

# Geyser sales gaining steam

JAGARAN CHAKMA

Sales of household water heating systems, known as geysers, have increased this year thanks to the changing lifestyle of people living in urban and rural areas of Bangladesh, according to industry people.

And although there is no reliable data, they believe seasonal demand for geysers during the cold months from November to February has surged to about 120,000 units at present from 80,000 units in 2021.

Besides, the country's current market size for geysers is around Tk 80 crore, with around a dozen local companies retailing their own brands of the device, they said.

Geysers made by PRAN-RFL Group lead the market with a 35 percent share while Tropica branded ones see the second highest sales with a 15 percent share of the overall demand.

Geysers are made of simple technology and it takes just Tk 20-25 crore to establish a manufacturing facility with an annual production capacity of at least 35,000 to 40,000 units, they added.

"People's mindset has changed over time. Previously, geysers were considered a luxury item that were only necessary for the affluent class," said Kamruzzaman Kamal, director for marketing at PRAN-RFL.

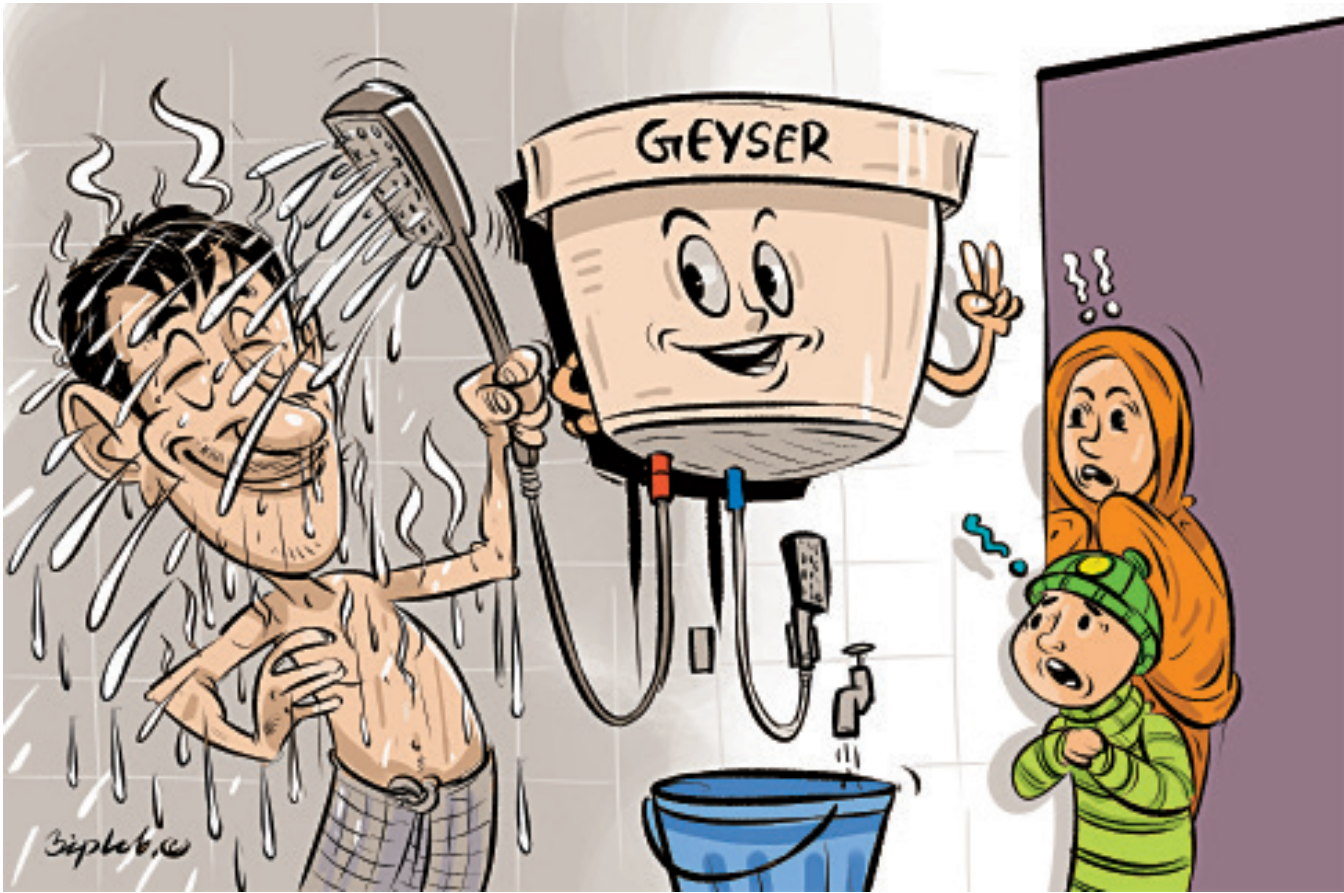
But with increased local production, the device has become more affordable for middle-income groups in urban, semi-urban and even rural areas of the country.

Also, geysers provide hot water straight from the tap, making them highly convenient for uses such as showering.

As such, demand typically peaks during winter, and this year is no different as sales will likely increase in the days ahead, he added.

Kamal informed that locally manufactured geysers are priced at about Tk 5,000 to Tk 8,000 while imported ones cost Tk 9,000 to Tk 16,000.

Augustin Gomes, product manager



of home appliances at Walton, said their geyser sales have remained the same since the November-December period of 2022, when 22,000 units were sold.

However, production costs are slightly higher this year as imported raw material prices have risen due to the devaluation of taka against the US dollar, he added.

Gomes also said local companies are now fully capable of catering to domestic demand as they manufacture quality products.

"We have 30-litre to 67-litre geysers with prices ranging from Tk 8,190 to Tk

15,850," he added.

Md Jishan, a technician in Dhaka's Uttara, said he has been installing four to five geysers per day since December 10 and hopes to see an increase in the tally within next week.

Seeking anonymity, a senior executive of a multinational company that distributes geysers made by a Chinese brand said already they have sold around 2,500 units since the start of winter this year.

The company is selling geysers with 30-litre, 40-litre and 50-litre capacities at prices between Tk 12,900 and Tk 15,900,

he said.

According to him, the device offers significant utility while remaining within the purchasing capacity of middle-income groups.

However, sales in Bogura have not picked up as expected as people are less eager to spend amid the ongoing political tension centring the upcoming national election, local shopkeepers said.

There are about a dozen local companies that make geysers, including Walton, Gazi, Shameem, Ariston.

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## Construction cost eases for 3rd straight month

STAR BUSINESS REPORT

Construction costs in Bangladesh dropped for a third straight month in November, driven by a fall in prices of building materials, showed official figures.

The Building Materials Price Index (BMPI) stood at 6.53 percent in November, a decrease of 9 basis points from 6.62 percent in the preceding month, according to data from the Bangladesh Bureau of Statistics (BBS).

In August, the BMPI stood at 6.98, the highest this year, showed data from the state-run statistical agency.

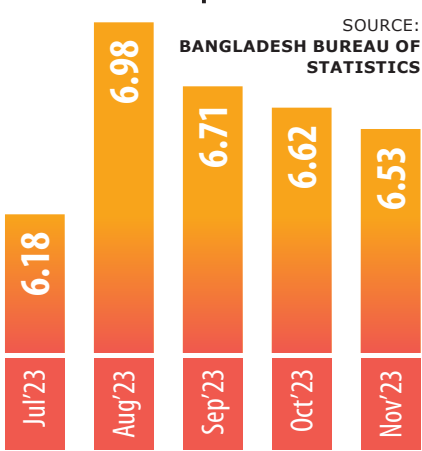
The BBS released its updated BMPI after compiling the cost of three key components, namely building materials, transport and labour charges.

Of these components, the BMPI for building materials stood at 6.74 percent in November, a decrease of 0.09 percentage points compared to October.

For labour it was 6.01 percent, down by 0.06 percentage points from October.

Similarly, transportation witness a

### Trend in building materials price index in %



decline to 5.47 percent in November from 5.58 percent, showed the BBS data.

The price of building materials has slightly reduced as overall market demand has slowed due to the ongoing economic downturn, according to the market sources.

### Anwar Galvanizing to issue Tk 50cr bond

STAR BUSINESS REPORT

Anwar Galvanizing Ltd, a listed engineering company, decided to issue coupon-bearing bonds worth Tk 50 crore.

It took the decision at its board of directors' meeting.

Of Tk 50 crore, 90 percent will be convertible into shares and 10 percent redeemable. The tenure of the coupon-bearing bond is five years. It will be issued after approval from the Bangladesh Securities and Exchange Commission and other relevant regulatory bodies.

The coupon rate of issue will range from 9 percent to 11 percent per annum, which will be given semiannually.

Ninety percent of the bond will be converted into ordinary shares of the company. The bonds will be offered to potential investors, including banks, NBFIs, insurance companies, corporate entities, high net worth individuals, existing shareholders and the general public.

## Pacific Jeans Group to invest \$55m in Adamjee EPZ

STAR BUSINESS REPORT

Pacific Denimwear Ltd, a sister concern of one of the leading exporters Pacific Jeans Group, is going to invest \$54.5 million to establish a garments factory in Adamjee Export Processing Zone (EPZ), said a press statement today from Bangladesh Export Processing Zones Authority (BEPZA).

This will be the ninth venture of Pacific Jeans Group in EPZs under BEPZA, the agency said.

At present, eight enterprises of Pacific Group are operating their business in Chattogram EPZ.

The Pacific Denimwear Limited will be the first enterprise of this group to operate outside the Chattogram EPZ, said the BEPZA.

The investment promotion agency and Pacific signed an agreement in this regard at its office in Dhaka recently.

BEPZA Member for Investment Promotion Ali Reza Mazid, Pacific Denimwear Ltd Managing Director Syed Mohammed Tanvir signed the agreement on behalf of their respective organisations. BEPZA Executive Chairman Major General Abul Kalam Mohammad Ziaur Rahman was present among others at the occasion.

The BEPZA said Pacific, a locally owned business house, will produce annually 12.5 million pieces of ladies' top, 12.5 million pieces of formal and casual wear of men and women and 3.1 million pieces of casual wear for boys and girls.

The investment by the company will create employment opportunity for 7,970 Bangladeshi nationals, the BEPZA said.

## Integrating Bangladeshi diaspora with our growth story

MAMUN RASHID

As per the International Organization for Migration (IOM), Bangladesh boasts a vibrant diaspora of over 7.4 million. These Bangladeshis are more than just expatriates; they are an untapped reservoir of knowledge, skills, and entrepreneurial spirit, waiting to be harnessed for the nation's economic prosperity.

While Bangladesh has long relied on its diaspora's remittances – a vital second source of foreign currency, accounting for 4.76 percent of GDP in 2022-23 – the true potential lies in fostering deeper engagement.

Despite its impressive remittance inflow amounting to \$21.5 billion in 2022, Bangladesh remains the third-largest remittance recipient in South Asia, trailing behind India and Pakistan, which received \$111.2 billion and \$29.5 billion, respectively, according to the World Bank. This scenario draws attention to a critical aspect: Bangladesh's remittance base predominantly comprises low-skilled workers, primarily concentrated in the Gulf region.

According to the Bureau of Manpower Employment and Training, in 2021, some 73.57 percent of Bangladeshi migrants were unskilled labourers and almost 80 percent of these migrants are settled in the Gulf region.

India's remittance influx in recent years derives from a growing pool of high-skilled migrants to developed nations like the US, the UK, and Singapore. The Migration Policy Institute's analysis showed that the Indian diaspora in the US comprises around 4.9 million residents who were either born in India or reported Indian origin.

In 2021, a staggering 80 percent of these Indian immigrants aged 25 and above held bachelor's degrees, compared to just one-third of the overall foreign-born and native population in the US. This trend continues with advanced degrees, where nearly half of Indian immigrant adults possess graduate or professional qualifications, substantially exceeding the national averages (15 percent of foreign-born and 13 percent of US-born adults). Such academic prowess positions them as highly sought-after talent in the American workforce.

Gone are the days of Indian migrants solely occupying low-skilled jobs in the Gulf. Empowered by the Skill India initiative and equipped with the technical and soft skills desired by global giants, they now command respect in fields like AI, machine learning, and cloud computing.

Harnessing Bangladesh's diaspora demands a strategic rethinking that moves beyond just receiving money and towards a deeper, more strategic engagement. Upskilling our domestic workforce, in partnership with private and diaspora resources, can ensure their global relevance. Formalising informal remittances – those currently bypassing official channels – is crucial.

According to the Household Income and Expenditure Survey 2022, only 20.95 percent of remittances currently fuel investment, which was 26.06 percent in 2016. Imagine the impact if we could mirror India, where NRIs invest more readily thanks to streamlined procedures and special incentives.

Bangladesh must actively engage its diaspora through targeted initiatives. Creating a dedicated diaspora investment fund, hosting investor summits, and establishing mentorship programmes can bridge the information gap and foster collaboration.

Leveraging digital platforms to connect diaspora professionals with local businesses and startups will spark innovation and cross-border partnerships. Moreover, recognising and celebrating the achievements of diaspora entrepreneurs can inspire others to follow suit.

By proactively addressing challenges and creating a welcoming environment, Bangladesh can transform its diaspora from a remittance source into a dynamic engine of economic growth.

The author is an economic analyst

## US retailers dangle fewer discounts for shoppers

REUTERS, New York

Last-minute shoppers looking for late deals ahead of Christmas may find smaller discounts and fewer items marked down at major retailers including Macy's, Target and Ulta Beauty, according to an analyst and two datasets measuring retailers' recent prices.

After ramping up promotions for Black Friday, some of the country's top gifting destinations cut back both the number and size of their price markdowns on key products from November 1 to December 1, according to data from Centric Market Intelligence, formerly StyleSage, which analyses retailers, brands, online trends and products across the globe.

At Macy's, products with price markdowns fell from 49 percent to 46 percent, and the average markdown dropped from 20 percent to 17 percent, during the time period. At Ulta, products on sale dropped from 10 percent to 5 percent, while the average discount dropped from 3 percent to 2 percent.

Data analytics firm Vertical Knowledge, which examines pricing and discounts across retailers' websites, found retailers including Abercrombie & Fitch and Macy's-owned Bloomingdale's also shrank or maintained their average discounts on products from November to December

after deepening markdowns last year.

Retailers could potentially adjust their discounts in a bid to entice price-sensitive shoppers in the days before Christmas. But so far, "what's interesting this year is that even though we're in a promotional environment, the promotions haven't been very deep," said Jessica Ramirez, a senior research analyst for Jane Hali & Associates.

The decision to roll back discounts ahead of the Saturday before Christmas – dubbed "Super Saturday" and typically one of the busiest shopping days of the year – highlights the challenges retailers are facing as higher interest rates and other financial pressures weigh on consumer spending.

US retailers expect 142 million shoppers on Super Saturday, a 10 percent decline from a year ago, according to the National Retail Federation trade group. Store visits in recent days were down from a year ago at chains including Best Buy and Home Depot according to analysts.

Shoppers are buying less overall. Sales revenue during the 2023 holiday shopping season is 6 percent lower than last year, and unit sales are 5 percent lower, according to early data from Circana.

Ben Gibson, a pharmacist in San Antonio, Texas, on Thursday said he was perusing prices on video cameras and a tripod at Walmart, and Best Buy. He said he might buy one he found on Amazon instead.



A Target store in Chicago, Illinois, US. After ramping up promotions for Black Friday, some of the country's top shopping destinations cut back both the number and size of their price markdowns on key products.

PHOTO: REUTERS/FILE