

Rangpur jute growers enjoying better prices

DISTRICTS IN FOCUS

KONGKON KARMAKER

Jute growers in Rangpur are getting better prices than before as many factories in the division are using the natural fibre to produce various Shataranji goods such as carpets and handbags for export, according to industry insiders.

Each maund (around 37 kilogrammes) of jute is selling for Tk 2,500 to Tk 3,100 depending on the quality around the country. Last year it was Tk 2,000 to Tk 2,500.

Farmers in Rangpur said they had previously refrained from cultivating jute since they could not get fair prices. There were other challenges related to weather, including untimely rainfall. But there were no such problems for the last two years, farmers said.

"We have been getting better profits for the last two years," acknowledged Nurul Islam, a farmer of Pirgachha upazila of Dinajpur.

Better prices for the last two years has helped expand cultivation, according to the local Department of Agricultural Extension (DAE).

Jute is produced in a number of districts in Rangpur.

Around 9,198 hectares of land in Rangpur were brought under jute cultivation in the current fiscal year 2021-22, of which just over three months have elapsed, with about 20,509 tonnes of the fibre being produced, shows the DAE data.

Last year it was 8,345 hectares. Around the country, jute has been cultivated on some 7.459 lakh hectares of land this fiscal year.

In the preceding fiscal year, 6.82 lakh hectares of land were used, from which 77.25 lakh tonnes of jute were harvested.

Speaking to The Daily Star, many farmers said they produced about Tk 30,000 worth of jute from each bigha while the production cost was around Tk 15,000.

On an average, each bigha of land produces around 10 maunds of the fibre, they added.



The demand for jute has gone up as many factories have been set up in Rangpur region to make various products out of the fibre, particularly Shataranji crafts.

PHOTO: STAR/FILE

The demand for jute has gone up as many factories have been set up in the region to make various products out of the fibre, particularly Shataranji crafts, said the DAE officials and farmers.

Shataranji is a creative art of weaving dependent on skillful fingers, technically similar to modern tapestry. It still survives on a very limited extent in Rangpur. Yarn is the principal raw material, be it made of cotton, jute, wool or other fibres, according to Banglapedia.

Bundles of yarn are fixed in a loom or laid down on the floor to be knit by hand following a set design. A comb like instrument called panja is used to tighten the knit yarn. One to three hours is required to make one square feet of Shataranji.

The craft was recently declared a Geographical Indication product of Bangladesh. Shipped to countries all over the world, it makes for a good source of foreign currency.

In Rangpur, seven jute mills have popped up, mostly producing jute thread which is used in Shataranji crafts, which have high demand in international markets.

These new industries have created employment opportunities for hundreds of locals, particularly females.

Abul Kashem, chairman of North Bengal Jute Mill in Rangpur, said jute farmers were getting better prices for their products as local jute mills were making multiple products from the fibre.

Agronomist Solaiman Ali, assistant

director of the Department of Jute in Rangpur, said his office has been encouraging farmers to cultivate jute by organising various training programmes.

Obaidur Rahman Mondal, deputy director of the DAE office in Rangpur, said jute cultivation has risen as farmers were getting better prices due to increased demand from local jute factories.

Mondal hopes for jute cultivation to increase in the upcoming season.

Other than the processed fibre, there is high demand for jute sticks in rural areas.

Al Amin, a farmer of Kaunia upazila, said he sold Tk 13,000-worth jute sticks this year. "There is a high demand for jute sticks for making enclosures of betel leaf plantations," he added.

Successful businesses fuel economic growth

ICCB says in news bulletin

STAR BUSINESS REPORT

Entrepreneurs have played an important role in developing the economy of Bangladesh in the last five decades, said the International Chamber of Commerce-Bangladesh (ICCB).

In its editorial of the news bulletin for the July-September period, the chamber says businesses are the driving force for any economy.

"Success of businesses can drive the growth of a country, help achieve overall sustainable development and create employment opportunities."

"Entrepreneurs are frequently thought of as national assets to be cultivated, motivated and remunerated to the greatest possible extent."

According to the editorial, over the past five decades, Bangladesh has transformed itself from being a "Basket Case" to one of the fastest-growing economies in the world.

Before the onset of Covid-19, the economy was growing rapidly, recording an annual expansion in the range of 7-8 per cent.

However, after the partition of India and Pakistan in 1947, then East Pakistan, now Bangladesh, was not an ideal place for entrepreneurs to do business or establish industries as West Pakistanis were in complete control of the economy, the ICCB said.

Bangladeshis were mainly in the middle and lower-level service.

"Some of our leading businessmen have made it possible to show the world that Bangladeshis are capable of becoming successful entrepreneurs," said the ICCB.

Late Abul Kasem Khan from Chattogram, a district judge in 1934, was probably the first Bangladeshi to enter business leaving a job. He established various industries and formed A.K. Khan Group in 1945.

There were only a few business entities owned by local entrepreneurs in the British era. Of them, the oldest ones were the family business of late Anwar Hossain and late Latifur Rahman, also the founding chairman of Transcom Group.

From 1947 to Bangladesh's independence in 1971, only a few small industries, tea gardens, two commercial banks and a small number of jute and textile mills were owned by Bangladeshis. After independence, all industries, banks and big commercial entities were nationalised.

The change in government policies in the middle of 1970s aimed at adopting privatisation, export liberalisation and import-substitution created the opportunity for enthusiastic business people to begin their entrepreneurial journey.

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Evergrande creditors fear imminent default



AFP/FILE

A general view of Evergrande Center building in Shanghai.

REUTERS, Shanghai

China Evergrande Group offshore bondholders are concerned that it is close to defaulting on debt payments and want more information and transparency from the cash-strapped property developer, their advisers said.

Evergrande, which could trigger one of China's largest defaults as it wrestles with debts of more than \$300 billion and whose troubles have already sent shockwaves across global markets, missed payments on dollar bonds, worth a combined \$131 million, that were due on September 23 and September 29.

With Evergrande staying silent on dollar debt payments and prioritising onshore creditors, offshore investors have been left wondering if they will face large losses at the end of 30-day grace periods for last month's coupons.

A group of bondholders have enlisted investment bank Moelis & Co and law firm Kirkland & Ellis to advise them.

Offshore bondholders want to engage "constructively" with the company, but are concerned about lack of information from what was once China's top-selling property developer, said Bert Grisel, a Hong Kong-based managing director at Moelis.

"We all feel that an imminent default on the offshore bonds is or will occur in a short period of time," Grisel said on a call with bondholders on Friday.

"Unfortunately, so far, we have had a couple of calls with the advisers," but there had not been any "meaningful dialogue with the company or provision of

information", he said Evergrande, which faces nearly \$150 million in offshore payment obligations next week, did not respond to a Reuters request for comment.

Neil McDonald, a restructuring partner in the Hong Kong office of Kirkland & Ellis, said the bondholders would like more transparency, and hoped Evergrande would meet disclosure obligations under stock listing rules.

The offshore bondholders are also demanding more information about Evergrande's plan to divest some businesses and how the proceeds would be used, the advisers said, adding that the creditors group they represent was growing.

The two advisers said that, including the parties that have expressed an interest to be part of the group, they represent bondholders who currently hold \$5 billion worth of Evergrande nominal offshore bonds.

Evergrande said last month it would sell a \$1.5-billion stake it owns in Shengjing Bank Company Limited.

The bank, one of Evergrande's main lenders, demanded cash from the sale to towards settling the developer's debts with Shengjing.

Trading in Evergrande shares has been halted since Monday pending a major deal announcement.

Trading in its Evergrande Property Services Group unit was also halted.

China's state-backed Global Times said Hopson Development was to acquire a 51 per cent stake in Evergrande Property for more than HK\$40 billion (\$5.1 billion), citing other media reports.

GLOBAL BUSINESS

Pandemic saviours, food delivery apps now under fire

AFP, New York, United States

Meal delivery services became essential during the pandemic, when millions of Americans were under lockdown and restaurants were shut to visitors.

But these days the platforms are increasingly finding themselves under fire, with politicians seeking to regulate the industry and restaurateurs accusing the likes of DoorDash, Grubhub and Uber Eats of freeloading. And they are looking for ways to do without them.

In just the first nine months of this year, DoorDash has likely filled over 1 billion orders, most of them in the US, where the company is the market leader.

But Mathieu Palombino, founder of the New York-based pizza chain Motorino, calls the boost provided by delivery apps a "big illusion" because more orders don't bring bigger profits to restaurants.

"When you receive thirty or forty orders a day, you are happy. But the problem is that it does not translate into profits," Palombino told AFP.

Food delivery services can charge restaurants fees of up to 30 per cent of the bill for a meal, according to their web sites.

To address that problem, in August the New York city council passed a law, capping third-party delivery fees at 15 per cent.

"Small businesses should not be pressured into accepting these fees in order to remain viable and competitive," said New York City Councilman Francisco Moya, who initiated the bill. A similar law was passed in San Francisco in June.

Food delivery giants have challenged the laws in courts, and some analysts think they have a point. "We believe DoorDash will have a strong legal case against the permanent fee caps," Bank of America said in a research note last month.



AFP/FILE

A restaurant delivery worker on his bike stops by a sign of Patsy's Pizzeria which reads 'NYC Be Safe! Be Strong!' during the coronavirus pandemic in New York City.

DoorDash, Grubhub and Uber Eats argue that the cap is unconstitutional and that restaurants are free to negotiate their commissions with delivery platforms.

The delivery giants also say they have made huge investments during the pandemic that led millions of customers who had never ordered meals online to get started.

And DoorDash says that restaurants that used its platform during the pandemic had a survival rate eight times higher than the industry average. The company also says that even before the

laws were passed it already offered a 15 per cent fee formula. Put Palombino, the pizza chain founder, is unconvinced.

"The problem is that they have become so established that there no longer is a way back," he said. "If you're not on Seamless (one of the most popular delivery services in New York), you no longer exist."

As for the 15 per cent commission, Palombino said that a successful restaurant can "only hope" for a profit margin of 15 or 20 per cent.

First Berlin Teslas could come next month: Musk

REUTERS, Cramenheide

The first cars to emerge from Tesla's new Berlin factory should roll off the production line as early as next month, CEO Elon Musk said at the site of the plant on Saturday, but added that volume production would take much longer to achieve.

Musk hopes to get the green light in coming weeks to start production at the site.

The latest consultation on public concerns towards the site closes on October 14, after which the Environment Ministry will make a decision.

"Starting production is nice, but volume production is the hard part," Musk told a cheering audience at a festival at the plant site,

many of whom livestreamed the speech on social media.

"It will take longer to reach volume production than it took to build the factory."

He said volume production would amount to 5,000 or "hopefully 10,000" vehicles per day, and battery cells would be made there in volume by the end of next year.

He also defended the factory against critics of its environmental impact, saying that it used "relatively little" water and that battery cell production was "sustainable".

Some local residents and environmental groups are unhappy with Musk's approach, which they say flies in the face of German business culture.

"I would tell him to stop building electrocars

but rather fly to Mars," said Manu Hoyer, who led a small protest of locals who oppose the project on environmental grounds, saying it will pollute drinking water.

Brandenburg's economy minister has put the chances of the factory gaining approval to operate at 95 per cent.

Tesla has submitted plans to invest 5 billion euros (\$5.8 billion) in a battery plant with 50 GWh capacity next to the site, outstripping Volkswagen's planned 40GWh capacity site in Salzgitter.

Musk said Tesla was worried that recruiting sufficient staff would be an issue, calling for people to apply from "all over Europe". He said he hoped the battery plant would reach volume production by the end of next year.