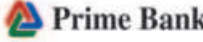




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GSP PLUS STATUS
Govt eyes
amendment
to labour law

REFAYET ULLAH MIRDHA

The government wants to amend the labour law as soon as possible to comply with European Union labour standards in a bid to obtain the GSP Plus status in the key export market, said the commerce secretary yesterday.

The government will also reform the labour rules prepared to apply the labour law in 2015, said Senior Commerce Secretary Tapan Kanti Ghosh after a meeting with the foreign, labour and law secretaries at the Padma Guest House in Dhaka.

The government plans to ensure conformity in labour laws for the workers of the factories located in and outside of export processing zones (EPZs).

The government has already set a target to eliminate more than one lakh hazardous child labourers from various

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KEY INFORMATION

Population rises by 20 lakh per year

Additional 3 lakh tonnes of rice needed annually

MODERN RICE ACREAGE

90% as of FY21

41% as in FY90

AVERAGE GROSS RICE AREA

FY16 to FY20: 1.13cr hectares

FY11 to FY15: 1.14cr hectares

Farmers are seen planting saplings on a paddy field in Gowainghat upazila of Sylhet. Although demand for rice is rising along with the country's growing population, cultivation is on the decline as farmlands are being increasingly used for other purposes.

PHOTO: SHEIKH NASIR



Romo Rouf
Chowdhury
elected
Bank Asia
chairman

STAR BUSINESS DESK

Romo Rouf Chowdhury has been elected chairman of Bank Asia Ltd in the 479th meeting of the Board of Directors of the bank on Thursday.

Before being elected as the chairman, he was one of the vice-chairmen of the bank.

Chowdhury is one of the sponsor shareholders as well as sponsor directors of the bank, said a press release.

He is a graduate in engineering from Durham University in the United Kingdom.

He has more than 30 years of experience as an industrialist. He is one of the successful young

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Rice production growth
slows despite rising demand

SOHEL PARVEZ

The rice production growth in Bangladesh is slowing as the room for a further expansion of modern high-yielding varieties (HYVs) has squeezed amid reducing cropped area and growing use of agricultural land for non-farm purposes.

Average gross rice cultivated area declined to 1.13 crore hectares in the five years to the fiscal year of 2019-20 from 1.14 crore hectares in the previous five years, data from the Bangladesh Bureau of Statistics (BBS) showed.

Rice production growth decelerated sharply from 0.37 per cent in 2010-11 to 2014-15 to 0.11 per cent in 2015-16 to 2019-20, according to Quazi Shahabuddin, a former director-general of the Bangladesh Institute of Development Studies.

The falling average rice production comes at a time when cultivable land is declining and nearly 20 lakh people are joining the existing population every year. The additional mouths will require an extra 3 lakh tonnes of rice annually.

The fertility of land and water availability is also falling and climate change is threatening farming.

The area under HYVs expanded significantly since Bangladesh's independence as they replaced the local varieties of the staple food.

The modern varieties, which were introduced as part of the Green Revolution, covered 15 per cent of the total area dedicated to producing rice in 1970, according to a book, Bangladesh Orthoinaitik Unnayaner Gatidhara published in March. Shahabuddin

is a co-author of the book.

The gross rice cultivated area under HYVs and hybrid grew to 90 per cent in 2020-21.

HYVs cover 90 per cent of the rice area during the Boro cultivation, the largest rice crop in Bangladesh, while the improved varieties account for 80 per cent of the total Aman rice, the rain-fed crop, the second largest.

But Shahabuddin thinks the scope for a faster increase in production is low given the

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current situation.

"The first phase of the Green Revolution is over. We need to increase productivity," he said.

According to Shahabuddin, the reduction in yield gap between farm level and ideal condition would increase rice output.

"Even if we can increase output by one tonne per hectare, the total production will go up by several million tonnes," he said.

However, overall per capita consumption will drop because of growing income and changing lifestyles. Still, the ongoing population growth will create demand for an additional amount of the grain.

In its "Rice Vision for Bangladesh: 2050 and Beyond", the Bangladesh Rice Research Institute (BRRI) said the country acquired a rice surplus of about 20 lakh tonnes in 2014-15.

The state-run organisation is, however, aware that maintaining the current surplus of rice in the coming decades would be a great challenge.

This is because Bangladesh's population would be around 21.15 crore in 2050 when more than 4 crore tonnes of clean rice will be needed to feed them.

The Bangladesh Agricultural Research Council (BARC), in a study, also projected demand of more than 4 crore tonnes of rice in 2050.

The country may face a 36 lakh tonnes of rice deficit by 2030, it said.

The BRRI's Rice Vision cited the hurdles such as decreasing resources and increasing climate vulnerability.

It proposed three major interventions -- accelerating genetic gain, minimising yield gap and curtailing adoption lag -- to break the barriers to achieving the target.

Major challenges to implementing the interventions include shrinking net cropped areas, scarcity of water for irrigation, and increasing pressure on soil fertility.

It suggests measures such as guaranteeing a minimum amount of the net cropped area, accelerating the rate of genetic gain in varietal development, and intensifying collaboration among the stakeholders in order to reduce the adoption lag of newly released promising varieties and achieve the Rice Vision.

The BRRI paper said the yield gap is 20.7

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Increase loans
for agriculture,
small firms

Experts say at BIBM
banking conference

STAR BUSINESS REPORT

Experts yesterday urged banks to increase loan disbursements for cottage, micro, small and medium enterprises and the agriculture sector as a majority of the lenders were currently showcasing a reluctance to do so.

Outstanding loans in the banking sector swelled 88 per cent as of June this year compared to what was about five-and-a-half years ago.

Meanwhile, credit growth for the small-scale firm and agriculture sectors was by only 17 per cent and 28 per cent respectively.

In such a situation, all stakeholders, including

Outstanding credit in the agriculture sector is less than 5 per cent of total loans. Policymakers should give attention to this issue such that bankers put in more efforts to enhance loan to this sector, says an expert

banks and non-bank financial institutions (NBFIs), should lay emphasis on the issue as these two sectors are the lifeline of the economy, they said.

They came up with these recommendations on the concluding day of a two-day 9th Annual Banking Conference 2022 organised by the Bangladesh Institute of Bank Management (BIBM) at its office in Dhaka.

Md Ali Hossain Prodhania, a former managing director of Bangladesh Krishi Bank, said loans for the small-scale firms accounted for not more than 15 per cent of the outstanding loans in the banking sector.

Moreover, outstanding credit in the agriculture sector is less than 5 per cent of the total loans disbursed, said Prodhania, a supernumerary professor of the BIBM.

"So, policymakers should give attention to this issue such that bankers put in more efforts to enhance their loan disbursements to these sectors," he added.

Mosleh Uddin Ahmed, managing director of the South Bangla Agriculture and Commerce Bank, said many lenders usually shy away from disbursing loans for the small-scale firms

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STOCKS

DSEX ▲

0.73%

6,401.80

CASPI ▲

0.96%

18,823.41

COMMODITIES

AS OF FRIDAY

Gold

\$1,738.1

(per ounce)

Oil ▼

\$93.01

(per barrel)

ASIAN MARKETS

FRIDAY CLOSINGS

MUMBAI

▲ 0.10%

58,833.87

TOKYO

▲ 0.57%

28,641.38

SINGAPORE

▲ 0.05%

3,249.53

SHANGHAI

▼ 0.31%

3,236.22

30pc of expected
skills unavailable
BIDS survey finds

STAR BUSINESS REPORT

Bangladesh's labour market overall lacks 30 per cent of skills expected by employers and the gap is increasing with technological advancements, according to a survey by the Bangladesh Institute of Development Studies (BIDS).

The lacking is higher for professionals and senior-level technical persons, suggesting that technologically sophisticated industries gradually need to hold trainings, it revealed.

Another finding of the study was that female workers are more proficient than their male counterparts in female dominant industries, such as garment manufacturing.

The BIDS was commissioned by the Skills for Employment Investment Program (SEIP), a project of the finance ministry, to conduct the labour market study on skills demand, supply and mismatch.

The BIDS produced research reports on 10 sectors involving 23 economists, 1,138 enterprises and 7,018 workers.

The lack of skills is intense for sectors such as information and communication technology and shipbuilding, said Kazi Iqbal, senior research fellow at the BIDS, while presenting the findings at Lakeshore Hotel in Dhaka yesterday.

It is moderate for agro-processing and garment manufacturing and low for construction, leather and light engineering, he said.

The study also found that in case of skills shortages, white collar jobs, such as that of managers and

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The lack of skills is intense in sectors such as shipbuilding and information and communication technology, while it is low in construction, leather and light engineering, a study found.

Forex clearing
moves to
RTGS from
Sept 4

STAR BUSINESS REPORT

Commercial banks in Bangladesh will have to perform their foreign currency clearing activities through the Real-Time Gross Settlement (RTGS) of the central bank from September 4.

The Bangladesh Bank issued a notice to this effect yesterday.

Currently, banks carry out the clearing of the foreign demand drafts (FDDs) issued in foreign currencies under the foreign currency clearing arrangement of the BB.

But from September 4, the clearing activities have to be conducted through the RTGS instead of FDD, said the BB.

According to the central bank, the whole foreign currency (FC) clearing and settlement process is still manual and paper-based which require the physical

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PHOTO: STAR