chickpeas.

Moreover, Russian Ambassador to Bangladesh Alexander Vikentyevich Mantyskiy also met Ghosh at his secretariat office in Dhaka a few days ago to make the offer.

Of the items, the food ministry has been importing wheat from Russia and the commerce ministry is not planning on availing it, Ghosh told The Daily Star over the phone.

However, the commerce ministry will discuss the Russian offer with private sector importers and officials of other ministries concerned as it is open for all, he said.

Ghosh also said he would discuss the issue with the Russian Foreign Minister Sergey Lavrov during his visit to Dhaka today and have dinner with the Russian foreign secretary.

"If we agree with the Russian proposal, an MoU may be signed soon between the two countries for importing those food items from Russia," said Ghosh without mentioning any exact date.

However, Ghosh said Bangladesh was interested in importing the sunflower seeds and chickpeas through state-owned Trading Corporation of Bangladesh.

STOCKS	
DSEX ▲	CASPI ▲
0.29%	0.19%
6,316.98	18,666.98

COMMODITIES	
Gold ▲	Oil ▼
\$1,927.06	\$86.27
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.15%	▲ 0.62%	▼ 0.12%	▲ 0.21%
65,880.52	33,241.0	3,222.88	3,160.84



Empty liquefied petroleum gas (LPG) cylinders being loaded onto a truck in Chattogram city's Fishery Ghat to be refilled in factories around the port city and sent back to residents some 80 kilometres west in Hatia. Mainly used for cooking, the LPG is availed in this manner by people living in habitable sandbars around the Bay of Bengal. The photo was taken recently.

PHOTO: RAJIB RAIHAN

Jewellery industry still depends on informal sources

MD MEHEDI HASAN and
SUKANTA HALDER

The jewellery industry has apparently remained largely dependent on unauthorised channels for sourcing gold although there is no direct government ban on importing the precious metal.

Industry insiders said the taxes on legally importing gold were high, which was the main reason companies felt more comfortable sourcing gold from unauthorised channels.

Companies source gold by taking advantage of the National Board of Revenue's (NBR's) baggage rules and through other informal avenues, they added.

In 2018, the government framed a policy on gold to boost its import, prevent smuggling and ensure greater transparency in its trade.

A year later, Bangladesh Bank (BB) awarded licences to 18 companies

Industry insiders say the taxes on legally imported gold are high, which is the main reason companies feel more comfortable sourcing gold through unauthorised channels.

and a bank to import gold.

Between 2020 and 2021, the banking regulator approved the import of 306.76 kilogrammes of gold bars to 12 companies, including Diamond World Ltd, Laxmi Jewellers Ltd, BDEXgold and Rotno Gold Corner, showed central bank data.

But till now, eight of those companies have imported only 133.37 kg of gold bars despite the huge demand for gold in the local market.

Of them, Diamond World, one of largest jewellery companies, imported 63.5 kg, Riya Jewelers imported 30.45 kg, Aroosa Gold Corporation imported 14 kg, Jarwa House Pvt Ltd imported 11.66 kg and Golden World Jewelers imported 7.82 kg, showed the BB data.

The yearly demand for gold in the local market stood between 20 tonnes and 40 tonnes, according to Gold Policy-2018.

About 80 percent of the demand is still met by smuggled gold, as per industry insiders, causing huge revenue losses for the government every year.

The tax on gold import needs to be reduced, otherwise imports through legal channels will not increase, opined Dewan Aminul Islam Shahin, vice-president of Bangladesh Jeweller's Association (Bajus).

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Export of paper, paper products jumps 85%

MD ASADUZZAMAN

The export of paper and paper products from Bangladesh rose 85 percent year-on-year in the first two months of fiscal 2023-24 as the country is grabbing a bigger share of the global market in face of reduced competition.

Export earnings from the sector amounted to \$39.79 million in the July-August period of the current fiscal year, according to data of the Export Promotion Bureau.

However, manufacturers are struggling to keep up with the heightened demand as the country's ongoing foreign currency crisis is preventing them from opening letters of credit for raw materials.

The US and countries in Europe, the Middle East and Africa are major export destinations for locally produced paper

and paper products, according to the Bangladesh Paper Mills Association (BPMA).

China, India and Japan were among major suppliers in the sector but many of their paper mills have shut down over environmental concerns, enabling Bangladesh to grab a bigger share, said BPMA Secretary Nawsherul Alam.

"Buyers are always looking for high-quality products at affordable prices, and Bangladesh has done well in the varieties of paper products," he added.

Export-oriented paper products include toilet paper, napkins, diapers and so on.

Industry insiders say shipments started increasing rapidly after the government gave a 10 percent cash incentive on export receipts from the sector in 2016.

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