

# Stocks witness another steep fall

STAR BUSINESS REPORT

Shares on the Dhaka Stock Exchange (DSE) extended losses yesterday, sending the key index of the market to a four-month low.

The DSEX, the benchmark index of the premier bourse in Bangladesh, lost 72 points, or 1.08 per cent, to close at 6,629. This was the lowest level of the index since August 11.

The exchange witnessed another decline as the risk-averse investors opted for liquidating their position to escape further losses on their portfolios, said International Leasing Securities in its daily market review.

The shaky investors started the session with early-hour sell pressure and continued it till the closure.

Notable selling of shares was observed in almost all of the sectors, contributing to the big fall of the key index.

On the DSE, decliners outnumbered advancers 300 to 47, with 31 companies remained the same.

State-run Bangladesh Shipping Corporation topped the gainers' list as it rose 12.3 per cent followed by Western Marine Shipyards, Daffodil Computers, Zeal Bangla Sugar Mills, and Atlas Bangla.

Sonali Paper was the most traded stock with its shares worth Tk 153 crore changing hands. Beximco Ltd, Asia Insurance, Bangladesh Shipping Corporation, and Eastern Insurance also saw significant turnover.

Eastern Lubricants gave up the most, dropping 15 per cent, followed by Fu-Wang Foods, Appollo Ispat, Stylecraft, and Libra Infusion.

"The market is falling for many reasons. The most important one was institutional investors sold shares to free up funds to subscribe to a number of bonds recently," said a top official of an asset management company.

Besides, institutional investors don't want to increase their exposure towards the end of the year, he said.

Turnover on the DSE rose 10 per cent to Tk 885 crore.

The Chittagong Stock Exchange also fell. The CASPI, the main index of the bourse in the port city, edged down 261 points, or 1.33 per cent, to 19,268.

Among 297 traded stocks, 48 rose, 232 fell, and 17 was unchanged.



Workers at a vegetable wholesale hub in Ishwardi upazila are seen filling crates with bottle gourds that will be shipped to kitchen markets across the country. The picture was taken recently.

PHOTO: AHMED HUMAYUN KABIR TOPU

# Pabna farmers turning to vegetable cultivation

AHMED HUMAYUN KABIR TOPU, Pabna

Farmers in Pabna are increasingly turning towards vegetable cultivation as other crops offer comparatively lower profits, according to various locals.

Md Nasir Uddin, a farmer in Chor-Gorgori village of Ishwardi upazila, cultivated winter vegetables on three bighas of land this year.

"I cultivated one bigha of eggplant, one bigha of cauliflower, and other winter crops in another field," said Uddin, who expects to earn between Tk 50,000 to Tk 80,000 from each bigha.

Like him, many farmers are rushing to cultivate vegetables instead of other crops in Ishwardi upazila, the biggest vegetable producing hub in Pabna.

Paddy cultivation provides an annual profit of about Tk 15,000 to Tk 20,000 while vegetables rake in significantly higher earnings, he added.

During a visit to different shoal areas in Pabna Sadar and Ishwardi upazila, this correspondent found that vast amounts of land in and around the region are being used to grow vegetables.

A total of 35,045 hectares of land in the district have been brought under vegetable cultivation this year, according to the

Department of Agricultural Extension (DAE) in Pabna. As such, farmers in the region expect to collect 8.24 lakh tonnes of vegetables altogether.

Of the total land being used to grow vegetables, winter crops have been sown on 22,250 hectares with a production target of about 5.68 lakh tonnes.

In summer, 12,795 hectares of land were cultivated to produce around 2.57 lakh tonnes of vegetables, DAE data shows.

"But even though there are no fixed prices in the vegetable market, we expect sales of up to Tk 2.5 thousand crore in the district this year by assuming an average price of about Tk 25 to Tk 30 per kilogramme," Latif said.

Vegetable producers in Pabna supply kitchen markets across the country with eight of the country's 10 biggest vegetable wholesale hubs being based in the district.

"I sold each kilogramme of cauliflower at Tk 25 to a wholesale trader on Friday but the same vegetable is selling for Tk 40 to Tk 50 at the retail level in Pabna and other districts," said Badsha Malitha, another farmer of Chor-Gorgori village.

Similarly, the price of beans, carrots, tomatoes, and other seasonal vegetables differs from the producer and consumer levels, he added.

While speaking with The Daily Star, Sajahan Ali Badsha, a prize-winning vegetable producer, said farmers are being deprived of fair prices as the market is completely controlled by syndicates.

"Farmers cannot keep their vegetables in the fields for long and since they have no scope to sell directly to consumers, they have to depend on wholesale traders who dictate prices," he said.

"Almost all kinds of seasonal vegetables, sans potato, can be cultivated in Pabna due to its suitable soil conditions," said Md Abdul Latif, additional deputy director of the DAE in Pabna.

"And since farmers here could earn handsomely from commercial vegetable cultivation, local agriculture officials try to inspire them to do more by providing technical and logistical support," he added.

The DAE official went on to say that vegetable prices vary depending on supply, which is often subject to manipulation by syndicates.

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# World economy to top \$100t in 2022 for first time

REUTERS, London

The world's economic output will exceed \$100 trillion for the first time next year and it will take China a little longer than previously thought to overtake the United States as the No1 economy, a report showed on Sunday.

British consultancy Cebr predicted China will become the world's top economy in dollar terms in 2030, two years later than forecast in last year's World Economic League Table report.

India looks set to overtake France next year and then Britain in 2023 to regain its place as the world's sixth biggest economy, Cebr said.

"The important issue for the 2020s is how the world economies cope with inflation, which has now reached 6.8 per cent in the US," said Cebr deputy chairman Douglas McWilliams.

"We hope that a relatively modest adjustment to the tiller will bring the non-transitory elements under control. If not, then the world will need to brace itself for a recession in 2023 or 2024."

The report showed Germany was on track to overtake Japan in terms of economic output in 2033. Russia could become a Top 10 economy by 2036 and Indonesia looks on track for ninth place in 2034.

# China central bank vows to promote healthy development of property market

REUTERS, Shanghai

China's central bank said on Saturday it will safeguard the legal rights of home buyers and better satisfy their reasonable living needs, vowing to promote healthy development of the country's real estate market.

The statement from the People's Bank of China (PBOC), made following its fourth-quarter monetary policy committee meeting, is the latest sign that Chinese regulators are marginally easing curbs on the property sector to prevent a hard-landing.

Echoing China's annual Central Economic Work Conference held in early December, the PBOC said it will prioritise economic stability, amid an increasingly severe external environment and the unrelenting global pandemic.

The PBOC said it will keep its monetary policy flexible and appropriate, and liquidity reasonably ample. It will strengthen support to the real economy, with a bias toward small companies.

The central bank reiterated that it will deepen reforms of the forex market and increase the flexibility of the yuan's exchange rate while guiding companies and financial institutions to be "risk neutral".

# Climate crisis puts oil in the crosshairs

AFP, Paris

The climate crisis has put the end of oil onto the agenda, but achieving that is a colossal task given the world economy's deep dependence on petroleum.

"In 2021, several developments showed clearly that (the petroleum) industry doesn't have a future," said Romain Ioualalen at the activist group Oil Change International.

The International Energy Agency warned in May that an immediate halt to new investment in fossil projects is needed if the world is to reach net-zero carbon emissions by 2050 and to stand any chance of limiting warming to 1.5C.

The call was a revolution for an agency created in the wake of the first 1970 oil shock to protect the energy security of rich, oil-consuming nations.

Another major moment in 2021 was the emergence at the COP 26 climate summit in Glasgow of a coalition of nations that pledged to phase out oil and gas production, although no major oil and gas producing nation joined that group.

"It is no longer taboo to talk about the end of the extraction of hydrocarbons during international climate summits," said Oil Change International's Ioualalen.

And fossil fuels -- which still represent 80 per cent of energy consumed -- were explicitly blamed for driving climate change, which was not the case when the Paris climate pact was reached in 2015.

More recently, environmental defenders scored a symbolic victory when oil giant Shell decided to exit the development of the controversial Cambo oil field off Scotland saying the investment case was "not strong enough".

"We've known for several years that the end of crude oil ... is near," said Moez Ajmi, an energy specialist at professional services firm EY.

"But is the world ready to live without oil? It is still very dependent in my view."

"The IEA also believes that oil demand is still set to rise. It expects it to reach its pre-pandemic level of just under 100 million barrels per day next year.

past months, oil producers are rolling in cash and can afford to pursue new projects.

"Any talk of the oil and gas industries being consigned to the past and halting new investments in oil and gas is misguided," OPEC leader Mohammed Barkindo said recently.

The head of French oil firm TotalEnergies, Patrick Pouyanne, said he's "convinced the transition will take place because there is a real awareness, but it will take time.

accounted for 7 percent of global auto sales, according to BloombergNEF.

While that is still a small percentage, it is growing fast.

Oil Change International's Ioualalen said that arguments put forward by oil companies and producing nations are cynical and focus on the short term.

"They're trying to justify an unsustainable trajectory at any cost," he said.



Security personnel stand outside the complex of Indian Oil Corporation's refinery in Haldia, West Bengal on December 22 a day after three people reportedly lost their lives in a fire incident in the plant.

AFP/FILE

"He believes the issue is being approached from the wrong end. Instead of focussing on reducing oil, attention should be shifted towards consumption.

Demand for fossil fuels "will decline because consumers have access to new products like electric vehicles," said Pouyanne.

In the first half of the year, electric vehicles

"We're still far from a decarbonised economy, of course, but it is the energy system investments that are made today that will lead us there," said Ioualalen.

Whatever the horizon for the end of petroleum, industry players are still only willy-nilly preparing for it as pressure upon them mounts.

# UK extends visa scheme for seasonal farm workers

AFP, London

The UK government on Friday announced it is extending a temporary visa scheme for foreign seasonal workers until the end of 2024, while it will gradually reduce the quota from 2023.

The government said it will next year offer 30,000 visas for workers to come to the UK for up to six months to pick fruit, vegetables and flowers, potentially increasing this number to 40,000.

But from the beginning of 2023, the number of visas "will begin to taper down", the government said, adding that it is demanding "a plan from the sector to cut the reliance on foreign labour".

The sector must improve pay and conditions, the government said, adding that it was changing the rules of the scheme so that employers must pay a "minimum salary".

The limited extension "strikes the right balance of supporting the industry while it transitions to employing and prioritising domestic workers," said Kevin Foster, minister for safe and legal migration.

Following Brexit, as it became apparent that the UK was dependent on migrant labour in various low-paid sectors including agriculture, the scheme was launched as a pilot in March 2019 to recruit non-EU workers.

It was then expanded in December last year with 30,000 visas available.

The government in September also announced it was offering 10,500 three-month visas for lorry drivers and poultry workers to ease a huge shortfall hitting fuel supplies and related industries.

The announcement that visa numbers for agricultural workers will taper down from 2023 was criticised by a farming leader in Scotland, where migrant workers are in particular demand.

Scott Walker, chief executive of National Farmers Union Scotland, tweeted that the government was "sneaking out bad news on Xmas eve", adding that the announcement that visa numbers will be reduced from 2023 was "devastating news to Scottish soft fruit and veg".

The National Farmers Union's vice president Tom Bradshaw, however, in a statement said it was positive that the government was giving growers "clarity over the future of the scheme for the next three years".

# Most Gulf bourses retreat as Covid-19 cases rise

REUTERS

Most stock markets in the Gulf were subdued on Sunday, with coronavirus infections across the region rising again after months of low or falling figures.

Saudi Arabia's benchmark index lost 0.2 per cent, dented by a 0.3 per cent fall for Al Rajhi Bank and a 0.6 per cent decline for Saudi National Bank.

Health authorities in the kingdom advised citizens and residents last week to avoid all unnecessary foreign travel. Saudi Arabia reported its first case of the Omicron coronavirus variant on December 1.

Among other losers, Jabal Omar Development Co slid 2.4 per cent, after increasing the volume of shares offered to the fund manager of Alinma Makkah Real Estate Fund to settle payment obligations owed to the fund.

A Saudi citizen and a Yemeni resident were killed after a Houthis projectile hit the southern Saudi city of Jazan on Friday, Saudi state media reported, in continued escalation of conflict between the Saudi-led coalition fighting the Iran-aligned Houthis in Yemen.

The war in Yemen has cost Riyadh billions of dollars as the world's biggest oil exporter contends with additional pressure on state finances because of weak oil prices.

The Abu Dhabi index, meanwhile, dropped 0.3 per cent as Abu Dhabi Islamic Bank retreated by 2 per cent and the country's largest lender, First Abu Dhabi Bank, lost 0.7 per cent.

Dubai's main share index was flat in early trade.

The United Arab Emirates (UAE) has experienced a particularly sharp increase in Covid-19 infections since announcing the arrival of Omicron early this month, with 1,621 coronavirus cases recorded on Saturday, up from 68 on December 2.

The resurgence comes during the region's peak tourism season, especially in the UAE, which is welcoming millions of visitors to the Expo 2020 Dubai world fair and other seasonal events. The Qatari index eased 0.3 per cent, pressured by a 0.8 per cent decline for the Gulf's biggest lender, Qatar National Bank.

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