1.70%

1.23%

9,639.72

2,739.70

2,655.92

\$1,212.50

(per ounce)

\$73.42

(per barrel)

(Midday Trade)

16,666.40

Asian Markets

SINGAPORE **1.62%** 

SHANGHAI 🔺 1.15%

**Commodities** 

News in Brief

Daimler, China's

car joint venture

Chinese auto group BYD

(Build Your Dreams) and

German luxury car maker

Daimler announced on Thursday a joint venture to

mass produce an electric car

A new research and

development group to be

called Shenzhen BYD

Daimler New Technology

Company will get an initial

investment of around 600

million yuan (71 million

euros, 87 million dollars), a

our new joint venture to

make the most of China's

enormous potential in elec-

tro-mobility," Daimler

chairman Dieter Zetsche

Daimler is to bring

"know-how in vehicle archi-

tecture and security" to the

venture, while BYD will

contribute "its competence

in batteries and (propulsion)

systems for electric vehi-

cles," the statement added.

**Gold softens** 

as investors

pick up euro

REUTERS, London

ahead.

May 19.

Gold pared gains on

Thursday, receding from a

one-week high as rallies in

the euro and equities

capped the metal's safe-

haven appeal, but losses

were limited by fears of more

euro zone debt problems

Spot gold was at \$1,208.65

an ounce by 1306 GMT, up

from \$1,209.90 late in New

York's on Wednesday. The

precious metal has risen by

about 3 percent so far this

week and hit a session high

of \$1,218.35, its highest since

"Gold is still being driven

by fear, not by greed, and the

fear seems to be leaving the

market at the moment with

equities and commodities

markets higher...and a

stronger euro," said Eugen

Weinberg, an analyst at

"The fear seems to be a

Investors have taken

refuge in bullion in recent

weeks, favouring its safe

heaven appeal and ditching

the euro on fears the euro

zone debt crisis could

deepen. Gold hit a record

high of \$1,248.95 in mid-

Commerzbank.

little bit lower today."

"We are well-placed with

Daimler statement said.

BYD in electric

AFP, Frankfurt

in China.

Gold

MUMBAI

TOKYO

Call for reform

in marketing of

**Food Security Investment Forum** 

The production and distribution systems of agriculture produce have changed a lot over the years, but the marketing

remains the same, which is a barrier to pricing and stabilis-

efficient manpower in the agricultural sector. In the reformed structure, agriculture in the hilly, monga-prone

and haor areas will be prioritised," said Dr Shamsul Alam, a

level to display the prices of the farm products, which he said

sector where millions are employed," said Dr Sattar Mandol,

prime minister, said there should be a shift from substance

Bangladesh Food Security Investment Forum 2010 at

Bangladesh Institute of Development Studies (BIDS), International Food Policy Research Institute (IFPRI) and Food

and Agriculture Organisation (FAO) co-organised the forum.

comprehensive, integrated and prioritised policy to ensure

level of agriculture to commercialisation of the produce.

vice-chancellor of Bangladesh Agricultural University.

He proposed setting up of electronic billboards at upazila

"We should introduce quality education in the agriculture

Dr Mashiur Rahman, economic affairs adviser to the

He was speaking at a session on the closing day of

The US Agency for International Development (USAID),

Dr Benoist Veillerette of FAO suggested introducing a

Economic Relations Division Secretary M Mosharraf

Later, at the closing session of the forum, Finance

Minister AMA Muhith called for adopting the latest in tech-

"If the marketing system is restructured, it will ensure

farm products

comes to a close

STAR BUSINESS REPORT

ing the market, they said.

will benefit the farmers.

Sonargaon Hotel in Dhaka.

Hossain Bhuiyan chaired the session.

food security.

member of the planning commission.



From right: Barun Dev Mitra, food secretary, AMA Muhith, finance minister, MA Razzaque, food and disaster management minister, James F Moriarty, US ambassador to Bangladesh, and Ad Spijkers, FAO representative, attend a technical session of Bangladesh Food Security Investment Forum on its last day at Sonargaon Hotel in Dhaka yesterday.

# Per capita income crosses \$700

REJAUL KARIM BYRON

The per capita income crossed the \$700 mark in the current fiscal year, mainly because of a healthy GDP growth.

The people of lower strata have got a share of the rise in the income as small-scale industries have shown a rapid growth and employed the poor segment.

The per capita income has reached \$750 this fiscal year from \$676 last year.

For Bangladesh to graduate to a mid-income country, its per capita income should be \$975 now.

World Bank senior economist Zahid Hussain said Bangladesh can quickly reach the mid-income group of countries only if its GDP grows at a faster rate of around 7.5 percent to 8 percent. The GDP (gross domestic product) growth rate is 5.5 percent now.

Hussain said the growth is healthy in the existing economic scenario.

**Bangladesh Bureau of Statistics** (BBS) early this week finalised the provisional account of GDP for the current fiscal year and the actual GDP calculations for the last year.

"If we can't make a rapid progress, we won't be able to reach the level of per capita income required for becoming a mid-income country," Hussain said.

"From the growth pattern it seems that the low-income people have benefited from the rise in the per capita income."

In the manufacturing sector, small-scale industries, which are more labour intensive, have shown the most rapid growth.

The WB economist also said the country fetched a huge amount of year. remittance this year, which gave a rise to non-farm activities such as in small teashops, biscuit factories and small toy shops in the rural areas.

This has helped the lower strata people get a share of the increased per capita income, said Hussain.

He said the growth has almost doubled this fiscal year in public administration and education sectors. The income of the government staff, workers and teachers increased as the pay scale was implemented.

The government repeatedly projected the GDP growth rate to be 6 percent but the BBS provi-

16

14

10

sional account shows that the growth was 5.54 percent this fiscal

of last fiscal year's GDP growth showed a slide to 5.74 percent, which was 5.9 percent in earlier estimate. The services sector showed a

good growth this year, but the overall GDP growth was lower because of a fall in the agriculture and industries sectors.

The growth rate in the agriculture sector dropped almost by half due to the declining growth in crop. The growth rate in crop sector was 2.20 percent this fiscal year, down from 4.02 percent last year.

BBS officials said the main

SECTORAL GDP GROWTH

contributor to the crop sector is rice. In the last fiscal year crop sector saw a bumper production expected to be around three crore tonnes. As the production remained the same, the crop sector did not rise.

In the manufacturing sector, the growth rate fell by 1.40 percentage points compared to the last fiscal year, due to a poor performance by the export sector.

The inflow of a big amount of remittance and the implementation of pay scale in the public sector contributed to the growth in the services sector.

### nologies in crop yield to ensure food security. "In the upcom-The BBS in the final calculation of rice at around three crore ing five-year development plan, we will prioritise agricultonnes. Although Aus crop was ture, water management and rural development issues." hampered this year, the harvest is

US Ambassador in Bangladesh James F Moriarty said food security remains one of the biggest challenges for Bangladesh, where around 30 million people live in extreme poverty and suffer from malnutrition.

Food and Disaster Management Minister Dr MA Razzaque chaired the session. FAO Country Representative Ad Spijkers also spoke.

### **USAID** boss links Dhaka's strategic plan to future

PORIMOL PALMA

Future investments in food and agriculture in Bangladesh are linked to the country's leadership, governance and its strategic plan, USAID Administrator Rajiv Shah has said.

food investments

"Ultimately the level of that investment will depend on the strategic plans and leadership and governance of these programmes," he said in an exclusive interview with The Daily Star at Shahjalal International Airport before leaving Dhaka on Wednesday.



**Rajiv Shah** 

The top official of the US Agency for International Development came Tuesday to Dhaka to attend Bangladesh Food Security Investment Forum. Its goal was to help Bangladesh finalise a roadmap for future investments in food and agriculture.

The programme was held at a time when the global community is refocusing on agriculture because the sector witnesses a decline in investments and growth amid more threats of population rise and climate change.

The G-8 leaders in L'Aquila summit last year announced a plan to mobilise \$20 billion for investments in the developing countries, where the US is a major partner. Besides, US President Barrack Obama launched an initiative, Feed the

Future. Asked if Bangladesh should get the major share of the fund committed by the G-8 countries, Shah, also the former chief scientist at the US Department of Agriculture, said, "I think significant resources in terms of financial resources and technical partnerships should come to Bangladesh."

In1980, the global communities spent 18 percent of all foreign assistance in agriculture, but by 2005 the assistance came down to 3.5 percent, he said. In that line, yearly farm productivity came below 1 percent in the countries belonging to the low-income group. During the Green Revolution,

growth in such productivity was 2.5-3 percent, Shah said. Countries and multilateral institutions forgot about agriculture as a priority, he said, adding that the global community has realised that agricultural growth is more important to reduce poverty.

The issue is receiving a new focus and the international community is trying to make significant investments in agriculture to achieve a sustained reduction in human suffering, Shah said. Obama's commitment goes very much in

that line, he said. Referring to the climate change fallout, the USAID boss said the US is prioritising food security, global health and

On the impacts of climate change on Bangladesh's agriculture, he said: "We're working aggressively and in real partnership with the government to address climate adaptation, mitigation strategies and to refocus on the types of things that will allow Bangladesh to be more resilient in the

Asked if the US has changed its policy on global affairs, Rajiv Shah said they are trying to build stronger and more honest and robust relationship with Bangladesh by sharing

# R&D needs a strong push

### Analysts suggest a significant outlay in national budget

research and innovations, spent Tk

5 crore on R&D, while its annual

Imamul Huq said Bangladesh

wants to do well in a highly compet-

itive global economic environment.

ing but scientific innovations are

needed to accelerate the growth,"

"Bangladesh's exports are grow-

R&D is getting more importance

When Bangladesh is caring a

China spent nearly \$150 billion

worldwide, as the level of competi-

tion, production processes and

little about R&D, developing coun-

tries such as China and India are

the same amount, with the United

spending billions of dollars on it.

methods are increasing rapidly.

budget was of Tk 78 crore.

SAJJADUR RAHMAN

Both public and private sectors care a little about research and development (R&D), which can help increase competitiveness of a product, boost innovations and diversify exports, said experts.

They also said the government should keep a significant outlay in the annual budget for R&D.

For fiscal 2009-10 only Tk 185 crore was allocated for agriculture research and rehabilitation. Nothing was mentioned about R&D in the budget of industries and science and ICT ministries. But most of the countries mention their R&D allocation under the science and technology ministry in their annual plans.

Bangladesh Council of Scientific and Industrial Research (BCSIR), which is mandated to do research and provide scientific and technological solutions to industrial development, spent only Tk 4.5 crore on R&D in the current

fiscal year. on R&D in 2009. Japan also spent The total allocation for BCSIR

was Tk 50 crore.

Bangladesh **Atomic Energy** Commission (BAEC) another premier organisation for

said Huq.



2008-09 (Provisional)

States leading in R&D with over \$300 billion investment.

Earlier this year, India announced to increase such

spending to 2 percent of its GDP from present 1 percent. India holds BCSIR Chairman Prof SM the 10th position in R&D spending. The experts said Bangladesh

2008-09 (Actual)

should invest more in R&D if it should spend a significant amount on R&D if it wants to work seriously on energy, food security and export competitiveness.

Huq said the local industries, including export-oriented garments, food and leather, face huge technical challenges in meeting environmental and health safety requirements.

Industrialisation is increasingly putting pressure on the ecosystem, he said, adding that science and technological practices can help

overcome the problem. "There is no way but to invest more on R&D to address the qual-

ity and environmental issues."

criticised poor spending on R&D in "R&D facilities should be estab-

Dr MA Mazed, director of

Prof Naiyyum Choudhury,

former chairman of BAEC, said

steps should be taken to make the

research organisations financially

mechanism where the scientists

and the government will get a

portion of earning by solving prob-

lems of the industries," he added.

"It can be done by developing a

sustainable.

Bangladesh Academy of Sciences, the domestic industries.

lished in industries," he said.

Kazi Aktaruzzaman, member of BCSIR, also vented frustration on poor allocation for scientific research in the annual budget.

"Out of the total Tk 50 crore budget, the BCSIR can use only Tk 4.5 crore for research purpose which is inadequate," he added.

bent chairman of BAEC, also demanded more fund for R&D.

"BAEC can spend just Tk 5 crore on R&D. We need more money for research," he said. sajjad@thedailystar.net

# Mosharraf Hossain, the incum-

### climate change for sustainable development. context of climate change."

objectives of eliminating hunger and malnutrition.