

Farm mechanisation can eradicate poverty: Atiur

STAR BUSINESS REPORT

Low-cost loans should be available for farmers so that they can buy modern machinery to accelerate agriculture mechanisation, thus boosting output, said a former governor of the central bank.

Atiur Rahman said agriculture mechanisation can eradicate poverty, ensure food sufficiency and help increase export income.

He spoke while delivering the keynote speech at a seminar titled "Agri mechanisation: the role of private sector and access to finance" organised by Metal Group at the Krishibid Institution Bangladesh in the capital yesterday, according to a statement.

Production of food grains has increased almost four times than it was in 1972. More than 38 million tonnes of food grains are produced every year.

Studies have shown that if agricultural growth is at an annual rate of 4 percent to 4.5 percent, it will be possible to earn from the sector through exports.

If GDP growth in the agriculture sector rises 1 percent per person, the

overall poverty will decrease 0.39 percent, said the statement.

The government is implementing a project that provides subsidies to farmers for buying agriculture machinery. The government is also giving fiscal incentives to ensure better participation of the private sector in agriculture mechanisation.

The latest Agriculture and Rural Credit Policy and Programme of the BB has especially encouraged providing loans for agriculture machinery, said Rahman.

He urged banks and financial institutions to provide special loans to farmers so that they can buy necessary farm machinery.

Rahman said if the bank rate can be reduced from 5 percent to 4 percent for agri-machinery, commercial banks will have additional incentives to give more loans at a lower interest rate through the refinancing programme.

The 'Agricultural and Rural Credit Policy and Programme' directs banks and financial institutions to disburse 10 percent of the total loan to fish culture.

If a similar directive could be given

to promote farm machinery, it would have tremendous positive impact on agriculture mechanisation, said the former governor.

He recommended initiating low-interest loans for agri-machinery similar to those given to spice cultivators and cattle rearing households.

Metal Group has been working in the agriculture mechanisation sector of Bangladesh since 1993. It was the first organisation to provide loans to farmers for buying agri-machinery, said Sadid Jamil, managing director of Metal Group.

"If banks and financial institutions also start providing loans to farmers, agri-mechanisation will accelerate. As a result, production of food grains will increase and poverty will be lessened."

Helal Ahmed Chowdhury, supernumerary professor of the Bangladesh Institute of Bank Management; Prof Abdus Sattar Mandal, a former vice-chancellor of Bangladesh Agricultural University; Hideaki Kojima, managing director of MUFG Bank Ltd, a Japanese lender; Prof Hannana Begum, a former director of the BB, and AMM Farhad, chief executive officer of Metal Group, were also present.



Mujibur Rahman, chairman of Eastern Insurance Company Ltd, and Mohammad Haroon Patwary, CEO, attend the company's 32nd annual general meeting at Spectra Convention Centre in Dhaka recently. The meeting approved 20 percent cash dividend for shareholders.

Accord persistent over another extension

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There is also an order from the court that the Accord's tenure cannot be extended beyond December, he said, adding that 60 engineers have been recruited for the RCC.

The government has re-posted 26 engineers to the RCC and the International Labour Organisation has also committed to provide 47 engineers, Chunnu said.

"By December this body would be made more capable so that nobody can question its fitness," he added.

The government formed the RCC in May last year with representation from the ILO, the Accord, the Alliance, trade union leaders and other stakeholders to continue the progress of factory remediation.

Although the Accord wants to extend its tenure, its North American counterpart, the Alliance, has already declared that it will not stay here beyond December.

In the fourth meeting of the Accord steering committee held in Brussels on July 25, representatives from the EU, the US, Canada, ILO, and the Accord signatory brands and unions said the RCC is at its earliest stages of development.

This means the Accord would need to continue its operations in Bangladesh until the RCC is deemed ready by the multi-stakeholder Transition Monitoring Committee (TMC), said a statement from the Accord.

"Only when this assessment body deems the RCC ready to take over responsibilities for the safety of workers based on previously agreed objective criteria should the Accord wind down its activities."

The meeting attendants, who are also the Sustainability Compact partners, also discussed the progress made under the agreement and what remains to be done.

This was the fourth time since the signing of the Compact in July 2013 that such an assessment took place.

The Compact partners acknowledged that some progress has been made since the last high-level meeting in May 2017.

Progress on safety compliance was particularly noted. Marcia Bernicat, the US ambassador to Bangladesh, urged the government to "maintain a collaborative approach to the Accord as it continues to assess when -- not if -- it can transition to a Bangladesh-led programme".

It is critical to the safety of millions of workers and the productivity of factories that the assessment should be made fairly and objectively, and without artificial time deadlines.

"Currently there is no alternative to the Accord and Alliance," she added.

The RCC only began one year ago and is not fully-staffed yet.

"As we saw from the Alliance and the Accord, it takes years to develop a fully functional safety organisation. It is not surprising that the RCC is not quite ready to take on the work," said Amy McGann, foreign affairs officer of the US Department of State.

The Accord was formed in 2013 after the Rana Plaza building collapse by more than 200 EU-based retailers to fix the structural, fire and electrical loopholes in the garment factories.

India's milk powder exports to surge on subsidies, dampen global prices

REUTERS, Mumbai

A massive milk glut in India could hit international prices for dry milk powder after government subsidies aimed at supporting local farmers look set to spur a ninefold surge in exports, industry officials told Reuters.

India's skimmed milk powder (SMP) exports are expected to rise to 100,000 tonnes in the 2018/19 fiscal year as rare government incentives spur overseas sales and make shipments from the world's biggest milk producer competitive on the global market.

The rise in shipments from India could weigh on global SMP prices that have more than halved in four years due to surplus supplies, according to analysts and industry officials.

The exports will also help India bring down inventories that have dragged local raw milk prices to three year lows and below cost of the production, sparking widespread farmer protests.

In the wake of the protests, the western states of Gujarat and Maharashtra, India's leading milk producers, offered a 50,000 rupees (\$727.86) a tonne subsidy for exports of SMP, while the central government approved a further subsidy of 10 percent of the export price.

"India was not exporting a big

quantity. The government assistance will revive exports in coming months," said R. S. Sodhi, managing director of Gujarat Cooperative Milk Marketing Federation Ltd, the country's biggest milk processor.

The potential 100,000 tonnes of shipments expected in the 2018/19 year starting April 1 compare to 11,500 tonnes a year earlier, Sodhi and other industry officials said.

India rarely impacts the dried milk export market. The US Department of Agriculture recently forecast the country's 2018 non-fat dry milk powder shipments to be only 15,000 tonnes, compared to 410,000 tonnes from New Zealand and 720,000 tonnes from the United States.

Substantially larger-than-expected Indian exports could therefore weigh on global skimmed milk prices that only recently recovered from all time lows plunged in January of around \$1,550 per tonne. Benchmark prices traded on the CME Group are currently around \$1,730 per tonne.

"The potential addition of Indian SMP to global stocks will keep the global SMP prices depressed," said Shiva Mudgil, senior dairy analyst at Rabobank.

Historically, Indian SMP is offered at a discount to SMP from New Zealand, which is perceived as of

higher quality. In the global market, Indian SMP was fetching around \$1,700 per tonne compared to local price of \$1,900 per tonne and production cost of more than \$2,900, industry officials said.

Indian dairies were not previously exporting SMP due to the wide gap between local and overseas prices, but with the government subsidy, that difference has narrowed, said Devendra Shah, chairman of Parag Milk Foods, a dairy firm based in western state of Maharashtra.

"Even after the subsidy, dairies will be losing money on the exports," Shah said.

India's dairy industry has been a lifeline for millions of small farmers across India, providing critical revenue especially during poor crop years. Indian farmers earn more money from the sale of milk than from wheat and rice sales combined.

The country's milk production has grown at compound annual rate of 4.9 percent over the last decade and is expected to reach a record 180 million tonnes this fiscal year, Rabobank estimates.

But a fall in raw milk prices this year has hammered farmers' earnings, which have already been squeezed by lower crop prices, and added to pressure on authorities to act.



Officials of China Harbour Engineering Company Ltd (CHEC) brief Abul Kalam Azad, principal coordinator for Sustainable Development Goals (SDG) Affairs at the Prime Minister's Office, and Paban Chowdhury, executive chairman of Bangladesh Economic Zones Authority, on the progress in construction of Sabrang Tourism Zone in Chittagong during a recent three-day visit to ongoing development projects, including Mirsarai Economic Zone and China Economic Industrial Park.

Violence threatens women's economic potential

Says paper presented at Dhaka University Friends Association seminar

STAR BUSINESS REPORT

It will be a challenge to increase women's participation in the labour force and in economic activities while violence against women and children continues unabated, according to a paper.

Moreover, advancements such as the number of females in the labour force increasing by nine lakh to two crore in 2016-17 cannot be retained unless adequate safety is ensured, said Shanjida Khan Ripa, one of the authors.

She presented the paper at the Cirdap auditorium in the capital yesterday during a seminar organised by the Dhaka University Friends Association, comprising the 1995-96 session's alumni, on the state and society's role in combating violence and rape.

The co-authors are Quamrun Mahmud and Zahid Kabir Titu.

The paper said the Women and

Children Repression Prevention Act 2000 was used to record 3,961 cases against alleged rapists in 2017 while some 17 women either died or were killed following the crimes.

It suggested proper implementation of laws, legal aid and support from society for victims, introduction of character education, self-defence training for women and raising awareness at all levels of society.

The paper observed that the child victims were aged three to 14 years while the perpetrators above 40 years. It said that incidents of rape were high in slum areas and that substance abuse, particularly of yaba, triggered rape.

State Minister for Women and Children Affairs Meher Afroze Chumki said the government was carrying out various activities to combat the violence and ensure economic empowerment of women.

She stressed increasing awareness, particularly among men, on early

marriage.

Absence of good governance is one of the main reasons behind rape and violence against women, said Zainul Abedin, president of the Supreme Court Bar Association.

He said there were instances of victims being denied justice for the weak framing of cases and failure of witnesses to make court appearances, leading to many rapists walking scot-free.

Sanzida Akhter, chairman of the Department of Women and Gender Studies, said existence of patriarchy and notions of masculinity in society was one of the causes of rape.

Khushi Kabir, secretary of Nijera Kori, a non-government organisation, said despite many women-friendly government steps and framing of laws, violence continues.

She recommended identifying barriers to the proper implementation of the laws.

Giant stride by local tech firm

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Mecca-based Sakn Alwantiya will initially take about 5,000 units of the state-of-the-art device, which will be installed inside the water tanks.

More orders will be placed depending on the efficacy of the IoT devices.

Shipment will start from July 31 with a batch of 100 units. To mark the shipment, DataSoft will organise a programme at the Bangabandhu Hi-Tech City in Gazipur, where it was developed in a rented facility. Mustafa Jabbar, ICT and telecom minister, is scheduled to attend the event.

DataSoft is also developing an artificial intelligence system for Tokyo's 10,000 smart apartments, which will help to solve the accommodation problems during the 2020 Olympics.

The company is also developing IoT solutions for the Democratic Republic of Congo for one of its bridges, which will give signal about the bridge's condition and weight of the vehicles.

"Our company is developing different ICT solutions, but right now we are focusing more on IoT as we believe that this technological evaluation will change the whole game," Zaman said.

IoT is a computing concept that describes the idea of everyday physical objects being connected to the internet and being able to identify themselves to other devices.

The devices communicate with one another and act on the information they get from each other, without any human intervention.

DataSoft set up the country's first IoT lab in its office at Shyamoli in Dhaka two years ago. A few hundred engineers are employed to come up with solutions for the various challenges thrown up for city dwellers.

The company is now trying to get a land inside the Bangabandhu Hi-Tech City, the country's first dedicated tech industrial park, to establish its own factory, according to Zaman.

Germany buys stake in 50Hertz power firm, thwarting Chinese interest

AFP, Berlin

The German government bought a 20 percent stake in the electricity network firm 50Hertz, the economy and finance ministries said Friday, thwarting Chinese investors from buying into the strategic company.

"On national security grounds, the federal government has a major interest in protecting critical energy infrastructure," the ministries said in a joint statement, adding that it has therefore commissioned a public bank to take a stake as a "temporary measure".

According to media reports, China's State Grid has been in talks to purchase a 20 percent stake in the company that had been put up for sale by Australian infrastructure fund IFM.

The Chinese group had already sought to buy into the company earlier this year.

Private credit growth drops

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Islam though blames the prevalence of politically connected persons in many of the banks' boards, which has an adverse effect on their lending decisions.

"The influence means loans are sanctioned in violation of the rules."

He feared that non-performing loans may go up further in the banking sector in the absence of proper corporate governance.

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