

Tea production, acreage rising in northern districts

KONGKON KARMAKER, Dinajpur

Tea production in Panchagarh and other northern districts grew considerably benefitting thousands of farmers although the ongoing coronavirus pandemic affected many other sectors of the economy.

Tea cultivation in the flatlands of Panchagarh began in the late 1990s due to its favourable weather and soil but soon expanded to other districts in the region.

At least 10.30 million kilogrammes (kgs) of tea worth Tk 175 crore was produced in the area last year, according to data from the Bangladesh Tea Board's regional office in Panchagarh.

In 2020, production increased by 7.11 lakh kgs compared to the year before, officials said.

Besides, tea was cultivated on around 10,170 acres of land last year, a roughly 15 per cent increase compared to 2019.

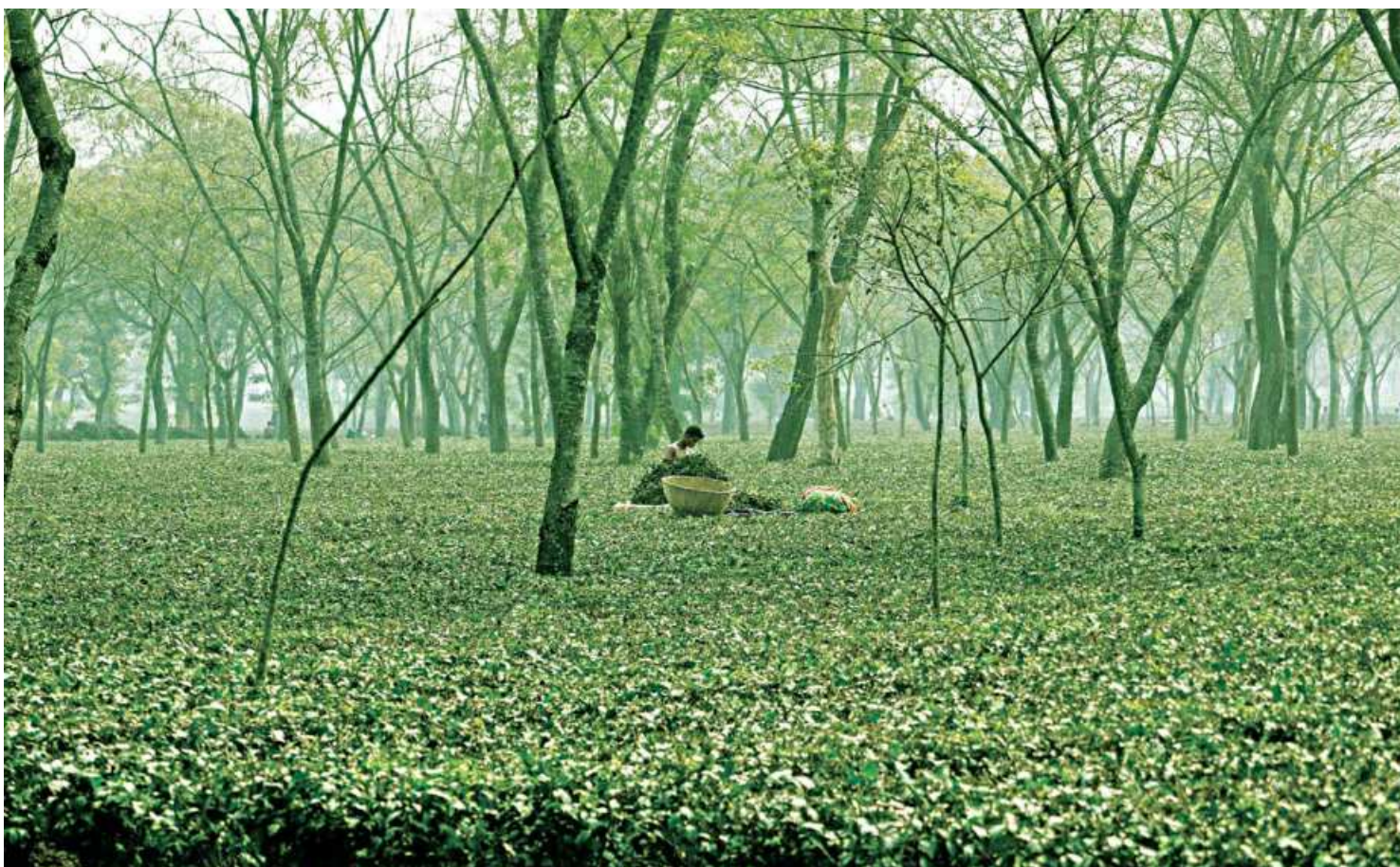
The country's overall tea production for 2020 was 86.39 million kgs, of which nearly 12 per cent was produced on flatlands in 5 districts of the northern belt --Dinajpur, Thakurgaon, Panchagarh, Nilphamari, and Lalmonirhat.

According to the officials, 7,337 large and small scale tea gardens collectively produced 51.28 million kgs of tea leaves last year. There are eighteen tea processing factories spread across Thakurgaon and Panchagarh.

The tea grown in Panchagarh is also exported to many countries.

Since the district lies in the northernmost region of the country and shares a border with India, it was largely considered a backwater. However, tea cultivation brought a massive change over the years by creating many job opportunities for locals.

Many farmers left paddy and other traditional crop farming to begin tea cultivation as they felt it to be profitable.



A tea garden in Tentulia upazila of Panchagarh. Tea cultivation in the flatlands of Panchagarh began in the late 1990s due to favourable weather and soil but soon expanded to other districts in the region.

PHOTO: KONGKON KARMAKER

There are currently 6,523 large and small scale tea growers involved with the sector across various upazilas of Panchagarh that produce exportable tea on 8,642 acres of land.

There are 1,007 registered tea farmers in

Panchagarh, where 10 large scale tea states account for a lion's share of the area's total production.

In Thakurgaon, 659 small scale farmers have been producing tea leaves on 1,293

acres of land for the last couple of years. More than 95 farmers cultivated tea on 112.98 acres of land in Lalmonirhat, while 32 farmers grew tea on 61.09 acres in Nilphamari and 26 farmers produced tea on 61.50 acres in

Dinajpur.

Nazrul Islam, a farmer of Polashbari union in Birganj upazila of Dinajpur, once grew paddy on his land but as he incurred losses for several years, he decided to switch to tea gardening.

He planted tea saplings on his one-acre land in 2015 and started harvesting the leaves 3 years later.

"I earned Tk 3 lakh in 2020 by selling 10,500 kgs of tea leaves," said Islam.

"Tea leaf farming is a profitable business now," he added.

Nazrul went on to say that many farmers of his village started tea cultivation after witnessing his success.

Suja Ur Rob Chowdhury, president of the Dinajpur Chamber of Commerce and Industry and owner of Sallylun Tea States in Panchagarh, said that success came to the tea sector this year as farmers had given their best amid the Covid-19 outbreak.

The large area of Panchagarh remained uncultivated back in the late 1990s but then tea farming changed the district's economy, Chowdhury said.

It also created employment for a large number of people in the district, especially women.

Chowdhury urged the government to extend its support for the growing tea sector in Panchagarh to give it more access to international markets.

Dr Mohammad Shamim Al Mamun, director of the Northern Bangladesh Project of the Bangladesh Tea Board and also a senior scientific officer in Panchagarh, said tea production and the amount of land used for it increased last year compared to 2019 as the farmers got better profits.

"We tried our best to provide the highest support to farmers after Covid-19 hit the country in March last year," Mamun added.

Berger Paints' profit up despite pandemic blues

STAR BUSINESS REPORT

Profits of Berger Paints Bangladesh rose 5.1 per cent year-on-year during April to December on the back of the lower price of raw materials and cut in costs in the pandemic-hit 2020 that saw revenue drop.

The Indian multinational company made Tk 160 crore in profits in the first nine months of the financial year that

ends on March 31. Net revenue declined 7.89 per cent to Tk 1,118 crore.

"Our revenue fell due to the closure of all activities in the first two months of our financial year," said Khandker Abu Jafar Sadique, company secretary of Berger Paints Bangladesh.

Bangladesh enforced a countrywide lockdown in April and May to limit the spread of the coronavirus before easing of restrictions from June.

"Our profits rose thanks to the favourable price of raw materials and controlled expenses," Sadique said.

Expenses declined 26 per cent to Tk 199 crore, the financial report of the company showed.

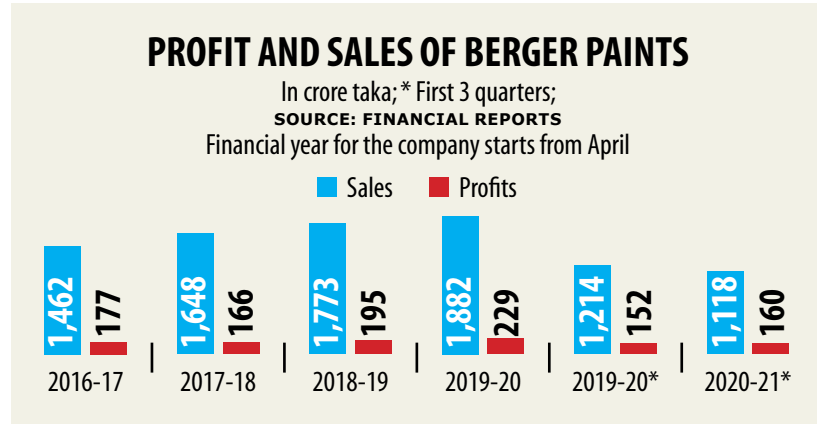
"We have deferred some expenses such as for travelling and training. Some other expenditures also fell," Sadique said.

But the employment benefits were regular and were not curtailed, he said. The company's sales bounced back following the reopening of economic activities. As a result, sales rose 10.5 per cent in the October-December quarter to Tk 514 crore.

Investment income fell 26.5 per cent to Tk 10.73 crore because of lower bank interest, according to the financial report.

Net operating cash flow per share decreased mainly because of lower sales resulting from the lower collection in April and May.

Berger shares traded at Tk 1,560.20, up 0.70 per cent, on the Dhaka Stock Exchange yesterday.



Olympic Industries sees fall in profitability

A result of increased cost of raw materials, company official says

AHSAN HABIB

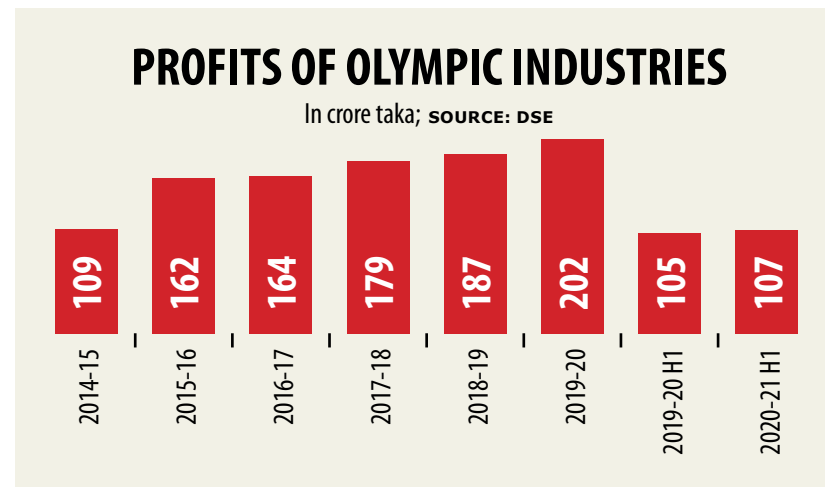
Profitability of Olympic Industries, the country's leading biscuit maker, dropped in the first half of the current fiscal year due to increased price of raw materials, leading to a fall in the company's share price.

Olympic's profitability compared to its sales and net profit margin dropped to 11.50 per cent in the first half while it was 13.12 per cent during the same period the year before.

As a result, the company's turnover rose 16.5 per cent to Tk 932 crore and profits increased 2 per cent to Tk 107 crore in the last six months.

Stocks of Olympic Industries fell 1.57 per cent to Tk 182.2 yesterday after the declaration of its earnings was posted on the Dhaka Stock Exchange (DSE) website.

"The cost of all our main raw materials -- oil, sugar and flour -- rose



but the price of finished products remained the same and this ultimately impacted our profits," said Madad Ali Virani, executive director of operations at Olympic Industries.

"For instance, we previously bought oil for Tk 60-65 per litre from the wholesale market but now need at least Tk 95 for it," he added.

READ MORE ON B3

Indian economy to get a shot in the arm from budget: economists

REUTERS, Bengaluru

India's path to economic recovery will be stronger than previously thought as fiscal expansion and vaccine hopes help the country heal from COVID-19, a Reuters poll of economists showed.

The world's second-most populous country has begun a huge vaccination drive and a steep fall in new coronavirus cases over the past few months is supporting a recovery in Asia's third-largest economy.

Alongside that, nearly 60 per cent of respondents, 18 of 31, who responded to an additional question in the Jan. 13-25 poll said India's federal budget, due on Feb. 1, would help a significant economic recovery in financial year 2021/22 and has already sent stocks to record highs.

"We expect global economic activity to return to normality in fiscal Q2 and India to grow in fiscal 2021/22, with government stimulus packages expected to contribute," said Hugo Erken, head of international economics at Rabobank.

"There is a strong sentiment the budget will aim to continue expenditure as growth is the only way India can come out of recent setbacks."

The poll of over 50 economists showed the economy would grow 9.5 per cent next fiscal year - the highest since polling began for the year in

March 2020 - after contracting 8.0 per cent in the current fiscal year.

It was expected to grow 6.0 per cent in fiscal year 2022/23. The poll predicted the economy would grow 21.1 per cent, 9.1 per cent, 5.9 per cent and 5.5 per cent in each quarter of the 2021/22 fiscal year, largely upgraded from a poll taken two months ago.

But when asked how long it would take for the economy to recover to its pre-COVID-19 level, 26 of 32 respondents said it would take up to

two years, including six analysts said longer than that. Twelve analysts said within a year.

"There is a lack of fiscal space to boost growth sufficiently and India is unlikely to reach its pre-COVID-19 levels any time soon despite policy support," said Sher Mehta, director at Virtuoso Economics.

"Economic momentum will struggle to gain traction as there are fears of stagflation and the possible end of monetary policy easing."



A woman walks along a near-empty street during a lockdown amid the coronavirus disease outbreak in New Delhi, India.

REUTERS/FILE

Singapore faces talent crunch as tech giants scale up

REUTERS, Singapore

At least three recruiters approach Singapore-based software engineer Xiao Yuguang every day with job offers.

Demand for Xiao's skills has soared since he graduated in 2014 with a computer engineering degree but now he just ignores the offers, having recently joined TikTok owner ByteDance after several years with Southeast Asia's Grab.

"It's not like I want to change jobs frequently," said Xiao.

Singapore is aiming to become a regional tech hub but faces a severe talent crunch as more firms move in, interviews with more than a dozen recruiters, companies and workers show.

China's Tencent, ByteDance, US-based Zoom Video Communications and unicorn Grab and Sea Ltd are among companies expanding in Singapore, fueling a war for tech talent in the city-state, where the jobless rate had reached a 16-year high due to a coronavirus-induced recession.

"Certain member companies have been expanding their operations ... and looking to hire more data scientists, more coders," said Lei Hsien-Hsien, chief executive officer at the American Chamber of Commerce in Singapore.

"So the demand is very strong but the supply is relatively weak, which then slows down some of the

expansion plans." Up to 500 new tech vacancies are posted each week on job sites, according to NodeFlair, which is helping hire for ByteDance and Sea's e-commerce business Shopee.

The information communications sector would need another 60,000 professionals over the next three years, cabinet minister Vivian Balakrishnan said in June. In response to a Reuters query on the figure, the communications ministry said in mid-September there were nearly 10,000 tech-related job postings on a government-run careers portal and

another 6,800 jobs and traineeships would be created by June 2021 through industry partnerships.

Border curbs due to the coronavirus and tighter foreign worker policies are delaying overseas hiring, exacerbating the shortage, some headhunters said. Some tech professionals can command pay increases of up to 30 per cent when they switch jobs.

"It's not sustainable," said Daljit Sall at recruitment firm Randstad, who expects salaries to even out once borders reopen and as the talent pool develops.



A view of the city skyline in Singapore on January 25.

REUTERS