



There are 168 tea estates in the country, according to Bangladesh Tea Association, a platform of tea garden owners.

PHOTO: STAR/FILE

Long-term plan behind high tea production

DWOHA CHOWDHURY and
SUKANTA HALDER

It was in 2007 when one of the country's largest tea-producing companies, Consolidated Tea and Lands Company (Bangladesh) Limited, initiated a long-term plan to increase tea production.

Fifteen years later, the plan is finally paying off as four gardens of the company, popularly known as Finlays Tea Company, have yielded the highest amount of produce last year.

Among these gardens, Rajghat Tea Garden in Moulvibazar's Sreemangal upazila yielded the highest production of 27,33,808 kilogrammes (kg) of tea, according to Bangladesh Tea Board (BTB).

Production per acre in the 5,816.77-acre garden was 469.99 kg, around 70 kg more than that in any other garden in the country.

There are 168 tea estates in the country, according to Bangladesh Tea Association (BTA), a platform of tea garden owners in the country. Of them, 25 gardens each sit on over 3,000 acres of land.

Three other gardens of Finlays have also achieved top production figures. These are Deanston and Balisera in Moulvibazar's Sreemangal and Rashidpur in Habiganj's Bahubal upazila.

These gardens produced 26,58,780 kg, 23,93,445 kg and 18,82,791 kg of tea respectively.

Their average production per acre was 331.77 kg, 276.61 kg and 337.76 kg.

"The company planned properly back in 2007/08 and started investing in plantation and irrigation systems," Tahsin Ahmed Chowdhury, chief operating officer for estates of the Consolidated Tea and Lands Company (Bangladesh) Limited.



"In recent years, while the industry has been facing irrigation problems due to adverse weather conditions, we have been benefiting from our irrigation system," he said.

"Furthermore, effective team management in completing routine tasks like application of fertilisers and timely spraying of pesticides has played a vital role in the increase in production," he said.

In terms of production per acre in gardens with more than 3,000 acres of land, Uttarbhag-Indanagar in Moulvibazar's Rajnagar, Karimpur in the same upazila, Majdihi in Sreemangal, and Rashidpur in Habiganj's Bahubal upazila follow suit.

These gardens produced 399.18 kg, 386.77 kg, 351.46 kg and 337.76 kg of tea per acre of land respectively.

Among these gardens, Majdihi and

Karimpur are owned by Duncan Brothers (Bangladesh) Limited while Uttarbhag is owned by Polymer Agro Industry Limited.

For Duncan Brothers, the story behind production being better is also the same.

"A good yield depends on various aspects such as soil condition, soil nutrition, plant clone, plant compactness, drought effects, termite invasion, and more," said Md Mustafizur Rahman, senior general manager for operations of Duncan Brothers (Bangladesh) Limited.

"A well-balanced synchronisation of human resources, from garden managers to those plucking the leaves, is also necessary," he said.

"Impacts of policies are not immediate but...the initiatives taken years ago are finally bearing fruit. However, we are still not satisfied with the yield, and the initiatives being implemented now will help increase production in the future," he said.

While production is increasing, officials concerned also speak of challenges affecting growth. These challenges include adverse weather, low tea prices in auctions and labour unrest.

"Labour unrest cost 1.8 million kg of tea last year," said Tahsin of the Consolidated Tea, who is also a central committee member of the BTA.

"Besides, low price of tea in auctions is also affecting the industry. This issue should be properly addressed by the government," he urged.

"Tea plantation demands continuous funding and post-planting care is capital-intensive," said Mustafizur of Duncan.

"Challenges like higher labour costs and material expenses are hindering our long-term plans. Government aid in the form of affordable bank financing can help sustain the industry," he said.

In the past decade gardens have grown while new planting and replanting are also taking place, said Kamran Tanvirur Rahman, chairman of the BTA, recently.

"If the population increases, if the economic condition of the people is good, the purchasing power will be boosted further. Consumption will increase in the coming days," he said.

"That's why tea garden owners are investing every year. It's an ongoing process," he added.

In 2022, the country produced 9.4 crore kg of tea, up from 6.6 crore kg in 2013, according to the BTB.

Moulvibazar's 90 tea gardens account for 55 percent of the production. Habiganj comes in second, contributing to 22 percent of the tea produced.

Bangladesh is currently listed as the world's eighth largest tea producer, accounting for about 2 percent of the total production.

Settle UAE trades in rupee, dirham

India cenbank nudges banks

REUTERS, Mumbai/New Delhi

India's central bank is nudging local banks to ask their clients to settle trade between the United Arab Emirates and India using the dirham (AED) or Indian rupee (INR) to reduce US-dollar-based transactions, five sources told Reuters.

The move is part of the Reserve Bank of India's broader aim of promoting settlement in local currencies with countries with which India has a trade deficit, with the knock-on effect of boosting the rupee's global reach, three banking sources said.

India's trade deficit with the UAE was \$21.62 billion in 2022/23, or 8.2 percent of its total deficit, government data shows. In July, the two countries agreed to facilitate trade in rupees instead of dollars.

The idea, a government source said, was to reduce the outflow of dollars on account of this trade deficit.

"The RBI has asked banks to encourage clients and corporates to initiate INR-AED trades gradually, instead of using the dollar," said a treasury official at a private bank.

An RBI official communicated this message verbally to foreign exchange dealers at a seminar this month, four sources said. This communication has not been previously reported.

None of the sources wished to be named because they are not authorised to speak to the media. The RBI and trade ministry did not respond to a Reuters email seeking comment.

The RBI may consider setting internal targets for the quantum of India-UAE trade it would like to see moved away from dollars, said the government source.

The central bank is "keen that volumes of such trades go up" and "has assured the market that they will be ready to support banks with INR-AED trades," this banker said.

While data on such cross-currency trade volumes is not publicly available, at least three bankers said the current volume is low and may act as a hurdle for corporates to pay for the entire import in dirhams.

Indeed, earlier this month, Indian Oil Corp paid Abu Dhabi National Oil Co (ADNOC) in rupees to buy a million barrels of oil.

"The RBI is telling banks to first encourage large clients and corporates to start INR-AED trades because their balance sheets are relatively stronger," another banker said.

But large corporates have, so far, been reluctant in engaging in non-dollar denominated deals, said a banker with a state-run firm.

With smaller companies, on the other hand, bankers have pushed for such transactions by offering discounted service charges as an incentive, the banker said.

Rupee ends flat

REUTERS, Mumbai

The Indian rupee ended little changed after trading in a narrow band on Monday, on likely dollar-selling intervention by the central bank which helped the currency navigate the decline in its Asian peers.

The rupee closed at 83.1075 per US dollar compared to its close of 82.1025 on Friday. On the other hand, the Chinese yuan, the Korean won and the Indonesian rupiah dropped 0.3 percent to 0.4 percent each.

The Reserve Bank of India likely sold dollars in the NDF (non-deliverable forward) and the OTC markets to prevent the rupee from falling towards its record low of 83.29 that it hit in October last year.

Over the past few sessions, the USD/INR has been holding within a range of 83.00 to 83.20, SMC Global Research said in a note.

A breakout from the longstanding resistance of 83 signifies the dollar's uptrend, SMC report said.

The offshore Chinese yuan dropped to 7.3360 to the dollar, not far from its year-to-date low. The currency, pressed by worries over Sino-US interest rate differentials and China's growth outlook, has dropped more than 2.5 percent this month.

Lankan inflation halves to 4.6%

REUTERS, Colombo

Sri Lanka's consumer inflation rate more than halved to 4.6 percent year-on-year in July, helped by falling food prices, the statistics department said on Monday.

The National Consumer Price Index (NCPI) captures broader retail price inflation and is released with a lag of 21 days every month. In June consumer inflation stood at 10.8 percent. Food prices fell 2.5 percent in July from a year earlier, after rising 2.5 percent in June year-on-year, the Department of Census and Statistics said in a statement.

Prices for non-food items rose 10.9 percent in July after rising 18.3 percent year-on-year in June.

Since June, Sri Lanka's inflation has come down sharply from the runaway levels seen earlier, partly due to the statistical base effect, but also helped by a stronger rupee currency, which has lowered the costs of fuel, power and imported food.

Sri Lanka's \$2.9-billion bailout secured from the International Monetary Fund (IMF) in March has topped up foreign reserves, which had dwindled to record lows in early 2022, plunging the island into its worst financial crisis in more than seven decades.

"Inflation is likely to remain under 5 percent, largely because of the high base effect. We are unlikely to see demand side pressures that could push up inflation in the next few months," said Udeeshan Jonas, chief strategist at equity research firm CAL.

Encouraged by inflation easing faster than expected, Sri Lanka's central bank cut policy rates by a combined 450 basis points in June and July this year, after raising them by a record 1,050 basis points between April 2022 and March this year.



A woman takes a selfie at a shopping mall in Beijing on August 16. China's long-awaited post-Covid recovery following the lifting of health restrictions at the end of 2022 has run out of steam in recent months.

PHOTO: AFP

China cuts key interest rate to support economy

AFP, Beijing

China's central bank on Monday cut a key interest rate in an attempt to counter the post-Covid growth slowdown in the world's second-largest economy.

Activity has been dragged down recently by uncertainty in the labour market and global economic sluggishness, weakening demand for Chinese goods.

Financial troubles in the real estate sector, with several leading developers on the verge of bankruptcy and struggling to complete projects, also pose a major obstacle to growth.

The People's Bank of China said on Monday cut the one-year loan prime rate, which serves as a benchmark for corporate loans, from 3.55 percent to 3.45 percent.

However, the five-year LPR, which is used to price mortgages, was held at 4.2 percent. READ MORE ON B2