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BUSINESS

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TOMORROW?

OPEN A BANK ACCOUNT  
RIGHT NOW  
WITH PRIMEPLUS

Hybrid rice  
acreage  
shoots up as  
prices rise

SOHEL PARVEZ

Farmers are expanding cultivation of hybrid rice to reap benefits of higher yield than inbred varieties and profit from sale of the staple food.

And overall cultivation of hybrid rice during the Boro season hit at 12.11 lakh hectares of land in the fiscal year 2020-21, the highest on record.

Farmers grew the hybrid varieties, which provide at least 20 per cent higher yields than local and high yielding varieties of rice, on 9.04 lakh hectares the previous fiscal year, showing that they increased hybrid area by 34 per cent, according to the Department of Agricultural Extension (DAE) data.

Banking on the success, the DAE targets to bring 12.36 lakh hectares under hybrid rice cultivation during the current Boro season, the largest grain crop season in terms of production.

“We expect the target of hybrid rice cultivation will be achieved as farmers have grown the required amount of seedlings for this,” said Habibur Rahaman Chowdhury, additional director for extension and coordination at the DAE.

He shared the update

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Rejoinder,  
our reply

Islami Bank Bangladesh Ltd (IBBL) has sent a rejoinder to a report headlined “6pc private bankers lose jobs during pandemic” published in The Daily Star on February 1, 2022.

Here is the full text of the rejoinder of the bank:

Islami Bank Bangladesh Limited did not terminate any single employee due to the Covid-19 pandemic crisis. Neither the bank sacked any employee nor forced anyone to resign due to the crisis.

The employees who left the bank did on their own. 148 employees left their job due to better job opportunities, physical illness and family issues. Only 12 newly appointed employees were terminated

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Chattogram-Italy  
direct container  
shipping opens

DWAIPAYAN BARUA, Ctg

A direct waterborne service has been introduced between the Chattogram port and an Italian port, paving the way for opening up prospects for faster and cheaper direct container shipping from Bangladesh to Europe.

Liberian flagged container vessel Songa Cheetah, which left the Italian Port of Ravenna on January 17, is now en route to Chattogram and is scheduled to arrive tomorrow.

On its way back to Italy, the vessel is expected to take away around 1,100 TEUs (twenty-foot equivalent units) of export containers containing mostly readymade garments.

An Italian shipping company is launching the service with its two small-sized container vessels, including Songa Cheetah. The country has long been suffering from a lack of direct shipping services to Europe, its biggest export destination, mainly due to limited access to large ships at the Chattogram port.

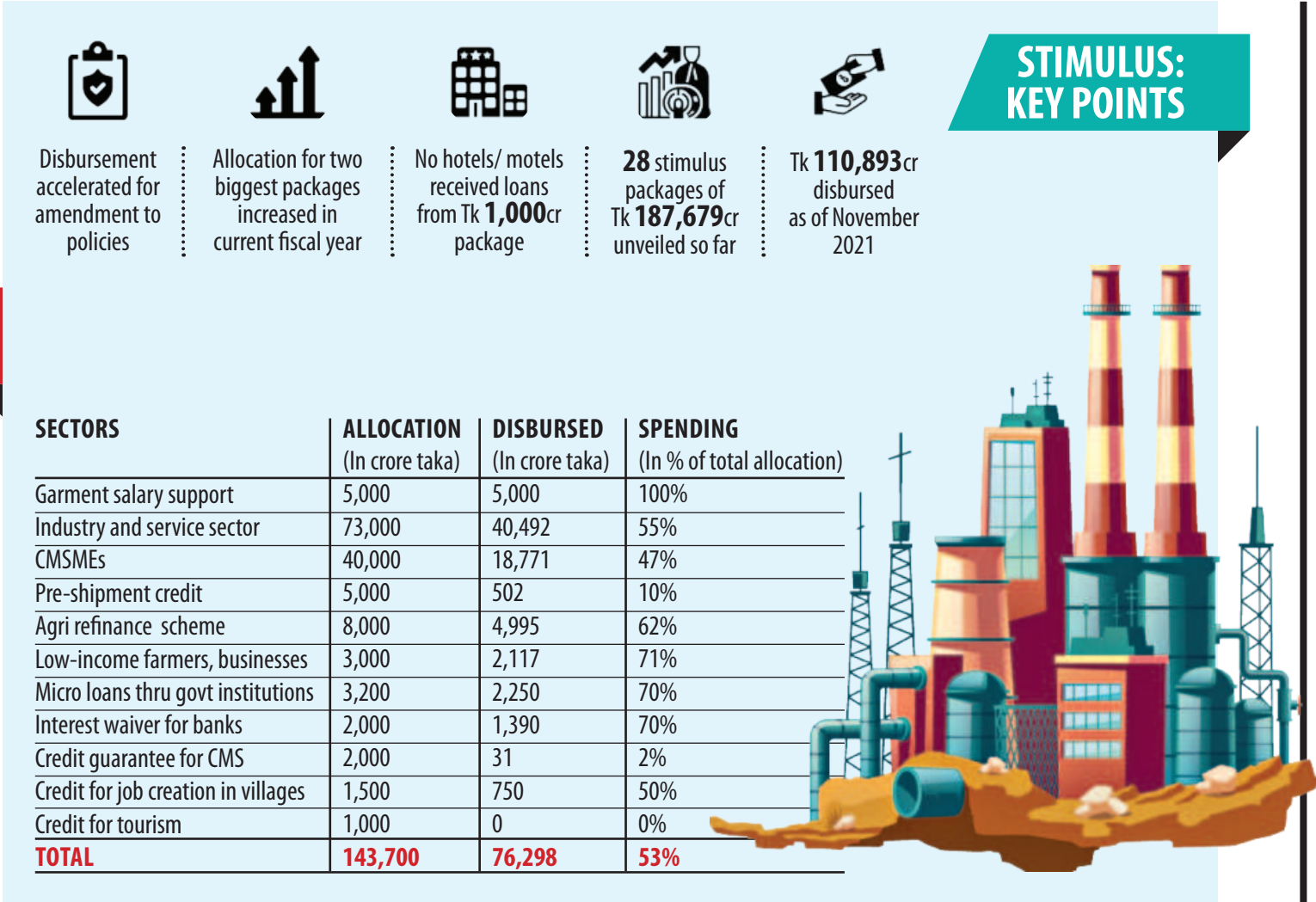
Currently export containers are at first transported on small-sized feeder vessels to four transshipment ports -- Colombo, Singapore, Tanjung Pelepas and Port Klang of Malaysia -- and some ports in China.

Then containers are loaded to bigger mother vessels connecting to Europe, the US and African destinations.

Import-laden containers are also brought to Chattogram via these transshipment ports.

If this first voyage turns out successful, the service would open a new prospect for direct container shipping from Chattogram to Europe, hoped the officials and users of the Chattogram port.

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Poor progress in stimulus  
credit disbursement

Only 60pc disbursed in one and a half years

REJAUL KARIM BYRON and MAHMUDUL HASAN

Bangladesh has disbursed 59 per cent of the total credit support unveiled by the government to protect businesses, the economy and the poor since the coronavirus pandemic hit the country more than one-and-a-half years ago.

The government was swift in its response when it came to introducing stimulus packages after Covid-19 was first detected in the country in March 2020.

It started with a Tk 5,000 crore stimulus package for apparel manufacturers, providing them low-cost funds so that they can keep paying wages and salaries to the workers in the country's largest export-earning sector.

Since then, the government has announced 28 stimulus packages involving more than Tk 187,679 crore. Of the sum, Tk 110,893 crore was disbursed as of November, data from the finance ministry and Bangladesh Bank showed.

The packages included 11 credit facilities for the

large, small, micro, cottage enterprises and agriculture and other sectors. A sum of Tk 76,298 crore was disbursed till November, which accounted for 53 per cent of the total Tk 143,700 crore allocation made under the programmes.

The disappointing scenario is largely because of sluggish disbursement of the

medium and small enterprises rose significantly in the current fiscal year. Besides, the government has rolled out some new packages.

“So, the implementation progress looks slow but if you deduct the new funds from the initial stimulus package size, you will see that about 82 per cent of the amount has already

topped up by Tk 33,000 crore in the current fiscal year, raising the total amount to Tk 73,000 crore. Of the sum, Tk 40,492 crore, or 55 per cent, was disbursed as of November.

In July last year, the government doubled the size of the packages for cottage, micro, small and medium enterprises (CMSMEs) to Tk 40,000 crore from Tk 20,000 crore.

Banks and other lenders lent Tk 18,771 crore till November, representing 47 per cent of the total, finance ministry data showed.

Similarly, the government first introduced a refinance scheme of Tk 5,000 crore for the agriculture sector and Tk 4,295 crore has been disbursed. The fund was later expanded by Tk 3,000 crore.

A central banker says the disbursement was sluggish initially and it later accelerated thanks to the amendment of the policies and the unveiling of some new support packages to address the problems faced by banks, which have been given the task of executing

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A file photo of Songa Cheetah, one of two 1,200-TEU capacity ships which would provide container transportation between Chattogram and an Italian port.

Lift lending cap

Economists urge BB to address it during monetary policy review

AKM ZAMIR UDDIN

The Bangladesh Bank should raise the private sector credit target and review other major goals by conducting the mid-term review of the monetary policy statement for 2021-22, said analysts.

They also urged the central bank to withdraw the lending cap and depreciate the taka further against the US dollar in order to keep the financial sector stable.

The central bank carries out a mid-term review of the monetary policy in the middle of a fiscal year and makes it public in January. But, such an exercise has not been carried out although seven months have passed in the current fiscal year.

Md Habibur Rahman, acting chief economist and an executive director of the BB, said that the central bank would analyse the achievements of the monetary policy targets this month.

“We will also revise the targets, including the private sector credit growth if required,” he said.

Fahmida Khatun, executive director of the Centre for Policy Dialogue, said that the central bank should expand the credit growth by 1-1.5 percentage points in a bid to give a boost to the confidence of businesses amid the coronavirus pandemic.

The central bank has set a credit growth target of 14.80 per cent for the fiscal year, ending in June. The growth stood at 10.68 per cent in December against the goal of 11 per cent for the first half.

“The central bank should lay emphasis on implementing the stimulus packages, especially the schemes dedicated to small and medium enterprises,” said Fahmida.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, thinks the private sector credit growth will go up automatically in the coming months given the upward demand for loans from businesses as the economy recovers. He called for a withdrawal of the lending cap as the interest rate on deposits is going up due to the rising inflation.

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	STOCKS	
	DSEX ▲	CSCX ▲
	0.09% 7,023.52	0.04% 12,359.74

	COMMODITIES	
	Gold ▼	Oil ▼
	\$1,802.00	\$88.72 (per barrel)

	CURRENCIES			
	₳ USD	€ EUR	£ GBP	¥ CNY
BUY TK	85.05	95.42	114.45	13.13
SELL TK	86.05	99.22	118.25	13.81

	ASIAN MARKETS			
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
	▼ 1.29% 58,788.02	▼ 1.06% 27,241.31	▲ 2.04% 3,315.99	▼ 0.97% 3,361.44

Moulvibazar  
to get a  
border haat

STAR BUSINESS REPORT

Commerce Minister Tipu Munshi yesterday laid the foundations of a fifth haat on the Bangladesh-India border, providing an additional source of income for families in the surrounding localities.

The haat falls between Kurmaghat point under Moulvibazar district in Bangladesh and Kamalpur point under Tripura of India.

Tripura Chief Minister Biplob Kumar Deb and Vikram K Doraiswami, Indian high commissioner to Bangladesh, were present at the ceremony, said a statement from the ministry.

It quoted Munshi as saying at the event that India was the second biggest source of imports for Bangladesh after China.

In fiscal year 2010-11, the bilateral trade stood at \$5.1 billion and in the last fiscal year of 2020-21, it stood at \$9.9 billion, said the statement.

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