Reliance Insurance approves 25pc cash dividend

STAR BUSINESS DESK

Reliance Insurance has approved 25 per cent cash dividend for 2020.

The decision came at its 33rd annual general meeting held through a digital platform yesterday presided over by Zakia Rouf Chowdhury, chairman of the board of directors, said a press release.

Public shareholders Amiran Hossain and Shahzreh Huq were elected directors while Shahnaz Rahman and Rajiv Prasad Shaha chairman and vice-chairman respectively.

The remaining members of the board of directors are Shamsur Rahman, Habibullah Khan, Arshad Waliur Rahman, Imran Faiz Rahman, Iftekharul Huq, Samira Alam, Sabra Yasmin Chowdhury, Md Habibur Rahman Mollah, Srimati Shaha, Ahmed Shafi Choudhury, Azizur Rashid and CEO Md Khaled Mamun.

RELIANCE INSURANCE

Reliance Insurance organised its 33rd annual general meeting through a digital platform yesterday presided over by Zakia Rouf Chowdhury, chairman of the board of directors.

Sow early ripening paddy to reduce flood risks

Agriculture minister says at harvest festival

STAR BUSINESS REPORT

The government is putting emphasis on the cultivation of early ripening varieties of paddy to reduce risks of flood damage and ensure an adequate supply of the popular grain, according to Agriculture Minister Muhammad Abdur Razzaque.

"A sufficient amount of paddy is cultivated in the country's haors but this is very risky as these areas are prone to flooding at times," he said.

"So, we are working to reduce this risk by emphasising on cultivating varieties of paddy that ripen within 15 to 20 days," the minister added.

Razzaque made these comments while speaking as chief guest at a Boro Paddy Harvest Festival in Mithamain upazila of Kishoreganj.

To ensure quick harvests this season, the government is also providing combine harvesters and reapers to farmers in haor areas on a priority basis.

The agriculture minister inaugurated the paddy harvesting programme and distributed combine harvesters and reapers among farmers.

Since boro paddy is the only crop that is grown on vast amounts of haor lands every year, its productivity needs to be increased, Razzaque told the farmers.

"Our scientists have already developed high yielding varieties of rice such as Brridhan 89 and 92 and we will give you these improved varieties of hybrid rice seeds for cultivation," he added.

Razzaque went on to say that the government provides 70 per cent subsidy on combine harvesters, reapers and other farm implements to reduce the cost of production and speed up agricultural mechanisation in the country.

This year, boro paddy was cultivated on 166,950 hectares of land, of which 102,500 hectares was in haor areas of Kishoreganj.

As of, April 24, 53 per cent of the paddy in haor areas had been harvested while it was 39 per cent in non-haor areas.

A target has been set to produce 7,11,580 tonnes of rice in the district this year.

Low-cost, cleaner production processes paying off

FROM PAGE B1

It has cut water consumption for processing fabrics. It can process one kg denim fabrics using 55.63 litres of water, which was 85.76 litres earlier.

The Bhaluka-based factory has targeted to reduce water consumption by 34.91 per cent by 2021 compared to 2016.

Envoy Textile has so far cut water consumption by 25.7 per cent, and the rate will go up by the end of the year, Islam said.

The exporter has drawn a roadmap covering five to seven years to reduce water and energy consumption and use the heat of gas boilers.

Urmi Group, another garment exporter, currently consumes 60 litres of water to dye one kg knit fabrics, way down from 100 litres to 105 litres needed two years ago.

"I have a target to bring down water consumption to 40 litres by next one and a half years as I have been upgrading technologies," said Asif Ashraf, managing director of the group.

Launched in 2013, the PaCT supports the entire textile value chain – spinning, weaving, wet processing and garment factories -- in adopting cleaner production practices. It focuses on reducing the environmental impact and resource consumption.

The PaCT is the first programme ever to incorporate cutting-edge innovations to address the environmental and sustainability challenges related to the textile sector.

These ranges from low-cost or no-cost changes in management and housekeeping practices to process modifications to larger investments such as new equipment.

Apart from the sector's participation in the initiatives regarding climate change and circularity, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has also taken a pledge to sustainability, said Rubana Huq, the immediate past president of the association.

In collaboration with the UNDP and the Global Reporting Initiative, a survey to develop a report highlighting the impact of ready-made garment factories on the Sustainable Development Goals was conducted.

The BGMEA has joined the UN Climate Change and the Fashion Industry Charter for Climate Action with an ambition to reduce GHG emission by 30 per cent by 2030.

"We have also committed to the Green Button Initiative of the German government," Huq said recently.

Sustainability in the supply chain of garments is a major concern for Bangladesh.

For instance, local fabrics makers used to consume 250 litres to 300 litres of water to wash one kg of fabrics previously. Because of the overuse of groundwater by washing, dyeing, spinning and garment factories, the water level has fallen by three metres every year in Dhaka and its adjacent areas.

The Fashion Industry Charter for Climate Action has identified ways for the textile, clothing and fashion industry to move towards a holistic commitment to climate action.

India in talks with Guyana for long-term crude supply

REUTERS

India, the world's third-largest crude consumer and importer, has approached Guyana's government about a possible long-term deal to buy the South American country's oil, a Guyanese official said.

India has expressed interest in buying one of the 1 million-barrel cargoes Guyana's government is entitled to in order to test the crude in its refineries, according to Guyana's Natural Resources Minister Vickram Bharrat. If the crude is compatible, the parties could begin talks on a long-term arrangement.

India's oil demand has risen by 25 per cent in the last seven years, more than any other country, and officials there have pledged to use the country's position as a leading purchaser as a "weapon" in an effort to keep prices low.

New Delhi is already exercising its growing clout in the crude market. It viscerally opposed a decision by the Organization of the Petroleum Exporting Countries and its allies, known as OPEC+, to extend production cuts that have lifted the price of oil, and is seeking to diversify its purchases away from top producer Saudi Arabia.

State refiners plan to buy 36 per cent less oil from Saudi Arabia in May than normal, sources told Reuters, and the country is now attempting to swap out Saudi supply with new origins like Guyana.

Private Indian refiner HPCL-Mittal Energy Ltd purchased India's first-ever cargo from Guyana this month, but the talks have taken place on a government-to-government basis.

"India is interested in taking Guyana's share of its crude, based on mutual agreements, as part of its crude source diversification across the world," said one source with knowledge of the talks, who spoke on the condition of anonymity.

The two parties are still negotiating pricing, said the person, adding that the crude would be processed by state-owned refineries in India.

Bharrat said pricing was the "most important" factor for Guyana in any potential deal.

"First and foremost is us getting the best price for our crude," he told Reuters in a telephone interview.

Guyana has become the world's newest energy hotspot after a consortium led by Exxon Mobil Corp began to produce light crude at the offshore Stabroek block in late 2019.

But with no domestic refining nor state oil company, Guyana has relied on private companies like Hess Corp and Royal Dutch Shell PLC to market its share on a spot basis. President Irfaan Ali's government has relaunched a search for a long-term partner to market its share, but has not yet selected a firm.

Bharrat said the government planned to re-launch the search for a marketing firm "soon." He said there was no guarantee the government's next cargo - which he said is due in June but may be delayed due to mechanical issues that have reduced production levels - would go to India.

Long term oil export deals negotiated between governments have been common in some South American oil-exporting countries in recent decades. Venezuela and Ecuador, for example, have supplied large quantities of crude to China under such long-term deals.

Guyana and India have strong historical and cultural ties. A large portion of Guyana's population of around 750,000 is of Indian descent, and Ali's People's Progressive Party - which won parliamentary elections last year - is traditionally associated with the Indo-Guyanese population.

GDP growth target cut again

FROM PAGE B1

The director-general of the Bangladesh Institute of Development Studies said once the Covid-19-related uncertainties petered out nationally and internationally, Bangladesh could aim for higher growth targets and address structural reforms in tax administration and implementation capacities.

The government is planning for an expansionary budget for 2021-22. The size could be Tk 602,484 crore, which is 17.3 per cent of the GDP.

The next budget could prioritise buying and producing coronavirus vaccines, stimulus packages and the health sector to face the pandemic-induced economic shock and protect the poor from hunger.

In yesterday's meeting, the health secretary proposed a significant budgetary allocation for vaccine import and production.

The government has set aside a block allocation of Tk 10,000 crore in the current fiscal year for the health sector.

Of the sum, around Tk 2,500 crore has been spent to purchase coronavirus jabs and other related equipment. Another Tk 1,000 crore would be spent to provide cash assistance among 35 lakh poor people under a new stimulus package announced recently, an official of the finance ministry said.

The meeting assured other ministries of providing the necessary amount of funds, if needed, during the remaining period of the fiscal year.

Sen said the next budget should emphasise public health and social protection, especially in urban areas, and agriculture as the best safety net for the rural poor.

"Within the domain of public health, we should seriously think about the production of vaccines and encourage vaccine diversification."

"We should invest more for research and development in the area of health and infectious disease because we are a high-risk, high-density country. We should expand the network of urban primary health infrastructure at the ward level since 60 per cent of Covid-19 infections are in Dhaka and another 20 per cent in Chattogram."

The government may unveil a Tk 225,124-crore annual development programme (ADP) for FY22.

The budget for FY21 has been revised down to Tk 540,286 crore, from Tk 568,000 crore initially.

The revenue generation target could be set at Tk 389,079 crore for FY22. The National Board of Revenue (NBR) would be given a task to earn Tk 330,078 crore, almost similar to the current fiscal's target.

The government set a revenue collection target of Tk 378,000 crore in FY21. The NBR has been asked to raise Tk 330,000 crore.

The next budget would aim to limit the inflation rate to 5.3 per cent, from 5.4 per cent in the current fiscal year.

The budget deficit, set at about 6 per cent of GDP in FY21, may be allowed to go up to 6.1 per cent in FY22 starting on July 1.

Binayak Sen said the budget for the next fiscal year could adopt expansionary fiscal and monetary policies. Still, the absorption capacity of different ministries was a binding constraint as indicated by the low implementation capacity of the health ministry.

The health ministry managed to spend only 20 per cent of the ADP allocation in the first eight months of the fiscal year.

Garment makers want more stimulus

FROM PAGE B1

Many, especially small and medium scale garment factories, are in trouble as they are struggling to survive with lower quantity of work orders from international retailers and brands during the time of Covid-19.

"So, they need help from the government," Hassan said. "I also urged the banks to continue their supports to the suppliers."

The commercial banks affiliated with garment factories have already enabled mobile financial service (MFS) accounts through which workers are already receiving their salaries and allowances.

Last year, the government provided Tk 10,500 crore in stimulus funds to the export-oriented garment, leather and footwear sectors for the payment of salaries and allowances at only 2 per cent service charge. However, the factory owners have been lobbying with the government for a moratorium and deferral of repayment as most of the apparel exporters could not make a comeback to normal business practices because of the second wave of Covid-19.

The garment sector has been going through a tough time as many of the major export destinations in Europe and the US were in lockdown because of Covid-19.

However, while economies of some supplier countries like China and Vietnam started reopening, Bangladesh went into a lockdown, although the garment sector is out of its purview.

The local apparel suppliers have been running their factories amidst challenges since March last year for a dearth of work orders from the international retailers and brands. Last year, the local suppliers have faced work order cancellations or hold-ups worth $3.18 billion and unusual payment deferrals.

So far, some 90 per cent of work orders were reinstated through intense negotiations of the BGMEA, government and suppliers with the international retailers and brands. But still the uncertainty persists as the retailers and brands did not confirm when they will complete making payments to the local suppliers.

Online orders boost home appliance sales

FROM PAGE B1

"The demand for home appliances is quite better than during the sales reported in the March-April period last year," said Saikat Azad, deputy general manager for marketing at Transcom Digital.

The demand for air-conditioners, refrigerators and televisions is really good although outlets were shut due to lockdown. "Our online shopping window is open," said Azad.

The situation will improve further once the sales at the brick-and-mortar shops get a boost, he said.

The government yesterday eased lockdown rules, allowing shops and malls to reopen.

Transcom Digital retails home appliances of Hitachi, Panasonic, Whirlpool, Samsung and Transtec brands.

Azad said the middle-income groups had disposable income, and they had no scope to spend on tourism, travel or any other purpose. "This boosted the sales of home appliances."

Transcom Digital is giving various discounts, and banks have come up with promotional offers ahead of Eid-ul-Fitr. Altogether, customers are getting around 20 per cent discount. They can take advantage of the equated monthly instalment facilities for up to 18 months.

"These types of offers and free home delivery by maintaining proper health safety protocols are helping the sales recover," he noted.

Augustin Sujan, additional senior director at Walton Group, said the sales had risen around three times compared to the March-April period last year.

Under the digital campaign Season 10, buyers may get up to Tk 1 lakh in cashback on the purchase of Walton fridge and washing machines. There are guaranteed cash vouchers worth crores of taka.

Customers can get a 25 per cent discount on the price of Walton AC if they exchange their old AC of any brand. Also, Walton is offering up to a 40 per cent discount on the purchase of specific models of AC from e-Plaza.

All models of Walton AC have free home delivery and free installation facilities.

The company is giving a discount of up to Tk 6,500 under the mega sale offer for TVs, 50 per cent discount on mobile handsets and 20 per cent off on laptops.

Esquire Electronics said its online sales increased, but it would not cover the store sale as its 77 outlets across the country were shut since April 5.

"Our sales had received momentum in March, and we had expected good sales ahead of Eid. But the lockdown does not support the situation," said Md Manzurul Karim, general manager of Esquire Electronics, the sole distributor of Japanese electronics brands General and Sharp.

He said they did not have a massive online platform to reach out to consumers. "When store sales resume, the market situation will definitely improve."

Singer Bangladesh, the country's leading home appliance and electronics retailer brand, has commenced a special service.

Under the service "One Call, That's All" just by making a phone call at 16482, customers will get the product delivered to the address within 24 hours, said Raziur Rahman, senior manager for marketing communication of Singer Bangladesh.

Customers will make the payment upon receiving the product. Singer is offering free home delivery.

Singer has unveiled the service to meet the emergency need of home appliances or electronic products during the crisis, Rahman said.

Mohammad Shariful Islam, product manager of Samsung Bangladesh, said it introduced offers as part of the Eid-ul-Fitr campaign, and the offer will continue until April 30.

Stocks rise for eighth day

FROM PAGE B1

However, a top official of an asset management company said the market has a lower participation from the general participants.

Long-term investors and institutional investors are on the sidelines, he said, adding that some big investors were buying stocks.

The pandemic situation is at its worst in the neighbouring country, creating tension among institutional investors. Because, it can lead to a deterioration of the pandemic situation here anytime, he said.

Some big companies' earnings also did not turn out as per expectations. He cited the example of Grameenphone and Brac Bank.

Brac Bank's earnings dropped 10.7 per cent in 2020 compared to that in the previous year while GP's earnings per share (EPS) plunged 16 per cent in the January to March period of the current year.

Meghna Life Insurance Company topped the gainers' list rising 9.98 per cent followed by Agrani Insurance Company, Phoenix Insurance Company, Dominage Steel Building Systems and Provati Insurance Company.

Stocks of Beximco traded the highest, worth Tk 117 crore, followed by Beximco Pharmaceuticals, LafargeHolcim Bangladesh, LankaBangla Finance and Renata. Keya Cosmetics shed the most, dropping 5.26 per cent, followed by Familytex BD, Paramount Insurance Company, Emerald Oil Industries and Rangpur Dairy and Food.

At the DSE, 201 stocks advanced, 78 declined and 78 remained unchanged.

The Chittagong Stock Exchange has also remained in an upward trend. The CASPI, the general index of the port city bourse, rose 143 points, or 0.91 per cent, to stand at 15,867.

Among 236 stocks to witness trade, 132 rose, 63 fell and 41 remained unchanged, shows the CSE data.