

## Area under surface water irrigation expanding

SOHEL PARVEZ

Irrigation by surface water is steadily expanding in different parts of the country while the use of groundwater is declining thanks to the government's move to re-excavate canals and build rubber dams.

The latest data shows that the area under surface water irrigation grew to 27.35 per cent of the total irrigated area of 56.54 lakh hectares in fiscal 2020-21.

Three years ago, the total area under surface water irrigation was 26.75 per cent, according to the Bangladesh Agricultural Development Corporation (BADC).

Data shows that the overall area under irrigation grew 2 per cent during this period and a major portion of the expanded area came from increased coverage of surface water irrigation.

As a result, the area under groundwater irrigation declined by nearly one percentage point to 72.65 per cent of

**The latest data shows that the area under surface water irrigation grew to 27.35 per cent of the total irrigated area of 56.54 lakh hectares in fiscal 2020-21**

the total irrigated area in fiscal 2020-21.

The expansion takes place at a time when farmers and people in some districts along the Barind tract in the north and parts of Mymensingh are facing difficulty in getting water from their shallow and hand tube wells for irrigation and household use during the dry season, owing to the depletion of water in aquifers.

"This is a positive development from all aspects. Cost of irrigation of farmers will reduce for use of surface water instead of groundwater," said Md Abdul Mojid, a professor of the department of irrigation and water management at the Bangladesh Agricultural University, Mymensingh.

Increased use of surface water for irrigation will also reduce pressure on groundwater and thus contribute to replenishing the aquifers, he said.

The government's push for expanding surface water-based irrigation systems for food production began nearly a decade ago in the face of

READ MORE ON B3



This rubber dam on the Atrai river ensures that farmers in six unions across Dinajpur sadar upazila and Chirirbandar upazila have enough water to irrigate their fields year-round. The use of surface water for irrigation is rising amid depleting underground reserves and higher extraction costs.

PHOTO: KONGKON KARMAKER

# Surface water for irrigation the best solution to drought

Farmers and experts say

KONGKON KARMAKER

The use of surface water has become the ultimate solution for irrigating croplands across the country as depleting underground reserves amid lesser rainfall and higher fuel costs have left farmers with little option.

The government increased the price of diesel to Tk 114 from Tk 80 on August 5, making it more expensive to use fuel-powered pumps for drawing water from underground sources.

Besides, frequent power cuts in rural areas are also preventing the sustained use of such agricultural machinery.

With this backdrop, an irrigation system that uses surface has proven to be the perfect solution.

According to farmers in different districts, including Dinajpur, Rangpur, Thakurgaon, Panchagarh, Nilphamari and Lalmonirhat, they were facing severe setbacks in irrigating their lands after a drought hit these regions in mid-July.

However, many of them in various areas were able to withstand the drought by using surface water for irrigation.

Through this irrigation system that distributes surface water over the soil using gravity, farmers from the Gangachara and Kaunia upazilas of Rangpur, Chirirbandar and Parbatipur upazilas of Dinajpur, and parts



of Nilphamari and Lalmonirhat, have been able to transform barren lands into arable fields.

There are around 84 lakh hectares of arable land in the country that produce paddy, wheat and other crops, as per data from the Department of Agricultural Extension (DAE).

The irrigation of around 75 per cent of the country's arable land is dependent on underground water sources while the remainder uses surface water for the same purpose, the data shows.

The Bangladesh Agriculture Development Corporation (BADC), Barind Multipurpose Development Authority (BMDA) and other public and private entities collectively irrigated around 55.87 lakhs hectares of land across the country in fiscal

2018-19. Of the total acreage, around 40.83 lakh hectares was irrigated with underground water while the rest was irrigated with surface water.

The government has taken various initiatives over the past 12 years in order to encourage the use of surface water for irrigation as experts noticed that large quantities of extracted groundwater are ultimately wasted.

It was found that about 2,500 litres of water are needed to produce a single kilogramme of rice but farmers used up to 3,500 litres and this waste ultimately increased the production cost.

"So, the government took steps to prevent water wastage in irrigation that are being

implemented across the country," said AHM Mizanur Rahman, executive engineer of the BADC office in Rangpur.

The BADC has installed 100 low lift pumps as well as 50 solar-powered pumps in various areas of the Rangpur and Nilphamari districts.

Each low lift pump can irrigate about 12 hectares of land while solar-powered pumps can irrigate six hectares.

"We provide support to thousands of farmers in Rangpur, Nilphamari and other areas, where the electricity supply is still inaccessible," Rahman said.

Farmers in the supported areas were previously dependent on groundwater for irrigation but now, they are fulfilling the same task using surface water.

"In addition, the amount of water wasted is less while crop productivity has increased," he added.

Other than Rangpur and Nilphamari, the Bangladesh Water Development Board (WBD) is implementing similar projects in Rajshahi and Dinajpur that have increased crop productivity in supported areas.

Farmers in these regions get water for irrigation through a 68-kilometre long canal that they have to pay about Tk 480 per acre to use.

Azahar Ali, a farmer of Gangachara upazila, said farmers

READ MORE ON B2

## How do we stabilise the USD-BDT market?

MAMUN RASHID

Let me start by thanking the central bank for its recent circular on the foreign currency cash holding limit. This should help us not to dollarise our economy and face the fate of Cambodia, where a lot of people have forgotten their local currency's name over the years.

A preliminary review validated that due to the recent volatility in the USD-BDT market and more so, due to a large difference between formal and informal market prices, many people were holding on to large sums of cash currency, particularly cash dollars.

It seems regulators and the foreign exchange dealing community both think that with further improvement in the foreign currency liquidity, the taka is likely to stabilise further against the American greenback. However, we should also be very cautious not to engage too many agencies to discipline this market, as they say, "too many cooks may spoil the broth". Bringing stability to a quasi-volatile foreign exchange market needs special expertise and diligent focus on supply-side economics.

We must always keep our exporters and remitters happy. The right level of foreign currency value is also very important to maintain export competitiveness. We should always tally with the value of the Indian or Pakistani rupees, the Vietnamese dong, or the Indonesian rupiah while trying to find the right level for the taka against the USD.

Talking of the exchange rate regime, I was trying to recall the Asian Currency Crisis of 1997-1998.

Malaysia took a very unorthodox measure of pegging the ringgit to the USD under its National Economic Recovery Plan to isolate its currency and stabilise the market. It is a measure that is

**A pegged-currency approach may drastically reduce the volatility in the short run but that may be detrimental in the long run**

defiant to philosophies of the free market and would put us at odds with International Monetary Fund requirements.

The other extreme is to fully allow free-floating without any interventions and allow market forces to determine the point of equilibrium. The Chinese-managed exchange rate is another model that allows the movement of rates in a range. There may not be a silver bullet but there must be a clearer and better direction.

A blended approach will most likely create market chaos which we do not need, but rather, we need to increase market confidence. A pegged-currency approach may drastically reduce the volatility in the short run but that may be detrimental in the long run.

When asked about the Indian rupee's depreciation a few years back, Raghuram Rajan, a former governor of the central bank of India, explained that it is best left to the market to determine the levels. The focus, rather, should be on building the forex reserves through higher exports, remittances, foreign direct investment, and foreign portfolio investment.

Rajan also stated that intervention will only breed more interventions.

In the case of Bangladesh, a free market or floating rate may have some short-term undesirable effects, but in the long run, such a system would most likely result in a more balanced outcome and increased stabilisation. That would certainly be preferable to the volatility we are facing right now.

The author is an economic analyst.

## Indonesia hikes fuel prices to rein in subsidies

REUTERS, Jakarta

Indonesia raised subsidised fuel prices by about 30 per cent on Saturday, as the government moves to rein in ballooning subsidies despite a risk of mass protests.

The price of subsidised gasoline was raised to 10,000 rupiah (\$67 US cents) a litre from 7,650 rupiah, while that of subsidised diesel rose to 6,800 rupiah a litre from 5,150 rupiah, energy minister Arifin Tasrif said.

"I actually wanted domestic fuel prices to remain affordable by providing subsidies, but the budget for subsidies has tripled and will continue to increase," President Joko Widodo told a news conference.

"Now the government has to make a decision in a difficult situation. This is the government's last option," said Jokowi, as the president is known.

Southeast Asia's largest economy had already jacked up its 2022 energy subsidies to 502 trillion rupiah (\$34 billion), triple the original budget, pushed by rising global prices of oil and a depreciating rupiah currency.

If prices were not raised, the budget would have ballooned to 698 trillion rupiah, said Finance Minister Sri Mulyani Indrawati.

She estimated total energy subsidies would range between 591 trillion and 649 trillion rupiah for this year following the price hike, assuming the average crude price stays between \$85 and \$100 a barrel the rest of the year.

High energy subsidies had restrained Indonesia's inflation, at 4.69 per cent in August, allowing the central bank to delay raising interest rates until last month, well

READ MORE ON B2



A woman buys fruit at a market in Mumbai, India. Domestic demand momentum improved in India in the April-June period, but slow recovery in pandemic-hit sectors suggests lower post-pandemic trend growth.

PHOTO: REUTERS/FILE

## India's GDP data signals lower trend growth

REUTERS, Mumbai

India's gross domestic product data indicated that while domestic demand improved in the June quarter, growth was much slower in the sectors hardest hit by the pandemic, signalling deeper scarring and lower trend growth, Nomura said on Friday.

Based on the GDP and high frequency data, domestic demand momentum did improve sequentially in the April-June period, but the slow recovery in the pandemic-hit sectors suggests lower post-pandemic trend growth, Sonal Varma, chief economist (India and Asia ex-Japan) at Nomura, said in a note.

"Despite reopening benefiting the contact intensive services sectors, the underwhelming

READ MORE ON B2