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	2,625.79

Currencies		
	Buy Tk	Sell Tk
USD	68.67	69.67
EUR	83.13	87.16
GBP	97.44	101.68
JPY	0.74	0.79

SOURCE: STANDARD CHARTERED BANK

Commodities	
Oil	▲ \$70.57
	(per barrel)
	(Midday Trade)

SOURCE: AFP



## New ADB chief for Bangladesh

STAR BUSINESS DESK

The Asian Development Bank (ADB) has appointed Thevakumar Kandiah as country director for its Bangladesh Resident Mission, the donor agency said in a statement yesterday.

He succeeds Paul J Heytens, who has been assigned as country director to the ADB resident mission in China.

Kandiah's appointment will be effective from May 31.

Kandiah, an economics graduate and a chartered accountant from the Institute of Chartered Accountants England, has been with ADB since 1983.

He has been overseeing ADB's operations in the energy and power sectors in Bangladesh, Bhutan, India, Maldives, Nepal and Sri Lanka since 2003 as director of the donor agency's South Asia Energy Division.

Kandiah, a Malaysian national, will focus on infrastructure development, particularly in transport and energy, financing and implementation.

# Exports bounce

## Sector leaders upbeat on rebound but blame energy crunch



Products of international brands are put on display at a showroom of a garment factory in Gazipur.

REFAYAT ULLAH MIRDHA

Marking a rebound, exports grew 19.03 percent to \$1.4 billion in April, data shows.

The overall exports in the first 10 months of the current fiscal year also posted 0.97 percent growth over the same period a year earlier, according to the Export Promotion Bureau.

Bangladesh fetched \$12.94 billion during July-April, while the export earning was \$12.81 billion in the period last year.

The annual export target for FY2009-10 is \$17.6 billion.

"Exports reached a positive territory because jute and jute goods have reemerged as exportable items," said Shahab Ullah, vice chairman of the state-run export promotion agency.

He pinned hopes on electronics and petroleum by-products such as furnace oil for further growth in exports in the remaining days of the outgoing fiscal year. Shahab Ullah points out that two major export

items like knitwear and woven garments are still in the negative territory.

Knit exports in July-April stand at \$5.12 billion and woven items at \$4.83 billion. In the same period a year ago, \$5.23 billion was the earning from knit and \$4.90 billion from woven exports. Knit exports suffered 2.06 percent negative growth and woven shipments fell 1.38 percent.

Export earnings from jute goods are \$377.09 million, \$170.41 million from raw jute and \$235 million from petroleum by-products. The growth of the three items was 69.82 percent, 44.35 percent and 103.66 percent respectively.

Among other major products exported in the 10 months are home textile (\$234.21 million), textile fabrics (\$53.69 million), tea (\$6.01 million), frozen foods (\$332.66 million), handicrafts (\$4.39 million) and ceramic products (\$24.94 million).

Abdus Salam Murshed, president of Bangladesh Garment Manufacturers and Exporters

Association, has expressed his fear that the garment sector will lose its competitiveness in near future if the present gas and power crisis persists for long.

The delayed shipment, a consequence of gas and power crisis, erodes buyer confidence, he said. "Still, we've not been assured of any improvement in the energy crunch by the government."

Fazlul Hoque, president of Bangladesh Knitwear Manufacturers and Exporters Association, pointed to the single month growth in knit and woven exports. In April, knit exports rose 13.52 percent and woven around 13 percent, he said.

Data shows exports are rebounding, but the energy crunch still stands in the way of growth, the knit sector trade body chief says.

"I hope we'll be able to come out of the overall negative growth rate of RMG products at the end of the fiscal year, as we're receiving more orders from new buyers." reefat@thedailystar.net

## Slowing agriculture weighs GDP growth down

REJAUL KARIM BYRON

Economic growth fell by 0.34 percentage point to 5.54 percent in the current fiscal year as drought and floods cut into agriculture.

This year's GDP growth is the lowest since 2003-2004, when the economy expanded 6.27 percent.

In agriculture, the growth rate decreased by nearly half to 2.77 percent, compared to last fiscal year, according to the Bangladesh Bureau of Statistics.

In the manufacturing sector, the growth rate edged down to 5.28 percent from 5.92 percent last fiscal year, according to statistics.

Growth in electricity, gas and water sectors increased more than 2 percentage points to 6.98 percent. In the power sector alone, the growth rate almost doubled to 6.98 percent.

According to statistics, growth in the services sector, except for transport, increased tremendously.

Planning ministry officials said the export sector slowed slightly compared to last fiscal year, hurt by a slowdown in manufacturing.

Large sums of remittance came in this fiscal year and the annual development programme implementation rate was also good. As a result, growth was good in the services sector.

## USAID chief backs homegrown policy

STAR BUSINESS REPORT

USAID Administrator Dr Rajiv Shah yesterday put forward a new way of partnership between the US and Bangladesh where there will be homegrown policies and programmes to reduce hunger and poverty.

"This initiative is a new way of working and to follow the country's leadership and plans and help reduce hunger and poverty," he said, highlighting US President Barack Obama's new initiative -- Feed the Future -- that seeks equitable economic growth.

Shah was speaking at a news briefing after addressing the inauguration of two-day Bangladesh Food Security Investment Forum that began at Sonargaon Hotel in Dhaka. The forum is set to help Bangladesh finalise a roadmap for future investments in food and agriculture.

The US and the G-8 countries will provide Bangladesh with financial and technical assistance to help the country increase agricultural production, which now faces huge challenges due to the impacts of climate change.

Last year the G-8 countries promised to mobilise \$20 billion and the US has already contributed \$3.5 billion to 'agriculture and food security trust fund' for the developing countries. Other than the US government's food assistance of \$220 million for the next five years starting from June, Shah announced an additional \$20 million for the next fiscal year for farm sector development in Bangladesh.

"We saw aspirations to do things quite differently. We are not designing programmes in Washington by international agencies, rather Bangladesh is doing it," said the head of the United States Agency for International Development (USAID).

He lauded Bangladesh's efforts to achieve food security and pro-agriculture policies. The challenges in food production are climate change impacts and rising population, the USAID administrator said.

US Ambassador to Bangladesh James F Moriarty also spoke, while USAID Mission Director Denise Rollins was present.

RELATED STORY ON B3



Rajiv Shah

# Crop sharing puts farmers in tight corner

SOHEL PARVEZ

Shafiqul Islam, a sharecropper in Laua village in Ghatail, Tangail, grew 50 maunds of paddy on 90 decimals of rented land last year. Onlookers would feel it was a good year for the poor farmer.

But the produce would not really provide warmth to Shafiqul's heart. The 40-year-old man had to give away 12.5 maunds in 'service charges' to the irrigator.

"It hurts when I have to give a fourth of my produce to the tubewell owner," Shafiqul grumbles.

Farmers in parts of Bangladesh are compelled to share such an amount their crops with pump and tubewell owners to get irrigation water.

The practice has been on for years in Tangail, Bogra, Sirajganj and Rajbari, as pump and tubewell owners -- mostly influential locals -- find crop sharing more profitable than any fixed payment.

Under the fixed payment method, tubewell owners charge farmers a certain amount of money to provide irrigation services during a crop season. The rate may differ from region to region.

As majority of farmers cannot afford irrigation equipment, they have no

alternative to accepting crop-sharing offers from pump owners.

Shafiqul said he grew paddy on the same amount of land last year and expected 16 maunds per 30 decimals of land.

It means that he will have to pay 4 maunds of paddy to the shallow tubewell owner as irrigation charges. "The present market price of 4 maunds of paddy would be at least Tk 2,000," he said while harvesting paddy recently on a piece of rented land.

"Last year, I incurred losses because of such sharing of crops," he said.

The farmer wants an end to the system.

Mohammad Abdus Samad, who owns a shallow tubewell and charges a fourth of crops for irrigation, says the practice of sharing crops is an age-old tradition. "Farmers are reluctant and unable to pay in advance."

Samad has irrigated 840 decimals of land this year. In favour of the practice he says: "I have to bear electricity and labour costs."

An amount of not less than 115 maunds of paddy he realised as charges for irrigation services last year. Now he expects to bag over 120 maunds of paddy

this time.

Samad admitted that profits from crop sharing stand higher than the fixed charge system.

"It's true that farmers' losses stand higher under the crop sharing system. But I am not alone. It has become a tradition in our locality for years," said Samad.

"In case I follow the fixed payment method, I will have to go from door-to-door to collect rent. They (farmers) do not want to clear dues in time."

To put an end to this exploitative practice, the government framed a policy last year, empowering each Upazila Irrigation Committee to fix charges for irrigation provided through deep tubewells, shallow tubewells and low lift pumps.

But implementation of the policy is yet to start in full swing because of a lack of awareness among farmers and the reluctance of irrigation service providers to shift to fixed or other payment methods.

The farmers' difficulty to pay in advance, lack of alternative options and above all, an absence of provisions to take legal measures are some factors behind the poor implementation of the policy. The policy bans crop sharing as charge for irrigation services.

"We have fixed the charge for irrigation and worked to create awareness among farmers. But the rules need to be strengthened to stop the practice," said Nurul Islam, senior sub assistant engineer of Bangladesh Agricultural Development Corporation (BADC) at Ghatail, Tangail.

Islam, who acts as member secretary of Ghatail Upazila Irrigation Committee, said awareness campaigns through the mass media are necessary to motivate farmers to refrain from sharing their crops. "It will be easier to implement if the farmers do not want to share their crops."

The policy also directs upazila level agriculture extension offices to take steps to publicise information after fixing the charges for irrigation.

But in many cases, for instance in Gabtoli and Shahjahanpur upazila of Bogra, where crop sharing is in practice, no charge has been fixed yet, said the local agriculture officials.

"We do not know that crops cannot be taken as irrigation charges. No one informed us," Amjad Hossain, an irrigation service provider at Majhira Union in Shahjahanpur, Bogra.

Mahabub Hossain, an agriculture analyst and also an executive director of

Brac, said reforms in irrigation market are needed to prevent crop sharing.

"It is exploitative as it enables irrigation service providers to bag higher margins," he said.

Hossain also suggested fixing the irrigation charges based on the hours used instead of the fixed charge method.

He said both these practices -- crop sharing and fixed charge -- discourages the efficient use of water, which is required in the wake of a gradual depletion of underground water.

Citing water efficient technologies like AWD (alternate wetting and drying), he said farmers showed little interest in adopting AWD, as the ultimate benefit goes to the irrigation service providers.

"Reforms are needed to ensure an efficient use of water," he said.

Hossain observed that the practice of crop sharing is declining overtime.

"If we leave the responsibility to stop crop sharing in the hands of the owners of pumps and tubewells, it will take a longer time to draw a curtain on the practice. The government should frame laws, with provisions of punishment, to discipline the matter."

sohel@thedailystar.net

## GP ties up with CARE for rural outreach

STAR BUSINESS REPORT

Grameenphone Ltd has teamed up with CARE Bangladesh, a nongovernmental organisation, to sell its products to prospective rural mobile users.

Arild Kaale, chief marketing officer of Grameenphone, and Nick Southern, country director of CARE Bangladesh, signed a memorandum of understanding.

Grameenphone will use CARE's rural distribution channel to extend its telecom devices to the mostly untapped rural areas, says a press release.

Grameenphone on Tuesday announced a new package in an effort to connect its rural customers. The package -- Baadhon -- will be available for Tk 1,499. The connection will include a handset, and customers will also get free talk time worth Tk 120 and a welcome tune on activation.

The handset -- enabled with both Bangla and English languages -- will also be available without a connection for Tk 1,350.

The six mobile operators added 5.63 crore customers to their networks as of April. The mobile penetration rate is about 33 percent. Grameenphone is the market leader with 2.5 crore customers, followed by Banglalink with 1.49 crore and Robi with 1.08 crore.

Grameenphone's focus on the rural areas is not new. The company started its Village Phone Programme in 1997, the year the company began operations. Under the programme, the company has more than 2.1 lakh customers.

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