



At least 12,079 acres of land are under tea cultivation across five northern districts, namely Panchagarh, Thakurgaon, Nilphamari, Lalmonirhat and Dinajpur.

Third tea auction centre launched in Panchagarh

MD QUAMRUL ISLAM RUBAIYAT

A new tea auction centre began operations in Bangladesh's northwest bordering district of Panchagarh yesterday, making it the third establishment of its kind following the country's first in Chattogram and the second in Sreemangal.

Commerce Minister Tipu Munshi formally inaugurated the centre through a ceremony held at the Panchagarh Government Auditorium.

Following the inaugural ceremony, brokers started their bidding activities via a virtual platform.

Initially, 15 bidders vied for purchasing processed tea of Supreme Tea Ltd. Chowdhury Enterprise placed the highest bid during the fixed two-minute bidding session, buying 200 kilogrammes (kgs) of the product for Tk 543 per kg.

During the inaugural ceremony, Munshi said the aim of setting up a new auction centre would be fulfilled only after growers are ensured fair prices for their raw tea leaves.

"We set up the auction centre so that growers are not made anyone's puppet by being forced to sell their leaves at reduced prices," he added.

Local tea growers were previously compelled to sell their produce for Tk 15 per kg, which was lower than the Tk 18 per kg fixed by the Panchagarh District Tea Leaves Price Fixation Committee.

"If they continue to face the same situation, one day the production of tea leaves will be suspended here," Munshi said.

The commerce minister also pointed out that factory owners should care about the interests of growers.

"So, we will not support it if you want to deprive growers of fair prices," he added.

For example, some tea processing factories deduct as much as 50 percent of the total weight of tea leaves brought in by farmers citing high levels of moisture content.

"But this is completely unacceptable. No one should try to benefit from the hapless position of growers," Munshi said.

Among others, Railway Minister Advocate Nurul Islam

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Jamuna Life Ins in crisis, Idra prescribes remedies

SUKANTA HALDER

Teetering on the verge of a crisis, Jamuna Life Insurance Company Limited has been prescribed some remedies by the insurance regulator, including preparation of a business action plan at the earliest for the next three years.

Steps must be taken to ensure continuation of over 60 percent of policies, such as by deferring 10 percent of first-year premium commission payments to agents till the second year, said the Insurance Development and Regulatory Authority (Idra).

Moreover, average management expenses must be reduced by 30 percent while customer claims settled timely, it said.

The directives were passed following a hearing at the Idra office on May 22 based on the regulator's analysis of the insurer's financials for the 2017-2021 period.

Such investigations were directed by Financial Institutions Division on July 24, 2022 on 13 life insurance companies approved in 2013 and 2014 over a number of allegations.

These include irregularities, corruption and commission payments to agents and administrative expenses exceeding that stipulated in Insurance Act, 2010.

Insurance companies base their business models around assuming and diversifying risk. It involves pooling risk from individual payers and redistributing it across a larger portfolio, according to

investopedia.com.

Most insurance companies generate revenue in two ways – charging premiums in exchange for insurance coverage, then reinvesting those premiums into other interest-generating assets, it says.

"We think we can overcome the current problems in the next two years (by following Idra directives)," said Kamrul Hasan Khandaker, chief executive officer of Jamuna Life Insurance Company.

Like all private businesses, insurance companies try to market effectively and minimise administrative costs, it adds.

None of these could be efficiently attained by Jamuna Life Insurance Company Limited.

The company's website does not contain any annual report from which its financials could be understood.

However, according to Idra's investigation documents on the five-year period, just 14.08 percent of the insurer's policies were continued by customers on an average in their first year. In 2021, the policy discontinuation rate stood at 41.84 percent.

Investments of premiums during the period yielded an average return of just 10.34 percent. In 2021, the insurer had assets worth Tk 22.61 crore and customer liabilities of Tk 8.3 crore.

What is more shocking is that the insurer has no life fund. Life funds are set up to pool a part of premiums from which associated policy claims and expenses can be later paid out.

And when it comes to management expenses, the insurer exceeded that stipulated in the insurance act by about 45.60 percent on an average during the five years. In 2021, it reached Tk 23 crore, exceeding the limit by 50.17 percent.

The expenses were incurred "to survive in the competition with many other companies", as per the insurer's chief executive officer, Kamrul Hasan Khandaker.

Talking to The Daily Star recently, he also blamed customers for the low rate of policy continuation.

"We think we can overcome the current problems in the next two years (by following Idra directives)," Khandaker said.

"Currently Jamuna Life does not have any pending claim," he claimed.

Business was slow, so the company's assets, investments and life funds did not increase, Khandaker told the May 22 Idra hearing.

It is unacceptable to spend more than what is approved by law, said Mohammad Zainul Bari, chairman of Idra, at the hearing.

The best practices of a dynamic CEO

MAMUN RASHID

I became a management committee (mancom) member of an Australian bank quite early. My climbing to the top role in the local office of a leading USA based bank was also relatively early. In those days, a CEO was kind of a CEO, no matter whether you drive change or not. Almost always the boss's man and focusing on upward management.

But in current times, the traditional notions of competition are fading away in the rearview mirror and new disruptive competitors are emerging and gathering their forces. In such times it is much more challenging to define what success looks like. So, if the CEO of the institution does not continue to also be the prime mover of change, then that institution will inevitably become complacent and easily fall prey to hungrier competition.

Despite the success that may have already been attained by a CEO, the learning process must never stop and must continually be enhanced. Conversations and interactions with customers/clients, employees, investors, analysts, board members and other stakeholders must continue but in addition to that, the ever-evolving leader must boldly seek out new connections and sources of knowledge and learning. Since the nature of competition is always changing, so must the ways of acquiring inputs and ammunition to combat the competition. The CEO must invest time on listening, learning and connecting the dots rather than just talking about their own successes.

High performing CEOs also seek out the outsider's perspective for adjusting their leadership style and this requires a clinical assessment that solicits feedback from a much broader range of stakeholders which previously may not have been tapped.

Crisis management has become a routine part of the CEO's primary role in the current world of business, especially after the recent pandemic and still currently ongoing war in eastern Europe that continues to negatively impact global supply chains and logistics. A crisis can arise from anywhere. Not all crises are company specific. Macroeconomic events, pandemics, international conflicts, natural disasters, social conflict, terrorist attacks, and countless other external factors can all create crisis conditions for CEOs.

A crisis can either end a CEO's otherwise great tenure or the crisis itself could be skillfully harnessed to push a company to higher and even more successful levels of post-crisis existence. This would depend on the agility and endurance capacity of not only the company but also its leadership.

Those leaders who achieve positive outcomes understand that the best time to prepare for a crisis is never on the day or after it has already occurred. Such leaders have the foresight to regularly stress-test the business and its strengths and weaknesses, well before a stressful event occurs.

This means "future-proofing" the business enterprise from today as well as actively making it stronger and more resilient. A key part of this involves investing time and energy into coaching, retention, performance management, and succession planning for the highest value creating roles, which also includes the CEO himself.

The title of CEO is the most powerful and sought-after one in the business world and it is undoubtedly the more exciting, rewarding and influential role than any other. Despite the glorious nature of this role, serving as the top leader of an organisation can be quite lonely, all-consuming, and highly stressful. Not all CEOs are able to live up to performance expectations even if they had a very distinguished and super successful past in other leadership level roles. The mighty standards and much broader expectations of stakeholders, directors, customers, employees, etc innately create a very tough environment that is merciless and comprised of relentless scrutiny in which one move can either dramatically make or break an otherwise excellent career history.

The writer is an economic analyst.



India's rice area grows on higher prices

REUTERS, Mumbai

Indian farmers have planted 39.8 million hectares (98.3 million acres) with rice, up 3.7 percent on the same period last year, farm ministry data showed on Friday, as record high prices prompted farmers to expand the area.

Higher rice planting could alleviate supply concerns in the world's second biggest producer and consumer of the grain.

India surprised buyers in July by imposing a ban on the export of widely consumed non-basmati white rice, following a ban on broken rice exports last year.

New Delhi's decision to ban overseas shipments of its largest rice export category would be likely to roughly halve shipments by the world's largest exporter of the grain.

"Farmers are very interested in rice, but the weather is not supporting the planted crop. In southern states, the crop is facing moisture stress," said a New Delhi based dealer with a global trade house.

India had the driest August in more than a century as the country received 36% less rainfall than normal in 2023. Millions of India's growers start planting summer crops such as rice, corn, cotton, soybeans, sugarcane and peanuts from June 1, when monsoon rains typically begin lashing India.

The monsoon is critical as nearly half of India's farmland lacks irrigation. Farmers had planted 19 million hectares with oilseeds, including soybeans, by Friday, against 19.2 million hectares a year earlier.

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A person walks by a sign advertising employment at a fast-food restaurant in New York City. The US labour market is slowing in response to the central bank's hefty rate hikes to cool demand in the economy.

PHOTO: AFP/FILE

US jobless rate jumps

REUTERS, Washington

US job growth picked up in August, but the unemployment rate jumped to 3.8 percent and wage gains moderated, suggesting that labour market conditions were easing and cementing expectations that the Federal Reserve will not raise interest rates this month.

The closely watched employment report from the Labor Department on Friday also showed 736,000 people entered the job market last month, boosting the participation rate to the highest level in 3-1/2 years. Concerns about an economic slowdown are probably luring people back into the labor market.

The economy created 110,000 fewer jobs than previously reported in June and July, which some economists suggested there had been business closures that were not previously captured.

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