

IFC provides \$50m to Prime Bank

STAR BUSINESS REPORT

The International Finance Corporation (IFC) is providing \$50 million to Prime Bank Limited to support export and import-based businesses in Bangladesh with a view to helping them cope with global uncertainties brought on by the Covid-19 pandemic.

The funding will support working capital, trade finance, and foreign exchange liquidity needs of export and import-based entities borrowing through the private commercial lender's offshore banking unit, said the IFC in a statement yesterday.

The financing package is part of IFC's 'Fast Track Covid-19 Facility,' a package designed to support countries and the private sector to cope with the impacts of the pandemic under the working capital solutions programme.

The funding package is designed specifically to help ensure businesses in Bangladesh can continue to trade and have access to working capital, helping them maintain operations and preserve jobs.

IFC's engagement with Prime Bank will also be supported by the International Development Association's private sector window blended finance facility, according to the statement.

"IFC's support reflects the resilience of Bangladesh's economy and confidence in Prime Bank. This fresh funding of \$50 million targeted for SME clients will help us grow our SME portfolio," said Prime Bank Managing Director Hassan O Rashid.

"It is clear the impacts of Covid-19 are still being felt by a number of businesses in Bangladesh's key industries, effectively constraining their operating ability," said Allen Forlemu, regional industry director for the financial institutions group at the IFC.

The funding package is designed specifically to help ensure businesses in Bangladesh can continue to trade and have access to working capital, helping them maintain operations and preserve jobs.

"Small and medium-sized businesses, which are the backbone of the country, and have been particularly impacted by the pandemic, are expected to benefit the most from this IFC funding," Forlemu said in the press release.



The field seen here may seem ordinary at first, but it is one of the few places where relay cropping is being used to grow wheat alongside Aman paddy. Through this method, the cereal grain is being cultivated even during the dry season, when soil salinity reaches its peak.

PHOTO: SOHRAB HOSSAIN

RELAY CROPPING AND SALT TOLERANT VARIETIES

Wheat cultivation prospect in south brightens

SOHRAB HOSSAIN, Patuakhali

Farmers in Patuakhali have successfully cultivated wheat through a method known as relay cropping, raising hopes that lands left fallow during the dry season can now be used for growing the cereal grain.

Relay cropping is the process of planting a second crop on the same land where a standing crop is close to harvest.

Being a coastal district in southern Bangladesh, the saline-prone land in Patuakhali becomes unsuitable for growing wheat in absence of adequate rain.

So, relay cropping allows farmers to plant wheat alongside standing crops, such as Aman paddy, when soil salinity levels are still tolerable.

Apart from ensuring better earnings for farmers, cultivating wheat during the off season will help reduce imports of the cereal grain.

Bangladesh produces around 11 lakh tonnes of wheat against an annual requirement of 75 lakh tonnes while the rest is imported.

After Aman paddy is harvested in December, soil salinity reaches such an extent that no other crops can be planted until the monsoons arrive, leaving the lands fallow for about eight months each year.

With the aim of bringing these fallow lands under cultivation, the Bangladesh Wheat and Maize Research Institute



and Bangladesh Agricultural University have been conducting research under a joint initiative since 2017.

The initiative was supported by the Australian Centre for International Agricultural Research, Bangladesh Wheat and Maize Research Institute, Bangladesh Agricultural Research Foundation, Australia's CSIRO and the University of Western Australia.

Under the project, a total of 28 farmers successfully cultivated wheat using relay cropping on an experimental basis in the East Daulatpur and North Daulatpur villages of Kalapara upazila in Patuakhali. Seeing their success, 50 other local farmers have planted wheat using the method this year.

By planting seeds in wet fields among standing crops, farmers are assured that salinity is at tolerable levels. As such, the wheat can be harvested within 95 days of sowing if the field is

irrigated once or twice during this period.

Abdul Khalek, a local farmer, said he started cultivating wheat using relay cropping on one bigha of land this year.

"I got about eight maunds [each maund is 37 kilogrammes] of wheat. I am happy to produce the grain on fallow land at nominal cost," he added.

To see how successful the project was, a delegation from the Australian government yesterday visited the project area and expressed satisfaction over the current results.

Dr Mrinmoy Guha Neogi, deputy project leader of the University of Western Australia, said more than 1 lakh hectares of land in Patuakhali fallow during the dry season.

As a part of their initiative, the Bangladesh Wheat and Maize Research Institute and Australia's CSIRO have been working jointly for the past 5 years to develop

new varieties of wheat.

Two varieties, namely BAW-1147 and BAW-1290, were developed from the first two years of research as salinity tolerant genotypes. The two new breeds have already been evaluated for release by the National Seed Board.

Neogi then said they plan to ensure that no arable land is left uncultivated during the dry season as it is possible to produce at least 3 lakh tonnes of wheat at this time.

"We have encouraged farmers to cultivate wheat in such a way that even after the project period is over, they will produce wheat on their own initiative," he added.

He then said they encouraged farmers to follow the relay cropping method with available wheat varieties. But if salt tolerant varieties are grown following relay cropping, yields will be higher.

Dr Golam Faruq, director general of the Bangladesh Wheat and Maize Research Institute (BWMRI), said the agency has released salt tolerant wheat variety BWMRI-4 this year and it is suitable for cultivation in the southern region.

He said the peoples' tendency to eat flour-based products is increasing. So, increasing cultivation in coastal areas would reduce import dependence.

With this backdrop, the government should come forward to spread this method of, he added.

Banglalink gains most customers in 2022

MAHMUDUL HASAN

Top mobile operator Grameenphone lost a huge chunk of its subscriber base in 2022 due to mainly a six-month-long SIM sales ban while Banglalink emerged as the winner of the year with a big gain in customer numbers.

The number of customers of Grameenphone decreased by 42 lakh at the end of 2022 to 7.34 crore, according to the latest data of the Bangladesh Telecommunication Regulatory Commission (BTRC).

With 8.34 crore customers, GP started the year with a 46.07 per cent market share of total customers, which has now decreased to 40.73 per cent. The operator still holds the top position by a big margin.

The company registered a 5 per cent year-on-year fall in the subscriber base, Grameenphone said in a statement.

Earlier on June 29, the telecom regulator banned Grameenphone's SIM sales until it "improves its quality of service including bringing down call drop rate".

The ban was lifted on January 2.

"The telecom regulator had imposed a ban on the sale of our SIM cards, which negatively affected our subscriber growth for the second half of the year," Yasir Azman, CEO of Grameenphone, said in a statement issued recently.

The operator has invested heavily in network expansion and deployment of new spectrum, taking the number of base transceiver stations (BTS), which facilitate wireless communication between a user equipment and a network, to over 20,000.

Grameenphone's profits dropped by around Tk 400 crore in 2022.

Overall, the country's mobile subscribers dropped by 6 lakh to 18.02 crore as of December

Banglalink, the third-placed operator, emerged as the top gainer in 2022 as it increased its customer base by 26 lakh to 3.98 crore. Its subscriber base was up by about 7 per cent.

The strong performance can be attributed to mainly two reasons: the first is its strong performance in service quality, especially data service, and the second is the SIM sales ban on the rival company.

As per Ookla's Speedtest Intelligence report, Banglalink delivered the fastest average download speed among the top local mobile network operators with 19 Mbps in the fourth quarter of 2022.

It recently completed the deployment of 4,000 BTS, taking the total to more than 14,500. The expansion resulted in around 40 per cent expansion of Banglalink's total coverage.

"Banglalink's fast-paced network expansion drive is a demonstration of our commitment to becoming a truly national operator," said Erik Aas, CEO of Banglalink, in a statement recently.

Its revenue rose 8.6 per cent, 11 per cent and 11.6 per cent in the first, second and third quarters of 2022, respectively.

The second-largest mobile operator, Robi, which runs its operation under brand names Robi and Airtel, had a dull year in terms of drawing new customers.

The number of customers of Robi Axiata increased by 8 lakh to 5.44 crore year-on-year in December last year. Robi has around 15,500 BTSs. However, Robi maintained its growth momentum in the third quarter of 2022 when its revenue grew by 5.9 per cent year-on-year.

The customer base of state-run operator Teletalk has remained unchanged as it failed to cash in on the opportunity offered by the SIM sales ban faced by Grameenphone.

Despite investing heavily in network expansion, its customer numbers stalled at 66 lakh in December. The operator regularly emerges as the worst service provider in the quality tests of regulators and other global organisations.

Overall, the country's mobile subscribers dropped by 6 lakh to 18.02 crore as of December.

A BTRC official said a user can avail a certain number of SIMs. A large chunk of SIMs was deactivated last year as many users were using an excess number of SIMs.

Reliance Insurance makes higher profit in 2022

STAR BUSINESS REPORT

Reliance Insurance Ltd's profit rose in the financial year that ended on December 31, 2022 on the back of higher premium earnings.

The insurer reported earnings per share of Tk 5.86 for 2022 compared to Tk 5.59 a year earlier, an increase of 4.83 per cent year-on-year.

"The EPS increased due to a rise in premium income," said Reliance Insurance in a filing on the Dhaka Stock Exchange.

The net asset value per share, which is the value of an entity's assets minus the value of its liabilities, slipped to Tk 64.15 last year from Tk 64.39 in 2021, due to a fall in the market value of the investment in securities and other investments.

The net operating cash flow per share, which represents the cash impact of a company's net income from its primary business activities, stood at Tk 6.60 last year and Tk 7.96 a year ago.

The NOCFPS decreased due to an increase in agent commission expenses and reinsurance payments, said the filing.

The board of directors of Reliance Insurance has recommended a 25 per cent cash dividend for 2022.

Shares of Reliance Insurance were down 1.76 per cent to Tk 61.40 on the premier bourse yesterday.



Around 12 temporary markets for diesel have been set up in the char areas along Brahmaputra river in Kurigram, where up to 6,000 litres of the fuel are sold each day. Popping up during Boro season, these markets run from January to April every year. The photo was taken from Bangmara char in Chilmari upazila recently.

PHOTO: S DILIP ROY

Tallu Spinning Mills' losses widen

STAR BUSINESS REPORT

Tallu Spinning Mills Ltd incurred losses in the second quarter of the current financial year.

The textile company reported a loss of Tk 4.29 crore in the October-December quarter of 2022-23. The loss stood at Tk 3.93 crore in the same quarter a year earlier, according to the unaudited financial statements.

Thus, Tallu Spinning reported earnings per share of Tk 0.48 negative for October-December of FY23 against Tk 0.44 negative for October-December of FY22.

This took its losses in the first half of the ongoing financial year to Tk 8.84 crore. It made a loss of Tk 7.95 crore in the July-December of FY22.

The net operating cash flow per share of the company returned to positive territory in July-December of FY23, standing at Tk 0.04, up from a negative Tk 0.45 in the identical period in FY22.

The net asset value per share was Tk 20.75 on December 31 last year and Tk 23.86 on the same day of 2021.

Shares of Tallu Spinning were unchanged at Tk 9.90 on the Dhaka Stock Exchange yesterday.