According to the Export Promotion Bureau, export earnings from jute and jute goods declined 12 per cent year-on-year to $590 million in the July-December period of 2021-22. The photo was taken from a jute market in Shibaloy, Manikganj.
PHOTO: ANISUR RAHMAN

Jute traders, millers tired of artificial supply shortages

Govt to launch drive against illegal stockpiling

STAR BUSINESS REPORT

The government is set to launch a special drive against illegal stockpiles of raw jute to ensure a smooth supply in the domestic market and enable mills to make jute goods for export, the textiles and jute ministry said yesterday.

Golam Dastagir Gazi, minister of textiles and jute, made the announcement during a meeting with top leaders of the Bangladesh Jute Association (BJA), Bangladesh Jute Mills Association (BJMA), and Bangladesh Jute Spinners Association (BJSA).

The declaration came amid allegations from millers that traders were stockpiling raw jute in a bid to artificially increase prices, causing a decline in the shipment of jute goods.

In the face of rising raw jute prices, millers and spinners collectively decided that they would not buy the natural fibre for more than Tk 3,000 per maund from January 20.

According to millers and traders, each maund (about 37 kilogrammes) of raw jute is selling at Tk 3400 to Tk 3600. However, they retracted their decision following the objections of spinners.

In a statement, the textiles and jute minister said that production at jute mills hit a snag due to a dearth of raw fibres.

"The government will take stern action against dishonest hoarders in order to maintain the supply trend of exporting jute and jute goods from Bangladesh," he said.

"The Department of Jute has been directed to take the necessary measures, such as prohibiting unlicensed dishonest traders from buying and selling raw materials and prohibiting the sale and purchase of wet jute," Gazi added.

In the face of rising raw jute prices, millers and spinners collectively decided that they would not buy the natural fibre for more than Tk 3,000 per maund from January 20

As such, raw jute dealers or storekeepers will not be able to stock more than 1,000 maunds of raw jute for more than one month. The effective measures have been taken to ensure proper seed supply for jute cultivation in the current season.

Gazi also said that the agriculture ministry, in collaboration with the textiles and jute ministry, has developed a five-year roadmap to achieve self-sufficiency in standard jute-seed production.

The first phase of the programme will begin this year and if everything goes as planned, Bangladesh will be self-sufficient in improved jute seed production by 2025, with no future seed imports.

Under the Annual Development Programme (ADP), the textiles ministry has undertaken a project titled "an advanced technology-based jute and jute seed production and expansion" to achieve autarky in high yielding jute seed production, and motivate and assist farmers in producing quality jute.

The project is being carried out in 230 upazilas across 46 districts in the country, Gazi said.

All project farmers will receive free high-yield jute seed fertilisers and other agricultural machinery, including pesticides, he added.

Contacted, Md Abul Hossain, chairman of the BJMA, said they sat with the minister yesterday and had a fruitful discussion.

"We demanded the implementation of the Jute Law 2017. We have been able to convince Gazi, who assured us that stern action would be taken soon," he said.

"We are not against the farmers, we just want to fight against some dishonest profiteers who have made huge profits by illegally hoarding raw jute and selling them at exorbitant prices by creating an artificial crisis in the market," Hossain added.

Hossain also told The Daily Star that they took the decision but spinners were the ones to refuse it.

However, he mentioned that raw jute prices are now around Tk 3,500 per maund.

Earlier on January 25, the top leaders of jute mills said they were passing an exceptional situation as they had already lost around 40 per cent of their market share in Turkey due to the scarcity of raw jute.

According to the Export Promotion Bureau, earnings from jute and jute goods declined 12 per cent year-on-year to $590 million in the July-December period of 2021-22.

Arzu Rahman, senior vice-chairman of the BJA, said the textiles and jute minister assured about taking immediate action, saying that the ministry has called an emergency meeting tomorrow (today) with different stages of government officials for giving direction against the dishonest and unlicensed hoarders who are making an artificial crisis.

"The most mishandling of hoarders' activities have been going on for the last two years due to the negligence of the local and central administrations," he said.

"If the ministry fails to take strict action, then we have to face a tough situation as foreign buyers are shifting their attention away from our jute products to alternative items after failing to buy the goods at their stipulated prices," Rahman added.

Dhaka 4.0: Towards a more liveable city

ARIJIT CHAKRABORTI

The year 2021 ended with multiple accomplishments for Dhaka city.

In December last year, it completed the third and largest trial run (11 kilometres) of its metro rail line with a peak speed of 100km per hour. Additionally, one of the mobile network operators kicked off its trial operations with 5G technology. While it will take some time to make these services operational and available to the public, the progress increases the optimism about the city's liveability.

While the pandemic has created a new normal, the adoption of Industry 4.0 is progressing fast and, in certain instances, at an accelerated speed.

In the era of Industry 4.0, it would be worthwhile to rethink Dhaka's redevelopment from the perspective of making it a more liveable city (Dhaka 4.0) and to benchmark its evolution with that of cities worldwide.

In June 2021, the Economist Intelligence Unit (EIU) published the Global Liveability Index to provide a perspective on the best and worst liveability conditions across various locations in the world. The study focused on how the Covid-19 pandemic has affected liveability worldwide.

The EIU ranking has seen significant changes in its past rankings. The pandemic has led all cities to repair and reconfigure their infrastructure in order to prepare for the new normal. Dhaka ranked 137th on the EIU's liveability index.

The city has demonstrated its willingness to adopt contemporary technologies such as drone-powered surveys to understand the risk of dengue spread. Dhaka 4.0 needs to increase such adoption of new technologies to improve liveability

At the onset of the pandemic, most countries had imposed restrictions on international travel, both inbound and outbound. At the same time, most cities issued stay-at-home orders and locked down public places such as parks, restaurants, and theatres.

Quite interestingly, when countries enforced stricter border controls, cities within those countries realised that they could relax some of the restrictions safely. As a result, the cities that had been able to keep their public places open to residents while enjoying the stricter protection imposed at the international borders also ranked favourably with respect to liveability.

Also, relatively open cities meant relatively better job opportunities for urban workers. Hence, better liveability also supported better livelihoods.

The other important factor that emerged from the EIU study was the state of health infrastructure. Most cities struggled to provide adequate health infrastructure to their residents. Within this scenario, cities that could offer better care to their residents scored higher ranks.

Health infrastructure included taking care of sick residents, providing adequate testing and isolation facilities, and providing vaccines to all.

Many cities could not provide testing and hospitalisation facilities to residents who were sick with Covid-19. Similarly, others had to suspend regular healthcare operations to keep the basic Covid-19 care running. Quite obviously, those cities ranked lower on the index.

READ MORE ON B2

China factory activity growth slows

REUTERS, *Beijing*

Growth in China's factory activity slowed in January as a resurgence of Covid-19 cases and tough lockdowns hit production and demand, but the slight expansion offered some signs of resilience as the world's second-largest economy enters a likely bumpy new year.

The official manufacturing Purchasing Manager's Index (PMI) registered 50.1 in January, remaining above the 50-point mark that separates growth from contraction, but slowing from 50.3 in December, data from the National Bureau of Statistics (NBS) showed on Sunday.

Analysts had expected the PMI to fall to 50.

The official results contrasted with those in a private survey of mostly small manufacturers in coastal regions, which showed activity fell at the fastest rate in 23 months.

China's economy started last year strong, reviving from a sharp pandemic-induced slump, but it started losing momentum in the summer, weighed down by debt problems in the property market and strict anti-virus measures that hit consumer confidence and spending.

Rising raw material costs and soft demand have also eroded corporate profit margins. Profits at industrial firms rose at their slowest pace in December for more than a year and a half.

With the real estate slump expected to drag on through at least the first half of this year and the emergence of more infectious Covid-19 variants, China's central bank has started cutting interest rates and pumping more cash into the financial system to lower borrowing costs.

Stability will trump everything ahead of a once-in-five-years Communist Party congress this year, with policymakers looking to ward off a sharper slowdown.

Workers produce protective suits for athletes, staff members and volunteers of the Beijing 2022 Winter Olympic Games at a factory in Binzhou in China's eastern Shandong province on January 27.
PHOTO: AFP

Omicron takes toll on UK business growth

REUTERS, *London*

British businesses grew at the slowest pace since April 2021 during the past three months, after demand for face-to-face services slumped due to the Omicron variant of coronavirus, the Confederation of British Industry said on Sunday.

Britain's economy only recovered to its pre-pandemic size in November, before being hit by the highly infectious Omicron variant which led to government advice to work from home and restrictions on hospitality in Scotland and Wales.

"Consumer services have borne the brunt of 'Plan B' restrictions and general Omicron caution, with activity here shrinking sharply," CBI economist Alpesh Paleja said.

The CBI's monthly growth index fell to +12 in January from +21 in December.