

Chinese variety eats into local garlic market

SOHEL PARVEZ

OF the two types of garlic available in the market, Shahanara Yasmin Lily prefers the fuller-sized Chinese variety.

"I prefer the imported ones as they save me time due to their larger size and how easily they peel off," she said.

Lily is not alone. Many urban households now prefer the imported garlic to the locally grown ones -- because of the convenience they offer.

Abdul Quader, a garlic grower at the main growing district of Natore, has also come to know of the urbanites' change in preference via the traders who come to the bazaars in his locality.

"There is a huge supply of garlic in our weekly bazaar day, but demand remains low. Traders tell us that city dwellers prefer the local garlic less," Quader said.

Last year, farmers grew 2.33 lakh tonnes of garlic, up 11.5 percent from the previous year's 2.09 lakh tonnes thanks to favourable weather, according to Bangladesh Bureau of Statistics.

But the increased production, coupled with the consumers' shift in preference, has caused prices of locally-produced garlic to fall at both retail and wholesale levels.

Retailers at city markets are selling local garlic at Tk 40-50 per kilogram, down 28 percent from the Tk 55-70 a kg recorded in the same month last year, said Trading Corporation of Bangladesh (TCB).

In contrast, the price of imported garlic has surged, with its price this year being approximately 146 percent higher than last, according to TCB data.

Currently, the imported garlic is retailing at Tk 145-150 a kg, up 40 percent from the Tk 100-110 recorded a month ago thanks to a spike in demand due to Eid-ul-Azha.

The recent price spike of imported garlic, however, has led a section of buyers to switch to the locally-grown ones, said Sabbir Hasan Nasir, executive director of ACI Logistics, a concern of ACI group.

"But the general trend shows customers buy more of imported ones," added Nasir, whose company runs Shwapno, the country's

largest retail chain.

Apart from convenience, the wastage is also low in case of imported garlic because of their larger shape, he said.

Narayan Chandra Saha, a wholesaler at Shyambazar, echoed Nasir's views.

Shawkat Ali Mallik, chief scientific officer of Spices Research Centre, under Bangladesh Agricultural Research Institute (BARI), said the centre runs trials to check whether large-sized Chinese garlic variety adapts with local condition -- with no breakthroughs yet.

Garlic grows into a fuller size in China because of the extended exposure to natural day light there, Mallik said.

"But adaptability trial is on."

BGMEA working to ensure pay for all workers before Eid



Shafiul Islam Mohiuddin, president of Bangladesh Garment Manufacturers and Exporters Association, speaks in a press briefing at the BGMEA office in Dhaka

STAR BUSINESS REPORT

THE majority of the financially troubled garment factories have paid off their workers ahead of Eid-ul-Azha, said the chief of Bangladesh Garment Manufacturers and Exporters Association.

Of the 600 vulnerable garment factories, 572 have already remunerated their staff with the full month's salary and festival bonus, while the remaining ones would do so by tomorrow, Shafiul Islam Mohiuddin said in a press briefing at the BGMEA office in Dhaka yesterday.

As a result, there have been no reports yet of demonstrations staged by the workers this Eid, Mohiuddin said.

The BGMEA leaders are also trying to ensure timely payment to the workers of the 500 small and medium factories not members of the trade body, to avert any untoward incident.

Mohiuddin further said the trade body in collaboration with the ministries concerned also ensured remuneration,

of Tk 10 crore, to the 17,000 workers of the scam-ridden Hall-Mark Group, now inoperative due to the arrest of the company's top brass.

He also took the opportunity to voice his opposition to against the government plan to appoint administrators with indemnity power to troubled companies, saying the move would discourage entrepreneurs.

The BGMEA president also expressed concern over the possible signing of the free trade agreement between India and the EU, in December.

If the deal gets through, Bangladesh will probably lose a significant market share in the region as India is a formidable player in the world garment market.

Moreover, Myanmar is posing a big threat to Bangladesh as both local and foreign investors are pouring money in to the textiles and garment sector due to the ongoing reforms in the country after decades of military rules, Mohiuddin said.

Bahrain Air reconnects Dhaka



Seigfried Mendoza, sales and operations manager of Bahrain Air in Bangladesh, flanked by the captain and cabin crew of the airline, cuts a cake to mark the launch of its direct flight to Dhaka yesterday.

STAR BUSINESS DESK

Bahrain Air, private national carrier of Bahrain, resumed its flights to Dhaka yesterday. The inaugural flight BN 545 from Bahrain landed at Hazrat Shahjalal International Airport at 06:05 in the morning while the return flight BN 546 took off for Bahrain at 06:45am, the airline said in a statement.

The airline had earlier suspended its flights to Dhaka in April 2011.

"We are happy to resume our operations to Dhaka, as it is one of our most important destinations," said Seigfried Mendoza, sales and operations manager of Bahrain Air in Bangladesh.

"Our flights to Bahrain will offer better convenience to Bangladeshi passengers travelling to Bahrain and onward to various destinations in the popular GCC destinations."

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India tries handing out cash to help teeming poor

AFP, Budhi Bawal, India

UDDAL Singh, a retired army sergeant, is part of an experiment trying out radical changes to the Indian welfare system that the government plans to adopt nation-wide. And he's furious.

He along with the 250,000 residents of Kotkasim, a bloc of Alwar district in western Rajasthan state, were chosen to be part of a pilot scheme to end the sale of subsidised kerosene, a fuel used by the poor for lighting and cooking.

Instead of buying it at a heavily discounted rate at the local government shop, those with ration cards were each in theory paid cash by the government and required to purchase the liquid at the market price.

"Since one year, no money has come into my account, not one paisa (cent)," the mustachioed 58-year-old said bitterly in the village of Budhi Bawal, a dusty one-street settlement of a few thousand people, mostly farmers.

Instead of lighting his kerosene lamps, he says he now makes do with candles at night.

Officials "come here to the shop, see the record of our ration card numbers and say the money will come," he explained outside the grubby Fair Price Shop run by the local government dealer.

The Kotkasim trial has been disruptive, tricky to implement, and -- depending on who you listen to -- either a roaring success in cutting wasteful state spending, or a disaster that has caused hardship.

The conclusions are important. In New Delhi, where the trial is viewed as a model for the future, the government is fast-tracking plans to distribute as much of India's \$61-billion welfare budget in cash as possible.

India is home to hundreds of millions of some of the poorest people on the planet who depend on government handouts for survival.

"As long as the money arrives in people's accounts, the scheme is not a bad idea at all," village leader Rakesh Kumar told AFP in an interview.

But he estimates 70 percent of people



Indian villager and retired army sergeant Uddal Singh speaks during an interview in Budhi Bawal village, Alwar district of Rajasthan. Singh, along with 250,000 residents of Kotkasim, a bloc of Alwar district in western Rajasthan state, have been chosen to be part of a pilot scheme to end the sale of subsidised kerosene, a fuel used by the poor for lighting and cooking.

in his area have had problems receiving the cash.

"We have had to deal with the fall-out of the government's experiments."

-- The cash model --

The attraction of paying cash to the poor and leaving them to spend it has been enhanced by two foreign programmes which are broadly seen as successful: Mexico's Progres a or Oportunidades, and Brazil's Bolsa Familia.

Under the cash model, governments can keep track of the money they spend better, cut out middlemen, and even make the money conditional on beneficial things such as sending children to school.

They also bring the poor into the banking system, obliging them to open accounts to receive welfare payments.

Nandan Nilekani, who runs the government's scheme handing out new biometric IDs known as Aadhar, says the system has already reduced fraud.

"When Aadhar is used, in some of pilots, there has been a 20-30 percent reduction in beneficiaries by reducing duplicants," he says, pointing to trials in the states of Tripura, Jharkhand and Andhra Pradesh.

Nation-wide 200 million people already have a new unique Aadhar ID and Nilekani's scheme aims to cover half the population, or 600 million people, in the next 18 months.

"On the basis of Aadhaar, we can

ensure that the benefit of schemes reach genuine beneficiaries and that there is no mediator," Prime Minister Manmohan Singh said last weekend.

India subsidises everything from fertilizer and food to kerosene so cutting waste is crucial to the government's drive to rein in its budget deficit.

But a welfare shake-up is politically risky and fraught with danger in a country where an estimated 42 percent of children under five are malnourished.

The Public Distribution System is the biggest such scheme in the world, providing subsidised kerosene, wheat and rice to up to a quarter of all households from cob-webbed shops of the sort seen in Budhi Bawal.

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Thai rice mountain casts shadow over world market

AFP, Bangkok

THAILAND'S status as the world's top rice exporter is under threat from a controversial scheme to boost farmer incomes that has resulted in a growing mountain of unsold stocks, experts warn.

Prime Minister Yingluck Shinawatra's year-old policy to buy rice from farmers for 50 percent more than the market price has hit the competitiveness of Thai exports, which are expected to almost halve in 2012.

"It's the worst year we have ever faced," said Chookiat Ophaswongse, honorary president of the Thai Rice Exporters Association.

"We are already losing our market share in the world to our competitors, especially the newcomers like Cambodia and Myanmar which are producing more and more rice for export," he told AFP.

Rice is the staple food for more than three billion people -- nearly half the world's population. Last year Thailand had nearly a third of the global export market.

But its worldwide share is forecast to drop to less than one-fifth in 2012, according to the US Department of Agriculture (USDA), which expects the Southeast Asian nation to fall behind rival exporters Vietnam and India.

Thailand produces about 20 million tonnes of rice each year on average, about half of which is normally sold overseas.

This year, however, exports are expected to reach only about 6.5 million tonnes, according to the exporter association and the USDA.

With its warehouses filling up quickly, Thailand is running out of space to house its unsold stocks and even briefly considered using an aircraft hanger in Bangkok's number two airport Don Mueang.

The longer the government holds on to the stocks, the bigger the drain on the public finances.

Yet experts say if Thailand abandons the scheme now, it risks flooding the world market.

"They are in a jam because with all this rice hanging around they have very little option to do anything else other than just keep on going because otherwise the rice price will drop and then they will have political problems," said Ammar Siamwalla, an economist with the Thailand Development Research Institute Foundation (TDRI).

"The Vietnamese and the Indians are rubbing their hands. They're taking advantage of the fact that we've slowed down our exports considerably," he said.

If Thailand tries to shift its glut of rice on world markets now, "the price would plummet," Ammar warned. "There is no exit strategy."

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