

SUSTAINABLE BUSINESS

Digitalisation, waste management are the key: experts

STAR BUSINESS REPORT

The time has come to invest in digitalisation, waste management and recycling to ensure business sustainability, said experts and entrepreneurs yesterday.

The pandemic has accelerated the need for e-commerce, so it is important to invest in digitalisation, said Gihan Palihena, director for South Asian product supply chain of American clothing company Kontoor Brands.

"Manufacturers need to invest in waste management too so that we can leave a better planet," he told a webinar of

"circular model".

"Investing in people, developing talent and skills and understanding the value of data and speed are all key to being a leader in the market," said Palihena.

More research is necessary too for innovation, he said.

Along with maintaining compliance, the environment issues are also important to be focused, he added.

"We have been focusing on environment issues to be a sustainable business," said Kutubuddin Ahmed, chairman and founder of Envoy Group.

"To reduce carbon emissions and ensure a liveable planet, we have to reduce the use of groundwater to 45 kg for per kg cloth while it was 60 kg for the same cloth previously," he said.

"Overall water consumption also dropped in our factory. We have taken a number of steps to ensure that the environment remains green," he added.

Mahbub ur Rahman, chief executive officer, HSBC Bangladesh, said as a responsible global bank, HSBC was committed to the transition to a global net-zero economy by 2050.

"With a goal to ensure sustainable fashion and encourage a circular economy, we look forward to partnering with our customers, industry players and key stakeholders in mobilising finance and accelerating innovation to lead the transition," he added.

The textile and garments sector is growing strongly in the post-pandemic era and the transition to a circular model, with reuse and recycling, is a really important shift towards sustainability, said Kevin Green, country head of wholesale banking, HSBC Bangladesh.

As more businesses plan to achieve net zero and their customers become increasingly inclined towards sustainability, the future of the industry is most likely to thrive, he added.

Nikhil Hirdaramani, director of Hirdaramani Group, Lucy Acton, senior ESG analyst of HSBC Global Research, Ranjan Mahtani, founder and executive chairman of Epic Group, Lindsey Hermes, head of enterprise solutions of Serai, and Laura Galvin, regional head of international markets of commercial banking Asia-Pacific of HSBC, also spoke at the event.



PHOTO: EAM ASADUZZAMAN

Day labourers harvesting aman paddy is an uncommon sight during this time of year as the major cash crop usually ripens near the end of each year, often leading to starvation among marginalised people in the lean months. This photo was taken recently at Nitai village in the district's Kishoreganj upazila.

Fast-yielding aman a lifesaver for farmers in lean period

Harvests began in mid-September

EAM ASADUZZAMAN, Nilphamari

Farmers in Nilphamari district of Rangpur division began harvesting their early-flowering aman paddy halfway through September, bringing a sense of festivity to the area.

Standard aman saplings are planted in the last week of August and the crop takes about three months to ripen, leaving farmers with little to do in the meantime.

And since paddy cultivation is the sole source of income for people in the region, many face a loss of income at this time.

Besides, marginal farmers face food shortages between September and November as they quickly run out of stocks of rice kept for consumption.

But fortunes have changed ever since Bangladesh Rice Research Institute (BRRI) introduced early-flowering varieties of aman paddy that can be harvested during this period.

The BRRI invented several new varieties of the kitchen staple while certain private companies have imported some high-quality breeds.

The paddy harvesting season usually begins from mid-November, a good two months



after transplanting," said Rafiqul Islam, an agricultural extension officer of Nilphamari's sadar upazila.

After the fast-growing saplings are planted in mid-June, it takes only 90 days to 100 days to provide yields.

High-quality short-duration breeds such as Bina-17 provide an average yield of about 13.5 maunds to 16 maunds (one maund equals around 37 kilogrammes) per hectare while the standard varieties produce 18 maunds to 20 maunds.

Although standard paddy yields are comparatively higher than the short-duration varieties, the rice prices usually fluctuate due to weather conditions and other unforeseen consequences that affect production, Islam said.

So, in many cases, cultivators of standard paddy often incur losses since the plants need prolonged maintenance.

Besides, this makes it particularly difficult to ensure that production costs are met, especially in times such as the ongoing coronavirus pandemic which brought their earnings to a halt, he added.

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Investing in people, developing talent and skills and understanding the value of data and speed are needed to being a leader in the market, says an expert

The Hongkong and Shanghai Banking Corporation (HSBC) Bangladesh.

To encourage dialogue on how to support the apparel sector's sustainable transition, the lender organised the first of its webinar series on "Transitioning towards a circular economy for the apparel sector".

Circular fashion industry is a fast-growing movement to reuse and recycle all materials, eliminating waste and pollution and regenerating the environment in a



GLOBAL BUSINESS

China risks slower growth without more market competition

Finds a study by US think tank



REUTERS/FILE

Buildings in the central business district are seen lit up during the night in Beijing, China on April 15.

REUTERS, Beijing

China risks slower growth if it does not do enough to spur market competition by allowing the private sector to play a bigger role in the economy and greater two-way flow in cross-border investments, a report showed on Tuesday.

"Without a market-oriented shift, China will struggle to maintain a growth potential that exceeds 3 per cent annually by the middle of this decade," according to a report released by US think tank the Atlantic Council and consultancy Rhodium Group.

China's economic growth has gradually eased from 2011 to 2020, expanding in the single-digits compared with the relatively big gains in the years just after it joined the World Trade Organization in late 2001. China has set a target to grow its

economy by at least 6 per cent in 2021 after it managed to eke out growth of 2.3 per cent in pandemic-hit 2020.

While China has made progress in some areas such as trade, where it has cut tariffs to a level comparable with or below those of OECD economies, recent policy signs are at odds with a market-oriented course, the report said.

Beijing's sweeping crackdown on private firms in sectors from technology to education this year has raised the prospect of stronger state control in the years to come, the report said.

The pursuit of a so-called "dual-circulation" strategy to make China less reliant on the outside world, backed by President Xi Jinping, also risks backtracking on years of tighter economic integration and interdependence, it said.

"President Xi's pledge to make markets decisive at the start of his tenure is at risk of failure," according to the report.

The report said a relative lack of access to overseas investments by ordinary Chinese people has led to an abundance of capital domestically, leading to overcapacity investment in many sectors at home.

Inadequate market competition and inefficiency will reduce productivity and in turn gross domestic product - "potentially by trillions of dollars within five years", it warned.

Chinese reform advocates say Beijing has been avoiding potentially disruptive changes due to worries over economic and social stability and resistance from vested interests such as powerful state-owned companies, which Xi has described as the champions of the economy.

India warns of possible power crisis

AFP, New Delhi

India is facing possible energy supply problems in the coming months due to coal shortages and a post-pandemic surge in demand, the power minister said in a report published Tuesday.

His comments come as China and European countries face energy crises that are disrupting global supply chains and sending prices soaring.

"Normally the demand starts coming down in the second half of October... when (the weather) starts cooling," RK Singh told the Indian Express in an interview.

"But it's going to be touch and go," Singh said, calling demand for electricity "tremendous".

"Demand is not going to go away, it's going to increase... We've added 28.2 million consumers. Most of them are lower-middle class and poor, so they are buying fans, lights, televisions sets," he said.

India's coal-fired power stations had on average four days' stock at the end of September, the lowest in years. More than half the plants are on alert for outages and the government is mulling bringing idled power stations back into operation.

Coal accounts for nearly 70 per cent of India's electricity generation and around three-quarters of the fossil fuel is mined domestically.

State-run giant Coal India, which produces most of the country's supply, has said it is on a "war footing" to ensure adequate deliveries.

Shortages, inflation and slow growth fog UK economy

REUTERS, London

Britain's economic bounce-back after coronavirus lockdowns is being hampered by problems in supply chains, a jump in inflation and the risk of a rise in unemployment, complicating the task for policymakers of steering the recovery.

Former Bank of England chief economist Andy Haldane says Britain is in a VILE era of volatile inflation, low expansion.

Financial markets now think the BoE is all but certain to raise interest rates by February but some economists, worried by signs of a flagging recovery, aren't so sure.

Below are some of the gauges of Britain's economy that are likely to be on the minds of economic policymakers.

Britain's inflation rate hit 3.2 per cent in August, its highest in almost a decade. Some one-off factors accounted for the record jump from July but the BoE thinks inflation is heading above 4 per cent, more than double its 2 per cent target.

The BoE is watching for any signs that consumers are losing confidence that inflation will be contained in the longer run. Public expectations for inflation in the year ahead rose sharply in September, according to a Citi/YouGov survey which may have weighed on the minds of BoE rate-setters. They said last month that the

case for raising rates was strengthening.

While Britain's economy grew rapidly earlier this year as it reopened from a third Covid-19 lockdown, the latest readings show this momentum has largely dissipated. Economic growth slowed to a crawl in July, according to official data, and surveys of businesses and consumers suggest sluggish growth persisted into the second half of the year - even before the most severe supply chain problems seen in recent weeks.

There has been no let-up in the supply chain and staffing problems for British manufacturers dealing with hefty delays from suppliers, according to the latest IHS Markit/CIPS survey of businesses.

That was even before panic-buying at petrol stations, caused by a shortage of tanker drivers, led in late September to the biggest week-on-week drop in car traffic since early June - another unpromising sign for the economy.

The shortage of workers, something seen in other economies around the world, has worsened since Britain decided to leave the European Union and end free movement of workers from the bloc. But Prime Minister Boris Johnson denied on Tuesday Britain was in crisis and said its "natural ability to sort out its logistics and supply chains is very strong."



REUTERS/FILE

Trucks are seen at an HGV parking on the M25 motorway in Cobham, Britain.