DHAKA THURSDAY MAY 12, 2022, BAISHAKH 29, 1429 BS ● starbusiness@thedailystar.net

Star BUSINESS

PRIVATE SECTOR IN UNDERSEA CABLE BUSINESS

Six companies applied | Licence awarding fee Tk 10cr | Annual licence fee Tk 3cr | Increased supply to decrease cost for end-users

CURRENT SOURCES OF BANDWIDTH

Only state-run BSCCL provides submarine cable services

It connected Bangladesh with two submarine cables:

SEA-ME-WE 4 in 2006

Current bandwidth: 650GBPS

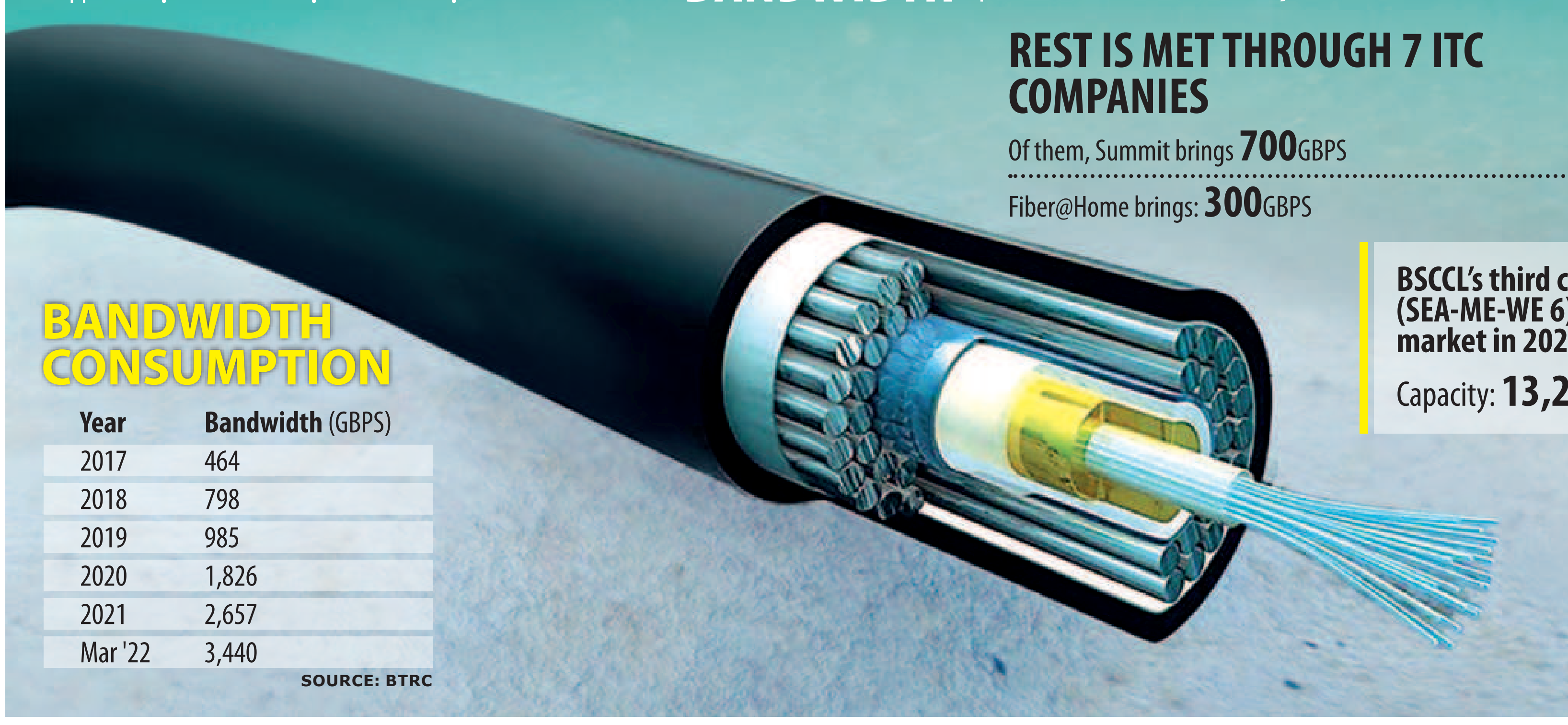
SEA-ME-WE 5 in 2017

Current bandwidth: 1,400GBPS

REST IS MET THROUGH 7 ITC COMPANIES

Of them, Summit brings 700GBPS

Fiber@Home brings: 300GBPS



BSCCL's third cable (SEA-ME-WE 6) to hit market in 2025

Capacity: 13,200GBPS

BANDWIDTH CONSUMPTION

Year	Bandwidth (GBPS)
2017	464
2018	798
2019	985
2020	1,826
2021	2,657
Mar '22	3,440

SOURCE: BTRC

Govt to open up submarine cable business to private firms

Aims to meet surging bandwidth demand

MAHMUDUL HASAN

Private companies in Bangladesh are set to get licences to establish, maintain and operate submarine cables, in a shift that will break the state monopoly and pave the way for a smooth supply of bandwidth amid a surge in internet use.

The state-run Bangladesh Submarine Cable Company Ltd (BSCCL) is the lone entity permitted to connect the country with the rest of the world through undersea cables.

But in order to attract private investment to the telecommunication industry to support the growth in bandwidth consumption, the Bangladesh Telecommunication Regulatory Commission (BTRC) has floated a tender to grant licences. Six companies have applied.

According to the BTRC, the companies, including Summit Communications, Fiber@ Home, and Mango Teleservices applied for the licence as of May 10, the deadline for the submission of the application.

"We have applied for the licence," said Md Arif Al Islam, managing director of Summit Communications.

It has signed a memorandum of understanding with an international consortium, and the final deal will be inked after obtaining the licence.

Once the private companies enter the market, there will be more supply of bandwidth, which will drive prices down and benefit end-users, said Islam.

The licensee will have to establish its submarine cable systems and offer services within two years from the date of securing the approval.

The licence will cost companies Tk 10 crore, and the annual licence fee will be Tk 3 crore.

The government will decide how many licences will be issued, according to a BTRC guideline.

"Our policy is to create opportunities for the private sector, so we are now allowing private companies to establish submarine cables," Mustafa Jabbar, telecom minister, told The Daily Star yesterday.

Private entities have presence in all areas of the telecommunication sector, including telecom, tower, internet service, and transmission network.

The minister said the government has initially connected the country through the state-run company since a huge investment was needed and there was uncertainty about the benefit of the investment.

"Now we have done the groundwork, and the business case is lucid to private entities."

Sumon Ahmed Sabir, chief technology officer at Fiber@ Home, said: "We are ready to form a partnership to establish a submarine cable for the local market. This will enhance competition and bring down the price."

Abu Saeed Khan, senior policy fellow at Colombo-based think-tank LIRNEasia, said the private companies should have been allowed to establish submarine cables much earlier.

"Bangladesh is the only country in South Asia and Southeast Asia where the state-owned monopoly in the submarine cable business is prevailing. There is competition in other countries, including Myanmar, Sri Lanka and the Maldives."

Mohammed Shahedul Alam, chief corporate and regulatory officer at Robi, welcomed the government decision and called for awarding the licence to competent companies so that they can arrange the landing of submarine cables within the shortest possible time.

The move from the government comes as the use of bandwidth is growing at a break-neck pace in Bangladesh.

At the end of December 2008, the use of bandwidth was only 7.5 gigabytes per second (Gbps), serving 7.7 lakh people, according to the telecom minister. It was 600 Gbps in 2016.

The bandwidth consumption witnessed a remarkable rise during the coronavirus pandemic as people turned to

READ MORE ON B3

Colombo port resumes operations

Bangladeshi shippers, exporters relieved for now

DWAIPAYAN BARUA, *Ctg*

Operations and navigation at the Port of Colombo resumed yesterday following a two-day hiatus for ongoing political unrest in Sri Lanka, albeit bringing temporary relief to Bangladesh's exporters, freight forwarders and shipping firms.

Apprehensions remain as the island nation is still going through turmoil.

Stakeholders believe any future disruption would badly hit Bangladesh's foreign trade, especially exports, since almost 50 per cent of export cargoes pass through this transshipment hub.

Stakeholders believe any future disruption would badly hit Bangladesh's foreign trade, especially exports, since almost 50 per cent of export cargoes pass through this transshipment hub

Nationwide clashes led to the prime minister and his cabinet to resign on Monday, following which trade union workers at two container terminals embarked on a strike, halting loading and unloading of cargo.

All vessel movement at the port remained suspended since Tuesday.

That day the Ceylon Association of Shipping Agents conveyed their deep concern to the chairman of Sri Lanka Ports Authority.

The platform, comprising 135 members representing all shipping lines calling on Sri Lankan ports, in a letter requested to convince the trade unions to resume operations.

The stalemate generated anxiety among the six feeder vessel operators currently plying at least 22 ships on the Chattogram-Colombo route.

MTT Singapore, a vessel carrying around 500 TEUs (twenty-foot equivalent unit) of export containers from Chattogram, was able to berth at a jetty on Monday but since then was forced to remain idle.

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STOCKS

DSEX ▼	CASPI ▼
1.10%	1.03%
6,591.99	19,329.64

COMMODITIES

Gold ▲	Oil ▲
$1,842.52	$103.05
(per ounce)	(per barrel)

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.51%	▲ 0.18%	▼ 0.25%	▲ 0.75%
54,088.39	26,213.64	3,226.07	3,058.70

EDIBLE OIL CRISIS

Blame game continues

STAR BUSINESS REPORT

Companies, wholesalers and retailers are blaming each other for the disappearance of edible oil from the market ahead of Eid-ul-Fitr.

Wholesalers and retailers say mill owners have not provided supplies in adequate quantities. On the other hand, companies say that some wholesale and retail shopkeepers have created an artificial crisis through hoarding with hopes of inflating prices.

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) held a views-exchange meeting at its Motijheel office yesterday to review the import, stock, supply and price situation of edible oil. There businesspeople blamed each other.

But the traders agreed on one thing – to take in learnings from this oil crisis so that such a situation does not recur.

Abu Taher, a retailer in Dhaka's New Market, said no distributor provided a single bottle of soyabean oil to a retail trader like him for several days before Eid.

Companies artificially created a crisis in the market to raise the price, he said.

"We have been doing business for long, we have fixed customers. I couldn't give an answer to them. Those who were turned away from my shop before Eid got a negative impression about me," he said.

"But we didn't cut the supply. We delivered the same amount before Eid as I used to supply in the market in normal times. We assume there will be a stable market. But before Eid, the market became unstable," said Kazi

READ MORE ON B3

Although this view of the Sujanagar wholesale market in Pabna gives one the impression that there is an abundance of onion in the country, the government's recent decision to suspend onion imports is pushing up prices on almost a daily basis. Farmers and traders are seeing the development as a blessing, but consumers may take it as a curse.

PHOTO: AHMED HUMAYUN KABIR TOPU

Fresh spike in onion price irks consumers

But growers happy

STAR BUSINESS REPORT

Onion prices shot up in Bangladesh after the plant quarantine office of the agriculture ministry stopped issuing import permits for the popular cooking ingredient in a bid to protect the interest of local growers.

Onion prices, including that of imported varieties, began to slump since the second week of March amid increased imports and local supply, falling as low as Tk 20 to Tk 35 per kilogramme at retail.

Locally grown bulbs are usually sold at higher rates compared to imported onions because of their longer shelf-life.

Against this backdrop, many farmers stopped selling onion as they had to sell their produce at around Tk 22 per kilogramme, which

READ MORE ON B3

Farmers are having to purchase early varieties of paddy meant for the Aus season, which runs from July to August, at Tk 1,000 to Tk 1,100 per 1,600 saplings, which is double that paid last year, with many blaming untimely floods for having ruined nurseries. The Department of Agricultural Extension aims to have 12,000 hectares of land cultivated in Lalmonirhat this Aus season. As per Bangladesh Bureau of Statistics, 1.09 million hectares of land throughout the country was cultivated with Aus crop in fiscal year 2019-20. The photo was taken at Barabari Haat in Lalmonirhat sadar upazila last week.

PHOTO: S DILIP ROY

Oil refinery workers caught in Germany's energy dilemma

AFP, *Schwedt*

Germany is seeking to ban Russian oil by the end of this year over the war in Ukraine, but workers at the PCK oil refinery outside Berlin are less than happy about the plans.

"We need Russian oil. We have our houses, our families. If (the government) wants to stop it, then the area here will be dead," Thorsten Scheer, 60, told AFP at the refinery in the town of Schwedt, on the border with Poland.

The plant, which employs 1,200 people, exclusively processes Russian crude oil from a branch of the Druzhba pipeline, the world's longest oil pipeline.

It supplies around 90 per cent of the oil consumed in Berlin and the surrounding region, including Berlin-Brandenburg airport, and many local businesses depend on the cash it brings to the area.

Economy Minister Robert Habeck travelled to Schwedt on Monday to hold a question-and-answer session with the refinery's employees, where he met a mixed reception.

Standing on a table outside the staff canteen, Habeck sought to reassure the crowd of workers in green and orange overalls that the government would seek alternative ways to keep the plant running.

But employees accused him of serving US interests in seeking to drive a wedge between Germany and Russia.

"Yes, war is rubbish. That is perfectly clear to us," one worker told the crowd.

"But on the other hand, why should we suddenly ban a business partner who has delivered reliably for decades? We get a raw material and we process it. If this raw material is interrupted out of political correctness, that is not right in my eyes."

Another worker, 48, who did not want to give his name, told AFP the situation was "stressful for everyone" as their jobs were "hanging in the balance".

"In my opinion, the war is not Germany's concern," he said. "If (the oil embargo) would end the war, fine. But it won't. Putin will peddle his oil somewhere else."

Habeck, a member of the Green party, was also met with protests from environmental campaigners, who said they had managed to turn off the oil supply to the PCK plant in advance of his visit. Germany has ruled out an immediate embargo on all Russian energy in response to the war in Ukraine, especially gas.

However, Europe's biggest economy has already slashed its oil imports from Russia to 12 per cent of the total from 35 per cent before Russia's invasion.

But the PCK refinery presents it with a sticky problem -- especially since the site is majority owned by Russian oil giant Rosneft, controlled by the Kremlin.

In late 2021, Rosneft announced plans to increase its stake in the refinery from 54 to 92 per cent by buying shares from Shell.

Germany's Federal Cartel Office approved the transaction a few days before the outbreak of the war but the Economy Ministry is examining whether it can still be stopped.

Habeck laid out three elements that would have to come together to keep the plant alive: new oil deliveries from other countries via ships arriving in the port of Rostock; financial aid from the government; and a new ownership structure to wrest control from Rosneft.

The minister said he was "well aware" that there was "a lot of uncertainty" for the workers. "I would be happy if you would see me not just as your enemy, but as someone who is really trying to save this site and keep it alive and lead it into the future," he said.

But after the meeting, as the workers stood in line to help themselves to barbecued burgers and sausages, many remained unconvinced by his plans.

"It's an experiment. We all just have to hope it works out," said Steffen Thierbach, 64.

Shanta Equity gets new CEO

STAR BUSINESS REPORT

Rubayet-E-Ferdous has recently joined Shanta Equity Ltd, a concern of Shanta Group, as chief executive officer.

Prior to joining the full-fledged merchant bank, he worked for IDLC Investments Ltd.

The seasoned investment banker served IDLC Investments as chief operating officer since 2011.

Apart from investment banking, he also headed the portfolio management and operations team of the company.

Rubayet-E-Ferdous has over 22 years of experience in the capital market.

TallyKhata selected for Visa Accelerator Programme

STAR BUSINESS DESK

Digital payment service provider Visa has selected digital payments start-up TallyKhata from Bangladesh for the 2022 cohort of its Visa Accelerator Programme in the Asia Pacific.

Joining a select group of five elite startups from across the region, TallyKhata is a leading digital payments platform with wallet and credit capabilities for small and micro-businesses in Bangladesh, a press release said.

It will support financial inclusion by developing new ways for small businesses to access credit lines and working capital.

Over the next six months, the startups will work closely with Visa on creating defined commercial opportunities they can bring to Visa's extensive network of banks, merchants, governments and venture partners.

Through the programme, TallyKhata aims to partner with leading banks in Bangladesh to issue a Visa virtual card for small business working capital to micro merchants.

The Visa virtual card serves as a line of credit (short-term working capital loan) to be used by the MSME for direct payment to a list of approved suppliers/FMCG companies.

"Leveraging Visa rails and TallyKhata transaction data and credit scoring, we will enable quick and easy access of digital credit for the 11 million small businesses in Bangladesh," said Shahadat Khan, chief executive officer of TallyKhata

"We aim to help scale the economy and accelerate the digitization of the value chain," said Soumya Basu, country manager for Bangladesh, Nepal and Bhutan at Visa.

Litchi production to hit record

FROM PAGE B4

pack each maund [37 kilogrammes] of litchi after harvesting. As the harvesting season is ongoing, I have joined a litchi orchard for harvesting and packaging work to earn Tk 500 hundred per day," said Md Alif, a resident of Tilokpur village in Ishwardi upazila.

Pabna DAE Deputy Director Rahman told The Daily Star that more than 20,000 to 25,000 unemployed people get seasonal job opportunities amid the litchi harvesting period each year.

Marketing hassle for growers

Despite the bumper production though, litchi growers of the district have been experiencing hassles in marketing due to the monopoly of wholesale traders.

"Litchi prices vary in different markets across the country but we don't have the facility to get a suitable market because there is no dedicated market for litchi growers in the country's biggest litchi producing area," said litchi grower Sardar.

"The litchi season is very short-lived and when the harvesting season hits its peak, wholesale traders cut prices but we have no scope to store the fruit and so, we are bound to depend on them," he said.

"If there were special wholesale markets for litchi growers in Pabna, where wholesale traders from different areas could come, then the hassle of marketing would be removed," Sardar added.

According to the traders, more than 20 to 25 trucks loaded with litchis have been supplying the fruit across the country each day ahead of the peak harvesting season, after which over one hundred trucks will supply to fruit to various areas every day.

While speaking with The Daily Star, Md Mazahar Ali, director of the Organisation for Social Advancement and Cultural Activities (OSACA), a leading non-government organisation, said his organisation has taken steps to set up dedicated litchi markets.

"Concerning the hassle of marketing for farmers, we have already taken preparation to establish dedicated a litchi market at Varuimari in Ishwardi upazila, where wholesale traders from across the country will come to buy litchis directly from producers avoiding the middle men," he said.

"We are expecting to resume the litchi market this season," Ali added.

Other than setting up a dedicated market, this organisation has already working to establish a tourism spot at Awtapara and Kathalbaria villages in Pabna for attracting visitors.

"In the peak litchi harvesting season, people from different corners of the country come to Pabna every year for buying the juicy fruit. So, we have plans to decorate a few orchards at the Awtapara and Kathalbaria villages as a tourism spot," Ali said.

Offer roadmap for post-LDC

FROM PAGE B4

the current tax-to-GDP ratio is very low in Bangladesh, said Hossain.

"Emphasis has to be given in this area so that the pressure on the fiscal space lessens."

He asked the government to revise upwards the mouza-based value of land since the country is losing a lot of revenue for the lower rate.

The capacity-building and digitalisation process of the National Board of Revenue have to be beefed up to generate more taxes.

The economist suggested learning from Sri Lanka's experience when it comes to exports.

"We should not depend on a single product since it is always exposed to external shocks. We have to take initiatives to diversify exports in terms of products and markets."

Bangladesh's export is dominated by garments, which account for about 85 per cent of national receipts.

Destination-wise, the country's shipment relies largely on the European Union and the United States.

Some reforms are needed in the interest rate regime in the banking sector and the caps on both deposit and lending rates should be revised upwards, he said.

If the deposit rate goes from the current 6 per cent, people will be interested in parking funds with banks since the real interest rate will be above the inflation rate, which stood at 6.22 per cent in March.

"The upward revision of the lending rate from 9 per cent will squeeze the money supply that is needed to control inflation," he said.

The economist suggested preparing a database of the poor.

The government is going to carry out a new population census. So, if possible, the database of the poor should be prepared along with the census, he said.

If there is a database, government assistance can be extended to them, he said, calling for expanding the coverage of safety nets considering new poor and vulnerable groups.

The government will have to continue the open market sales operation through the Trading Corporation of Bangladesh for a year or two since there is inflationary pressure, he added.

A few programmes aimed at creating jobs the rural areas were taken in the past, and those programmes can be relaunched, said Hossain, who obtained his PhD in international economics from the National Graduate Institute for Policy Studies in Tokyo in 2007.

He called for rolling out some programmes targeting the unemployed people, especially those who lost jobs amidst the coronavirus pandemic so that they can find employment again.

Biden says inflation top

FROM PAGE B4

different speeds.

He said that President Vladimir Putin's decision to invade Ukraine, spiking energy markets prices and severely disrupting Ukraine's ability to export agricultural products, is also rippling through the US economy.

"I know you've got to be frustrated... believe me I understand the frustration," the Democrat said, addressing Americans directly.

Republicans have blamed Biden, saying that his policies of injecting billions of dollars into the US economy at the height of the pandemic shutdown spurred the inflationary cycle.

The White House says those packages effectively saved the country from a disastrous recession.

Calling out Republicans' "extreme agenda," Biden said "they've done everything to slow down" his attempts to manage economic stresses.

Addressing another politically sensitive aspect of the inflation puzzle, Biden said he was considering lifting trade tariffs imposed by his predecessor Donald Trump on China.

"We're discussing that right now," he told reporters, adding that "no decision has been made on it." Biden is under pressure from some quarters to remove the tariffs in a bid to cut roaring US inflation by making imports cheaper.

Arif Quadri, managing director of United Commercial Bank, poses for photographs after handing over Service Excellence Award-2021 to the winners at the bank's corporate office in Dhaka yesterday. Syed Faridul Islam, Nabil Mustafizur Rahman, Abul Alam Ferdous, additional managing directors of the bank, were present.

PHOTO: UNITED COMMERCIAL BANK

M Rezaul Karim, managing director of Premier Bank, and M Shahadat Hossain Taslim, president of the Hajj Agencies Association of Bangladesh (HAAB), exchanged signed documents of an agreement at the latter's head office in Dhaka recently. Under the agreement, the association members will open accounts with the bank for depositing Hajj related fees and expenses.

PHOTO: PREMIER BANK

HN Ashequr Rahman, chairman of Meghna Bank, cuts a cake at the lender's head office in Dhaka yesterday to celebrate its 9th founding anniversary. SM Jahangir Alam Manik and Uzma Chowdhury, directors, Syed Ferhat Anwar, independent director, and Sohail RK Hussain, managing director, were present.

PHOTO: MEGHNA BANK

DOMINO'S PIZZA

Indian master franchisee buys unit of Bangladesh

AHSAN HABIB

Jubilant FoodWorks, the master franchisee of Domino's Pizza in India, Sri Lanka, Bangladesh and Nepal, has fully acquired Jubilant Golden Harvest Ltd, the franchisee of Domino's Pizza in Bangladesh.

Domino's Pizza entered Bangladesh via a joint venture between India's leading food service company Jubilant FoodWorks and Bangladesh's Golden Harvest QSR Limited, a part of Golden Harvest Group.

The brand operated under the joint venture named Jubilant Golden Harvest Ltd. Meanwhile, Jubilant FoodWorks has completed the acquisition of 49 per cent stake from Golden Harvest in Jubilant Golden Harvest on Tuesday at an aggregate amount of Tk 38.90 crore.

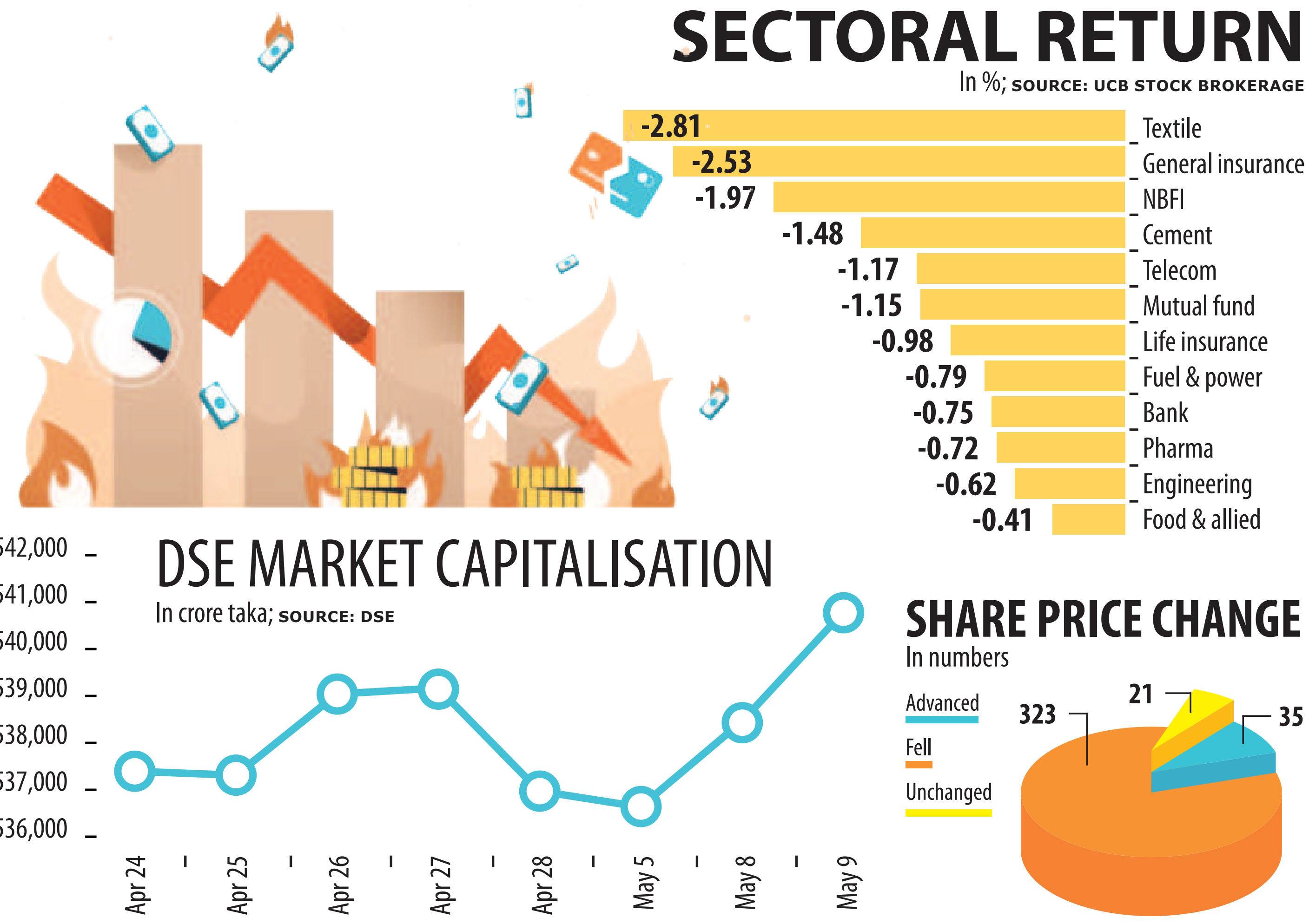
After the acquisition, the company's stake in JGH increased from 51 per cent to 100 per cent (with 1 share of JGHL being held by a nominee of the company in order to comply with local law requirements in Bangladesh), according to a disclosure.

Japan passes bill to guard sensitive technology

REUTERS, *Tokyo*

Japan's parliament on Wednesday passed an economic security bill aimed at guarding technology and reinforcing critical supply chains, while also imposing tighter oversight of Japanese firms working in sensitive sectors or in critical infrastructure.

Measures in the legislation, which is primarily aimed at China, will be implemented over two years once it is enacted, according to the bill.



Stocks take a dive over interest rate concerns

Investors also plagued by global economic jitters

STAR BUSINESS REPORT

Dhaka stocks shed 73 points yesterday as investors are plagued by fears of a regulatory intervention in the interest rate ceiling coupled with chances of Russia's war on Ukraine placing the global economy in a tight position amid surging oil prices.

The DSEX plunged 73 points, or 1.10 per cent, to hit 6,591 by the end of the trading session, marking the second consecutive day of decline for the benchmark index of the Dhaka Stock Exchange (DSE).

Besides, the US and UK have warned that their economies may fall into recession, which is cause for concern among local investors as both countries are major export destinations for Bangladesh, according to a top official of a merchant bank preferring anonymity.

CNN ran a report on April 26 saying Deutsche Bank raised eyebrows earlier this month by becoming the first major bank to forecast a US recession, albeit a "mild" one.

On May 5, Financial Times ran another report saying the Bank of England has warned the UK economy will slide into recession this year as higher energy prices have pushed inflation above 10 per cent.

In answer to a query, the merchant banker said the news had a late impact on the domestic stock market as the fear spread slowly.

He went on to say that the recent hike in edible oil prices and Sri Lanka's economic and political turmoil are also among the concerns investors currently face.

"Although the economic situation is not much of a worry, the peoples' concern is much higher. Bangladesh's export earnings are still very impressive though," he said.

Bangladesh's export earnings soared 51.18 per cent year-on-year to $4.73 billion in April, as per data from the Export Promotion Bureau.

"The stocks nosedived as risk-averse investors opted out due to fears of regulatory intervention in the interest rate ceiling to fight inflation," said International Leasing Securities in its daily market review.

Bangladesh Bank had previously ordered all banks to provide a maximum 6 per cent interest on deposits and 9 per cent interest on lending. Banks in the country have maintained the ceiling since April 1, 2020.

The selling spree of jittery investors sharply pushed down the stock prices while risk-averse investors preferred to stay away from the market considering the volatility that prevailed over the trading session.

Meanwhile, both the DS30, the blue-chip index, and DSES, the shariah-based index, lost 15.13 points and 15.48 points respectively, DSE data shows.

All sectors witnessed price corrections except miscellaneous, which rose 0.1 per cent while travel and leisure dropped 3.8 per cent, services and real estate fell 3.2 per cent and textiles plunged 2.8 per cent.

The investors' attention was mainly concentrated on pharmaceuticals and chemicals (13.9 per cent), food and allied (13.1 per cent), and financial institution (12.4 per cent).

The DSE's turnover dropped around 10 per cent to Tk 1,135 crore yesterday while it was Tk 1,258 crore the day before.

At the DSE, 35 stocks advanced, 323 declined and 21 remained unchanged.

BD Finance topped the gainers list with a roughly 6.9 per cent rise while Imam Button, ACI Formulations, RD Food, and Bangas Ltd also saw major gains.

Asia Insurance shed the most with a 6.37 per cent drop while JMI Hospital, Gemini Sea Foods, Paper Processing and Packaging, and Bangladesh Monospool Paper were among the heavy losers.

Set up canola oil mill in Bangladesh

Munshi urges Canadian investors

STAR BUSINESS REPORT

Commerce Minister Tipu Munshi yesterday invited the Canadian investors to set up canola oil manufacturing mills in Bangladesh.

The minister said Bangladesh imports a lot of canola oil every year to meet its domestic demand and Canada is a major producer and exporter of canola oil.

So, the Canadian entrepreneurs would be immensely benefited if they set up canola oil manufacturing units in the country, Munshi said.

The minister made the comments in a meeting with Lilly Nicholls, Canadian high commissioner in Bangladesh, at the minister's secretariat office in Dhaka.

Munshi also invited the Canadian entrepreneurs to invest in Bangladesh in different promising sectors as the government has been developing 100 special economic zones across the country, according to a statement of the commerce ministry.

Bangladesh can import canola oil from Canada through the Trading Corporation of Bangladesh by signing government to governments agreements, Nicholls was quoted as saying in the statement.

Between July-March period of the current fiscal year, Bangladesh exported goods, mainly garment products, worth $1 billion to Canada and imported goods worth $428.86 million from the North American country, according to data from the commerce ministry.

Anwar Landmark gets new CEO

STAR BUSINESS DESK

Mohammed Fasiul Mowla has been appointed chief executive officer of Anwar Landmark Ltd.

The appointment came into effect on May 8, a press release said.

Mowla previously worked at Navana Real Estate Ltd as CEO and at Advanced Development Technologies Ltd as an additional general manager.

He has extensive leadership experience in the real estate industry and demonstrated his ability to build successful businesses.

Mowla obtained his honour's and master's degrees in management and marketing from the University of Chittagong.

Fresh spike in onion price irks

FROM PAGE B1

according to some was below the production cost.

Onion prices then started an upward climb from the beginning of this week as imports came to a halt after the agriculture ministry suspended issuing permits in this regard.

Yesterday, retailers in Dhaka sold each kilogramme of onion for between Tk 35 and Tk 40, up 25 per cent from Tk 25 to Tk 35 a month ago, shows market price data compiled by the Trading Corporation of Bangladesh.

The spike created hopes among farmers, reports our correspondent from Pabna.

A week ago, each maund (37 kilogrammes) of onion was sold for Tk 900 to Tk 1,000. Now, the same amount is being sold for Tk 1,300.

"But this is not good enough for us. If we can sell onions at Tk 1,500 per maund, we will be able to make our expected profit," said Md Montu Miah, an onion farmer of Ulat village at Sujanagar wholesale market of Pabna, one of the main onion producing districts.

Farmers grew onions on 2.49 lakh hectares of land across the country in the current fiscal year, down marginally from the previous year. However, production has increased to nearly 34 lakh tonnes, according to provisional estimates by the Department of Agricultural Extension (DAE).

Ranjit Kumar Paul, director of the Plant Quarantine Wing (PQW) of the DAE, said his office stopped issuing permits for onion imports to protect the interests of local farmers.

The PQW stopped issuing permits in this regard from May 5.

Bangladesh mainly imports the bulb from India to meet a part of the domestic demand of around 25 lakh tonnes as one-fourth of the local produce suffers from process loss.

"Farmers have a lot of onions in their stocks after harvesting. That is why we are not issuing any import permits for bringing the bulb," Paul said.

The PQW did not give any timeline about when it would resume issuing permits for onion imports.

"We will start issuing permits upon instruction from the agriculture ministry," he added.

Our correspondent from Dinajpur reports that wholesale prices soared at the ports, namely Hili land port in northwest region, after the decision.

A kilogramme of onion which was available at Tk 15 to Tk 18 per kilogramme in the local market is now being sold at Tk 22 to Tk 25 per kilogramme, traders said.

"Prices may go up further though," said Dipankar Ghosh, former organising secretary of the C&F Agents Association at Bhomra, one of the main land ports for importing onion from India.

He said the suspension of permits to import onion would benefit traders more than farmers.

Md Milon Hossain, a shopkeeper in Pabna, said he was selling each kilogramme of onion for Tk 35 after buying it for about Tk 32.5 per kilogramme.

"Prices have been soaring almost every day not only in wholesale markets, but also retail markets. But we do not increase prices on a daily basis," he added.

Govt to open up submarine

FROM PAGE B1

internet to work, study and find entertainment at home. The bandwidth use surged to 3,440 Gbps in March this year, up from 1,000 Gbps before the pandemic, according to the BTRC.

About 650 Gbps is supplied by BSCCL through the South East Asia–Middle East–Western Europe 4 (SEA-ME-WE 4) consortium, the first undersea cable with which Bangladesh was connected with in 2006.

BSCCL supplies another 1,400 Gbps through the country's second submarine cable, SEA-ME-WE 5. The connection was established in 2017.

The rest comes from India through seven international terrestrial cable service providers, with Summit Communications bringing in 700 Gbps and Fiber@home 300 Gbps.

IS BANDWIDTH SCARCITY IMMINENT?

Industry people warn Bangladesh could face the scarcity of bandwidth in 2024 as internet use is rising at a faster clip.

Alam of Robi says the life span of the first undersea cable is coming to an end in 2025 and the capacity has been exhausted. "So, we may face a bandwidth shortage if there are no new cables."

The current capacity of the second cable is 2,500 Gbps and it currently supplies 2,000 Gbps.

AKM Habibur Rahman, managing director of BSCCL, does not expect any bandwidth scarcity as the company has taken steps to keep the supply smooth.

"The capacity and time expansion of the first submarine cable is underway and we will announce it soon," said Rahman.

The company is set to receive 13,200 Gbps from the third submarine cable, SEA-ME-WE 6, in 2025.

"However, it is difficult to make predictions since internet use is expanding rapidly and the government has initiated measures to take digital services to a vast number of end-users."

More than 50,000 educational institutions will be connected to internet soon, said Jabbar. And the education ministry estimated the country needs 35,000 Gbps of bandwidth by 2030.

"But, to my estimate, we don't need that much bandwidth. Since we are allowing private entities to enter the market and there is the third cable, there will be no bandwidth crunch till 2030," said the telecom minister.

Islam of Summit Communication said laying cable underground is a difficult task and many parties are involved.

"So, if the licensee companies can't do it fast, there could be a bandwidth crunch."

Toyota posts record full-year net profit

AFP, *Tokyo*

Toyota on Wednesday posted a record full-year net profit helped by strong sales and a cheaper yen, but issued cautious forecasts as the pandemic and war in Ukraine disrupt supply chains.

The Japanese auto giant, which kept its crown as the world's top-selling carmaker in 2021, reported a net profit of 2.85 trillion yen ($22 billion), up 26.9 percent from the previous year.

But for the current year to March 2023, it said it expects to post an annual net profit of 2.26 trillion yen ($17.3 billion), citing ongoing uncertainties.

Toyota said its robust results were due in part to beneficial foreign exchange rates, with a cheaper yen helping inflate profits from sales abroad.

It also cited cost reduction efforts and stronger sales helped by marketing efforts.

In the year to March 2022, operating profit surged 36.3 percent year-on-year to three trillion yen, as sales increased 15.3 percent to 31.4 trillion yen -- also a record.

Toyota's strong sales came despite the firm being forced to repeatedly adjust production targets because of supply chain issues ranging from the semiconductor shortage to pandemic-linked factory closures.

Colombo port resumes

FROM PAGE B1

An official of the ship's Bangladeshi agent, Sea Consortium Bangladesh, informed that it could not make its scheduled departure on Tuesday as there were containers left to be unloaded.

There are now 16 vessels waiting for berthing around Colombo.

One of them, SOL Promise, left Chattogram a few days back and reached the outer anchorage of Colombo yesterday morning.

Muntasir Rubayat, head of operations of the ship's local agent, GBX Logistics, told The Daily Star that it could have availed berthing by evening had it been a normal working day.

Instead, the vessel was having to queue behind others which had arrived earlier.

A major portion of Bangladesh's exports, mainly apparel, which are destined for Europe and the US pass through four transshipment ports.

Feeder vessels reach the cargo to mother vessels at the four – the Port of Colombo, Port of Singapore and Malaysian ports of Port Klang and Tanjung Pelepas.

In the past four months till April, a total of 2,85,464 TEUs of export-laden containers were transported from the Chattogram port through these four transshipment ports.

Of it, around 48.7 per cent went through the Port of Colombo.

Every month 30 to 35 round trips are operated by the feeder vessels on the Chattogram-Colombo route.

According to the sector's stakeholders, Bangladeshi apparel exporters in recent years have been preferring using the Port of Colombo to avail the minimum lead time and freight costs.

Prolonged disruptions will delay reaching cargo to destination countries and increase costs, said Rubayat of GBX Logistics, the local agent of Singapore-based feeder operator Straits Orient Lines.

Nasiruddin Ahmed, former first vice president of the Bangladesh Garment Manufacturers and Exporters Association, echoed him.

Blame game continues

FROM PAGE B1

Salahuddin Ahmed, senior general manager of S Alam Group.

He said oil was not available at the retail level before Eid. "None of us were prepared for this situation. Let's learn from this incident. We have enough oil in stock. As the price has been adjusted, the places where the oil is stored will be revealed," he said.

Golam Mawla, president of Bangladesh Wholesale Edible Oil Traders' Association, said, "If I don't get oil from the dealer, how can I supply it to the retailer? From millers, dealers, wholesalers, retail traders to the government, let us do whatever we commit to. We should not blame each other. Small and medium businesses like us face humiliation from consumers because of the dealers not supplying oil."

Zahirul Haque Bhuiyan, general secretary of Bangladesh Shop Owners' Association, said, "We had warned traders about the edible oil crisis from the very beginning. Just before Eid, a few retail traders who stocked oil did immoral things. I think action should be taken against them according to the law."

FBCCI President Jashim Uddin said there was oil but it was not available in retail stores before Eid.

The companies say the supply was fine and now various agencies of the government are conducting raids and finding places with stocks of oil, he said.

"Who will remedy the fact that a mistrust in relationship has been created between the businesspeople and the government? Some of the traders who have stocked up on oil have committed the crime. I am not their leader," he said.

Workers are seen bunching litchis into bundles for sale at a farm in Shahpur village under Ishwardi upazila of Pabna. With the harvesting season still in its early stages, farmers are seeing a bumper production of the fruit that may eclipse all previous records. The photo was taken on Monday. PHOTO: AHMED HUMAYUN KABIR TOPU

Litchi production to hit record high

Farmers expect Tk 500cr business this season

AHMED HUMAYUN KABIR TOPU, *Pabna*

Litchi cultivation is on the rise in Pabna, where the seasonal fruit now plays a vital role in agro-economics as farmers in the district are likely to get record production due to the favourable weather conditions in early summer.

As such, local litchi farmers are expecting to do business worth about Tk 500 crore this year, according to various sources.

As per data from the regional Department of Agricultural Extension (DAE), a total of 4,731 hectares of land in Pabna has been brought under litchi cultivation for an expected yield of 42,579 tonnes of the fruit, which is the most ever produced anywhere in the country.

However, the actual amount produced may even reach 50,000 tonnes as evinced by the current progress in harvesting.

"A minimum of 12,000 to 15,000 litchis are produced by each middle-sized tree while big trees can produce even more amid this suitable weather," said Md Mizanur Rahman, deputy director of the Pabna DAE.

"If the targeted litchi is harvested, farmers will get at least Tk 500 core business in the next one month," he added.

But despite the bumper production, local farmers claim they are yet to get their expected prices.

Sonju Pramanik, a litchi farmer of Silimpur village in Ishwardi upazila who runs an inherited orchard, bought five more orchards to expand litchi cultivation this year in hopes of getting bumper profit.

"Each thousand litchi [local variety] is being sold for Tk 1,200 to Tk 1,500 this year even though I sold the same amount for Tk 2,200 to Tk 2,300 last year at the beginning of harvesting," he said.

Pramanik went on to say that he got 7,000 to 8,000 litchis from each tree last year but this year, he is getting a minimum of 15,000 litchis from each tree, which is the highest on record in the last few years.

"As there were no storms in early summer that could have damaged the litchi trees, the orchards are seeing bumper output this year," he said.

"And although a long drought did destroy a few of the fruits, we will continue to get bumper production for the next few days barring any massive natural disaster," Pramanik added.

Although Dinajpur is considered the most popular district for litchi production due to the region's fertile soil and suitable weather, cultivation is now increasing in Pabna, local DAE officials said.

Farmers in Pabna have been growing the local variety of litchi, called the Ati litchi, for many years now. With profits rolling in every year, more farmers in the region were inspired to cultivate hybrid varieties of the fruit that offer better returns, especially the China-3 and Bombay litchi varieties.

"But everything was made possible by the suitable soil and weather," said Pabna DAE Deputy Director Rahman.

Harvesting of the local variety of the fruit began in early May but the peak harvesting period starts from the middle of the month, he added.

Seasonal job opportunities other than producing litchi

Bumper litchi production not only brings happiness to the farmers, but also there are many new job and business opportunities created in Pabna centring the seasonal fruit.

Md Mirajul Islam, a vegetable trader of Shahpur village, did not have enough land to cultivate the fruit until he bought two litchi orchards in hopes of earning extra profit through the seasonal business.

"Every year I used to buy some trees from land owners, this year I have bought two orchards with 50 trees for Tk 2 lakh expecting to get at least 6 lakh pieces of the fruit," he said, adding that litchi output is better now than in previous years and so, farmers may exceed the DAE's production target.

Islam informed that he spends about Tk 5 lakh on fertilisers, pesticides, and workers for harvesting and processing.

"After that I sell the fruit for about Tk 8 lakh in each month of the season," he said.

Like him, fellow litchi grower Golzar Sardar of the same village bought 250 trees at a cost of Tk 5 lakh and expects to earn a minimum Tk 8-10 lakh through the seasonal fruit business.

As the litchi harvesting season begins, many unemployed men and women find work at litchi orchards.

"At least two labourers are needed to

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UPCOMING BUDGET

Offer roadmap for post-LDC challenges

Says BIDS Research Director Monzur Hossain

MD ASADUZ ZAMAN

The government should unveil a roadmap in the upcoming budget to deal with the challenges that the country might face following its graduation from the group of the least-developed countries (LDCs), said Monzur Hossain, research director of the Bangladesh Institute of Development Studies (BIDS).

The graduation is set to take place in 2026 as the country has comfortably met all three criteria.

One of the downsides of graduation is Bangladesh will lose preferential market access in the export destinations. The duty-free export facility has allowed the country to ship goods without any tariff since its inclusion in the LDC group in 1975.

"So, Bangladesh will have to take important steps, domestically and internationally, to retain the trade privilege after graduation," said Hossain.

He said the government should outline a four-year roadmap to deal with LDC graduation-related challenges and it should be started from the upcoming budget.

"This will help the private sector understand what is going to happen in the next four years," he said in a phone interview recently.

According to the economist, the budget for the upcoming fiscal year can be neither expansionary nor contractionary. It should be a balanced one.

"Although time warrants an expansionary budget to strengthen the economic recovery from the coronavirus pandemic, the government should be cautious in budgetary expenditures considering the current global situation and the Russian-Ukraine war."

"The budget should not be expanded in a bigger way since it may affect fiscal discipline."

He called for further strengthening of fiscal discipline, by way of cutting unnecessary expenses, prioritising implementation of ongoing projects, remaining cautious in initiating new projects, and becoming selective in taking up external debt.

Hossain urged the government not to allocate funds to unproductive sectors since the economy is under pressure.

He recommended imposing tariffs to rein in soaring imports in order to prevent the foreign exchange reserves from sliding further.

The reserves, which stood at $44 billion on April 30, may decline to less than $42 billion shortly once the central bank adjusts the import payments.

In the face of falling foreign exchange reserves, the Bangladesh Bank on Tuesday instructed banks to take up to 75 per cent of import payments in advance from businesses to open letters of credit for luxury and non-essential goods.

"Import growth has to be cut," said Hossain.

Revenue collection has to be increased since the current tax-to-GDP ratio is very low in

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China's consumer inflation picks up

AFP, *Beijing*

China's consumer inflation rose at its quickest pace in nearly half a year, official data showed Wednesday, reflecting the growing costs of the country's zero-Covid curbs and high commodity prices.

The damage from Beijing's strict zero-Covid strategy has been increasingly reflected in economic data, as lockdowns in key cities such as Shanghai snarled supply chains and pushed up transportation prices.

April's consumer price index (CPI), a key gauge of retail inflation, rose more than expected at 2.1 per cent on-year, picking up from levels seen the month before, said the National Bureau of Statistics (NBS).

This was due to "factors like the domestic epidemic and continued rise in international commodity prices," the bureau's senior statistician Dong Lijuan said in a statement.

Since April, China's biggest city Shanghai had been almost entirely sealed off.

Most of its 25 million residents have been confined to their homes, while goods piled up at its port as authorities rush to stamp out the worst Covid resurgence since the early days of the pandemic.

Dong said that "due to the rise in logistics costs during the pandemic and increase in demand for stockpiling," prices of potatoes, eggs and fresh fruits ticked up.

The latest figures also showed that after four consecutive months of contraction, food prices overall rose for the first time on-year in April.

Meanwhile, the producer price index (PPI) -- which gauges the cost of goods at the factory gate -- came in at 8.0 per cent, higher than expected but down slightly from in March.

A customer shops for vegetables at a supermarket in Hangzhou, China's eastern Zhejiang province yesterday. PHOTO: AFP

Biden says inflation top domestic priority

AFP, *Washington*

President Joe Biden on Tuesday acknowledged the pain felt by Americans from the highest inflation in four decades but said it is his "top domestic priority" and being addressed by the Federal Reserve.

"The Fed should do its job and it will do its job," Biden said in a speech at the White House.

"I believe that inflation is our top economic challenge right now and I think they do too."

Price rises are at their steepest rate since the start of the 1980s, dampening economic optimism as the United States emerges from the Covid pandemic shutdown and badly denting Biden's approval ratings.

Biden said the price surge is primarily caused by gaps in the global supply chain for manufacturing goods as different countries restart their economies at

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