

## Alif Industries to issue bonds worth Tk 300cr

### STAR BUSINESS REPORT

Alif Industries has got the approval of the stock market regulator to issue unsecured, floating rate and convertible bonds to raise Tk 300 crore in funds.

The approval came in a meeting of the Bangladesh Securities and Exchange Commission yesterday on the commission premises.

The tenure of the bond is six years.

The bond would be issued for banks, insurance companies, financial institutions, corporates and eligible investors through private placement.

With the bond proceeds, Alif Industries will buy shares of another listed company and repay that company's debts, buy machineries and use the funds as working capital.

The issue price of each bond is Tk 1 lakh. Bangladesh General Insurance Company and Bengal Investment are its trustee and issue manager respectively.

The bond would be listed at the alternative trading board of the stock exchanges.

## Envoy gets nod for Tk 200cr bonds

### STAR BUSINESS REPORT

Envoy Textiles, one of the leading listed textile makers, has got the nod from the stock market regulator to issue two coupon bonds of Tk 200 crore.

The Bangladesh Securities and Exchange Commission approved the bond yesterday in a commission meeting held at its head office.

The discount rate of the non-convertible, fully redeemable, unsecured bond ranges from 6.50 per cent to 8 per cent. It would be issued through private placement.

Issue price of each lot, comprising 10 bonds, is Tk 20 lakh. With the bond proceeds, the textile maker would buy power plant machineries and repay loans.

The minimum subscription for individuals is Tk 20 lakh and for institutional investors is Tk 1 crore.

UCB Investment is the trustee of the bond while NDB Capital the lead arranger. The bond would be listed with the alternative trading board of stock exchanges.



Farmers are seen reaping pre-mature paddy in a bid to save the crop from further flood damage as the recent rains and floods have inundated their fields. The picture was taken yesterday in Fenchuganj upazila of Sylhet.

PHOTO: SHEIKH NASIR

# Rains, floods batter Boro cultivation

Farmers expect lower yields as a result

AKANDA MUHAMMAD JAHID

Natural calamities, including the recent flash floods in haor areas caused by heavy rain amid cyclone Ashani, have damaged the production of 78,987 tonnes of boro rise this season, according to the Department of Agricultural Extension (DAE).

As per DAE estimates, farmers have cultivated Boro paddy on 49.63 lakh hectares of land this year.

Of this amount, 19,722 hectares of the crop, which accounts for roughly 55 per cent of the country's annual rice production, has been affected by natural calamities. As such, about 0.4 per cent of the total cultivation has been ruined.

Some 18,176 hectares of the paddy fields were affected by rain and overflowing waterbodies, damaging the production of 72,157 tonnes of rice. Water flowing downstream from hills alone damaged nearly 1,544 hectares of paddy, destroying the production of 6,608 tonnes of rice.

Besides, heavy winds damaged 52 hectares of the crop, from which 222 tonnes of rice were supposed to be produced, DAE data showed.

After excluding the total damage, the agriculture ministry estimates a total production of 21,157,863 tonnes of paddy this season, up from 20,885,263 tonnes last year.

The production of the staple food grain has been affected at a time when people, especially those in lower-income and marginal groups, are struggling to afford the spiralling prices of rice despite it being the peak harvest season.

The spike only adds to the woes of

consumers, including the middle-class, who are suffering from higher inflation.

Overall inflation reached a 17-month high in March earlier this year amid rising food prices, including that of edible oil and flour.

Finer quality versions of the grain that are mostly consumed by middle-and-upper income groups was being sold at between Tk 1,100 and Tk 1,150 per maund (37 kilogrammes) yesterday, which is 10 per cent higher than what it was three weeks back, according to millers and traders.

**Production of the staple food grain has been affected at a time when people, especially those in lower-income groups, are fighting the spiralling prices of rice**

As flash floods in haor areas, heavy rainfall and winds have affected the crop, farmers fear that this year's yields will be low.

However, as per DAE estimates, the yield of Boro paddy will be 4.2 tonnes per hectare.

Md Mazaharun Islam, a farmer in Jamalpur, said he cultivated paddy on two acres of land but almost 25 per cent of his crop was damaged by heavy rain.

However, many farmers say the extent of the damage in terms of yield loss is much higher.

"This season, the yield of Boro paddy will be much lower than that of the previous year," said Amzad Hossain, a farmer in

Bogura.

"Due to bad weather, immature paddy had to be harvested and for the same reason, a portion of it was damaged as the crop could not dry up in time," Hossain said, adding that the situation is similar for almost every farmer.

Apart from that, the paddy seedlings to be planted in the next Aus season have also been affected by the hostile weather, according to various farmers.

Mohammad Jahangir Alam, director of the Institute of Agribusiness and Development Studies at Bangladesh Agricultural University, said if the data is correct, then the total loss will be less than 80,000 tonnes.

"This amount is not too much in terms of quantity but considering the current global scenario, especially in the face of Covid-19 and Russia's war on Ukraine, the loss of 80,000 tonnes is significant," Alam said.

"So, the government should take some measures to minimize the losses," he said, adding that the authorities have already taken many measures to this effect.

**ABOUT 80PC OF BORO HARVESTED** Meanwhile, the harvesting of more than 80 per cent of the Boro paddy grown across the country has already been completed despite the bad weather, showed DAE data.

However, farmers in haor areas have already completed 100 per cent of the reaping on 452,138 hectares of Boro paddy while 93 per cent of the harvesting in non-haor areas on 498,180 hectares of land has already ended as well.

According to the DAE, the rest of the harvesting will be complete by June 15.

## Foodpanda looks to tap growth opportunities

### Says its Managing Director Zubair Siddiky

MAHMUDUL HASAN

When the coronavirus pandemic hit Bangladesh in 2020, food delivery platform foodpanda accelerated its expansion to establish its footprint across the country as demand rose.

By the second week of December 2020, it had operations in all 64 districts in the country.

Foodpanda started off in many parts even without physically travelling there. Restaurant signups were done through calls and teams were hired remotely.

Not only Foodpanda, but the entire food delivery industry in the country was also turbocharged by the crisis as people had to work, study and find entertainment at home.

And Zubair Siddiky, co-founder and managing director of foodpanda Bangladesh, says the expansion process was just the beginning.

"Although we have come a long way from there, we are still at an early stage because there are immense growth opportunities," he said in an interview with The Daily Star.

Foodpanda was launched in Bangladesh in early 2014 and was acquired by Berlin-based Delivery Hero in late 2016. Soon, it overtook other food delivery platforms in the country to climb up to the top position.

**Foodpanda was launched in Bangladesh in early 2014 and was acquired by Berlin-based Delivery Hero in late 2016. Soon, it overtook other food delivery platforms in the country to climb up to the top position**

There were two driving factors: first, it was part of the strategic plans of the company to expand and cover as much of the population as possible, and second, the pandemic has generated the demand for such services.

"The opportunity there was just too large to overlook," Siddiky said.

"The pandemic, of course, made it a bit difficult logistically, but we saw it as an opportunity as customer adoption in the segment was faster during the pandemic."

In order to become the top food delivery platform, foodpanda has invested heavily in the distribution of tablets.

It supplies the tablet, which is used to take orders when it onboards a restaurant as it helps streamline the process.

Of the restaurants and shops that have currently signed up with foodpanda, about 24,000-25,000 are equipped with the devices.

"We don't pass orders manually as we want to avoid inaccuracies and mistakes. When a customer makes an order via a phone call, we need to pass the order to a restaurant. But this creates a scope for making mistakes."

Using the tablets, restaurants can themselves see the order and even take printouts.

"We have completely automated the process," Siddiky said.

Each tablet costs between Tk 10,000 to Tk 15,000. "It is a big expenditure for us," said Siddiky.

He declined to disclose the number of deliveries the platform processes each day, calling the data confidential.

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## ECB plans end to negative rates era as inflation soars

AFP, Frankfurt

Negative interest rates will soon be a thing of the past in the eurozone, the ECB's chief signalled Monday, with the bank poised to raise rates for the first time in over a decade to tamp down soaring inflation.

The Frankfurt-based institution was "likely to be in a position to exit negative interest rates by the end of the third quarter", ECB President Christine Lagarde wrote in a blog post.

The clear time frame for rate rises came as the ECB plays catch up with other central banks in responding to surging inflation.

Lagarde had previously argued that sharp leaps in consumer prices, driven in part by the waning effect of Covid-19 pandemic, were likely to subside in a few months.

But Russia's war in Ukraine has thrown a new spanner in the works, worsening already disrupted supply chains and throwing up new shortages in essential material from wheat to metals.

Energy prices were also on the march, as Western economies including Germany -- the eurozone's biggest -- scramble to wean themselves off Russian power.

Consumer prices soared at a rate of 7.5 per cent in the eurozone in April, an all-time high for the currency club and well above the bank's two-per cent target.

The renewed surge has already prompted a sharp response from many central banks.

The US Federal Reserve raised rates by an unusually large 50 basis points at the beginning of May, while the Bank of England sealed its fourth consecutive hike.



A woman buys spinach at a fruit and vegetable market in Berlin. Russia's invasion of Ukraine has further piled on the price pressure, and the European Central Bank now sees inflation reaching 5.1 per cent for the year.

PHOTO: AFP/FILE

## Biden says US recession not inevitable

AFP, Tokyo

A recession in the United States is not inevitable, President Joe Biden said Monday, while acknowledging the economic pain experienced by Americans as inflation soars.

Speaking in Tokyo, Biden replied "no" when asked if a US recession is inevitable.

"This is going to be a haul, this is going to take some time," Biden said.

The US economy has recovered strongly from its Covid-19 era shutdown, but the highest inflation in four decades and persistent problems in getting international supply chains flowing again are driving pessimism -- and Biden's sinking poll numbers.

Biden blamed inflation on fallout from Russia's invasion of Ukraine and other global problems and he defended US economic performance.

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