Delays in govt procurement irk Aman farmers

None collected in 10 days past announcement

Farmers are seen harvesting Aman paddy in full swing but due to delays in the government procurement drive, they are being forced to sell the crop at low prices. The photo was taken at Angarpara village in Nilphamari sadar upazila.

PHOTO: EAM ASADUZZAMAN

DISTRICTS IN FOCUS

EAM Asaduzzaman, *Nilphamari*

Although Aman paddy farmers are harvesting the crop in full swing, the government is yet to make good on its promise to buy the kitchen staple through a national procurement drive that began earlier this month.

The government inaugurated a countrywide paddy procurement drive through a virtual programme on November 7 in a bid to ensure fair prices for farmers.

However, officials of the district food department informed that a list has not been complied yet of farmers eligible for supplying paddy to local supply depots as the upazila agriculture officers responsible have not been issued any directive.

Seeing nothing fruitful coming out of the drive announcement, small scale farmers have started selling their produce at local haats.

The food department officials of Nilphamari said they had fixed a target to procure 6,500 tonnes of paddy and 10,000 tonnes of rice at Tk 27 per kilogramme (kg) and Tk 40 per kg respectively in a drive that would likely conclude on February 28 next year.

Once enlisted, paddy farmers and rice millers would each be able to sell a maximum of three tonnes of their produce to local supply depots.

Procurement delays are nothing new as even in the recent past it took over a month to start a full-scale drive, according to Mokbul Hossain, president of a farmers' marketing group based in Jadurhat in Nilphamari sadar upazila.

"By this time, farmers usually have no paddy in hand as they are compelled to sell off their crops to hoarders and rice millers at low prices after harvests in a bid to pay off loans taken for cultivation and covering family expenses," he said.

Besides, the delays provide hoarders and millers the scope to strong-arm farmers into selling their crops at cheaper rates. They then stockpile the kitchen staple in huge amounts before supplying it to local supply depots once prices rise.

"I wanted to supply paddy to a local supply depot," said Atowar Rahman, a farmer of Angarpara village in sadar upazila.

"But since there was no development regarding my enrolment, I was forced to sell 10 maunds (one maund is about 37 kgs) of rice at a low price in order to pay off my debt," he said.

"When we bring paddy to the market, we helplessly depend on traders who offer low prices," said Ramzan Ali, a farmer of Uttor Gayabari village in Dimla upazila.

"Meanwhile the excess charges levied by market owners and cheating in the weighing process leads to big losses for us," he said.

In many cases it is even reported that a few lucky farmers who managed to bring their paddy to a local supply depot despite delays in government procurement are often harassed by local politically affiliated hoodlums.

In addition, local supply depot officials sometimes even refuse to accept the goods citing excess moisture levels.

The hoodlums then persuade or even force farmers to hand over their paddy and NID cards in exchange for a little profit and then sell their quotas to the local supply depots showing the identification cards as proof of being a listed farmer.

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Stocks maintain upward trend

Star Business Report

The stock market index maintained an upward trajectory yesterday in spite of price drops of most stocks.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), rose 4 points, or 0.05 per cent, to 7,060. This is a third consecutive day's rise. At the DSE, stock price of 152 companies went up, 177 fell and 37 remained unchanged.

The Dhaka bourse closed on a marginally positive note amid volatility throughout the session as investors from both sides of the trading fence were active, said International Leasing Securities in its daily market review.

The bargain hunters showed interest in buying sector-specific stocks while cautious investors were active in booking profits on quick-gaining stocks, it said.

The top 10 stocks to undergo trade captured around 42 per cent of the total trade, with IFIC Bank alone capturing 8 per cent, it added.

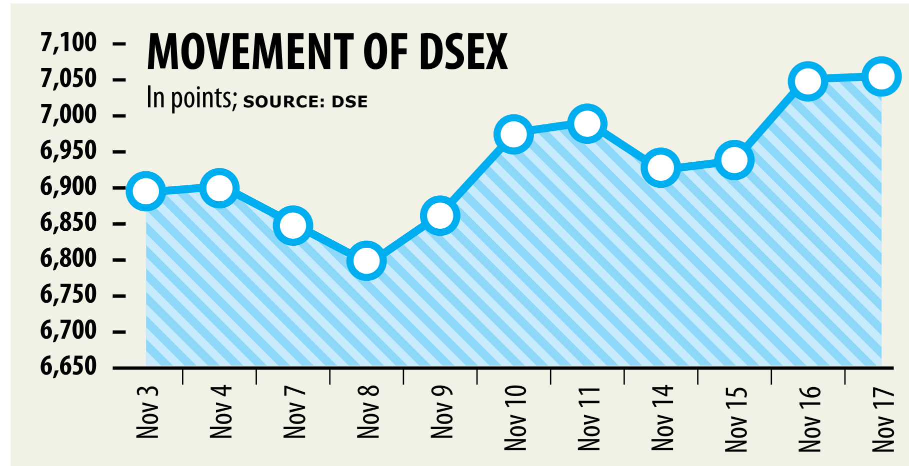
Turnover, an important indicator of the DSE, rose 1 per cent to Tk 1,507 crore.

Many investors sold shares to book profits, so the index did not rise to that big of an extent, said a stock broker.

But on the positive side, there were many buyers in the market so the index was saved from a fall despite the pressure of sales coming from profit-availing investors, he said.

As the index was on an upward trend for the previous two days, many stocks had risen by around 5 per cent to 8 per cent, he added.

Among the major sectors, general insurance advanced the most, rising 4.85 per cent. Life Insurance edged up 4.38 per cent, and tannery increased 3.27 per cent, according to a LankaBangla Securities daily market review.



However, the travel and leisure sector dropped 2.41 per cent, ceramic 1.06 per cent and banking 0.75 per cent, shows the data.

Express Insurance topped the gainers' list, rising 9.90 per cent, followed by Sena Kalyan Insurance, Index Agro Industries, Acme Pesticides and Janata Insurance.

Stocks of IFIC Bank were traded the most, worth Tk 120 crore, followed by Beximco, Delta Life Insurance, Orion Pharma and NRB Commercial Bank.

IFIL Islamic Mutual Fund-1 dropped the most, falling 5.97 per cent, followed by Generation Next Fashions, Agni Systems, Anlima Yarn Dyeing and Brac Bank.

Delta Life Insurance, Beximco Pharmaceuticals, United Power Generation and Distribution Company, Fortune Shoes and Genex Infosys jointly contributed 16 points to the DSEX, said amarstock.com, a stock market related information provider.

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GLOBAL BUSINESS

Will gasoline prices drop in 2022? It depends on Opec and US shale

Reuters, *New York*

Whether fuel pump prices fall in 2022 depends on two groups of producers who are struggling to increase oil output in the wake of the pandemic: OPEC and its allies and US shale firms.

The global oil industry's slow response to the surging demand in 2021 has contributed to soaring energy costs and inflationary pressures worldwide. As the economy recovers and populations resume road, rail and air travel, global oil demand has nearly rebounded to pre-pandemic levels.

Supply has not recovered so fast - so to keep up with demand, the industry is burning through oil kept in storage.

Benchmark oil prices have surged to multi-year highs over $86 a barrel, and some economists warn crude could surpass $100 a barrel, threatening the recovery.

The International Energy Agency (IEA) expects the roughly 100 million barrels per day (bpd) market to flip into surplus in the first quarter next year, and for supply to outpace demand by 1.1 million bpd, taking some heat out of prices. That oversupply could rise to 2.2 million bpd in the second quarter, the energy watchdog forecasts.

REUTERS/FILE

A 3D printed oil pump jack is seen in front of displayed stock graph and Opec logo in this illustration.

Those projections, however, depend on OPEC and its allies increasing output at 400,000 bpd per month, as the group known as OPEC+ slowly unwinds cuts it was forced to make during the pandemic.

But the IEA's monthly report on Tuesday showed OPEC+ is nowhere near its targets: it produced about 700,000 barrels per day (bpd) below those levels in September and October.

That is largely due to top African producers Nigeria and Angola, whose maintenance and investment problems are likely to weigh on output next year.

If that underproduction continues, it could wipe out much of the surplus in the first quarter and keep markets tight for longer. The IEA hiked its 2022 forecast for average prices to US$79.40 a barrel, even as it said higher supply could give some reprieve.

Commodities trading giant Trafigura warned on Tuesday of a "very, very tight oil market" as declining production investment, partly due to an industry transition to greener energy, adds to price pressure.

The United States and other big energy consumers have asked OPEC+ to increase output more quickly, but the group has refused due to concern coronavirus may again sap demand during the northern winter.

The market is now looking to the US shale industry, which has provided most of the non-OPEC output increase over the past decade.

"There's one element where you could probably further increase capacity, which is shale in the US," said Marco Dunand, chief executive of merchant Mercuria Energy Trading, at the Reuters Commodity Trading Summit this week.

The IEA expects a massive 480,000 bpd rise in US crude and natural gas liquids (NGLs) output in the second quarter of 2022, and by 1.1 million bpd for all of 2022.

The US Energy Information Administration's near-term expectations are lower, with overall crude and NGLs output set to rise by 220,000 in the second quarter.

UK inflation leaps to 10-year high

Reuters, *London*

British inflation surged to a 10-year high last month as household energy bills rocketed, according to data on Wednesday that will bolster expectations that the Bank of England will raise interest rates next month.

Consumer prices rose by 4.2 per cent in annual terms in October, leaping from a 3.1 per cent increase in September. Both the BoE and a Reuters poll of economists - none of whom had predicted such a big increase - had pointed to a reading of 3.9 per cent.

"Today's inflation data will reinforce the Bank of England's resolve to act," Yael Selfin, chief economist at KPMG UK, said.

The pound climbed to a one-week high versus the US dollar and a 21-month high against the euro after the data. Finance minister Rishi Sunak said rising inflation was not just a British problem and the government was taking action to offset the hit to spending power, even as it scales back most of its coronavirus emergency support.

Britain's inflation rate puts it in the middle of the pack among G7 countries, with annual US consumer price inflation now running north of 6 per cent.

The Office for National Statistics said household energy bills were the biggest driver of inflation following the lifting of a regulatory cap on bills last month, with gas prices paid by consumers up 28.1 per cent in the year to October.

British energy suppliers are grappling with soaring wholesale gas prices that have led to the collapse of a number of energy companies, forcing more than 2 million customers so far to switch providers - often on higher tariffs.

The BoE - which has a target of 2 per cent inflation - has said higher borrowing costs can do nothing to influence energy prices.

But it is concerned that high rates of inflation could harm its credibility in the eyes of the public.

Forecasts published by the BoE this month showed it expected inflation to hit around 5 per cent in the coming months.

The BoE is expected to become the first of the world's major central banks to raise rates since the coronavirus pandemic swept the global economy, with investors and economists increasingly predicting that will happen on December 16.

On Monday BoE Governor Andrew Bailey said he was "very uneasy" about the inflation outlook and that his vote to keep rates on hold earlier this month, which shocked financial markets, had been a very close.

On Tuesday, data suggested Britain's labour market was withstanding the end of the government's job-protecting furlough scheme, a key factor for the BoE and its decision on rates.

Robert Alster, chief investment officer at wealth manager Close Brothers Asset Management, cautioned against assuming a BoE rate hike next month was a done deal.

"Ultimately, the impact of rising inflation on consumer spending and confidence will be a critical measure of stability, and determine how hawkish the Bank needs to be," he said.

Top banking regulator urges climate rules for lenders

AFP, *Zurich*

The top international banking supervisory authority on Tuesday said lenders should account for climate risks when managing their business, suggesting a list of 18 "principles" to guide banks and national supervisors.

Banks should "consider the potential impacts of climate-related risk drivers on their individual business models and assess the financial materiality of these risks," the Basel Committee on Banking Supervision said in a consultation document.

The BCBS is charged with creating rules for the banking system to ensure its stability.

After working up its list of principles -- 12 aimed at banks themselves and six at supervisors -- the BCBS has offered them up for public comment before making binding proposals.

Top of its list is calling for lenders to "develop and implement a sound process for understanding and assessing the potential impact of climate-related risk drivers on their businesses and on the environments in which they operate".

Climate-related responsibilities should be clearly assigned to individual board members or committees and "throughout the organisational structure" of financial firms, the BIS adds, as well as urging them to collect data to inform their decisions.

The climate principles would cover internal audit and the capital lenders must set aside to cushion financial shocks.

"Banks should assess whether climate-related financial risks could cause net cash outflows or depletion of liquidity buffers, assuming both business-as-usual and stressed conditions," the BCBS said.

Respondents have until February 16 next year to give feedback to the committee.

Uber resumes shared rides in US

AFP, *San Francisco*

Ride-hailing giant Uber has resumed its ride-sharing service in the United States, a top executive announced Tuesday, offering customers in Miami a feature that was stopped last year because of the Covid-19 pandemic.

The UberX Share option -- formerly called Uber Pool -- allows people to share rides with strangers at a reduced cost, and builds in precautions against the spread of the coronavirus. "609 days later, shared rides are back in the US," tweeted Andrew Macdonald, Uber's Senior Vice President of Mobility and Business Operations.

Keeping Covid-19 in mind, drivers on the service can only transport two customers at a time and face masks are compulsory for everyone in the vehicle.

"We all play a role in helping to keep one another safe. That's why riders and drivers are required to wear a mask, even when vaccinated," the company said in its guidelines for the service.

In some select areas, based on local guidelines, customers "will be asked to take a selfie to verify that they're wearing a mask" when requesting a ride.