

Adani's adversity raises the stakes for India and investors

REUTERS, Singapore

As Indian tycoon Gautam Adani's woes deepen and force him to drop a share sale, foreign investors and Indian regulators are abandoning any pretence that the conglomerate's troubles are contained, and domestic markets will be spared contagion.

Foreign investors, many of them already underweight what they consider an overpriced stock market, are reducing exposure.

India's central bank and stock market regulator have sprung into action more than week after US shortseller Hindenburg Research's report on the Adani Group spurred a rout in its shares, saying they were looking into irregularities and local bank exposures.

Adani's wipeout has the potential to broaden if it drives a bigger mood shift, said Sat Duhra, who manages a \$1 billion Asian dividend income fund at Janus Henderson Investors.

"The Indian stock market indices are driven in large part by a small group of companies and any change in sentiment and flows will have a disproportionate impact on indices as more liquid names are sold first," he said.



Gautam Adani

"We own less than 2 per cent in Indian equities and would need to see a serious correction before we considered adding, especially in light of the recent issues."

Since the January 24 Hindenburg report which alleged improper use by the Adani Group of offshore tax havens and stock manipulation and also raised concerns about high debt, the market capitalisation of seven listed Adani Group companies has fallen by half or nearly \$100 billion. Its dollar bonds have tumbled.

To be sure, analysts say, the shock to the system comes because of Adani's heft and influence, rather than exposure. His conglomerate spans ports, coal mines, food businesses, airports and lately media, and before the rout its seven companies had accounted for more than 6 per cent of the National Stock Exchange market value.

While the Adani Group has total gross debt of 2.2 trillion rupees (\$26.86 billion), top banks have said their credit exposures to the group are small. Shares of the firm are closely held; mutual funds have low exposure too.

"Everybody's keeping a very close eye on those debts," said Pankaj Pathak, a fund manager at Quantum Asset Management in Mumbai. "But on the domestic debt side, we hardly see any impact on the broader corporate bond market because of what is happening in Adani," he said, pointing to the limited ownership of those bonds.

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Different products made by women are seen on display at a 10-day fair that ended on January 31 in Pabna town. Having started their businesses to make ends meet, many of these women entrepreneurs have achieved great success. PHOTO: AHMED HUMAYUN KABIR TOPU

Women entrepreneurs pushing forward economic growth in Pabna

AHMED HUMAYUN KABIR TOPU, Pabna

Keya Islam, who lives in Radhanagar village under Pabna sadar upazila, had started her hand embroidery business about a decade ago in order to help provide for her family.

Now, hundreds of people in the area are engaged in making clothes for her brand, called "Sara Butik and Fashion", either from their own homes or Islam's household factory.

Islam currently sells her products, which include Karchupi apparels, bed cushions and covers, through the two retail outlets she owns in Pabna town, earning her up to Tk 60,000 each month.

"I was trained in hand embroidery, so I started working in between chores at home to assist my family," Islam said.

"Within a few years, I had to expand operations by engaging more women due to the increasing demand for such clothes," she added.

Like her, numerous entrepreneurs have set up small-scale commercial operations in Pabna, playing a vital role in the district's gradual economic growth.

Nazira Parvin, founder of Nazirpur Mohila Unnayan Shangshtha, runs separate outlets for handicraft products made of bamboo, cane and wood that are produced at the



household level in Nazirpur village.

Local women trained in making various household products from these items, such clothes and a traditional device used for breaking paddy called dheki, supply the business with its wares.

"We supply the necessary elements to manufacture these products at home, earning them between Tk 300 to Tk 400 per day," she said.

Around 200 women in the village are now helping to bring solvency to their families by engaging in this work, which is also playing a vital role in the region's socioeconomic activities, Parvin added.

Other than manufacturing products like Islam and Parvin, many women in the district are earning well from other professions as well.

"I love cakes and pastries, so I learned how to make them on my own," Kundu said.

She initially made baked goods only for her near and dear ones but as word spread, she started getting orders from different corners.

"Now this is my household business," she added.

There are more than 20,000 small entrepreneurs in the district, a large portion of which are household based, that are playing vital role in economic development, according to Md Rafikul Islam, manager of the Bangladesh Small and Cottage Industries Corporation (BSCIC) office in Pabna.

However, these small entrepreneurs still face multifaceted challenges, such as poor access to finance and marketing.

But with the gradual success of their commercial activities, the BSCIC has come forward to gear up small entrepreneurs.

Besides, the organisation also organises fairs for displaying their products.

"We have already disbursed Tk 400 core as loans among 1,500 entrepreneurs in the last few years," said Rafikul, adding that the BSCIC gives training to those who have an interest to become an entrepreneur.

However, he went on to say that they are often unable to reach many potential entrepreneurs due to the lack of proper surveys.

How to build a Smart Bangladesh

MAHTAB UDDIN AHMED

Once upon a time, there was a man who always bragged about his smartness. One day he came across an old man from his village and boasted, "I am the smartest man in the world. Nobody can match my intelligence."

The old man said, "Really? Prove it by answering this question. What is the heaviest thing in the world?"

The man readily replied, "Gold."

The old man smiled and said, "Wrong. The heaviest thing in the world is ignorance. It weighs down the mind and holds back progress. Smartness, on the other hand, is as light as a feather and lifts us to heights."

The man was humbled and from that day on, he focused more on becoming wise and humble.

We are all smitten by the idea of building a smart Bangladesh. But in order to do so, we need to understand the deeper meaning of the whole concept. Top of Form

The vision of building a smart country by 2041 involves implementing smart technologies to improve various aspects, such as economic growth, education, healthcare, and governance. The first step is to develop a national strategy, a comprehensive strategy facilitating the use of technologies to improve the country at the micro-level. The strategy should consider the country's strengths, weaknesses, and growth opportunities.

Second, a widescale investment in infrastructure is essential to build a smart nation. Robust and reliable infrastructure includes high-speed internet and mobile networks, delivering optic fibre to each household, among others. Governments should invest in these infrastructure elements.

Encouraging innovation and entrepreneurship can help drive technological advancement. The state can provide funding and support for start-ups and research and development efforts, as it has done by forming Startup Bangladesh Ltd. It is also vital to promote digital literacy so that people are comfortable using technologies.

Digital literacy may be promoted through education programmes and training, in addition to creating infrastructures like hi-tech, software parks and upazila-level fibre connectivity.

Building a smart country requires collaboration between the government, private sector, and other stakeholders. The state should foster partnerships with stakeholders to ensure that their collective effort towards a digital transformation is aligned and effective. Mass-level efforts are required to encourage the entire population to adopt digital technologies in their daily lives.

An important component of a smart country is cybersecurity. As technology becomes more integrated into society, it is key to ensure that the country is protected from cyber threats. Very strong cybersecurity measures are essential to protect every citizen's data and privacy.

Half of the world's population lives in the cities and Bangladesh is catching up fast in this trend with its urban population making up 39.7 per cent of the total population. In its efforts to be smart, Bangladesh is using advanced technologies to address the issue of climate change by using less energy and improving air and noise pollution, traffic congestion, waste management, utility supply and many more.

So far our journey towards being a smart country has been commendable. Smart technology is definitely the means to reaching our Vision 2041. In other words, harnessing ICT, the Internet of Things, Artificial Intelligence and Blockchain to get insights into data and develop smart applications like smart agriculture, smart homes and smart supply-chain is the way to reach our goal. These smart applications will undoubtedly make people's life easy, efficient and comfortable. Despite the challenges, I believe a Smart Bangladesh is imminent.

The author is a telecom and management expert

Govt won't raise fertiliser prices

Razzaque says

STAR BUSINESS REPORT

The prices of fertiliser, seeds and other agricultural inputs will not be raised further to ensure continuous production and sustainable security of food, Agriculture Minister Muhammad Abdur Razzaque said yesterday.

The government's policy is to increase food production at any cost and make food security sustainable, he said.

Therefore, the government will not increase the prices of agricultural inputs no matter how tough it becomes amid global recession, he said.

The minister was addressing the opening ceremony of the "International conference on food and nutrition security to achieve the sustainable development goals (SDGs) in Saarc countries", held at the Brac CDM Auditorium at Savar in Dhaka.

Agriculture will continue getting subsidies no matter whatever policies are adopted in future, Razzaque said.

Bangladesh Agricultural Extension Network (BAEN) and Participatory Rural Development Initiatives Society (PRDIS) of India organised the conference.

Aman paddy yield was bumper this season, the minister said. "A record amount of food is in stock. I can guarantee that there will be no famine in the country, insha'Allah."

Razzaque said the developed varieties and technologies of various crops are very slowly expanding or reaching the farmers. "Our scientists have recently developed several improved high-yielding varieties of many crops, including rice, and mustard. Among them are salt-tolerant varieties. But these are reaching the farmers very late in the field."

The officials of the Department of Agricultural Extension will have to find out the reasons behind it, he said.



In order to increase food production and make food security sustainable, the prices of fertiliser, seeds and other agricultural inputs will not be raised further, the agriculture minister said.

PHOTO: STAR

Sanem economists' conference begins tomorrow

STAR BUSINESS REPORT

The South Asian Network on Economic Modeling (Sanem) is going to organise a two-day Annual Economists' Conference 2023 titled "Building Resilience to Shocks: Priorities, Challenges and Prospects" at Brac Centre in Dhaka from tomorrow.

The programme was announced by Selim Raihan, executive director of the Dhaka-based non-profit research organisation, at a virtual press conference yesterday.

There will be 23 sessions where participants will focus a variety of issues, he said.

These include health, education, poverty, inequality, environment, labour market, gender, trade, structural transformation, READ MORE ON B3