

Fertiliser production cheaper than imports: analysis

STAR BUSINESS REPORT

The government should increase fertiliser production instead of relying on imports to cater to growing demand in the agriculture sector, analysts said yesterday.

Fertiliser should be produced locally as it is cheaper than imports—due to low production costs, said Mohammad Tamim, a professor of Bangladesh University of Engineering and Technology (BUET).

He spoke at a discussion on the fertiliser sector organised by the Policy Research Institute at its office in the capital.

The government should supply gas to fertiliser factories instead of power plants—to boost fertiliser production, Tamim said, adding the power plants should depend on furnace oil.

"We have enough gas to supply to the agriculture sector for 30 years even though the same is not adequate for the power sector. The power sector should switch to alternate sources like coal," he added.

AKM Abdul Quader, professor of BUET, said fertiliser consumption in Bangladesh since its introduction in 1951 has steadily increased as the country

modernised agriculture to accomplish food security.

The total consumption of fertiliser increased from 3.02 million tonnes in 1995-96 to 3.82 million tonnes in 2010-11, Quader added.

Urea constituted about 67 percent of all the fertiliser used in 2010-11, while zinc sulphate and gypsum were only 3.75 percent of the total consumption, he said.

Now there is hardly any crop that does not use fertiliser, he said.

"The suspension of gas to the fertiliser factories will likely destroy the sector with a domino effect onto our efforts for self-sufficiency in food production," he said.

The suspension of natural gas use in the fertiliser factories will reduce the machinery's working capacity and increase maintenance costs, he added.

The international fertiliser market has been volatile over the past four years, which makes domestic production preferable, he said.

In Bangladesh, fertiliser boosts rice production by around 47-50 percent, with 26 and 35 percent enhancement of Boro and Aman harvests respectively, said Abdul Latif

Shah, chief scientific officer of Bangladesh Rice Research Institute.

The application of the Integrated Nutrient Management (INM) concept can partially reduce dependency on mineral fertiliser for intensively cultivated production systems, he said.

INM is a combination of both organic and inorganic fertiliser. It helps improve soil fertility with minimum use of chemicals, and help get a higher yield than from the sole use of chemical fertilisers.

In 1994-95, the six urea fertiliser production factories produced 2 million tonnes of urea per year, which almost met the country's domestic fertiliser demand.

However, in 2010-11, the domestic urea production fell to 1 million tonne against a 3 million tonne demand, and the supply gap was met with \$700 million worth of imports, said Takashi Itoh, project director of Asian Project Division of Toyo Engineering Corporation.

"If a similar supply gap occurs in future, it will be a serious blow to the economy of Bangladesh," he said.

Itoh suggested Bangladesh should install new urea fertiliser production facility

adapted to harness recent energy saving technologies.

The government should develop its marketing and distribution system to supply fertiliser to the farmers at right time and right place, said Quazi Shahabuddin, professional fellow of Bangladesh Institute of Development Studies.

The use of chemical fertiliser directly into the soil should be reduced in favour of spray-based liquid variety like in most developed countries, as it reduces waste, said Shamsul Alam, member of Planning Commission.

Chemical fertiliser is also harmful for soil and has a negative impact on the environment, Alam said.

He disagreed with the suggestion that fertiliser imports be reduced.

The demand of fertiliser will increase in the future and the government should develop long-term strategy for the sector, said Ahsan H Mansur, executive director of PRI.

The government should stop supplying gas to households and commercial transport sector to divert it to the agriculture sector, he added.



BASIC BANK

M Kamran Hamid, principal of Basic Bank's training institute, sits with trainees of a general banking course at a programme in Dhaka recently. Asoke Bandhu Das, vice principal of the institute, was also present.

Equality, decent jobs in focus

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Bhattacharya said like the MDGs, whose deadline ends in 2015, the post-2015 agenda would be non-binding and voluntary targets.

He said private involvement in achieving the post-2015 agenda would be critical. "We will also have to better use the existing resources and mobilise more domestic resources."

The economist also called for reforming global rules that are holding back fuller market access for the LDCs.

CPD Chairman Prof Rehman Sobhan said the LDCs have achieved encouraging results in the MDGs, banking on the private sector efforts, remittance flows and domestic resources mobilisation, as international aid was not available as committed.

So, when it comes to setting the post-2015 agenda, the developed world will have to give explanation for its failure to honour its aid commitments to the developing countries, he said.

The economist said the post-2015 agenda should set measurable targets that would ensure a transformed and better world in 2030 when the deprived and disadvantaged would live in a different condition.

"2030 can't look like as the improved version of the current world," he said, calling for a closer look at whether the MDGs have changed the lives of the people targeted.

Prof Wahiduddin Mahmud, a former caretaker government adviser, said Bangladesh should consolidate its gains on the MDGs so the achievement does not slip.

He also said Bangladesh spent less on healthcare and education but achieved higher results in the two areas due to some homemade solutions, which are culturally adaptable and low-cost. "This is a remarkable achievement in Bangladesh."

"The next phase will be costlier if Bangladesh wants to reduce child mortality by making hospital-based healthcare facilities affordable, and ensure quality education in the secondary level," said Mahmud, also a member of UN Committee for Development Policy.

Shahidul Haque, foreign affairs secretary, said Bangladesh will get opportunities to reflect some of its concerns about the post-2015 agenda during the upcoming United Nations General Assembly as Prime Minister Sheikh Hasina has been invited to speak in at least three high-level discussions.

"So, Bangladesh will have a say how the creation of the agenda will look like," he said.

Neal Walker, UN resident coordinator, termed Bangladesh's achievement in the MDGs "clearly awesome".

"As a result, Bangladesh has a legitimate voice and position in the global debate on the next paradigm," he said.

But the hardest job is yet to come, Walker said. "Bangladesh will have to look at whether the current education system is providing quality education to students. I do not think the quality is there."

Walker said the next phase should not leave the agenda only at the hands of governments and civil society organisations. Private sector must be involved, he added.

Rasheda K Chowdhury, executive director of Campaign for Popular Education, said the ever-increasing military expenditure by all the countries following the 9/11 attack on the US dealt a blow to the MDGs, as less money was available for achieving the development results.

Nurunnabi Khan of the International Labour Organisation in Dhaka said the post-2015 agenda must provide special focus on job creation.

Badiul Alam Majumdar, country director of the Hunger Project, said many MDGs do not require much money to achieve higher results. They, however, require proper awareness raising initiatives.

M Shamsul Alam, a member of the Planning Commission, said the developed world should keep their aid commitments to help the LDCs achieve their development results.

Henrik Maihack, country representative of the FES, said the issue of decent jobs has to be included in the next phase, as it is missing in the current one.

CPD Executive Director Prof Mustafizur Rahman called for inclusion of the LDCs while devising the next development targets, as their voices were not taken into account when the current targets were finalised.

"The LDCs should participate in the global debate on equal footing with developed countries," he said.



MODHUMOTI BANK

Mazibul Hoque, railway minister, cuts a cake to inaugurate Modhumoti Bank recently. Humayun Kabir, chairman of the bank, and Md Mizanur Rahman, managing director, were also present.



NRB BANK

Iqbal Ahmed OBE, chairman of NRB Bank, presides over the first statutory meeting of the bank in Dhaka on Saturday. Muklesur Rahman, managing director, was also present.

8 garment units vandalised

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Two hours later, the demonstration spread to Savar, on the outskirts of the capital.

The workers of Divine Textile Ltd, Inter-Stop Apparel and Eye-Moon Textile of Gazipur first gathered in the highway in the morning, Hossain said.

Later, workers of other adjacent factories joined the agitators, he said, adding that they vandalised three factories in Kaliakoir.

The protests spread to Savar around 10:30am when the workers of Machigata Sweater Ltd brought out a demonstration on the highway at the Jirani Bazar point.

All eyes on Rooppur

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Mustafin: That is quite a complicated issue, considering the climate peculiarities and other factors. In my opinion, it will be rather difficult to find contractors willing and able to work in such conditions. Bangladesh is not Turkey, where the climate is rather soft. Even in terms of ordinary construction works, the conditions in the region, where the Rooppur site is located, are very hard.

We are talking about seasonal rain, extreme air temperatures, and continuous climatic changes. That means it will be

difficult for the builders, who will most probably be foreign companies, to work there.

Considering all these, Atomstroyexport will choose contractors for the different kinds of work with great care. As for us, we will perform the engineering survey on designing the 'nuclear island'—the complex of buildings and structures of the reactor part.

Atomenergoproekt, as a future engineering division of State Nuclear Energy Corporation Rosatom, would like to step up by using its own forces in constructing the 'nuclear island'.

Power plants set for green light

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The company has been recommended for another coal-based power plant of 100 to 300MW to be set up in Chittagong. Orion Power's proposed tariff rate for the plant is Tk 6.72 per kW.

The division recommended another power plant of 600 to 800MW capacity for Chittagong. It will be a joint venture of S Alam Steel Ltd, S Alam Super Edible Oil Ltd, S Alam Cement Ltd and HTG Development Group Co Ltd. The pro-

posed tariff rate for the plant is Tk 6.60 a kW.

Another plant with capacity of 100 to 300MW and tariff rate Tk 6.79 a kW was recommended for Barisal. The Power Division also recommended setting up another power plant at Barisal with capacity of 100 to 300MW and tariff rate of Tk 6.79 per kW.

The other three power plants with total generation capacity of 200MW will be set up at Fenchuganj, Barisal and Narayanganj.

Stock market's contribution to GDP insignificant: BIBM

STAR BUSINESS REPORT

The capital market's contribution to country's gross domestic product (GDP) is less than 1 percent, a recent study by Bangladesh Institute of Bank Management (BIBM) found.

The study titled "Banks, stock market and economic growth: perspective of Bangladesh" found the capital market's contribution to the GDP in 2011 to be only 0.17 percent and the banking sector's around 44 percent.

The results of the study were presented yesterday at a seminar in BIBM's office in Dhaka.

Khandaker Ibrahim Khaled, a former deputy governor of Bangladesh Bank, said both the stock market and banking sector started their journeys at the same time after the independence.

"Why is the stock market unable to contribute to the GDP as much as the banking sector? The government should look into the matter."

Although of different nature, but the banking sector did have to deal with crises. "But it

moved forward, unlike the share market."

Mohammad Yasin Ali, deputy managing director of Prime Bank, said there is a scope for increasing the stock market's contribution to GDP through increasing the number of listing.

Citing the section in the law which stipulates compulsory listing of companies whose paid-up capital is over Tk 50 crore, he said no one abides by the law.

"The bank's credit limit for these big-cap companies should be limited so that they get listed in the stock market," said Ali, also a former member of Bangladesh Securities and Exchange Commission.

Many of them do not want to come in the market fearing the strict transparency and accountability requirements, he said.

"The government policy makers should take necessary steps to increase the listing of such companies," he added.

Jahangir Miah, chief executive officer of Janata Capital and Investment, said many companies are now using the capital market as a source of financing, instead of taking credit from banks.

Accolades for local ad campaigns

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The event also included a daylong seminar where 5 global experts shared their knowledge and inspiration with local marketing and communication professionals.

Lulu Raghavan, managing director of Landor Associates in India, discussed brand transformations and shared her experiences on building a strong brand.

Sandeep Pandey from renowned international company Mindshare discussed analytics and its importance in marketing. He provided directions on why and how marketing analytics could be used to make better marketing decisions.

Rajita Chaudhuri, dean of Centre for Enterprise Management at the Indian Institute of Planning and Management (IIPM), emphasised the importance of brand building and digital marketing.

"A brand is built in the minds of people, and in this digital world, it is the best tool for marketing your brand," she said.

Rajita also called upon advertisers to focus on micromarketing and interactive marketing rather than mass marketing.

Prasun Basu, managing director (South Asia) of Millward Brown, explained the growth of the 'attention economy'.

He discussed the steps that should be

used to make not only a memorable advertisement campaign but also one that shows brand linkage.

Fredrik Haren, a Swedish entrepreneur, publisher and speaker on business creativity, explained the significance and use of creativity in modern advertising.

He defines creativity as not being different but as being different in a way that helps make the work better.

He also encouraged businesses to get out of the metaphor of branding themselves after the identity of a country, but to brand themselves as a company.

BBF also presented two video seminars from the 60th Cannes Festival of Creativity, showcasing some of the best creative works from around the world and from Bangladesh.

Commward is an initiative of BBF and is organised in association with Cannes Lions to provide inspiration to the local communication industry and share global best practices.

Commward (Effective Communication Award), a local initiative by BBF, was introduced in 2009.

BBF will sponsor four young creative teams to join Cannes Lions next year, and four more teams to Spikes Asia, said the managing director of BBF.



STANCHART

Rosemary Arnott OBE, country director of British Council Bangladesh, and Jim McCabe, chief executive officer of Standard Chartered Bank, pose at the signing ceremony of an examination fee collection solution based on the bank's consumer banking internet channel iBanking recently.

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