

# Star BUSINESS

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SCAN FOR DETAILS



With just over a week to go before Eid-ul-Fitr, people are frenziedly shopping clothes for their loved ones. Salespersons at this shop in the capital's Bashundhara Shopping Mall say the crowds swell right after iftar. The photo was taken yesterday.

PHOTO: AMRAN HOSSAIN

## Eid sales poised to surpass pre-pandemic levels

MAHMUDUL HASAN

Broad smiles have finally returned to the faces of millions of Bangladesh's retailers as shoppers have flocked to markets to complete their Eid shopping since the beginning of Ramadan.

Shop owners have fought an uphill battle to stay afloat since the pandemic hit the country two years ago as the outbreak of the lethal pathogen ate up their sales in all four Eid festivals that were celebrated during the period.

But sales have rebounded in style since the fasting month began and it will continue before Eid-ul-Fitr, which accounts for more than a third of lifestyle retail sales in Bangladesh. This has extended a much-needed respite to the businesses, which suffered huge losses throughout the pandemic.

Mahdi Hossain, who works at a bank, accompanied his wife and sons to Bashundhara City Shopping Mall, the country's premier shopping centre, on

Wednesday as the family was to carry out Eid shopping.

"This is the first time I have been out shopping at a mall without feeling any fear in the last two years. I am really feeling happy."

Zeena Rehenuma, a homemaker who lives in the capital's New Eskaton area, has already completed Eid shopping for her son, husband and in-laws.

Rifat Jahan, a residence of Mirpur, began Eid shopping last Friday, buying clothes for her, son and relatives from an outlet of a lifestyle brand, which was full of shoppers.

She plans to go shopping today as well.

In Dhaka and the rest of the country, retailers, from clothing shops to lifestyle brands to electric appliance sellers, all have reported strong sales.

This correspondent went to the Aarong's outlet in Mirpur 1 three times in the first half of Ramadan and was only able to enter the outlet once because of the crowd.

"An unprecedented number of people are participating in the shopping and people from all income groups are buying products," said Mohammad Ashraf Alam, chief executive officer of the lifestyle brand.

According to him, the

people have long been waiting to do shopping in a relaxed manner."

The sales recovery came as coronavirus caseloads have dropped sharply. No death linked to the virus was reported yesterday.



sales of Aarong, which has 25 outlets, will surpass the pre-pandemic Eid-ul-Fitr sales of 2019 by more than 40 per cent.

The turnover in Aarong's newly launched half a dozen outlets has also been phenomenal.

"We have opened several shops outside Dhaka and the response has been huge. I think

SM Khaled, managing director of retail clothing brand SaRa Lifestyle, said the demand from all segments of customers is high.

SaRa was launched with only one shop in 2018 and it has now nine outlets.

Sales in all of the shops have been tremendous, according to Khaled.

"Sales have risen almost five times compared to the pre-pandemic Eid-ul-Fitr."

According to Md Raihan Kabir, head of marketing at Yellow, a lifestyle brand owned by Beximco, the shopping trend this season is different.

"People started hitting our outlets before Ramadan, and most of the customers are, in fact, buying."

"Customers are coming in groups, with friends and family members. The shopping has turned into a festival."

Although the physical presence of customers is strong, Aarong, SaRa and Yellow all have seen a good response from their online customers as well.

"Online shopping surged during the pandemic as people were confined indoors. So, we had thought it would see a decline this year. But surprisingly online sales have surpassed our expectations," said Kabir.

Arfanul Hoque, head of retail business at Bata Shoe Company Bangladesh, said they are

READ MORE ON B3

## Wilful defaulters barred from loan waiver

STAR BUSINESS REPORT

Bangladesh Bank yesterday barred wilful defaulters from getting interest waivers on loans from banks, a first of its kind directive that comes amid a rising trend of defaulted loans.

Non-performing loans (NPLs), or soured loans, went up 16.38 per cent year-on-year to Tk 103,274 crore in 2021.

The central bank said unscrupulous persons who took loans through forgery would not be allowed to get the support from lenders.

It also specified in detail as to which methods would be followed by banks to waive interest.

Before the circular, banks could waive all types of interest of borrowers but the latest circular has imposed an embargo on such activities as Bangladesh Bank has set a number of rules in this regard.

As such, banks are not permitted to waive the principal amount of the loans under any circumstance.

The funds that have already been transferred to the income segment of banks cannot be waived either.

READ MORE ON B3

## BSEC urges state banks to raise stock stakes

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has requested Sonali, Rupali, Janata and Agrani banks to raise their stakes in the stock market.

The BSEC sent letters to the managing directors of the four state-run banks on Tuesday requesting to take necessary steps to make fresh investment through their respective portfolios.

It also requested to provide information regarding investments from the banks' own portfolios as of April 18, 2022 as early as possible.

"It is expected that the institutional investors be dominating trading activities instead of retail ones to improve the stability of the country's capital market," it said.

However, the investor base in Bangladesh's capital market is mostly dominated by retail investors, whose account for around 80 per cent of the total investors, said the BSEC.

The BSEC also requested stock dealers to raise investments in the stock market.

Stock dealers are big investors who avail licences from the BSEC to deal stocks for

READ MORE ON B2

## Strictly monitor agent banking activities

BB asks banks

STAR BUSINESS REPORT

Bangladesh Bank yesterday asked banks in the country to closely monitor their agent banking programmes by appointing dedicated officials in order to ensure transparency of operations.

Quarterly or monthly physical visits by bank staff or other authorised personnel will have to be carried out to ensure that agents strictly conduct their financial operations within the purview of related guidelines and contracts, according to a central bank notice.

Banks will have to submit a quarterly report to Bangladesh Bank providing information on any financial irregularities, fraud, forgeries, scams, and so on within seven working days after the end of each quarter.

No agent will relocate, transfer, replace or close their agent banking outlet without prior written consent of the respective bank, the notice said.

Subsequently, banks have to take prior approval from Bangladesh Bank for the relocation of any outlet as well as transfer or replacement of

READ MORE ON B2

## Scrap licence renewal system

FBCCI urges govt

STAR BUSINESS REPORT

The country's apex trade body yesterday demanded the removal of complexities businesses face while obtaining and renewing licences with a view to reducing the cost of doing business and making them competitive.

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) also called for reducing the number of licences needed to run a business.

"Businesses have to spend extra money and time and go through a complex process to renew licences and certificates every year. Foreign investors become discouraged to invest in Bangladesh due to these complexities," said FBCCI President Md Jashim Uddin. He urged the government to withdraw the annual licence renewal policy.

"Government organisations may audit but the renewal policy

READ MORE ON B3



Steel rods are seen stocked at a factory in Chattogram city. Business leaders yesterday demanded removal of complexities they face while obtaining and renewing licences with a view to cutting the cost of doing business.

PHOTO: RAJIB RAIHAN

STOCKS	
DSEX ▲	CASPI ▲
0.84%	0.73%
6,662.36	19,593.42

COMMODITIES	
Gold ▼	Oil ▲
\$1,945.12	\$104.12
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 1.53%	▲ 1.23%	▲ 0.39%	▼ 2.26%
57,911.68	27,553.06	3,348.46	3,079.81

## Bank Alfalah takes Guardian Life Ins services

STAR BUSINESS DESK

Guardian Life Insurance recently signed a group insurance agreement with Bank Alfalah enabling the bank's employees and their families to enjoy group insurance benefits.

Sheikh Rakibul Karim, chief executive officer (current charge) of the insurer, and Adil Islam, country head of the bank, signed the agreement at the latter's head office in Dhaka, said a press release.

Mahmud Afsar, executive vice-president of the insurer, Iftakher Ahmed, head of customer relationship management, Faisal Alim, head of group sales, Saidur Rashid Tusher, business development manager, Shahrina Binte Nazrul, business relationship manager, Arshad Saleem, head of financial institution at Bank Alfalah, Md Towhidu-Zzaman Fuad, head of operation, and Fahim Ahmed, senior manager of human resources, were present.



Pumpkins arrive by boat at Bohumukhi City Market, the biggest wholesale market in Barishal, situated by the Kirtankhola river. Prices of the vegetable here range from Tk 12 to Tk 15 per kilogramme. The photo was taken on Wednesday.

PHOTO: TITU DAS

## Russia fines Google over Ukraine 'fakes'

REUTERS

A Russian court has fined Alphabet Inc.'s Google 11 million roubles for failing to delete what it terms "fake" information about the conflict in Ukraine and YouTube videos produced by Ukrainian far-right groups, TASS reported.

Russia's communications watchdog said earlier this month that it was taking steps to punish Google for "spreading fakes" on YouTube, and has previously warned the US company that it would be fined if it failed to comply, part of a wider battle with foreign tech firms and media to control information flows.

Google was found guilty of committing administrative violations and fined 4 million roubles and 7 million roubles in two cases, Moscow's Tagansky District Court said on Thursday.

Google did not immediately respond to requests for comment.

# China UnionPay, Russia's potential payments backstop

REUTERS, Hong Kong

Several Russian banks plan to issue payment cards that use the network of China UnionPay as well as that of home-grown payment system Mir, after Visa Inc and MasterCard Inc joined other Western firms in suspending operations in Russia.

UnionPay and Mir are among few options left for Russians to make payments abroad since Russian banks were isolated from the global financial system following Russia's invasion of Ukraine. Russia calls its actions in Ukraine a "special operation".

Whereas many Western nations have condemned Russia's conduct, ally China has refrained from direct criticism, effectively allowing Chinese companies such as UnionPay to continue business as usual with Russian partners.

Several Russian lenders already issue cards with UnionPay. Still, the Chinese payment service is wary of cooperating with sanctioned Russian banks for fear that could lead to itself being sanctioned, the RBC business daily reported on Wednesday, citing five unidentified people at major Russian banks.

UnionPay did not respond to a Reuters request for comment.

China approved the central bank's creation of UnionPay as a coalition of banking operators in 2002 to allow domestic inter-bank transactions and settlements across different platforms.

Funded by the government and China's

largest commercial lenders, UnionPay clears and settles payments directly with banks and licensed lenders by issuing debit, credit and prepaid cards.

It has 87 shareholders including affiliates of the People's Bank of China, commercial lenders such as Industrial and Commercial Bank of China Ltd and China Construction Bank Corp, and rural credit providers. It enjoyed a monopoly before China allowed foreign payment networks to set up onshore operations in 2020, and in recent years has rapidly expanded overseas.

UnionPay ranked first by number of cards in circulation worldwide as at the end of 2021 with 9.4 billion, showed data from researcher Nilson. Visa had 3.7 billion and Mastercard 2.5 billion.

Increased Chinese tourism spurred UnionPay to build offshore ties with banks and merchants, first in Hong Kong in 2004 and United States in 2005.

In 2012, UnionPay founded overseas arm UnionPay International which has formed partnerships with over 2,500 institutions worldwide, making the card accepted in 180 territories, UnionPay's website showed.

UnionPay cards are issued in over 70 countries and regions, it said.

Its expansion has involved several European financial firms including HSBC Holdings PLC, Barclays PLC, Travellex and Moneypcorp. UnionPay card holders can withdraw sterling in Britain from Barclays

and Travellex cash machines.

Holder of UnionPay cards issued by HSBC can also make withdrawals from that bank's cash machines in Britain.

UnionPay is fast catching up with global competitors in absolute volume processed, benefiting largely from the rising purchasing power of Chinese buyers domestically and overseas.

About 40 per cent of global card purchase transaction volume was through Visa in 2020, but UnionPay is a close second at 32 per cent, followed by MasterCard at 24 per cent, Nilson data showed.

Over 55 million merchants globally accept UnionPay cards as of March 2021. Acceptance coverage is 95 per cent in Russia where over 1.6 million point-of-sale terminals support UnionPay QuickPass payment technology, UnionPay statements showed. More than 4 million UnionPay cards have been issued in Russia, it said.

The high penetration rate has prompted Russian banks to turn to UnionPay after Western nations imposed an array of sanctions.

National Bank of Ukraine (NBU), a UnionPay partner, publicly asked UnionPay to stop processing transactions in Russia and those involving cards issued by Russian banks and used abroad.

"We kindly ask you to make a contribution into restoring peace in Ukraine and cease your operation in the Russian Federation," NBU Governor Kyrylo Shevchenko said in a March 17 statement.



Md Ataur Rahman Prodhon, chairman of Sonali Bank Ltd, presides over the bank's senior management team's 13th meeting at the lender's head office in Dhaka on Wednesday. Md Murshedul Kabir, Niranjana Chandra Debnath, Md Mazibur Rahman, Sanchia Binte Ali and Md Quamruzzaman Khan, deputy managing directors of the bank, were present.

PHOTO: SONALI BANK

## BSEC urges state banks to raise

FROM PAGE B1

themselves, in contrary to brokers who deal stocks for others.

The dealers differ from individual investors for the fact that their licences come with prerequisites such as a minimum investment requirement but have other advantages such as reservations of IPO quotas.

The banks can invest funds by taking loans from Bangladesh Bank as it gave the approval for banks to form a Tk 200 crore special fund for the purpose, which will not be incorporated in their capital market exposure limit, it added.

The Banking Companies Act 1991, amended in 2013, allows a bank's stock

market exposure to be up to 25 per cent of its capital which includes paid-up capital, share premium, statutory reserve and retained earnings.

On February 10, the banking regulator rolled out the package that allows banks to set up a Tk 200 crore fund by taking it from Bangladesh Bank through a repurchase agreement against treasury bills and bonds they own.

The banks will have to pay 5 per cent interest for the fund and the credit tenure will be of up to February 2025.

The DSEX, the benchmark index of Dhaka Stock Exchange, rose 55 points, or 0.89 per cent, to 6,662 points yesterday.

## Strictly monitor agent

FROM PAGE B1

the outlet's ownership. However, no such approval would be required in case of the closure of an outlet, it added.

There were 13,086 agents across the country as of December while the number was 11,925 a year ago, the central bank data showed.

The deposit balance in agent banking windows collectively stood at Tk 24,294 crore last year, up 52 per cent from the year

before. Meanwhile, loan disbursement through agent banking channels increased by 182 per cent year-on-year to hit Tk 5,347 crore in 2021.

Some 29 banks are now providing financial services to their clients through this alternative mode of banking.

The central bank issued an agent banking guideline in 2013 but the licensees did not start full-fledged operations until 2016.

## DAIRY PRODUCTION

# Arla Foods, Royal DSM tie up to cut methane emission

STAR BUSINESS DESK

European dairy cooperative Arla Foods, producer of milk powder brand Dano, and Dutch corporation Royal DSM are set to start a pilot project on feeding 10,000 dairy cows across three European countries a methane reducing feed additive Bovaer.

Global research and on-farm trials show that Bovaer can reduce methane emissions by around 30 per cent with continued animal welfare, supporting the companies' commitment to sustainable dairy production, says a press release.

"...taking to create a sustainable and resilient future for dairy...I am excited to see how far this will take us," said Hanne Sondergaard, executive vice-president at Arla Foods.

"Through our scientific innovation and collaboration, we can help achieve a sizeable reduction in emissions by changing the feed that animals eat every day and in doing so, support the health of animals, people and planet," said Mark van Nieuwland, vice-president of Bovaer at Royal DSM.

## Brac Bank, Robi to serve SMEs

STAR BUSINESS DESK

Brac Bank signed a memorandum of understanding with mobile operator Robi Axiata to provide digitalised solutions to small and medium enterprises (SMEs) to develop their businesses.

Under the agreement, the bank's SME customers will enjoy preferential services from Robi, such as corporate SIM connections, voice and data packages, digital marketing solutions, hotline services and business management solutions.

Meanwhile Robi's SME customers will enjoy preferential banking services from the bank.

Syed Abdul Momen, deputy managing director of the bank, and Adil Hossain Noble, chief enterprise business officer of Robi Axiata, signed the agreement at the latter's head office in Dhaka recently, said a press release.

Indrajit Sur, head of emerging corporate at Brac Bank, Md Nazrul Islam, head of small business (West), SM Alomgir Hossain, head of small business (East), Azizul Hoq, head of business transformation and product, and AKM Nazmul Islam, vice-president (SME Business) of Robi, Mohammad Monerul Islam, general manager for central cluster SME business, and Nafiz Ahmed Sayed, general manager of large corporate, were present.

## Nestle fends off cost inflation

REUTERS, Zurich

Nestle on Thursday confirmed it expects to grow sales around 5 per cent and keep margins broadly stable this year after higher pet food, dairy and coffee prices did not deter consumers in the first quarter, forecasting more price increases ahead.

Russia's invasion of Ukraine has forced consumer goods companies to rethink their strategy, while pushing up costs for energy and commodities.



Md Abdur Rashid, chairman of Shariah supervisory board at UCB Asset Management, presided over the board's first meeting at the company's headquarters in Gulshan, Dhaka recently. KM Saiful Islam Khan, professor of Persian language and literature at the University of Dhaka, Mohammad Zahidul Islam, associate professor of the department of the Islamic studies, Sheikh Mohammad Rashedul Hasan, managing director of UCB Asset Management, and ATM Tahmiduzzaman, deputy managing director of United Commercial Bank, were present.

PHOTO: UCB ASSET MANAGEMENT

## Receding pandemic boosts US

FROM PAGE B4

"continuing to pass swiftly rising input costs through to customers," the report said.

While many companies were looking to staff up, "hiring was held back by the overall lack of available workers, though several districts reported signs of modest improvement in worker availability," the central bank wrote.

The central bank's contacts "noted steep increases in raw materials, transportation, and labor costs," while prices for farm goods, metals and fuel rose higher following Russia's invasion of Ukraine, and the spike in Covid-19 cases

in China, which has caused the country to impose lockdowns.

Those shocks have contributed to the high rate of inflation in the United States, which has prompted the Fed to begin hiking interest rates and signal plans to do so throughout this year.

The report, prepared in advance of the Fed's next policy meeting in early May, said businesses have tried various strategies for coping with both increasing prices and scarce supplies, including "making use of more flexible contract terms or only honoring price quotes for 24 hours."

"Strong demand generally allowed firms to pass through input cost increases to customers, for example, via fuel surcharges for freight and airline fare," the Fed added.

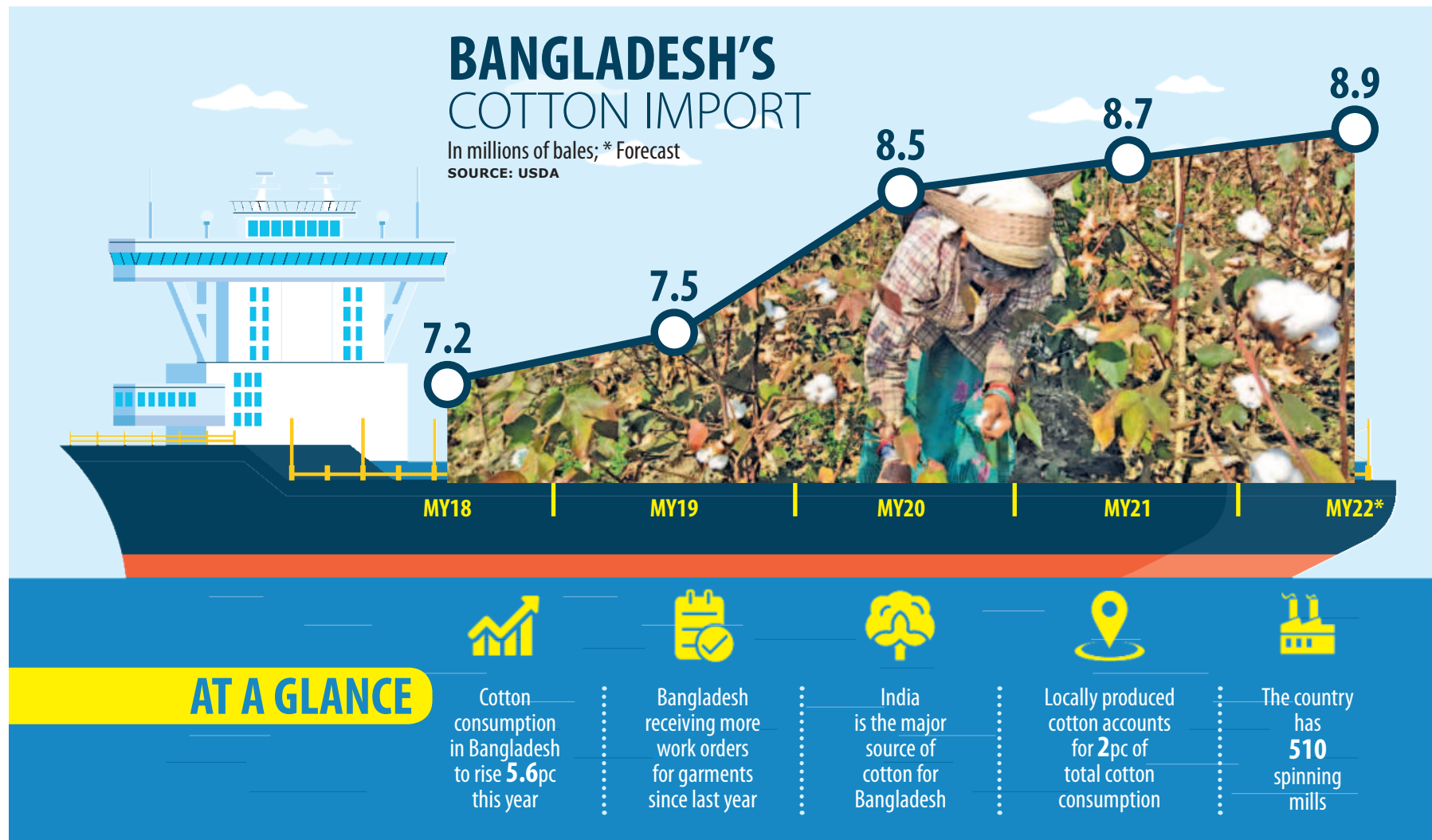
Despite the challenging environment, the report contained signs of a return to normal business conditions as the pandemic becomes less severe.

The Philadelphia Fed district said "customer traffic resumed and workers began returning to offices," while in New York City, "tourism has picked up noticeably in recent weeks" even as hotel room prices climbed.



M Reazul Karim, managing director of Premier Bank, virtually inaugurates the bank's new Kanchon Moddho Bazar branch in Roopganj, Narayanganj and Nagarpur branch in Tangail yesterday. Syed Nowsher Ali, deputy managing director, also joined virtually. Md Shahid Hassan Mallik, deputy managing director, and Mohammed Entiaz Uddin, senior executive vice-president, were present physically.

PHOTO: PREMIER BANK



# Buoyant apparel shipment raising cotton consumption

**STAR BUSINESS REPORT**

Cotton consumption in Bangladesh in marketing year (MY) 2022-23 will increase by 5.6 per cent year-on-year to 9.31 million bales.

This can be expected for a rise in demand for yarn and fabrics for corresponding placements of work orders from international clothing retailers and brands, according to United States Department of Agriculture (USDA).

The marketing year in cotton sales starts from August and ends in July.

Bangladesh has been receiving more work orders since the beginning of 2021 as many brands are shifting their orders from some of the competitor countries such as Vietnam and Indonesia, said the USDA.

Contacts also stated that Bangladesh is expecting more work orders in the coming months due to recent Covid-19 lockdowns in China, said the USDA.

The USDA data also put domestic raw cotton consumption in the MY 2021-22 at 9 million bales, which is 2.27 per cent higher than initial USDA official estimates. The USDA data forecasts that in the MY 2022-23 yarn and fabric consumption would reach 0.96 million tonnes and 6.4 billion metres respectively.

For the MY 2021-22, the data estimates yarn and fabric consumption to be 0.95 million tonnes and 6.3 billion

metres respectively.

It forecasts that in the MY 2022-23 cotton imports would reach 8.9 million bales, up 7.2 per cent from the MY 2021-22 USDA official estimate, assuming increasing yarn and fabric demand by the garment industry.

The USDA estimates the MY 2021-22 cotton imports to be of 8.7 million bales, up 4.8 per cent over initial USDA official estimates. According to the National Board of Revenue data, Bangladesh has imported approximately 5 million bales of cotton in the first seven months of the MY 2021-22.

"We also believe that both the import and consumption of cotton will grow by nearly one million bales in the MY 2022-23," said Monsoor Ahmed, chief executive officer of Bangladesh Textile Mills Association, the platform for the primary textile millers.

This is because the local spinners have already increased their spindle capacity while new investment in the primary textile sector came in even in the time of the Covid-19, Ahmed told The Daily Star over the phone.

Of the import destinations, India accounts for the largest market share.

In 2021, by quantity, Indian cotton made up 29 per cent of the imports, followed by Brazil (15 per cent), Benin (13 per cent), and the United States (9 per cent). The volume of US cotton exports to Bangladesh in 2021 was approximately 816,000 bales, 58 per

cent lower than that in 2020.

Indian cotton is exported via Kolkata seaport and Benapole land port, with traders noting that transportation and logistics are cheaper as compared to other origins, with shorter shipment times due to geographic proximity.

The USDA forecasts that stocks at the end of the MY 2022-23 would be at 2.25 million bales, approximately 11 per cent lower than the MY 2021-22 USDA official estimate.

Due to global cotton supply chain issues and increased prices, local spinners will reduce their stock.

The USDA's post said in the MY 2021-22 the remaining stock of cotton was estimated to be 2.51 million bales, similar to the USDA official estimate.

New orders for the Russian market contacts note that garment exporters in Bangladesh are uncertain about receiving payments from Russian buyers as Russian banks have been cut off from SWIFT.

They are also worried about shipments of existing orders to Russia, as shipping lines are suspending container bookings to the country.

According to the local news, the Bangladesh Garment Manufacturers and Exporters Association has asked exporters not to accept any new orders for the Russian market.

The textiles industry in Bangladesh is composed of yarn, fabric and dyeing-printing-finishing mills.

According to Bangladesh Textile Mills

Association (BTMA), in calendar year (CY) 2021, the number of spinning mills reached 510 with an annual spindle capacity of 15 million bales, up 18 per cent and 7.1 per cent respectively from that the previous year.

However, Bangladesh is currently only consuming approximately 8.5 million bales of raw cotton annually.

Bangladesh's yarn production recovered in 2021 following an extended period of market disruption due to Covid-19 induced lockdowns and restrictions in 2020.

The USDA post forecasts the MY 2022-23 yarn production at 760,000 tonnes, up 1.3 per cent compared to that in the MY 2021-22.

For the MY 2022-23, the USDA forecasts cotton harvest area at 46,000 hectares, up 2.2 per cent over the MY 2021-22 USDA official estimate.

The post's forecast for MY 2022-23 cotton production is 155,000 bales, up 2.6 per cent over the MY 2021-22 USDA official estimate, assuming favorable weather conditions and continuous government support.

Domestically produced cotton accounts for less than 2 per cent of total cotton consumption.

Total cotton cultivation in Bangladesh covers only 0.55 per cent of the country's 8.1 million hectares of arable land. Bandarban, Jhenaidah, Jashore, and Rangamati are the major cotton producing areas of the country.

# Researchers identify high-yield rice varieties

**STAR BUSINESS REPORT**

Researchers have identified rice varieties with the best yields for both aman and boro seasons after rigorous on-farm trials, said a press release by International Rice Research Institute (IRRI) yesterday.

BRR1 dhan88, BRR1 dhan96 and BRR1 dhan92 give the best yields in the boro season, according to research by Bangladesh Rice Research Institute (BRRI) and the IRRI.

Besides, the two rice varieties, including BRR1 dhan79, can perform well in a flash flood-prone environment in aman season, said the IRRI after findings of the research were revealed in a workshop jointly organised by the BRRI and the IRRI in Gazipur.

Once disseminated for cultivation, these varieties are expected to help increase rice farmers' yields and profit, said the IRRI.

Besides, three varieties, BRR1 dhan93, BRR1 dhan94, and BRR1 dhan95, are highly preferable in the northern part of Bangladesh as an alternative to the Indian rice variety Swarna. BRR1 dhan87 had the best yield all over the country, it said.

These rice varieties were identified after researchers conducted several "head to head adaptive trials (HHATs)" for three years in different locations across the country to investigate the performance of newly released varieties compared to popular old mega varieties through generating sufficient quantitative data.

**BRR1 dhan88, BRR1 dhan96 and BRR1 dhan92 give the best yields in the boro season. BRR1 dhan93, BRR1 dhan94 and BRR1 dhan95 are highly preferable in the north. BRR1 dhan87 had the best yield all over the country**

During these trials, newly-developed varieties, benchmark varieties, and farmer-grown varieties are planted together in one plot to compare their performance closely, the IRRI said. The research also identifies promising varieties and how they adapt to the various target environments.

During these trials, researchers collect feedback about the varieties from farmers and agricultural extension personnel.

The findings also showed that BRR1 dhan28 gave the lowest yield, having the highest pest incidence which should be replaced immediately.

Meanwhile, BRR1 dhan29 produced a competitive yield along with BRR1 dhan89. However, it was infected by neck blast disease in some locations, the IRRI said.

"Such on-farm trials allow us to know how the previous varieties are performing compared to the newer ones. Currently, rice varieties are being developed keeping in mind the regions where they are grown," said Swati Nayak, IRRI scientist and South Asia Lead - seed system and product management, presenting the results of the trials.

"Our study shows if the newer varieties are up to the mark or whether it needs further development for the betterment of the farmers and the country," said Nayak.

Md Shahjahan Kabir, director general of the BRRI, said "Developing better rice varieties that are more adaptive to specific environments is important in ensuring that we can increase the production of rice in the country."

"The next step is making these varieties accessible to farmers across the country to help improve their yield and profit, helping them gain a better livelihood," he said.

# Eid sales poised to surpass

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expecting double-digit growth in sales compared to 2019 as customers are thronging their outlets across the country.

According to him, the average amount spent by shoppers in each transaction is rising.

The average basket value was approximately Tk 1,500 and it has reached around Tk 1,700, he added.

Electronics and home appliance brands are also witnessing strong sales in the days to Eid, which accounts for about 15 per cent of their annual revenue.

"The sales of almost all items such as TVs, refrigerators, ACs, washing machines, ovens, blenders, and juicers are in line with our expectations," said Saikat Azad, category head at Transcom Electronics Ltd.

"The customers' sentiment has matched the pre-pandemic levels," he said, adding that high-value items such as large-size refrigerators are surprisingly high in demand.

Walton is posting higher sales thanks to the improvement in the coronavirus situation. The company is recording a turnover that is higher than the pre-crisis level. Walton refrigerator is the top-selling product this Eid. Eid is the peak season for

businesses in Bangladesh, especially for electronics, home appliances and technology products, said Mohammad Firoj Alam, chief marketing officer at Walton.

Mobile phone sales are, however, low, said Sheikh Md Milon, owner of Zara Gadget Store in the Bashundhara City Shopping Mall, on Wednesday.

"I hope the sales will accelerate in the last 10 days of Ramadan."

Street-based clothing vendors, whose customers mainly come from the low-income groups, say they are not still sure whether they will be able to clock higher sales since their client base is under pressure for a rise in inflation.

Selim Mia sells products on the footpath in Mirpur 2. He says sales have been good on Fridays in Ramadan.

"I hope people will resume buying clothing items from next Friday."

The shopping sentiment among the customers outside Dhaka is also high.

"Customers are coming in droves and most of them are also buying," said Rubel Ahmed, a salesperson at Walkar Footwear on the Kali Bari Road in the northeastern district of Habiganj. The sales of Comfort

Zone, a sports accessories outlet in Zindabazar of Sylhet, have been good.

"I have never thought that the sales of sports items would be good," said Fahim Mir, manager of the shop.

Shaheen Ahmed, the owner of clothing brand Anjans, says although they are witnessing increased sales, the turnover is yet to exceed the pre-pandemic level.

Sales are expected to accelerate as Eid nears as happened in the past, as salaried employees and workers will get their salaries and bonuses before the holiday begins.

# Wilful defaulters barred

FROM PAGE B1  
The management of respective banks will not be able to waive more than Tk 10 lakh of the interest on a loan without prior approval from its board of directors.

Banks will have to manage their cost of fund of loans while waiving any amount of interest.

The cost of funds refers to how much banks spend in order to acquire money to lend to borrowers.

However, the central bank said banks would be allowed to avoid the instruction of ensuring cost of fund in some cases.

Cost of fund will not be calculated for projects that

FROM PAGE B1  
should not exist," he said at a seminar on the current situation of one-stop service (OSS) provided by the Bangladesh Investment Development Authority (Bida). The FBCCI and the Bida jointly organised the event at the headquarters of the trade body.

Jashim pointed out that safety and security-related certificates are needed to collect from eight to 10 organisations. "These should be issued from a single agency."

The FBCCI chief said for a trade licence, businesses have to pay up to Tk 1 lakh in Dhaka and other areas.

"What types of services are they providing for which businesses have to spend Tk 1 lakh? Once I had to spend Tk 50,000 for a Tk 600 trade licence."

The Bida launched the OSS in 2016. At present, 58 services are available.

However, many business people don't know about the services, said Jashim. Sirazul Islam, executive chairman of the Bida, said: "Many concerns will be addressed if we can fully utilise the OSS."

SM Kamal Uddin, a former director of the FBCCI, said businesses don't want any help from the government. They just want removal of barriers standing in the way of businesses.

Every bank will have to draw up the guidelines for a loan waiver policy in accordance with the Bangladesh Bank circular.



**EXPORT COMPETITIVENESS FOR JOBS (EC4J) PROJECT**



**EXPORT READINESS FUND**

**NOTICE: LAST CALL FOR WINDOWS 2-4 GRANT APPLICATIONS**

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The Export Readiness Fund (ERF) is a US\$17.5 million support programme of the Export Competitiveness for Jobs (EC4J) Project funded by the World Bank and implemented by the Ministry of Commerce. The ERF provides matching grants under three funding windows to eligible Bangladeshi firms to identify gaps, catalyse investment and improve Environmental, Social and Quality (ESQ) standards; and, under a fourth funding window, supports firms involved in the manufacture of Medical and Personal Protective Equipment (MPPE) products in response to the COVID-19 pandemic. All funding windows aim to enhance private firms' competitiveness on the export markets.

**To date ERF has awarded over 500 grants to Bangladeshi enterprises across its funding windows.**

Limited grant funds are still available on a **first come, first served** basis to support eligible firms from the **leather and leather goods, footwear, light engineering and plastics sectors** with meeting their ESQ compliance needs (Windows 2 and 3); and, firms in or entering the MPPE market that require assistance to enhance their production and marketing capacities (Window 4).

**Until further notice, the last date ERF will be accepting grant applications is 30 April 2022.**

For more information on how to apply for a grant, please contact the ERF Management Unit and visit the ERF website (see details below).

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**Don't miss out on this opportunity to upgrade your export potential! Apply for a grant now!**

## MFIs' loan disbursement rebounds

STAR BUSINESS REPORT

Loan disbursement by microfinance institutions (MFIs) rebounded in the last fiscal year (FY) of 2020-21 as demand grew thanks to the ongoing recovery of economic activities from pandemic-induced shocks.

MFIs disbursed Tk 151,209 crore in FY21, up 11 per cent from Tk 136,275 crore a year ago.

During the 2018-19 fiscal year, the disbursement was Tk 140,600 crore, according to a paper presented by Mohammad Yakub Hossain, director of the Microcredit Regulatory Authority (MRA), at a workshop on Wednesday.

The MRA organised the event to discuss the publication of the annual statistics of microfinance in Bangladesh at the Centre on Integrated Rural Development for Asia and the Pacific in Dhaka.

Some 3.50 crore marginal people have come under the services of 740 MFIs with 22,000

**MFIs disbursed Tk 151,209 crore in FY21, up 11 per cent from Tk 136,275 crore a year ago**

branches, he added.

At the event, Md Fashiullah, executive vice-chairman of the MRA, said his organisation is set to publish the annual statistics under its new name "Microfinance in Bangladesh" instead of the current "NGO MFIs" by May this year. It will contain an extensive version of the information on microfinance in the country.

"Along with microfinance, we will also include information related to microfinance provided by different government bodies, non-government organisations, Grameen Bank and commercial banks," he added.

Sheikh Mohammad Salim Ullah, secretary of the Financial Institutions Division of the finance ministry, said MFIs should disburse loans to low-income people instead of lending to comparatively well-off families so that poor people can get out of poverty.

At the event, the MRA also launched a mobile app to facilitate communication and make information regarding microfinance more available.



A worker is seen inspecting racks of vermicelli that were hung out to dry at a factory in Kahaloo upazila of Bogura. Producers are now grappling with higher raw material costs following poor sales for the last two years amid the Covid-19 pandemic, raising concerns over their recovery.

PHOTO: MOSTAFA SHABUJ

# Recovery of vermicelli makers stunted by high input costs

MOSTAFA SHABUJ, Bogura

Makers of shemai, a type of roasted vermicelli used in traditional desserts, are struggling to recover from two years of strife caused by decreased demand amid the Covid-19 pandemic coupled with higher raw material costs.

Vermicelli is consumed year-round but demand is particularly high during the two Eid festivals.

However, the coronavirus pandemic made it near impossible for people to celebrate any occasion as the government imposed various restrictions in a bid to tame the spiralling infection rate.

To make matters worse, the price of key cooking ingredients such as oil rose from Tk 25,000 to Tk 32,000 per drum while the cost of butter went from Tk 900 to Tk 1,100 per carton in the past two years, according to Hasan Ali Alal, proprietor of Akboria Limited.

Similarly, the price of flour doubled from Tk 800 per sack to Tk 1,200 for the same amount, he added.

Akboria produces five to seven varieties of vermicelli worth about Tk 4-5 crore each year with most sales coming during the Eid seasons.

"Most of the vermicelli made in northern districts comes from Bogura but this year traders are producing less due to the rise in input costs," he said.

"Last year, we sold 500 gram packets of premium quality vermicelli for Tk 900 but this year we are compelled to sell at Tk

1,100 per packet considering the higher production cost, which increased by around 25-30 per cent," Alal added.

Echoing the same, Abdur Rashid, a resident of Shajahanpur upazila who has been in the business for around 36 years, said many traders started producing vermicelli just one or two months ahead of the upcoming Eid-ul-Fitr as customers are now less inclined to buy the product at higher prices.



"I made just 150 sacks of vermicelli weighing 37 kilogrammes each targeting Eid sales this year," he added.

Fine vermicelli was first introduced in the region around 50 to 60 years ago in Naogaon district, where people made the product by hand.

"After the process became automated about 30 years ago, I started producing

vermicelli by machine," said Afsar Uddin, proprietor of Janata Foods.

Uddin now has six machines at his factory that can produce more than 1,000 sacks of shemai annually.

"But I am producing only 500 sacks this year due to the increased price of raw materials," he added.

Shahidul Islam, a resident of Bogura's Jahurul Nagar area who bought seven kilogrammes of shemai yesterday, said eating the dish during Eid has become tradition.

However, people like Rezaul Karim, a resident of Bogura's Timmatha area, bought less shemai this year in the face of unreasonably high prices.

"Chikon shemai used to cost just Tk 36 per kilogramme before but now the same amount costs Tk 50," Karim said.

Mahfujul Islam Raj, vice-president of the Bogura Chamber of Commerce and Industry, said there are now more than 200 shemai factories in the region that employ some 4,000 workers, most of whom are women.

"The producers make different types of shemai worth over Tk 200 crore a year," he said.

There are more than 50 factories in Bogura that are dedicated to making chikon shemai, which is the most popular variety of the dish.

"Bogura's chikon Simai is gaining popularity across the country day by day as it's become a traditional ingredient for Eid-ul-Fitr," Raj added.

## Regulator's move lifts stocks for 3rd day

STAR BUSINESS REPORT

Shares on the Dhaka Stock Exchange rose for the third consecutive day yesterday thanks to a regulatory move that aims at raising the participation of institutional investors in the market in order to reduce the volatility caused by the majority retail investors.

The DSEX, the benchmark index of the premier bourse in Bangladesh, advanced 55 points, or 0.84 per cent, to close at 6,662. In the last three days, the index added 180 points.

The turnaround came after the Bangladesh Securities and Exchange Commission (BSEC) initiated a move recently to give a boost to the stake of institutional investors in the stock exchanges. It has officially asked them to increase their share.

At present, institutional investors account for 20 per cent of the market capitalisation. This means 80 per cent of the market is controlled by retail investors, a majority of whom are panic-driven.

In contrast, investors such as mutual funds, pension funds and insurance companies hold 41 per cent of global market capitalisation.

The DS30, the blue-chip index, and the DSES, the Shariah index, were up 14 points and 10 points, respectively.

Turnover on the DSE surged 24 per cent to Tk 754 crore from the previous day's Tk 605 crore. Gainers outperformed losers 300 to 55, with 25 companies remaining unchanged.

Regulatory steps to increase the institutional fund flows supported the market strongly, said International Leasing Securities Ltd.

**The turnaround came after the Bangladesh Securities and Exchange Commission initiated a move recently to give a boost to the stake of institutional investors in the stock exchanges**

"The regulator urged the state-owned banks, brokers, dealers, merchant bankers and asset management companies to take initiatives to make fresh investments in the market. As a result, the investors got back their confidence," it said in its market analysis yesterday.

BDCOM Online topped the advancers' list with a gain of 9.73 per cent. IPDC Finance was up 7.3 per cent, NRB Commercial Bank rose 7.1 per cent, Mozaffar Hossain Spinning Mills added 6.83 per cent, and Eastern Lubricants edged up 6.25 per cent.

Premier Bank was the worst-performing stock on the day, dropping 13.58 per cent as there was no circuit breaker on its price on the day following its record date on April 20.

Circuit breakers function automatically by stopping trading when the price of a stock hits predefined levels. But on the record date, the cut-off date established by a company to determine which shareholders are eligible to receive a dividend, a stock can move freely.

On the other hand, the rest of the stocks can go up by a maximum of 10 per cent and go down by a maximum of 5 per cent in a single day under the current circuit breaker.

Prime Bank was down 4.98 per cent, ICB Islamic Bank slipped 4.17 per cent, Familytex BD decreased 4.08 per cent, and Bangladesh Industrial Finance fell 4.05 per cent.

Beximco Ltd was the most-traded stock with its shares worth Tk 52 crore changing hands. JMI Hospital, Bangladesh Shipping Corporation, IPDC Finance, and Sonali Paper also saw higher turnover.

The Chittagong Stock Exchange also rose. The CASPI, the main index of the bourse in the port city, closed the day at 19,593 after it rose 143 points or 0.73 per cent.

Of the 292 stocks witnessing transactions, 192 rose, 82 fell, and 18 did not see any price movement. Turnover stood at Tk 32.42 crore, slightly down from Tk 32.44 crore a day ago.

## China slowdown raises risks for global economy

IMF chief says

REUTERS, Boao, China

A prolonged slowdown in China would have substantial global spillovers, IMF Managing Director Kristalina Georgieva said on Thursday, but added that Beijing has room to adjust policy to provide support.

The International Monetary Fund on Tuesday cut its growth forecast for China this year to 4.4 per cent, well below Beijing's target of around 5.5 per cent, on the risks of widespread Covid-19 lockdowns and supply chain disruptions.

In a video speech to the annual Boao Forum for Asia, Georgieva said China's actions to counter its economic slowdown are vital for the global recovery.

"Fortunately, China has policy space to provide macroeconomic policy support, including shifting the focus toward vulnerable households to strengthen consumption, which can also help support China's climate goals by steering economic activity to lower-carbon sectors," Georgieva added.

"Stronger policy efforts in the property sector can also help secure a balanced recovery."

At the same venue, China's President Xi Jinping said China's economy is resilient and that its long-term trend had not changed.

In light of growing headwinds, foreign brokerages have also been slashing GDP forecasts for China, after weakness in March activity data raised outlook risks as the lockdown in the mega city of Shanghai drags on.



Workers assemble power distribution cabinets at a site in Hangzhou in eastern China's Zhejiang province. The International Monetary Fund has cut its growth forecast for China this year to 4.4 per cent, well below Beijing's target of around 5.5 per cent.

PHOTO: AFP/FILE

## Receding pandemic boosts US industry: Fed

AFP, Washington

American firms are seeing increased business as Covid-19 cases decline across the world's largest economy, even as they struggle with rising prices and scarce staff, the Federal Reserve said Wednesday.

The central bank's latest "beige book" survey of business conditions depicted an environment that remains challenging for industries as they seek a return to normal following the pandemic downturn, in an economy that has grown too hot.

"Consumer spending accelerated among retail and non-financial service firms, as Covid-19 cases tapered across the country," according to the report, which is based on information collected nationwide through April 11.

However, "inflationary pressures remained strong" and companies are

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