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## Farmers to get smart cards

REJAUL KARIM BYRON and AKANDA MUHAMMAD JAHID

The government is going to introduce smart cards for farmers with an aim to provide area-based and demand-based agricultural services.

The smart cards will be given to 1.09 crore farmers across the country. It will be used as the farmers' digital identity, which will help them get government incentives as well.

It will also help farmers avail other benefits, including those for fertilisers and seeds.

To this effect, a pilot project involving Tk 107.921 crore is in the pipeline to provide the digital service for farmers in 14 agricultural zones of nine districts.

The nine districts are Gopalganj, Sunamganj, Tangail, Barishal, Jashore, Dinajpur, Rajshahi, Bandarban and Mymensingh, according to project documents at the planning ministry.

**The smart cards will facilitate sharing of information, act as digital profile, officials say**

To provide smart cards under the project, digital profiles of farmers will first be prepared.

Besides, the verification of citizenship information of farmers by the Election Commission; smart agriculture card database cluster in 31 modules; preparation of reporting software and apps; and many other services would be provided under the project.

The Department of Agricultural Extension (DAE) will implement the project with government finances by September 2024, the documents showed.

Md Benojir Alam, director general of the DAE, said there will be a detailed identity profile of each cardholder in their respective smart card.

"This will help farmers get any kind of service, including bank loans or any government support," he added.

Earlier in 2013, the government provided manual cards to farmers which were not useful

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### AT A GLANCE

- First industrial park for shoes in Bangladesh
- To supply import substitute raw materials and accessories
- Bida gave permission in September
- Land has been developed, ETP set up, 3 factories established
- 19 foreign firms signed MoU with Bangladesh Shoe City Ltd to invest
- Applied for global certification

### BY THE NUMBERS

- Investment \$100m
- A global lender to invest 54pc of the sum
- 24 factories could be set up
- Located on over 35 acres of land
- To create 26,000 jobs directly
- Production cost to go down by 20pc

**BANGLADESH SHOE CITY**

## First industrial park for shoes shaping up

JAGARAN CHAKMA

A top footwear manufacturer is setting up a shoe industrial park, the first of its kind in Bangladesh, to supply import substitute raw materials and accessories to producers, boost exports and attract foreign investment.

The Bangladesh Investment Development Authority (Bida) gave the permission for the establishment of the Bangladesh Shoe City Ltd in September. Nasir Khan, chairman and managing director of Jennys Group, is the founder of the park.

The park, which is being set up in Gazipur, would cost around \$100 million, or Tk 900 crore. Of the sum, Khan's equity is 46 per cent and a global lender will provide the rest.

"I have already received the green signal from the global lender about the financing," he said. He did not disclose the name of the lender since no agreement has been inked yet.

The park is located over 35 acres of land where 24 factories could be accommodated. The land has been developed.

Jennys Group has already set up three factories, including a shoe manufacturing unit.

The footwear sector needs at least 152 items to manufacture a piece of shoe. Of them, 50 major items will be produced in the park, Khan says.

Bangladesh is yet to establish a supply chain for the leather and footwear sector although the Asian Development Bank (ADB) thinks there are possible

to import raw materials, accessories and leather to make products for international buyers, which is time-consuming.

"As a result, global brands do not feel interested in placing orders in Bangladesh though our manufacturers are capable of ensuring quality," Khan said.

Leather Working Group (LWG), a not-for-profit organisation responsible for the world's leading environmental certification for the leather manufacturing industry. This acts as a major barrier as exporters can't use local leather for global markets.

"So, I have decided to provide all raw materials under one umbrella," said Khan. The construction of the effluent treatment plant (ETP) has been completed. Bangladesh Shoe City Ltd needs to meet some more requirements to obtain the LWG certification.

Already 19 companies from Japan, Russia, Italy, China, Portugal, Sri Lanka, and Taiwan have signed memorandum of understanding with Bangladesh Shoe City Ltd to make investments.

The park has received investment proposals from foreign investors involving Tk 450 crore and this may go up to Tk 1,000 crore. It will create 26,000 jobs, directly.

Md Ziaul Huq, a director-general of the Bida, says the project has potential.

"We need this type of industrial park to boost exports from the footwear and leather sector," he said.

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strong backward linkages thanks to mostly locally sourced raw materials, an abundant supply of low cost, trainable labour, and its advantageous location.

Khan says buyers want timely delivery of products apart from quality and compliance. But Bangladesh's export-oriented shoemakers struggle to maintain the lead-time since there is no backward linkage industry.

So, manufacturers have

The setting up of the park would help change the scenario.

Manufacturers will get all accessories from the park, which will help reduce the lead-time and minimise the cost of production by at least 20 per cent.

"This will make the sector competitive and boost exports," said Khan.

The tannery industry in Bangladesh does not have the certification from the

## Dollar selling spree on despite taka depreciation

AKM ZAMIR UDDIN

Bangladesh Bank's efforts to rein in runaway imports through the depreciation of the taka have hardly brought any impacts as the demand for US dollars has kept soaring to feed the economy rebounding from the coronavirus pandemic.

The central bank injected a record \$3.07 billion into banks in the July-January period of the current fiscal year of 2021-22, comfortably breaking the previous high. Alone in January, it sold \$559 million, BB data showed.

The previous high was registered in 2018-19 when the BB sold \$1.34 billion.

The latest surge in demand for US dollars has led two analysts to call for further weakening of the local currency to discourage imports.

On January 9, the central bank devalued the taka by Tk 0.20, lifting the local currency to Tk 86 per dollar. The USD hovered around the rate until February 3. It was Tk 84.80 on the same day a year ago.

But the devaluation has not been produced major changes when it comes to containing imports. Import payments reached \$38.97 billion in the first half of the fiscal year, an increase of 54.5 per cent year-on-year.

"We have to lower our consumption given the excessive increase in imports," said Ahsan H Mansur, executive director of the Policy Research

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## ENSURING MARKET STABILITY Builders, raw material producers to sit every 3 months

STAR BUSINESS REPORT

Construction companies and raw material producers in a meeting with the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) recently decided to meet on a quarterly basis to maintain stability in the construction sector.

The sector is facing an adverse impact of steel production turning costly, mainly due to skyrocketing prices of scrap steel and chemicals, the main raw materials, alongside freight cost and container rent in the past two years, said the FBCCI.

The issues came up at the meeting among the FBCCI, Bangladesh Steel Manufacturers Association (BSMA) and Bangladesh Association of Construction Industry (Baci) at the FBCCI office on February 2.

The country's construction companies are struggling to implement development projects within initial budget estimates due to the increase in expenditure, said the BSMA and Baci leaders.

The price of locally produced rod has rationally increased with the rise in international market prices of raw materials, informed the BSMA leaders.

The price of scrap steel rose 79 per cent, resulting in overall production costs to increase by 52 per cent, they said.

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STOCKS		WEEK-ON WEEK
DSEX	CSCX	
0.06%	0.05%	
7,023.52	12,369.74	

COMMODITIES		AS OF FRIDAY
Gold	Oil	
\$1,807.95	\$91.95	
(per ounce)	(per barrel)	

AS ON THURSDAY STANDARD CHARTERED BANK			
USD	EUR	GBP	CNY
85.05	95.42	114.45	13.13
86.05	99.22	118.25	13.81

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
0.24%	0.73%	0.47%	0.97%	
58,644.82	27,439.99	3,331.41	3,361.44	



A farmer tends to his wheat plants in Dhunat upazila of Bogura last week. Local cultivation of wheat meets approximately 13 per cent of the country's total demand. PHOTO: MOSTAFA SHABUJ

## Wheat consumption to rise 6pc: USDA

SOHEL PARVEZ

Bangladesh's wheat consumption is forecast to rise 6 per cent to 84 lakh tonnes in the marketing year (MY) beginning from July as demand of households, restaurants and the bakery industry has increased, said the US Department of Agriculture (USDA) in a recent report.

And nearly 88 per cent of the consumption requirement is likely to be met by imports as domestic production is declining owing to farmers switching to growing alternative crops that provide higher economic returns such as potato, vegetables and Boro rice.

"The local production of wheat meets approximately 13 per cent of the total demand," said the agency in its Grain and Feed Update on Bangladesh released at the end of last week.

The USDA said farmers sowed wheat on 4 per cent lesser area year-on-year to 3.20 lakh hectares in MY 2021-22. Growers are likely to harvest 11.3 lakh tonnes of the grain in the current MY ending in coming June.

As a result of falling domestic production, Bangladesh's wheat imports are expected to increase 3 per cent year-on-year to 74 lakh tonnes in MY 2021-22, said the US agency.

The USDA, citing media reports, said the biscuit and cookie industry in Bangladesh consumes a significant amount of wheat-based flour.

More than 4,500 traditional biscuit factories and 110 automated biscuit factories produced 5.10 lakh tonnes of biscuits and cookies worth

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Plastic drums used in carrying chemicals get a facelift and a second lease on life, including as planting pots of rooftop gardens. A full sized drum costs Tk 1,200 whereas half of it Tk 600. The photo was taken on MA Bari Road in Sonadanga of Khulna city recently.

PHOTO: HABIBUR RAHMAN

## Putin hails \$117.5b of China deals as Russia squares off with West

REUTERS, Moscow

President Vladimir Putin unveiled new Russian oil and gas deals with China worth an estimated \$117.5 billion on Friday, promising to ramp up Russia's Far East exports at a time of heightened tension with European customers over Ukraine.

Russia, already Beijing's No. 3 gas supplier, has been strengthening ties with China, the world's biggest energy consumer, reducing its dependence on its traditional European energy customers.

"Our oilmen have prepared very good new solutions on hydrocarbon supplies to the People's Republic of China," Putin said at a meeting with Chinese President Xi Jinping to discuss closer cooperation.

"And a step forward was made in the gas industry," he added, referring to a new contract to supply 10 billion cubic metres (bcm) per year to China from Russia's Far East. Putin was in Beijing to attend the Winter Olympics.

The gas sales alone could generate around \$37.5 billion over 25 years,

according to Reuters calculations, assuming an average gas price of \$150 per 1,000 cubic metres as reported by Russian gas giant Gazprom for its current deal with China.

Kremlin spokesman Dmitry Peskov said the deal was for 25 years, while a Chinese industry source said it was for 30. Separately, Russian oil giant Rosneft, headed by long-standing Putin ally Igor Sechin, signed a deal with China's CNPC to supply 100 million tonnes of oil through Kazakhstan over 10 years, effectively extending an existing deal.

Rosneft said the new deal was worth \$80 billion.

The agreements bolstered the rouble and the Russian stock market, including shares in Rosneft and Gazprom.

Putin has accused the United States of stoking tensions over Russia's neighbour Ukraine, which has angered Moscow by wanting to join NATO.

More than 100,000 Russian troops have amassed near the border with Ukraine. Western countries accuse Moscow of planning an invasion, which it denies.

Russia is Europe's biggest provider of natural gas, and Western countries are worried that already strained supplies could be interrupted in the event of a conflict.

However, the new deal with Beijing would not let Moscow divert gas otherwise bound for Europe, as it involves gas from the Pacific island of Sakhalin, not connected to Russia's European pipeline network.

Gazprom said in a statement it planned to increase gas exports to China to 48 bcm per year, including via a newly agreed pipeline that will deliver 10 bcm annually from Russia's Far East.

Under previous plans, Russia aimed to supply China with 38 bcm by 2025. The announcement did not specify when it would reach the new 48 bcm target.

Gazprom, with foreign partners including Shell, already produces more than 10 million tonnes of liquefied natural gas (LNG) per year in Sakhalin.

"Delivering gas to China's northeastern tip makes this project strategically attractive for China, as the only real alternative supply would be

more expensive LNG," Moscow-based BCS brokerage said in a note about the 10 bcm deal.

An industry source told Reuters earlier on Friday that Gazprom, which has a monopoly on Russian gas exports by pipeline, had agreed a 30-year contract with China's CNPC, with the first gas to flow through the new pipeline in two or three years.

The source said the gas deal would be settled in euros, as Moscow tries to diversify from the US dollar and hedge itself against any potential sanctions from Washington.

Russia now sends gas to China via its Power of Siberia pipeline, which began pumping supplies in 2019, and by shipping LNG.

It exported 16.5 bcm of gas to China in 2021, including 10.5 bcm via the Power of Siberia, which is also separate from the pipelines that send gas to Europe. Putin was accompanied by several Russian officials and business executives, including Sechin. Gazprom head Alexei Miller was not in the delegation.

## BANGABANDHU SHILPA NAGAR Speed up construction of 'garment village'

BGMEA urges Beza

STAFF CORRESPONDENT, Chattogram

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has urged the Bangladesh Economic Zones Authority (Beza) to complete the construction of a "garment village" at the Bangabandhu Shilpa Nagar in Mirsarai, Chattogram in the quickest possible time.

BGMEA President Faruque Hassan made the call while leading a delegation that recently visited the Bangabandhu Shilpa Nagar to see the progress of the garment village, according to a press release.

Welcoming the government initiative to establish the garment village, he said the move would help exporters set up more factories in a convenient location.

So, he asked the Beza authorities to expedite the ongoing construction work and get the plots fully ready for handover to BGMEA members who are waiting to establish manufacturing units inside the village.

"All facilities must be ensured so that garment factories can go into operation smoothly," he said.

Once the garment village is inaugurated and fully operational, it would create employment for a huge number of people and contribute towards the country's earnings from garment exports, Hassan added.

To establish the garment village on 500 acres inside the industrial city, the BGMEA signed a memorandum of understanding with Beza on March 21, 2018.

Beza officials assured the visiting BGMEA leaders that the garment village would be completed and handed over in the shortest possible time.

## German industrial orders rise in Dec

AFP, Frankfurt

Incoming orders to German industry rose for the second month in a row in December, official figures published Friday showed, after the economy was buffeted by supply bottlenecks in 2021.

The indicator, which gives a foretaste of industrial production, climbed by 2.8 per cent in December over the previous month, having risen by 3.6 per cent in November, according to revised figures from the federal statistics agency Destatis.

Over the whole of 2021, orders were 17.8 per cent higher than in 2020, when the economy was laid low by the outbreak of the coronavirus pandemic.

The 2021 figure was also 9.3 per cent higher than the pre-crisis year 2019, but the strong bounceback in demand has so far been trailed by production as bottlenecks have hampered industry.

## Foreign investors

FROM PAGE B4

"We cannot use local leather from Savar Tannery Industrial Estate as it is not compliant (to environmental regulations)," he said.

"We have to mention the source of raw materials, whether it is compliant or not (to environmental regulations). Without compliance, buyers do not accept products and place orders," he noted.

Local leather can only be used when the tannery industry abides by environmental laws and obtains certification from Leather Working Group, the global body for compliance and environmental certification in the leather and leather goods sector, he said.

However, Islam expressed hope over a "shoe city", which was to be established by Jennys Shoes in Gazipur, to provide all the necessary backward linkage.

It will also help exporters reduce lead time and production cost, which will enhance the industry's competitiveness in the global market, he said.

Establishment of backward linkages and availability of import substitutes will attract foreign investment and buyers and augment competitiveness of local companies, enabling rapid growth of exports, he said.

He believes if the sector was able to avail these facilities, export targets would be achievable within the stipulated time.

## Oil prices extend gains as markets weigh strong US jobs data

AFP, New York

Stocks were mixed Friday as markets weighed a surprisingly good US jobs report against concerns over tightening monetary policy, while oil prices pushed closer to \$100 a barrel.

The United States added an unexpectedly robust 467,000 jobs in January, according to Labor Department data that also significantly raised employment increases for November and December.

While the report suggests health in the world's largest economy, another big rise in 10-year US Treasury note yields Friday focused concerns on expectations for multiple Federal Reserve interest

rate hikes this year.

Worries about monetary tightening weighed on the Dow, while the S&P 500 and Nasdaq both finished higher.

All three major US indices finished the week in positive territory, with the S&P 500 winning 1.5 per cent.

Earlier, European bourses had retreated a day after the European Central Bank opened the door to hiking interest rates in light of inflation. Next week's US consumer price index report could be another source of volatility, analysts warned.

"Persistent inflation, like a house fire, would force the Fed to barrel in and hose down inflation without regard for the upholstery, in this

case equities," said Jack Ablin, chief investment officer at Cresset Capital Management.

Oil prices kept climbing, with both the global and US benchmark contracts topping \$93 a barrel on a combination of factors that include cold weather in the United States and uncertainty over Ukraine.

"With demand standing resilient, it appears stronger supply will have to be the answer for calming market prices, but new production is notoriously slow in reacting to changing conditions," said Robbie Fraser of Schneider Electric.

"While OPEC+ continues to slowly increase exports, US shale continues a slow pace of additions, even as prices are well beyond breakeven levels for all key regions."

## Tech slump forces IPO hopefuls to consider Plan B

REUTERS, London

The window for technology companies to list their shares is closing. Falling stocks have depressed valuations and made investors pickier about new listings. Private firms will have to reluctantly consider Plan B.

Many tech startups had hoped last year's record year for initial public offerings would persist in 2022. January's selloff has changed the mood. Expectations of higher interest rates hurt highly valued companies, while disappointing results from Meta Platforms, Spotify Technology and PayPal added to the gloom.

The Renaissance IPO index, which tracks companies that went public in the last two years

including Uber Technologies and Airbnb, fell 20 per cent in January.

Unprofitable companies that listed in the United States last year were down an average of 32 per cent from their IPO price at the end of January, according to data provided by University of Florida Professor Jay Ritter.

IPO hopefuls like US payroll startup Justworks and Amsterdam-based file sharing firm WeTransfer are therefore rethinking their plans. So far this year 27 companies have called off or postponed their listings, according to Dealogic; just nine did so in the first quarter of 2021.

The disappointed debutants have several options. Larger and more established groups with robust cash flow can afford to wait out the storm.

These include fintech firm Klarna, which was most recently valued at \$46 billion and has been considering a direct listing. Rapid grocery delivery company Gopuff, which has hired IPO advisers, topped up its reserves with a \$1.5 billion convertible debt issue in December.

Those that need cash can go back to venture capital investors, which are still sitting on record sums. However, pressure on valuations raises the risk of a dreaded "down round".

Others could seek a buyer. WeTransfer, which was aiming for an IPO valuation of \$700 million, could be acquired by the likes of Adobe. Larger companies, however, risk regulatory scrutiny if they sell to a competitor.



Abu Asghar G Haruni, company secretary of Mercantile Bank, handed over a cheque worth Tk 5 lakh to Subarna Chakma, chairperson of the Society for the Welfare of Autistic Children (SWAC), at the latter's head office in Dhaka on Thursday. The lender makes donations to the SWAC each year as a part of its corporate social responsibility. Shamim Ahmed, senior vice-president of the bank, was present.

PHOTO: MERCANTILE BANK



HBM Iqbal, chairman of Premier Bank, inaugurates an "Annual Business Conference-2022" at Renaissance Dhaka Gulshan Hotel yesterday. Shafiqur Rahman, Abdus Salam Murshedy, Jamal G Ahmed and Nahyan Haroon, members of the board of directors, Mohammad Imran Iqbal, chairman of risk management committee, Muhammed Ali, adviser, and M Reazul Karim, managing director, were present.

PHOTO: PREMIER BANK



**CTG-ITALY SHIPPING**  
**Songa Cheetah**  
**gets on arrival**  
**berth at Ctg**  
**PORT**

STAFF CORRESPONDENT,  
Ctg

Container vessel MV Songa Cheetah that came directly from the Port of Ravenna in Italy got a berth at Chattogram port immediately after its arrival yesterday.

The vessel carrying 945 TEUs (twenty-foot equivalent units) of empty containers and seven TEUs of import containers reached the outer anchorage of the port at around 11:30am.

The ship got the berth at jetty No. 4 of New Mooring Container Terminal at around 1:15pm, said Mohammad Rashed, chairman of Reliance Shipping and Logistics Ltd, the ship's local agent.

Chattogram Port Authority Secretary Md Omar Faruk said the CPA had allowed the on arrival berth considering the importance of the new service. This would open a new door for the country's export trade.

The vessel had left the Port of Ravenna on January 17.

It may depart on Monday with 1,100 TEUs of export-laden containers, containing mostly readymade garments. With this, export goods would be shipped to a European destination directly from Bangladesh for the first time.

Italian shipping company Kalypso Compagnia di Navigazione has introduced the direct service with two small-sized vessels: Songa Cheetah and Cape Flores.

Due to Chattogram port's inability to accommodate large vessels, containers are first transported on small feeder vessels to four transshipment ports - Colombo, Singapore, and Tanjung Pelepas and the Port Klang of Malaysia - and some ports in China.

Then, containers are loaded onto bigger vessels before they are sent to their final destinations in Europe, the US and Africa.



Container vessel MV Songa Cheetah was given berth at Chattogram port immediately after its arrival from a port in Italy yesterday. It may depart with export-laden containers on Monday. With this, export goods will be transported to a European destination directly from Bangladesh for the first time.

PHOTO: RAJIB RAIHAN

## Bank of England calls for wage restraint to fight inflation

REUTERS, London

Two top Bank of England officials stressed on Friday the need for restraint on pay rises, drawing an icy reaction from unions and government, a day after the BoE sought to head off inflation running at a 30-year high by raising interest rates again.

Governor Andrew Bailey said rising wage pressure threatened the BoE's ability to keep a grip on inflation, even as households faced the biggest calendar year squeeze on their incomes since at least 1990.

"I'm not saying nobody gets a pay rise, don't get me wrong, but I think, what I am saying, is we do need to see restraint in pay bargaining otherwise it will get out of control," Bailey told BBC radio in an interview broadcast on Friday.

"We are looking, I think, to see quite clear restraint in the bargaining process because otherwise, as I say, it will get out of control. It's not at the moment, but it will do." Asked about Bailey's comments, Prime Minister Boris Johnson's spokesman said: "Well, it's not something the Prime Minister's calling for - we obviously want a high growth economy

and we want people's wages to increase."

Finance minister Rishi Sunak on Thursday said it was not his job to set private-sector wages, but that the right way to achieve higher wages was through greater productivity.

Britain's largest trade union, Unite, said working people were not to blame for the rising energy costs driving inflation.

"Workers don't need lectures from the Governor of the Bank of England on exercising pay restraint. Why is it that every time there is a crisis, rich men ask ordinary people to pay for it?," Unite's general secretary, Sharon Graham, said.

Bailey received a salary package and pension benefits worth 575,538 pounds (\$779,278) last year.

The hit to ordinary households' living standards is posing a major challenge to Johnson, who is also battling to keep his job after criticisms over social events in Downing Street during lockdown.

Sunak announced measures to ease the hit from a 54 per cent leap in energy costs in April, when higher social security contributions are also due to kick in.

BoE Chief Economist Huw Pill, asked by Bloomberg Television if he agreed

with Bailey's call for a slowdown in pay increases, said: "You're not going to get me to criticise my boss," before echoing some of the concerns.

"A key assumption in our forecast... is that we don't see from the middle of next year, persistence emerging in wage and domestic cost developments, stemming from these second-round effects," Pill said.

"It's that lack of that, the fact that policies including monetary policy do enough to avoid that, that is central to bringing our inflation back towards target. If we were to see developments that were not consistent with that assumption, then of course, we would have to think about further action."

On Thursday the BoE raised borrowing costs for the second time in two months, taking its Bank Rate to 0.5 per cent. Nearly half its policymakers wanted a bigger increase to 0.75 per cent.

The BoE said consumer price inflation - which was 5.4 per cent in December - was set to hit around 7.25 per cent in April on the back of surging energy costs before dropping, and post-tax income for working households would fall by 2 per cent this year.

## Builders, raw material Dollar selling spree on despite

FROM PAGE B1  
In contrast, the selling price has been increased by only 37 per cent, they said, adding that this had forced rods to be sold at loss-inducing prices in most cases.

On top of this, if construction companies are allowed to import rods, the domestic industry will suffer and a large number of people will lose their jobs, they said.

Highlighting the situation, the BSMA demanded a reduction in all existing duties and taxes on scrap steel.

Public procurement rules and Central Procurement Technical Unit-issued gazettes allow price adjustments in government projects, said Baci leaders.

But most government-

funded projects do not include price adjustment clauses in their contracts, they said, calling for cost figures in government projects to be raised in tune with international market trends for raw materials.

Presiding over the meeting, FBCCI President Md Jashim Uddin called for resolving the problems in the construction sector through cooperation and dialogue.

Mir Nasir Hossain, former president of the FBCCI, joined online while Mostofa Azad Chowdhury Babu, senior vice president of the FBCCI, Ghulam Mohammed Alomgir, director of the FBCCI, Manwar Hossain, president of the BSMA, and Shafiqul Haque Talukder, president of Baci, were present among others.

FROM PAGE B1  
Institute of Bangladesh.

There is room for the central bank to depreciate the local currency further, said Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue (CPD).

Both the government and the central bank should make a concerted effort to cut the import payments in order to keep the foreign currency reserves buoyant.

This is because the reserves declined to \$45.13 billion on February 2 after rocketing to \$48 billion, an all-time high, in August last year.

Banks have purchased US dollars from the central bank in exchange for the taka, squeezing money circulation in the economy.

The excess reserve of banks, deposited at their current accounts with the BB, went down to Tk 44,141 crore in December in contrast to Tk 32,052 crore

the month before.

Such reduction in money circulation helps curb inflationary pressures. But the ongoing global supply chain disruption is mainly responsible for the price increase in Bangladesh.

Mansur sees depreciation of the local currency as a major tool to control imports.

He also thinks that imports of industrial raw materials and capital machinery will not face any roadblock despite the appreciation of the greenback since the two ingredients are mainly used in producing exported items.

The increase in export earnings, which receive a boost in the event of the depreciation of the local currency, will easily offset the higher import payments, said Mansur.

A withdrawal of the 9-per cent lending cap, put in place by the government

since April 2020, will also help strengthen the taka, according to Mansur.

If businesses take out loans at higher rates than the current ceiling, the cost of finances will go up. This will also make the local currency stronger.

"The balance of payments will be in trouble if the ongoing situation persists," said Mansur.

The deficit in the current account was \$8.18 billion in the first half of the fiscal year in contrast to a surplus of \$3.51 billion during the same period a year ago.

Falling remittance is another factor for the inadequate supply of greenbacks in the market. Remitters sent home \$11.94 billion in the first seven months to January, down 20 per cent year-on-year.

CPD's Rahman laid emphasis on beefing up the central bank's monitoring to see whether there are any money laundering

attempts perpetrated by delinquent persons in the name of higher imports.

Launderers chiefly try to transfer money abroad in the guise of imports of capital machinery and industrial materials, a majority of which usually enjoy zero tariffs when they are brought in, he said.

"Both imported items have maintained an upward trend. The central bank and the National Board of Revenue should keep an eagle eye on the issue," Rahman said.

He called on the government to discourage the import of luxurious items.

"It is difficult to cut imports except those aimed at lavish goods," said Syed Mahabur Rahman, managing director of Mutual Trust Bank.

"The money market is now facing a bit tighter situation due mainly to the higher import payments."

## Gold smuggling still a big challenge: NBR

STAR BUSINESS REPORT

Gold smuggling continues to remain as a big challenge while imports remain lukewarm in spite of all the government policy support to encourage entry of the precious metal through formal channels, said the revenue authority's chief yesterday.

"We frequently seize smuggled gold which shows that there is no decline in smuggling. It has become a big challenge for us," said National Board of Revenue (NBR) Chairman Abu Hena Md Rahmatul Muneem.

His comments come against the backdrop of around 5 kilogrammes of gold being seized by Chattogram Customs Intelligence last week.

Addressing the prize-giving on a lottery of receipts issued by traders using electronic fiscal devices at the NBR, he said gold was not solely related to the domestic industry.

There are many reasons for gold smuggling. It is used for many illegal activities, such as a medium of payment, he said, adding that tax evasion was not the only reason behind the metal being smuggled into the country.

He said he was unsure whether it would be possible to stop gold being smuggled into the country.

"However, we are trying to see whether gold smuggling is taking place for the import duty," he said, adding that the NBR would further examine the duty structure of gold to discourage smuggling.

## BB awards 22 officials

STAR BUSINESS REPORT

Bangladesh Bank has awarded 22 of its officials for their outstanding performance for 2019.

Among them, two joint directors - Md Kamrul Islam and Shadril Ahmed - were given gold medals.

Islam played a crucial role in analysing the performance of Bangladesh's insurance sector, which was left unattended for a long time due to the scarcity of data.

His efforts also helped improve the institutional capacity of the Insurance Development and Regulatory Authority, and advance the data management of insurance companies.

Ahmed played a vital role in preparing and introducing the online-based "Market Infrastructure Module" at the BB for the primary auction and the secondary trading of government securities. The online platform replaced the cumbersome manual system.

BB Governor Fazle Kabir handed over the awards to the officials at a programme at the central bank headquarters in Dhaka on January 18.

Mohammad Monirul Islam Sarker, a deputy general manager, Md Rafiqul Islam, a programmer, and Sadika Akter, a joint director, were awarded silver medals.

Of the three, Sarker is engaged in formulating and implementing the country's monetary policy. Seventeen more officials were also given silver medals.

The central bank has been recognising its best employees by awarding them the "BB Employees' Recognition Award" every year since 2006.

## Bitcoin mimics stocks rally, hits 2-week high

REUTERS

Bitcoin hit its highest in two weeks on Saturday, extending the previous session's strong gains as cryptocurrencies basked in a recovery in risk appetite and a rally in stock markets.

The world's largest cryptocurrency hit \$41,983, taking gains from Thursday's lows to nearly 16 per cent, and marking a 27 per cent rise from the year's low of \$32,950.72 on January 24.

Ether, the coin linked to the ethereum blockchain network, scaled the \$3,000 level for the first time since January 21. Friday's 11per cent-plus was the biggest single-day gain for bitcoin since mid-June, and the first major bounce after weeks of being roiled, along with technology and growth stocks, by fears of faster-than-expected Fed rate hikes to curb a surge in inflation.

It came alongside a rally in US stocks, with the tech-heavy Nasdaq ending the week with gains despite the heavy volatility from earnings, including Amazon's robust growth and Facebook-owner Meta Platforms Inc's disappointing results.

Those synchronised moves showed how bitcoin has become far more of a mainstream asset, jolted by swings in risk appetite.

"The current panic and volatility surrounding bitcoin is based on a fundamental misunderstanding of it as an asset class," said Ed Hindi, chief investment officer of Swiss-based cryptocurrency hedgefund Tyr Capital.

## Farmers to get

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for availing all kinds of support and other facilities, according to some senior officials of the DAE.

However, the new smart cards will be linked to the farmers' national identity cards, making them more effective to get any support or service provided by the government.

So, area-based and demand-based agricultural services can be provided to each farmer using the smart cards as a digital identity, they said.

Besides, the exchange of necessary agricultural information will be ensured through digital analysis and management using the smart cards.

The project proposal has

been sent to the planning ministry, which will place it before the Executive Committee of the National Economic Council (Ecne) for approval, according to ministry officials.

In its forward note to the Ecne, the planning ministry opined that with the project's implementation, it would be possible to make digital agricultural profiles and distribute smart cards among farmers.

And it will be easier for farmers to take decisions and plan their agricultural production with the help of the information obtained through the analysis of agricultural data and proper management of information, it said.

## Wheat consumption

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approximately \$824 million in fiscal year 2020-21, it added.

Besides, the cattle feed industry also consumes a large amount of wheat. That use in feed alongside residual use of wheat would rise to 6 lakh tonnes in MY 2021-22, up 20 per cent year-on-year.

The agency said wheat imports in Bangladesh were lower in the July-October period of 2021 for high world wheat prices and increased freight costs, with importers being cautious for apprehensions

over incurring losses.

Despite lower imports in the first four months of MY 2021-22, it expects higher imports in the latter eight months of the MY because of growing domestic demand for wheat flour and related products, establishment of new wheat flour mills, availability of Indian wheat, and government-to-government purchases from Russia.

The US agency said the retail price of wheat flour increased sharply due to rising consumer demand and higher prices in the

international market since September 2021.

"Depreciation of the Bangladesh taka against the US dollar is also increasing the price of wheat flour, as most wheat is imported," said the USDA.

As of January 2022, the taka rose 1.4 per cent against the dollar since July 2021, it added.

The agency said wheat prices had also been increasing between July and November 2021, though there was a slight decrease in December 2021.

Retail and wholesale prices of wheat in

December 2021 were Tk 29.23 per kilogramme and Tk 26.96 per kilogramme respectively, it said.

The recent hike in transport fares due to a fuel price surge is also increasing the prices of both wheat and wheat flour, it added.

The USDA also forecasted increased cultivation of paddy and production of rice in MY 2021-22 beginning with Boro season.

Total rice production is likely to increase 3.6 per cent year-on-year to 3.59 crore tonnes in MY 2021-22.

## First industrial

FROM PAGE B1  
Investors who plan to invest in the park will have to register with the Bida. Then they will be recommended to secure all investment facilities, including the bonded warehouse facility.

Bangladesh has major advantages in developing its leather industry, according to the ADB.

Leather from Bangladesh is highly reputed for its good quality, and leather goods and footwear factories are able to meet the high demands of foreign buyers, it said in an analysis in 2018.

The leather industry has the potential to develop the entire supply chain - starting from raw leather to leather processing, to production of footwear and leather products, domestically, said the Manila-based lender.

According to the feasibility study, the industrial park will help fetch an additional \$1 billion from the exports of leather and footwear products.

The sector earned \$941.67 million from the shipment of leather, leather goods and footwear in the financial year of 2020-21.





Workers at a potato farm in Gobindaganj upazila of Gaibandha are seen trying to salvage what crops they can following excessive rain over the weekend. The picture was taken yesterday.

PHOTO: MOSTAFA SHABUJ

## Rains trigger fear of loss among farmers in north

KONGKON KARMAKER and MOSTAFA SHABUJ

Vast swathes of cropland in the northern districts have been affected due to water-logging caused by rainfall that lasted from Friday morning until early the next day, with farmers apprehending losses.

The heavy precipitation laid low full-grown fields of mustard plants, potatoes and maize while vegetable trellises also collapsed due to strong gusts in Bogura, Joypurhat, Gaibandha, Pabna and Dinajpur.

During a visit to the Biral and sadar upazilas of Dinajpur, correspondents found numerous farmers toiling away to drain excess water from their lands.

Akil Chandra Roy, a farmer of Maljhar village in Biral upazila who cultivated potatoes on two bighas of land this year, said he planned to harvest the tuber crop once they had matured after a couple of days.

However, the recent rain has left Akil's hopes hanging by a thread as he was seen busy draining stagnant water from his field on Saturday.

"The potatoes will go rotten if the water is not removed on time," he said. As such, production would decline by at least 10 per cent if it rains again.

Besides, this concern comes as a double blow for potato growers, who already suffered massive losses due to the prevailing low market price for their crops.

The situation is similar in neighbouring districts as whole fields have gone underwater.

Abdul Mannan Moldol, a farmer of Satar village under Joypurhat's Kalai upazila, said he and his brothers could



lose potatoes cultivated on 25 bighas of land this season if the water was not drained on time.

"We spent Tk 20,000 to Tk 25,000 to cultivate each bigha," he added.

Md Khaja Mia, a farmer of Milkipur village under Bogura's Shibganj upazila, said half of the potato plants he grew on seven bighas of land could be lost due to rain this year.

In Gaibandha's Gobindaganj upazila, Joyal Ahmed of Baneshor village said he has already spent Tk 45,000 to grow potatoes on three bighas of land.

"But I cannot recover more than 50 per cent of my investment as I cannot harvest crops that are submerged," he added.

Saiful Islam, a farmer of the same village, said he cannot store the potatoes harvested from wet fields as they would rot in cold storage.

"So, I will have to sell them in a hurry at cheap prices, and count huge losses

as a result," he added.

On being contacted, Md Anamul Haque, additional deputy director of the Department of Agricultural Extension (DAE) in Bogura, said farmers in the district cultivated potato on 57,515 hectares of land this year.

"About 26 per cent of the potatoes have already been harvested but we cannot be sure to what extent the recent rain has damaged these crops," he added.

Likewise, Md Belal Uddin, deputy director of the DAE in Gaibandha, said farmers in the region have so far harvested potatoes from about 100 hectares of the 1,000 hectares cultivated this season.

"Most of these potatoes are already mature so if the farmers drain the water on time, they will remain undamaged," Uddin added.

Growers of other crops in the region are suffering the same fate.

Altaf Hossain of Maljhar village in Dinajpur said he cultivated mustard on seven decimals of land this year but the plants have suffered a beating by the heavy wind and rain.

In addition, Altaf's maize field remains underwater.

Monjurul Haque, deputy director of the DAE in Dinajpur, said farmers would be able to avert losses if they were able to clear the stagnant water as soon as possible.

The situation is similar in all five upazilas of Joypurhat, where farmers were seen attempting all means possible to remove the water.

Some were draining the water simply with dishes while others were seen picking potatoes. Similar scenes were prevalent in different areas of Joypurhat's sadar, Khetlal and Kalai upazilas on Saturday.

Rafiqul Islam, a potato farmer of Binshira village in Khetlal, said his entire field had gone under water and there was no way to fix it.

He went on to say that potato prices have been low since last season, when he suffered losses of Tk 2,000 per bigha.

"There is no respite from losses," Rafiqul added.

According to the DAE in Joypurhat, potatoes are being produced on 40,350 hectares of land in the district this year.

Shafiqul Islam, deputy director of the DAE, said some potatoes have already been picked from the field. However, farmers are making arrangements to drain the stagnant water as soon as possible.

"If the water is removed quickly and there is no rain ahead, there will not be much more damage," Islam added.

## Foreign investors want 'plug and play' production setups

Says MCCI president

JAGARAN CHAKMA

Foreign investors expect hassle-free, ready-to-use industrial setups, which the country's leather sector, especially footwear and associated goods, lacks, says Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI).

Constraints over the availability of suitable land at proper locations and the tannery industry's compliance to environmental regulations are the main barriers to drawing foreign investment and boosting the exports, he said.



Foreign investors do not want to spend time and money building up infrastructure from scratch, said Islam while talking to The Daily Star on the sector's exports.

"But we cannot provide...this type of environment...in spite of the huge potential," he said.

The government had set a target to give a boost for the sector to earn \$5 billion from exports by 2021.

But this remained unattained for the lack of compliance, a backward linkage industry and necessary investment from home and abroad.

The sector earned \$941.67 million from export of leather, leather goods and footwear in financial year 2020-21.

The sector is still dependent on the import of raw materials, including leather, said Islam, also president of the Leathergoods & Footwear Manufacturers and Exporters Association of Bangladesh.

READ MORE ON B2

## UK regulator hands Meta new fine

AFP, London

Britain on Friday ordered Facebook parent Meta to pay another £1.5 million for breaching regulatory rules over its acquisition of animated graphics startup Giphy.

The Competition and Markets Authority said in a statement that Meta had failed to alert the regulator in advance of three key staff leaving Giphy as it probed the transaction.

The penalty, equivalent to \$2.0 million or 1.8 million euros, comes after the CMA had already fined the group £50.5 million last October for failing to supply information linked to the deal.

"This is not the first time Meta failed to inform the CMA of staff changes at the appropriate time, having failed to do so multiple times in 2021," the watchdog said on Friday.

The penalty took into account the "nature and gravity of the breach in question".

In reaction, Meta said it would pay up -- but described the fine as "problematic".

"We are disappointed by the CMA's decision to fine us because of the voluntary departure of US-based employees," said a company spokesperson.

"We intend to pay the fine, but it is problematic that the CMA can take decisions that could directly impact the rights of our US employees protected under US law."

Meta had announced the purchase of Giphy -- a platform and search engine for "stickers" and other products using the graphics interchange format or GIFs -- for a reported \$400 million in May 2020. The CMA then launched an investigation into the proposed acquisition one month later.

The British watchdog then ordered Meta to sell Giphy in November 2021, ruling the deal would harm competition and advertising.

## US labour market shrugs off Omicron

REUTERS, Washington

The US economy created far more jobs than expected in January but despite the disruption to consumer-facing businesses from a surge in Covid-19 cases, pointing to underlying strength that should sustain the expansion as the Federal Reserve starts to raise interest rates.

The Labor Department's closely watched employment report on Friday also showed a whopping 709,000 more jobs were added in November and December than previously estimated. Wage gains accelerated last month and the labor pool expanded.

The upbeat report ended days of anxiety among economists and White House officials who had frantically tried to prepare the nation for a disappointing payrolls number.

"This is a strong jobs report," said Chris Low, chief economist at FHN Financial in New York.

"The odds of quelling inflation without a recession look better today than yesterday."

Nonfarm payrolls increased by 467,000 jobs last month, the survey of establishments showed. Economists polled by Reuters had forecast 150,000 jobs would be added in January.

Estimates ranged from a decrease of 400,000 to a gain of 385,000 jobs. Employment is 2.9 million jobs below its pre-pandemic peak.

Part of the broad increase in payrolls likely reflected low layoffs after the holiday hiring season, with 10.9 million job openings at the end of December.

Though the drop in actual employment in January was in line with prior years, there were large differences at the industry level.

The government also reported that 374,000 more jobs were created in the 12 months through March 2021 than previously reported.



Workers prepare to move a piece of pipe into place as they build a new home in Petaluma, California.

PHOTO: AFP

## IMF says it is ready to help Sri Lanka

AFP, Washington

The International Monetary Fund is ready to discuss "options" with Sri Lanka if the government asks for financial support, its mission chief for the island told AFP on Thursday.

The Covid-19 pandemic has had a disastrous impact on Sri Lanka's economy, which has been deprived of its tourism bonanza while workers' remittances from abroad have fallen sharply.

"While the IMF has not received a request for financial support from Sri Lanka, the staff stands ready to discuss options if requested," mission chief Masahiro Nozaki said in a written statement to AFP.

On Wednesday, Sri Lanka's finance minister announced the country had sought advice from the fund and was considering seeking an international bailout. This "referred to an ongoing technical assistance mission by the IMF," Nozaki said Thursday.