



Bangladesh is currently the world's ninth largest tea producer, accounting for around 2 per cent of the world's total production, according to Bangladesh Tea Association, a platform of tea garden owners. PHOTO: SHEIKH NASIR

Tea exports rise for high quality, retail packs

SUKANTA HALDER

The export of tea has slightly increased in recent times apparently for quality enhancements, focus on retail packs and production being higher than domestic consumption.

Manufacturers are expressing optimism, saying that if the amount of investment in gardens increases in the coming days, Bangladesh would be able to attain its export target.

But state-run Bangladesh Tea Board (BTB) has exorbitant expectations, saying the export target for 2025 was anywhere from 15 million kilogrammes (kgs) to 20 million kgs.

It is a far cry from trends in the past two decades or so.

The highest amount of tea exported in a year was 13.65 million kilogrammes (kgs), but it was way back in 2002, according to the BTB.

The annual export figure has since greatly fluctuated, reaching as low as 0.54 million kgs in both 2013 and 2015.

It hovered at around 0.6 million kgs in 2018 and 2019 before spiking to 2.17 million kgs in 2020 and then falling to

0.68 million kgs in 2021.

Till November this year, around 0.75 million kgs have been exported.

Exports depend on production which has mostly catered to domestic consumption.

The highest amount produced was 96.50 million kgs in 2021. Domestic consumption for that year is not available.

But it is available for 2019, when production stood at 96.07 million kgs, slightly higher than the domestic consumption of 95.20 million kgs.

The amount left after local demand is met is exported and the BTB is working to increase that figure, Ashrafur Islam, chairman of Bangladesh Tea Board, told The Daily Star recently.

Tea testing and quality control courses were introduced earlier this year, he said.

"For this reason, we are getting some tea of better quality than before. The auction price has also increased a bit. Some incentives are being given in case of export which was not there before," Islam added.

The quality of tea should be enhanced alongside production as only then can an upward trend in export can be maintained, said Shamim Khan, managing director of

the Halda Valley Food and Beverage.

Bangladesh has potential in future export and also some challenges, he said.

Many gardens lack proper management and investment, for which production is quite low compared to that in neighbouring countries, he added.

"...there are many other things that are being worked on. If we succeed there, it will be possible to produce one and a half times more tea than what is being produced in the current year," Khan added.

The Halda currently exports tea to four countries -- China, England, Kuwait and Oman -- and talks are ongoing over sending products to three new destinations.

Bangladeshi manufacturers say China, Sri Lanka, Kenya, Japan and India currently control the global tea market.

India, China and Sri Lanka are far ahead of Bangladesh in terms of pricing in the competitive market, exporting tea at a far lower price, they said.

The cost of production in Bangladesh is high due to various reasons and for this Bangladesh is still lagging far behind, they said.

Earlier Bangladesh used to export tea

in bulk packs of 20 kgs or 50 kgs, said a top official of a company associated with tea exports, on the condition of anonymity.

There was no drive on the consumer pack whereas in retail the focus is on the packs or bands, he said, adding that at present, exports were increasing due to focus on these aspects in some companies.

He went on to say that some companies have recently focused on tea exports and new markets were also being created.

These include Cyprus, Hong Kong, Solomon Islands, Mauritius, France, Greece and Lebanon. Tea is currently exported to 25 countries, according to the BTB.

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

Bangladesh is currently listed as the world's ninth largest tea producer, accounting for around 2 per cent of the world's total production, according to Bangladesh Tea Association, a platform of tea garden owners.

The 166 tea estates in the country cover almost 2,80,000 acres of land, it said.

ICSB honours 37 firms for better corporate governance

STAR BUSINESS REPORT

The Institute of Chartered Secretaries of Bangladesh (ICSB) has awarded 37 companies for their outstanding corporate governance practices as well as transparency and accountability in overall management.

The 9th ICSB National Award for Corporate Governance Excellence-2021 was held at the Pan Pacific Sonargaon hotel in Dhaka yesterday.

Salman Fazlur Rahman, the prime minister's adviser on private industry and investment, handed over trophies and certificates under 12 categories to the winning companies.

Eastern Bank Limited won the gold award in the general banking sector while Mercantile Bank secured silver and Brac Bank bronze. Meanwhile, Shahjalal Islami Bank Limited received the gold award in the Islamic banking category.

DBH Finance PLC scooped the top award in the non-bank financial institutions category while IDLC Finance bagged silver and Bangladesh Finance Limited got the bronze.

In the general insurance category, the gold medal went to Green Delta Insurance Company while it was Pragati Life Insurance Company Limited in the life insurance category.

Of the other gold winners, Beximco Pharmaceuticals took the top prize in the pharmaceuticals and chemical category while Paramount Textile PLC won it in the textile and garment company category.

Unilever Consumer Care won gold in the food and allied company category and Walton Hi Tech Industries got it in the engineering category.

In the manufacturing category, RAK Ceramics (Bangladesh) and Marico Bangladesh claimed top spot while United Power Generation and Distribution Company beat out the competition in the fuel and power company category.

Lastly, Eastern Housing Limited won the highest honour in the service company category.

STOCKS		WEEK-ON-WEEK
DSEX ▲	CASPI ▲	
0.47%	0.59%	
6,256.83	18,447.21	

COMMODITIES		AS OF FRIDAY
Gold ▲	Oil ▼	
\$1,793.13	\$74.51	
(per ounce)	(per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▼ 0.75%	▼ 1.87%	▼ 1.01%	▼ 0.02%	
61,337.81	27,527.12	3,240.81	3,167.86	



Ali Reza Iftakhar, managing director of Eastern Bank, received a gold medal, which the bank won in the banking category for corporate governance excellence at ICSB National Award 2021, from Salman F Rahman, private industry and investment adviser to the prime minister, at Pan Pacific Sonargaon Dhaka yesterday. PHOTO: EASTERN BANK

Fed may push rates higher, keep them there longer

REUTERS, New York/San Francisco

Federal Reserve policymakers may need to lift US borrowing costs above the peak 5.1 per cent they penciled in just this week and keep them there perhaps into 2024 to squeeze high inflation out of the economy, three of them signaled on Friday.

The hawkish messages, delivered in separate appearances by New York Fed President John Williams, San Francisco Fed President Mary Daly, and Cleveland Fed President Loretta Mester, underscore the US central bank's determination to do what it takes to ease price pressures that erode wages and strain household budgets, despite what analysts say could be a million or more jobs lost

in the process.

They also stand in stark contrast with expectations expressed in financial markets. Traders on Friday leaned into bets that the Fed policy rate will peak below 5 per cent and the Fed will start cutting rates in the second half of 2023 to cushion what the New York Fed's own internal model suggests will be an economic downturn.

New York Fed chief Williams said he's not expecting a recession but told Bloomberg TV "We're going to have to do what's necessary" to get inflation back to the Fed's 2 per cent target, adding that the peak rate "could be higher than what we've written down."

The Fed this year has raised rates from near zero in March to a range

of 4.25 per cent 4.5 per cent in the steepest round of rate hikes since the 1980s, the last time it battled fast-rising prices. Inflation by the Fed's preferred measure is currently running at 6 per cent, three times its 2 per cent target.

Earlier this week as policymakers delivered the latest rate hike, they also published projections that signaled nearly all of them see the need to lift rates still further, to at least a 5 per cent-5.25 per cent range, in coming months.

That view surprised investors who earlier in the week had been heartened by data showing a second straight month of cooling inflation that some took to suggest the Fed's round of rate hikes was near being done.

Default loan triples in 10 years: CPD

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"However, actual NPL will be much higher if loans in special mention accounts, loans with court injunctions, and rescheduled loans are included," she said.

According to the report appointments of bank directors based on political connections, loans sanctioned on political grounds, rescheduling of loans despite the poor record of repayment, and writing off loans to reduce the tax burden and clean balance sheets are among the reasons behind the high volume of the NPLs in the country.

"Besides, the weak internal control and compliance risk management of banks, lack of independence of the Bangladesh Bank, dual regulation by the Financial Institutions Division and the central bank, and flexibilities given to defaulters by the central bank are also responsible for the high volume of the NPLs," it said.

Best digital campaigns awarded

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technology and innovation, and develop industry guidelines to positively contribute to the digital media marketing industry facing challenges during this crisis period, he added.

Nazia Andaleeb Preema, director and creative editor of BBF, said the post-coronavirus reality has unveiled the true potentiality of a digital world.

"It's high time we cashed in all the opportunities the superior digital ecosystem offers us. But again, opportunities come with challenges and so, the professionals and experts have to lead," she added.

Minimum wage not enough to bear food cost

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The findings are revealed at a time when prices of a number of key commodities, namely rice, wheat flour and sugar, are being traded at record high prices as reflected in overall inflation, which remains elevated.

"Cost of essential commodities are going up hurting the low-income people," said CPD Executive Director Fahmida Khatun presenting a paper at a dialogue on the current economic crisis and ways out at BRAC Centre Inn.

Prices of rice, edible oil and sugar are above international prices as the market is not functioning properly, said the CPD.

"In the recent period, prices of a number of commodities have declined globally. We don't see its reflection in the local market," said Fahmida.

The think tank suggested that the National Board of Revenue consider withdrawing advance income tax (AIT), advance tax (AT) and regulatory duty (RD) on imported essential food items.

This will enable fixed and low-income people to buy food at lower prices, it said.

"The role of Bangladesh Competition Commission needs to be strengthened, particularly in the case of the essential consumer goods market," said the CPD.

The commission should develop a database and regularly monitor the dominant market players' operations to curb scopes of manipulation and skyrocketing of prices, it said.

The competition authority should adopt a strong stance against cartels and a zero-tolerance policy towards collusive practices, it said.

It suggested reviewing the competition to directly address monopolies and include specific anti-trust clauses along with concrete

penalties for violators.

The CPD recommended that the private sector consider salary increments during times of high inflation so that workers do not have to compromise on their living standards.

"The volume of sale of essential commodities through the open market system should be increased," said Fahmida.

She also stressed on the effective distribution of the subsidised commodities without any corruption so that eligible people have access to those items at low prices.

"The government should provide direct cash support to the poor, enhance social protection for low-income families, and extend stimulus to the small businesses for their survival during difficult times," said Fahmida.

Ctg port's container traffic may drop

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materials by these factories also went down," said Nasir Uddin Chowdhury, a former first vice-president of the Bangladesh Garments Manufacturers and Exporters Association.

Port users think that the port's position may slip in the global ranking of the busiest container ports due to the reduction in container throughput.

The port experienced a negative growth in container handling in 2020 because of the slide in container traffic mainly for global supply chain disruption amidst the coronavirus pandemic. It rebounded last year, clocking the highest growth.