

Food office to assess stock of rice, paddy to tame rising prices

SOHEL PARVEZ

With the soaring prices of rice affecting the poor, the food ministry has taken steps to assess the stock of food grain at millers and traders end.

Accordingly, the Directorate General of Food has asked its field offices to send reports on the stock of paddy, rice, wheat and flour at the end of millers and traders within five days, according to a notice issued on 24 August.

The initiative comes against the backdrop of two contradicting scenarios: rice prices are spiralling at a time when the agriculture ministry is saying production was good in the last Boro season and there would be no shortage of the food.

The Bangladesh Rice Research Institute (BRRI) estimates that farmers produced more than 2 crore tonnes of rice from Boro harvested in the April-June period and that there would be more than 55 lakh tonnes of rice in surplus at the end of November after meeting the domestic requirement.

BRRI found in its study that farmers held a higher stock of paddy.

"We want to understand the reasons behind the price spike," Food Secretary Mosammat Nazmanara Khanum told The Daily Star over the phone



SHEIKH NASIR

With prolonged floods mounting to the pandemic woes this year, fresh harvests of hybrid paddy cultivated on higher grounds bring some relief to farmers in Nazir Gaon in Tukur Bazar union of Sylhet sadar. Bangladesh Rice Research Institute estimates a surplus of over 55 lakh tonnes of rice on meeting domestic demand at November's end while the food ministry is preparing to import the staple to keep public stocks intact. The present stock of 12.5 lakh tonnes of rice and wheat is set to be exhausted by December owing to the government's food distribution and other social safety net programmes.

For example, traders asked Tk 54-Tk 64 for each kilogram of fine grains sold as miniket or nazirshail, which is 5 per cent higher from a month earlier. Coarse rice price increased

8 per cent to Tk 44-48 each kilogram yesterday from Tk 40-Tk 45 a month before, showed TCB data. The prices of paddy and rice had been higher during the harvesting

season because of millers' rush to buy the grain following government's declaration of purchasing 800,000 tonnes of paddy and slow release of paddy by farmers, Khanum said. The government could attain one-fourth of its target of buying paddy during the procurement season, which is set to end next week.

The prices are going up at a time when the public warehouses had 10.7 lakh tonnes of food on 24 August, down 32 per cent from a year earlier.

Khanum went on to cite the agriculture ministry's estimate of adequate production and ample supply of the grain in the market and said there has been no shortage of rice.

"We have no shortage of rice based on the estimate and our observation. Even after that, the prices are increasing. There is a grey area. It may be that farmers, millers do not have stock as much as we are assuming. There might be a gap somewhere," she added.

In its notice issued to the district food office, the food ministry said Prime Minister Sheikh Hasina ordered the officials concerned to get reports on the stock of paddy, rice and wheat held by millers and traders to take a policy decision.

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BSEC slaps fines, approves 2 bonds, an IPO

STAR BUSINESS REPORT

The stock market regulator has fined a stock investor, two brokers and two issuers for breaching securities rules.

It also approved bonds for two listed banks and an initial public offering of Dominance Steel Building Systems to raise funds from the stock market.

The decisions came yesterday in a commission meeting chaired by Shibli Rubayat Ul Islam, chairman of the Bangladesh Securities and Exchange Commission (BSEC).

BSEC fined stock investor Soleyman Rubel Tk 10 lakh for executing series transaction of stocks of Ifad Autos, which caused the turnover of the stocks to rise but no change in ownership, said the regulator in a press release.

Such transactions influence share prices, so it is illegal according to a securities rule.

The regulator also fined International Securities, a stockbroker of Chittagong Stock Exchange, Tk 5 lakh on finding through an investigation that it had traded stocks amounting to Tk 35.9 crore of investor Ferdousi Rahman without her approval.

It also slapped a Tk 5 lakh fine on Kamruzzaman Rumman, an authorised representative of the brokerage house, for misappropriating Tk 36.3 lakh of the investor.

Rumman will remain suspended from the post until he returns the investor her money, BSEC said.

The stock market regulator also fined Gateway Equity, a stockbroker of Dhaka Stock Exchange, Tk 1 lakh.

It was found to have broken securities rules by giving netting advantage in trading of junk stocks, lending money to relatives of the company's officials and not entering into any loan agreement with account holders.

BSEC also fined every director, except independent ones, of Lexco and Tung Hai Knitting Tk 1 lakh each for breaching securities rules.

Meanwhile, the approval for the fully redeemable, non-convertible, unsecured, non-listed and coupon-bearing perpetual bond of NCC Bank would enable raising a fund of Tk 500 crore.

The coupon rate of the bond is 9.5 per cent to 12.5 per cent. The bonds would be issued to institutional investors, banks, and other eligible investors.

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Wage growth drops further though economy reopens

SOHEL PARVEZ

Workers in the agriculture, industries and services sectors witnessed a further drop in wage growth in July as they were shut of income opportunities due to the economic headwinds brought about by the Covid-19 pandemic.

General wages grew 5.82 per cent in July, the lowest in recent months, as economic activities did not pick up as expected to create adequate job and income prospects although the government-announced holiday to contain the spread of the virus ended at the beginning of June.

Workers saw their wages grow 5.90 per cent in June, only one basis point higher than the previous month, according to Bangladesh Bureau of Statistics' Wage Rate Index (WRI), an indicator of trends in aggregate wages.

The WRI tracks the movement of nominal wages of low-paid skilled and unskilled labourers over time in different sectors of the economy, the BBS said. The index is also used to measure changes in real wages.

The agency estimated average monthly wage rate of low-paid skilled and unskilled labourers in 44 occupations -- 11 in agriculture, 22 in industries and 11 in the services sector.

The BBS said workers in the services sector were worst-hit in July followed by industrial and agricultural workers.

The services sector, which accounts for more than half the country's gross domestic product (GDP), represents people working in tens of thousands of retail stores, wholesale businesses, hotels and restaurants, transport, education and a host of other sectors.

In July, wage growth of workers in the services sector declined to 5.52 per cent from 5.78 per cent in June, only depicting that a large part of the economy is yet to return to normal from the havoc caused by the pandemic.

The BBS data also showed that the overall wellbeing of people working in the services sector eroded in July, as inflation, a measure of average changes in the prices of goods and services, was higher than their wage growth.

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Runner brings Bangladesh's first 165cc motorcycles

JAGARAN CHAKMA

Runner Automobiles seems to be on a roll. Hot on the heels of its announcement of bringing the famed off-road motorcycles of KIM to Bangladesh, it has now come up with a new two-wheeler with the highest engine displacement the country has seen yet.

Called BOLT 165 R, the motorcycle has a race-tuned 165cc engine, dual disc braking system, LED lights, inverted suspensions and digital speedometer, all under a Tk 169,000 price tag.

Launched in different outlets of the capital on Tuesday, the motorcycle comes with a Tk 14,000 discount if the payment is made in full, either in cash or through credit card.

Besides, customers can also enjoy a 24 months' equal instalment facility at just 1 per cent interest rate, the lowest in the industry.

BOLT 165 R joins Runner's stable of motorcycles, whose engine capacity range from 80cc to 150cc. It also markets American brand UM and Italian brands Vespa and Aprilia.

Runner Automobiles, whose shares closed yesterday 2.63 per cent higher at Tk 50.2, started producing motorcycles of 165cc



to 500cc in late 2018 using a combination of imported parts and raw materials.

With a target to diversify the export volume, the company set about selling these motorcycles in Bhutan, Myanmar, India's northeastern states, Africa and the Middle East.

The Bangladeshi brand, which got listed in the stock exchange in 2019, has already gained popularity in Nepal within a very

short period. Just two years ago, Bangladesh was dependent on imports to meet 95 per cent of its demand for motorcycles.

But the situation has completely reversed: today, about 96 per cent of the two-wheelers plying on the roads are either locally manufactured or assembled, according to the industry people.

Seven firms -- Japanese brands Honda, Suzuki and Yamaha,

India's Bajaj, TVS and Hero, and Runner Automobiles of Bangladesh -- have made the country almost self-sufficient in motorcycle manufacturing or assembly in the fast-growing market.

Operators now predict that the market would grow manifold in the next two-three years because of rising income, the steady growth of the economy and favourable policy and tariff structure despite the pandemic hampering production in the last four months.

With its offer of cost efficiency and travel convenience through traffic-congested streets, the motorcycle market has been witnessing double-digit growth for the past several years.

The introduction of ride-sharing services in Dhaka, Chattogram, Sylhet and Cox's Bazar in recent years has also contributed to a rise in demand for motorbikes.

The market began to expand fast from fiscal 2016-17 when the government slashed the supplementary duty by 25 percentage points to 20 per cent on the import of the two-wheeler's components to encourage domestic manufacturing.

To boost the industry's growth further, the government has formulated the Motorcycle

Industry Development Policy 2018.

It aims to take motorcycle production up to one million units by 2027 with half of them coming from local manufacturing and supply quality motorcycles to domestic and overseas markets at competitive prices.

Market insiders said about 5 lakh motorcycles were sold in fiscal 2018-19, up 25 per cent from 4 lakh a year earlier. It means nearly 1,500 motorcycles are being purchased every day.

Assuming the price of a motorbike is Tk 100,000 on average, total sales figure in monetary terms would be about Tk 5,000 crore, which is almost equivalent to the market size of four-wheelers.

"Continuation of concessionary duties on import of raw materials is helping the sector grow rapidly," Hafizur Rahman Khan, chairman of Runner Automobiles, the first local company that began manufacturing motorbikes in the country more than a decade ago, told The Daily Star earlier.

This high demand has encouraged market players to set up either manufacturing facilities or assembling plants to reduce prices and have a bigger share of the growing market.

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34pc garment workers sole earners of households

Finds Sanem-Microfinance Opportunities survey

STAR BUSINESS REPORT

A third of garment workers in Bangladesh are the sole earners of their households, meaning they are susceptible to shocks such as the coronavirus pandemic that could completely wipe out their livelihoods and render them poor overnight, a new survey found.

Around 1,272 individuals employed by garment factories in Dhaka, Gazipur, Narayanganj, Savar and Chattogram participated in the survey of the South Asian Network on Economic Modeling (Sanem) and Microfinance Opportunities (MFO).

The survey is part of an ongoing assessment of the Covid-19 fallout on garment workers and aimed to assess how they and their dependents are faring amid

the pandemic.

Among the workers interviewed, 34 per cent reported that they were the only household earner. It found 66 per cent of the respondents have at least one other earner living in their house.

These statistics from July are very similar to the results found in the same sector in March through June, the Sanem said in a press release.

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OEL Hind finally sets sail from Ctg port

DWAIPAYAN BARUA, from Chattogram

The container ship that missed its scheduled departure from Chattogram port on Sunday morning after it was found to be listing to the starboard side, at last, left the port yesterday afternoon.

The Panama-flagged vessel, OEL Hind, began the voyage at 4:42 pm

yesterday as the mercantile marine department of the government

gave the no-objection certificate for setting sail after two days of survey, said Md Omar Faruk, secretary of the Chittagong Port Authority (CPA).

The feeder vessel is bound for Singapore carrying 1,194 TEUs (twenty feet equivalent units) of

containers, including 1,089 TEUs of export goods.

The vessel steadied after the removal of 66 TEUs of containers on Sunday but the CPA did not allow its departure as it wanted to check whether the ship had any technical problems, said Muntasir Rubayat, head of operations of the ship's local agent, GBX Logistics.

Uneven cargo arrangement, thanks to misdeclaration of container weight by the private off-docks where the containers are weighed on board, was the reason behind the vessel's listing, he said.

After the removal of 66 TEUs of container equivalent to 33 containers on Sunday night, CPA found that those 33 containers had actual weights far in excess of the declared weights, said sources.

The actual weight of the 33 containers was 416 tonnes while their declared weight was 368.9 tonnes, Rubayat said.

Now, the ship may fail to connect with the designated mother vessel in Singapore on time, said Nasir Uddin Chowdhury, chairman of the standing committee on port and shipping of Bangladesh Garment Manufacturers and Exporters Association.

So, there is uncertainty over the timely shipment of the goods to their destinations in Europe and the US. Many of these cargoes may need air shipment from Singapore if the respective buyers do not wait for the next mother vessel and in that case, the exporters would have to bear extra expenditure.

He called for steps to eliminate such malpractices at the port.



Kedar Lele elected chairman of Unilever Bangladesh

STAR BUSINESS DESK

Kedar Lele, chief executive officer and managing director of Unilever Bangladesh, has been appointed as the new chairman of the local arm of the multinational fast-moving consumer goods company.

Lele, also the vice-president of the Foreign Investors' Chamber of Commerce & Industry (FICCI), was unanimously elected the chairman at the 180th meeting of the board of directors of Unilever Bangladesh that was held on 25 August.

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