DHAKA MONDAY MARCH 27, 2023, CHAITRA 13, 1429 BS ● starbusiness@thedailystar.net

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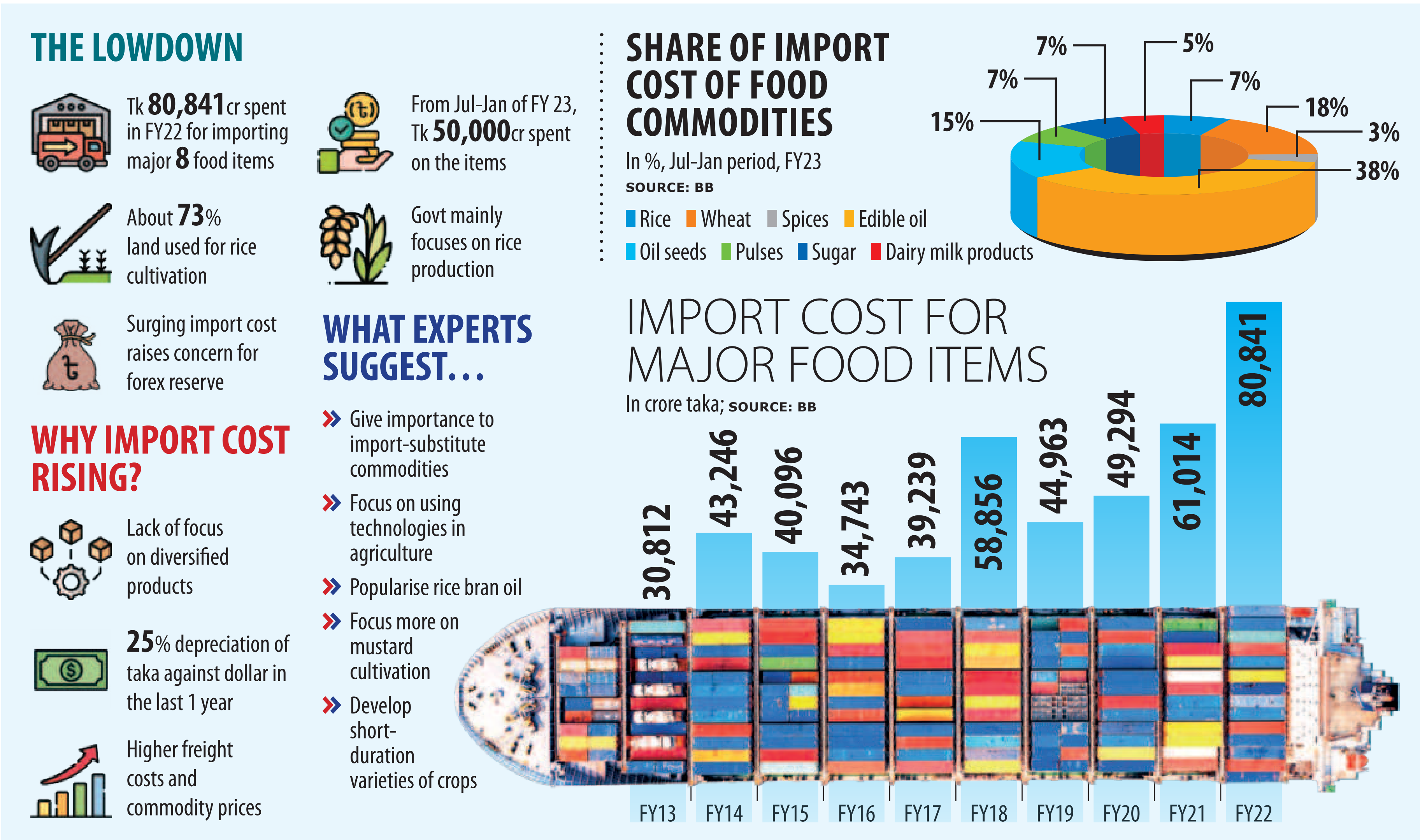

Food import cost ballooning owing to scanty local output

Tk 50,000cr spent in seven months of FY23

MD ASADUZ ZAMAN

Although Bangladesh has almost achieved self-sufficiency in rice production, its dependence on the international market remains high for food items with import cost rising two and a half times to Tk 80,800 crore from a decade ago.

The country, which produced 3.81 crore tonnes of rice in the fiscal year of 2021-22, had to spend the money to buy rice, wheat, spices, edible oil, oil seeds, pulses, sugar and dairy and milk products, according to Bangladesh Bank data.

In the first seven months of the current fiscal year, private and public agencies coughed up Tk 50,000 crore to import food items, an increase of 10.5 per cent from a year ago.

This would be the fourth year in a row that Bangladesh has paid a higher amount to import essential foods to meet its domestic consumption amid inadequate local production.

Agricultural analysts say the country's import dependence has remained high in the absence of focus from policymakers to diversify agricultural production through a planned use of its 88.29 lakh hectares of cultivable land in a bid to cut import dependence.

As rice is a "politically sensitive commodity", successive governments gave priority to increasing its production and directed more resources to research to develop improved varieties of the crop and take them to farmers in order to ensure staple security.

They say the options for diversified agricultural production have either not been used or less explored. As a result, other crops and foods, namely oilseeds, pulses and dairy, did not get an adequate push from the policy level. This caused the country to remain dependent on the global market for these commodities.

The reliance has augmented although the international market itself suffered from a supply shortfall and subsequent price volatility owing to the export restrictions imposed by producing countries.

For example, in the weeks following Russia's invasion of Ukraine in late February 2022, several countries introduced export restrictions, including licencing requirements, taxes, and some outright bans, on a variety of feed and food products.

These fueled war-related disruptions in global markets and contributed to higher prices and deepened price volatility, according to a blog post on the website of the International Food Policy Research Institute.

Mohammad Jahangir Alam, a professor at the Department of Agribusiness and Marketing at the Bangladesh Agricultural University in Mymensingh, said although Bangladesh follows the principles of an open market economy, it should concentrate on its domestic production.

"Unless we do that, how could we handle situations like the Covid-19 pandemic and the dollar crisis?" he asked.

Bangladesh has been suffering a shortage of US dollars for the last one year due to spiralling import costs of various commodities.

"Bangladesh should adopt a long-term plan by prioritising major food commodities to reduce the import dependency," Prof Alam said.

Wais Kabir, a former executive chairman of the Bangladesh Agricultural Research Council, said considering its political dimension, governments had to stress increasing rice production and availability.

"So, we are doing considerably well in rice."

There are 300 agricultural scientists working full-time on rice in the country. The number of scientists dedicated to other commodities is not that high.

Kabir said not all food commodities can be produced in Bangladesh because of its agro-climatic limitations, lesser availability of land and global competitiveness.

"This is true for other countries as well. So, we need to import to some extent and it may grow as the income of consumers grows."

Kabir, however, thinks that the production of food commodities can be increased in certain areas, namely the southern coastal region, through proper water management.

"This will need strong collaboration among the concerned ministries."

According to Kabir, Bangladesh can reduce the import of pulses by increasing the cultivation of the newly developed short-duration mung bean in the southern belt.

He cited that the government took development projects to incentivise growers with quality seeds and intensify extension efforts to increase the production of crops such as pulses, spices and oilseeds.

READ MORE ON B3

Bike sales drop 30% in two months

JAGARAN CHAKMA *and* TUHIN SHUBHRA ADHIKARY

Motorcycle sales declined by 30 per cent in Bangladesh in the past two months due to higher inflationary pressures and a draft policy that makes securing a driving licence mandatory before buying two-wheelers.

According to market insiders, average monthly motorcycle sales came down to 35,000 units in the last two months from 50,000 units during normal times.

Similarly, the registration of motorcycles with the Bangladesh Road Transport Authority (BRTA) declined by 27 per cent. The monthly motorcycle registration slipped to 30,501 units, down from 42,242 units in 2022.

"Sales of motorcycles declined by 30 per cent due to the dollar price increase, the economic crisis and higher inflationary pressure," said Subrata Ranjan Das, executive director of ACI Motors, the local distributor of the Japanese brand Yamaha.

A sharp and unregulated growth of vehicles, especially motorcycles and three-wheelers, over the last few years has resulted in a spike in the number of crashes and casualties. This has led to the formulation of the draft Motorcycle Operation Guideline-2023 by the government.

As per the draft, the speed limit for bikes inside cities will be 30 kmh and bikes below 126cc would not be allowed to ply on highways. Besides, nobody will be allowed to buy a motorcycle without a driving licence.

Bike manufacturers and assemblers have formally opposed the draft.

Das said the proposed guideline has had an impact on the overall sales of motorcycles.

In Bangladesh, the purchasing power of the people has declined sharply owing to higher consumer prices for the last one year.

Inflation rose 8.78 per cent in February, breaking a five-month declining trend. It surged to a 10-year high of 9.52 per cent in August, driven

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STOCKS (WEEK-ON WEEK)

DSEX ▼	CASPI ▲
0.08%	0.11%
6,215.30	18,374.47

COMMODITIES (AS OF FRIDAY)

Gold ▼	Oil ▼
$1,978.75	$69.25
(per ounce)	(per barrel)

ASIAN MARKETS (FRIDAY CLOSINGS)

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.69%	▼ 0.13%	▼ 0.2%	▼ 0.64%
57,527.10	27,385.25	3,212.64	3,265.65

Payra port channel now deepest in Bangladesh

Will handle ships of up to 10.5 metres draft

SOHRAB HOSSAIN, *Patuakhali*

Larger mother vessels will now be able to load or unload their goods directly from the jetty of Payra port as capital dredging of Ramnabad channel is now complete, according to port officials.

Ships with a draft of up to 10.5 metres, ranging 225 metres long and 30 metres wide, can now dock at the jetty instead of having to load or unload their goods through lighter vessels further out, said Rear Admiral Mohammad Sohail, chairman of Payra Port Authority.

Belgium's Jan De Nul, a maritime infrastructure construction and maintenance company based in Luxembourg, yesterday handed over the channel to port authorities after completing the dredging works.

The project, which cost Tk 6,500 crore, was initiated in January 2021 in a bid to turn Payra port into a major shipping hub for the country by facilitating the access of larger vessels.

Port officials say Ramnabad channel now has the highest depth while Chattogram port, the biggest seaport in Bangladesh, only just recorded the berthing of a vessel with 10 metres draft in January this year.

Sohail then informed that a ship carrying 60,000 tonnes of coal from Indonesia is expected to arrive at Payra port within the next two days.

Other than that, seven more vessels will arrive later this week.

The project, which cost Tk 6,500 crore, was initiated in January 2021 in a bid to turn Payra port into a major shipping hub for the country by facilitating the access of larger vessels

These ships will initially berth at a jetty of the Payra Thermal Power Plant, which is situated next to the port. Here, users will be able to load or unload cargo for transport all over the country.

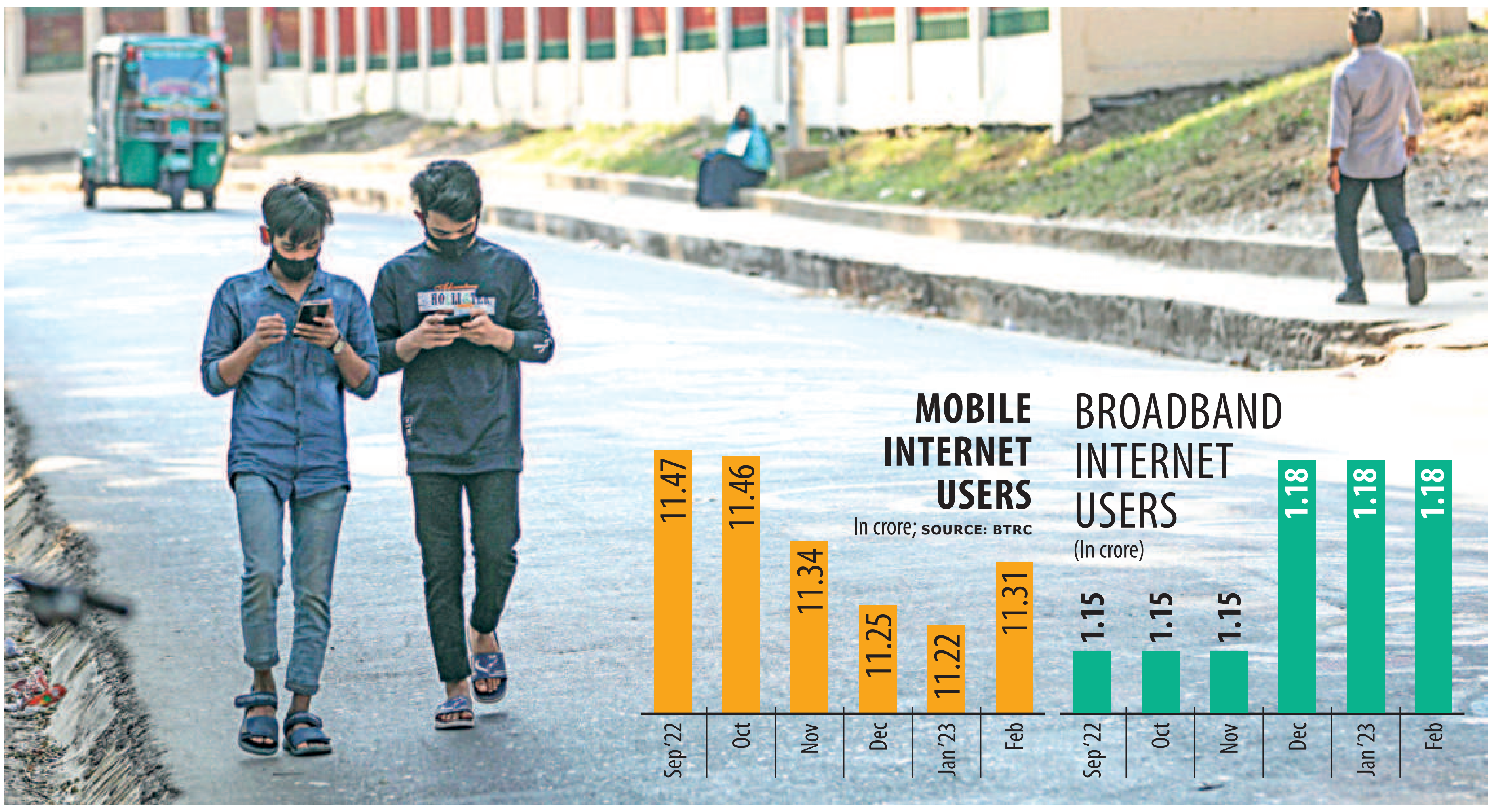
But from May, vessels will be able to berth at the port itself after the construction of its first terminal is complete, the shipping ministry said last week.

Once work on the first terminal in the Charipara area of Ramnabad channel

READ MORE ON B3

A partial view of Payra port in Patuakhali district. With capital dredging works of Ramnabad channel now complete, only the construction of the first terminal remains for Payra port to become the third fully operational seaport in Bangladesh.

PHOTO: SOHRAB HOSSAIN



Internet subscriptions rebound after six months

Thanks to a jump in mobile internet users

MAHMUDUL HASAN

The number of internet subscribers in Bangladesh saw its first rebound after six months in February this year thanks to a jump in mobile internet users.

The number of internet users jumped by nearly one million subscribers to hit 12.50 crore in February compared to the previous month, according to data of the Bangladesh Telecommunication Regulatory Commission (BTRC).

Internet subscriptions in the country have been declining since August last year as people are tightening their belts amid skyrocketing inflation.

Besides, the SIM sales ban on Grameenphone also contributed to a drop in the overall internet subscriber base.

In February, the number of mobile internet subscribers grew by nearly 10 lakh to 11.31 crore compared to a prior month.

Officials of mobile network operators say their massive network expansion drives ensured better quality of service, boosting data usage at the same time.

For example, market leader Grameenphone recently completed the deployment of an additional 2,000 towers, bringing its total to over 20,000, which is the highest among all operators.

Additionally, the company deployed additional spectrum last year.

Khairul Basher, head of communications at Grameenphone, attributed the gain to its drive towards connecting towers via optical fibre cables, saying it delivers customers with more quality services.

According to him, their optical fibre connectivity is at over 35 per cent, up from 17 per cent a year ago.

"The company was recently recognised for its consistent quality by different global platforms, which is the outcome of relentless efforts to meet customer expectations by improving network quality," he said.

For faster internet speed, the operator also added high-capacity radio to enhance the transmission facility of its existing base stations.

Banglalink has also undergone massive network expansion.

"We attribute this uptick in customer preferences to our ongoing investment in network expansion, enabling our customers to experience Ookla certified fastest 4G while utilising our innovative and quality digital services," said Taimur Rahman, chief corporate and regulatory affairs officer of Banglalink.

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

It recently completed the deployment of 4,000 base transceiver stations, taking its total to more than 14,500. The expansion resulted in a roughly 40 per cent expansion of Banglalink's total coverage.

Robi Aixata also deployed hundreds of new towers throughout last year, taking its total number of towers to nearly 15,500.

On a year-on-year basis, mobile internet subscribers grew by about 5 lakh.

The number of broadband internet users remained unchanged at 1.18 crore in February compared to a month earlier. However, it grew by 17 lakh year-on-year over the same period.

HK maintains fourth place in Global Financial Centres Index

ANN/CHINA DAILY

Hong Kong maintained fourth place globally in the Global Financial Centres Index (GFCI) 33 Report published on Thursday by the Z/Yen from the United Kingdom and the China Development Institute from Shenzhen.

In a statement issued on Thursday night, a Hong Kong Special Administrative Region government spokesman said the city's rankings in the four areas of business environment, infrastructure, financial sector development, and reputational and general rose by two places, "fully reflecting Hong Kong's strengths and advantages as a leading global financial center."

With Hong Kong's sound and robust regulatory regime and risk management system, and the strong and solid buffer and resilience built in its financial markets, a spokesman said the HKSAR government is confident that the financial system of Hong Kong could withstand external shocks and remain resilient

The GFCI Report is released in March and September every year since 2007. In GFCI 33, 120 financial centers were assessed and Hong Kong ranked fourth globally with an overall rating of 722.

"Compared to the assessment by financial industry practitioners from other major financial centers on the prospects of the cities in which they were based, practitioners based in Hong Kong were the most confident about the future competitiveness of Hong Kong as an international financial center," the spokesman said.

Amid intense international competition, he said the SAR government has adopted a more vigorous and proactive development approach while boosting publicity on Hong Kong's full return to normalcy to consolidate the city's strengths and continuously enhance its competitiveness.

"The government will continue to make good use of Hong Kong's institutional advantages under 'one country, two systems' including a fine tradition of rule of law, a market-oriented and internationalized business environment, robust infrastructure support, internationally aligned regulatory regimes, diverse financial products, and free flow of information and capital, to strengthen Hong Kong's capital market and our role as an international financial center," the spokesman said.

PRICES OF KEY ESSENTIALS IN DHAKA CITY

	PRICE (MAR 26, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	0	3.85 ↑
Coarse rice (kg)	Tk 46-Tk 50	-4 ↓	3.23 ↑
Loose flour (kg)	Tk 55-Tk 58	-2.59 ↓	54.79 ↑
Lentil (kg)	Tk 95-Tk 100	0	0
Soybean (litre)	Tk 170-Tk 175	1.47 ↑	15.77 ↑
Potato (kg)	Tk 20-Tk 25	7.14 ↑	12.5 ↑
Onion (kg)	Tk 35-Tk 40	15.38 ↑	7.14 ↑
Egg (4 pcs)	Tk 45-Tk 50	1.06 ↑	33.8 ↑

SOURCE: TCB

Md Habibur Rahman, managing director of Standard Bank, presided over the "Business Review Meeting 2023" for the head of branches of Rajshahi and Rangpur regions of the bank held at Rajshahi Parjatan Motel in Rajshahi recently. Among others, Md Touhidul Alam Khan, additional managing director, Md Mohon Miah, head of business development, and Md Ali Reza, chief financial officer, were present. PHOTO: STANDARD BANK

UK retail sales rebound

REUTERS, London

Cash-strapped British households cut back on eating out and takeaways last month and instead bought food at supermarkets and shopped at discount stores, giving an unexpected boost to retail sales, official data showed on Friday.

British retail sales unexpectedly rebounded by 1.2 per cent in February from the month before, returning sales volumes to their pre-pandemic level, the Office for National Statistics said.

Economists polled by Reuters had forecast that retail sales volumes in February would be 0.2 per cent higher than in January. January sales growth was also revised up to 0.9 per cent from 0.5 per cent.

"In the latest month, discount department stores performed strongly with food shops also doing well as consumers, confronted with cost-of-living pressures, cut back on eating out or purchasing takeaways," ONS statistician Darren Morgan said.

British consumers have been squeezed by inflation which hit a 41-year high of 11.1 per cent in October and has remained in double digits since.

On Thursday the Bank of England said it expected inflation to fall faster than expected over the coming months, due to lower energy prices and the government's extension of subsidies in last week's budget. However, Friday's data showed that retail sales volumes in February were still 3.5 per cent lower than a year earlier.

Sales volumes at food shops have suffered less of a hit and were down by 2.3 per cent on a year earlier - despite official figures on Wednesday showing an 18 per cent rise in food and drink prices in the year to February, the biggest since 1977.

"At face value, these data further add to the view that the recent resilience in activity is still holding up. But when households' finances are under pressure, it is possible that any improvement in retail sales will just be met by a softening in non-retail spending such as restaurants," said Ashley Webb, an economist at Capital Economics.

What's behind bitcoin's latest surge?

ANALYSIS

REUTERS, London

At the turn of the year, bitcoin was in the grip of a bleak midwinter, down and out after a 2022 defined by tumbling crypto prices, bankruptcies and corporate scandals.

Less than three months later, bitcoin has got its mojo back. With gains of more than 70 per cent so far this year, it has outpaced other major assets, and was on Wednesday trading near its highest in nine months.

The original and biggest cryptocurrency has been here before, its 15-year history peppered with dramatic price increases and equally vertiginous drops. Fuelling the gains: interest rates.

Markets expect that central bank hikes to the cost of credit are nearing their peak, and such a scenario is set to buoy risk-on assets such as bitcoin, six investors and analysts from crypto and traditional finance told Reuters.

"The macro narrative is the number one," said Noelle Acheson, an economist who has tracked the crypto sector for seven years. "Bitcoin is not just a risk asset, it is arguably the most sensitive to monetary liquidity out of all of the risk assets."

Other factors are at play, too, from turmoil in the banking sector to enduring hopes - still unfulfilled - that bitcoin can achieve wide usage as a form of payment.

Bitcoin closed its best week in four years on Sunday, and has gained 45 per cent in just 12 days.

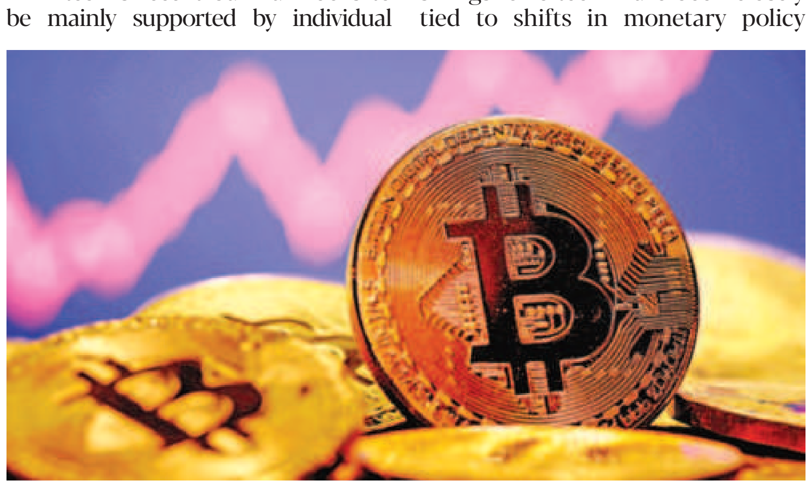
As the collapse of US lenders Silicon Valley Bank and Signature Bank helped to triggered the takeover on Sunday of 167-year-old Credit Suisse by rival UBS, claims that bitcoin is an asset immune to risks in traditional finance have gained traction.

"It's rather narrow-minded to say that bitcoin is going to succeed because a bank failed," said Usman Ahmad, CEO of Zodia Markets, the crypto exchange of the venture arm of Standard Chartered and Hong Kong crypto firm BC Technology Group.

"But confidence is almost a critical factor - confidence in the banking system has been damaged."

Driving bitcoin's gains have been its core user base of retail investors, analysts said. Institutional investors such as pension funds, until now wary of the unstable and mostly unregulated bitcoin, are likely to remain sceptical of a long-lasting renaissance for the cryptocurrency, the interviews showed.

"Bitcoin's recent bull run looks to be mainly supported by individual



investors – ranging from retail to whales – as we have seen evidence of institutions exiting during this rally," said Zhong Yang Chan, head of research at crypto data firm CoinGecko.

Indeed, bitcoin investment products, favoured by larger investors, saw outflows of $113 million last week, according to digital asset manager CoinShares, which ascribed the moves to a scramble for liquidity during chaos in the banking sector.

In the past, too, dramatic price swings for bitcoin have been closely tied to shifts in monetary policy globally.

As stimulus measures flooded the global financial system during the Covid-19 pandemic, stay-at-home investors fuelled a six-fold rally for bitcoin between September 2020 and April 2021.

Kuwait political crisis

FROM PAGE B4

Kuwait's parliament has now been dissolved around a dozen times in its 61-year history.

In January, Kuwait's government resigned three months after it was sworn in due to disputes with lawmakers. It was the sixth government in just three years.

Kuwait's neighbours the UAE, Saudi Arabia and Qatar have managed to transform their desert nations into booming modern metropolises, largely thanks to oil wealth and foreign investment.

Led by a new generation of rulers, they are stepping up projects to wean their hydrocarbon-centred economies away from oil.

Meanwhile Kuwait, led by 82-year-old Crown Prince Mishal al-Ahmad al-Jaber Al-Sabah, is struggling to implement a reform plan adopted in 2018.

"We were a liberal and innovative country in the 1980s... but we died out while the countries around us developed," the businessman Sarraf said. According to economist Justin Alexander, "political dysfunction" has kept Kuwait from living up to its full economic potential.

The paralysis "has prevented it from taking painful reforms to control spending growth, generate non-oil revenue, diversify its economy or even invest to maintain its oil production capacity," the Gulf expert said.

Kuwait, which posted large deficits during the Covid-19 pandemic, was buoyed last year by the rise in oil prices, which generate most of the state's income.

But as prices stabilise, the country's budget deficit is expected to widen.

Bee boxes set up at a litchi orchard to aid pollination and collect honey. The fruit is harvested between mid-April and mid-June and around 87,183 tonnes were produced around the country in fiscal year 2020-21. The main collection season for honey spans from November to April and the country produces nearly 10,000 tonnes of honey annually. The photo was taken in Mashimpur village under Dinajpur sadar upazila last week.
PHOTO: KONGKON KARMAKER

NBFIs lose over 48,500 deposit accounts in 3 months

Interest rate cap, erosion of confidence to blame

SOHEL PARVEZ

Non-bank financial institutions in Bangladesh lost 48,637 deposit accounts in the three months to December as savers moved away from NBFIs owing to the imposition of the cap on the deposit rate and the erosion of confidence in the wake of allegations of irregularities at some banks.

The NBFIs had 521,559 deposit accounts in the last month of 2022, down from 570,196 three months ago, according to the quarterly NBFI statistics released by the Bangladesh Bank last week.

"Many deposit customers withdrew funds from NBFIs after the central bank capped the interest rate on deposits at 7 per cent in July last year whereas banks are offering more than that. This was one of the factors for the drop," said Kanti Kumar Saha, chief executive officer of Lankan Alliance Finance.

Besides, insiders say, concerns regarding the health of the banking sector amid allegations of loan scams deepened the withdrawal pressure in the second half of 2022.

However, the overall deposit in the NBFIs grew 5.21 per cent to Tk 43,752 crore in the October-December quarter.

Average deposit per account was up 15 per cent to Tk 8.39 lakh from Tk 7.29 lakh during the period.

Md Golam Sarwar Bhuiyan, managing director of Industrial and Infrastructure Development Finance Company Ltd, says the dollar crisis has had an impact on deposits as some corporate depositors pulled funds to open letters of credit by providing up to 100 per cent margin.

"Besides, a section of depositors withdrew funds owing to the panic created following reports regarding the health of a number of Islamic banks," he said.

A number of Shariah-based banks have faced loan-related scams in recent months.

The deposit situation has, however, changed in the first quarter of 2023, according to industry people.

"We are witnessing better deposit growth in the first quarter this year compared to the October-December quarter," added Bhuiyan, also the chairman of the Bangladesh Leasing and Finance Companies Association (BLFCA).

In Bangladesh, there are 35 NBFIs, which include three state-run institutions. Collectively, they have 308 branches.

"Many deposit customers withdrew funds from NBFIs after the central bank capped the interest rate on deposits at 7 per cent in July last year whereas banks are offering more than that. This was one of the factors for the drop."

Central bank data showed that the number of loan accounts declined in the fourth quarter of 2022. Average advances per account rose 2.45 per cent, however.

Loan disbursement by the NBFIs decreased 1.80 per cent to Tk 5,691 crore in October-December compared to the previous quarter. The decline stood at 10 per cent year-on-year.

Bhuiyan blamed the slower deposit flow for the reduction in loan disbursement.

Saha said 2021 was a better year for the NBFI sector as inflation was lower and there was no ceiling on deposit and lending rates, resulting in a higher interest rate spread. But 2022 saw soaring consumer prices and a curb on the interest rate, which affected the deposit flow.

"If the deposit growth is negative, how will the lending grow?" he questioned.

The risk of defaults amid the ongoing economic slowdown, driven by the disruptions because of the Russia-Ukraine war and the coronavirus pandemic, is another factor.

"Banks and NBFIs are cautiously lending to avoid risks," said Saha, also the vice-chairman of the BLFCA.

According to the central bank, 39.26 per cent of the loans in the NBFI sector went to the industrial sector in the fourth quarter. The trade and commerce sector accounted for 22.28 per cent of the credit disbursed while consumer finance represented 20.96 per cent.

Korean battery makers hint at 'price war' with Chinese rivals

ANN/THE KOREA HERALD

After years of a high-pricing, premium strategy, South Korea's top three battery makers -- LG Energy Solution, Samsung SDI and SK On -- are increasingly turning their eyes to low-priced batteries in an apparent move to prevent ceding more market share to their fast-growing Chinese rivals in the soaring global electric vehicle market.

SK On, a spinoff from SK Innovation, will unveil its first lithium iron phosphate (LFP) battery, at this week's InterBattery trade show that kicks off Wednesday in Seoul, making its official entry into the lower-end battery market dominated by a slew of Chinese players.

"After successfully applying high-nickel battery technology to LFP battery cells, we have 70 to 80 percent longer EV range compared to existing LFP batteries (mostly made by Chinese companies)," said an SK On official.

The official added the new product lineup will help diversify its corporate clientele as well as secure price competitiveness.

LG Energy Solution, the largest among the three, also plans to showcase LFP batteries for energy storage systems during the upcoming three-day exhibition.

"Reducing the battery price is actually the most effective to lower the car price," said Choi Jae-won, a chemistry professor at Gyeongsang National University

Earlier, the company had said it would convert and set up existing production lines in China and the US for LFP-based ESS.

Because the Chinese plant in Nanjing already produces nickel, manganese and cobalt batteries — better known as NCM batteries — for Tesla, speculation is running high that some of the LFP batteries could be supplied to the US EV maker's Shanghai Gigafactory. Tesla uses LFP batteries made by CATL only.

"The long-length LFP battery cells in ESS can be put into EVs easily as they show better performance than standard-sized cells," an industry official said on condition of anonymity.

An LG official declined to comment on producing LFP batteries for EVs but offered a positive outlook for its market potential.

"Korean-made LFP batteries would have an upper hand in terms of product quality and accessibility to the US market," he said, citing the Inflation Reduction Act, which basically curbs tax benefits for EVs and parts made by China.

Samsung SDI, on the other hand, is focusing on developing high-manganese batteries without cobalt, one of the expensive battery materials along with nickel.

"High-manganese batteries have higher energy density than LFP batteries but are less costly and more stable than NCM batteries," said a Samsung official. One high-manganese battery cell's power is equivalent to that of almost two LFP battery cells combined, the official added, making production of high-manganese battery cells as cost efficient as the cheaper LFP ones.

Food import cost ballooning

FROM PAGE B1

Bangladesh also has good prospects in diversified dairy products thanks to the increasing milk production by the expanding dairy industry.

"The government should patronise private operators to raise high-end dairy output like cheese and butter. This will require technical efficiency to compete with the competitors in the market," said Kabir.

Anwar Faruque, a former agriculture secretary, said, "There is no alternative to giving importance to the production of import-substitute foods."

Of the eight major commodities, edible oil and oil seeds account for a major portion of the import cost.

Faruque said the government can devise a plan to encourage the use of rice bran oil as it could be easily produced by auto rice mills.

"Currently, we can utilise 20 per cent of the rice bran produced in the country. The rest 80 per cent is going outside of the country."

MA Sattar Mandal, a former vice-chancellor of the Bangladesh Agricultural University, suggested diversification of production through increased use of technologies.

"This will facilitate raising production and bringing down imports."

The government is taking a Tk 7,214-crore project to modernise and improve the agriculture sector.

"This will enhance the diversified production of crops," said Prof Alam.

In Bangladesh, about 73 per cent of cropland is currently used for rice cultivation, down from more than 80 per cent in the past.

"This is positive. But the main challenge is to increase productivity," Prof Alam said.

"After ensuring high productivity of rice, we will have to focus on other high-value crops."

Agriculture Minister Muhammad Abdur Razzaque said: "Bangladesh is not the lone country that is facing a high cost for importing foods. Other countries are also facing the same situation."

He said every year, around 20 lakh people are added to the population, which means a higher requirement for food. At the same, the arable land is decreasing gradually for non-agricultural use such as building houses.

As rice is a "politically sensitive commodity", successive governments gave priority to increasing its production and directed more resources to research to develop improved varieties of the crop and take them to farmers in order to ensure staple security.
PHOTO: STAR/FILE

"This is a challenge. As the land is shrinking, scientists are trying to develop high-yield varieties of crops."

According to the minister, Bangladesh does not have a favourable climate for increasing wheat production, so the country needs to rely on imports.

He describes maize and mustard as very promising crops.

In the past, it was difficult to grow mustard after the aman harvesting because of the long duration of the paddy.

Earlier, it took 140-160 days for the aman paddy to be ready for harvesting. Now, scientists have developed a new variety of the crop, which could be harvested in 110-115 days.

"This has created the scope for mustard cultivation after the aman harvest," Razzaque said.

Scientists have also developed improved varieties of mustard with yields standing at eight to nine maunds per acre.

"Our mustard cultivation target has exceeded this year. We want to reduce edible oil imports by half by the next three years," the agriculture minister said.

He said there are some high-yielding varieties of pulses.

"These are already being grown. I hope they will bring good results."

Standard Chartered agrees to sell business in Jordan

REUTERS, *Dubai*

Standard Chartered plans to sell its Jordanian business to Arab Jordan Investment Bank (AJIB), the two parties said on Sunday, as the emerging markets-focused lender presses ahead with plans to exit seven markets in Africa and the Middle East.

The bank entered into an agreement with AJIB, subject to central bank approval, which will see Standard Chartered's corporate, commercial and institutional banking, consumer lending and private banking businesses migrated to AJIB.

All Standard Chartered Bank employees in Jordan will be transferred to AJIB, it said an emailed statement.

Bike sales drop 30% in two months

FROM PAGE B1

by higher commodity prices in the global markets owing to the Russian-Ukraine war.

The significant increase in the US dollar price has also pushed up the price of bikes. The American greenback has strengthened by about 25 per cent against the taka in the last one year, making costlier imports in Bangladesh.

The sales of high-end motorcycles, however, have remained the same, Das said.

Dileep Banerjee, chief executive officer of Uttara Motors Limited, the distributor of Indian motorcycle giant Bajaj, said his company's sales fell to 14,500 to 16,000 units per month in recent months.

The company clocks sales of around 22000 units per month during normal times.

"Currently, people are not considering motorcycles as an essential item," Banerjee said.

Shah Muhammad Ashequr Rahman, CEO of Bangladesh Honda Private Limited, a joint venture between Japan's Honda Motor Co and state-owned Bangladesh Steel Engineering Corporation, says the draft policy has created a negative impact in the market as people are confused about the speed limit of bikes in the city.

Sales of Honda-branded motorcycles declined by 42 per cent in the last two months. The price of motorcycles has increased by 18 per cent due to the hike in the price of the US dollar, he said.

The sales of bikes of TVS, Honda, Runner and other brands fell by 20 to 42 per cent, industry people say.

Biplob Kumar Roy, CEO of TVS Auto Bangladesh Limited, the local distributor of India's TVS Motor Company, says the bike industry has been suffering for the last eight months as sales have fallen.

The company's sales have gone down by around 40 per cent to 6,000 units per month from 10,000 units previously. It sold 8,000 units a month in 2022.

"Motorcycles have become a luxury item as higher inflationary pressures have created a burden for most households," Roy said.

ACI Motors' Das warned that the market of motorcycles would not return to normalcy until the stability in the foreign exchange market is restored. "Rather, the price may go up if the dollar becomes costlier further," he said.

Uttara Motors' Banerjee also does not think that the motorcycle market would make a comeback this year since the economy would take time to stabilise as the war continues.

Payra port channel

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is complete, it will have the capacity to accommodate three mother vessels of up to 200 metres in length at the same time.

In addition, two more terminals are under construction, he added.

Having begun operations in August 2016, the seaport on the southern coast of Patuakhali mainly sees ships carrying coal and stone from Indonesia and the UAE. It handled about 1,400 domestic and foreign ships so far.

Of these, 296 foreign cargo ships were unloaded at the outer anchorage.

Port officials say that although capital dredging works are now finished, maintenance work is now ongoing to maintain navigability of the channel. The maintenance work will continue until April 2024.

Prime Minister Sheikh Hasina is expected to inaugurate full operations of the port after completion of the first terminal.

EU, Germany reach deal on fossil fuel car phaseout plan

AFP, *Brussels*

The European Union and Germany on Saturday said they had struck a deal after a dispute over the planned phaseout by 2035 of the sale of cars using fossil fuels.

A landmark deal to prohibit new sales of fossil fuel cars from 2035 is key to the bloc's ambitious plan to become a "climate-neutral" economy by 2050, with net-zero greenhouse gas emissions.

But in an unprecedented move earlier this month, leading car producer Germany blocked the agreement at the last minute after it had already been approved under the traditional EU legislative process.

Berlin demanded that Brussels provide assurances the law would allow the sales of new cars with combustion engines that run on synthetic fuels, the focus of the breakthrough announced on Saturday.

"We have found an agreement with Germany on the future use of efuels in cars," EU environment commissioner Frans Timmermans said on Twitter.

A landmark deal to prohibit new sales of fossil fuel cars from 2035 is key to the bloc's ambitious plan to become a "climate-neutral" economy by 2050

"We will work now on getting the CO2-standards for cars regulation adopted as soon as possible."

German Transport Minister Volker Wissing said on Twitter that vehicles with combustion engines could continue to be registered after 2035 if they only use fuels that are neutral in their CO2 emissions.

Weeks-long negotiations between the European Commission and Germany to break the impasse centred on Berlin's desire for a stronger commitment on synthetic fuels than that presented in the initial text.

The synthetic fuels Germany wanted an exemption for are still under development and produced using low-carbon electricity. The technology is unproven, but German manufacturers hope it will lead to the extended use of combustion engines.

Environmental NGOs have disputed the value of synthetic fuels in the automotive sector's transition towards clean energy sources, saying they are too expensive, polluting and energy-intensive.

Although weavers and traders of Tangail saris have prepared well in advance of Ramadan this year in hopes of making good sales in the Eid market, the presence of wholesalers has been low amid the ongoing economic uncertainty. This picture was taken recently at Karatia market in Tangail sadar upazila.

PHOTO: MIRZA SHAKIL

Tangail sari makers see low turnout of wholesale buyers

MIRZA SHAKIL

Tangail sari weavers and traders are so far disappointed with the low turnout of wholesale buyers at Karatia market in Tangail sadar upazila as they had hoped to make good sales on the occasion of Eid-ul-Fitr this year.

Many local loom owners and traders said they went as far as borrowing money to produce saris for Eid. So, they will have to count losses just as they had in previous years, especially amid the Covid-19 pandemic, if sales do not reach the expected level.

The 200-year-old Karatia market is the main hub for Tangail saris, registering several hundred crores worth of sales ahead of Eid during the pre-coronavirus era.

At the time, wholesalers from all over the country, including Dhaka, would come to buy Tangail saris.

And even though the pandemic has since abated, the following global economic crisis and inflationary pressure resulting from Russia's war on Ukraine has stymied demand.

The more luxurious Tangail saris made on handlooms are currently priced between Tk 10,000 and Tk 20,000 while more simple pieces go for Tk 400 to Tk 500. A considerable number of them are also made on powerlooms.

Weavers usually start producing the saris a few months ahead of Ramadan and continue until the day before Eid in order to make the most of the festive season.

Some 20 per cent of the saris produced are also exported to India, according to weavers and traders.

The Tangail sari business had nearly collapsed during the pandemic years of 2020 to 2022 while the ongoing economic uncertainty has prevented weavers from overcoming the resulting adversities.

Loom owners and sari traders had set their eyes on this Eid for recovering from the long-term recession but sales remain unsatisfactory.

This is because apart from some retailers and online resellers, there is no presence of wholesalers in the market, said Sumon Basak, a sari trader of Karatia market.

The start of Ramadan is usually the peak season for wholesalers to buy saris but they are yet to turn up in number, as was the case in recent years, he added.

Rafiqul Islam, a sari trader in Tangail town, said people do not have money to spend on luxuries such as a sari amid the ongoing economic downturn.

"So even though some wholesalers did come to the market, their purchase volume was less," he added.

Mahmudul Hasan, a trader from Sylhet who came to Karatia market to buy saris, said he decided to buy fewer saris this year as his store still has stock leftover from the previous Eid collection.

Kamrul Hasan, an online reseller based in Dinajpur, said there is demand in his area for Tangail saris during Eid.

So, like other years, he has come to Karatia market to buy some saris at reasonable prices.

Another cause for concern among local traders is that the market is open just two days a week, namely Tuesday and Wednesday. So, they might not be able to achieve their expected sales in the few market days remaining before Eid.

On the other hand, Shahjahan Ansari, general secretary of Karatia Market Traders Association, said sari sales have not been that bad so far but hopes it will increase in coming days.

Jesmin Sultana, a housewife from Tangail town, came to Karatia market to buy saris on the occasion of Eid. Apart from herself, Sultana wanted to buy some saris for her relatives on the occasion of Eid as well.

"I usually come to this market for its affordable prices but from what I can see, the prices of saris are too high this time considering their quality," she said.

Asked about the potentially sub-par quality on offer, Raghunath Basak, president of Tangail Sari Traders Association, said the quality suffers when weavers are not paid fair prices.

Besides, sari production has decreased due to the reduced demand, lack of skilled workers and capital shortage of loom owners amid the inflationary pressure and other crises, he added.

How to create carbon-neutrality in agriculture

MD AKHTERUZZAMAN

Agriculture is one of the major contributors to greenhouse gas (GHG) emissions, accounting for approximately 25 per cent of global emissions. However, agriculture has the potential to reduce emissions through sustainable practices and innovative technologies. By adopting climate-smart practices, the agriculture sector can play a crucial role in mitigating the impacts of climate change.

The European Union aims to cut its GHG emissions by 55 per cent by 2030. In the United States, President Biden recently committed to reducing emissions by 50 per cent by 2030. Neither of these interim goals is likely to be achieved without reductions in the emissions from agriculture.

Carbon-neutral agriculture refers to agricultural practices that do not release more carbon into the atmosphere than they absorb. To achieve carbon neutrality in agriculture, farmers may adopt practices such as precision agriculture, reduced tillage, cover cropping, organic crop management, agro-forestry and crop rotations that promote soil health and increase carbon sequestration.

Livestock management techniques that reduce emissions such as improved feed quality and management of manure can also be employed.

Carbon-neutral agriculture may also involve the use of renewable energy sources to power farm operations and the implementation of carbon offset programmes that support reforestation and other activities, which remove carbon from the atmosphere by storing it in the soil and vegetation.

Overall, carbon-neutral agriculture is an important component of efforts to mitigate the effects of climate change and reduce greenhouse gas emissions. By adopting sustainable farming practices that minimise carbon emissions and maximise carbon sequestration, farmers can help reduce their impact on the environment. This will also improve the health and productivity of their land.

If a farm has a large number of cattle or sheep, it is likely that methane is the largest source of GHG emissions. If a farm produces horticultural products, the main emissions are likely to be mainly nitrous oxides.

Farms that regularly cultivate soils may also lose a significant amount of carbon from soils, while farms that have high energy usage, due to irrigation pumps or dairy infrastructure, may have a substantial amount of carbon dioxide generated from the use of fossil fuels.

It is important to identify the major sources of emissions before making any decisions regarding carbon farming interventions. A nation can't reduce agricultural GHG emissions by producing less food because such a move would just shift emissions to other countries. Rather, the world needs to produce more food, but on the same (or less) amount of land as today.

Promising measures might greatly reduce agricultural production emissions, but the world must invest in research and creative techniques to continuously improve them.

Although producing food imposes large environmental costs, the world almost certainly needs much more food by the middle of the century. Farmers in advanced agricultural countries can be a big part of the solution to feeding the planet while mitigating climate change by doing what they do best.

Overall, creating a climate-friendly and carbon-neutral food system requires significant changes across the entire food supply chain, from production to consumption. By adopting sustainable practices and innovative technologies to address the challenge of climate change, we can build a more resilient and sustainable food system that supports both people and the planet.

These are some of the strategies that can help make agriculture carbon-neutral. A combination of these practices, along with innovation and investment in research, is essential to achieving carbon-neutrality in agriculture.

The author is a former executive director of the Cotton Development Board

Kuwait political crisis drags down economy

AFP, *Dubai*

A seemingly never-ending political crisis is plunging oil-rich Kuwait's economy into the mire, affecting basic services and causing mounting public concern.

Despite its large oil reserves, hospitals and educational services are in decay as squabbling paralyses the wealthy Gulf region's only fully elected parliament.

Ahmed al Sarraf, a businessman and newspaper columnist, says his concerns are growing as the country falters.

"I feel great anxiety for my family, for the future of my grandchildren, for their education, and for my health," the former banker told AFP.

"This situation is generating great misery."

Kuwait, which borders Saudi Arabia and Iraq, is home to seven percent of the world's crude reserves. It has little debt and one of the strongest sovereign wealth funds worldwide.

However, it suffers from constant stand-offs between elected lawmakers and cabinets installed by the ruling Al-Sabah family, which maintains a strong grip over political life, despite a parliamentary system in place since 1962.

The stasis has prevented lawmakers from passing reforms to diversify the economy, while repeated budget deficits and low foreign investment have added to the air of gloom.

The latest twist came last month, when the constitutional court dissolved an opposition-controlled assembly over alleged electoral irregularities and reinstated the previous parliament.

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Kuwaitis check Ramadan decorations in a shop in Kuwait City on March 22, a day before the start of the Muslim fasting month.

PHOTO: AFP

Manufactured goods orders of US edge down in Feb

AFP, *Washington*

Orders of big-ticket manufactured items ticked down in February on a slump in defense aircraft and parts, according to US government data released Friday.

Durable goods orders dipped 1 per cent last month to $268.4 billion, said the Commerce Department, less than January's fall but defying analyst expectations of a monthly increase instead.

"Excluding transportation, new orders were virtually unchanged," said the department in a statement, adding that orders of transportation equipment have been down for three of the last four months.

Orders of defense aircraft and parts fell 11.1 per cent, while those of computers and related products edged down 2.7 per cent.