

# Bangladesh may continue taking part in USAID's food security initiative

STAR BUSINESS REPORT

The Economic Relations Division (ERD) has recommended Bangladesh take part in USAID's Feed the Future Initiative for another five years from 2017 for the noteworthy achievements made in food security, agriculture and malnutrition.

The US invited Bangladesh to join the initiative's Global Food Security Strategy, saying the names of 12 participants would be announced by the end of this month, the ERD stated in a summary prepared for the finance

minister on Monday.

The United States Agency for International Development (USAID) ran the initiative in Bangladesh from 2011.

It said to have targeted investment in areas with the greatest growth potential for rice production and diversification, prioritised high-value agricultural production, and with high levels of poverty and malnutrition.

Its website says over 27 million people live in the target regions in Bangladesh, where food security and nutrition face considerable chal-

lenges along with scarce water resources, a rising sea level, vulnerability to extreme shocks and changing weather patterns.

The initiative says its aid helped some 2.2 million farmers use new technology and practices and apply those on some 512,000 hectares of land.

It also said to have raised the value of agricultural sales by \$146 million, attracted \$750,000 worth new private investment and helped one million under-five children improve their nutrient intake.



**SM Intekhab Alam, managing director of Phoenix Finance and Investments Ltd, and Arif Sikder, executive director of Ambala Foundation, exchange the signed documents of a corporate loan agreement, at Eunoos Centre at Dilkusha in Dhaka.**

# IBM teams up with Rite Solutions to fight cancer

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IBM on Monday announced its partnership with Rite Solutions Ltd to deploy a cognitive computing platform in Bangladeshi hospitals to fight cancer disease.

Rite Solutions, a healthcare and IT services solution provider, will work to support physicians to provide personalised and evidence-based cancer care by using the platform, Watson for Oncology.

"With Watson for Oncology, oncologists will be able to make an informed treatment decisions for patients based on insights derived from

the individuals' unique health status, the latest medical research, journals and other relevant data," said Ridwan Mustafiz, CEO of Rite Solutions.

"There is a pressing need to provide quality oncology expertise to the people in our country, and through our collaboration with IBM, we aim to help physicians in providing personalised care to every single patient in Bangladesh." The company also wants to serve people in Nepal, Bhutan and eastern India, he said.

IBM is an American multinational technology company headquartered in Armonk, New York with operations in over 170 countries. The agreement

marks the first IBM Watson partnership in Bangladesh, the company said in a statement yesterday.

Rite Solutions has already partnered with Bangladesh Specialised Hospital and Ahsania Mission Cancer Hospital, who are now leveraging Watson for Oncology. The platform helps in enhancing efficiency by scoring and ranking medical literature, IBM said.

It also enables delivery of evidence-based treatment options to identify individualised treatment options for consideration by the oncologist and scale world-class oncology expertise from Memorial Sloan Kettering Cancer Centre, the company said.

# Rains take toll on Khatunganj trade

DWAIPAYAN BARUA, Chittagong

Traders in Khatunganj and Chaktai, two major wholesale hubs for commodities, suffered losses as their stocks of goods were damaged by tidal surge and downpour in the last two days.

Because of the tidal surge as high as two feet, huge areas in Khatunganj, Chaktai and adjoining Korbaniganj and Rajakhali located on both sides of the Chaktai canal remained inundated for four hours till Monday afternoon.

This damaged huge quantity of perishable commodities such as onion, garlic, rice, lentil, sugar, tea and spices as water entered almost 2,000 shops and godowns at the wholesale markets in the areas.

High tide returned again early yesterday and in the afternoon, shutting down the business activities of the hubs.

Syed Sagir Ahmad, general secretary of Khatunganj Trade and Industries Association, said traders were yet to calculate their losses as they were still busy to protect their goods.

He assumed the loss would not be less than Tk 50 crore as water entered some 50 percent shops and godowns at Khatunganj and Chaktai.

Over 7,000 big and small shops and godowns are located in Khatunganj and

Chaktai.

Tapan Das, manager of wholesale trading firm Bagdadi Corporation, said the height of the water during the tidal surge was beyond their imagination so they could not take any precautionary measures like shifting some of their goods to high areas.

He said at least 400 sacks of garlic and onion stored in their shop and three godowns were completely damaged, inflicting a loss of Tk 5 lakh.

"One fourth of the stock was damaged," he added.

Mohammad Faruq, director of Era Traders, said 200 sacks of garlic and ginger were damaged.

At least 200 sacks of onion, garlic and ginger were damaged at Jamshed Sowdagar, another wholesaler.

The onrush of water for several times in the last couple of years prompted traders to raise the height of the doorsill of both shops and godowns up to 2 feet to 3 feet to prevent water from coming in.

Still, some of them failed to resist the high tidal as water seeped in through the walls of shops and godowns.

Ahmad said as many parts of the Chaktai canal have filled up as a result of land-grabbing and lack of regular dredging water-logging brings misery to the traders.

# New top brass for Global Insurance



**Syed Badrul Alam**

STAR BUSINESS DESK

Syed Badrul Alam has recently been elected as the chairman of Global Insurance Ltd.

The company also elected Shadman Sakib Apurba as vice chairman, the company said in a statement yesterday.

Alam had also served the company as chairman in 2005-06, according to the statement.

He is the managing director of BB Holdings Ltd and B Alam Brothers (Pvt) Ltd and a sponsor and director of Best Life Insurance Ltd.



**Peyar Ahamed, chief finance officer (complex-1) of Partex Star Group, and Dewan Rashidul Hasan, head of admin and corporate affairs, open an outlet of Reluce, a fashion and lifestyle brand of the group, on Ring Road at Mohammadpur in Dhaka.**

RELUCE

# Current account deficit continues to widen

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Strong import growth coupled with a moderate rise in export and a slowdown in remittance inflow contributed to the deficit, said a Bangladesh Bank official.

During the July-April period of fiscal 2016-17, imports rose 11.73 percent while exports grew 3.93 percent, both of which resulted in further widening of the trade deficit. Trade deficit stood at \$8.18 billion during the period in contrast to \$5.4 billion a year earlier.

However, the BB predicts that at the end of the fiscal year the current account deficit will come down to within \$600 million on the back of a pick-up in remittance and export. Export is expected to pick up, with improving growth outlook in some advanced economies, said the latest monetary policy statement of the BB. "But this outlook is subject to substantial geopolitical risks and policy uncertainties in the US, the UK and the euro area."

There is no sign yet of an acceleration in export growth, according to the government data.

In this regard, the International Monetary Fund last week said there is a risk of export slowing down further.

Since the US, Germany and the UK are

the three main export destinations of Bangladesh, a risk of slowdown in the EU may hurt shipments, mainly of garments.

For example, British garment importers have already started putting price pressures on Bangladeshi manufacturers following the announcement of Brexit.

"In the short term the impact may not be a major concern, but in the long term rising inflation expectations in the UK from the possible depreciation of the pound will affect exports," the IMF said.

However, a strong capital and financial account performance underpinned by net foreign direct, portfolio and other investments led to an overall balance surplus of \$2.3 billion during the July-April period of the fiscal year. A year earlier, it was \$3.97 billion.

The overall surplus also decreased due to the widening trade deficit and declining remittance.

After a prolonged spell of appreciation pressure on the taka, it has started to depreciate, although slowly, since October 2016, in line with the gradual erosion of the current account surplus.

On June 7, the average taka-dollar exchange rate stood at Tk 80.60, which was Tk 78.40 a year ago, according to central bank statistics.

# PSC member resigns from Teletalk's board

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He joined the PSC as a member on February 7, 2016 while still holding the post of Teletalk.

"Kamal Uddin Ahmed has violated his oath as a member of a constitutional organisation like the PSC by being a director of a profitable organisation like Teletalk," said Malik.

Teletalk officials held meetings with Ahmed at his PSC office. He was also on various committees and sub-committees regarding recruitment and promotions of Teletalk while being a PSC member, said senior officials of the mobile phone operator. Ahmed took part in the 166th board meeting of Teletalk on April 9 this year.

When contacted, Ahmed declined to comment on whether he violated the constitution.

After the issue was picked up by the media, the government took initiatives to reorganise the Teletalk board along with some other state-run companies. Some other Teletalk board members are holding their directorship although they no longer hold the portfolio that had brought them to the Teletalk board.

When contacted, Tarana Halim, state minister for telecom, said not only the Teletalk board, the government is working to reconstitute the boards of some other state-run companies and will drop the members who are not currently holding their posts at the organisations they were nominated from. "We are not singling anyone out. We have decided to reconstitute the boards of all state-owned companies," said Tarana.

She said the government is trying to bring in some independent experts with engineering and marketing background. The government has five telecom-related companies under the telecom division.

# German investor confidence falls back in June

AFP, Frankfurt Am Main

Confidence among German investors fell back in June, a closely-watched survey showed Tuesday, breaking a run of euphoric mood indicators in recent months.

The ZEW institute's poll measuring economic expectations among financial players shed 2.0 points to 18.6 points in

June -- well below its long-term average of 23.9.

Analysts surveyed by data company Factset had forecast a slight increase of 1.1 points in the barometer this month.

That would have matched last month's progress, when the election of President Emmanuel Macron in France was seen to brighten prospects for the eurozone economy.

# Cotton import on the rise

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However, the ratio is not applicable in Bangladesh yet as more than 90 percent of the yarns and fabrics are made from natural cotton in the country.

"We are upbeat about the future trend as cotton consumption is rising from the spinners' end," said Mehdi Ali, general secretary of the Bangladesh Cotton Association, adding that the demand for both yarn and fabrics is increasing every year. The over 430 local spinning mills can supply nearly 90 percent of the yarn for the knitwear sector and 40 percent of the fabrics needed by the woven sector for higher consumption of cotton.

"Many may think that the recent slowdown in garment export will have a negative impact on cotton consumption but that is not true."

Garment shipments have been declining in value but the volumes are increasing, he said. Since the volume is

increasing, so is cotton consumption.

By the end of 2020, cotton consumption in Bangladesh will hit 7.9 million bales, Ali said.

Currently, Bangladesh imports 55 percent of its demand for cotton from India, thanks to favourable prices, geographical proximity, shorter lead time and the quality of the fibre.

"We are also looking for alternative destinations as it is not right to depend too much on one country," Ali said, citing Africa, Australia and the US as the other options that are being looked at.

This month's USDA report mentioned of higher forecasts for both global production and mill use in the upcoming 2017-18 crop year.

There would be additional harvest of 1.5 million bales from previously forecasted 113.2 to 114.7 million, according to Cotton Incorporated. The rise in the global production figure was primarily a result of heightened expectations of Pakistan, China and Mexico. Last week, cotton traded between 72 cents per pound and 73.2 cents per pound in the future market.

# Toshiba hit with \$900m in lawsuits over 2015 scandal

AFP, Tokyo

Toshiba said Tuesday it had been hit with two dozen lawsuits demanding over \$900 million in damages from a 2015 profit-padding scandal that badly damaged its reputation and shredded its share price. The eye-popping total was revealed in a statement to announce a new lawsuit had been filed against one of Japan's best-known companies totalling 43.9 billion yen (\$399 million).

# Correction

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It was also said that private companies and individuals alike can apply for the fund.

Actually, over £6 million, or about Tk 60 crore, will be invested for the third round of the fund, and £34 million will be made available for the total project. Only private sector companies can avail the fund. We stand corrected.



**The members of Team Attendant, comprising students of Independent University, Bangladesh, pose after taking part in the University Rover Challenge 2017, a robotics competition, at Utah in the United States.**

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