



**Muhammed Aziz Khan, chairman of Summit Power, presides over the company's 23rd annual general meeting through a digital platform on Monday. The company approved 15 per cent interim cash and 20 per cent final cash dividends for the year ending on June 30, 2020. Lt Gen (Retd) Abdul Wadud, managing director, was present.**



**Abdul Wahed, chairman of Matin Spinning Mills, presides over the company's 18th annual general meeting through a digital platform on Monday. The company approved 18 per cent cash dividend. MA Jabbar, managing director, was present.**



**Tahmina Mostafa, a director of the Meghna Group of Industries, and Tahsan Khan, a singer, pose at a deal signing ceremony at the former's head office in Dhaka. As a brand ambassador of the group, Tahsan will promote its brand Fresh Premium Tea for next two years.**



**Nur Mohammed, chairman of Jamuna Bank Foundation, and Mirza Elias Uddin Ahmed, managing director, open the bank's branch at Aldi Bazar of Tongibari upazila in Munshiganj.**

## Drip irrigation emerges to solve rice paddy problem

REUTERS, Jerusalem

An Israeli company has developed a drip irrigation system for growing rice to replace the flooded paddies that have supplied the world with rice for generations but cause a surprising level of damage to the environment.

Rice is the staple food for more than half the global population, but its cultivation uses 30-40 per cent of the world's freshwater and is responsible for 10 per cent of manmade emissions of greenhouse gas methane, according to the U.N.-backed Sustainable Rice Platform.

Netafim, a company that pioneered drip irrigation decades ago to grow produce like potatoes and melons across Israel's challenging arid landscape, has just finished a pilot scheme using its technology on 1,000 hectares (2,470 acres) of rice fields in locations from Europe to southern Asia.

At one such location, at La Fagiana farm in northeast Italy, two fields, side-by-side, grow a high quality rice for risotto. One is flooded, covered entirely by up to 15 cm of water to maintain temperatures and keep away weeds.

The other is criss-crossed with perforated pipes delivering to the roots precise amounts of water amounting to less than half the quantity used on the flooded field. "We want to increase the production without increasing water use or lowering quality," said Michele Conte, whose family has managed La Fagiana for decades and

who has adopted the Netafim system on some of his land.

For three years the drip irrigation has yielded rice on par and at times even better quality than the flooded paddies, he said. It also allows them to rotate crops throughout the year.

Netafim said it had to learn from scratch how to achieve the same yield as flooding and it took a decade to create a new protocol for watering, fertilizing and planting rice with drip irrigation.

The growing conditions switch to aerobic from anaerobic, which means methane emission "goes to zero," said CEO Gaby Miodownik.

Conte said the schedule for treating the rice still needs some fine tuning but that it has become a selling point for environmentally-concerned customers.

The initial investment in pipes, pumps and filters could be expensive for farmers whose profit margins are, for the most part, already thin.

But the shift away from flooding is expected to gain traction and companies like India's Jan Irrigation are developing drip irrigation packages for rice as well.

Demand for rice is expected to rise 25 per cent by 2050 and rice paddies leave too big a footprint, said Wyn Ellis, executive director at the Sustainable Rice Platform.

Drip irrigation was producing impressive results, doubling water productivity, and "getting more grain for every drop".

Experts agree rice cultivation needs to become more sustainable.

## Reddit to buy TikTok rival Dubsmash

REUTERS

Social network firm Reddit said here on Sunday it would buy short-video platform Dubsmash, becoming the latest company to expand in a space dominated by Chinese-owned TikTok.

The financial terms of the deal were not disclosed, but a spokeswoman for Reddit said the acquisition was based on a combination of cash and stock.

## Jordan to hire 12,000 skilled garment workers

FROM PAGE B1

About 16,000 of the workers are from Jordan, while 53,000 migrant workers from Bangladesh, Nepal, Sri Lanka, India, China, Cambodia, Madagascar, Pakistan, Myanmar, and Syria make up the rest.

Jordanian factories produce apparel items for international buyers, particularly those from the US.

The garment industry in Jordan is a \$2 billion industry, said Sanal Kumar, chairman and managing director of Classic Fashion Apparel Industry, in an article on the Apparel Resources website in November.

## Foreign investors turn back on DSE as second wave looms

FROM PAGE B1

The number of well-performing companies where foreign investors invest is less than 1 per cent of the DSE's total listed companies.

Moreover, the government tends to take sudden decisions on a company that could impact its business, he said, citing the Grameenphone, British American Tobacco Bangladesh (BATBC) and Titas Gas cases.

The Bangladesh Telecommunication Regulatory Commission had announced Grameenphone a significant market player in February 2019, which ultimately had an impact on the company's competitiveness.

Likewise, the government imposed a tax in 2018-19 on low segment cigarettes, which subsequently affected BATBC's earnings.

On the other hand, the service charge of Titas Gas was suddenly reduced in 2015, which ultimately decreased the listed gas distributor's earnings.

"So foreign investors considered the market as risky for big investments and started taking back their money," the

merchant banker said. When Covid-19 started to spread worldwide, the selling of local shares by foreign investors intensified, he added.

Net foreign investment at the DSE plunged by Tk 1,399 crore in 2019-20 after slumping by Tk 184 crore in the previous year. This is highest ever net foreign sell in DSE history.

In the previous eight fiscals, the DSE had witnessed a rising trend in net foreign investment.

Meanwhile, local investors' participation was more or less influenced by the appointment of a new commission, not by the pandemic, the merchant banker said, adding that local investors' participation rose despite the Covid-19 fallout.

On the other hand, the low prices of shares attracted many local investors, but foreigners did not feel the same.

In the last fiscal year, foreign investors sold shares worth Tk 5,543 crore against their purchase of Tk 4,144 crore, DSE data shows.

## Savers left in limbo

FROM PAGE B1

The securities are the five-year Bangladesh savings certificate, the three-month profit-bearing savings certificate, and the family savings certificate.

As per the new rules, investors are allowed to purchase these savings certificates up to Tk 50 lakh in a single name and Tk 1 crore in joint names in contrast to Tk 1.05 crore and Tk 1.20 crore respectively.

So, a large number of depositors have to go back to banks to keep their money despite the negative interest rate. Depositors will be in a tight spot until both the local and global economies make a turnaround from the current economic meltdown.

"The capital market would have been one of the best options for individual investors if there had been a strong structure," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

"But, people stay away from the bourses as investment in the capital market is highly risky," he said. He warned that the negative real interest rate would persist at least for the next three to four years.

The private sector's appetite for credit is important to give a boost to the interest rate on deposits, said Syed Mahububur Rahman, managing director of Mutual Trust Bank.

The year-on-year credit growth stood at 8.61 per cent in October, down from 9.48 per cent a month earlier.

Businesses have embraced a cautious approach in setting up new industrial units and expanding the existing ones, Rahman said.

The large volume of deposits has created

difficulties for banks, he said.

Twenty-one banks saw more than 14 per cent year-on-year deposit growth in the third week of September.

"The general public is now in a financial trauma due to the ongoing pandemic, and they have little interest in consumption. Rather, they are trying to build up their deposits to cope with the uncertainties," said Md Arfan Ali, managing director of Bank Asia.

Imports of capital machinery and industrial raw materials have nosedived in recent months, fuelling deposits at banks as well, he said.

Businesses now park their money at banks whereas this money was supposed to be used to make import payments, he said.

Import payments dropped 13 per cent year-on-year to \$17.06 billion in the first four months of the current fiscal year.

Shah Md Ahsan Habib, a professor of the Bangladesh Institute of Bank Management, said that depositors would have got an option if a vibrant bond market had existed in the country.

Any picking up of the deposit rate would depend on the recovery of the global economy, he said.

Businesses now prefer borrowing from abroad as the lending rate on foreign funds is lower than the local ones. Funds remain idle at local banks if businesses flock to foreign sources.

The six-month Libor rate stood at 0.25 per cent this week compared to 1.88 per cent a year ago. Local banks charge an interest rate of 7 per cent to 8.50 per cent.

The London Interbank Offered Rate (Libor) is a benchmark interest rate at which major global

banks lend to one another in the international interbank market for short-term loans.

The excess liquid fund in the banking sector has become a global phenomenon due to the ongoing financial meltdown.

For instance, total deposits held by eurozone banks rose 10.3 per cent in the year to July, climbing above 12 trillion euros for the first time, the European Central Bank said recently, according to a Financial Times report.

In Bangladesh, many people from the lower-middle-income groups are withdrawing funds from banks as the pandemic has rendered them unemployed.

But this has had little impact on the banking industry's overall deposits as the government is injecting a large volume of money into the market to implement the stimulus packages.

Bangladesh has so far declared 21 stimulus packages worth around Tk 121,000 crore, which is 4.34 per cent of the country's gross domestic product.

Of the fund, banks are providing Tk 87,750 crore to execute seven packages.

The central bank is mostly implementing the packages by injecting reserve money, which is widening the deposit base in banks further.

Reserve money is also called central bank money, monetary base, base money, or high-powered money. It is the base level for the money supply or the high-powered component of the money supply.

"Availability of Covid-19 vaccines will help the economy pick up. Still, consumption will not rise overnight as people will take time to go back to their previous level for consumption," Mansur said.

## Bangladesh growing a huge appetite for apple

FROM PAGE B1

However, it is yet to become successful in producing the high-quality fruits owing to a high temperature and short winter, said an official of the Department of Agricultural Extension.

The USDA estimated that imports surged 44 per cent year-on-year to 271,000 tonnes in the last fiscal. It also predicted that apple imports would rise to 280,000 tonnes in 2020-21.

The popularity of the fruit in absence of domestic production would fuel imports, Islam said.

China is the biggest source of apple for importers followed by India, South Africa, Brazil and Australia, New Zealand and from some European countries.

In a report in 2016, the USDA said Bangladesh emerged as a robust market for apples as its consumers of middle to upper-

income groups are gradually demanding more diversified foods, including imported fruits.

Modern retail outlets, high-end hotels and restaurants fuel this rising demand but the unorganised sector, including push carts, street vendors, corner shops and weekly markets, constitutes the majority of food retail sales, it said.

The country's apple imports stood at 140,000 tonnes on average annually between 2009 and 2014 while its value grew from \$68.8 million to \$103.5 million over the same period, the USDA said.

Islam said fresh apples remain available throughout the year as importers bring the tasty fruit from various regions.

Imports would have increased if the government reduced tariff since the total tax paid to import the fruit currently stands at 93 per cent, Islam added.

## Forex reserves surge past \$42b

FROM PAGE B1

According to Shah Md Ahsan Habib, a professor of the Bangladesh Institute of Bank Management, the rise in foreign exchange reserves is without a doubt, a good indication for the

economy.

"The reserves are usually considered as the brand of an economy. The global community initially judges the financial strength of a country by examining the volume of its reserves," he said.

## State enterprises' profit falls to five-year low

FROM PAGE B1

BPC officials blamed the 20 per cent fall in sales on the emergence of the coronavirus epidemic.

BPC is not alone. Twenty state-owned enterprises, out of a total of 52 covered in the review, saw a decrease in net profit in the last fiscal year. Four turned unprofitable.

The SoEs made a total profit of Tk 7,519.31 crore, which was Tk 10,677.23 crore in the FY19, down 29.57 per cent year-on-year. This is the lowest profit since the FY16.

Thirteen SoEs, including those in the power sector, made positive growth in their profit on the back of an increase in the price of electricity and related services.

According to BPC sources, the import and sales of petroleum products dropped in the FY20 compared to a year ago.

BPC imported 51.92 lakh tonnes of petroleum products worth Tk 22,275 crore in the last fiscal year, down from 59.84 lakh tonnes worth Tk 30,739 crore in the FY19, a 13.33 per cent fall.

Due to the decline in local demand, sales volume dipped 15.38 per cent. BPC had sold 65.49 lakh tonnes of oil in the FY19. It declined

to 55.03 lakh tonnes in the last fiscal year.

Moni Lal Das, general manager for finance of the BPC, said: "The demand for petroleum products had dropped by more than half due to the nationwide lockdown from the end of March. As a result, BPC's sales declined during this time, which had a negative impact on our profits."

Profit for the Bangladesh Telecommunication Regulatory Commission also fell as it took home Tk 2,257.67 crore in the last fiscal year, down from Tk 2,757.61 crore in the FY19.

This is because there had not been much earnings from the sales of the spectrum to mobile phone operators.

Revenue sharing is a fixed source of income for the commission, and the income from the segment has almost been stagnant.

As people are increasingly using communication applications to make voice calls, the government's earnings from revenue sharing by mobile phone operators would not go up much.

The profit for the Chattogram Port Authority declined 20 per cent to Tk 729.23 crore as the pandemic hampered the export and import

activities.

Bangladesh Power Development Board took home Tk 101 crore, aided by an increase in retail tariff in February this year.

Bangladesh Rural Electrification Board made a profit of Tk 868.15 crore.

The Civil Aviation Authority of Bangladesh raked in Tk 538.56 crore and the Bangladesh Economic Zones Authority Tk 459.73 crore.

The Trading Corporation of Bangladesh incurred a loss of Tk 556.66 crore. It had made a profit of Tk 7.71 crore in the FY19.

The losses stemmed from the sales of items such as rice at subsidised rates throughout the year to keep the market stable, TCB officials said.

The agency also had to sell onions at subsidised rate after the price of the kitchen staple skyrocketed amid Indian ban on exports and inadequate local supplies.

Bangladesh Sugar and Food Industries Corporation topped the list of the loss-making SoEs. It incurred a loss of around Tk 1,061.67 crore in the last fiscal year.

Bangladesh Jute Mills Corporation and Bangladesh Chemical Industries Corporation lost Tk 741 crore and Tk 726 crore respectively.