

## Oil price jumps

REUTERS, London

Oil prices extended gains on Monday, propped up by a weaker dollar and tight supplies that offset concerns about recession and the prospect of widespread Covid-19 lockdowns in China again reducing fuel demand.

Brent crude futures for September settlement rose \$2.44, or 2.4 per cent, to \$103.60 a barrel by 0900 GMT, having advanced by 2.1 per cent on Friday.

US West Texas Intermediate (WTI) crude futures for August delivery gained \$2.17, or 2.2 per cent, to \$99.76 after rising by 1.9 per cent in the previous session.

Both Brent and WTI last week registered their biggest weekly declines for about a month on fears of a recession that would hit oil demand. Mass Covid-testing exercises continue in parts of China this week, raising concerns over oil demand from the world's second-largest oil consumer.

However, oil supplies remain tight. As expected, READ MORE ON B2



Tea production is gradually expanding in Bangladesh year after year thanks to increasing domestic demand. However, the heightened local consumption leaves little for exports, which have steadily declined over the past decade. PHOTO: SHEIKH NASIR

# Tea production expands but exports decline

SUKANTA HALDER

Although tea production has expanded in Bangladesh over the past decade, outbound shipments of the once major export earner have dropped at the same time in the face of growing domestic demand, according to market players.

As consumption is growing in line with the country's expanding population and urbanisation, tea production has increased over the years to cater to local markets rather than those abroad, they said.

Besides, another reason is that local prices are comparatively better compared to that of the international market.

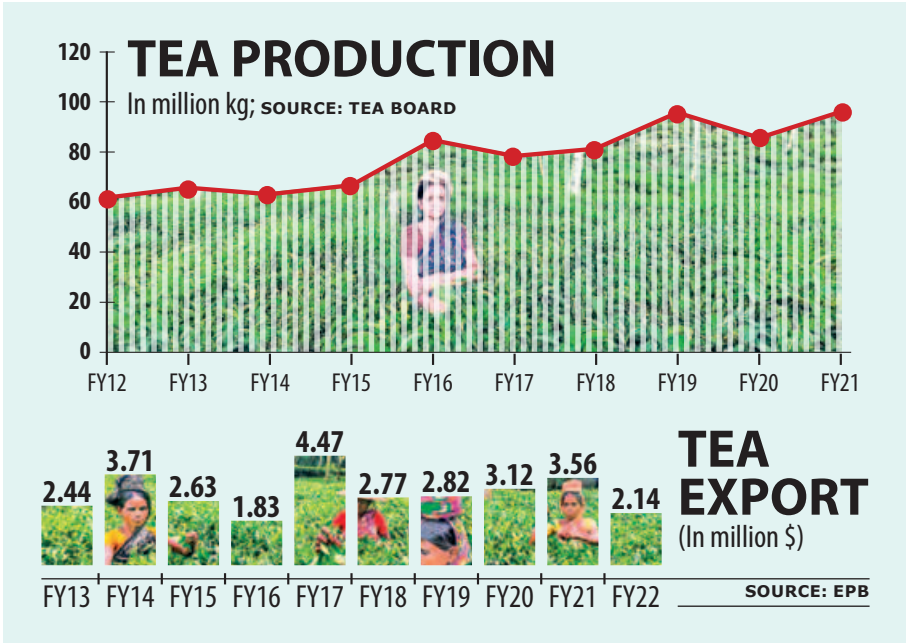
Omar Hannan, chairman of the Tea Traders Association of Bangladesh, said local consumption rises by 6-7 per cent every year and if domestic production cannot cope, then tea would have to be imported to make up for the dearth in supply.

"So, the export decline is not a demerit," he added.

Large amounts of tea go up for auction at the end of each harvesting season but nothing remains unsold, meaning that exports can only increase when there is surplus in production.

"Conversely, if there was a lot of tea left over after catering to local demand and it is not exported, then that would be a matter of concern," Hannan said.

According to the Bangladesh Tea Board (BTB), tea is currently exported from Bangladesh to 23 countries, including the US, UK, France, China, Japan, India and



Switzerland.

Nader Khan, founder of the Halda Valley Tea Company, said Bangladesh's economic growth has been quite good in the last decade and as a result, country's tea consumption has increased.

"Due to this, production increases every year but exports are not increasing," he said, adding that different blends are still imported to suit varying tastes.

Sources say that a little less than one million kilogrammes (kgs) of tea is

imported every year for various reasons, particularly rising consumption.

"Annual tea consumption may shoot up to 130 million kgs by 2025," said Munir Ahmad, deputy director for planning of the BTB.

BTB data shows that about 96.51 million kgs of tea was produced in 2021, up by some 54 per cent compared to 62.52 million kgs in 2012.

The country earned \$2.44 million from tea exports in fiscal 2012-13 and then \$4.47 million in fiscal 2016-17. However,

foreign currency earnings from the product dropped to \$2.14 million in the last fiscal year, according to the Export Promotion Bureau.

BTB sources say that Bangladesh was the world's fifth highest tea exporting country back in the 1990s, when international demand was high considering the good quality of local blends.

At that time, tea was at the top of the export list for Bangladesh.

An official of the Bangladesh Tea Research Institute said that in 1947, 18 million kgs of tea was produced in the erstwhile East Pakistan. Of the total amount, 15 million kgs were exported.

Then in the 1970s, tea production rose to about 31 million kgs per year, a large portion of which was still exported, and this trend continued until the 1990s, he added.

While speaking at the recent National Tea Day programme, Commerce Minister Tipu Munshi said that there is demand for Bangladesh's tea in the global market as the quality is good.

However, he added that it is not possible to export as much tea as expected.

In Bangladesh, 45 per cent of the tea produced is consumed at the household level while the rest at tea stalls, restaurants, and offices.

Tea is a part of social and professional life in the country, making it one of the most-consumed beverages and it is popular among low-income groups as well.

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## Implementing public interest projects

MAMUN RASHID

Like in any other developing country, all public interest projects in Bangladesh are supposed to be well thought out with their ultimate impacts reviewed. However, courtesy of the media, even the state investigation agencies, we mostly don't get to hear good things about projects being well-researched, the ultimate impact on the target market or group well-thought out, finance being well-managed or done with sincerity of purpose.

Most project plans are haphazardly initiated, project directors are not experienced and there is an absence of proper financial modelling leading to cost escalation. Effective project planning in public interest projects can play an important role to overcome these issues. An effective project plan not only boosts project performance but also ensures the efficient utilisation of the resources to save costs.

It's a common belief that we have an execution problem when it comes to projects. Very few public interest projects finish on time, and fewer still without their costs escalating to a significant level. This is perhaps the biggest hazard to tax-paying citizens who want to get their money's worth from the large pool of projects launched around the year. Project cost overruns are one of the common elements behind the failure of every four out of five projects. So, project cost management plays a very important role in managing and controlling the flow of cost for various resources in different tasks of the project. Proper project cost management can decrease expenses, improve operational efficiency, and ensure procurement effectiveness.

The lack of good governance in project implementation is undermining the efficiency of public infrastructure projects despite the huge money from the exchequer or development

**Project cost management plays a very important role in managing and controlling the flow of cost. Proper management can decrease expenses, improve operational efficiency, and ensure procurement effectiveness**

partners being invested. In order to ensure return on investment and the right levels of structure & accountability, effective project governance must be ensured. More importantly, project governance enables quicker data-backed decision making through data and enables effective monitoring.

Projects are often undertaken without any feasibility study, which is a fundamental requirement, thus necessitating a series of revisions at frequent intervals. This is, unfortunately, the story of many other projects as well, and it's surprising that those at the planning ministry still give clearance to those. The absence of a feasibility study is just as bad as the presence of a weak feasibility study, both of which are common. It's the first and perhaps most recurring factor in poorly planned undertakings. So, conducting a feasibility study before undertaking any big-ticket public interest project not only provides valuable information for a "go/no go" decision, but also identifies reasons why the project should not proceed and innovative solutions that would make the project feasible.

Other problems identified in the public interest projects include coordination failure, delays in land acquisition, frequent changes of project directors and unqualified project directors, etc. Ad-hoc decisions or mismanagement is the

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## ECB goes on offensive as inflation soars

AFP, Frankfurt

The European Central Bank will raise its interest rates on Thursday for the first time in over a decade, but the bank is already under pressure to do more amid record inflation.

The ECB has for months been preparing the end of the era of cheap money that supported the economy through a series of crises in recent years.

To try and counteract a steep rise in prices the central bank has said it intends to raise its interest rates by a quarter point, the first such move since 2011.

The ECB already stopped its bond-buying stimulus programme at the beginning of July, as it laid the groundwork for the rise. The lift-off in rates comes in response to an unprecedented surge in prices, driven higher by supply chain bottlenecks and the rising cost of energy following Russia's invasion of Ukraine.

Inflation in the eurozone sat at 8.6 per cent in June, the highest ever recorded for the currency club and well above the ECB's two-per cent target.

The Frankfurt-based institution continues playing catch up with its peers, like the US Federal Reserve, which started hiking earlier and more aggressively. The ECB deposit rate has been negative for the past eight years, with the key rate currently at minus 0.5 per cent.

The punitive interest rate, which effectively charges banks to park their money with the ECB overnight, was designed to encourage more lending, more economic activity and higher inflation rates.

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Travellers board a regional train to the northeastern German city of Stralsund at Berlin Central Station (Hauptbahnhof) in Berlin. Commuters began paying just nine euros a month for public transport as an inflation-relief measure in Europe's biggest economy. PHOTO: AFP/FILE

## Fashion retailer H&M to exit Russia

REUTERS, Stockholm

H&M, the world's second-biggest fashion retailer, said on Monday it had decided to wind down its business in Russia, joining a growing list of companies fully exiting the country and sending its shares down 1 per cent.

The company suspended its business in Russia in early March in the wake of Western sanctions against Moscow following its invasion of Ukraine. Russia was H&M's sixth biggest market and the company was increasing its store count there while reducing physical stores in many other markets.

"After careful consideration, we see it as impossible given the current situation to continue our business in Russia," Chief Executive Helena Helmersson said in a statement.

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