Customers look through a selection of couches at a furniture store in the capital's Panthapath area. Sales of furniture, particularly home furniture, have gathered steam as people look to revamp their homes ahead of Eid-ul-Fitr. The photo was taken yesterday. PHOTO: PRABIR DAS

Furniture sales rebound on buying spree ahead of Eid

JAGARAN CHAKMA

Following two years of dull demand, home furniture sales went up slightly in the lead-up to Eid-ul-Fitr, the biggest religious festival for the Muslim community in Bangladesh, as people went on a buying spree despite ongoing inflationary pressure, according to industry people.

Lucrative discounts, the option to pay in equal monthly instalments and different marketing campaigns helped increase furniture sales during Ramadan this year, they said.

According to industry insiders, the combined annual turnover of home and office furniture has reached nearly Tk 26,000 crore annually.

But the industry has not been achieving significant growth since 2020.

"After two years, home furniture sales enjoyed a good spell ahead of Eid because customers' mindset has changed and they now spend their disposable income on purchasing furniture," said Shohan Akon Sunny, manager (marketing) at Partex Furniture Industries Ltd.

According to Sunny, the economy has slightly improved compared to the previous year. As a result, customers feel encouraged to purchase new furniture.

He also said customers did not purchase furniture last year as prices jumped due to the increase in the price of US dollars. As prices did not increase this year and manufacturers and retailers offered discounts for Eid, sales grew, he added.

Despite not having the final sales record, he hoped their sales would increase by at least 15 percent.

As per their previous sales records, sales of furniture, particularly home furniture, ahead of Eid account for around 20 percent of total annual furniture sales.

He added that customers would wait until Ramadan to purchase home furniture as companies offer discounts.

According to Sunny, Partex Furniture offered a 12 percent flat discount.

Like Partex, sales of Regal Furniture, a concern of Pran-RFL Group, also witnessed impressive sales ahead of Eid.

"We are satisfied with our sales ahead of Eid amid ongoing inflationary pressure," said Kamruzzaman Kamal, marketing director of Pran-RFL Group.

According to him, Regal provides quality furniture at reasonable prices. He added that they did not increase prices despite the cost of production soaring due to the appreciation of the US dollar against the local currency.

Besides, Regal's principles dictate that increasing sales volume is more important than an excessive profit margin, he said. As such, customers get the best value for money from Regal, he claimed.

"Overall, home and office furniture sales went as usual, without any substantial growth, ahead of Eid this year," said Selim H Rahman, chairman and managing director of Hatil Furniture.

Normally, customers purchase furniture on the occasion of Eid alongside clothes and food, he said.

He said the income of salaried individuals did not increase in the past year as the overall economy and business activities are yet to revive.

Selim said he is yet to get a complete sales report but hoped total sales would be close to last Ramadan's figures, when Hatil sold furniture worth around Tk 37 crore.

According to him, only those from high-income segments purchased furniture this year while the masses could not fulfil their desire to refurbish their homes.

However, the informal sector of the furniture industry, which dominates around 70 percent of the total market, has continued to witness a dull season as in the previous two years, said market insiders.

Altaf Hossain, owner of Altaf Furniture, one of the biggest showrooms at Begum Rokeya Sarani in Dhaka's Mirpur, said middle-class people could not muster the courage to enter his showroom ahead of Eid.

"We enjoyed good sales in January and February, but the market became dull during Ramadan, so Eid sales were really dull," he noted.

Stocks rise for third day straight

STAR BUSINESS REPORT

All indices of the Dhaka Stock Exchange (DSE) extended their gains for a third consecutive day yesterday, just days ahead of Eid-ul-Fitr, one of two major religious festivals for Muslims.

The DSEX, the benchmark index of the country's premier bourse, surged by 64.10 points, or 1.11 percent, from the day before to close at 5,860.23 points.

Similarly, the DSES, the index that represents shariah-compliant firms, climbed 14.63 points, or 1.15 percent, to 1,281.03 points. The DS30, which comprises blue-chip stocks, jumped 18.47 points, or 0.92 percent, to 2,033.40 points.

Turnover, which refers to the volume of shares traded during the session, stood at Tk 415 crore, marking an increase of 4.91 percent.

Almost all sectors closed in the positive, with the top three being services and real estate, general insurance and ceramics, according to the daily market update by UCB Stock Brokerage.

The textile sector dominated the turnover chart, accounting for 14.89 percent of the total.

Of the issues that changed hands at the DSE, 316 gained, 36 declined, and 40 did not see any price swing.

Deshbandhu Polymer topped the gainers' chart with an increase of 9.80 percent followed closely by Bangladesh Thai Aluminium with 9.70 percent, Fu-Wang Foods with 9.69 percent, Emerald Oil Industries with 9.62 percent and Navana CNG with 9.16 percent.

The five were followed by Hami Industries, Olympic Accessories, Anlima Yarn Dyeing, Aftab Automobiles and Fu-Wang Ceramic Industry -- all of which logged gains of over 7 percent.

Advent Pharma, Tung Hai Knitting and Dyeing, Rahim Textile Mills, AFC Agro Biotech and Monno Agro and General Machinery were also on the top gainers' list.

The list also featured Beximco Pharmaceuticals, Beacon Pharmaceuticals, BRAC Bank, Renata, Eastern Bank, British American Tobacco Bangladesh Company, Orion Pharma and IFIC Bank.

Kay & Que (Bangladesh) shed the most, losing 3.61 percent.

Pubali Bank, Zeal Bangla Sugar Mills, IDLC Finance, Asian Tiger Sandhani Life Growth Fund, ICB AMCL First Agrani Bank Mutual Fund, and People's Leasing and Financial Services were also on the list of those suffering the biggest losses.

The list also included Southeast Bank, Unique Hotel and Resorts, Pragati Insurance, Simtex Industries and Silco Pharmaceuticals.

The Chittagong Stock Exchange witnessed a similar trend as the Caspi, the main index of the port city bourse, edged up by 73.37 points, or 0.44 percent, to close at 16,687 points.

Bank Alfalah's profit trebled in 2023

STAR BUSINESS REPORT

Bank Alfalah Bangladesh's profits soared more than three times in 2023 mainly due to higher net interest income and income from investment in treasury bonds and bills.

The multinational bank owned by the Abu Dhabi Group logged profits of Tk 43 crore in 2023, posting a 230 percent year-on-year rise from Tk 13 crore in the previous year.

The bank's net interest income rose 34 percent year-on-year to Tk 67 crore last year. Investment income of the bank rose 25 percent to Tk 45 crore, according to the financial reports of the bank that started its operation in Bangladesh in 2005.

The bank, which has seven branches in the country, disbursed Tk 1,616 crore in loans.

Around 79 percent of the loans went to the Dhaka division and the rest to the Chattogram division. Of the total loans, 1.75 percent or Tk 28 crore are bad loans.

China pushes back at US overcapacity concerns

AFP, *Beijing*

Beijing's commerce minister dismissed as "groundless" US concerns that a surge of low-cost Chinese exports posed a risk to global markets, as Washington's Treasury chief on Monday wrapped up a visit aimed in part at addressing the issue.

During the visit by Treasury Secretary Janet Yellen, Chinese officials have sounded a positive note that ties between the two countries are on more stable footing, with both sides agreeing to open channels for further talks on the issue of excess industrial capacity -- though differences clearly remain.

The US concern is that with Chinese government support creating more production capacity than global markets can absorb, a flood of cheap exports in key sectors like solar and electric vehicles could impact the growth of those industries elsewhere.

But commerce minister Wang Wentao said during a trip to Paris on Sunday that "the accusations of 'overcapacity' by the United States and Europe are groundless", state-run Xinhua news agency reported. Wang said Chinese electric vehicle makers' rapid growth was due to innovation and established supply chains, not subsidies.

He added that Beijing would support businesses in defending their interests, Xinhua said.

Beijing has repeatedly dismissed concerns over its vast state support for industry.

Next Chinese trade war could benefit the planet

ANALYSIS

REUTERS, *London*

A trade war between China and the West over green goods is certainly not the best way to combat climate change. It will lead to inefficient production, wasted money, slower economic growth and geopolitical tension. But it may, nevertheless, still slow down global warming.

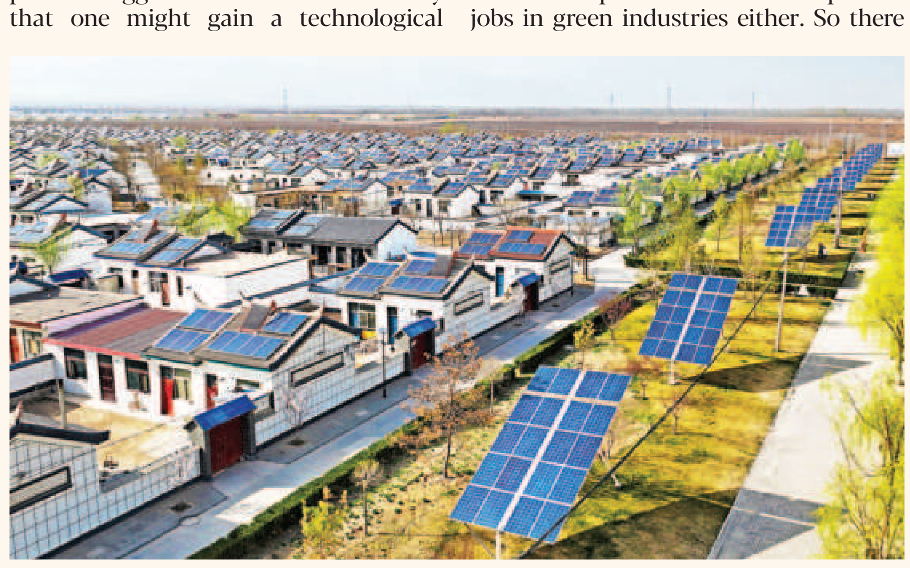
As Beijing floods the world with cheap green goods, the rich democracies and some emerging markets will put up trade barriers. That will delay their energy transition as they'll pay more for clean technology than they otherwise would. But the glut of electric vehicles (EVs), solar panels, batteries and the like will speed it up elsewhere. After all, this kit will have to end up somewhere.

In theory, there is a much better way to stop the planet frying. The whole world would impose a high price on carbon emissions, incentivising producers and consumers to shift to green technologies. There would then be no need for expensive and wasteful subsidies to drive the process. China and the West would trust each other rather than engage in a power struggle. Neither would then worry that one might gain a technological advantage that it could use against the other -- and production of green goods could gravitate to those places with a comparative advantage making them.

Western politicians wouldn't protect jobs in green industries either. So there would be no need for tariffs on Chinese imports. Carbon pricing either doesn't exist or is far too low in most of the world. China and the West are in a quasi-Cold War. Meanwhile, almost every country with industrial aspirations wants a slice of fast-growing green industries.

The People's Republic already dominates what it calls the "three new" industries -- solar, EVs and batteries. This is partly because it subsidised them, partly because it is good at manufacturing and partly because it built up economies of scale to serve its own vast market.

Chinese investment in clean technology rose a further 40 percent to $890 billion, according to an analysis for Carbon Brief. Not surprisingly, the price of solar panels dropped 42 percent last year, while that of batteries halved. President Xi Jinping has made these industries a strategic priority, partly to provide jobs as China goes through a painful property crisis. Companies are piling in because these are some of the few sectors where they can make positive returns, although those are now falling, says Alicia Garcia Herrero, chief economist for Asia Pacific at Natixis.



An aerial view shows residential buildings with roof-mounted photovoltaic solar panels in Yinchuan, in northwestern China's Ningxia region, on March 31. PHOTO: AFP