

Star BUSINESS



Potato farmers lose Tk 2,500cr a year: FAO

Unsold surplus, post-harvest losses to blame

STAR BUSINESS REPORT

Potato farmers in Bangladesh lose at least Tk 2,500 crore every year due to unsold surplus production and post-harvest losses.

The Food and Agriculture Organization of the United Nations (FAO) yesterday revealed the information in a press release quoting data from the Department of Agricultural Extension (DAE).

According to the DAE, more than 4.8 lakh hectares of land were brought under potato production this year.

The yield is expected to be more than 11 million tonnes this year but domestic demand is only 7.7 million tonnes

The yield is expected to be more than 11 million tonnes but domestic demand for potatoes is only about 7.7 million tonnes, said the FAO.

"Of the surplus, only around a quarter can be stored for sale. Therefore, the loss of the farmers due to unsold surplus production and post-harvest losses is estimated at between Tk 25 billion to Tk 35 billion (\$290 million to \$400 million)," it said.

In order to prevent this significant loss, the government encourages potato exports, it added.

Aiming to reduce the losses, farmers inaugurated potato export at a ceremony at Pairabandh and Mithapukur upazilas in Rangpur recently, the FAO said in the press release.

The event was organised under a "Missing Middle Initiative" project jointly initiated by the FAO and Sara Bangla Krishak Society (SBKS), a national network of farmers' organisations.

READ MORE ON B3

FIVE CRITICAL AREAS OF ECONOMY

- Prices of essential commodities
- Pressure on foreign exchange
- Banking sector facing higher NPLs
- Budget management
- High energy and power prices in global market

SOURCE: CPD AND OTHER ESTIMATES

PROBABLE RISE IN SUBSIDY if govt doesn't hike prices of fuel

- Diesel: Tk 14,400cr
- Electricity: Tk 3,915cr
- LNG: Tk 17,200cr
- Family cards: Tk 430cr
- Total: Tk 35,945cr

Govt's ability to spend on subsidy: From Tk 28,500cr to Tk 94,900cr



RECOMMENDATIONS

- Introducing strong market intelligence
- OMS should increase
- OMS activities should be free from corruption
- Providing direct cash support to poor
- Extending stimulus to small businesses
- Govt should maintain adequate food stock
- The main focus should be curbing inflation
- Continuing subsidy on fuel and power for next few months

CPD, economists against fuel price hike in FY22

STAR BUSINESS REPORT

The government should not raise fuel prices in the current fiscal year despite their record spike in global markets to give some respite to the people buckling under pressures for rising costs for essentials, said the Centre for Policy Dialogue (CPD) and economists yesterday.

They argued that since there is fiscal space for the government to absorb the international price shock, it would not be tough for Bangladesh if it decides not to adjust the fuel price in line with the global markets.

"The government should not take the risk of raising the prices of fuels in the current fiscal year as people are under pressure because of the price hike of essential goods," said Zahid Hussain, a former lead economist of the World Bank's Dhaka office.

"The government has enough fiscal space to absorb the shock emanating from the global market volatility."

He spoke at a media briefing on Bangladesh's economy in the changing global scenario, organised by the CPD at its office in the capital.

If the government doesn't

increase the prices, Hussain explained, it would need to take an additional subsidy burden of Tk 35,945 crore.

He said though the budget for 2021-22 was expansionary when it was unveiled, it became a contractionary one in the first six months owing to slow

the conflict in Ukraine. The Russian invasion of Ukraine sent crude oil prices rocketing close to record levels of \$140 per barrel before falling to \$107 last week.

And Hussain described the oil price surge as abnormal, saying it would come down.

M Tamim, a professor of the Department of Petroleum & Mineral Resources Engineering at the Bangladesh University of Engineering and Technology, blamed the managerial error for the disproportionate price hike of fuels in Bangladesh compared to international markets.

"The bus fare has also risen disproportionately to the price hike of fuel in the country. We are now suffering owing to the higher fuel price because of mismanagement, not because of the war between Russia and Ukraine."

Fahmida Khatun, executive director of the CPD, said any hike in the fuel prices would have multiplier effects on inflation so the government should not pass on the cost to consumers now.

"A price hike now may increase the production cost and stoke inflationary pressure," she said, adding that Bangladesh is already suffering from increased prices of essentials compared to that of the international market.

Apart from oil, commodities such as aluminium, coal, copper, natural gas, nickel, tin, wheat and zinc have hit historic highs on supply fears globally.

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implementation.

Taking the budget implementation and the experience of the previous fiscal year into consideration, the fiscal space might be a maximum of Tk 94,900 crore and a minimum of Tk 28,500 crore, according to a calculation of Hussain.

"Therefore, it will not be difficult to absorb the extra burden at least in the current fiscal year."

Crude petroleum prices were creeping up even before

"If the price keeps upward trend, the government can think of adjusting it in the upcoming fiscal year."

The economist also called for formulating a mechanism on how the price adjustment would take place.

This is because if a mechanism is put in place to adjust the oil price in line with the global market, businesses will be happy since it would help them make an informed investment decision as the price movement is a major concern.

Stocks slump, turnover hits 11-month low

STAR BUSINESS REPORT

Bangladesh's stocks fell yesterday amidst thin participation of both retail and institutional investors with the turnover at Dhaka Stock Exchange (DSE) touching the lowest in 11 months.

The benchmark index, DSEX, shed 67.55 points or 1 per cent to close at 6,698.04 yesterday. All the indices of Chittagong Stock Exchange (CSE) declined too.

Turnover slumped 26 per cent to Tk 616 crore yesterday at the main bourse of the DSE from Tk 835 crore the previous trading day.

Yesterday's turnover was the lowest since April 18 last year when it was Tk 602.7 crore, according to the DSE data.

Market participants said a number of large investors stayed aloof for a 2 per cent cap on share price freefall imposed by the Bangladesh Securities and Exchange Commission earlier this month.

The restriction came in the wake of apprehensions of what effects the Russia-Ukraine war would have on the economy.

Besides, participation of institutional investors were low because of demand for funds for implementation of annual development programmes by the government agencies.

Other factors included a lack of injection of fresh funds by retail investors ahead of Ramadan, the month of fasting.

"Historically, a bearish trend prevails in the market in the March to April period of the year," said Ershad Hossain, CEO of City Bank Capital Resources.

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The price of tea has increased due to a hike in prices of ingredients such as sugar, milk, tea leaves, kerosene, lemon and ginger. The photo was taken from Paltan area in Dhaka on Saturday.

PHOTO: RASHED SHUMON

Tea prices rise in Dhaka's roadside stalls

SUKANTA HALDER

Mohammad Dulal, a tea seller at Teacher-Student Centre (TSC) of the University of Dhaka, used to sell tea made of condensed milk for Tk 6 per cup a month ago. At present, he has increased the price to Tk 10.

Similarly, he used to sell a cup of tea without milk for Tk 5, but now the same drink costs Tk 6.

The price of tea has increased due to a rise in prices of its ingredients such as sugar, milk, tea leaves, kerosene, lemon and ginger.

Dulal has been selling tea at TSC for a decade. "The prices of all kinds of ingredients have gone up. That's why I increased the prices," the tea seller said.

"A month ago, I used to buy a small tin of condensed milk for Tk 60 while it is now Tk 75. Half a kilogramme (kg) of tea leaves was earlier sold at Tk 150 while it is now Tk 155 to Tk 160."

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STOCKS	
DSEX ▼	CSCX ▼
0.99%	0.84%
6,698.04	11,791.20

COMMODITIES	
Gold ▼	Oil ▲
\$1,935.60	\$107.93
(per ounce)	(per barrel)

CURRENCIES				
BUY TK	85.05	93.92	111.62	13.13
SELL TK	86.05	97.72	115.42	13.81

ASIAN MARKETS			
MUMBAI ▲	TOKYO ▲	SINGAPORE ▲	SHANGHAI ▲
1.84%	0.65%	0.24%	1.12%
57,863.93	26,827.43	3,330.63	3,251.07



A dry riverbed is seen in Dacope upazila of Khulna. With climate change physically presenting itself in the countryside, the government is taking initiatives to include the issue in all development plans.
PHOTO: HABIBUR RAHMAN

Keep climate change issue in project plans: Mannan

STAR BUSINESS REPORT

The climate change issue will have to be incorporated in the detailed project plan (DPP) of all development projects to properly implement the national adaptation plan (NAP), according to the planning minister.

The government is formulating the NAP with a focus on medium to long term adaptation investment and enhancing the national capacity for integration of the climate change issue in planning, budgeting and financial tracking processes.

According to experts, Bangladesh would need \$84 billion for adapting the climate change issue in the next 30 years.

"From now, officials of the planning commission will have to incorporate the climate change issue during meetings of the project evaluation committee (PEC)," said Planning Minister MA Mannan.

Mannan was speaking at a national level dialogue on "Formulation and advancement of the NAP process in Bangladesh" organised by the Ministry of Environment, Forest and Climate

Change at InterContinental Dhaka yesterday.

Referring to a decision of the commission, he said the government took a decision on November 24, 2020 to integrate the climate change issue in all projects.

He alleged that the government formulated the policy and rules but it does not follow them properly in the implementation stage.

The planning minister then asked the secretary of the planning ministry to issue a circular in this regard to strictly follow guidelines.

Ainun Nishat, a water resource and climate change specialist, suggested enacting a law regarding climate change so that all ministries and divisions would follow it to address the issue within legal bindings.

He stressed on the incorporation of the issue in all development plans and monitoring systems.

"If all ministries and divisions are not be serious about addressing the climate issue, no plan will be implemented," Nishat said.

"We need resources as well as

accountability to implement the plan for addressing climate change and for this reason, a related act is required," he added.

"If we want to mobilise funds, we will need to improve implementation capacity," the water resource and climate change specialist remarked.

He also recommended involving the private sector to implement the plan.

According to Nishat, it is not a headache for Bangladesh to mitigate the impact of climate change as the country is not responsible for carbon emission.

Habibun Nahar, deputy minister of the environment ministry, said if government officials carry out their duties responsibly, the NAP will be implemented properly.

According to her, the NAP will be the weapon to get rid of climate change impact.

She believes that this plan will help Bangladesh go ahead and become a developed country.

Fatima Yasmin, secretary of the Economic Relations Division, said Bangladesh cannot avoid the impact of

climate change in all sectors.

She said the NAP is not only responsible for implementation, rather it is a job for all ministries.

Yasmin also said it would be easy to mobilise funds to implement the plan to address climate change as the development partners are interested in this regard.

Sudipto Mukerjee, resident representative of the United Nations Development Programme, said he noticed that there was a lack of available information during his stay in the country for the last five years.

"There is barely any available data on any sector, whether it be old or not updated," he said.

He suggested forming a strong collaboration between government organisations and entities to address the NAP.

Mukerjee also stressed the need for private sector engagement to play their due role in this regard.

Md Mostafa Kamal, secretary of the environment ministry, said the suggestions would be incorporated in the NAP as they have yet to finalise the draft.

PayWell receives security standard certification

STAR BUSINESS DESK

Fintech startup CloudWell, also known as PayWell, has recently received a PCI DSS certification for adopting and applying mandatory controls to ensure data security for customers.

The Payment Card Industry Data Security Standard (PCI DSS) is a payment card security standard to safeguard cardholders against fraud and abuse of private and personal information, says a press release.

The standards are designed and mandated by the PCI Security Standards Council whose founding members are VISA, MasterCard, American Express, Discover Financial Services and JCB International.

PayWell is currently engaged in aggregation and distribution of digital services like mobile recharge, utility bills, tickets and fees through its nationwide network of over 50,000 merchants.

The company applied for a payment service provider (PSP) licence and received a no-objection certificate from Bangladesh Bank in 2020. The PCI DSS certification is pursued as part of its readiness to get the PSP licence.

"PCI DSS certification is a crucial milestone for us in our journey to launch PSP wallet. We wanted to make sure that our platform achieved the highest security standards before we go live," said Founder and CEO Anisul Islam.

"Such certification will build trust in our customers as we consider data security as an utmost priority," said Mohammad Kudratullah, co-founder and chief marketing officer.

bKash Nielson survey's top 'Employer of Choice'

STAR BUSINESS DESK

Mobile financial service provider bKash has been ranked as the top "Employer of Choice" among 53 multinational and local organisations for a second year in a row in a 2021 Campus Track Survey conducted by Nielsen.

It also recognised bKash as a "Dream Company" for the third consecutive year, says a press release. Nielsen specialises in research, insights, data, and analytics. It is conducting the survey in Bangladesh since 2013 with parameters industry preference, job, salary and campus activities; and aspirational factors.

The participants were final-year BBA and MBA students of 2021 from the 14 universities.

Pran exports gas stoves to Samoa

STAR BUSINESS DESK

Pran-RFL Group has started exporting gas stoves to Samoa, a country in the central South Pacific Ocean, with the first consignment being sent out from Rangpur Metal Industries' factory in Narayanganj recently.

The conglomerate first exported gas stoves to India in 2017 and then to Papua New Guinea and Fiji, said a press release.

CPD, economists against fuel price hike

FROM PAGE B1

The struggle for the poor and the low-income groups began with the outbreak of Covid-19 in early 2020 and the situation has now worsened for the unabated rise in the prices of the essentials, said the CPD.

In Bangladesh, there is a tendency to blame external factors for higher prices even if certain commodities don't have any connections with the global demand, said Fahmida.

The prices of rice, edible oil, egg, beef and sugar increased more in Bangladesh than in international markets, she said.

"A litre of milk is now

more expensive in Dhaka than in Ostrava of the Czech Republic or Malaga in Spain. A dozen of eggs in Dhaka are now more expensive than in Dayton of the US and or Cyberjaya in Malaysia."

"However, our average monthly income is much lower than in those countries."

Although the prices of essential items have risen, the inflation rate is, surprisingly, not depicting the real scenario, according to Fahmida.

"This is because the weight of the measurement of inflation has remained the same since 2005. Time

has come to change the food basket to calculate the inflation."

Towfiqul Islam Khan, a senior research fellow of the think-tank, blamed manipulation and lack of efficiency as potential factors for the higher prices of essentials in Bangladesh than in global markets.

"The government should focus on it as inflationary pressures will hamper a sustainable and inclusive recovery from the pandemic since the real purchasing power of many people will erode, widening inequality."

"Considering the more adverse impact

on the vulnerable and marginalised groups, all available policy tools should be used to control food inflation."

Khan called for curbing tax evasions to generate resources for priority expenditures.

The CPD recommended beefing up the market monitoring so that commodity prices remain under control during the fasting month of Ramadan, which is less than two weeks away.

It also suggested expanding the operations of the open market sale of essential commodities under the state-run

Trading Corporation of Bangladesh and managing the distribution of the products efficiently so that only eligible people can access the subsidised items.

"The government should provide direct cash support to the poor and extend stimulus packages to small businesses to help them survive in this difficult situation," said the think-tank.

Prof Mustafizur Rahman, a distinguished fellow of the CPD, and Shah Md Ahsan Habib, a professor of the Bangladesh Institute of Bank Management, also spoke at the media briefing.

Seasonal migration useful

FROM PAGE B4

In addition, despite its temporary nature, seasonal poverty contributes to chronic poverty in lasting ways such as reducing agricultural productivity and permanently harming child health and learning, said Mobarak.

These persistent damages may contribute to cyclical poverty, he pointed out. Mobarak said failure to ensure essential diets has long-term effects on children that affect their future productivity.

Policies may need to address failures in savings markets, in credit markets, in remittance technology, or in spatial market integration, he added.

Climate change may exacerbate the problem, he believes.

Despite its pressing nature, seasonal poverty is a difficult problem to solve. The most promising approaches use the fact that the lean season occurs only at certain times of the year, and in only certain locations and industries during those times, said Mobarak.

The same household may be wealthy at harvest and hungry nine months later. Lean season wages may fall in rural areas but remain constant in urban areas. The price of staple crops may rise in one region as it is falling in another due to an earlier harvest, he said.

"We can imagine interventions that bridge these gaps -- between the same household over time and between markets

in different locations -- could serve as promising solutions," he said.

Indeed, a growing amount of literature suggests that interventions such as savings, credit, migration subsidies and infrastructure are effective at reducing seasonal poverty, he added.

However, scaling these interventions is not always straightforward. The root causes of seasonal poverty vary from location to location and the cost of sustaining different interventions depends on contextual factors, said Mobarak.

Equilibrium market adjustments or political reactions can enhance or undermine the benefits of these interventions, he added.

India's oil imports from US

FROM PAGE B4

Russia has been a marginal player in the Indian market, but since its February 24 invasion has been offering discounted oil to soften the blow of sweeping sanctions imposed by the United States and other countries.

Indian Oil Corp., the country's top refiner, recently ordered 3 million barrels of Russian oil through a tender, while Hindustan Petroleum Corp has booked 2 million barrels for May loading.

India welcomes competing offers for oil sales including from Moscow, especially when global prices have jumped, another government official said, defending the decision

to buy from Russia.

European countries continue to import Russian oil and gas, and India cannot be stopped from doing so too, the second official said.

Western sanctions have carve-outs to avoid any impact on energy imports from Moscow, and Russian banks that process payments for these sales remain on the SWIFT network, this official said.

The official said India's legitimate energy transactions should not be politicised. "Countries with oil self-sufficiency or those importing themselves from Russia cannot credibly advocate restrictive trading."



A "Corporate on Mobile Activation and Onboarding Campaign" was organised at The Daily Star Centre in Dhaka yesterday based on the signing of a corporate partnership agreement between The Daily Star and online food and grocery delivery platform Foodpanda.
PHOTO: STAR



Walton Hi-Tech Industries Chairman SM Nurul Alam Rezvi, Vice-Chairman SM Shamsul Alam and Director SM Mahubul Alam cut a cake marking "Walton Day" celebration at its corporate office in Dhaka yesterday.
PHOTO: WALTON

Poland to 'de-Russify' economy

REUTERS, Warsaw

Poland will take steps to sever economic ties with Moscow, the prime minister said on Friday, in a process of "de-Russification" in response to Russia's invasion of Ukraine.

Memories of decades of Soviet domination following World War Two run deep in the European Union's

largest eastern member, and the war in Ukraine has added urgency to a process of minimising dependence on Russia that was already under way.

"We will deal with the de-Russification of the Polish and European economy," Mateusz Morawiecki told a news conference. "We call for the suspension of activities on the Russian market."

Bangladesh ratifies ILO convention on minimum working age

STAR BUSINESS REPORT

Bangladesh has ratified the much-talked-about International Labour Organisation (ILO) Convention 138 to fix the minimum working age for any person at 14 years. Bangladesh has ratified all the core ILO conventions with the ratification of the Convention 138, the labour and employment ministry said in a statement yesterday.

Begum Monnujan Sufian, state minister for labour and employment, is scheduled to handover the ratified document of the Convention 138 to Guy Ryder, ILO director general, in Geneva on March 22.

By 2025, child labour from all sectors would be eliminated, the state minister also said in the statement.

Ratification of the ILO Convention 138 by Bangladesh is a long time demand from the European Union to be eligible for the new generalised system of preferences for 2024 and 2034.

Thailand eases Covid test to boost tourism

AFP, Bangkok

Travellers to Thailand will no longer have to take a Covid-19 test before boarding the plane, under plans announced Friday as part of efforts to reboot the kingdom's pandemic-battered tourism sector.

From April 1, the requirement to take a negative test within 72 hours of travel will be scrapped, and instead visitors will be tested on arrival in Thailand, said an official.

Strict travel curbs helped Thailand limit Covid case numbers and deaths in the early stages of the pandemic, but hampered its crucial tourism industry, which accounts for about a fifth of the country's economy.



SME entrepreneurs are seen displaying their products at the buyer and seller conference at Parjatan Bhaban in Dhaka's Agargaon yesterday.

PHOTO: RASHED SHUMON

Ensure regular fund allocations for SMEs: experts

STAR BUSINESS REPORT

Regular fund allocations for small and medium enterprises (SME) are required to provide capital for business development of the SME sector.

"SME Foundation is playing an important role in achieving the government's target of increasing employment by providing loans and training to SME entrepreneurs on easy terms," said Kamal Ahmed Majumder, state minister for industries, while addressing a buyer and seller conference at Parjatan Bhaban in Dhaka's Agargaon yesterday.

However, he said more loans are needed on easy terms for entrepreneurs to offset the losses caused by the coronavirus pandemic.

For this, regular funds should be allocated in favour of the SME Foundation.

Md Mofizur Rahman, managing director of the SME Foundation, said his organisation has been organising such buyer and seller conferences regularly to introduce the products made by SME entrepreneurs and women entrepreneurs to top tier buyers of the country.

Md Masudur Rahman, chairman of the SME Foundation, said the country's SME

entrepreneurs are lagging behind due to lack of market connectivity of capital and products. At the same time, ensuring fair prices for their products is also a big challenge.

According to him, the SME Foundation is working to address these crises for SME entrepreneurs.

There are about one million SME industrial units and about six lakh cottage industries in the country, of which 6.21 per cent is being run by women entrepreneurs.

He said the number of women entrepreneurs in the country is increasing significantly every year as a result of creating conducive working environment for women and various incentives.

Masudur said market connections and marketing of products are one of the major challenges for women entrepreneurs.

While 36 per cent of women entrepreneurs mentioned the crisis of capital in doing business, 20 per cent of women entrepreneurs cited marketing of products as the main problem.

A total of 60 potential women entrepreneurs from different parts of the country took part in the conference.

The participating women entrepreneurs showcased their products such as

boutique goods, jute items, leather goods, handicrafts and jewellery to commercial buyers.

The event was attended by representatives of various organisations and online marketplaces.

Commercial buyers were able to select suppliers by verifying the product quality, design, use of dyes, wholesale price and production capacity of the women entrepreneurs participating in the programme.

The SME Foundation has provided training to participating women entrepreneurs on product manufacturing and supply management, product quality control, use of design tailored to demand and wholesale pricing strategies.

The foundation hopes that the buyer-seller gatherings will help women entrepreneurs market their products while also helping commercial buyers or retailers to find a source or supplier of their products.

In the last five buyer and seller conferences organized by SME Foundation, about 200 women entrepreneurs displayed their products and about 160 women entrepreneurs are regularly delivering products to various reputed business establishments of the country.

No VAT cut for beauty parlours: NBR

STAFF CORRESPONDENT, Ctg

The value added tax (VAT) on beauty parlour services will not be reduced in the upcoming national budget, announced National Board of Revenue (NBR) Chairman Abu Hena Md Rahmatul Muneem yesterday.

"Who pays VAT? Consumers pay VAT and you (businesses) collect VAT from the consumers and deposit it to the government," he said in response to a reduction proposal by businesses.

Muneem reminded that VAT rates were fixed considering the practicality of how much a consumer can pay.

"What is the VAT-paying capacity of a person who goes to beauty parlours? Can VAT be a pressure on a person who can spend Tk 250 for a haircut?"

"That is why I am announcing today that VAT on beauty parlours will not be reduced. There is no reason to reduce VAT," he said.

Muneem was addressing a pre-budget meeting organised by the Chittagong Chamber of Commerce and Industry (CCCC) at World Trade Centre in Chattogram city.

Regarding a proposal to help local producers of electric switches, he said there were allegations that the locals manufacture goods of poor quality to reduce production costs.

Consumers cannot be deprived of good quality products by cooperating profusely with the domestic industry that lacks capacity, he opined.

"We will monitor the potentials of the domestic industry and how much support is require at what stage will be assessed," said Muneem. The domestic industry needs to acquire required capacity gradually and thus they will continue to get support, he opined.

Mentioning that if prices of goods increase in the global market, the same will happen in domestic markets, Munim said it was not a normal practice to reduce prices of goods through a reduction in taxes.

He said the NBR was working with the aim of protecting the domestic industry, to bring ease to the tax system and reduce the pressure of tax.

Chairing the meeting, CCCI President Mahbul Alam proposed enabling special allocations in the next budget for the timely implementation of different ongoing mega projects in Chattogram.

Referring to the current global situation and inflation amidst rising commodity prices, he also proposed raising the tax-free income limit for individual taxpayers from Tk 3 lakh to Tk 4 lakh.

For women and elderly taxpayers above 65 years of age, he suggested from Tk 3.5 lakh to Tk 4.5 lakh, for the physically challenged from Tk 4.5 lakh to Tk 5.5 lakh and for wounded freedom fighters from Tk 4.75 lakh to Tk 5.75 lakh.

Alam said they already sent over 200 proposals to the NBR, including 84 related to duty, 22 on VAT and 102 on income tax.

CCCI President Mahbul Alam proposed enabling special allocations in the next budget for the timely implementation of different ongoing mega projects in Chattogram

Tea prices rise

FROM PAGE B1

"One kg of sugar used to be sold at Tk 75 while it is now Tk 90. One litre of kerosene was Tk 65 before but is now Tk 90. Ginger was Tk 60 per kg but is now Tk 120-150," Dulal said, adding that the cost of living has also gone up.

"It was difficult to run the household with the income that was earned by selling tea all day long," he said.

This journalist visited a number of crowded spots, including Mirpur, Kalyanpur, Kalabagan, Jigatola, Karwan Bazar and Motijheel, and witnessed that the price of milk tea has increased by Tk 4 to Tk 6 per cup and tea without milk by Tk 2 to Tk 3.

Tea has now become an integral part of social and professional life, making it the world's most-consumed beverage as it is also popular among low-income groups.

Rahmat Ali, a tea seller by the Insurance Development and Regulatory Authority's premises in Motijheel, said he used to sell a cup of milk tea for Tk 8 a month ago.

"Now I am selling it for Tk 12. That's why we have to hear a lot of harsh words from consumers daily," he said.

"The prices of all kinds of necessities have gone up. I also have to manage both the business and my family. In addition, there are many other costs involved in running a business," he said.

"The coronavirus crisis has not yet been fully overcome," Ali added.

Mahmud Abbas Siddique, owner of Abid Tea Stall at West Tejuri Bazar in Farmgate, has been running the stall for five years.

He did not raise the price of tea. Instead his business strategy to manage the cost is to reduce the volume of tea per cup.

"Common people have not been able to fully overcome the Covid-19 crisis yet. In the meantime, if the price of tea increases, people will substantially reduce the consumption of tea," he said.

Those who regularly drink tea in roadside stalls have reduced their consumption of tea, tea vendors said.

They said those who used to drink six to seven cups of tea in the past now limited themselves to four or five cups.

Tannin Islam, a resident of the capital, stays in the Karwan Bazar area for a big part of the day for professional reasons.

He used to drink six cups of tea daily and now has reduced it to four cups. He shared his experience with The Daily Star.

"The price of everything has gone up which affects my life like that of other people. It's becoming impossible to live with the money I get paid [from the employer]. So, I had to reduce tea consumption," he said.

"In the stall where I regularly drink tea, the price of a cup of milk tea used to be Tk 5 but it is now Tk 7," he added.

According to Business

Insider Bangladesh, of all the tea consumed in the country, 45 per cent is at the household level while the rest is at tea stalls, restaurants and offices.

In Bangladesh, tea brands dominate the market with a 75 per cent share while non-branded producers account for the rest.

Azam J Chowdhury, chairman of The Consolidated Tea & Lands Company Bangladesh Limited (Finlay), told The Daily Star that tea production in Bangladesh was now at a historic high.

"There is no reason to increase the price of tea leaves," he said.

He added that if someone says that the price of tea leaves has gone up and that was why the price of tea has gone up, the Directorate of National Consumers Right Protection should take legal action.

SM Didarul Hasan, deputy general manager (marketing) of Ispahani Tea Limited, said the price of tea leaves has not increased.

The prices of other ingredients used in making tea have increased for a rise in their import alongside living costs of tea sellers. That is why the price of it as a whole has gone up.

"If prices increase in [tea] auction, the price of tea increases. Recently, the price of tea has not increased in the auctions. So we did not increase the price of tea," he said.

"Our sales are declining, we had been apprehending it [rise of prices of other ingredients]," Hasan added.

Potato farmers lose Tk 2,500cr

FROM PAGE B1

Under the project, 100 farmers, including 50 women, were provided training on good agricultural practices (GAP). The farmers also received pre-production, inspection, and post-harvest assistance, according to the press release.

The FAO also organised a pre-season buyer-seller meeting for officials

demand in Malaysia, Nepal, Sri Lanka, and countries in the Middle East and North Africa.

Addressing the event, Robert D Simpson, FAO representative in Bangladesh, said, "In order to truly thrive, the potato export value chain requires a productive alliance among all involved—the government, private sector, and producer organisations."

"Bangladesh has a lot of potentials to grow commercial and export varieties of potatoes and we are working closely with the Ministry of Agriculture to boost potato exports in order to strengthen food security and increase incomes for farmers and farming communities," he said.

Agriculture Secretary Sayedul Islam, DAEDirector General Benojir Alam, and private sector exporters and other government representatives joined the programme.



Fund transfer to be instant

FROM PAGE B1

currency demand draft (FDD) to carry out transactions. Then, the BB forwards it to the related lenders in a bid to complete the process.

Banks have to maintain a foreign currency current account with the central bank. The settlement of FDD is conducted through such accounts.

An FDD is a negotiable instrument used by banks to facilitate inter-bank fund transfers using the route of the central bank.

The settlement is required at least one working day, but the RTGS will help complete such transactions on a real-time basis, the BB official said.

Mirza Elias Uddin Ahmed, managing director of Jamuna Bank, says banks have long been requesting the central bank to introduce the service as this would help them

settle foreign exchange-related transactions more efficiently.

"Although the central bank clears the FDD in a day, banks require two to three days to benefit from the transaction."

"The upcoming process will also help businesses settle import and export-related transactions at a faster pace."

Allowing NBFIs, alongside banks, to join the RTGS platform will also strengthen their capability, industry people say.

At present, NBFIs have to place manual cheques at the central bank to transfer funds to banks or other non-banks from the former's current account maintained with the central bank.

It takes at least one day to settle such a transaction, but the RTGS platform will speed up the process since officials will not require to

visit the BB.

The BB will introduce the service for NBFIs within two to three months.

"We have already arranged a number of meetings. The NBFIs have begun the process to be connected with the RTGS," said the central banker.

Initially, 18 NBFIs will be linked to the system.

Mominul Islam, managing director of IPDC Finance, an NBFI, says NBFIs would get more room once the system goes live.

"Clients will be benefited from the new system as well."

Depositors of NBFIs, for example, usually withdraw funds through a bank. But clients will be able to withdraw the money through cheque from their bank after NBFIs transfer the funds to the account instantly using the RTGS, Islam explained.

particularly inflation.

"I think this is an overreaction as the market is not overvalued," he said.

At the Dhaka bourse, Beximco topped the list of most-traded shares yesterday, recording a Tk 53.5 crore turnover.

Takaful Insurance gained the most followed by Hwa Well Textiles (BD). IFIC Bank and Shahjalal Islami Bank were the top losers at the DSE.

Of the 379 shares traded yesterday, only 23 advanced.

Stocks slump, turnover hits

FROM PAGE B1

Yesterday, all the indices at the DSE declined as all sectors with large market capitalisation incurred losses.

Non-bank financial institutions experienced the highest loss of 1.69 per cent followed by food and allied (1.29 per cent) and fuel and power (0.90 per cent), said BRAC EPL Stock Brokerage in its daily market update.

Engineering, bank, pharmaceutical and telecommunication stocks

also declined.

"It appears that institutional investors remained in the sidelines for now. They are in a wait-and-see mood," said a chief executive of a brokerage firm seeking to remain unnamed.

Mohammad Emran Hasan, chief executive of Shanta Asset Management, said the market dipped amid uncertainty and panic over the possible fallouts of the Russia-Ukraine war on the Bangladesh economy,



A health worker of Brac is checking the health condition of a Rohingya child in one of the camps for the refugees in Cox's Bazar. The non-governmental organisation, as a partner of the government, has been rendering various humanitarian services to the refugees since the crisis began.

PHOTO: COLLECTED

Improving service quality is next challenge

Brac Executive Director Asif Saleh says in an interview with The Daily Star

PORIMOL PALMA

Brac, a Bangladeshi non-governmental organisation, has retained its place as the world's largest NGO for the last seven consecutive years. Founded by Sir Fazle Hasan Abed in 1972, it has made significant contribution to the health, education and poverty alleviation in Bangladesh. It also works in 10 other countries. Brac Executive Director Asif Saleh shares his thoughts on the successes of the NGO and the challenges it faces as it celebrates 50 years of its founding today.

DS: We often see that institutions' sustainability depends on individuals. Today, Brac Founder Sir Fazle Hasan Abed is no more. Still, Brac continues its journey and is expanding. What's is the key to it?

Asif Saleh: Sir Abed has always insisted on institutionalisation, not the person. He always tried to create collective leadership. Brac works a lot to strengthen its internal capacity, which includes training of human resources, strong management and an effective system.

We see these aspects of institutions in many foreign institutions, but not much here. I think Sir Abed's wisdom has been a key to building a strong institution. Brac has a management and a governing body of independent individuals to check the management.

DS: Brac began its activities with relief and rehabilitation of the refugees coming from India after the Liberation War of Bangladesh. Later, it also established some enterprises like Aarong and Brac Dairy. Why did Brac

do that?

Asif Saleh: While working with the poor people, we discovered that they need income-earning and jobs. Many people have their skills and products but don't get the right prices. So, we thought we could help them. We provided the artisans with some training and then helped market their products. That's how Aarong began. Today, 65,000 artisans are involved with Aarong.

We call them social enterprises, not meant to make profits. The earnings from these enterprises are used for expansion and development programmes.

Also, we began Brac Bank to promote small and medium enterprises, which were facing challenges in getting loans from the banking sector. Today, it is doing an excellent job. Thus, we are becoming independent. As the foreign development assistance flow is declining, we hope to become self-dependent.

DS: Brac has worked a lot on health, education and poverty alleviation. What is your evaluation after 50 years?

Asif Saleh: There was a time when we had to provide meals to the poor people in rural areas like Kurigram. Now, the situation has changed significantly both through the interventions of the government and NGOs.

You would see a huge shift in the rural areas. There are government

schools and hospitals all across the country. So, the people are getting services now. But the question is whether they are getting quality service. The challenge is now to improve the quality.

DS: There are some criticisms that Brac does not have a rights approach in its interventions. How do you respond to it?

Asif Saleh: Sir Fazle Hasan Abed always believed in promoting the rights of people, bringing out the inner potentials of people and their empowerment. They then can claim their rights themselves. He did not think that there was always a need for a confrontational revolution for realising rights.

For example, Brac implements many programmes for women empowerment through which women in Bangladesh came out to the streets to work. We educated the women and promoted their health, thus empowering them. We believe that we need to work with the government, whichever is in power. So, we are also working for people's rights – but under a different approach.

I know there are some criticisms, but I would say that not all organisations would work the same way. There are some others that would focus on rights, directly confronting the authorities. That's their way and it is fine.

DS: Globally, 100 million people have become new poor because of the

Covid-19 pandemic. The number of new poor is several millions in Bangladesh. Does it suggest that the organisations like Brac have got new relevance now?

Asif Saleh: The pandemic and climate change threats are suggesting that there will be more natural or manmade calamities in the coming years. Lots of people have lost their livelihood options. Many have returned to the villages.

Our finding is that the people who migrated to the villages are getting involved in farming or local businesses. As the economy is recovering, the people who had lost jobs or businesses are quickly returning to the previous situation with some financial support or getting their jobs back.

What is more important now is to work both at national and international levels. Both the government and NGO sectors need to have contingency plans and funds for mitigating disasters.

DS: What message do you have as you celebrate 50 years of Brac?

Asif Saleh: Brac and Bangladesh are almost synonymous. Brac wouldn't have been born in the first place if the nation of Bangladesh wouldn't have emerged. At the same time, the progress and development of Bangladesh might have been more unequal if Brac was not there with its massive interventions. And, Brac could never do such volumes of work if the government was not with us.

The people were at the centre of all activities of Brac. We took risks and we have both successes and failures. For good work to be done, we need to take risks and we will take them. We are confident and ambitious in what we do for the people.



Myanmar junta approves sale of Telenor subsidiary

AFP, Yangon

Myanmar's junta has approved the sale of Norwegian telecoms giant Telenor's Myanmar subsidiary to Lebanese conglomerate MI Group, both companies said on Friday, in a move activist groups warn could put sensitive customer data in the hands of the military.

The Southeast Asian nation has been in chaos since a coup last year sparked huge protests and a bloody military crackdown on dissent, sending the economy into freefall.

In July, Telenor announced that it planned to divest its lucrative subsidiary Telenor Myanmar, whose value it had written down to zero, and later cited junta demands that it install monitoring equipment on the network as a reason for leaving the country.

"We could not endure the situation in Myanmar any longer as local laws conflicted with international laws in addition to our own values," Telenor CEO Sigve Brekke told AFP.

"The day the military took over, the battle for customer security was lost. The reality is that the military is responsible for issues we have been experiencing, concerning customer data and human rights," Brekke added. After months of waiting, on Friday Telenor and MI – which is helmed by Lebanese Prime Minister Najib Mikati – both said the sale had been approved by the Myanmar junta.

"MI Group has been informed that the Myanmar Investment Commission has approved Telenor Group's application for the sale of Telenor Myanmar to Investcom PTE Ltd, an MI Group affiliate," MI said in a statement.



Energy giant Saudi Aramco's gas facilities in the eastern part of the desert kingdom. Aramco's net income increased by 124 per cent to \$110.0 billion in 2021, compared to \$49.0 billion in 2020, the company said.

Seasonal migration useful in some places

Yale University economics professor says

STAR BUSINESS REPORT

Encouraging seasonal migration is a useful strategy under some conditions, but not everywhere, said a professor of economics at Yale University while delivering a public lecture at the University of Dhaka yesterday.

"We often think of poverty as a chronic, binary phenomenon – people are either poor or not – but many are seasonally deprived. Seasonal poverty is widespread in agrarian societies," said the academic, Ahmed Mushfiq Mobarak.



However, hundreds of millions of the world's poor live nominally above the poverty line but regularly go hungry for some portion of the year, he said.

The public lecture on "Innovations to Address Seasonal Poverty: A research programme in Bangladesh, Nepal and Indonesia" was organised by Economics Study Center of the University of Dhaka.

Mobarak said the seasonal poverty was particularly severe for the rural poor, who typically suffer a so-called lean season in the time leading up to harvests.

During these periods, savings from the previous harvest dwindle and the price of staple crops rise, sometimes by as much as 100 per cent in remote areas, he said.

He said seasonal poverty was one of the most pressing problems faced by the global poor. It is widespread, some 80 per cent of the world's poor rely on agriculture for their livelihoods, he said.

READ MORE ON B2

India's oil imports from US to rise

REUTERS, New Delhi

India's oil imports from the United States will rise by 11 per cent this year, officials said on Saturday, as the severely energy-deficient country looks to secure supplies from producers around the world, including heavily sanctioned Russia.

The surge in oil prices following Russia's invasion of Ukraine last month threatens to fan Indian inflation, stretch public finances and hurt growth just when it was emerging from a pandemic-induced slowdown.

New Delhi faces criticism from the West for its long-standing political and security ties with Moscow, with some saying that engaging in business with Russia will help fund its war. India has urged an end to the violence in Ukraine but abstained from voting against Russia.

Japanese Prime Minister Fumio Kishida, meeting his Indian counterpart Narendra Modi during a visit on Saturday, said he will encourage a unified approach on Ukraine.

India buys most of its oil from the Middle East, but the United States has emerged as the fourth-biggest source and this year supplies will rise substantially, a government official briefed on the matter told Reuters.

Iraq supplies 23 per cent of India's oil, followed by Saudi Arabia at 18 per cent and the United Arab Emirates at 11 per cent. The US share of the Indian market will rise to 8 per cent this year, said the official, who spoke on condition of anonymity in line with government policy.

READ MORE ON B2

Saudi Aramco's profit more than doubles

AFP, Riyadh

Energy giant Saudi Aramco said Sunday its 2021 net profit soared by more than 120 per cent, due to higher crude prices, as global economic growth recovered from a pandemic-induced downturn.

The announcement came hours after Yemen's Huthi rebels – against whom Saudi Arabia leads a military coalition – targeted several locations, including Aramco facilities, in cross-border armed drone attacks.

Aramco, Saudi Arabia's cash cow, did not say if the attacks caused damage.

"Aramco's net income increased by 124 per cent to \$110.0 billion in 2021, compared to \$49.0 billion in 2020," it said.

Aramco achieved a net income of \$88.2 billion in 2019 before the pandemic hit global markets, resulting in huge losses for the oil and aviation sectors, among others.

PHOTO: AFP/FILE