

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX			MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
▲ 0.88%	▲ 0.67%	Gold ▲	Oil ▲	▲ 0.28%	▼ 0.29%	▼ 0.07%	Flat	BUY TK 83.95	92.61	109.22	0.75	
4,456.83	8,206.57	\$1,475.90 (per ounce)	\$66.25 (per barrel)	41,673.92	23,964.85	3,207.42	3,017.07	SELL TK 84.95	96.41	113.02	0.79	




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BUSINESS

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# Govt softens stance on new potato variety

*Private sector can now easily take new breeds to farmers*

SOHEL PARVEZ

The government has withdrawn restriction on the introduction of new varieties of potato seeds, their production and marketing for three years.

The move will enable the private sector to take newer breeds of the tuber crop to farmers’ doorstep without waiting for approval from authorities.

The agriculture ministry issued a notification in this regard last week, declaring potato a “non-notified” crop for three years since September 19, 2019, meaning there would be no control on the introduction of new and alien seeds of the popular vegetable.

The move created both optimism and concerns among stakeholders. “We have liberalised the potato seed sector to facilitate cultivation of exportable varieties to increase export of potato so that farmers get fair prices,” said Ashraf Uddin Ahmed, director general of the seed wing under the ministry.

Until recently, the government regulated

the introduction of new varieties of potato and anyone willing to bring a new breed had to apply to the National Seed Board (NSB) to release the variety for cultivation.

The variety has to go through several field trials under the supervision of the Seed Certification Agency to be eligible for release and cultivation eventually.

This process takes four to five years, according to Ahmed.

“Now anyone can import new varieties of potatoes like other vegetables and take the varieties to farmers by following some procedures,” he said.

The decision to liberalise the introduction of potato seeds, 6.7 lakh tonnes of which are required annually, comes at a time when farmers’ cry for fair prices was becoming louder owing to surplus production.

Farmers have been growing the vegetable on nearly five lakh hectares of area for the last couple of years.

They bagged 96.55 lakh tonnes of potato last fiscal year, down marginally from that a year ago, showed the Bangladesh Bureau of Statistics (BBS) data.

The ministry said 65-70 lakh tonnes of potatoes are consumed by households and only 50,000-60,000 tonnes are exported annually, leaving a huge amount of surplus.

Ahmed said the varieties that are grown now do not have high demand abroad.

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# Export growth may slow to 7.3pc next year

*Bangladesh's growth in shipment still highest in Asia-Pacific, says UN report*

REFAYET ULLAH MIRDHA

Bangladesh’s exports will grow 7.3 percent next year, down 1.8 percentage points from that in 2019, as the ongoing global trade tension continues to hurt business in Asia and the Pacific, a new United Nations report said.

Still, the projected export growth of Bangladesh will be the highest among some select countries, according to the Trade in Goods Outlook 2019/2020 of the United Nations Economic and Social Commission for the Asia and Pacific (UNESCAP).

The countries include Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Pakistan, the Philippines, South Korea, Singapore, Sri Lanka, Thailand, Turkey and Vietnam, according to the report released on Wednesday.

At the end of 2019, Bangladesh’s overseas sales will see a growth rate of 9.1 percent, also the highest among the countries.

## UNESCAP OBSERVATIONS

Bangladesh’s exports to grow 9.1pc in 2019

Shipment to slow 1.8 percentage points next year

Prices of exports to rise 5.1pc

Export volume to go up 2.1pc

Trade in Asia-Pacific shrank in 2019

Asia-Pacific exports fell 2.5pc

Tariff war to take \$400b off global GDP

The report said Bangladesh will enjoy price benefit for exports next year. The price increase will double to 5.1 percent in 2020 compared to 2.6 percent in the outgoing year.

The volume of exportable goods will go up by

2.1 percent next year from 6.3 percent in 2019, data showed.

The Asia-Pacific economies may see positive trade growth in 2020 but are still facing downside risks from the adverse impacts of the US-China trade tension, the ESCAP said.

Trade in the region contracted in 2019. For the first time since the 2009 global economic crisis, the value and volume of trade in the region have been declining.

Total export volume fell by 2.5 percent, while import volume decreased by 3.5 percent. Oil-exporting economies such as Iran and Indonesia as well as Japan, Singapore, Hong Kong and China registered some of the largest declines in export volume.

Merchandise trade in the region also faced strong headwinds in 2018-2019 caused by the worldwide economic growth slowdown and heightened trade tensions.

READ MORE ON B3

# Six countries keen to invest in Teletalk, 5G: Jabbar

STAR BUSINESS REPORT

The government has received proposals from half a dozen foreign companies which want to invest in Teletalk and fifth-generation (5G) service, Mustafa Jabbar, posts and telecommunications minister, said yesterday.

In a meeting with the Telecom Reporters’ Network Bangladesh (TRNB) at his office, Jabbar declined to reveal the names. He said that the companies were from Japan, China, South Korea, Russia, Saudi Arabia and the United Arab Emirates.

“One company has already sent us its business proposal with investment plan in Teletalk and we are considering it,” Jabbar said.

There are some other proposals where companies showed interest to invest in Bangladesh and get a licence for 5G service, he added.



Mustafa Jabbar

Jabbar said they can’t ensure proper competition in the market as there was a huge gap between the investment in government-owned Teletalk and that in privately owned ones such as Grameenphone.

According to the minister, Grameenphone has so far invested about Tk 40,000 crore and Teletalk only Tk 3,600 crore.

“We have placed a proposal with the government to invest another Tk 3,200 crore in Teletalk and it will expand the operator’s coverage level to 80 percent of the geographical location, which is now about 30 percent only.”

In order to bring competitiveness into the market, there is no alternative to strengthening the market, he added.

Jabbar said there was also a proposal to establish submarine cable company in the private sector as well.

“I am flooded with so many investment proposals that I am already in a pressurised situation. We need to make decision on it.”

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Syed Mahbubur Rahman, managing director of Mutual Trust Bank, cuts a ribbon to open the bank's sub-branch at Mongolergaon area of Sonargaon upazila in Narayanganj recently.

# Germany to issue first 'green bond' in second half of 2020

REUTERS, Berlin  
Germany will launch its first "green bond" with a multi-billion euro issue in the second half of next year, to tap into the booming market for sustainable finance, the government's finance agency said on Thursday.  
"The German Federal Government intends to support the development of sustainable financial markets and in particular the green market segment by issuing Green German Government securities," the finance agency said.  
Tammo Diemer, the agency's managing director, said it would be a multi-billion euro issue, and put the amount, in billions, somewhere between a high-single digit to low double-digit.  
More details will be published in the quarterly updates of the agency's issuance plans, Diemer added.  
The "green bond", which is part of the government's efforts to roll over maturing debt, will be designed in the form of so-called green twin bonds.  
This means that the government will issue "green bonds" with the same maturity and coupon as conventional securities, the agency said. The green twin bonds will replace part of the conventional twin bond's auction volume, the agency said.  
"In accordance with the established Green Bond Principles, the proceeds from Green German Government securities will completely be allocated to already existing expenditures with a positive ecological-sustainable effect," it added.  
The move follows an agreement that was reached by European Union member states earlier this month on a new set of rules governing which financial products can be called "green" and "sustainable".  
Under the agreement, all financial products that claim to be green or sustainable will have to disclose exactly what proportion of their investments are environmentally friendly.  
Overall, the German government plans to borrow more money in 2020 than it did this year.

# Heard of bitcoin's 'halving'? It's set to shake crypto markets in 2020

REUTERS, London  
If you're not a bitcoin enthusiast, you probably haven't heard what's happening next year. It's called the "halving", and it will cut production of the cryptocurrency by 50 percent.  
No one's in control of this process. It's a rule written into bitcoin's underlying code by its pseudonymous creator Satoshi Nakamoto more than a decade ago.  
The event, expected in May 2020, slashes by half the number of new coins awarded to bitcoin miners who provide global supply of the cryptocurrency by solving complex maths puzzles.  
That's a big change in a market worth about \$120 billion where bitcoin worth several billions dollars are created every year.

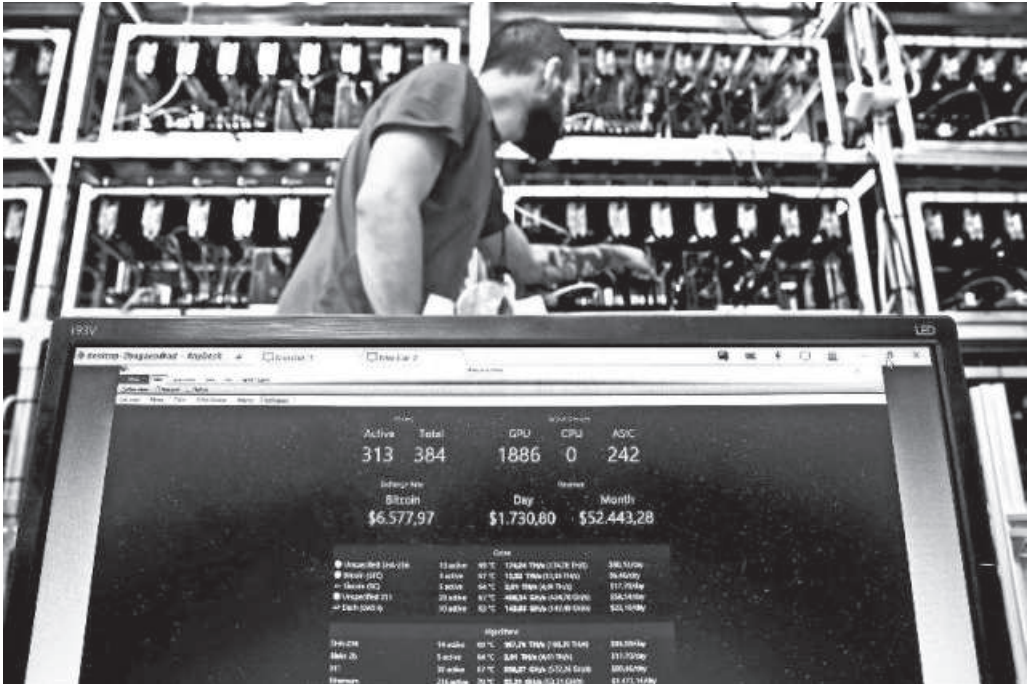
Players in the know are preparing for the sharp price gains and volatility that have accompanied previous halvings, which happen roughly every four years and act to both ensure the scarcity of bitcoin and keep a cap on price inflation.  
There are likely to be winners and losers. So market participants, from bitcoin miners and traders, are trying to fathom how the next halving might play out to gain an edge.  
"This is the biggest question right now for most of the industry," said Eyal Avramovich, chief executive of MineBest, a Warsaw-based company that mines bitcoin.  
The fracture to the production of bitcoin provides a reminder of one reason why the decentralized digital currency has confounded regulation and acceptance by mainstream finance: Its fate remains tied to arcane technological factors.  
In theory, if supply is cut and demand stays constant, prices rise. This time around, seven crypto traders and miners interviewed by Reuters said the May halving would probably lead to greater volatility and trading volumes. However the cut to supply is likely to be more priced in than previously, they said, with many traders already geared up for the upcoming event.  
Bitcoin miners use high-spec computers to compete against other machines in the crypto network, racing to add new "blocks" to the blockchain ledger that underpins the cryptocurrency.  
They are rewarded with a set number of bitcoin, currently 12.5. At current rates of block creation, the next halving will take place in May, when the number will drop to 6.25.  
In the one-year periods after the two previous halvings, in November 2012 and July 2016, bitcoin rose around by 80 times and four times respectively. It is not clear how much of these price gains was down to the halving, versus with other factors.  
This time around, bitcoin derivatives markets - still nascent - point to higher volatility around the time of the halving, said Jeff Dorman of Arca, a US crypto investment firm.  
Such volatility in bitcoin markets tends to benefit quantitative hedge funds and high-frequency traders that seek to make money from swinging crypto prices.  
"For us, the event will be positive because it cause activity in the market," said Ha Duong of Cambrial, an cryptocurrency investor in Berlin.  
But for miners that hold large inventories of bitcoin, volatility can also be a hindrance. For them, stability of price gives greater predictability for investment in new gear.  
While bitcoin futures contracts allow miners to hedge the risk of their inventories, there are currently few tools for them to properly hedge against volatility, said Ricky Li, co-founder of crypto trader Altonomy.  
"If you want to long volatility, the options contracts available for the market right now really do not have the tenor (length)," he said.



Jayaprakash Nair, country manager of Qatar Airways, and KM Mozibul Hoque, president of the Consular Corps in Bangladesh, pose at a deal signing ceremony at Six Seasons Hotel in Dhaka recently on collaborating in areas of travel, tourism, cargo and business promotion.

# Airbnb wins fight to remain exempt from European property rules

REUTERS, Luxembourg  
US homesharing site Airbnb on Thursday won its battle to remain exempt from onerous European property regulations, as the EU's top court ruled it was an online platform and not a property agent.  
The case came before the Court of Justice of the European Union (CJEU) following a complaint by French tourism association AHTOP. The issue underlines the quandary regulators face in dealing with new online services venturing into traditional businesses, but not subjected to the same rules.  
For Airbnb, the French case is significant as the International Olympic Committee has agreed to promote the company for accommodation during the 2024 Olympics in Paris. Judges in essence accepted the company's arguments that it is an online platform and not a property agent.  
"The nature of the links between the intermediation service and the provision of accommodation did not justify departing from the classification of that intermediation service as an 'information society service'," the CJEU said.  
The court also faulted France for not notifying the European Commission, the EU executive, of the requirement for Airbnb to hold an estate agent's professional licence.  
Airbnb welcomed the judgment.  
"We want to be good partners to everyone and already we have worked with more than 500 governments to help hosts share their homes, follow the rules and pay tax," it said in a statement.  
Airbnb has in recent years duelled with hoteliers and authorities in cities from New York to Amsterdam, Berlin and Paris, accused of worsening housing shortages and pushing out lower income residents.



An employee works on a Bitcoin mining computer as a PC screen shows the fluctuations in Bitcoin exchange rates at the Bitminer Factory in Florence, Italy.

# Bank of England launches eavesdropping probe

AFP, London  
The Bank of England launched a probe Thursday after discovering some investors eavesdropped on press briefings moments before they were broadcast, reportedly to hand a split-second advantage to high-speed traders.  
The Times newspaper reported that one of the BoE's suppliers had been sending a market-sensitive audio feed of the bank's press conferences to hedge funds moments before the rest of the world.  
The BoE, which will announce its latest interest rate decision at 1200 GMT, responded in a brief statement that it has identified the feed that had been misused by a third-party supplier -- and whose access had now been revoked.  
"Following concerns raised with the bank, we have recently identified that an audio feed of certain of the bank press conferences -- installed only to act as a back-up in case the video feed failed -- has been misused by a third party supplier to the bank since earlier this year to supply services to other external clients," the bank said overnight.  
The video feed of the bank's press conferences has a slight delay, while the audio feed was live.  
At press conferences following monetary policy decisions the BoE's governor makes comments on policy, some of which can produce considerable swings in the value of the pound. Even several seconds advantage could give traders the possibility to earn considerable returns.  
"This wholly unacceptable use of the audio feed was without the bank's knowledge or consent, and is being investigated further," added the BoE.

"On identifying this, the bank immediately disabled the third party supplier's access.  
"As a result, the third party supplier did not have any access to the most recent press conference and will no longer play any part in any of the bank's future press conferences." A spokesman for Britain's Financial Conduct Authority regulator meanwhile told AFP that it was "looking at the issue" but declined to make further comment.  
The BoE will meanwhile reveal Thursday its first interest rate call since Prime Minister Boris Johnson's landslide election victory one week ago, and ahead of Brexit next month.  
The bank is expected to keep its key lending rate at 0.75 percent, as speculation also swirls over an imminent appointment of the successor to departing Governor Mark Carney.



Yakub Ali Montu, former chairman of NCC Bank, cuts a ribbon to open the bank's 120th branch at Chawkbazar in Chattogram yesterday. Md Nurun Newaz Salim, current chairman, and Mosleh Uddin Ahmed, CEO, were present.



Azharul Islam, chairman of Uttara Bank, opens the bank's 239th branch in Charpara in Mymensingh yesterday. Mohammed Rabiul Hossain, CEO, was present.

# ECB rates can still go much lower, staff research shows

REUTERS, Frankfurt  
European Central Bank interest rates, already deep in negative territory, could go much lower before any further cuts become counterproductive, new research by the bank's staff showed on Thursday.  
A paper, which does not necessarily represent the ECB's opinion, showed that even at minus 1 percent, the ECB would still not hit the so-called reversal rate, where bank lending starts to contract and rate cuts become counterproductive.  
"On the face of it, these results seem reassuring: the 'reversal rate' might not be in sight in the euro area for still quite a while, at least over the range of levels for the overnight interest rate that we have considered in our simulations," the paper on the history of the euro's first two decades said.  
"In fact, lower overnight (and longer-term) interest rates are associated with stronger loan growth," the paper said after modeling several deposit rate cuts, including to minus 1 percent.  
But the paper also warned that any scenario requiring such a cut would also imply that the economy was undergoing a severe shock and that in itself could raise the reversal rate as risk averse banks stopped lending.  
Although the 335-page paper was written by staff, the effort was led by Massimo Rostagno, the head of the ECB's monetary policy decision, a key player in preparing Governing Council decisions and one of the architects of past stimulus measures.  
The ECB cut its deposit rate to minus 0.5 percent in September and a growing number of policymakers are warning about taking it any lower for fear that it would thwart lending.  
The paper also concluded that actual growth following the ECB's stimulus measures was at the top end of initial estimates while inflation was at the lower end of what the ECB initially estimated.  
"Over the period 2015-2018 the median across the Eurosystem-staff range of estimates was 2.2 percentage points for real GDP growth and 1.9 percentage points for inflation over the same period," the paper concluded.



# Oil hovers near three-month highs on trade progress

REUTERS, London

Oil prices hovered near three-month peaks on Thursday, buoyed by falling US crude inventories and thawing trade relations between the United States and China.

Brent crude futures edged up 10 cents to \$66.27 a barrel by 0957 GMT, heading for a sixth straight day of gains if prices on Thursday end in positive territory. US West Texas Intermediate (WTI) crude gained 6 cents to \$60.99 a barrel.

Trading volume was thin before the Christmas holiday with news of President Donald Trump's impeachment by the US House of Representatives failing to stir the oil market.

"A resilient performance in the coming two weeks will flip the monthly technical picture unreservedly positive for next year," PVM oil market analysts said, although they added prices were still likely to be volatile. Oil prices are on track for a third consecutive weekly rise, surfing momentum from this month's announcements about deeper output cuts by major crude producers and the "Phase One" deal between Washington and China that has eased trade tensions.

The deal between the world's two largest economies has improved the global economic outlook, lifting prospects for higher energy demand next year and underpinning oil prices.

In a further sign of thawing relations, China's finance ministry on Thursday published a new list of six U.S. products that will be exempt from tariffs starting Dec. 26.

A week earlier, the Organization of the Petroleum Exporting Countries and non-OPEC producers such as Russia agreed to deepen production cuts by a further 500,000 barrels per day (bpd) from Jan. 1 on top of previous reductions of 1.2 million bpd.

Offering a further lift to oil prices, weekly data from the Energy Information Administration showed U.S. crude inventories dropped 1.1 million barrels in the week to Dec. 13, while gasoline and distillates stockpiles rose.

# BOJ's Kuroda warns of risks to Japan economy despite trade war truce

REUTERS, Tokyo

Bank of Japan Governor Haruhiko Kuroda said the global economic outlook has brightened somewhat due to a preliminary US-China trade deal but warned that risks to Japan's recovery remain high, signaling his resolve to keep the money spigot wide open.

But Kuroda said there were limits to how much the BOJ could deepen negative interest rates as prolonged ultra-low borrowing costs hurt financial institutions, suggesting that no immediate expansion of stimulus was forthcoming.

As part of efforts to ease the side-effects of its huge asset buying, the BOJ unveiled details of a scheme first flagged in April to lend some of its holdings of exchange-traded funds (ETF).

"It's true we've seen some positive developments regarding overseas risks," Kuroda said, welcoming receding fears of a disorderly Brexit and recent progress made by Washington and Beijing to de-escalate their bruising trade war.

"Things are moving forward but uncertainty remains high. We still need to guard against downside risks to Japan's economy," he told a news conference on Thursday.

Kuroda made the comments after the BOJ's widely expected decision to maintain its short-term rate target at -0.1 percent and that for 10-year bond yields around 0 percent.

The central bank also kept intact its assessment that Japan's economy continues to expand moderately as a trend, pointing to an expected boost

to growth from the government's \$122 billion spending package unveiled on Dec. 5. But the BOJ offered a gloomier view on factory output, a nod to the fallout from soft global demand and trade tensions.



BOJ Governor Haruhiko Kuroda

"Industrial production is falling due mainly to natural disasters," the BOJ said in a statement, revising down its view from October when it said output was moving sideways.

The decision to stand pat keeps Japan in line with the US Federal Reserve and the European Central Bank, which have both signaled their respective monetary policies will be in a holding pattern for the time being.

"The BOJ will likely stand pat throughout next year given the Fed probably won't raise or cut interest rates, which should keep yen moves steady," said Izuru Kato, chief economist at Totan Research.

Years of heavy money printing have failed to fire up inflation to the BOJ's 2 percent target, forcing it to maintain a

massive stimulus despite the hit inflicted on financial institutions' profits from prolonged ultra-low rates.

Koichi Hamada, a key economic adviser to Prime Minister Shinzo Abe, criticized the BOJ's negative rate policy and warned against pushing borrowing costs too low.

Kuroda countered the view the BOJ has reached the limits of monetary easing, saying that deepening negative rates was among the central bank's policy options.

But he said the BOJ must be mindful of the impact ultra-low rates could have on regional banks, already struggling from structural factors and signs of increase in credit costs.

"It's not as if we can deepen negative rates indefinitely," Kuroda said. "If low rates are sustained for a prolonged period, that could hurt financial intermediation. We must make sure the (demerits) do not erode the effect of monetary easing."

He also said Japan's yield curve ought to steepen more, warning investors against pushing super-long bond yields too low and narrowing the margin commercial banks earn from lending.

Coupled with the rate decision, the BOJ announced details of a plan to begin lending ETFs to market participants as part of efforts to make its policy framework more sustainable.

Aside from gobbling up government bonds to keep bond yields low, the BOJ also buys ETFs and other risky assets under its stimulus program. Some investors have complained the BOJ's huge buying was distorting stock prices.

# Nihad re-elected MCCI president, Anis VP



Nihad Kabir



Anis A Khan

STAR BUSINESS DESK

Nihad Kabir, senior partner at the Syed Ishtiaq Ahmed & Associates, has recently been unanimously re-elected president of the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) for 2020.

The election was held at a meeting on November 27, which was confirmed at the MCCI's 115th annual general meeting yesterday, according to a statement.

The chamber also elected Anis A Khan, a director of W&W Grains Corporation, as vice president.

Kabir is a director of Brac Bank, Idcol, bKash and Guardian Life Insurance and an independent director of Square Pharmaceuticals and Square Textiles. She is also a shareholder of Kedarpur Tea Co and Sangbad Ltd.

Khan was the managing director and CEO of Mutual Trust Bank and IDLC Finance. He earlier served Grindlays Bank, ANZ Grindlays Bank and Standard Chartered Bank.

The committee members are Syed Tareque Md Ali, Mohammad Naser Ezaz Bijoy, Tapan Chowdhury, Ulzma Chowdhury, Simeen Hossain, Rubaiyat Jamil, Adeeb Hossain Khan, Hasan Mahmood, Golam Mainuddin and Syed Nasim Manzur.



CITY BANK

**Mashrur Arefin, CEO of City Bank, and Md Sharafat Ullah Khan, a deputy general manager of Bangladesh Bank, exchange the signed documents of an agreement on Japan International Cooperation Agency-assisted Urban Building Safety Project at the latter's head office in Dhaka on Tuesday. The deal will enable City Bank to avail long-term refinance/pre-finance facility for promoting investment in safe working environments in the RMG sector.**



CROWN CEMENT

**Mohammed Jahangir Alam, chairman of MI Cement (Crown Cement), presides over the company's 25th annual general meeting on its factory premises at West Mukterpur in Munshiganj yesterday. The company approved 10 percent cash dividend for the year ending on June 30, 2019. Molla Mohammad Majnu, managing director, was present.**

## Six countries keen to invest in Teletalk, 5G: Jabbar

FROM PAGE B1

The telecom minister also acknowledged that because of the call rate revision, the expenditure for customers has increased slightly. He also said his initiative to reduce the cost of internet usage was still on.

"Cutting the internet usage cost has been my first priority but I cannot ensure it as there are multiple channels inside the system and everything is not in our hand."

In August 2018, the government fixed the minimum call charge at Tk 0.45 per minute and with VAT and other taxes it rose to at least Tk 0.54.

However, companies like Grameenphone are charging on an average Tk 0.73, which was Tk 0.67 per minute before the rate was revised. Jabbar also blames the tax policy as one of the barriers.

He said his ministry was going to ensure free internet in 587 government schools and

colleges. "Personally, I think internet should be free for educational institutions and that should be the students' right."

The telecom minister said the government has formulated a guideline to ensure the quality of service but unfortunately that has not been enacted still.

"As a customer, I am also annoyed with the mobile operators as I also get a huge number of call drops," said Jabbar.

The telecom division is going to present a demonstration on 5G at the three-day Digital Bangladesh Fair, which will take place from January 16 to 18.

"We have so far established a fibre optic connected network across the country and by the middle of next year you will not find any union where there will be no fibre optical connectivity."

Jabbar also said without fibre optical network, 5G would not be usable.

## Govt softens stance on new potato variety

FROM PAGE B1

Farmers mainly cultivate diamond varieties of potatoes, which are mainly consumed by households.

They also grow granola potato and some varieties namely asterix and lady rosetta for agro-processing.

"Farmers will not make profit by producing table potatoes only. We need varieties for industrial processing and to increase exports," Ahmed said.

Officials of Tuber Crop Research Centre (TCRC) said there are a good number of varieties available for export and warned that easing of control would increase risk of infestation of alien disease in the crop.

"Exporters should go for contract farming of potato to ensure quality and disease-free production and boost export," said a senior official of the TCRC, seeking to remain unnamed. The official said exporters seek potatoes which are larger having high dry matter content to cater to demand for processors abroad.

But potatoes produced in Bangladesh are smaller as those are grown in 90 days compared to nearly six months in Europe, the TCRC official said. Ferdousi Begum, managing director of Ferdous Biotech, said relaxation of rules will affect tissue culture labs that produce seeds of potatoes.

"We will be badly affected by the entry of foreign seeds. We have been facing difficulties in selling seeds since 2016 because of low prices of potatoes," she said, adding that tissue culture labs could cut import dependence for seeds to a large extent since 2010-11.

FH Ansarey, managing director and chief executive of ACI Agribusiness of ACI Ltd, said most of the seeds of potatoes are of foreign origin and good varieties of potatoes for industrial processing and value addition will come through imports because of the easing of rules.

"This is a dynamic move. This will increase competition in the sector. The government should also ease restriction on wheat and sugarcane seeds," he said.

"Given the surplus production of potato, relaxation of rules will encourage the introduction of varieties for industrial processing and we will be able to meet both domestic and international demand," said Wais Kabir, executive director of Krishi Gobeshona Foundation, a state sponsored agency promoting agricultural research.

"We need to have a stringent quarantine and disease management system."

## US, China in touch on signing of Phase 1 trade deal: official

REUTERS, Beijing

China and the United States are in touch over the signing of their Phase 1 trade deal, China's commerce ministry said, which will see lower US tariffs on Chinese goods and higher Chinese purchases of US farm, energy and manufactured goods.

The Phase 1 deal was announced last week after more than two years of on-and-off trade talks, although neither side has released many specific details of the agreement.

Both the Chinese and US trade teams are in close communication, Gao Feng, a spokesman at the Chinese commerce ministry, told reporters at a regular briefing on Thursday, adding there is no specific information on the deal to disclose currently.

"After the official signing of the deal, the content of the agreement will be made public," Gao said.

US officials say China agreed to increase purchases of US products and services by at least \$200 billion over the next two years.

## Export growth may slow to 7.3pc next year

FROM PAGE B1

These have had an adverse effect on trade, particularly in case of economies closely integrated with China through global value chains (GVCs).

Integration of smaller traders into the global and regional economy through GVCs is becoming more difficult. New import barriers increase the cost of production and reduce the competitiveness of companies participating in regional production networks.

The ESCAP earlier estimated that the tariff war-related toll on gross domestic product could reach as much as \$400 billion worldwide and \$117 billion in the Asia-Pacific region.

These projections are materialising and could increase unless current efforts to reduce trade tensions are successful.

"For the Asia-Pacific region, the challenge is to increase trade and deepen economic integration to support sustainable development. Looking ahead to 2020, the agreement reached between China and the United States is welcoming and should reduce policy uncertainty," said Armida Salsiah Alisjahbana, the UN Under-Secretary General and executive secretary of the ESCAP.

The new guarantees provided by the

implementation of the Phase-I deal reached between China and the US might boost investor and consumer confidence enough for trade in the region to grow by about 1.5 percent in 2020.

This growth would be felt more in developing economies, which could see 1.9 percent and 2.7 percent growth in exports and imports respectively in 2020. Country-level forecasts vary widely and uncertainties are high. However, it remains highly uncertain whether the trade tensions between Beijing and Washington can be resolved in the near future.

Furthermore, the recent decision by India to postpone its participation in signing the Regional Comprehensive Economic Partnership (RCEP) Agreement suggests that not all countries assess the value of accelerating regional integration equally.

In 2019, China's exports dropped by 1.3 percent and imports by 4.7 percent in real terms. As a result, substantial adverse spill-over effects have spread through the region.

However, nations such as Bangladesh, India and Vietnam challenged this trend, registering 4 percent to 8 percent export volume gains. "This was mainly due to their role in supplying goods that became tariffed under the US-China trade war."



PREMIER HOTEL MANAGEMENT COMPANY

**HBM Iqbal, chairman of Premier Hotel Management Company Ltd, attends the opening of the Renaissance Dhaka Gulshan Hotel in the capital on Wednesday. The company will run the hotel in association with Marriott International.**



**Quazi Shams Afroz, director general at the Department of Fisheries, and John A Dorr, chief of party of the Safe Aqua Farming for Economic and Trade Improvement (Safeti) project of Winrock International, attend the launch of Safeti's Shrimp Farming BD app in Matshya Bhaban in Dhaka yesterday.**

WINROCK INTERNATIONAL



BKASH

**Md Miarul Haque, managing director of DHL Express Bangladesh, and Mizanur Rashid, chief commercial officer of bKash, exchange the signed documents of a deal at the latter's office in Dhaka on Tuesday. Customers of DHL Express Bangladesh will be able to pay freight charges from their bKash account at DHL service points.**



STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX			MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▲ 0.88%	▲ 0.67%	Gold ▲	Oil ▲	▲ 0.28%	▼ 0.29%	▼ 0.07%	Flat	BUY TK	83.95	92.61	109.22
4,456.83	8,206.57	\$1,475.90 (per ounce)	\$66.25 (per barrel)	41,673.92	23,964.85	3,207.42	3,017.07	SELL TK	84.95	96.41	113.02




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# BUSINESS

DHAKA FRIDAY DECEMBER 20, 2019, *POUSH 5, 1426 BS* [starbusiness@thedailystar.net](mailto:starbusiness@thedailystar.net)

## Govt softens stance on new variety of potato

*Private sector can now easily take new breeds to farmers*

SOHEL PARVEZ

The government has withdrawn restriction on the introduction of new varieties of potato seeds, their production and marketing for three years.

The move will enable the private sector to take newer breeds of the tuber crop to farmers’ doorstep without waiting for approval from authorities.

The agriculture ministry issued a notification in this regard last week, declaring potato a “non-notified” crop for three years since September 19, 2019, meaning there would be no control on the introduction of new and alien seeds of the popular vegetable.

The move created both optimism and concerns among stakeholders. “We have liberalised the potato seed sector to facilitate cultivation of exportable varieties to increase export of potato so that farmers get fair prices,” said Ashraf Uddin Ahmed, director general of the seed wing under the ministry.

Until recently, the government regulated

the introduction of new varieties of potato and anyone willing to bring a new breed had to apply to the National Seed Board (NSB) to release the variety for cultivation.

The variety has to go through several field trials under the supervision of the Seed Certification Agency to be eligible for release and cultivation eventually.

This process takes four to five years, according to Ahmed.

“Now anyone can import new varieties of potatoes like other vegetables and take the varieties to farmers by following some procedures,” he said.

The decision to liberalise the introduction of potato seeds, 6.7 lakh tonnes of which are required annually, comes at a time when farmers’ cry for fair prices was becoming louder owing to surplus production.

Farmers have been growing the vegetable on nearly five lakh hectares of area for the last couple of years.

They bagged 96.55 lakh tonnes of potato last fiscal year, down marginally from that a year ago, showed the Bangladesh Bureau of Statistics (BBS) data.

The ministry said 65-70 lakh tonnes of potatoes are consumed by households and only 50,000-60,000 tonnes are exported annually, leaving a huge amount of surplus.

Ahmed said the varieties that are grown now do not have high demand abroad.

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