

INTERNATIONALLY ACCLAIMED  
Recognition  
Best Innovation - Finance  
Bangladesh Innovation Award 2022

16218

### Govt okays LNG purchase at lower cost

**STAR BUSINESS REPORT**

The government yesterday approved a proposal to buy 33.60 lakh Metric Million British thermal units (MMBtus) of liquefied natural gas (LNG) for \$35 per unit, which is cheaper than what it cost just a week ago thanks to a downward trend in global prices.

As per the proposal approved by the cabinet committee on purchase, Petrobangla, a corporation of the energy and mineral resources division, will buy the LNG for a total of Tk 1,186.70 crore from Singapore based M/S Vitol Asia Pte Ltd.

READ MORE ON B3



A programmable machine creates patterns in a garment production line of a factory at Savar in Dhaka. The local garment industry is rapidly turning to automation for greater competitiveness and strictly maintaining lead time and quality of goods.

PHOTO: REFAYET ULLAH MIRDHA

### Banking hours cut for Ramadan

**STAR BUSINESS REPORT**

Banks in Bangladesh will remain open from 9:30am to 4:00pm every working day during the month of Ramadan, which may begin on April 3 according to the Bangladesh Islamic Foundation.

People will be allowed to conduct banking transactions from 9:30am to 2:30pm, as per a circular issued by Bangladesh Bank yesterday. The banking regulator said office and banking hours would return to their earlier timetable after Ramadan ends.

## Automation gaining ground in garment

**REFAYET ULLAH MIRDHA**

Automation has been substantially coming about in garment factories, with modern machinery being used to make high-end garments and increase productivity in attempts to become more competitive globally.

Almost all the regulation-compliant garment factories, especially the 157 with Leadership in Energy and Environmental Design (LEED) certification, have already automated major sections of the factories, producing sophisticated apparel items, mainly outerwear, using robotics.

In the fiercely competitive garment business supply chains, lead time is very important as almost all apparel-producing

countries are competing with the same kinds of items and making strategic price offers.

So quick deliveries through the maintenance of quality is a very important factor for retaining competitiveness in the business.

It is not possible to remain competitive maintaining the manual process of garment production using a huge number of workers. As a result, automation has turned key in this competitive business.

Abdullah Hil Rakib, managing director of Team Group, which has a LEED certified garment factory, said he currently uses a semi-automated production line to bring more efficiency in productivity and time management and become competitive.

In his factory, he has had to automate some important sections to enable greater efficiency.

For instance, he said one of his machines can make six pockets at a time, which otherwise, if all the other factors were to remain constant, would have taken six workers.

So the number of workers here has been reduced but efficiency and quality has been maintained, he said.

This is a small example of how the local garment manufacturers have been automating their production.

Like Rakib, many garment manufacturers have been automating their units to be more competitive in

READ MORE ON B3

## Spectrum auction today

**MAHMUDUL HASAN**

A crucial auction for spectrum bands that can support both fourth-generation (4G) and 5G technologies is set to take place in Dhaka today as the government looks to alleviate the sufferings of users stemming from the slower mobile internet speed.

The country's four mobile operators, including state-owned Teletalk, have already deposited earnest money with the Bangladesh Telecommunication Regulatory Commission (BTRC), confirming their participation.

The auction will take place at the Hotel InterContinental.

The regulator will award 60 MHz spectrum in six blocks from 2.3 GHz (2,300-2,400 MHz) bands and 120 MHz in 12 blocks from 2.6 GHz (2,500-2,690 MHz) bands through the open auction.

The base price per MHz is \$6 million for both bands.

"It's a very crucial auction as it is suitable for both 4G and 5G. No auction for the spectrum that is supportive to for both 4G and 5G will take place in the future," Mustafa Jabbar, telecom minister, told The Daily Star.

READ MORE ON B3

STOCKS	
DSEX ▼	CSCX ▼
0.17%	0.14%
6,753.76	11,863.10

COMMODITIES	
Gold ▲	Oil ▲
\$1,936.67	\$107.81
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 1.28%	▼ 0.80%	▲ 0.25%	▲ 1.96%
58,683.99	28,027.25	3,442.61	3,266.60



Bangladesh wants commercial shipping line and cruise shipping between its premier seaport Chattogram and Colombo to boost trade and tourism between the two countries.

PHOTO: STAR/FILE

## Govt for Ctg-Colombo direct shipping service

**STAR BUSINESS REPORT**

Foreign Minister AK Abdul Momen has called for introducing regular commercial and cruise shipping services between Chattogram and Colombo ports to enhance trade and tourism between the two countries.

He also underscored the necessity of affordable air ticket prices with enhanced air connectivity in participation with more airlines of Bangladesh and Sri Lanka, according to a press release of the foreign ministry.

The issues were discussed when Momen paid a courtesy call on Sri Lankan President Gotabaya Rajapaksa at the Presidential Palace in Colombo yesterday.

The foreign minister is now visiting Sri Lanka to attend the 5th BIMSTEC Summit.

The president, meanwhile, offered greater use of the Colombo port by Bangladesh for transportation of Bangladeshi

trade goods.

Rajapaksa deeply appreciated the visionary leadership of Prime Minister Sheikh Hasina for the policy of collective prosperity with a special focus on counter-terrorism and violent extremism.

Momen urged the president to take joint initiatives to fully utilise the trade potential between Bangladesh and Sri Lanka.

He offered the government of Sri Lanka to explore the possibilities of importing pharmaceuticals and agro products, including potatoes from Bangladesh.

Both sides welcomed the progress made for the early conclusion of a bilateral preferential trade agreement for the enhancement and facilitation of bilateral trade.



They also discussed the possible new areas of cooperation, including food security, ICT, health care, and the blue economy.

Both sides also agreed to expedite and complete the negotiations and approval process of pending bilateral instruments for the greater benefit of the people of the two countries and to increase bilateral engagements.

Rajapaksa thanked Bangladesh for its continued support in various multilateral forums and both sides further agreed to closely work together in the future.

Momen reiterated his request for the continued support of Sri Lanka for the immediate repatriation of forcibly displaced Myanmar nationals to their home country with safety and dignity.

ORDER  
OF THE RISING SUN  
GOLD RAYS WITH ROSETTE

H. E. The Ambassador of Japan to Bangladesh Mr. ITO Naoki hands over the Patent of Decoration to Mr. Matiur Rahman

Heartiest Congratulations

We, the UGC family, offer our heartiest felicitations to Mr. Matiur Rahman, the honorable Chairman and Managing Director of the Uttara Group of Companies on being conferred the "Order of the Rising Sun, Gold Rays with Rosette" by the Government of Japan.

It is a matter of pride that Mr. Matiur Rahman is the first-ever Bangladeshi businessman to have been awarded this prestigious decoration for being the founding President of Japan Bangladesh Chamber of Commerce and Industry (JBCCI) from 2004 to 2006. His initiatives bolstered business expansion and strengthened mutual interaction between the two countries - Japan and Bangladesh which resulted in tripling the number of Japanese companies operating in Bangladesh in the last 16 years.

With immense pleasure, we again convey our heartfelt congratulations to Mr. Matiur Rahman on this delightful occasion. We are blessed to have him as our guiding principal and confident that this award will enliven and motivate us all to further contribute to the growth of Bangladesh.

May Almighty Allah bless him with long-life, happiness and prosperity!



## MetLife launches toll-free query hotline

STAR BUSINESS DESK

MetLife Bangladesh has launched a toll-free hotline titled “Hello Bima” on which trained staff will answer questions on life insurance, its role in financial protection and provide clarifications, thereby making information more accessible to people.

“Hello Bima” is available at 08000016344 from 9:00am to 6:00pm from Sunday to Thursday, said a press release.

“...now everyone will have access to MetLife’s extensive experience and knowledge...which was previously available only to MetLife customers,” said Chief Executive Officer Ala Ahmad.

## Oil rebounds on tight supply

REUTERS, London

Oil prices clawed back heavy losses to rise more than 2 per cent on Wednesday on supply tightness and the growing prospect of new Western sanctions against Russia even as signs of progress emerged from peace talks between Moscow and Kyiv.

Brent crude futures were up \$2.48, or 2.3 per cent, at \$112.71 by 1003 GMT, reversing a 2 per cent loss in the previous session.

US West Texas Intermediate (WTI) crude futures rose \$2.72, or 2.6 per cent, to \$106.96 a barrel, erasing a 1.6 per cent drop on Tuesday.

“We would see an additional 1 million barrels per day of Russian production at risk if relations with Europe worsen and an oil embargo is put in place, although we still see this as unlikely,” consultancy JBC Energy said in a note.

“The United States and its allies are planning new sanctions on more sectors of Russia’s economy that are critical to sustaining its invasion of Ukraine, including military supply chains.”



Replenishment tankers docked at Majhir Ghat in Chattogram yesterday. With tanks of 10 lakh to 11 lakh litre capacity, these vessels supply fuel to large ships further out at sea.

PHOTO: RAJIB RAIHAN

# Digital governance must be watertight

Says Zaidi Sattar at PRI webinar

STAR BUSINESS REPORT

Digital governance must be made watertight with strong guardrails to ensure all consumers are fully protected as people across Bangladesh embrace e-commerce, said a noted economist yesterday.

Zaidi Sattar, chairman of the Policy Research Institute of Bangladesh, said access to digital financial service (DFS) is reaching the remote corners of Bangladesh and consumers of all shades, poor or non-poor, urban or rural, are embracing e-commerce. So, consumers have to be fully protected.

“In particular, the rural population in remote areas, hitherto left out in the digital divide, must be given robust protection under a system of digital governance that imparts a good sense of security for their monetary transactions.”

He made the remarks while speaking at a webinar on the State of DFS Consumer Protection, which was organised by the think-tank.

Sattar said a digital revolution is sweeping the globe propelling the speed with which financial transactions are carried out. Brick and mortar banks could soon become historical relics.

But with this technological revolution comes the challenge of “cybersecurity” at the national level. “On the ground, however, we have retail consumers making billions of transactions each day trusting the digital regime. That trust must be based on a watertight digital system of consumer protection.”

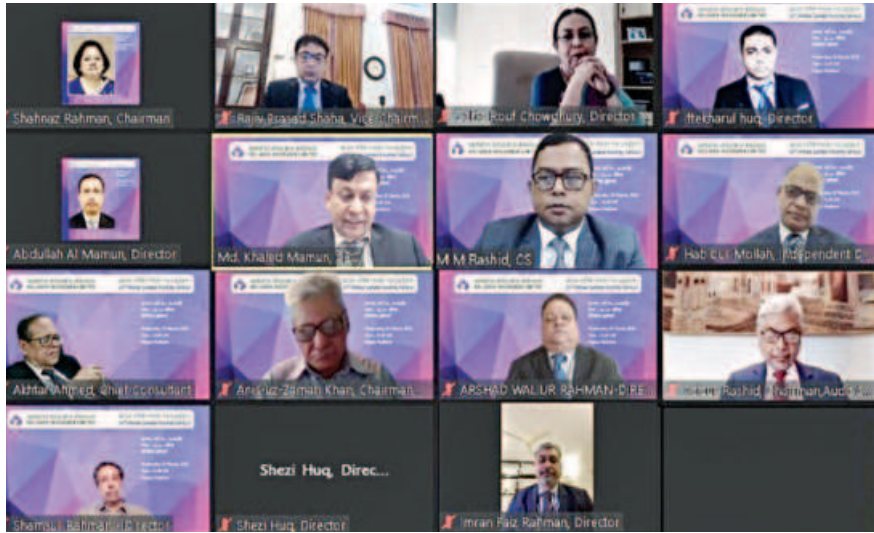
The economist described DFS in Bangladesh a technical innovation and a social revolution rolled into one. But DFS is built on another platform, mobile telephony, which constitutes another technical innovation and social revolution for the Bangladesh economy and society.

“The two parallel innovations are

the building blocks fueling another revolution in the economic landscape – e-commerce.” Sattar thinks like many other growth accelerations, Bangladesh is well on its journey towards a fully paperless digital society in the coming years, a journey that will catapult Bangladesh society securely into the digital age well before this decade is out.

He said the Covid-19 pandemic has given a boost to the digital economy and e-commerce. That implies a rapid rise in human productivity and economic growth.

“This transformation is not likely to result in unemployment, as many would surmise. On the contrary, research evidence around the globe and across history suggests that such innovations create more jobs than getting eliminated in the transformation process.”



Shahnaz Rahman, chairman of Reliance Insurance, virtually presides over the company’s 34th annual general meeting yesterday.

PHOTO: RELIANCE INSURANCE

## Reliance Insurance declares 25pc cash dividend

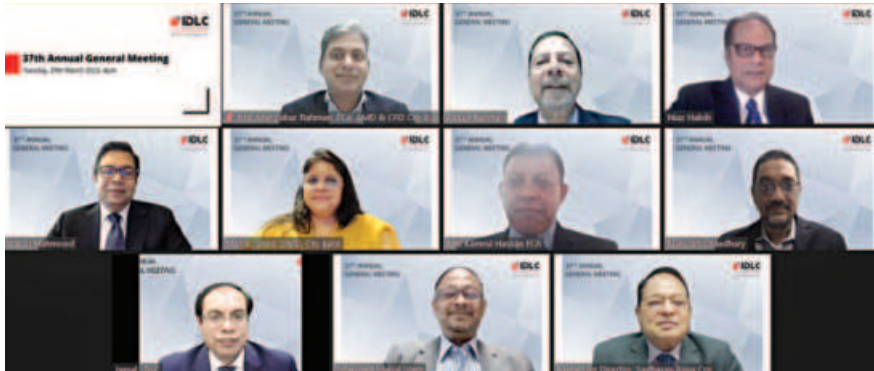
STAR BUSINESS DESK

Shareholders have approved 25 per cent cash dividend for 2021 at the 34th annual general meeting of Reliance Insurance held virtually on Wednesday.

Shahnaz Rahman, chairman of the board of directors, presided over the meeting, said a press release.

During 2021, the company achieved a gross premium income of Tk 3,140.35 million whereas it was Tk 2,931.92 million in the previous year. It earned a pre-tax profit of Tk 836.86 million. Two new directors from among public shareholders, Sabra Yasmin Chowdhury and Srimati Shaha, were elected.

The board now comprises Rajiv Prasad Shaha (chairman), Shamsur Rahman (vice-chairman), Shahnaz Rahman, Zakia Rouf Chowdhury, Samira Alam, Arshad Waliur Rahman, Imran Faiz Rahman, Iltekharul Huq, Sabra Yasmin Chowdhury, Abdullah Al Mamun, Amiran Hossain, Srimati Shaha, Shahzreh Huq, Md Habibur Rahman Molla, Azizur Rashid, Anis-uz Zaman Khan, Prof Mohammad Abdullah and Md Khaled Mamun (chief executive officer).



Aziz Al Mahmood, chairman of IDLC Finance, virtually inaugurated its 37th annual general meeting on Tuesday. The non-bank financial institution posted a net profit of Tk 2,116 million.

PHOTO: IDLC

## IDLC Finance approves 20pc dividends

STAR BUSINESS DESK

Shareholders have approved 15 per cent cash and 5 per cent stock dividends for 2021 at the 37th annual general meeting of IDLC Finance.

The company posted a net profit of Tk 2,116 million. Chairman Aziz Al Mahmood virtually inaugurates the

event on Tuesday, said a press release.

Atiqur Rahman, Nurullah Chaudhury, Mahia Juned, Mohammad Mahbubur Rahman, Md Kamrul Hassan and Syed Shahriyar Ahsan, directors, Niaz Habib and Matilul Islam Nowshad, independent directors, and M Jamal Uddin, managing director, were present.

## Time to introduce

FROM PAGE B4

Prof Rahman noted that due to the rolling out of services like mobile financial service (MFS) and agent banking, financial inclusion has been simplified in Bangladesh.

“Financial interoperability is necessary to adapt to the evolving changes,” said Prof Rahman, adding that measures should be taken so that the common people can make transactions in normal shops by scanning QR (quick response) codes.

“There is also a demand for this, but the government will have to develop necessary infrastructures in this regard. This also requires investment. The Indian government has invested a lot in introducing such a system. Bangladesh also needs to do the same.”

The economist said there is interoperability

infrastructure in the banking sector in the country. Now there is a requirement for cross-border infrastructures so that people can withdraw the necessary amount from foreign banks through their cards while going abroad.

BB Executive Director Debdulal Roy said whatever transaction and exchange of information are taking place in the country’s financial sector is not interoperability, rather it is interconnection.

“Time has come to move towards interoperability. It will make transactions multidimensional and boost the strength of the economy.”

Bazlul H Khondker, a professor in the economics department at the University of Dhaka, said digital financial services have made a positive impact on poverty alleviation and on personal savings.

## India cuts coal supply

FROM PAGE B4

more than 80 per cent of domestic output, has slashed supplies to the non-power sector - which includes aluminium smelter and steel mills - to 275,000 tonnes a day, according to an internal company note seen by Reuters, 18.3 per cent lower than February and 29.8 per cent below March 2021.

Coal India told Reuters that its supplies to the non-power sector were in line with its average over the “past few years”, without elaborating.

Among other measures to tighten supply, the federal coal ministry has put on hold a plan to conduct three coal auctions for utilities over the next three months and will organise one auction for the quarter instead, saying the methodology to conduct three auctions was

“under process”.

South Eastern Coalfields, a unit of Coal India, has extended the due date for payment for auctions conducted on March 11, thereby delaying supply, and also cancelled another auction scheduled for March 21, according to notices on its website.

Production and dispatch by Coal India typically drop from April and taper further from June until September due to the annual monsoon season that curbs output in some areas.

“Given the prevailing low coal stocks, and the steadily rising coal demand, Coal India would need to increase production significantly ... to avert a domestic coal shortage,” said Jayanta Roy, Senior Vice-President at Moody’s unit ICRA.

The world’s largest coal miner said it expects to

boost output and does not foresee a coal crisis for the power sector.

The federal coal ministry did not immediately respond to a request for comment, but said on Saturday companies could consider imports to deal with the shortfall.

But high global prices of coal would mean an additional financial burden for companies looking to import the fuel. That would also translate into higher input costs for power producers and debt-laden state government-owned distribution firms.

Senthil Balaji, electricity minister of the southern state of Tamil Nadu, said high global coal prices could push power purchase costs to as much as 9 Indian rupees (\$0.1190) a unit, over 2.4 times the average procurement cost during the year ended March 2021.



M Kamal Hossain, managing director of Southeast Bank, virtually inaugurated six Islamic agent banking outlets at Narisha Bazar in Dhaka’s Dohar, Kamarchar in Cumilla’s Muradnagar, Morjal Samata Bazar and Kunderpara Bazar in Narsingdi’s Shibpur, Dumuria in Khulna and Bhanga in Faridpur recently.

PHOTO: SOUTHEAST BANK





Rooftop solar panels reduce a significant portion of the energy cost of industrial users and enhance their green credentials, says an expert. The photo was taken from the factory of Fakhruddin Textile Mills Limited in Sreepur upazila of Gazipur yesterday.

PHOTO: ABU BAKAR SIDDIQUE AKAND

## SOLAR PANELS ON FACTORY ROOFTOP

# Garment makers lead the way

### STAR BUSINESS REPORT

There is a growing interest among textile and garment entrepreneurs to install solar panels on their factory's rooftop in order to meet a portion of their demand for electricity while also reducing carbon emissions.

Until now, 41 firms have installed solar panels on their factory rooftops with a combined power generation capacity of 50 megawatts (MW). Of the firms, 70 per cent are engaged in making garments.

The Infrastructure Development Company Ltd (Idcol), a state-run non-bank financial institution, financed up to 80 per cent, or Tk 300 crore, of the installation cost for the panels in a bid to reduce the cost of power and develop green factories for a sustainable environment.

The rest was borne by the businesses themselves.

This was disclosed at a workshop on the prospects and benefits of installing industrial rooftop solar systems, organised by Idcol at InterContinental Dhaka yesterday.

According to Idcol, it takes Tk 6 crore to establish a rooftop solar power system with the capacity to generate 1MW of

power. The per unit power generation cost of rooftop solar power systems is only Tk 6.5, which is lower than gas or oil-based power plants.

"Solar rooftop systems can be a cost cutting measure to reduce industrial electricity costs," said Abdur Rouf Talukder, senior secretary of the finance division. The cost of electricity obtained from rooftop solar power systems is now about 20 per cent lower than the grid electricity tariff.

"It is also expected that solar photovoltaic (PV) based electricity will become cheaper than the power generated from natural gas in coming years," Talukder added.

According to Talukder, installing solar panels on the roofs of garment factories will not only reduce operational costs, but also assist the government in cutting the cost of imported fuel in the future.

It is worth mentioning that more than 1,000MW of rooftop solar systems can be installed on the unused roofs of garment and textile industries alone, Talukder said.

Fatima Yasmin, secretary of the Economic Relations Division (ERD), said the government has made solar power more economical through the

net energy metering policy that allows industries to sell their excess solar energy production to the national grid.

Besides, the price of solar technology has also declined. Rooftop solar systems are successful in reducing a significant portion of the energy cost of industrial users, and enhance their green credentials, she added.

Abdul Baki, additional secretary of the ERD and director of Idcol, said the state-run non-bank has financed 26 mini solar grid projects in different remote river islands of the country.

These grids provide electricity to over 120,000 rural people for their income generating activities.

Till date, Idcol has financed more than 1,500 large solar irrigation pumps across the country, helping about 60,000 farmers enjoy irrigation services year-round in an environment-friendly manner.

The price of solar equipment in Bangladesh has fallen significantly over the past decade while the price of grid electricity increased by an average of 5 per cent annually at the same time.

Alamgir Morshed, executive director and chief executive officer (CEO) of Idcol, said everyone will gradually adopt green power due to its cost efficiency.

Idcol is providing both financial and technical support to promote solar rooftop plants, he added.

Among others, SM Moniur Islam, deputy CEO of Idcol, and Syeda Masarrat Quader, regional public affairs manager of H&M Bangladesh, addressed the workshop.

H&M PROMOTING ROOFTOP SOLAR Swedish multinational clothing brand H&M is promoting the use of rooftop solar technology among its enlisted garment makers in Bangladesh.

Idcol had organised the second workshop on the installation of industrial rooftop solar systems with participation of officials of local H&M garment suppliers.

The H&M officials discussed the installation of rooftop solar systems with their local suppliers.

Like the first workshop, this one was also focused on the net metering benefits for industries, and discussed how rooftop solar projects can help H&M's local supplier base reduce their carbon footprint and get more work orders from international buyers.

A total of 46 textiles and garment manufacturers from whom H&M sources apparel products took part in the workshop.

## Adjust inflation, exchange rates when calculating GDP

### Analysts say

#### STAR BUSINESS REPORT

Ascertaining the real economic output per person in Bangladesh is not possible without adjusting the current inflation and international exchange rates when evaluating the country's GDP per capita, according to economists.

"We have to adjust the current inflation rate while also taking the average exchange rate of the last four to five years into consideration if we want to get the real picture when measuring GDP per capita," said Syed Mainul Ahsan, professor emeritus of Concordia University in Montreal.

He was speaking at a seminar at the Bangladesh Institute of Development Studies (BIDS).

When the country registers economic development, the price of all goods and services rises while the value of money falls. However, these two factors are not taken into consideration when calculating the GDP per capita.

"One issue is that the value of money is decreasing but we do not see it while another is that the rising commodity prices are ignored," Ahsan said. "As a result, the actual picture does not come," he added.

Binayak Sen, director general of BIDS, said his organisation does not usually look too closely into the GDP measurement process by using per capita income distribution or household distribution data.

"The two ways are quite different and will give us separate outcomes," he added.

## IPDC registers Tk 88cr profit in 2021

### STAR BUSINESS REPORT

IPDC Finance Limited registered a net profit of Tk 88 crore last year.

Mominul Islam, managing director and chief executive officer of IPDC, revealed the information while announcing its financial and business performance in 2021 at a virtual programme, IPDC said in a press release yesterday.

In this period, IPDC's revenue has increased by 21.7 per cent and the company has earned a net profit of Tk 88.1 crore which is 24.9 per cent more than that in the previous year, it said.

At the end of 2021, IPDC has ensured a contingency liquidity reserve of Tk 134 crore.

The loan portfolio of IPDC has grown by 21.9 per cent from the previous year. This growth has been possible due to the notable growth of SME and emerging corporate loan portfolios, it said.

According to the IPDC, 79 per cent of the contribution of the total loan portfolio came from corporate loans whereas SME and emerging corporate loans and retail loans contributed only 11 per cent and 10 per cent respectively in 2021.

In 2021, the contribution from the SME and the emerging corporate loan has risen to 31 per cent, it said.

## Spectrum auction today

### FROM PAGE B1

"If the operators don't obtain the required amount of spectrum, their quality of services will be degraded and their expansion will be limited."

The minister said the government has kept the price of the bands low and provided flexibility in the payment schedule and rollout obligations.

"I hope operators will take the opportunity."

Three mobile phone operators bought 27.4 megahertz of spectrum for \$885.35 million last year, taking Grameenphone's total spectrum to 47.4 MHz, Robi's to 44 MHz and Banglalink's to 40 MHz.

Teletalk's spectrum was at 25.2 MHz.

The spectrum department of the BTRC allotted 60MHz of the spectrum from 3.5GHz to Teletalk on a refundable condition to allow it to launch 5G in December on a trial basis.

Industry people say the people and the government want a better quality of voice and data services, higher speed, lower prices and coverage improvement.

The rollout of 5G has been part of the current government's election manifesto in 2018.

Officials of private operators say it is getting tough for them to invest heavily in the spectrum due to the higher tax, one of the highest in the world, the very low average revenue

per user, stagnation in voice revenue, and lower data price.

Besides, only 35 per cent of consumers use 4G devices, while the network coverage is more than 95 per cent, leading to a consistent low-profit margin.

An official of an operator says 2,300 MHz and 2,600 MHz are capacity bands, so a big chunk of spectrum is required to address the capacity. They are not the same as 900MHz/1,800MHz bands as 5 or 10 MHz of such bands were enough to cover a large area.

"Although the BTRC is saying that it has kept the spectrum price lower this time, it will lead to a higher spectrum price

burden as the bigger block size is now required," said the official.

Such a higher price will lead to lower spectrum sold and lower investment in enhancing network capacity, again impacting the quality of service and deepening customer suffering. Unsold spectrum brings no benefit for consumers as well as the government, said an official.

Hossain Sadat, acting chief corporate affairs officer at Grameenphone, said: "We look forward to a transparent auction with fair outcomes."

"We welcome the auction. It is an important auction for further enhancing 4G experience and 5G readiness."

## Automation gaining ground

### FROM PAGE B1

the fiercely competitive global garment business.

Rakib said the need to produce intricate, high-end value added garment items, including outerwear, has prompted a rise in the use of automation in the garment sector in Bangladesh.

Previously, a lot of workers used to produce the most basic of garment items but that was at the bottom tier in terms of efficiency and profitability, he also said.

But now automation has been bringing efficiency and use of a "Standard Allowed Minute" (SAPM) measure is also increasing as the wastage of time is not taking place because of real time data analytics in the management system in the factory, he added.

Over the next 10 years, automation in the garment industry will reach new heights as the local apparel exporters have to adopt new technologies to be more competitive.

"The automation in production gives the real data, accuracy, efficiency in management. So we can take a good decision in management of the business," said Rakib, who has automated sections for cutting, sewing and measuring fabrics.

He is now saving 10 per cent to 15 per cent on costs through the installation of the modern machinery in his factory.

In a normal factory, if a production line requires 700 workers, installation of modern machinery for the same work leads to the

need for 600 workers, he said.

"Installation of modern machinery is not a requirement of international retailers and brands but this is needed for survival in the business," Rakib said.

Automation of the production line does not mean that the employment of workers will reduce as the industry has a crisis of skilled workers, he added.

The local manufacturers will have to adopt the technologies as the future of Bangladeshi garment business is in value added items, he added.

The local textile mills had transformed their production systems a lot earlier installing modern machineries and now the garment factories are adopting the latest technologies to be more competitive, said another

Woven and knitwear sectors are quickly adopting automation, he said.

However, bringing about end-to-end automation is not possible, he said, adding that there was a possibility of unemployment rising for automation in the garment sector.

Shahidullah Azim, vice-president of the Bangladesh Garment Manufacturers and



MA Jabbar, managing director of DBL Group, another major textile and garment manufacturer, said automation or use of modern machinery was important for maintaining the quality and for improving efficiency.

"I have already installed many machines in the textile mills of the group. I have to adopt the new technologies for sustainability of my business," Jabbar told The Daily Star over the phone.

Since the industry is growing and the inflow of work orders for the sophisticated garment items is also increasing,

leading garment exporter asking not to be named.

"Special products require special machinery," he said.

Although the local factories have been adopting new technologies, the need for workers will not reduce as the production of value added garment items need more skilled workers, he added.

Miran Ali, managing director of Bitopi Group, a leading user of programmable machines in the garment industry, said the sweater industry has almost become fully automated.

Exporters Association (BGMEA), said nearly 80 per cent of apparel factories have been using modern machineries for improving productivity and efficiency.

But in terms of the use of robotics, artificial intelligence and algorithm, it is between 5 per cent and 10 per cent.

Bringing about automation throughout the sector is not possible now, he said.

BGMEA President Faruque Hassan said automation was coming about in phases and full automation would take more time.





A trader measures out individual portions of garlic from a mountain of the spice for sale at a garlic market in Kaunia upazila of Rangpur. Due to a high supply of garlic in the country, farmers have been left to face losses for low prices. The picture was taken recently.

PHOTO: KONGKON KARMAKER

# Garlic farmers fret over losses for 2nd year running

KONGKON KARMAKER

Garlic farmers in the country's northern districts have been left dismayed as the price of the highly-popular cooking ingredient has fallen at wholesale and retail levels due to a supply glut amid the ongoing peak harvesting season.

This comes as a double blow for many growers who had incurred losses last year as well despite receiving higher prices for their produce.

The garlic harvesting season began a couple of weeks ago, according to local farmers and officials of the Department of Agricultural Extension (DAE) in Rangpur and Dinajpur.

Each kilogramme of garlic is currently being sold for between Tk 10 to Tk 25 depending on the bulb's quality and size.

Garlic is being grown on at least 9,039 hectares of land in eight districts of Rangpur this year with a production target of about 92,198 tonnes.

Of the eight districts, the spice was cultivated on a total of 5,530 hectares of land in the Dinajpur, Thakurgaon and Panchagarh districts.

The average production rate per hectare is around 10.20 tonnes.

DAE officials say garlic is produced in all eight districts of the region, but cultivation is comparatively higher in Dinajpur and Rangpur.

So far, 10 per cent of the land being used has been harvested.

With the garlic harvesting season underway, activities at weekly wholesale markets such as those in Kachiniya and Pakethat of Dinajpur's Khansama upazila have gained momentum.

However, the price of garlic is not as



high as expected by local farmers, who often refer to the crop as white gold.

Most of the garlic produced in Dinajpur region comes from Khansama upazila.

During a recent visit to the Pakerhat and Kachiniya wholesale markets, this correspondent found that many farmers had brought their produce for sale at local wholesale markets.

Biren Chandra Roy, a farmer in Chirirbandar upazila of Dinajpur, said he cultivated garlic on five bighas of land at an expense of Tk 35,000 per bigha this year.

"Production costs have risen compared to last year due to the increased cost of agricultural inputs," he added.

Roy got around 1.2 tonnes of garlic from each bigha but his hopes of a good profit were dashed when traders at the

wholesale market in Kachiniya offered him just Tk 15 per kilogramme.

Having been backed into a corner, he eventually sold his produce at a lower price.

"I faced similar losses last year," said Roy, adding that he had cut down on garlic cultivation this year.

According to a DAE official in Khansama upazila, garlic cultivation in the area has declined compared to last season as farmers face recurring losses.

Around 3,750 hectares of land in Khansama upazila alone were used to grow garlic last year but the acreage has since dropped to 2,950 hectares this year, the official said.

Nur Islam, a wholesale garlic trader in the area, said the garlic market is quite unstable at the moment, which is a major concern for traders.

He went on to claim the falling price is a result of soaring supply in the markets.

"Even we, traders are suffering losses as a result," Islam said.

The situation is similar in Rangpur, where farmers were also found frustrated with the price of garlic.

Nabir Hossain, a garlic farmer of Gadai village under Kaunia upazila of Rangpur, said he cultivated garlic on 40 decimals of land this year.

"A month ago, the price was better but it suddenly decreased," he said.

He sold out his produce at Tk 20 per kilogramme, which was a loss considering production costs.

"I would not suffer losses if the rate was Tk 35 per kilogramme," Hossain said, adding that hoarders will surely profit once the market doubles within a month.

However, farmers have no way to hoard the garlic themselves, said Hasan Ali, another farmer in the area.

Like other farmers, Ali was already forced to sell all of his garlic as he needed money to prepare his land for other crops.

In retail markets, garlic is available for between Tk 30 and Tk 40 per kilogramme.

Hafiz Rahman, president of Kaunia Wholesale Traders, said the price of garlic at the local wholesale markets continued dropping every day, which badly affected farmers involved in its production.

"The price dropped by Tk 10 in the last couple of weeks," he added while urging the government to stop importing the spice in order to reduce supply.

## Time to introduce financial interoperability

Experts say at PRI-ERF event

STAR BUSINESS REPORT

Bangladesh should introduce financial interoperability as it is necessary to maximise the benefits of financial inclusion and strengthen the economy, said experts yesterday.

"This will infuse dynamism in the economy. As a result, growth will be further strengthened," said Atiur Rahman, a former governor of the Bangladesh Bank.

MA Razzaque, research director of the Policy Research Institute (PRI), said that financial transactions in the country would be simple, competitive and innovative once financial interoperability is introduced.

They made the comments while addressing the inaugural session of a training programme titled "Financial Interoperability in Bangladesh: Challenges and Way Forward".

The PRI and the Economic Reporters' Forum (ERF) jointly organised the event at the ERF auditorium in the capital, according to a press release.

Interoperability is generally understood to refer to the ability of different systems and sometimes even different products to seamlessly interact.

Interoperability can promote competition, increase the financial viability of service offerings by reducing fixed costs and unlocking economies of scale, and improve the utility of payment instruments and convenience for the end-user, according to a World Bank blog.

The BB launched interoperability among the MFS providers in October 2020, but it was halted within hours of the launch. Since then, the service is yet to be restored.

READ MORE ON B2

## German economists cut growth outlook

AFP, Frankfurt

The German government's economic advisers slashed their growth forecast for 2022 on Wednesday, warning that the war in Ukraine and soaring energy prices would take a toll on Europe's biggest economy.

The German Council of Economic Experts said it now expected gross domestic product (GDP) to expand by just 1.8 per cent year-on-year, down from an earlier forecast of 4.6 per cent.

"Russia's war of aggression against Ukraine and energy prices are drastically worsening the economic outlook," they said in their latest report.

The experts, whose forecasts are closely watched by Chancellor Olaf Scholz's government, said they saw inflation reaching a decades-high peak of 6.1 per cent in 2022, as energy costs and supply chain disruptions continue to push up prices around the world.

For 2023, the panel sees inflation falling back to 3.4 per cent, while economic output should rebound by 3.6 per cent. Germany is due to unveil its March inflation data later on Wednesday.

The Ukraine conflict has derailed Germany's hopes of finally shaking off the coronavirus pandemic and roaring back to growth.

With its export-oriented industries, Germany has been particularly vulnerable to the supply chain bottlenecks and raw material shortages caused by the pandemic, and its recovery has lagged that of other major European economies like France and Italy.

"The war is putting additional strain on supply chains already strained by the coronavirus pandemic," said panel member Achim Truger.

"At the same time, the prices for natural gas and oil, which have risen sharply once again, are weighing on companies and private consumption."

## Find roubles if you want Russian oil

Top lawmaker warns EU

REUTERS, London

Russia's top lawmaker warned the European Union on Wednesday that if it wanted Russian natural gas then it would have to pay in roubles, and cautioned that oil, grain, metals, fertiliser, coal and timber exports could also soon be priced the same way.

After the West imposed crippling sanctions on Russia in response to the invasion of Ukraine, Russian President Vladimir Putin demanded that natural gas exported to Europe or the United States should be paid for in his country's currency.

Europe, which imports about 40 per cent of its gas from Russia and pays mostly in euros, says Russia's state-controlled gas giant Gazprom is not entitled to redraw contracts. The G7 group of nations rejected Moscow's demands this week.

"European politicians need to stop the talk, stop trying to find some justification about why they cannot pay in roubles," Vyacheslav Volodin, the speaker of the lower house of parliament, said in a post on Telegram. "If you want gas, find roubles."

"Moreover, it would be right - where it is beneficial for our country - to widen the list of export products priced in roubles to include: fertiliser, grain, food oil, oil, coal, metals, timber etc."

It was not immediately clear whether such a move could become official Russian policy, though Putin, when announcing the rouble decision for natural gas, said it was only the start of the process.

Germany declared on Wednesday an "early warning" that it could be heading for a gas supply emergency and said the measure was designed to prepare for a possible disruption or stoppage of natural gas flows from Russia.



Russian President Vladimir Putin meets with State Duma Speaker Vyacheslav Volodin at the Novo-Ogaryovo state residence outside Moscow.

PHOTO: REUTERS/FIL

## India cuts coal supply as inventories slump

REUTERS, New Delhi

India has cut coal supplies to the non-power sector and put on hold plans for some fuel auctions for utilities without supply deals due to a slump in inventories, even as the country battles a seasonal jump in demand for electricity.

The supply cuts come months after India's most crippling coal shortage in the recent years led to power cuts lasting up to 14 hours in some states and amid worries gruelling summer temperatures will exacerbate shortages.

Coal inventories at state government-owned utilities, which account for a third of all coal-fired plants, have slipped to 22 per cent of mandated quantity, the lowest this year. Inventory levels below 25 per cent are considered "critical".

State-run Coal India, which accounts for

READ MORE ON B2