

Guidelines issued to strengthen NBFIs

STAR BUSINESS REPORT

The Bangladesh Bank yesterday launched guidelines to improve corporate governance and risk management at non-bank financial institutions (NBFIs) while also reducing undue influence from board members.

As such, NBFIs now have to form a risk management committee alongside an executive committee and audit committee. Previously, only banks were ordered to form risk management committees.

The risk management committee is responsible for analysing all risks related to loans, liquidity, and other operations and directing the management accordingly.

The guideline defined the roles and responsibilities of all the sub-committees. It also said two members of the same family would not be allowed to be on the executive committee of a single NBFI.

Under the new guidelines, the remuneration of directors for presenting at board meetings would be Tk 10,000 at most. It was Tk 8,000 previously.

Apart from this, monthly honorarium payments for each director have been set at a maximum of Tk 50,000. It was previously nil.

READ MORE ON B3

Govt approves LNG purchase from Summit

STAR BUSINESS REPORT

The government yesterday decided to procure liquified natural gas (LNG) from Summit Oil and Shipping Co Limited (SOSCL) on a 15-year contract.

The cabinet committee on economic affairs, chaired by Finance Minister Abul Hassan Mahmood Ali, approved the proposal, which was placed by the ministry of energy, power and mineral resources.

SOSCL will supply up to 1.5 million tonnes per annum (MTPA) of super-chilled fuel to state-run Petrobangla for 15 years, starting from October 2026.

On August 1, the ministry of energy, power and mineral resources formulated new LNG importing regulations, which allow private companies to import LNG and sell it to the government.

At the meeting, the government also approved a proposal to set up a 50 megawatt (AC) solar power plant under the private sector in Netrokona.



A farmer tends to her cotton crops at Mogalhat village in Lalmonirhat. In the current year, farmers have cultivated cotton on 46,000 hectares, from which the government is aiming to produce 2.28 lakh bales of the white fibre this season. PHOTO: S DILIP ROY

Cotton cultivation grows but prices fail to meet expectations

S DILIP ROY

Although the cultivation of cotton is on rising as growers look to meet a portion of local demand and reduce dependence on imports, growers are unsatisfied with the low prices of the white fibre on the domestic market.

The prices of cotton cultivation inputs like seeds, fertilisers, diesel, pesticides and labourers have increased this year, pushing up the cost of production, but farmers are not getting prices as expected.

Farmers in Lalmonirhat, a district in the northwest, said one maund (37 kilogrammes) of cotton was sold for Tk 3,800 last year. The price has risen just 2.6 percent year-on-year to Tk 3,900 per maund this year.

Farmers said they could produce 14-16 maunds of cotton on each bigha of land at a cost of Tk 16,000 to Tk 20,000 this year compared to Tk 11,000 to Tk 14,000 last year.

They said they were not making as much profit as they expected although some said that their yields had increased.

Manjur Ahmed, a cotton grower from the Chawratari village in Lalmonirhat Sadar Upazila, said he had been cultivating hybrid varieties of cotton since last year after local varieties had produced low yields two years ago.



"Even with the expected cotton yield, the price is disappointing. We couldn't even sell each maund for Tk 5,000. As it takes eight months to produce, we will benefit if the government steps in to increase the price," said Ahmed.

Bangladesh needs more than 90 lakh bales (one bale= 217.72 kgs of cotton) of cotton annually to meet growing demand from textile millers, spinners, and weavers, but local farmers can supply less than 2 percent of the total annual requirement.

Almost all the demand for cotton is met through imports, which costs the country more than \$3 billion every year.

In the current year, farmers have cultivated cotton on 46,000

hectares, up nearly 2 percent year-on-year, according to data from the Cotton Development Board (CDB).

The government is aiming to produce 2.28 lakh bales this season after around 2.10 lakh bales were produced the previous season.

CDB officials said four varieties of cotton are grown in the country depending on the region.

Rezaul Karim, cotton unit officer of CDB, said interest in cotton cultivation is on the up and cultivation of various vegetables as companion crops has also started.

"Now 90 percent of the farmers are producing hybrid varieties (of cotton) and the rest local varieties as we are providing cotton

farming methods to farmers at the field level."

Abdul Mannan, a cotton buyer from Bogura, termed cotton an imported industrial product. As such, it is purchased based on the international price and its fluctuations.

He also said the CDB monitors the international market prices of cotton.

Executive Director of CDB Fakhre Alam Ibne Tabib said the market price of cotton is determined by spinning mill owners, who only monitor international market rates. The farmers' demand regarding market price will be discussed, he added.

He said the CDB had taken various steps to expand cotton cultivation, such as identifying land so that food grain production does not hamper cotton production.

He said an allocation of Tk 10 crore has been received to encourage farmers in cotton cultivation, and it will be distributed to 12,375 trained farmers this year.

"CDB plans to produce 15.80 lakh bales of cotton from two lakh hectares of land by the year 2040 as cotton is the main raw materials of the textile industry, which is the driving force of our country."

(Refayet Ullah Mirधा contributed to the story)

The amazing science of happiness

MAHTAB UDDIN AHMED

In a forest, a crow encounters a swan and begins to feel inferior due to the swan's white feathers, presuming the swan must be the happiest bird. The swan, on the other hand, envies the parrot for its two colours, believing it to be happier.

When the crow consults the parrot, it learns the parrot admires the peacock for its vibrant hues. Seeking wisdom, the crow visits a peacock in the zoo and discovers that despite being a spectacle for its beauty, the trapped peacock wishes to be a crow, free to roam anywhere.

True happiness lies in accepting and appreciating what we have rather than envying others for what we don't have. The moral is a poignant reminder of the dangers of unnecessary comparisons and the importance of gratitude for our blessings.

Harvard Professor Dan Gilbert prompts us to question the true essence of happiness, challenging the conventional belief that happiness stems from fulfilling our desires. He highlights how society's flawed guidance often derails our quest for joy. We are incessantly fed strategies that fail to deliver genuine contentment, suggesting a deeper, more introspective path to finding true happiness.

Gilbert claims our brain has an incredible capacity to create happiness, even in tough situations, suggesting true joy lies in our journey and resilience, not just in our successes. Happiness is not about hitting specific goals, like a promotion, but the experience of getting there.

Often, unhappiness results from the gap between our expectations and reality. We believe that specific outcomes will bring us



immense joy or sorrow, only to find that our actual emotional response is much more muted. This discrepancy stems from our brain's ability to adapt and find contentment in various situations.

There is a concept of "synthetic happiness," which is the happiness we "manufacture" when we don't get what we want. An example of synthetic happiness could be the

experience of someone who feels initial disappointment after failing to get a job he applied for.

However, in time, he may find positive aspects in the rejection, such as pursuing a different path that aligns more closely with his passions. He may even view the consequence as a blessing in disguise, feeling genuinely content with the outcome.

We live in a world that celebrates the freedom of choice. However, too many choices can actually hinder our happiness.

Exploring happiness teaches us the value of embracing change and uncertainty. Our ability to adapt and find joy in unexpected outcomes highlights the resilience of the human spirit. It is a reminder that sometimes, the best moments of happiness come from the most surprising places.

Perspective also plays a vital role in our happiness. How we choose to view our circumstances can significantly impact our level of happiness. We can enhance our overall well-being by focusing on the positives and maintaining a grateful attitude. Try it; it works like a wonder.

Various research on happiness reveals a multifaceted picture: happiness is influenced by factors like financial security, with a noted plateau in emotional well-being beyond a certain level of income.

Strong social connections can significantly contribute to long-term happiness, unlike material wealth or fame. Health also plays a crucial role, with physical and mental well-being closely tied to satisfaction levels. Acts of generosity also enhance happiness, suggesting that the act of giving to others can be more rewarding than spending on oneself.

The science of happiness invites us to rethink our assumptions about what makes us happy. It is not just the significant achievements or the perfect scenarios but also our ability to find joy in the unexpected and to integrate happiness in the face of adversity.

The author is founder and managing director of BuildCon Consultancies Ltd. This write-up is inspired by Dan Gilbert's Ted Talk called "The Surprising Science of Happiness."

Apple picks a better road to AI dominance

REUTERS

Apple's car project has run out of road. The \$2.8 trillion maker of iPhones has ended its decade-long electric vehicle effort internally dubbed Project Titan, Bloomberg reported, on Tuesday. That relinquishes a shot at a huge market. But the business of cars is increasingly cutthroat, and mostly held value as a way to capture customer data and attention. Apple has better ways to get to the same place.

Over the last few years, there has been one good reason for companies like Apple to try and build an electric car: Tesla. The firm run by Elon Musk has grown at a dizzying speed, and investors have awarded it a lofty valuation. Back in 2021, Tesla shares traded at a peak of over 220 times their forward year estimated earnings, according to LSEG. Musk envisioned selling 20 million cars a year; at \$50,000 apiece that would have amounted to \$1 trillion in revenue, almost triple Apple's own top line last year.

The industry has since turned for the worse. Tesla's gross profit margin nearly halved amid waning demand growth. And Apple never jumped in fully: Bloomberg reported, the company was spending \$1 billion annually on Project Titan. Tesla spent \$4 billion in research last year, while automotive stalwart General Motors, dropped \$10 billion.

Ultimately for a company like Apple, cars would only be a means to an end – namely increasing user engagement with its other services. The American Automobile Association reckons, Americans spent 93 billion hours behind the wheel in 2022. A self-driving vehicle would leave motorists hands-free and interacting with Apple's services during that time.



Customers wait in line at the launch of the Apple Vision Pro at Apple The Grove in Los Angeles, California, on February 2, 2024. Apple's Vision Pro and the iPhone both deliver superior profit margins to cars, without the burden of costly production and restive workers. PHOTO: AFP

Stocks fall for a second day

STAR BUSINESS DESK

Major indices of the Dhaka Stock Exchange (DSE) fell for the second session in a row yesterday as investor participation remains low.

The DSEX, the benchmark index of the country's premier bourse, declined 0.22 percent from the day prior to close at 6,254 points.

Similarly, the DSES, an index comprising shariah-compliant companies, dropped 0.28 percent to settle at 1,359 points while the DS30, which represents blue chip stocks, edged down 0.27 percent to 2,126 points. Daily turnover, an indicator of the volume of shares traded, fell 3.11 percent to settle at Tk 916 crore.

Of the issues traded at the DSE, 128 closed higher, 204 ended lower and 64 remained unchanged.

Fine Foods topped the gainer's list with a rise of 9.95 percent followed by Khulna Printing and Packaging with 9.73 percent and Kattali Textile with 9.57 percent. SEMI Lecture Equity Management Fund and Central Pharmaceuticals were also among the top gainers, advancing 8.97 percent and 8.11 percent respectively.