

Tea production to rise this year

Favourable weather conditions brighten prospects, say industry people



PHOTO: MINTU DESHWARA

Tea garden workers are seen tending to their crops. Good weather conditions alongside the recovery of both foreign and domestic demand in the face of a declining coronavirus crisis have left farmers with much to hope for this year compared to 2020, when sales were low.

MINTU DESHWARA

The local tea industry was in hot water not long ago as various restrictions put in place all over the world amidst the ongoing coronavirus pandemic had led to a decrease in demand.

But as the situation slowly improves, tea production is back at full steam thanks to the revival of both foreign and domestic consumption.

If production continues at its present rate due to favourable weather conditions this year, yields will be better than that of the previous season, according to

industry insiders. Jahar Tarafder, member secretary of the Tea Planters and Traders Association of Bangladesh, said about 32 lakh kilogrammes (kg) to 35 lakh kg of tea were sold whenever auctions were held across Bangladesh.

Due to the coronavirus pandemic, sales at auction houses

had fallen by about 60 per cent to 70 per cent but now more than 70 per cent of the previous auction sales figures was being attained on an average.

Besides, tea prices go up after every auction as it increases buyer participation by providing them with the scope to handpick their preferred blend, he added.

There are around 167 tea gardens in Bangladesh, making it the world's ninth largest tea producer.

About 1.27 crore kg of tea was grown across the country in September, up from roughly 1.22 crore kg during the same month the previous year, according to Bangladesh Tea Board.

Tea garden owners hope this season's good fortunes will last as light drizzles almost every other day in October have made for good growing conditions.

This means that farmers can hope for better yields compared to the 2020 season due to regular rainfall this year.

Tea production in Bangladesh this year stood at about 6.48 crore kg up until September compared to 5.75 crore kg during the same period in 2020.

As such, market players are expecting a new record of 10 crore kg of tea production in the country by the end of December.

In each auction that took place two months apart, the average price per kg of tea hovered around Tk 200. The reopening of schools, colleges and universities has lifted the demand for tea at a marginal level, affecting the auction market as well.

GM Shibli, chairman of the Sylhet branch of Bangladeshiy Cha Sangsad (Tea Association of Bangladesh), a platform of tea garden owners, said the potential was there for crossing last year's production target. Adequate rainfall and sunshine are important for growing tea, he said.

"Unexpected success in tea production could come if this beverage industry is given the opportunity to take care of itself in a natural way, which can be inferred from annual records," he said.

M Shah Alam, chairman of Bangladeshiy Cha Sangsad, told this correspondent that the country's tea gardens were in dire straits in 2020 due to Covid-19.

READ MORE ON B3

Affordable housing: a billion-dollar opportunity



MASHID RAHMAN

In the 50 years since independence, Bangladesh has achieved great success regarding the development of the country. There have been significant improvements in access to food, security, healthcare, and education, which have led to an overall increase in the standard of living and a decrease in poverty rates. However, not all sectors have developed in a similar fashion.

As part of the Sustainable Development Goals set by the UN in 2015, goal 11 aims to make cities inclusive, safe, and sustainable. For this to happen, affordable housing must be made available to all by 2030 around the world and in our country.

There is a scarcity of affordable housing in Bangladesh, particularly in Dhaka city. As of 2021, approximately 22 million people reside in the greater Dhaka metropolitan area, according to the World Population Review.

The urban population of Bangladesh makes up approximately 40 per cent of the total population, and it is projected that by 2030, it will be 50 per cent. With temperatures and sea levels rising, the number of climate refugees from low-lying areas of the country moving to urban areas will reach approximately 20 million.

The middle-income population of the city is increasing, and so is the demand for housing. The middle-income population is expected to be 37 per cent of the total population by 2025, according to the IFC. However, the rent per square feet of the homes that cater to the middle-income people is on the higher side compared to those catered towards the upper-middle and upper economic segments.

The needs of the middle-income population are being undervalued. The present demographic dividend creates a huge growth opportunity for Bangladesh. We have one of the youngest populations in the world. So, more and more people will be looking into better housing facilities as the working-age population grows larger.

Middle-income and lower-middle-income groups living in urban areas of Bangladesh are paying high amounts of rent per square foot to live in cramped spaces. In many instances, they are paying amounts that are equivalent to the rent of commercial spaces. There is a significant affordable rental housing gap.

With proper policy and adequate support, monthly rent payments can be converted into instalments towards homeownership. This will help the people with monthly household incomes between Tk 50,000 and Tk 100,000 become homeowners.

In the case of the greater Dhaka metropolitan area, the appropriate size of a unit for an affordable housing scheme should be from 600 square feet to 1,000 square feet. To be able to buy these homes, buyers of this income group would need assistance from financial institutions.

According to the Bangladesh Bank, mortgage finance penetration in the housing market is only 3 per cent (compared to the 50 to 70 per cent in developed countries), and home loans only make up about 6 per cent of the total loans in the financial sector.

At present, the mortgage interest rate for a period of 20 years is about 7 to 8 per cent, which is too high. Traditionally, this



OPINION

segment of society has faced insufficient financial support, and without this changing, it would not be possible for them to own homes. Thus, the government should formulate a policy that is conducive for them.

Possible policies could include interest rate subsidies for first-time homeowners for the initial years or interest rate reductions for the entire mortgage period. In addition, there should be a progressive interest rate scheme from the financial institutions, whereby the mortgage payment will increase in parallel to the earning of the mortgage taker.

Another out-of-the-box possibility could be a collaboration between micro-lending agencies and real estate developers, whereby both can act as enablers for affordable housing. By combining the experiences from microfinancing and recovery with the experience of real estate developers, affordable housing can be attained.

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DISTRICTS IN FOCUS

Microsoft now the world's most valuable company

REUTERS

Apple Inc lost its crown as the world's most valuable public company to Microsoft Corp on Friday, as the iPhone maker's shares fell about 2 per cent.

Apple took a \$6 billion hit to its sales during the fiscal fourth quarter due to persistent global supply chain problems, leading to a miss on Wall Street expectations.

Top boss Tim Cook said the impact will be even worse in the current holiday sales quarter.



REUTERS/FILE

Microsoft logo is seen on a smartphone in front of displayed Apple logo in this illustration.

"Compared to less hardware focused FAANG peers, Apple is also a lot more exposed to supply chain disruption," said Sophie Lund-Yates, equity analyst at Hargreaves Lansdown. Apple's shares dropped 1.8 per cent to end the session at \$149.80, giving the company a market capitalization of \$2.48 trillion.

By contrast, shares of Windows software maker Microsoft rose 2.2 per cent to a record high of \$331.62, ending the session with a market capitalization of \$2.49 trillion.

Apple, which has repurchased \$421.7 billion worth of shares over the years, had announced a massive \$90 billion share buyback in April.

As a result, the outstanding stock pool keeps shrinking, and the company ended its fiscal fourth quarter with 16.4 billion shares.

Microsoft's stock has surged 49 per cent this year, with pandemic-induced demand for its cloud-based services driving sales.

Shares of Apple have climbed 13 per cent so far this year. Apple's stock market value overtook Microsoft's in 2010 as the iPhone made it the world's premier consumer technology company.

The companies have taken turns as Wall Street's most valuable business in recent years, with Apple holding the title since mid-2020.

Analysts say Apple has managed the supply chain issue well, but with Cook warning of more pressure, the door is open to a hit to its performance as the holiday season kicks in.

G20 leaders endorse global minimum corporate tax deal for 2023 start

REUTERS, Rome

Leaders of the world's 20 biggest economies (G20) will endorse an OECD deal on a global minimum corporate tax of 15 per cent, draft conclusions of the two-day G20 summit showed on Saturday, with a view to having the rules in force in 2023.

"We call on the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting to swiftly develop the model rules and multilateral instruments as agreed in the Detailed Implementation Plan, with a view to ensure that the new rules will come into effect at global level in 2023," the draft conclusions, seen by Reuters, said.

The conclusions are to be formally adopted on Sunday.

In October, 136 countries reached a deal on a minimum tax on global corporations, including internet giants like Google, Amazon, Facebook, Microsoft or Apple to make it harder for them to avoid taxation by establishing offices in low-tax jurisdictions. "This is more than just a tax deal, it's a reshaping of the rules of the global economy," a senior US official told reporters.



World leaders gather for the official family photograph on day one of the G20 leaders' summit at the convention centre of La Nuvola in Rome yesterday.

REUTERS

Huawei reports 32pc revenue plunge

AFP, Shanghai

Chinese telecom giant Huawei said Friday its revenue plunged by a third in the first three quarters of the year, as it continued to struggle under US sanctions that have hit its smartphone sales.

Huawei has been caught in the crossfire of a US-China trade and technology rivalry after the government of former president Donald Trump moved to cripple the company on concerns that it could pose a cybersecurity and espionage threat.

January-September sales volume fell 32 percent to 455.8 billion yuan (\$71.3 billion), a company statement said. It said the firm's net profit margin -- a measure of the ratio of profits to

revenue -- increased slightly to 10.2 percent, attributing that to increased operational efficiencies.

Unlisted Huawei provided few specifics and did not include a breakdown of its performance by business segment.

But its statement quoted rotating chairman Guo Ping as saying the business-to-consumer segment -- consisting largely of smartphones and other devices -- had been "significantly impacted" in the period. He added, however, that the telecom carrier segment had "remained stable" and the company was "confident (that) we will continue to create practical value for our customers".

The United States has provided no evidence for its claims of a security threat, but has barred

Huawei from acquiring crucial components such as microchips, and cut it off from using Google's Android operating system.

Huawei's revenue has fallen in 2021 due in part to the offloading of its budget phone brand Honor, which was sold late last year to help the brand maintain access to components and survive.

Huawei's travails have forced it to quickly pivot into new business lines including enterprise computing, technology for intelligent vehicles, and software.

Huawei is the world's biggest supplier of telecoms network gear and was once a top-three smartphone producer along with Apple and Samsung. But it has fallen well down the smartphone ranks owing to the US pressure.

US inflation has not yet subsided

AFP, Washington

President Joe Biden has bet that the high US inflation rate will decline and help the case for the spending plans he's staked his presidency on, but data released Friday instead showed prices remaining stubbornly high in the world's largest economy.

There were also signs of an acceleration in wages that could further fuel inflation, as well as a spike in consumer expectations of price increases to come.

The Commerce Department reported inflation climbed 4.4 per cent last month compared to September 2020, its biggest jump since January 1991 and the latest complications for the president's proposal to spend \$1.75 trillion on an array of social services.

That bill, dubbed Build Back Better, has faced a tortuous path through Congress, where some moderate Democrats have worried it could make the price situation worse.

"I don't think that these investments will drive up inflation," Treasury Secretary Janet Yellen said in an interview with CNBC from Rome, where G20 leaders including Biden are gathering.