

8th Agrow Award finale in March

STAR BUSINESS DESK

Standard Chartered and Channel i will host the finale of the eighth edition of "Standard Chartered - Channel i Agrow Award" in coming March.

Launched in 2014, the award recognises and celebrates trailblazers shaping the nation's agricultural sector.

The latest edition was launched in August 2022 and has drawn 493 pitches which have been evaluated by a research agency for a shortlist, said a press release.

The shortlisted entries were then appraised by a jury board comprising local and international specialists, academics and industry leaders.

Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh, and Bitopi Das Chowdhury, head of corporate affairs, brand and marketing, were also present.



Bangladesh produces 49.30 lakh tonnes of spices a year against an annual demand of 58.50 lakh tonnes.

PHOTO: STAR/FILE

15% spice demand met thru imports

Says an official of Spice Research Centre

SUKANTA HALDER

Bangladesh has to rely on imports to meet about 15 per cent of the demand of the spice market, which highlighted the foreign currencies the country has to spend to bring in the items as well as the potential for local production.

The country produces 49.30 lakh tonnes of spices against an annual demand of 58.50 lakh tonnes, said Shailendra Nath Mozumder, principal scientific officer of state-run Spice Research Center in Bogura.

The remaining 9.20 tonnes of spices are imported, meaning a lot of foreign currencies have to be spent to meet the entire demand.

"This also shows the potential for increasing the production of spices locally," Mozumder told The Daily Star yesterday.

He said about 50 types of spices are used in Bangladesh in food preparation. Of them, 30 are grown locally.

It is possible to reduce the shortage of spices by widening cultivation of high-yield varieties and using 156 modern technologies developed by Spice Research Centre and the Bangladesh Agricultural Research Institute, says an official

The principal scientific officer made a presentation on the spice sector during a workshop as part of the "Improved varieties of spices and technology expansion project" at the Department of Agricultural Extension in the capital yesterday.

He said it is possible to reduce the shortage of spices by widening the cultivation of 51 high-yield varieties and using 156 modern technologies developed by the Spice Research Centre and the Bangladesh Agricultural Research Institute.

Mozumder, also the director of the project, said the production of spice crops should be expanded along with cereal, vegetables and fruits in order to reduce import dependence.

During the workshop, Wahida Akter, secretary of the agriculture ministry, said through the implementation of the project, the production of spices in the area under the project would be raised by 5 per cent and the rate of import of spices would decrease.

"High-quality varieties of spices have been developed in the research institutes of Bangladesh. We will have to try to meet our demand by widening the production of the crops domestically."

She said farmers would grow spice crops only if they benefit from it.

In Bangladesh, the acreage under spice cultivation rose 1.7 times between 2000 and 2021, according to the presentation of Mozumder. The yield surged 5.4 times and the production rocketed 9.1 times in the two decades.

Bangladesh slips in digital readiness indicator

Shows the Agility Emerging Markets Logistics Index 2023

AKANDA MUHAMMAD JAHID

At a time when the government unveiled its plan to transform the country into "Smart Bangladesh" from "Digital Bangladesh", it actually fell one notch in terms of digital readiness, a key indicator of the Agility Emerging Markets Logistics Index 2023.

The country ranked 35th out of 50 countries in the digital readiness indicator, scoring 4.63 out of 10, according to the 14th edition of the index unveiled by Agility, a Kuwait-based global logistics company, on Tuesday.

Bangladesh's overall position, however, improved four notches to 35th among the 50 most promising emerging logistics markets in the world. The overall score rose to 4.53 in 2022 from 4.38 a year ago.

The country lagged behind South Asian neighbours India, Pakistan and Sri

Lanka, however.

M Masrur Reaz, founder and chairman of the Policy Exchange Bangladesh, a think-tank, says what usually happens in such a global index is that any country can move up without making any improvement if others slip.

"I think there was no improvement in the overall logistics sector in the last one year in Bangladesh."

The Index examines four key areas for logistics market development: domestic logistics opportunities, international logistics opportunities, business fundamentals, and digital readiness.

In terms of domestic logistics opportunities, Bangladesh ranked 17th, up four notches, while in international logistics opportunities, it stood at 33rd, moving up eight places. The country's position was unchanged at 44th in the business fundamentals indicator.

The digital readiness indicator measures the potential and progress of an emerging market in becoming a digitally-enabled, skills-rich, innovation-oriented and sustainable economy in the future.

Although Bangladesh made progress in two indicators, it slipped in the digital readiness segment although the government plans to transform the country into a "Smart Bangladesh" by 2041.

"Digitalisation has not yet happened in Bangladesh's logistics sector, especially in trade facilitation or port-led logistics system," said Reaz, a former economist of the International Finance Corporation.

He admitted that there has been advancement in Digital Bangladesh in other areas.

The National Board of Revenue plans to launch a national single window but it is not operational yet and its implementation is very slow, he said.

On top of that, Bangladesh does not have any system of transport or freight forward link with ports, which is called "Port Community System" globally, Reaz pointed out.

"Besides, the way a company, importer or exporter interacts with a transport company, and a transport company interacts with its ecosystem is almost entirely manual. So, regulatory facilitation or market linkage has not been digitalised in the logistics sector."

Agility introduced the digital readiness indicator in 2022 to assess how equipped a country is to face the challenges of a digital yet more sustainable future.

India, which was second-placed in the overall ranking, secured the first position in terms of digital readiness. Sri Lanka and Pakistan were placed 23rd and 26th, respectively, in the indicator and ranked 30th and 26th in the overall list.

70% listed firms incur

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of most products has rocketed in Bangladesh like in most countries amid supply disruptions and the higher cost of production, Hasan said.

Inflation has remained at an elevated level since the conflict began.

In August, the Consumer Price Index rocketed to a 10-year high of 9.52 per cent, according to the Bangladesh Bureau of Statistics. It declined to 8.71 per cent in December, still higher compared to historical trends.

According to Hasan, the prices of raw materials have gone up in two ways: first, in the sourcing countries owing to supply bottlenecks and higher freight costs, and second, in Bangladesh because of the fall in the value of the local currency against the US dollar.

"Most companies are dependent on other countries for raw materials. As a result, their expenses surged. Although the operating cost of the listed companies rose for the higher cost of production, they could not pass the burden onto end-consumers entirely."

Europe is the major market for most of the export-oriented listed companies. Since the continent is struggling for higher energy prices driven by the disruption caused

by the war and is going through an economic slowdown, the shipment of the companies has fallen.

The profit decreased due to an increase in costs pushed higher by the currency depreciation and higher prices of energy, imported raw materials and financing costs, said Kamrul Islam, executive director for finance and business development at GPH Ispat Ltd.

The freight cost rose for the imported goods while the transportation costs climbed locally for the hike in petroleum prices, he added.

The steel manufacturer incurred a loss of Tk 84.79 crore in July-December of the current financial year, way down from a profit of Tk 94.93 crore in the identical half of the previous financial year.

Still, some companies logged double-digit growth in terms of profits. They include Marico Bangladesh, Berger Paints, Square Pharmaceuticals, and Bangladesh Submarine Cables Company Ltd.

"Under the current circumstances, some companies were able to continue business in a sustainable way while others faced the pinch of the crisis," said Ali Imam, CEO of Edge Asset Management.

"If a company is competitive and has a

favourable cost structure and healthy balance sheet, it will come out even stronger. Good governance and efficient management are helpful to attract more market share during tough times."

According to Imam, if the supply of raw materials is import-dependent, companies will be impacted by foreign exchange volatility.

"Similarly, if listed companies' balance sheet is debt-dependent, they will be impacted by the higher interest rates and their earnings will be hit."

A broker says the profits of most of the mutual funds fell in July-December due to the ailing stock market.

The DSEX, the benchmark index of the Dhaka Stock Exchange, dropped 4 per cent to 6,195 during the period, data from the premier bourse of the country showed.

Of the 64 companies that posted profits, around 40 per cent were small capital-based firms, the broker pointed out. "Their financial reports don't match economic trends most of the time. If they report earnings properly, their performance will be found to be weaker."

"This means the companies with weaker performance would be much higher than the financial statements depicted."

BB moves to boost QR code-based transactions

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Banks, mobile financial service (MFS) providers, payment service providers (PSPs), and payment system operators (PSOs) will be allowed to set transaction limits for individual clients based on their transaction profiles, according to a BB notice.

A Bangladesh Bank official said the central bank introduced its QR code styled "Bangla QR" two years ago, but the majority of banks, MFS providers, PSPs and PSOs have not shown interest in embracing the platform.

Rather, they are using their own proprietary QR codes, which is why the central bank is facing difficulties in bringing digital transactions under a common platform, he said.

So, the central bank has made the replacement mandatory for all banks and other related financial institutions.

Under the system, clients of all banks and related financial institutions will be able to conduct transactions with Bangla



QR codes anywhere, such as grocery stores and street shops.

The central bank's initiative came at a time when a growing segment of the population has started preferring conducting transactions digitally because of the convenience it offers.

The BB official said the

central bank plans to install QR code booths across the capital on a massive scale in the quickest possible time before moving to divisional cities with a view to helping small businesses accept digital payments.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said the central

bank's initiative was a time-befitting one as it would give a boost to digital transactions.

The QR code-based payments will quickly gain popularity in remote areas as the central bank in November 2020 relaxed the rules pertaining to the opening of personal retail accounts by micro

and underprivileged businesses. Clients will also be encouraged to use the QR code as well, said the official.

Clients already can pay bills by scanning a QR code using their smartphones at major outlets if there is an agreement between the outlet and the entity that holds the customer account.

Govt launches

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Bangladesh is currently listed as the world's ninth largest tea producer, accounting for around 2 per cent of global production.

Local brands dominate the domestic market with a 75 per cent share while non-branded producers make up the rest.

However, domestic tea production decreased by nearly 3 per cent year-on-year in 2022.

Last year, some 94 million kilogrammes of tea were produced, according to the BTB.

The government has set a target to increase tea production by about 46 per cent to 140 million kilogrammes by 2025 in order to meet the growing demand for the beverage.

Ispahani Tea Limited is one of the largest tea trading companies in Bangladesh, capturing about 50 per cent of the market for loose

tea leaves and 80 per cent for tea bags, according to its website.

Shah Moinuddin Hasan, general manager of Ispahani Tea, said the issue of this award had been discussed whenever tea day came around for the past few years.

"Finally, the matter was published in the form of a gazette," he added.

Hasan then said the award will have a positive impact on the industry.

Potato acreage

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1.01 crore tonnes of the vegetable in fiscal year 2021-22, up 2.6 per cent from the previous year.

Apart from use for seed, most of the tuber is consumed locally as annual export is below 100,000 tonnes, according to official data.

On the other hand, Md Monirul Islam, chief scientific officer of the Tuber Crops Research Centre under the Bangladesh Agricultural Research Institute, said production would not be affected this year.

"Crop condition is good in the field. Besides, we have not seen any natural calamity this

cultivation season. As far as we know, there is no disease attack this year either," he added.

Md Mostafizur Rahman, member director for seed and horticulture of the Bangladesh Agricultural Development Corporation (BADC), echoed the same.

"Farmers have planted some high yielding and exportable varieties of potato this year. So, production is unlikely to fall," he said.

The BADC sold 37,000 tonnes of seed potato for this cultivation season. Of that amount, it had to sell 17,000 tonnes at reduced prices amid slack demand among farmers.

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Memo No: RNPL/1320/2023/0175 Date: 08 February, 2023

2nd Notice for Time Extension

Memo No.: RNPL/1320/2022/0793 Notice for Time Extension for Submission of proposal for Procurement of coal from Indonesia and/or Australia for Patuakhali 1320 (2x660) MW Coal Fired Thermal Power Plant

The aforementioned 1st Notice for Time Extension was issued on 28 December, 2022 vide memo No. RNPL/1320/2022/0793, where the last date for submission of proposal was mentioned 13 February, 2023; 12:00 PM (BST). The company hereby, issuing another Fifteen (15) days' time extension as per approval of the competent authority. Therefore, the deadline for submission of proposal and relevant issues hereby rescheduled as follow:

Description	Date	Time (BST)
Last Date and Time for Selling Request for Proposal	27 February, 2023	5.00 PM
Last Date and Time for Submission of Proposal	28 February, 2023	12.00 PM

This 2nd notice for time extension will be considered as part and parcel of the RFP document.
All other terms and conditions of the RFP document and Amendment No. 1 to RFP and the clarification to the queries from bidder shall remain unchanged.

(Kazi Mohammad Tanvir)
Company Secretary
RPCL-NORINCO Intl. Power Limited