

Star

BUSINESS



WEEKLY
INTERVIEW



Mohammad Hatem

‘Don’t think there will be any effect on export’

STAR BUSINESS REPORT

Bangladesh is taking steps to improve labour rights and working conditions, so it is unlikely to face any sanctions from the European Union or United States, meaning exports will remain unaffected, said a top leader of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)

“We do not think there will be any impact on export,” Mohammad Hatem, executive president of BKMEA, told The Daily Star in an interview.

In fiscal year 2022-23, knitwear accounted for 55 percent of the total export earnings of \$47 billion from the ready-made garments (RMG) sector, the biggest export earning sector and largest employer.

Hatem’s reaction comes after the EU, a bloc of 27 nations, in a report on Bangladesh, Myanmar and Cambodia, raised concerns over anti-

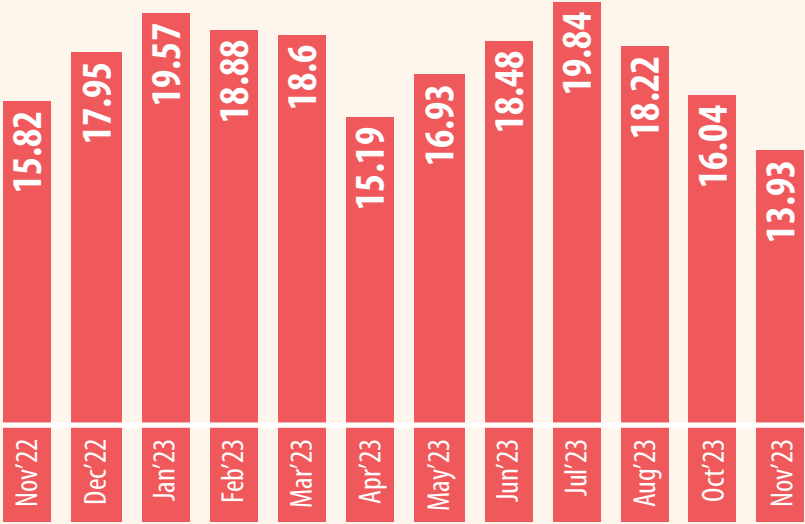
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Food welfare expands as election looms

GOVERNMENT STOCK OF FOODGRAINS

In lakh tonnes

SOURCE: MINISTRY OF FOOD, BANGLADESH BANK



REJAUL KARIM BYRON and
AHSAN HABIB

Public food distribution rose more than 23 percent year-on-year in the first five months of 2023-24 amid higher inflation, as the government expanded the populist measure ahead of the national election.

Data from the food ministry showed that 12.92 lakh tonnes of rice and wheat were distributed under various schemes such as the Open Market Sales (OMS) and the Food-Friendly Programme as of November 23 of the current financial year. It was 10.50 lakh tonnes during the same period in 2022-23.

“The election is a possible factor for the higher food distribution,” said Prof Selim Raihan, an economist, referring to the January 7 parliamentary polls.

An elevated level of inflation for the past 18 months has emerged as a matter of concerns for the government as it came under

heavy criticism for failing to deal with higher consumer prices, which have eroded the buying capacity of the low-income groups and the marginalised.

Food inflation stayed above 12 percent for the third straight month in October, the highest

director of the South Asian Network on Economic Modeling, a think-tank.

Because of the higher food distribution, the food stock of the government reduced to 13.93 lakh tonnes as of November 29, which was 15.82 lakh tonnes on



in a decade, according to the Bangladesh Bureau of Statistics.

“Since the surge of inflation, economists have recommended the government expand food distribution to offer much-needed relief to people,” added Raihan, also the executive

the same day a year earlier. The stock averaged 18-19 lakh tonnes in recent months, food ministry data showed.

Once a food stock of 10 lakh tonnes was assumed to be enough for the country, but now it should be 10-15 lakh tonnes considering

the higher population, said Quazi Shahabuddin, director-general of the Bangladesh Institute of Development Studies.

“So, the current food stock of Bangladesh is okay.”

He describes the public food stock system as a tunnel, which is filled up on one side and it is distributed from the other side.

“Due to higher distribution, the food stock has gone down but it will go up after Aman procurement.”

An official of the food ministry said the government has distributed food in large quantities in recent months in order to alleviate the woes of the people, resulting in a reduced food stock.

“As the Aman production has been high and the government is going to buy rice soon, the stock will receive a boost.”

The government has prioritised the adequate distribution of food under various programmes ahead of the national polls and

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Weekends now the last resort to recoup sales losses

SUKANTA HALDER

Businesspeople are scrambling to meet their sales targets as countrywide blockades have meant that they could enjoy only three days of normal business per week over the past month.

As blockades have been called for around four days of each week in recent times, some businesspeople have had to sell their products at lower prices than usual in order to pay wages to employees alongside rent for their shops and utility bills.

Mohammad Sohag, manager of Xavia By BigBazar Shop at Noorjahan Super Market, on the opposite side of Dhaka College, bemoaned the overall situation of business.

The sales situation has worsened due to four days of blockades each week, he said.

Sohag said 30-35 customers came daily during blockades while over 50 customers would arrive on days when there was no blockade.

“Even then, the number of sales across two days does not cover the number of sales of those four days,” he lamented.

Since there are less sales on days when there is a blockade, Sohag has to sell products at lower profits on days when there is no blockade even if the profit is a little less.

He has no other choice since he has to pay shop rent, salaries and other incidental expenses at the end of the month.

Sohag’s shop, which sells jackets, t-shirts, polo shirts, joggers and sweaters to men and women, witnessed a 10 percent decline in sales in November compared to October.

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STOCKS		WEEK-ON WEEK
DSEX ▼	CASPI ▼	
0.17%	0.08%	
6,223.03	18,479.51	

COMMODITIES		AS OF FRIDAY
Gold ▲	Oil ▼	
\$2,072.13 (per ounce)	\$74.38 (per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 0.74%	▼ 0.17%	▲ 0.56%	▲ 0.06%	
67,481.19	33,431.51	3,090.31	3,031.64	

Strong rebound expected in apparel shipment to US

Buoyed by massive festive season sales

REFAYET ULLAH MIRDHA

A year-on-year higher presence of shoppers during holiday sales in the US featuring Thanksgiving, Black Friday and Cyber Monday is expected to deplete inventories, signalling a strong rebound in apparel shipment from Bangladesh.

National Retail Federation (NRF), the largest retail federation in the US which contributes \$3.9 trillion to annual GDP, defines the holiday season as November 1 through December 31.

Thanksgiving Day is observed on November 23, Black Friday is the first Friday after the holiday whereas Cyber Monday the Monday afterwards. Christmas Day is observed on December 25.

During this season, sales of goods, especially garments, soar for a spending spree of consumer who are mainly drawn in with big discounts.

Clothing retailers offer discounts of up to even 60 percent during this mad rush, prompting consumers, especially middle and lower-middle groups to make purchases aplenty.

The NRF has forecast that holiday spending is expected to reach record levels and will grow between 3 percent and 4 percent, totalling \$957.3 billion to \$966.6 billion.

The federation recorded recent sales trends, saying the highest sold

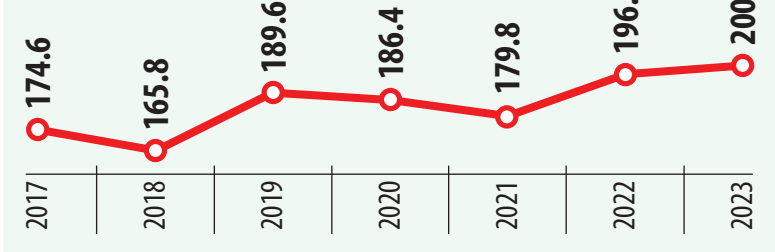
items was clothing and accessories at 49 percent, 31 percent toys, 25 percent gift cards, 23 percent books and other media and 23 percent personal care.

A record 200.4 million consumers shopped over the

Number of Thanksgiving weekend shoppers

In millions

SOURCE: NATIONAL RETAIL FEDERATION



five-day holiday weekend from Thanksgiving Day through Cyber Monday, surpassing last year’s record of 196.7 million, the NRF said in a statement on November 28.

The figures surpassed the NRF’s initial expectations of 182 million shoppers by more than 18 million.

“The five-day period between Thanksgiving and Cyber Monday represents some of the busiest shopping days of the year and reflects the continued resilience of consumers and strength of the

economy,” said NRF President and CEO Matthew Shay.

“Shoppers exceeded our expectations with a robust turnout. Retailers large and small were prepared to deliver safe, convenient and affordable shopping

experiences with the products and services consumers needed, and at great prices,” Shay also said. Following such a big jump in sales, it is expected that work orders for garment export to the US markets from Bangladesh may see a big jump from coming February and onwards.

Currently, the US is the single largest export destination for Bangladesh and the country is the third largest apparel exporter to the US after China and Vietnam.

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Tourism industry in St Martin’s struggling to stay afloat

MOKAMMEL SHUVO

Saint Martin’s Island off the southern coast of Cox’s Bazar is usually abuzz with tourists this time each year, but the ongoing nationwide strikes and blockades have put a damper on the local tourism industry.

At present, around 400 tourists are visiting the island each day, which houses around 200 hotels and resorts, according to local business people.

Saint Martin’s is one of the most popular tourist destinations in Bangladesh as the country’s sole coral island is famous for its blue ocean and scenic view.

The peak tourist season runs from October to April when the Bay of Bengal is calm enough to ensure safe travel to the island, which is nine kilometres from the mainland.

Hossainul Islam Bahadur, senior vice president of the Tour Operators Association of Cox’s Bazar, said they witnessed an onrush of tourists at the end of September when the government gave approval

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ডিবিএইচ
মুদারাবা ডিপোজিটস

সর্বোচ্চ সুরক্ষা | পূর্ণাঙ্গ শরিয়াহ পরিপালন

প্রোডাক্ট সমূহঃ

- মুদারাবা টার্ম ডিপোজিটস
- মুদারাবা মাসিক/ত্রৈমাসিক ইনকাম ডিপোজিট
- মুদারাবা হজ্জ ডিপোজিট
- মুদারাবা ডিপিএস

ডিবিএইচ দেশের একমাত্র আর্থিক প্রতিষ্ঠান যা ধারাবাহিকভাবে ১৮ বছর ধরে সর্বোচ্চ
ক্রেডিট রেটিং (AAA) প্রাপ্ত। ডিবিএইচ ইসলামিক মুদারাবা ব্যাংকের ক্ষেত্রে শরিয়াহসম্মত
Income Sharing Ratio (ISR) প্রকৃতির অবসর গ্রহণ করে।

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