

# BUSINESS

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## Rain deficit threatens aman output

SOHEL PARVEZ

Low rainfall may bring down output of the country's second biggest crop *aman* in the next season, creating worries among farmers.

Transplantation of *aman*, a rice variety, is sluggish in various parts, especially central and southwest Bangladesh, due to inadequate monsoon.

*Aman* contributes 38 percent to the annual rice basket.

Crops already transplanted also suffer from a rain deficit in various parts of the rice-rich northern regions.

With cracks developing and weeds growing in fields amid scanty rainfall, growers have begun irrigating fields with tube-wells to save crops from further damage.

"It's difficult to transplant in absence of rainfall. I have been waiting for rain for the last several days and seedlings are growing older," said Md Rafiz Uddin, a farmer in Narsingdi district near Dhaka.

Shohel Rana, a farmer in Sirajganj, echoed Rafiz Uddin. So far, he could transplant the crop on only 1.5 acres of his four acres of land.

All divisions except Chittagong and Rangpur recorded less than average rainfall this July. In Rajshahi, rainfall was 33 percent less than the average, in Sylhet 31 percent, Dhaka 22 percent, Barisal 21 percent and in Khulna 6 percent less, according to Bangladesh Meteorological Department.

If the situation does not improve in August, production will be hampered due to delayed transplantation along with low acreage, said agriculture analysts.

Agriculture Minister Matia Chowdhury, however, said her ministry does not consider giving support to farmers to irrigate through tube wells.

"There is nothing abnormal. We do not think there is any need for major irrigation now," she told The Daily Star by phone.

Of the government's targeted 52 lakh hectares of *aman* cultivation, nearly 40 percent has been achieved so far, said an official of the Department of Agricultural Extension (DAE).

The DAE targeted 3.3 million tonnes of *aman* in the current fiscal year, up from 12.79 million tonnes achieved in fiscal 2011-12.

The DAE official said inadequate rainfall has hurt *aman* cultivation in the central and southwest regions.

"But we are hopeful about achieving the target. Transplantation can be done till September," he said, asking not to be named.

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## Bangladesh moving slowly up in ICT

Analysts say weak regulatory regimes cast a blight on the sector

ABDULLAH MAMUN

Bangladesh is moving slowly up in ICT advancement, ranking 113th in the "networked readiness index" this year among 142 countries.

In the previous three years, Bangladesh progressed from 130th to 118th to 115th, according to the Global Information Technology Report: Living in a Hyperconnected World, prepared by the World Economic Forum (WEF).

Khondaker Golam Moazzem, senior research fellow of the Centre for Policy Dialogue (CPD), said some countries were included on the

The report explores the causes and consequences of living in an environment where the internet is accessible and immediate; people and businesses can communicate instantly; and machines are interconnected, creating opportunities and at the same time new challenges.

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### BANGLADESH'S POSITION

YEAR	RANK	SCORE
2012	113	3.20
2011	115	3.19
2010	118	3.01
2009	130	2.70
2008	124	2.64
2007	118	2.55

list recently, but Bangladesh has consolidated its position over the years. The private sector of the country has played a big role, he said.

The Bangladeshi think tank partnered with the WEF for preparing the report, which was released recently.

Moazzem said, though Bangladesh has improved gradually in the last three years, it still lags behind the low-income countries of its stature.

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## DSE: Asia's worst loser in July

GAZI TOWHID AHMED

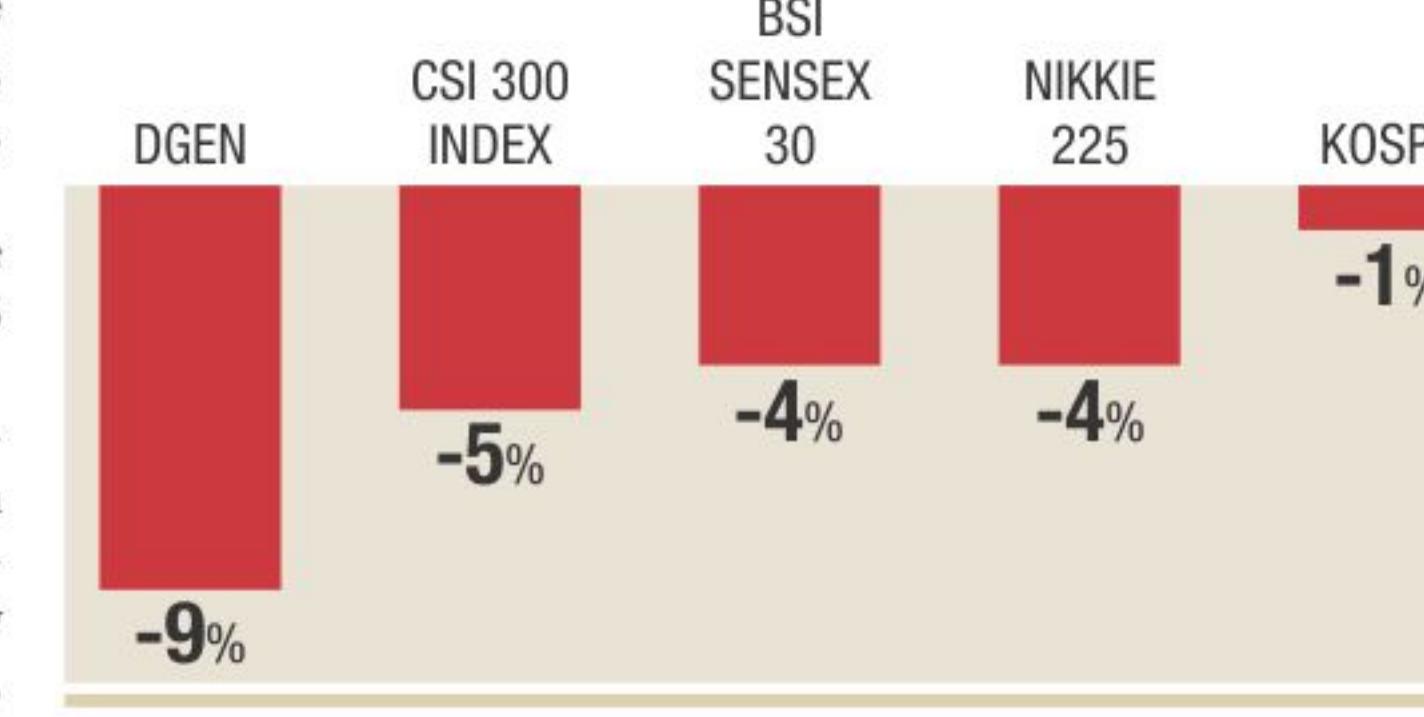
Dhaka Stock Exchange became the worst performer in Asia in July, losing 9 percent in the month, according to Bloomberg data.

China's CSI 300 Index was the second worst performer with a 5 percent fall.

DSE, the premier bourse of Bangladesh, continued its bearish run in the last few months as big portfolio investors adopted a go-slow policy amid a volatile stockmarket, said Md Moniruzzaman, managing director of IDLC Investment Ltd.

Performance of the banking sector, which covered 30 percent

### WORLD STOCKMARKETS IN JULY



of total market cap, was depressing in the last few months due to low business growth, credit

crisis and poor corporate declarations, he said.

According to half-yearly decla-

rations, earnings of the banking sector declined by 9.4 percent compared to the previous half year, as most of the banks came up with higher provisioning during this quarter, said LankaBangla Securities, a stockbroker.

The central bank's new loan rules also depressed the sector, Moniruzzaman said.

As per the new loan rules, which came into effect from July 1, the ongoing loans will be classified as bad loans within three months of non-payment of an instalment, instead of the six-month timescale in the previous rules.

He said margin loan holders

are the active investors in the market and their equity is in the negative territory now.

Turnover at the DSE was also very low in the last few months, as buyers refrained from making new investments due to a lack of confidence, he said.

"The slowing export growth is creating a huge pressure on corporate profitably of different sectors. Tight monetary regime has substantially curbed the money supply growth and economic activities," said Md Ashaduzzaman Riadh, head of research department at LankaBangla Securities.

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## Manmohan sees better GDP growth amid rising downgrades

REUTERS, New Delhi

Indian Prime Minister Manmohan Singh expects a better performance from the economy this fiscal year even as private economists cut growth forecasts for Asia's third largest economy, citing a drought and policy gridlock.

Several research organisations including Moody's Analytics have predicted that the pace of economic expansion in the fiscal year to end-March 2013 would be less than 6 percent, the worst in a decade. Early this year, the government had forecast a growth rate of about 7.6 percent.



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