

# Call to raise non-farm activities in rural areas

STAR BUSINESS REPORT

An increase in non-farm activities in rural areas could offset the impacts of declining arable land and rising landlessness, analysts said yesterday.

The views came at a discussion on the outcome of a household survey for 2011-12 by International Food Policy Research Institute (IFPRI) at Ruposhi Bangla Hotel yesterday.

"Agriculture is dominated by marginal and small farmers, the number of whom is growing. Moves are needed to boost non-farm activities in rural areas to address the problems," said Mahbub Hossain, executive director of BRAC.

Hossain spoke at a session -- agricultural production and marketing practices in the FTF zone (Feed the Future zone in the southern parts of Bangladesh) and other regions.

Five papers were presented at the session by five IFPRI officials on different aspects.

"Credit is not available for the



From left, US Ambassador Dan W Mozena; Food Minister Abdur Razzaque; Agriculture Minister Matia Chowdhury and State Minister for Women and Children's Affairs Shirin Sharmin attend an event organised by International Food Policy Research Institute in Dhaka yesterday. Related story on page 1

marginal farmers, and the rate is also high. The state has a role to play," said the BRAC top official.

He said labour cost is 45 percent out of the total production cost of rice, while fertiliser costs 22 percent and irrigation 13 percent.

A rise in labour costs hurts a farmer more than the hike in

irrigation and fertiliser prices, he said.

Hossain said Bangladesh's farmers need to adopt newer technologies, and the government also has a role to play here.

Akhter Ahmed of the IFPRI said arable land is shrinking and inequality is rising. He said ownership of land in the FTF

zone is unequal.

"Rural non-farm employment is urgent to address the issue," he said.

The IFPRI officials also came up with their views on their respective topics.

Ricardo Harnandez said the number of marginal farmers rose to 33 percent now from 29

percent in 1984.

He said there has been a transformation in the rice value chain. Now farmers hardly sell their produces to the village traders. "On an average, 70 percent of the farmers trade with wholesalers," he added.

"It's not true that farmers get advance payments for paddy," said Harnandez.

The number of the farmers who get advance payments is highest in the Khulna region at only 2.2 percent, and only 0.6 percent marginal farmers get the advantage, he said.

Kaikaus Ahmad said farmers consider the state-run Department of Agricultural Extension's services as useful.

"Policy should be made to reach small and marginal farmers," said Ahmad.

Firdousi Naher said maize production witnessed a phenomenal growth in the last 10 years.

Hua Xie and Claudia Ringler said yield is lower in the FTF zone than the national level.



MGR Nashir, chairman and chief executive officer (CEO) of Century Group, inaugurates a month long housing, tourism and food festival in Dhaka recently.

## WB cuts growth forecast

FROM PAGE B1

However, South Asia's GDP growth is projected to rise to 5.7 percent in the 2013 calendar year from 5.4 percent in 2012, the WB report said.

The report said the modest recovery in the growth is in line with projections of a weak global economy and near-stagnant output in the Eurozone, South Asia's largest trade partner.

It also said regional growth will be constrained by an uncertain external environment amid risks of a protracted fiscal impasse in the US and possible resurgence of Eurozone turmoil.

The report said electricity shortages are expected to ease gradually over time as South Asian countries continue structural reforms to expand capacity and improve financial sustainability of the sector.

A fall in oil prices due to weaker than projected global growth would benefit current account position of the South Asian countries, including Bangladesh, and reduce the fiscal burden of fuel subsidies.

But lower oil prices would also cut into migrant remittances if economic activity in the migrant destinations in the oil-exporting Gulf region were to slow and demand for migrant labour were to decline.

On the global economic scenario, the report said, four years after the onset of the global crisis, the world economy remains fragile and growth in high-income countries is weak.

The developing countries need to focus on raising the growth potential of their economies.

World Bank Group President Jim Yong Kim said, "Developing countries have remained remarkably resilient thus far. But we can't wait for a return to growth in the high-income countries."

"So we have to continue to support developing countries in making investments in infrastructure, in health, in education. This will set the stage for the stronger growth."

The WB estimates global GDP grew 2.3 percent in 2012, compared with last June's expectation of 2.5 percent. Growth is expected to remain broadly unchanged at 2.4 percent in 2013, before gradually strengthening to 3.1 percent in 2014 and 3.3 percent



Md Mehmood Husain, president and managing director of Bank Asia, poses with the participants of a training programme on foreign exchange at the bank's Training Institute at Panthapath in Dhaka recently.



Aitazur Rahman, governor of the central bank, speaks at the launch of Bangladesh Bank's Mymensingh branch at Durgabari Road in Mymensingh yesterday.

## Stocks recover after hitting a low

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Turnover on the Dhaka Stock Exchange (DSE) yesterday experienced a marked recovery after hitting a five-year low the previous day, thanks to a buying spree in light of the low prices.

The turnover increased 28.65 percent to Tk 134 crore. DGEN, the benchmark general index of the DSE, closed the day at 4,132 points, after gaining 19.51 points or 0.47 percent.

Among the market heavyweights, British American Tobacco Bangladesh Company contributed the most to the day's recovery, IDLC Investments said.

A total of 0.43 lakh trades were executed, with 4.04 crore shares and mutual fund units changing hands on the Dhaka bourse.

The pharmaceuticals sector scored the highest gain among the major sectors, of 0.72 percent, followed by banks at 0.55 percent.

Meanwhile, power gained 0.27 percent, followed by non-bank financial institutions at 0.05 percent and telecommunications 0.28 percent.

Of the 266 issues that traded on the DSE, 144 advanced, 77 declined and 45 remained unchanged.

United Airways appeared among the most-traded stock of the day, thanks to its transaction of 78.95 lakh shares worth Tk 16.84 crore.

RN Spinning Mills and Unique Hotel and Resorts were the next popular stocks of the day.

ACI Formulations posted a 5.49 percent rise, the highest in the day, while Rahim Textile was the worst loser, slumping 3.16 percent.

CSCX, the selective categories index of Chittagong Stock Exchange, closed the day at 8,006 points, after surging 0.33 percent.

Meanwhile, the port city bourse traded 54.77 lakh shares and mutual fund units yesterday, at a turnover of Tk 15.97 crore.

## Congressmen to take up GSP issue with US authorities

FROM PAGE B1

Qader briefed the congressmen on the initiatives of the government to advance labour welfare.

The initiatives include setting up taskforces to implement safety and compliances in the factories, allowing collective bargaining by the workers in RMG and EPZs, enhancing skills and providing daily needs at a subsidised rate.

Qader noted that Bangladesh's factory compliance issue needs to be assessed in the light of socio-economic realities, people's per capita income, labours skills, cost of import goods, price of garment products in the retail stores and related issues.

Describing the fire at Tazreen Fashions as an accident, the diplomat informed the US congressmen that the government has taken measures to compensate the victims' families and punish those responsible for such negligence.

## Questions over Grameen Bank Commission

FROM PAGE B1

However, a commission official yesterday said that Ahmed maintained e-mail correspondence with the body since its formation. Kamal's resignation made the commission a three-member committee, with the government yet to appoint a replacement.

Ahmed yesterday attended office, but could not be reached for comments as the commission officials did not allow the correspondent to speak to him.

Speaking to The Daily Star, Mamunur Rashid, president of the commission, categorically denied the allegations from a Bangla-language newspaper that the body is not functioning properly.

"Those allegations are totally baseless," he said, without giving any specifics.

The commission was formed amid criticism, with US Secretary of State Hillary Clinton, a close friend of Nobel Laureate Prof Muhammad Yunus, stating that the US government would not endorse any action of the Bangladesh government to undermine Grameen Bank's achievements.

Meanwhile, the inclusion of Barrister Ajmalul Hossain to the commission raised a major question: he represented Bangladesh Bank in its case against Prof Yunus after the microcredit pioneer was controversially removed from the bank in 2011.

"Is it proper and legal for him to be part of this inquiry commission?" questioned one observer of the Grameen Bank saga.

Moreover, it has been alleged that although the commission is working on Grameen Bank and the 54 organisations, it never visited the Grameen Bank building in Mirpur, where the bank and majority of the organisations are headquartered.

A senior official of Grameen Bank said

they never saw the members of the commission at the bank's building.

"The commission never asked to meet us -- they never came here. Sometimes, they sent letters through messengers asking for papers, and we reverted accordingly," said the official.

While one observer said: "How could the three-member commission work on the vast area of Grameen Bank and the 54 organisations and come up with a report -- with such a small number of workforce?"

Questions surfaced over the authenticity of the report. "The outcome seems premeditated," the observer said.

The central bank and the finance ministry are jointly providing office and manpower support, which is not more than 15, said a source.

Prof Yunus, who was forced to step down by the central bank as the managing director of the bank in 2011, questioned the necessity of such a commission.

In an interview with The Guardian in December last year, the microcredit pioneer said there had been no failure in the running of Grameen Bank to warrant an investigation.

The commission has been tasked to identify institutional strengths, weaknesses and constraints of Grameen Bank, while recommending measures for good governance, accountability of the management and transparency in the bank.

It will also recommend ways to bring the institution under the purview of state regulatory agencies.

The commission has also been asked to look into the purposes, legal status and operations of the 54 organisations Prof Yunus set up to advance his life-long journey to eradicate poverty.



Winners of a raffle draw, organised by Agora on the occasion of its 11th anniversary, pose for photographs with the officials of the chain superstore at a function in Dhaka on Tuesday.



Pubali Bank donates 2,000 pieces of blankets to Red Crescent Society for distribution among the poor. Moniruddin Ahmed, director of Pubali Bank, handed over the blankets to Hafiz Ahmed Mazumder, vice-chairman of Red Crescent Society.

## 73pc rural households use mobiles: survey

FROM PAGE B1

IFPRI survey shows that 81.6 percent of households in rural areas of Chittagong have functioning mobile phones, followed by Khulna at 77.2 percent and Rajshahi at 74.1 percent.

Sylhet, Barisal and Dhaka have above 70 percent of rural families using mobile phones, while Rangpur has 64.3 percent, the lowest concentration.

The survey also looked into various other issues -- such as family welfare, calorie consumption, inequality, literacy rate, adult schooling, access to electricity and sanitary. According to IFPRI, 38.2 percent of families live on less than the purchasing power parity income of \$1.25 a day.

Rangpur has 65.5 percent of its population living under that income, the highest, while Chittagong has the lowest percentage, at 31 percent.

The level of inequality in consumption also varies across divisions: the highest level of inequality was found in Sylhet and the lowest in Rajshahi.

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## Rangs, Mitsubishi launch fuel-efficient Mirage

FROM PAGE B1

"The new Mirage has exceeded our expectations since its introduction," said Ueki, while adding that Mitsubishi plans to take the model to more than 150 countries.

The car, developed in view of the rapid growth in small car market, can seat five adults comfortably and can go 16 kilometres a litre, said Romo Rouf Chowdhury, managing director of Rangs Ltd, the sole distributor of Mitsubishi vehicles.

"The Mirage is just right for the times when demand for eco-friendliness and superior fuel efficiency in light of the rising fuel costs are increasing all over the world," Chowdhury said.

"The new Mirage will definitely increase Mitsubishi Motors' presence in the passenger car

## Second phase of Malaysian job registration begins

FROM PAGE B1

The selected candidates' names from the two divisions were announced yesterday.

Some 1,093 candidates out of 21,116 were selected from the Dhaka district, 378 out of 14,158 from the Munshiganj district, 770 out of 10,904 from Narayanganj and 611 out of 18,540 from the Barisal division.

Malaysia will initially recruit 10,000 workers from