



Farmers at Shajapur of Bogura's Shahjahanpur upazila put up arches of bamboo sticks to cover seedbeds with plastic sheets in an attempt at maintaining climatic conditions conducive to effective germination. Farms here specialise in a variety of vegetables alongside seedlings, making annual sales of around Tk 3 crore, according to the Department of Agricultural Extension. The photo was taken last week.

PHOTO: MOSTAFA SHABUJ

Unilever takes significant stride towards carbon neutrality

STAR BUSINESS REPORT

Unilever Bangladesh has saved around 3.3 lakh megawatts per hour on energy consumption and reduced its carbon dioxide emission by nearly 70,000 tonnes in 10 years, which is equivalent to planting 30 lakh trees each year, the multinational company said in a report.

"As an important step to fulfilling the aim of becoming carbon neutral by 2030, the company is now adopting ground-breaking technology," it added. Zaved Akhtar, chief executive officer and managing director of Unilever Bangladesh, provided this information while unveiling the company's sustainability report for 2021, titled "Partnering Bangladesh".

The report was launched yesterday through an event at The Westin Dhaka, where Nurul Majid Mahmud Humayun, the minister for industries, and Robert Chatterton Dickson, British high commissioner in Bangladesh, were present.

The company reduced its energy consumption and carbon dioxide emissions at its Kalurghat Factory (KGF) by 23 per cent and 20 per cent

respectively.

"We are also planning to increase the factory's solar energy capacity from 105 to 890 kilowatt-peak (KWp), which is 8 times its current capacity," the report said, adding that this will ensure that more than 5 per cent of the total energy consumed by KGF is generated from solar power.

Unilever, one of the oldest and largest multinational companies operating in Bangladesh, also recovered energy from 1,006 tonnes of plastic since 2018, when the company started recovering energy from plastic waste produced by its manufacturing sites.

In 2021, in collaboration with its partners, Unilever launched two plastic collection initiatives in Narayanganj and Dhaka. Currently, they have established the technical capacity to ensure that 75 per cent of the plastics used to package their products are recyclable. The company aims to make it 100 per cent within 2022.

At the programme, Zaved Akhtar said that over the last five decades, Unilever has always been a forerunner in doing good for the country's people and

building a sustainable Bangladesh.

"The company has invested more than Tk 43 crore in order to cover the 10 different Sustainable Development Goal agendas, impacting millions through these sustainability initiatives," he said.

The three key focuses of Unilever Bangladesh are to improve the planet's health as well as the peoples' confidence and wellbeing while also contributing to a fairer, more socially inclusive world.

Akhtar went on to say that they use their brands to improve peoples' lives. For example, the company helped introduce about 80 per cent of the population to oral hygiene while also teaching more than 10 million school goers proper handwashing since the 1990s.

"We are now focusing on replicating these experiences for toilet hygiene, habit of safe water consumption and mental wellbeing as we identified these to be areas where there are barriers or taboos," he added.

Industries Minister Humayun said the government is proud of its partnership with Unilever and so, they wish for the company's overall success and expansion.

During its more than five-decade span of operations in Bangladesh, Unilever has been working with its partners to ensure social and environmental progress in the country as an ethical and responsible organisation.

"The company is working with about 1 million local entrepreneurs and as a result, it is making a huge contribution in creating employment," he added.

British High Commissioner Dickson said there is a deep systemic crisis that affects everyone known as climate change.

"And we desperately need to bend the curve towards the reduction in CO2 emissions. Of all the companies I've worked with, I think Unilever has the most sustained, and mainstream commitment to this crucial agenda," he added.

At the event, Unilever Bangladesh conveyed appreciation for its five partners: FRIENDSHIP, UNDP, Bhumijo, brac and PLAN International Bangladesh, which worked with the company to achieve its social commitments throughout 2021.

Provide low-income people with rations

Economists also call for macroeconomic stability

STAR BUSINESS REPORT

The government should focus on restoring macroeconomic stability and providing rations to people who are financially insolvent and in the lower-income tier in the upcoming national budget for fiscal year 2022-23, recommended economists yesterday.

Worldwide inflationary pressure affected price levels in Bangladesh in recent months and many people are passing tough times for this and require support, they said.

The economists were addressing a pre-budget discussion "Macroeconomic Uncertainties and Budget Priorities for Bangladesh" jointly organised by Policy Research Institute (PRI) and Ekattor Television at Amari Dhaka.

Inflationary pressure rose in the country due to the increase in prices in global markets soon after economic sanctions were imposed on Russia, said Binayak Sen, director general of the Bangladesh Institute of Development Studies.

The situation will hopefully not continue to prevail for long because European countries may not continue to accept high prices and interruption to gas supplies in the upcoming winter, he said.

Social safety nets should be widened and the government should ensure that it reaches the right people, says an expert

"Meanwhile, the poor and low-income people need rations of essentials goods," said Sen. "I hope the government has the fiscal space to introduce rations for at least during the high inflationary period."

Inflation shot up to 6.29 per cent in April, the highest in 18 months, according to the Bangladesh Bureau of Statistics (BBS). In March, overall inflation stood at 6.22 per cent.

On whether this inflation data is reliable, Sen said product prices were readily available and so the BBS should work on qualitative improvements so that no question arises. The BBS could work on calculating issue-specific inflation instead of average inflation, he added.

AB Mirza Azizul Islam, a former caretaker government adviser, said inflation rose in Bangladesh due to global market price hikes, so contractionary monetary policy or fiscal measures would not be the appropriate method for controlling it.

Zahid Hussain, a former lead economist at the World Bank's Dhaka office, lauded the central bank for allowing banks to determine dollar prices despite the associated risks.

Ahsan H Mansur, executive director of the PRI, recommended launching a realistic and balanced budget so that macroeconomic stability could be restored even if the growth of gross domestic product decreased.

Prof Mustafizur Rahman, distinguished fellow at the CPD, and Selim Raihan, executive director at Sanem, also spoke.

Appetite for poultry farming

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have already suspended operations and kept their sheds empty ever since Eid-ul-Fitr was celebrated in early May, he said.

On the other hand, Taher took the risk of keeping his business going.

He began rearing a flock of 2,000 birds couple of days ago by buying day-old chicks for about Tk 6 each.

"I am not sure what is going to happen next," he said, adding that his production cost would be Tk 140 per kilogramme at the current prices.

Md Rakibur Rahman, managing director of one of the leading breeders Nahar Agro, said farmers have to

spend Tk 130 to Tk 135 to produce one kilogramme of chicken meat because of the high cost of feed. A year ago, the cost of production was around Tk 100 per kilogramme.

Problems in the supply chain, lack of availability of grains in markets abroad and increased import costs for weakening of the Taka against US dollars has fuelled feed prices.

"As prices soar, risk of losses is keeping many farmers away from rearing," he added.

Md Moshir Rahman, president of the Bangladesh Poultry Industries Central Council (BPICC), said feed millers could buy each kilogram of maize for less

than Tk 20 at this time in the past.

The price of the grain, which account for 55 per cent of poultry feed, is now Tk 36.

"Many farmers are closing down as they are struggling to contain losses," said Rahman, also managing director of Paragon Group, one of the leading poultry producers.

As a result, the demand for day-old chicks has fallen, sending the prices to about Tk 10 each, he said, adding that chicks cost Tk 17-18 in May.

Breeders produce between 1.80 crore and 1.90 crore day-old chicks each week against the demand for 1.70 crore to 1.75 crore,

according to industry insiders.

On the other hand, the demand for chicken meat has not grown as many consumers are seeing their budgets curtailed by the high price of other essentials.

Sayed Sultan Ahmed, general manager of Kazi Farms, said farmers do not have control on the price of poultry feed and medicine. What they do have power over is their choice to continue farming.

"Now even though the prices of chicks are low, farmers are doubtful if they will be able to recover production costs due to higher input charges," Ahmed added.

Govt to reprioritise 1,800 projects

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However, among all the factors, social harmony is also a major aspect for maintaining a good economic growth, the minister said.

Mannan was speaking at a roundtable on the "current state of the macro economy - Bangladesh perspective" jointly organised by the Institute of Chartered Accountants of Bangladesh (ICAB) and Economic Reporters' Forum (ERF) at the ICAB office in Dhaka.

Although Bangladesh need not worry about the economy's current state, some important homework needs to be done for maintaining good macroeconomic stability, said Binayak Sen, director general of the Bangladesh Institute of Development Studies.

For instance, the four economic growth drivers - export, non-exporting manufacturing sectors, agriculture and remittance - have been performing well until now, he said.

Remittance inflow has only dropped a bit recently and it is expected to make a rebound soon, Sen said. "Of the four growth drivers, three have been performing strong," Sen said, adding that there was no reason to be worried about the economy in the short term.

The sudden rise of the import of food items and machinery with the recovery from the fallouts of the Covid-19 pandemic has put pressure on the US

dollar deposited with the central bank, he said.

Sen suggested that subsidies be continued in the agriculture and export sectors as those were considered the lifeline of the economy. He also suggested providing rations to the over 80 lakh workers employed in the organised sectors.

Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, said the economy has been undergoing unprecedented pressure.

The export of apparel items is still very much volume driven, as a result of which the profitability of exporters has been not increasing, he said.

For instance, the export growth of Bangladeshi garment items to the US increased by 46 per cent between July and March of the current fiscal year, said Rahman.

But the volume increased by 36 per cent while price by only 7 per cent whereas the price of cotton increased by 53 per cent in international markets over the last one year, he said.

Local garment exporters should have received at least 53 per cent of the price of cotton from the exports as Bangladesh is nearly wholly dependent on cotton imports and 75 per cent of the garments being shipped is made from cotton fibre, he said.

However, international retailers and brands are not paying accordingly and

passing low rates onto local suppliers, Rahman said.

He suggested signing comprehensive economic partnership agreements to retain duty privileges once the country makes the status graduation from a least developed to a developing country.

He also recommended bringing about diversification in the garment sector to grab a bigger market share of the global supply chain.

Ahsan H Mansur, executive director of Policy Research Institute, said the government should control its expenditure.

The exchange rate of the taka with the US dollar was fixed in the range of Tk 82 to Tk 84 per US dollar almost 10 years ago and the rates jumped to Tk 95 to Tk 96 because of the accumulation of pressure, he said.

The exchange rate has been adjusted to the market very reluctantly but it needs to be stabilised with proper monetary and fiscal policies, Mansur also said.

Mansur suggested increasing the price of liquefied natural gas (LNG) and allowing its import by the private sector for reducing subsidies.

He also suggested involving the private sector in railways to make it commercially viable.

M Masrur Reaz, chairman of the Policy Exchange of Bangladesh, suggested discarding unnecessary projects. The government

should focus on some specific issues, including on maintaining robust economic recovery from the fallouts of the Covid-19, fuel price, export led growth and fiscal measures, to insulate the economy from the current situation, he said.

Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry, said the Savar tannery estate should be made fully functional through modernisation as the leather and leather goods industries were becoming major export sectors.

M Abu Eusuf, executive director of research firm Research and Policy Integration for Development, said inequality in society was a growing concern and it was creating a mismatch between micro and macro economy.

Abul Kasem Khan, former president of the Dhaka Chamber of Commerce and Industry, said Bangladesh needs to improve on the ease of doing business here so that production costs can be reduced to attain more competitiveness.

Shahadat Hossain, the ICAB president, Sharmeen Rinviy, the ERF president, M Shafiqul Alam, the ERF vice-president, and SM Rashdul Islam, the ERF general secretary, also spoke.

Economists, researchers, businesspeople, exporters and importers participated in the discussion.

Japan may resume tourism discount

REUTERS, Tokyo

Japan's government is considering resuming a national travel discount campaign as soon as late this month to help the tourism industry recover from a Covid-19 slump, the Nikkei newspaper said on Saturday.

A revived "Go To Travel" campaign would likely serve as a core measure to stimulate consumer demand, the business daily reported, without citing sources. Japan is set to ease border controls to let foreign tourists in from July 10 as coronavirus infections ease.

Govt to miss inflation targets

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The exchange rate of the US dollar was hovering around Tk 86 before the Russian-Ukraine war. It rose to as high as Tk 95 per USD for importers in recent days.

The International Monetary Fund is also projecting that global inflation will remain elevated for much longer.

"The imported inflation will grow as importers have to spend more money to buy goods from the international markets," said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, at a discussion in Dhaka.

"When importers sell the imported goods in the

local markets, obviously they will sell at higher prices. This will send inflation higher."

A gradual weakening of the taka against the American greenback had been suggested over the last many years, but the central bank did not pay heed until recently.

"The situation has turned so bad that now allopathic medicine is not working. Surgical operations are needed to save the economy," Rahman said.

Bakht said the price of goods will go up in the local markets for the devaluation of the local currency. "Rice production might

maintain normalcy but the prices of wheat-based items like bread and biscuits will increase in the domestic markets."

Binayak Sen, director-general of the BIDS, says Bangladesh's higher inflation is largely owing to global inflation, which is sitting at its highest since 2008. He hopes that global inflation will not be at a higher level for a longer period.

"So, the poor and low-income people should be given support so that they can afford essential goods before prices go down," he said, adding that the government has the fiscal space to extend the support.