

## India's forex reserves fall for sixth week

REUTERS

India's foreign exchange reserves dropped for a sixth consecutive week to a near 3-month low of \$675.65 billion as of Nov. 8, data from the Reserve Bank of India (RBI) showed on Friday.

The reserves fell by \$6.5 billion in the reporting week and are down \$29.2 billion from the record-high of \$704.89 billion hit in late September.

Changes in foreign currency assets are caused by the central bank's intervention in the forex market as well as the appreciation or depreciation of foreign assets held in the reserves.

The RBI intervenes on both sides of the forex market to prevent undue volatility in the rupee.

In the period for which the forex reserves data pertains, the rupee had weakened to its then-all-time low of 84.38, pressured by a surge in dollar strength and US bond yields following Donald Trump's victory in the US elections.

The central bank's strong interventions helped the local currency avert deeper losses, traders said.

The currency settled at 84.3950 on Thursday, after slipping to a record low earlier in the week.

The forex reserves also include India's reserve tranche position in the International Monetary Fund.

## Japan's economy slows in Q3

REUTERS, Tokyo

Japan's economy expanded by an annualised 0.9 percent over the July-September quarter, government data showed on Friday, slowing from the previous three months due to tepid capital spending though an unexpected pickup in consumption added a bright spot.

The slower growth highlights the frailty of Japan's economy just as there is a growing risk of slowdown in the US and further weakness in China which could weigh on exports.

Stronger-than-expected private consumption, however, supports the central bank's forecast of a solid recovery driven by higher wages and consumption helping inflation sustainably hit its 2 percent target and justifying higher interest rates.

READ MORE ON B2



# Leather footwear exports hit 5-year high in Jul-Oct

JAGARAN CHAKMA

Bangladesh is sending more leather footwear to foreign markets like the United States, Japan and the European Union as the country's footwear exports during the July-October period of the current fiscal year surged to a five-year high.

Despite economic slowdowns in some markets, local exporters say they are receiving increased orders from foreign buyers thanks to Bangladesh's competitive labour costs, which makes "Made in Bangladesh" shoes more affordable.

Besides, some orders are shifting to Bangladesh from China due to rising production costs in the latter.

During the July-October period, Bangladeshi shoemakers, the second-largest foreign exchange earner after the readymade garment sector, fetched \$228.47 million in export earnings.

This is a 9 percent increase from the \$182.11 million earned during the same period the previous year, according to the Export Promotion Bureau (EPB).

In the pandemic-hit fiscal year 2020-21, Bangladesh's footwear shipments during the July-October period stood at \$168.53 million.

"After a prolonged period of suffering since the pandemic, the leather footwear sector has started to regain its pre-pandemic export trend as new orders are coming from the USA and Japan," said Nasir Khan, chairman and managing director of Jennys Shoes, a local manufacturer and exporter.

"We are hopeful that the rising trend in leather footwear exports will continue if the interim government cooperates and removes export issues like unnecessary licensing and certification each year," Khan said.

He added that if the government cooperates with the footwear manufacturers and relaxes



bureaucratic involvement in bonded facilities, the sector can reach \$5 billion in annual shipments.

"It's just a matter of time."

According to Khan, the local footwear sector is capable of 50 percent value-addition. So, it offers important scope for export diversification.

Besides, buyers are gradually returning to Bangladesh as their economies have started to recover, he added.

Prottoy Parvej, manager (commercial) of Akij Footwear Limited, said some orders are shifting to Bangladesh from China due to rising production costs there.

For this reason, some orders have increased

as Bangladesh is able to provide leather footwear at a more competitive price than China and India, he said.

The order book is expected to grow in the next year as renowned buyers from the Eurozone, North America and Japan are contacting Bangladeshi leather footwear manufacturers, Parvej added.

According to him, foreign buyers who previously imported from China are now shifting to Bangladesh to take advantage of competitive pricing.

The Akij Footwear manager said exporters do not require cash incentives but hassle-free customs processing for both exports and the import of necessary raw materials.

Md Omar Faruque, company secretary of Apex Footwear Limited, a leading leather footwear exporter, said they received more orders from the USA and Japan this year and this trend is likely to continue.

Large US buyers have begun inquiring about the capacity, compliance and quality of Bangladeshi products, he added.

"So, we are hopeful about increasing footwear exports as there are possibilities of a rebounding Eurozone economy soon," he said.

However, he said that political stability is very important to materialise the surge in foreign orders.

"Buyers are risk-averse and prioritise stable political environments to ensure timely deliveries," said Faruque.

There are around 60 local companies, including Apex Adelchi Footwear, Jennys Shoes and Bay Footwear, that export footwear and leather goods mainly to Japan, Europe and the US.

According to Statista, the footwear market in Bangladesh is projected to reach \$3.33 billion by 2024. From 2024, the market is expected to grow annually by 5.66 percent up to 2028.

## Square Textiles posts Tk 37cr profit in Q1

STAR BUSINESS REPORT

Square Textiles saw its profit rise in the July-September quarter because of increased yarn production at its new factory in Habiganj, a northeast district.

Its profit after tax stood at Tk 37.44 crore during the first quarter of its financial year 2024-25, reflecting over 5 percent year-on-year growth.

Shares of Square Textiles rose 3.69 percent to Tk 56.2 on the Dhaka Stock Exchange yesterday.

The leading textile maker and exporter said its earnings per share rose to Tk 1.90 in the first quarter of the current financial year from Tk 1.79 in the same period a year ago.

The company attributed the improved performance to increased yarn production from its new Habibganj project, and balancing, modernization, rehabilitation and expansion (BMRE) of its Gazipur facility as well as operations at Square Texcom Ltd.

Square's consolidated net operating cash flow per share (NOCFPS) climbed to Tk 5.27 in the first quarter of this year compared to Tk 4.51 a year earlier.

## ACI's loss jumps 167% in Q1

STAR BUSINESS REPORT

ACI Ltd saw its losses increase in the first quarter of the current financial year of 2024-25, driven by high borrowing costs.

The consolidated loss was Tk 42.21 crore, up 167 percent year-over-year, for the July-September quarter of this financial year.

As a result, the company's loss per share was Tk 5.54 in Q1, compared to Tk 2.07 in the same period last year, according to a filing on the Dhaka Stock Exchange yesterday.

The local conglomerate attributed the decline to higher borrowing costs due to rising interest rates and additional funding for working capital and strategic investments.

Net operating cash flow per share (NOCFPS) also deteriorated, registering Tk 62.07 in the negative, compared to a negative Tk 34.19 in the first quarter of the previous year.

The fall was driven by changes in working capital levels, reflecting operational challenges amid rising costs, said ACI in the disclosure.

## Agrani Bank leads in remittance growth in September

STAR BUSINESS REPORT

Among the top banks receiving remittances, Agrani Bank stood out with extraordinary growth while Islami Bank Bangladesh and Trust Bank remained key players.

Agrani Bank emerged as the star performer with a remarkable \$322.12 million in September, marking a 232 percent surge from \$96.89 million in August.

Islami Bank Bangladesh maintained its leading position, recording \$402.78 million in remittance inflows for September. However, this figure marked a slight decline from \$405.23 million in August.

Trust Bank, ranked third, reported \$245.54 million in remittances for September, down from \$290.31 million in August.

Bangladesh's inward remittance inflows hit \$2.4 billion in September 2024, reflecting an 8.09 percent month-on-month rise and an impressive 50.31 percent increase compared to September 2023, according to Bangladesh Bank data.

Workers' remittances are a critical pillar of Bangladesh's economy, contributing substantially to foreign exchange reserves and poverty alleviation, the Bangladesh Bank said.

## IMF, Pakistan wrap up unscheduled talks on \$7b bailout

REUTERS, Washington

The International Monetary Fund (IMF) said on Friday it held constructive talks with authorities in Pakistan on economic policy and reform efforts to reduce vulnerabilities during an unscheduled staff visit.

The unusual visit from Nov 12 to Nov 15 discussed a \$7-billion bailout within six weeks of its approval by the IMF board, but came too early for the first review of the Extended Fund Facility (EFF), due in the first quarter of 2025.

"We are encouraged by the authorities' reaffirmed commitment to the economic reforms supported by the 2024 EFF," Nathan Porter, the chief of the IMF's Pakistan mission, who led the talks, said in a statement.

The constructive discussions on economic policy and reform efforts to reduce vulnerabilities would help to lay the basis for stronger and sustainable growth, he added.

The mission did not state the weaknesses, but sources in Pakistan's finance ministry have said some major lapses prompted the IMF to intervene.

Among these were a shortfall of nearly 190 billion rupees (\$685 million) in revenue collection during the first quarter of the current fiscal year.

The period also saw an external financing gap of \$2.5 billion, while Pakistan failed in the bid to sell its national airline, a major setback on the path to privatising loss-making state-owned enterprises, required by the IMF.

Losses running into billions of dollars in the power and gas sector, the main hole in the economy, were also discussed, the IMF said, adding that structural energy reforms were critical to restore the sector's viability.

ANN/CHINA DAILY

China's ongoing transformation and upgrade of traditional industries, coupled with the expansion of emerging sectors, will offer manufacturers in the United States vast opportunities for growth and commercial engagement, said executives of US corporations.

They said this strategic shift not only strengthens China's industrial landscape, but also creates new avenues for US firms to innovate and grow within its market, even against the backdrop of heightened geopolitical tensions and slowing demand for goods in many regions around the world.

Milliken & Co, a US specialty chemical and performance materials company, is expected to maintain double-digit growth in China through 2025, driven by the country's rising demand for high-end textile materials and chemicals.

"With years of accumulated technologies and experience at our innovation center in the US, we are aiming to integrate these strengths with new applications in China, creating a unique range of products specifically tailored for the Chinese market," said Ed Zhao, the group's senior vice-president and managing director for Asia.

The expansion of Milliken's Shanghai

## US firms bullish on China's industrial transformation

Technology and research and development center was completed in late 2023, making it the group's largest innovation facility in the Asia-Pacific region.

Zhao said his company hopes to see stable and harmonious US-China business relations. For companies, having a stable

and predictable business environment is fairly critical.

The South Carolina-based group currently operates two China plants — in Shanghai and Zhangjiagang, Jiangsu province. In addition to supplying textile materials and chemicals to domestic



PHOTO: CHINA DAILY

The booth of GE Vernova Inc is seen at the China International Import Expo in Shanghai. The US energy equipment manufacturer believes that China's commitment to energy transition and progress in building a new electricity system is remarkable.

READ MORE ON B2