



The government will give Tk 189 crore in incentives to the farmers of 10 winter crops, including mustard, wheat, onion, maize and sunflower.

PHOTO: STAR/FILE

Govt offers incentive for 10 winter crop growers

STAR BUSINESS REPORT

The government will give Tk 189 crore in incentives to the farmers of 10 winter crops this fiscal year, agriculture ministry said yesterday.

The winter or Rabi crops are wheat, onion, mustard, maize, sunflower, groundnuts, soybean, mung, lentil and khesari (grass pea), the ministry said in a press release.

Over 19.53 lakh small and marginal farmers across the country will be given free seeds and fertilisers for cultivating

any one of the crops.

Under the incentive, a farmer will get 20 kilogrammes of wheat seeds, 2 kgs of maize seeds, 1 kg of mustard seeds, 10 kgs of peanut seeds, 8 kgs of soybean seeds, 1 kg of winter onion seeds, 1 kg of lentil seeds and 8 kgs of khesari seeds at free of cost.

The ministry said the incentives will be provided from its regular budget on agricultural rehabilitation assistance and seedlings sector.

The distribution of these incentives will start soon at the field level, it added.

Construction of Patuakhali EPZ to begin soon

SOHRAB HOSSAIN, Patuakhali

The construction of an export processing zone (EPZ) in Patuakhali will begin soon after all land acquisition costs are cleared within the next one month or so, according to project officials.

The planned EPZ featuring 306 industrial plots will be built on 410.78 acres of land in Pachakoralia Mouza of Auliapur union under Patuakhali sadar upazila.

The Executive Committee of the National Economic Council (ECNEC) approved the project involving Tk 1,443 crore on August 29 earlier this year while it is scheduled for completion by June 2026.

The government decided to set up the Patuakhali EPZ to take advantage of the increased connectivity offered by Padma Bridge and Payra Port, said Project Director Md Ashraf Kabir.

This is because industries in the Patuakhali EPZ will be strategically placed to benefit from easy access to imported raw materials and export facilities, he added.

As such, the EPZ will help increase the country's export earnings and create employment opportunities that will contribute to the socioeconomic development of the southwestern region of Bangladesh.

Being implemented by the Bangladesh Export Processing Zones Authority (BEPZA), construction of the Patuakhali EPZ will require establishing an inner road network, drainage system and boundary wall.

Apart from that, industrial, residential and office spaces will be set up along with two substations for power and gas transmission, Kabir said, adding that a helipad would also be constructed.

Besides, an Investors Club is being established on 2.25 acres of land in Kuakata under the same project.

Of the estimated project cost, BEPZA will pay about Tk 338 crore from its own funds while the government will cover the remaining Tk 1,105 crore.

Sources at the Patuakhali deputy commissioner's office say the Prime Minister's Office had granted administrative approval to acquire land for setting up the Patuakhali EPZ on August 8, 2021.

Obaidur Rahman, additional deputy commissioner of Patuakhali, said the only thing left to complete the land acquisition process is to compensate the previous owners after BEPZA makes the allocation.

There are currently eight EPZs in Bangladesh, namely the Chittagong EPZ, Dhaka EPZ, Mongla EPZ, Ishwardi EPZ, Cumilla EPZ, Uttara EPZ, Adamji EPZ and Karnaphuli EPZ.

"It is very good news for us that such a facility is going to be established for the sake of the country's development," said Humayun Kabir, chairman of the Auliapur union parishad.

"Through this [the Patuakhali EPZ], many people will be employed and the companies will be able to play a significant role in the development of the country," he added.

Why digital banks may be more successful

MAMUN RASHID

Bangladesh Bank issued comprehensive guidelines for establishing digital banks in mid-June. This important decision has generated a lot of excitement among different groups, including major banks, non-banking financial institutions (NBFIs) and innovative startups.

The most promising aspect is the cooperation between established financial institutions and startups as they work together to obtain licenses and lead the way. This collaboration has the potential to propel Bangladesh into a digitally advanced future. Media reports say 52 groups or institutions have applied for digital bank licenses.

Over the past few years, the landscape of mobile financial services (MFS) has undergone a remarkable transformation. Initially focused on tasks like withdrawing and transferring cash, MFS has expanded to include activities such as paying bills, making purchases from merchants, saving money, and offering loans. This expansion has made it very popular among users and signifies a significant move toward making financial services more accessible to everyone.

The inclusion of digital banks in this context paints a positive picture of a nation rapidly adopting digital financial solutions, positioning itself for a dynamic future in financial technology.

Digital banks will operate exclusively online, without physical branches, which significantly reduces operating costs. To comply with the Bank Company Act, these banks will establish their main offices in the country. Automation will enable them to require fewer staff, resulting in lower labour costs.

This streamlined approach not only reduces costs for the banks, but also translates to more affordable and accessible financial services for the general public.

Customers of digital banks would conduct their activities online, including transferring money, making payments, and carrying out transactions. These transactions can happen through various channels, such as the bank's website, interbank networks, MFS agents, ATMs, and cash deposit machines (CDMs).

Digital banks can also introduce technology-based products like virtual cards and QR codes to make transactions more convenient.

It has the potential to bring individuals without access to banking services into the banking system, promoting financial inclusion and providing underserved populations with essential banking services including small loans.

Building a successful digital bank system requires a comprehensive strategy that combines technology, customer focus and adherence to regulations. A strong technological foundation is essential, marked by user-friendly interfaces and robust security measures.

Prioritising the customer experience is crucial, requiring intuitive platforms and efficient services. Achieving financial inclusion means ensuring access for underserved populations through educational initiatives that enhance digital literacy.

Personalisation, powered by data analysis, deepens customer engagement and loyalty by tailoring services to individual needs. Compliance with regulatory standards is essential, requiring ongoing collaboration with regulatory authorities to ensure adherence. Providing responsive customer support, fostering innovation, and establishing feedback mechanisms are essential to effectively address customer needs.

Forming strategic partnerships with fintech companies and third-party providers opens opportunities for expanded service offerings and market growth. Effective marketing campaigns play a significant role in raising awareness, highlighting the advantages of digital banks in terms of convenience and security. Scalability and adaptability are crucial to accommodate growth and respond quickly to changing market dynamics. By systematically addressing these aspects, digital banks can chart a course toward success in the ever-evolving financial landscape.

The author is an economic analyst



LEAVING RUSSIA Western companies weigh pros and cons

AFP, Paris

Should they stay or should they go now? Eighteen months after the start of the war in Ukraine, many Western companies in Russia are still assessing the pros and cons.

According to a count by the Yale University, around a hundred companies from the G7 nations are still operating in Russia, but the numbers appear to be dropping.

"We are continuing to see a trend towards a reduction in the activities of Western companies on Russian territory," Julien Vercueil, an economist specialising in Russia, told AFP.

On August 21, faced with an "increasingly difficult environment", US pizza chain Domino's decided to

throw in the towel, announcing the bankruptcy of its Russian operations, which it had been trying to sell since December, and closing 142 establishments across the country.

"The war is creating unfavourable conditions for foreign companies in Russia, whatever they decide to do," Vercueil said. If they quit Russia, especially if they do so in a hurry, these companies "can lose a lot, but it will be once and for all", he said.

According to analysis by The Financial Times, which examined the annual accounts of 600 European multinationals, they lost at least 100 billion euros (\$108 billion) in total "following the sale, closure or reduction of their Russian activities".

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Tesla, Chinese EV brands jostle for limelight at German fair

AFP, Munich

One of the world's biggest auto shows opened in Munich on Monday, with Tesla ending a 10-year absence to jostle for the spotlight with Chinese rivals as the race for electric dominance heats up.

Chancellor Olaf Scholz will officially inaugurate the IAA mobility show, held in Germany every two years, on Tuesday.

But carmakers used Monday's press preview as an early chance to show off some of the new models that will be hitting the road soon.

The industry-wide shift towards electric vehicles will be front and centre at this week's fair, with Chinese carmakers out in force as they eye the European market.

US electric car pioneer Tesla, owned by Elon Musk, will return to the IAA for the first time since 2013 and is expected to unveil a revamped version of its mass-market Model 3.

That Tesla, usually a holdout at such events, is coming to Munich shows it is taking the growing competition seriously, said Jan Burgard from the Berylls automotive consulting group.

"The electric car market with its many new players will be divided up over the next few years and people want to know: who is offering what?" Burgard told the Handelsblatt financial daily.

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A worker operates a backhoe loader to load coal onto a goods train at the Amrapali coal mines in Peeparwar in India's Jharkhand state. Coal's share in power output in India rose to 66.7 percent in August -- the highest for the month in six years, according to an analysis of government data.

PHOTO: AFP/FILE

India steps up coal use to fight outages

REUTERS, Singapore

India has stepped up the use of coal to generate electricity in a bid to stop outages caused by lower hydroelectricity output, and as an increase in renewables is struggling to keep pace with record power demand.

It is unusual for India's electricity use to spike in August, when temperatures are lower due to the annual monsoon that runs between June and September. Demand typically peaks in May, when Indians crank up air-conditioners to beat the heat, and industries operate without rain-related disruptions.

However, the driest August in more than a century has resulted in power generation surging to a record 162.7 billion kilowatt hours (units), a Reuters analysis of data from the federal grid operator Grid India showed. READ MORE ON B2