



Mounds of mung beans, known as mugh daal in Bangladesh, are seen on display at a wholesale market in Patuakhali sadar upazila. Some 85,432 hectares of land in the region were brought under cultivation to produce about 102 lakh tonnes of the legume this year.

PHOTO: SOHRAB HOSSAIN

## CSE turnover goes past Tk 300cr

STAR BUSINESS REPORT

The turnover at the Chittagong Stock Exchange (CSE) crossed the Tk 300 crore mark yesterday just a day after posting the highest ever turnover in the history of the port city bourse.

The CSE saw a turnover of Tk 320 crore yesterday, which was Tk 530 crore the previous day, a record.

The Chattogram bourse is working to increase its turnover and now it is getting the result, said a mid-level official of the CSE.

Mainly, some of the brokerage houses are preferring the CSE to execute their turnover so it rose, he said, adding that the CSE ensured adequate and convenient service for the customers.

The official also hoped the turnover at the CSE will remain higher in the days to come.

On the day, Caspi, the all-share price index of the Chittagong Stock Exchange, added 29 points, or 0.15 per cent, to close at 18,657 points.

Of the issues traded, 70 rose, 46 retreated and 108 did not see any price swing.

Yesterday, the DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), also rose 8 points, or 0.13 per cent, to 6,319.

The DS30, which represents blue-chip stocks, increased 0.7 per cent to 2,187 points while the DSES, an index comprised of shariah-compliant companies, edged up 0.16 per cent to 1,372 points.

The turnover, a key indicator of the market, hit Tk 785 crore, over 24 per cent up from the previous day's Tk 630 crore.

Of the securities traded, 103 advanced, 74 declined and 190 did not show any price movement.

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## Mung bean exports take a hit

Severe heat to blame for reduced quality, experts say

SOHRAB HOSSAIN, Patuakhali

Mung bean exports from Bangladesh have decreased as foreign buyers are less interested in purchasing the legume this year given their reduced quality and size resulting from severe droughts during the growing period.

About 700 tonnes of mung beans, locally known as mugh daal, were exported to Japan in 2022 but only 200 tonnes are to be shipped this year.

Grameen euglena, a joint venture between Japan's euglena Co Ltd and Grameen Krishi Foundation, has been exporting mung beans produced in Patuakhali since 2018.

This year, the company purchased 336 tonnes of the legume at Tk 67 per kilogramme from about 8,000 contract farmers in the region.

And despite having aimed to export 1,000 tonnes of mung beans to Japan, just 200 tonnes of the pulses will be shipped to the island nation this time around.

Najmus Sadat Nahid, country coordinator of Grameen euglena, said the mung beans are packaged at their own factory in Ishwardi upazila before being sent to Japan from July onwards.

But due to the severe heat this year, the pulses are of smaller size. As a result, the desired quantity of quality mung beans could not be collected, leading to a fall in exports, he added.

Nahid also said they purchased the Bari 6 variety of mung bean grown on about 2,000 hectares of land for Tk 67 per kilogramme, which is Tk 5 more



PHOTO: COLLECTED

Mung bean is being processed at a factory in Ishwardi upazila.

than the going market rate.

Abdur Rahman, a mung bean farmer of Badarpur village in Patuakhali sadar upazila, said he cultivates the crop under the supervision of Grameen euglena but lower production was unavoidable this year due to unfavourable weather.

"Still, we are happy to be getting a good price from the company," he added.

Regarding exports to Japan, Sultan Ahmed, chairman of the department of agriculture at the Patuakhali University of Science and Technology, said there is huge demand for the legume in Japan.

There, mung bean sprouts as well as pulses are used as a tasty vegetable

or ingredient that prevents disease, he added.

Nazrul Islam, deputy director of the Department of Agricultural Extension in Patuakhali, said some 85,432 hectares of land in the district were brought under mung bean cultivation this season with about 102 lakh tonnes of the pulses having been produced.

This year, 20,000 farmers in Patuakhali were given mung bean seeds and fertiliser as assistance under the Agriculture Rehabilitation Project of the agriculture ministry.

"Farmers are benefiting more with less cost and it is possible to earn foreign currency by exporting mung beans," he added.

### DIGITAL BANK

## The future of banking or a flash in the pan?

MAHTAB UDDIN AHMED

While struggling to find the English for "Hujuge Bangali" I decided that its essence gets somewhat lost in any other language, so I gave up. In the 80s, there was a mushrooming growth of small-size textiles, followed by a boom in the garments industry.

While many made a fortune for themselves and the country, small-sized textile models seem to have vanished into thin air. Then came the rush for banks and NBFIs, giving Bangladesh probably the highest number of banks (61) and NBFIs (33).

And a similar case can be found in the insurance industry. What is taking the country by storm now is "Digital Bank", and everyone wants to have a "byte" into it. Hope we don't make a mess out of it! Let us understand the reasons behind the global craze of "Digital Bank". Customer adoption is fast for basic infrastructures like smartphones, data penetration, digital literacy, etc.

Examples are many, including, Webank (China), NuBank (Brazil), Uno Bank (Philippines), Chime (US) and Monzo, a digital bank in the UK that gained 1 million customers in just 2 years! The failure numbers are way more significant.

Digital banks can cut 20-25 per cent of their cost base by automating processes. They can realise improvements in profitability over conventional banks in about five years if implemented well.

The preference for digital banking is widespread. As per a recent survey, 89 per cent of US banking customers use mobile banking, and 89 per cent of digital banking users use mobile devices.

In Bangladesh, the biggest challenge lies in low smartphone penetration. Only 28 per cent people have smartphones, which is way lower than the average in other developing countries.

Another challenge is low credit bureau coverage. Only 5 per cent people have a credit report, which is much lower than the average in other developing

countries.

This makes it difficult for digital banks to assess the creditworthiness of customers, which can lead to higher lending rates and lower approval rates.

The new "Digital Bank" (DB) guideline by Bangladesh Bank is unique in many ways – 1. Typically, DB is founded by following the startup concept of the innovative founders supported by the investors. In this case, only wealthy organisations and individuals with "clean" money on their balance sheet can own it, which means there is little room for creators/innovators to join forces.

2. The guidelines mirror conventional banking regarding various ratios like CRR, SLR, CRAR, LCR, NSFR. It implies that no MFS can be upgraded to DB with their existing financial condition. MFS operators like bKash, Nagad, and Upay target bringing the unbanked into the bank. It may not allow DB to have the same level of success as MFS.

3. Under the new guideline, a new DB is unlikely to compete with successful MFS players in the market, who can quickly partner with other conventional banks for additional services like deposit and lending, although some are already doing it.

4. Unlike DB around the globe, the local model must play a steady growth game over valuation games, unlike the MFS or startups model.

The new guideline may be driven by conventional banks failing to make sufficient effort to be digitalised. It reminds me of a lavish party of banking big shots that I had attended where the host, an IT vendor from a non-banking background, said to a few CEO friends of the bank, "I don't know what I am selling; these CEOs don't know what they are buying, making me so successful in my business."

While the overall success rate of digital banks worldwide is relatively low, a few have succeeded to some extent, impacting the economy significantly. Our economy can achieve much more if our banks focus on customer experience, innovation, the right technology, talent and partnerships with supporting regulations.

The author is founder and managing director of BuildCon Consultancies Ltd



## Brexit an 'economic disaster' for UK, German trade

### Say German economists

REUTERS, Berlin

Brexit has been an "economic disaster" for trade and investment ties between the United Kingdom and Germany, leading to a fall in German direct investment and seeing the UK decline in importance as a trading partner, German economists said.

Britain voted on June 23, 2016, to exit the European Union and it left the EU's single market at the start of 2021.

"Brexit is an economic disaster for both sides of the channel," Volker Treier, head of foreign trade at the German Chamber of Industry and Commerce (DIHK), told Reuters on Thursday.

Last year, Germany exported goods worth 73.8 billion euros (\$80.57 billion) to the UK, 14.1 per cent less than in 2016. The year of the referendum, the UK was Germany's third most important export market, but by 2022 the country had slipped to eighth place, Treier said.

As a trading partner - measuring combined exports and imports - the UK has lost even more importance since then, dropping from fifth to eleventh place, he added.

The volume of German direct investment in the UK has also declined. In 2021, it was around 140 billion euros, a decline of 16.1 per cent compared with 2016.

According to the DIHK, some 2,163 German companies are now active in the UK, 5.2 per cent fewer than in 2016.

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## India's wheat output 10% lower than govt estimates

REUTERS, Mumbai

India's wheat harvest in 2023 is at least 10 per cent lower than the government's estimate, a leading trade body told Reuters on Wednesday, amid a sharp rise in local prices during the past two months.

Lower wheat production for a second straight year could complicate New Delhi's efforts to keep a lid on prices of the staple and overall food inflation, a major concern amid forecasts of an El Nino weather pattern.

"Availability of wheat is very poor in the market. It suggests production was around 101 million to 103 million tons," said Pramod Kumar S, president of the Roller Flour Millers' Federation.

The industry estimate of this year's wheat output has not been previously reported.

According to the government, wheat output rose to a record 112.74 million metric tons in 2023, up from 107.7 million metric tons a year earlier. India consumes around 108 million metric tons of wheat annually.

Farmers start harvesting wheat from March, selling most of their crop to state agencies and private traders

by June.

Supplies from farmers have already dropped, suggesting the agriculture ministry's production estimate is more optimistic than the reality,

Kumar said.

Wheat prices in New Delhi have jumped 10 per cent in the past two months to 24,900 rupees (\$303) a metric ton, prompting the



Labourers use shovels to separate wheat grains from husk at a wholesale market in Amritsar on May 5.

PHOTO: AFP