



A woman browses through clothes at a fashion outlet located in Bashundhara City shopping complex in the capital's Panthapath. Retailers reported increasing customer turnout ahead of Durga Puja, the biggest religious festival of the Hindu community to be celebrated from October 10.

PHOTO: PRABIR DAS

Fashion brands see higher customer footfall ahead of Durga Puja

SUKANTA HALDER and TAHIRA SHAMSI UTSA

Fashion brands and retailers are witnessing increased customer footfall ahead of Durga Puja, the biggest annual festival for Hindu community, despite rising prices and political uncertainty.

Businesspeople were initially sceptical about sales prior to one of the biggest religious festivals in the country as law and order broke down after the fall of the Sheikh Hasina-led Awami League government on August 5.

However, those fears have now made way for optimism, with many saying sales could increase if the situation remains stable leading up to Durga Puja, which begins on October 10 this year.

According to businesspeople, Eid-ul-Fitr and Eid-ul-Azha account for about 70 percent of all festival-related sales in Bangladesh while the rest take place during Pehela Baishakh and Durga Puja.

Alongside apparel, demand for consumer electronics, sweets and hilsa fish also sees an uptick ahead of the major festival for Hindus, who account for approximately 8 percent of the country's population.

Sales typically peak about 10 days before the start of festivities and continue for around three days after. However, it is also a time when the pinch of rising prices is felt most.

Inflation hit 10.49 percent in Bangladesh in August and has been hovering over nine percent since March of 2023, eroding people's purchasing power and

becoming a cause for concern during a time for celebrations.

Upoma Dey, a third-year student at Eden Mohila College, expressed concern over the rising prices of clothing.

"Last Durga Puja, I spent Tk 7,800. But this year I had to spend around Tk 10,000 for the same number of dresses," she said, adding that the quality of fabrics was also declining over time.

Similarly, Deepa Pratiba Das, an employee at a private company in Dhaka, said the cost of clothing had increased significantly.

"The panjabi I bought for Tk 800 to 900 last year now costs Tk 1,200 to Tk 1,300," he said.

Many other shoppers echoed similar worries about rising prices. But despite such concerns, retailers report a positive response from customers.

Sharifun Reba, director at SaRa Lifestyle Limited, a popular retail fashion brand with 14 outlets across the country, was happy to see strong sales ahead of Durga Puja.

"This is always a special time of year for us. We have seen a significant uptick in sales across all clothing categories," Reba said.

She noted a two to three percent increase in year-on-year sales compared to the time preceding last year's Durga Puja, attributing the growth to their continued focus on offering high quality, stylish, and affordable clothing.

"We are optimistic that the upcoming festivities will prove a successful season for business," she added.



Khalid Mahmood Khan, co-founder of Kay Kraft, a retailer of fashion wear, accessories and home textiles with 16 outlets across the country, also reported increased customer footfall.

"If we compare sales before last year's Durga Puja to now, they are nearly the same," he said.

However, Khan expressed concern over the country's political situation, which has created uncertainty in consumer confidence. He expects sales to pick up in the week leading up to the festival.

Traders said sarees and salwar kameez are in high demand, with buyers more interested in katan, silk and embroidered sarees. Jamdani sarees are also sought-after items.

Soumik Das, manager of Rang Bangladesh, stated that sales were going well despite the political uncertainty.

However, he said there had been no growth compared to the

previous year. "If the current trend continues, growth may be seen in the final days before the Puja."

He also pointed out that some customers, unable to travel to India due to complications securing visas, have turned to local shops, contributing to the recent increase in footfall.

Raihan Kabir, head of marketing and e-commerce at Apex Footwear Limited, shared that their Puja collection, launched on September 29, had been well received.

However, the development is not the same in all places.

In Dhaka's New Market, Mohammad Rusel, a shopkeeper, reported a significant drop in customer traffic.

"The shop has been mostly empty all day," he noted.

A saree seller in the same area highlighted that customer turnout at saree shops is noticeably low this year.

"Our prices are the same

as last year, but the number of customers has decreased significantly."

A shopkeeper at the Aziz Super Market in the capital's Shahbagh shared that prices of sarees, panjabis and women's kurtis are consistent with last year.

He highlighted recent incidents of violence against minorities, saying it may have had an impact on the psyche of consumers.

Home appliance retailers usually also see a rise in sales ahead of any major festival, with blenders, grinders, rice cookers, and microwaves in high demand.

However, according to Nurul Ahsen, deputy managing director of Electro Mart Limited, shopping for home appliances had not yet fully started.

He hoped sales would pick up from the first week of October.

The food and beverage industry is also gearing up for Durga Puja, with retailers expecting an increase in sales.

Shah Mostaque Ahmed, general manager of Well Food and Beverage Company Limited, said sales of sweets had already started to increase compared to usual.

"As we do every year, we are offering a 10 percent discount on various types of sweets ahead of Durga Puja. However, corporate orders, which are a significant source of sales, have not yet started coming in," he added.

Khokon Chandra Samaddar, a wholesale fish trader at the Jatrabari fish market, said that the demand for Hilsa typically increases during Durga Puja.

Govt to buy two LNG cargoes from Gunvor Singapore

STAR BUSINESS REPORT

The advisory committee on government purchases yesterday approved the import of two consignments of liquefied natural gas (LNG) from the spot market for nearly Tk 1,290 crore.

Singapore-based MS Gunvor Singapore Pte will supply each million British thermal units (MMBtu) of the first consignment at \$13.57 while the second will cost \$13.77 per MMBtu.

Each consignment of LNG is equivalent to 33.60 lakh MMBtu.

According to the meeting minutes, the first consignment will cost Tk 649.15 crore and the second Tk 649.59 crore.

"The committee approved the consignments after getting quotations from the companies, which signed the master sale and purchase agreements with Petrobangla in line with the Public Procurement Rules 2008," the minutes read.

Also at yesterday's meeting, the government approved the purchase of fertilisers, specifically 60,000 tonnes of urea, 30,000 tonnes of triple super phosphate (TSP) and 40,000 tonnes of diammonium phosphate (DAP).

Around 30,000 tonnes of urea will be supplied by Saudi Arabia's SABIC Agri-Nutrients Company for \$346.33 per tonne. The rest will be supplied by the local Karnaphuli Fertiliser Company Limited for \$335.5 per tonne.

TSP will be supplied by Morocco's OCP SA at a rate of \$415 per tonne while the DAP consignment will be supplied by Saudi Arabia's MA'ADEN at \$581 per tonne.

US factory activity shrinks for sixth month

AFP, Washington

US manufacturing activity contracted for a sixth straight month in September, according to survey data released Tuesday, with demand remaining weak and new export orders slumping.

The tepid reading reflects uncertainty in the sector ahead of the US presidential election in November and with further changes to central bank policy in the pipes.

Meanwhile, a deterioration in the employment index underscores concerns over the jobs market.

The Institute for Supply Management's (ISM) manufacturing index held at 47.2 percent last month, the same reading as in August, missing market expectations.

That figure is below the 50-point mark separating expansion from contraction.

"Demand continues to be weak, output declined and inputs stayed accommodative," said ISM survey chief Timothy Fiore in a statement.

"Demand remains subdued, as companies showed an unwillingness to invest in capital and inventory due to federal monetary policy," he said, adding that "election uncertainty" was also a factor.

While the Federal Reserve has started to lower interest rates, further action is widely expected. Besides export orders, the new orders index also remained in contraction while employment shrunk at a faster rate.

"Panelists cited continuing efforts by their companies to right-size workforces to levels consistent with projected demand," according to Fiore.

A respondent in the chemical products sector said: "North America demand has started to weaken. Asian demand is slightly higher but shows signs of weakness in future months."

Matthew Martin, an economist at Oxford Economics, said that high interest rates and uncertainty over the US presidential election "continue to weigh on the manufacturing sector."

Oil extends rally after Iran attack

AFP, Hong Kong

Oil prices extended a rally Wednesday after Iran's missile attack on Israel fanned fears of a Middle East-wide conflict, while the Hong Kong market ploughed on with its China-fuelled surge as developers saw eye-watering gains.

News of the launches rattled US and European traders and sparked a sell-off on most markets, though Asia fared slightly better, with Hong Kong jumping more than six percent as it reopened after a one-day break.

Both main crude contracts shot up more than five percent at one point Tuesday after Iran fired dozens of missiles at Israel in response to the killings of Tehran-backed militant leaders.

Washington said it was discussing a joint response and warning of "severe consequences" and Israel vowed it would make Iran "pay" for the launch. Tehran threatened to hit all Israeli infrastructure if attacked.

"The burning question is whether Iran's missile strike is a one-off response or the start of something much bigger. Most bets lean towards the former, especially with the US stepping in to back Israel," said independent analyst Stephen Innes.

"Iran's oil infrastructure could very well be in their crosshairs. Taking a swing at Iran's oil lifeline could have far-reaching economic consequences, sparking a severe escalation," Innes wrote in his "The Dark Side Of The Boom" newsletter.

Demand for gold - a go-to in times of uncertainty and turmoil - pushed the precious metal close to its \$2,685 record.

All three main indexes on Wall Street ended in the red, with the Nasdaq down more than one percent.

Eurozone inflation falls under 2% for first time since 2021

AFP, Brussels

The eurozone's annual inflation rate fell to its lowest level in three-and-a-half years in September, official data showed Tuesday, dropping below the European Central Bank's two-percent target and fuelling expectations of a rate cut.

Year-on-year consumer price increases in the single currency area slowed to 1.8 percent in September, down from 2.2 percent in August, thanks to falling energy costs.

The rate for the 20-country eurozone was the lowest since April 2021 and beat predictions of 1.9 percent by analysts surveyed by financial data firm FactSet.

Core inflation, which strips out volatile energy, food, alcohol and tobacco prices and is a key indicator for the ECB, cooled slightly to 2.7 percent in September from 2.8 percent in August, the EU's official statistics agency said.

The central bank's chief Christine Lagarde said Monday that rate-setters would take the new data on inflation "into account in our next monetary policy meeting in October".

The Frankfurt-based body has already cut borrowing costs twice in recent months, and Tuesday's data will raise hopes for another reduction at the next meeting on October 17.

That is a marked change from economists' expectations earlier this year when many experts predicted the next cut would come in December.

The latest figures "should be sufficient to persuade the ECB to cut rates in October, even though services inflation remained high", said Franziska Palmas,

senior Europe economist at Capital Economics research group.

Consumer price rises have significantly slowed since the 10.6 percent peak in October 2022 after energy costs soared following Russia's invasion of Ukraine that year.

Sky-high inflation pushed the ECB to



Customers shop at a hypermarket in Villefranche-sur-Saone, central France. Consumer price rises in Europe have significantly slowed since the 10.6 percent peak in October 2022.

PHOTO: AFP/FILE

aggressively raise rates but with inflation now below target, the bank's "concerns seem to be shifting towards the lacklustre growth environment", said ING bank's Bert Colijn.

The ECB said last month it expects expansion of just 0.8 percent this year, a figure revised down from a previous prediction of 0.9 percent published in June.

The slowdown in inflation comes after energy prices fell sharply by 6.0 percent in September, compared with a drop of 3.0 percent in August, Eurostat data showed.

Lagarde warned "inflation might temporarily increase in the fourth quarter of this year as previous sharp falls in energy prices drop out of the annual rates".

But she told a European Parliament hearing Monday that "the latest developments strengthen our confidence that inflation will return to target in a timely manner".

Tuesday's data showed services inflation, which had been accelerating in recent months, slowed to 4.0 percent in September, down from 4.1 percent in August.

But food and drinks prices ticked up slightly, by 2.4 percent in September compared with 2.3 percent in August.