

India approves new air routes for its north-eastern states

OUR CORRESPONDENT,
New Delhi

India has greenlit four new air routes that connect the country's north-eastern states with international destinations, including Dhaka and Chattogram, under a project for improving regional air connectivity called "Udan".

Officials of the Indian civil aviation ministry said fares on these routes — Guwahati-Bangkok, Guwahati-Dhaka, Imphal-Mandalay and Agartala-Chattogram — will be subsidised by the state governments of Assam, Manipur and Tripura to facilitate air travel.

The move comes as part of a larger project, called the "International Air Connectivity Scheme (IACS)", which was launched in 2022 with the aim of enhancing air connectivity in the remote region.

Besides, the project aims to boost socioeconomic growth in the region as well.

Also, some other routes connecting Guwahati, Imphal and Agartala with Kathmandu, Yangon, Hanoi, and Kunming have been identified.

However, the economic viability of the new routes will be tested by the passengers' response, the officials said.

This is because at present, these are not lucrative routes and therefore need to be supported by subsidies to keep fares low enough for attracting passengers in the high-competitive market for air travel.

The officials also pointed out that airport operators in the north-eastern region at times undertake development projects for enhancing their airports to international standard depending on the commercial viability, traffic demand and availability of land.

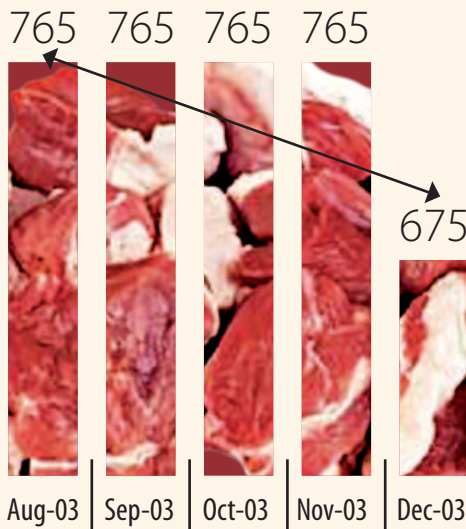
Currently, there are two international airports in Guwahati and Imphal, which are operated by the Guwahati International Airport Limited and Airports Authority of India (AAI) respectively.

The AAI has taken up various development works to boost international connectivity to and from the region, which includes establishing an integrated terminal at Agartala airport in view of the future requirement for international flights.

Additionally, the construction of a new integrated terminal building that can handle 2.4 million passengers per year at the Imphal airport has been approved at a cost of around Rs 500 crore.

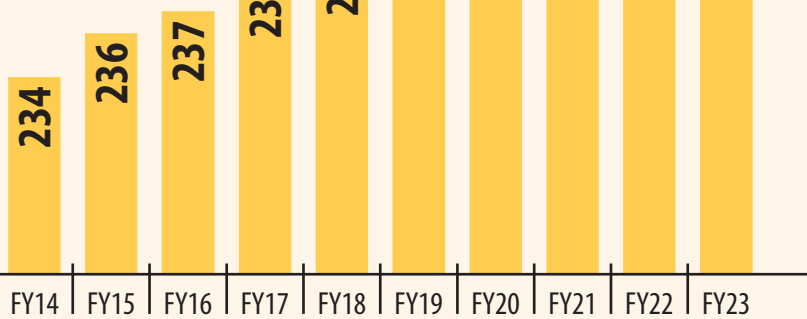
Beef prices in Dhaka

in taka per kg (average)
SOURCE: TCB



TREND OF CATTLE POPULATION IN BANGLADESH

(Numbers in lakh)
SOURCE: LIVESTOCK SERVICES DEPARTMENT



Farmers feel the pinch of reduced beef prices

AHMED HUMAYUN KABIR TOPU and
SUKANTA HALDER

With traders cutting prices of beef, cattle traders are offering lower prices to farmers.

Take the case of Pabna, one of the top cattle farming belts in the country, where cattle farmers are receiving Tk 22,000-Tk 23,000 for each maund (37 kilogrammes) of beef, down from Tk 24,000-25,000 per maund a couple of months ago.

Falling demand in the face of stubborn inflation and an increased supply of domestically-reared and smuggled cattle are reasons behind the recent decline in prices of beef at both the consumer and farmer end.

In such a situation, many cattle farmers said they were compelled to sell their cows at prices that did not meet their production costs in order to bear expenses.

Md Saiful Islam, a cattle farmer from the Faridpur upazila of Pabna, said he wanted to sell five cows last month.

"Unfortunately I did not sell a single cow due to poor prices," said the farmer, who has 30 cows in his farm.

Islam said he spends Tk 24,000-Tk 25,000 to produce each maund of meat, but meat traders were offering him up to Tk 22,000 for each maund.

It costs around Tk 100,000-120,000 to rear each cattle. However, the current market price is around Tk 80,000-Tk 100,000.

"Due to the poor prices, I could not sell any cattle," he said.

Like him, Md Raju, a cattle farmer from Jalalpur village, has halted sales of cattle.

Shah Emran, general secretary of the Bangladesh Dairy Farmers Association, which represents 16,000-plus dairy farmers in the country, said farmers could not afford to sell their cattle at low prices.

"It won't happen because it's a business. As the demand is reduced, in this situation they

are being forced to sell at a lower price," he said.

Speaking to The Daily Star, cattle farmers from Pabna and Sirajganj said they were struggling to maintain their farms as they were spending more than they were earning.

"Feed price has been soaring. While feed price is increasing, meat price is declining. So, we are struggling to manage costs," said Md Raju Ahmed, a cattle farmer of the Ramkharua village in Sirajganj's Shahzadpur upazila.

"We need to spend Tk 24,000-25,000 to produce each maund of meat, but we are getting only Tk 20,000-22,000 back. So, it's hard to maintain cattle farms," he said.

Raju sold 10 small cows for a total of Tk 5 lakh last month, which represented a loss of

Given the volatility in prices, the Directorate of National Consumer Rights Protection held a meeting with traders and farmers yesterday to coordinate the issue so that consumers and traders get a fair price

Tk 1 lakh when feed costs were factored in.

"If I want to maintain them, I have to spend a huge amount. But it is uncertain whether I can recoup my production costs. So, I sold them in order to get some relief from maintenance costs," Raju said.

Given the volatility in prices, the Directorate of National Consumer Rights Protection (DNCRP) held a meeting with traders and farmers at its head office yesterday to coordinate the issue.

In the meeting, DNCRP DG AHM Shafiquzzaman said that work was being done to ensure that consumers were not harmed by unusual prices.

Meanwhile, Bangladesh Trade and Tariff

Commission Deputy Director Mahmodul Hasan said that there should be a survey of who is selling which grade of meat and the price should be determined accordingly.

In the end, it was decided that all the parties of traders would sit on Wednesday and decide on the price of beef.

Meanwhile, cattle farmers and traders said sales of beef declined due to the prevailing economic crises in the country alongside various local fish becoming cheaper. They added that prices also came down recently due to the arrival of frozen meat from India through informal channels.

According to data from the Bangladesh Bureau of Statistics, food inflation stood at 12.56 percent in October this year, the highest in at least a decade.

An analysis of the state-run Trading Corporation of Bangladesh's retail beef prices for the last five months shows that beef was sold at an average price of Tk 765 per kg from August to November. But on the 3rd of December, prices decreased and beef was being sold at an average of Tk 675 per kg.

Robiul Alam, secretary general of the Bangladesh Meat Merchant Association, told The Daily Star that the price per kg of beef was Tk 320 in 2018 and had increased to Tk 800 in 2023.

It has decreased by Tk 100 per kg in the past month, he informed. He attributed the fall in price to the fact that meat consumption had decreased and the supply of meat in the market had increased.

Md Reajul Huq, director for admin of the Department of Livestock Services, said it is natural that the price of beef will decrease when other sources of protein are available in the market at lower prices.

Apart from this, the prices of proteins fall at this time of the year due to the availability of various winter vegetables in the market, he said.

The transformative power of microcredit

SHAMS A MUHAMMID

In the picturesque countryside of Bangladesh, where lush fields stretch endlessly and rural communities thrive, a silent revolution is brewing. Microcredit has emerged as a beacon of hope, offering rural and suburban populations the financial tools to break free from the shackles of poverty and underdevelopment.

Bangladesh boasts a predominantly rural demographic. According to national surveys, 60.29 percent of Bangladesh's population resided in rural areas, with the majority of the population reliant on agriculture for their livelihoods.

The rural sector faces a multitude of challenges that hinder its progress. A significant portion of rural households lacks access to formal financial services, pushing them into the hands of informal lenders who often charge usurious interest rates.

Rural poverty remains a pressing issue. Bangladesh's agriculture sector is susceptible to climate change-induced disasters, such as flooding and cyclones, leading to crop losses and income instability for farmers.

The rural economy is heavily dependent on agriculture, limiting livelihood diversification and making communities vulnerable to economic shocks. Rural areas often lack quality educational institutions, posing a barrier to human capital development.

Microcredit offers a compelling solution to address many of these challenges. It enables rural households to invest in income-generating activities such as small-scale farming, livestock rearing, and micro-enterprises. By connecting rural populations to formal financial services, microcredit fosters financial literacy and encourages savings, reducing dependency on exploitative informal sources of credit.

Microcredit enables rural communities to diversify their income sources, reducing their vulnerability to agricultural shocks and enhancing overall economic stability. In 2022, around 20.5 percent of Bangladesh's rural population lived below the national poverty line.

Microcredit has the potential to significantly alleviate this poverty by enabling income-generating activities. According to the World Bank, only about 40 percent of the adult population in Bangladesh had access to formal financial services. Microcredit can substantially increase this figure.

Microcredit institutions have been at the forefront of women's empowerment. According to the Bangladesh Institute of Development Studies, female participation in microcredit programmes positively correlates with household income and improved living conditions. A study by the International Food Policy Research Institute found that access to microcredit significantly enhances agricultural productivity among rural farmers in Bangladesh.

An analysis of rural consumption patterns reveals that increased income resulting from microcredit often translates into higher spending on education, healthcare, and nutrition, contributing to human capital development. However, it is essential that microcredit initiatives are well-designed, properly regulated, and tailored to the specific needs and challenges of rural communities.

It is pertinent that financial institutions, mainly banks, should come forward in association with non-governmental organisations and institutions by helping them raise funds or providing them financial consultation advice. Many organisations focus on the development of rural entrepreneurs and sectors.

As we move forward, it is crucial to continue monitoring the progress of microcredit initiatives in rural Bangladesh and adapt them to evolving circumstances. By harnessing the transformative power of microcredit, Bangladesh can unlock the immense potential of its rural areas, bridging the urban-rural divide and fostering inclusive development for all its citizens.

The author is deputy managing director at Prime Bank Ltd

US to limit Chinese firms, battery parts from winning EV tax credits

REUTERS, Washington

The Biden administration on Friday issued long-awaited guidance that will limit Chinese content in batteries eligible for electric vehicle tax credits starting next year.

In a win for automakers, the US Treasury will temporarily exempt some trace critical minerals from new strict rules barring materials from China and other countries deemed a "Foreign Entity of Concern." (FEOC)

The new rules, required under an August 2022 law, are designed to wean the US electric vehicle battery chain away from China and are being closely watched by automakers as they make investment decisions on producing batteries for their transition to electric vehicles.

The FEOC rules come into effect in 2024 for completed batteries and 2025 for critical minerals used to produce them.

The Alliance for Automotive Innovation, a group representing nearly all major automakers, said the decision to exempt trace materials for two years "was significant and well-advised" and without it could have made nearly all vehicles ineligible.

Treasury said the few materials being exempted each account for less than 2 percent of the value of battery critical minerals.

General Motors said on Friday it believes it is "well positioned to maintain the consumer purchase incentive for many of our EVs in 2024 and beyond."



General Motors assembly workers connect a battery pack underneath a partially assembled 2018 Chevrolet Bolt EV on the assembly line at Orion Assembly in Lake Orion, Michigan, US on March 19, 2018. US Treasury will temporarily exempt some trace critical minerals under strict new rules barring materials from China and other countries.

PHOTO: REUTERS/FILE

GSP Finance's losing streak extended

STAR BUSINESS REPORT

GSP Finance Company (Bangladesh) Ltd suffered Tk 23 crore loss in the second quarter of 2023.

The non-bank financial institution made Tk 2.19 crore profit in the identical three-month period last year.

Thus, it reported consolidated earnings per share of Tk 1.47 negative in April-June in 2023 against Tk 0.14 in 2022.

The loss in the second quarter sent its total loss in the first two quarters of the current calendar year to Tk 46.49 crore.

The amount contrasted starkly with the Tk 7 crore profit GSP Finance clocked in January-June of 2022.

Shares of the company traded at Tk 30.30 on the Dhaka Stock Exchange yesterday, unchanged from a session earlier.