

Small-cap firms see rise in stock prices

Thanks to recent BSEC order to raise their paid-up capital

STAR BUSINESS REPORT

Although the domestic stock market has been lodged in a downward trend for the past few weeks, shares of small capital based companies saw a rise in value on most days.

This is thanks to a recent order from the Bangladesh Securities and Exchange Commission (BSEC) that requires those companies to increase their paid-up capital.

Still though, the DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), plummeted 46 points, or 0.68 per cent, to 6,736 yesterday.

until June 30 next year to meet this limit while firms with less than Tk 20 crore in paid-up capital have time until December 31, 2022.

"These stocks have low impact on the index, so the index is not affected by their rise. However sell-offs in large capital based companies did affect the index," the stockbroker added.

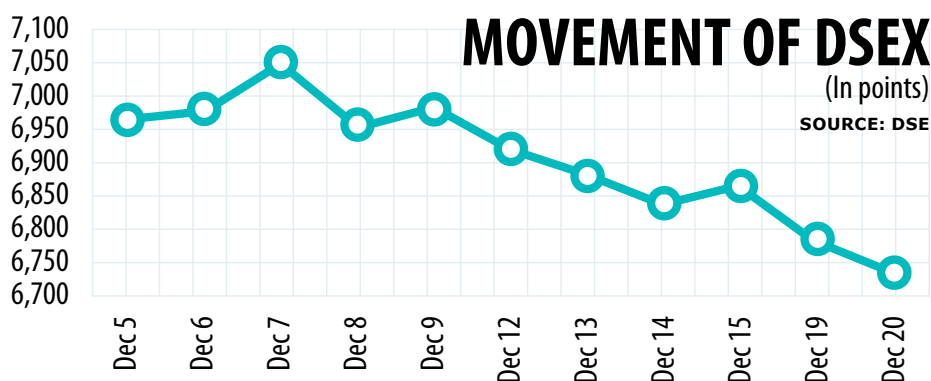
Turnover at the DSE, an important indicator of the stock market, stood at Tk 807 crore, up 2 per cent from Tk 786 crore the previous day.

At the premier bourse, 100 stocks advanced, 241 declined and 33 remained unchanged.



PHOTO: S DILIP ROY

A farmer is seen in front of a mosquito net trapping black soldier flies. Although this may seem like a scene out of a nightmare, the maggots produced by these insects are a highly nutritious and cheap form of poultry and fish feed. The pictures were taken recently.



With this, the index has shed a total of 132 points in the last two days.

In the two weeks since December 7, the DSEX nosedived 312 points despite making a slight recovery in the meantime.

"People are rushing towards low paid-up capital based companies as they hope the company sponsors will increase the paid-up capital," said a stock broker preferring anonymity.

The BSEC had directed 65 companies from both bourses in the country that have paid-up capital below the mandatory Tk 30-crore limit to increase their capital.

According to regulations of the DSE and Chittagong Stock Exchange (CSE), the paid-up capital of listed companies in the main market must be at least Tk 30 crore.

The companies with paid-up capital above Tk 20 crore have been given time

Bangladesh Monospool Paper Manufacturing topped the gainers, rising 9.78 per cent, followed by Paper Processing, Asia Insurance, National Tea, and ICB AMCL First Agrani Bank Mutual Fund.

Savar Refractories shed the most, dropping 7.70 per cent, followed by Khan Brothers PP Woven Bag Industries, Khulna Power, Beach Hatchery, and Fine Foods.

Stocks of Beximco Ltd traded the most, worth Tk 128 crore, followed by Genex Infosys, One Bank, Asia Insurance, and Sena Kalyan Insurance.

The CSE also dropped yesterday as the CASPI, the main index of the port city bourse, dropped 142 points, or 0.72 per cent, to 19,596.

Among the 289 traded stocks, 69 rose, 193 fell and 27 remained same.

Maggots creeping their way into farms

Could replace traditional poultry, fish feed as primary protein source

S DILIP ROY

The larvae of black soldier flies, a common insect in the Stratiomyidae family, can be used as organic poultry and fish feed, providing farmers with a cheap alternative to the comparatively high priced products currently available.

Besides, farmers can raise the insects to harvest larvae on their own.

Black soldier fly larvae, or maggots, are a great source of high-quality protein and is a good alternative to fish meal in organic poultry and fish production, according to research from Aarhus University, Denmark.

As such, insect farms are cropping up across Rangpur, where educated but unemployed youths are getting new employment opportunities in maggot production.

The youths engaged in farming black soldier flies say the practice is common in places like the US, where a bulk of animal and fish feed comprises live larvae.

The insects are being produced in small quantities at this stage but the scope is increasing day by day.

Other than creating employment opportunities

while catering to the domestic demand for animal feed, large scale maggot production would also generate a huge amount of organic fertiliser.

This is because the black soldier fly larvae has a remarkable ability to transform nearly any kind of organic waste into high-quality protein by ingesting it. The insect's droppings can then be collected as a high-value fertiliser.

To produce the maggots, black soldier flies are

DISTRICTS IN FOCUS

kept in rooms with decomposed food, chicken droppings and other forms of organic garbage. Each fly then lays between 900 to 1,000 pupae that are kept in containers until they grow into maggots within 14 to 18 days.

The whole process requires a mosquito net, a few pots, and pieces of wood.

If farmers were to cultivate these insects on a large scale, they would be able to produce 100 to 500 kilogrammes (kgs) of larvae per day.

Nur Amin, an honours student from Thetrai

village in Kurigram's Ulipur upazila, told the Daily Star that he produced an average of 10 kgs of larvae per day for the last one month.

He uses these insects to feed the animals at his own poultry farms and expects to have a year's worth of feed within the next four or five months.

"So even though insect production is neglected, it is clearly beneficial," Amin said.

Nibaran Chandra Roy, a college student from Panchagram village in Lalmonirhat Sadar upazila, told the Daily Star that it is easy to harvest maggots from black soldier flies.

After spending three days to learn the process at a farm in Rangpur, Roy now has his own insect farm that produces two kgs of maggots each day. He now dreams of expanding his operations and opening a fish farm that would be fed with his larvae.

Dipta Kumar Mohanta, a master's student at Ramdev village, said he started his small-scale insect farm three weeks ago with one kgs of black soldier fly larvae.

Since then, he has produced five kgs of maggots and is working to expand further.

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GLOBAL BUSINESS

Biden's electric vehicle push hits setback in US Senate

REUTERS, Washington

A bid by the White House to dramatically boost electric vehicle tax credits hit a major roadblock on Sunday when a key Senate Democrat said he would not support a \$1.75 trillion domestic investment bill.

West Virginia's Joe Manchin appeared to deal a fatal blow to President Joe Biden's signature domestic policy bill, known as Build Back Better, which also aims to expand the social safety net and tackle climate change.

The bill includes increasing the current US\$7,500 EV tax credit to up to US\$12,500 for union-made US vehicles as well as creating a credit of up to US\$4,000 for used vehicles.

The bill would also again make General Motors and Tesla Inc eligible for tax credits after they hit the 200,000-vehicle cap on the existing US\$7,500 credit.

The bill also includes a 30 per cent credit for commercial electric vehicles.

GM and Ford are both launching electric pickup trucks in 2022 and new tax credits could be crucial to meeting initial sales targets, as well as meeting rising vehicle emissions requirements.

Biden wants 50 per cent of new US vehicles to be electric or plug-in electric hybrid by 2030. The administration is expected as soon as this week to finalize tougher new vehicle emissions rules through 2026, auto makers say.

Manchin opposes a US\$4,500 tax credit for union-made vehicles that is part of the US\$12,500 proposal. He calls the union credit "wrong" and "not American."

The EV tax credits are backed by Biden, many congressional Democrats and the United Auto Workers (UAW) union and would disproportionately benefit Detroit's Big Three auto makers - GM, Ford Motor Co and Chrysler parent Stellantis NV - which assemble their US-made vehicles in union-represented plants.

Tesla and foreign auto makers operating in the United States do not have unions representing assembly workers and many have fought UAW efforts to organize US plants. Toyota Motor Corp, which has a plant in West Virginia but whose US employees are not union members, has lobbied against the US\$4,500 union credit.

Toyota announced this month it is building a US\$1.29-billion battery plant in North Carolina, while EV startup Rivian Automotive said on Thursday that it will build a US\$5-billion plant in Georgia.

Vehicles would have to be made in the United States starting in 2027 to qualify for any of the US\$12,500 credit, which includes US\$500 for US made batteries. It has faced criticism from Canada, Mexico, Japan and the European Union.



A policeman wearing camouflage stands on the rooftop of a hotel near the Congress Centre during the World Economic Forum (WEF) annual meeting in Davos.

PHOTO: AFP/FILE

Omicron uncertainty prompts WEF to delay Davos summit

REUTERS, Zurich

The World Economic Forum (WEF) on Monday postponed its annual meeting in Davos due to the spread of the Omicron coronavirus variant, putting off the event scheduled for January until mid-2022.

A month before world business and political leader were due to gather in the Swiss ski resort, its organisers said they had decided to postpone in light of continued uncertainty over Omicron, adding the event was now planned for "early summer".

Davos, which in the past has attracted around 3,000 business chiefs, political thinkers and state leaders, was deserted last year after the event was cancelled due to Covid-19.

Dating back to 1974, the private event has over the years entertained guests including former US President Donald Trump, Chinese President Xi Jinping, climate campaigner Greta Thunberg and Irish rock star Bono.

"Current pandemic conditions make it extremely difficult to deliver a global in-person meeting. Preparations have been guided by expert advice and have benefited from the close collaboration of the Swiss government at all levels," the Geneva-based WEF said on its website.

"Despite the meeting's stringent health protocols, the transmissibility of Omicron and its impact on travel and mobility have made deferral necessary."

The cancellation is the second year in a row for Davos after organisers shifted the annual meeting to Singapore in 2021, before abandoning it altogether.

Switzerland is tightening pandemic curbs while not opting, for now, to enforce a stricter limited lockdown. Next year's Davos meeting had been set to focus on accelerating stakeholder capitalism, harnessing the technologies of the Fourth Industrial Revolution and ensuring a more inclusive future of work, the WEF said

in September.

Participants will now instead join a series of virtual "State of the World" sessions with global leaders, it said. The population of the remote Alpine town of Davos swells from 10,000 to about 30,000 during the summit, where much of the action happens outside the conference at side meetings and networking events.

Founded by German engineer and economist Klaus Schwab, the WEF meeting has in previous years served as a backdrop for political breakthroughs.

In 1989, North and South Korea held their first ministerial-level meetings in Davos, while at the same meeting, East German Prime Minister Hans Modrow and German Chancellor Helmut Kohl met to discuss German reunification.

And South African President de Klerk met Nelson Mandela and Chief Mangosuthu Buthelezi at Davos, their first joint appearance outside South Africa, in 1992.

China cuts interest rate for first time in 20 months

AFP, Beijing

China's central bank cut a key interest rate on Monday for the first time in nearly two years in a bid to kickstart growth in the world's number two economy as it creeps under the impact of a real estate crisis and coronavirus flare-ups.

The People's Bank of China said in a statement that it had lowered the loan prime rate (LPR) to 3.8 percent from 3.85 percent in November.

The move marks the first reduction of the rate -- which guides how much interest commercial banks charge to corporate borrowers -- since April 2020.

It also follows the bank's decision earlier this month to lower the amount of cash that lenders must hold in reserve, which it said would release 1.2 trillion yuan (\$188 billion) into the economy.

"Today's cut will immediately feed through to outstanding floating rate business loans and should also lead to cheaper loans for new fixed rate borrowers," said Mark Williams, chief Asia economist at Capital Economics.

"We expect a cut to the five-year LPR before long which will make mortgages slightly cheaper and help official efforts support housing demand," he added.

Dubai airport fully operational for first time since pandemic

AFP, Dubai

Dubai airport, one of the world's busiest travel hubs, is fully operational for the first time since the coronavirus pandemic erupted in March 2020, officials said Monday.

The opening of sections closed as the Covid-19 crisis took hold comes as the United Arab Emirates records a rise of infections amid fears of the new Omicron variant.

"Following the opening of the final phase... (the) airport is 100 per cent operational with all terminals, concourses, lounges, restaurants, and retail outlets now open," said a statement carried by the UAE's official WAM news agency.

Travel via Dubai increases at the end of the year, with foreigners -- who make up the majority of the emirate's population -- heading home for the holidays, and visitors arriving to celebrate the New Year.

Last year, Dubai International Airport reported a 70 per cent drop in traffic, from more than 86 million travellers in 2019 to 25.9 million in 2020.

In the first half of this year, 10.6 million people passed through the airport, a 41 per cent drop from pre-pandemic figures.

Tourism is an economic mainstay of Dubai, which welcomed 16.7 million visitors in 2019.

Dubai is counting on the six-month Expo 2020 trade fair to boost the economy, with more than seven million visits since it opened on October 1.