

Cattle farmers deflated as coronavirus ravages up Eid market

AHMED HUMAYUN KABIR TOPU, back from Sirajganj

The coronavirus outbreak has hit hard the cattle farmers in Pabna and Sirajganj as they are now getting hardly any customer for the animals they prepared for the last year targeting the Eid-ul-Azha this year.

Normally, cattle traders flock in large numbers to the belt -- one of the biggest cattle producing areas of the country -- one month ahead of the festival, when Muslims slaughter animals as part of their efforts to honour Prophet Ibrahim's spirit of sacrifice.

But the scene is different this year. Before the Eid-ul-Azha, at least 25 trucks of cattle used to go to Dhaka and Chattogram every week from Koromza haat in Pabna's Santhia upazila, said Momin Mollah, a farmer.

"But this year, not a single cattle trader from outside the district came to Koromza haat," said the man who brought 10 fattened cows to the haat from Pabna's Bera upazila, but could not sell any.

The farmers fattened 1.25 lakh cows this year in Sirajganj, up from 1.05 lakh last year, said Md Akhteruzzaman, the district's livestock officer.

"This time they have to count huge losses because of a significant fall in its demand among local buyers and at markets in Dhaka and Chattogram."

The pandemic is taking a heavy toll on the local farmers, said Al Mamun Hossain, district livestock officer of Pabna, where villagers have reared more than 1.2 lakh fattened cattle for the Eid market.

"Less than a month is left for Eid but still there is no rush of the traders to come to the farmers' house," said Md Nurnabi, a farmer of Char Ratikandi in Sirajganj's Shahzadpur upazila.

The cattle traders used to get tangled into an unofficial competition, as every one of them wants to buy the best animals at the lowest rates, said the farmer, for whom cattle is the only source of income.



AHMED HUMAYUN KABIR TOPU

Nurnabi has been rearing four fattened cows for the last one year and expected to sell those at a minimum of Tk 2.5 lakh. "But there was no buyer for my animals."

The farmer said he collected cows and buffaloes from his and adjoining villages and put them up for sale at markets in Dhaka and Chattogram last year.

"There would be poor sales in Dhaka this year. I have no interest to go there now as coronavirus has drastically cut the income of most people in the country."

He said he would wait for the last week ahead of the Eid and sell the animals at whatever prices he gets to recover some losses.

Some traders are visiting the villages, but they are offering prices that are much lower

than the farmers' yearlong expenditure on the animals.

Saddam Hossain of village Char Chithulia in the upazila has already spent Tk 2.5 lakh to fatten four cows and was hoping to get about Tk 3.25 lakh by selling those.

"Just one trader came to my farm in the last week and offered me only Tk 2 lakh for all the four cows."

Selling those to the local butchers is even more profitable now, he said. "Each of my cows weighs over five maunds. I would get Tk 20,000 per maund if I sell meat."

There is another big market for the farmers--the online marketplace, according to Akhteruzzaman.

"We are trying to inspire the farmers to sell animals through online markets

as many people do not come to the live cattle haats to avoid getting infected with coronavirus."

But the problem is the cattle farmers are illiterate and most of them do not know how to put an animal up on the online marketplaces.

Most of them do not even have a mobile phone capable of downloading the app for online sales of cattle, he added.

"When a person comes to the market, he gets the opportunity to choose from a variety of animals. But in case of online, there is no such scope," said Nazrul Islam Nakir, a merchant cattle farmer.

Nakir has a big firm of more than 100 cows. This year, he sold most of the animals to the meat traders due to a lack of customers.

Bangladesh's economy managing pandemic challenges well

Says HSBC economist

STAR BUSINESS REPORT

As global growth recovers in the coming quarters, Bangladesh stands to benefit from its strong economic fundamentals and will likely continue to deliver steady growth rates, said an economist of HSBC yesterday.

Frederic Neumann, co-head of the Asian Economics Research at the bank, shared his insights at a virtual session titled "Impact of Covid-19 on the Bangladesh economy and silver linings" for the bank's clients in the country and stakeholders.

In his presentation, Neumann said Bangladesh continues to impress with economic resilience.

Strong growth in recent years was based on solid fundamentals, with stable inflation and a robust external payments position. The country's exports have also gained global market share in recent years and the continued rise in remittance has helped support local demand.

"Bangladesh's economy has so far managed the challenges brought on by the global coronavirus outbreak well," he said.

While exports, in particular, have suffered amid a global decline in apparel demand and remittances have cooled, the fall in oil prices and slowing imports have kept the country's trade position in a resilient position.

Locally, consumer spending has softened due to a softer labour market and the need for social distancing.

"However, the government has delivered a robust response to support demand, supported by an accommodative central bank," Neumann said.

Bangladesh has been one of the great economic success stories of the last decade, said Robert Chatterton Dickson, British high commissioner to Bangladesh.



Frederic Neumann



The key question now is how the country recovers from the COVID-19 pandemic and sets itself on a renewed path of sustainable, inclusive private sector-led growth.

"I hope that the insights shared by the experts at HSBC, one of the leading UK-based investors in Bangladesh, will help Bangladeshi businesses and entrepreneurs emerge stronger from these complex challenges," he added.

"This is an unprecedented situation for all of us," said Ahmed Jamal, a deputy governor of the Bangladesh Bank.

The country entered this situation with strong macroeconomic fundamentals, and the BB has worked to provide adequate policy support, he said.

"Bangladeshi people are known for our resilience and together we will navigate this tumultuous time," he added.

The COVID-19 pandemic has disrupted the way of life in many dimensions deemed unthinkable before, said Md Mahbub ur Rahman, chief executive officer of HSBC Bangladesh. A sustainable and timely recovery from this turbulence warrants deeper collaboration among all stakeholders.

"It is said that the sun rises even after the darkest night. We will come out stronger and better from this unprecedented situation," he added.

Investors can't snap up enough pharma stocks

AHSAN HABIB

Pharmaceuticals turned out to be the most attractive sector in the stock market yesterday thanks to the continuation of the industry's solid business amid the coronavirus pandemic.

Turnover in the sector amounted to Tk 51.94 crore, which was about 46 per cent of the total, according to Dhaka Stock Exchange (DSE) data.

Though the overall market scenario is still gloomy, the pharmaceutical and insurance sectors were able to draw some attention of investors, said a stockbroker.

This is because the drug makers were the only companies that kept on going strong during the government-announced leave to contain the pathogen, he said.

"Telecom and online-based companies were also continuing their business, so these sectors

were also on the top of the demand side," he added.

Beacon Pharma topped the turnover chart yesterday with trade worth Tk 12.74 crore, followed by Beximco Pharmaceuticals, EXIM Bank, Orion Pharmaceuticals and Progressive Life Insurance, according to DSE data.

A top official of a merchant bank said pharmaceuticals and telecom were the only sectors whose products were required by people even during the pandemic.

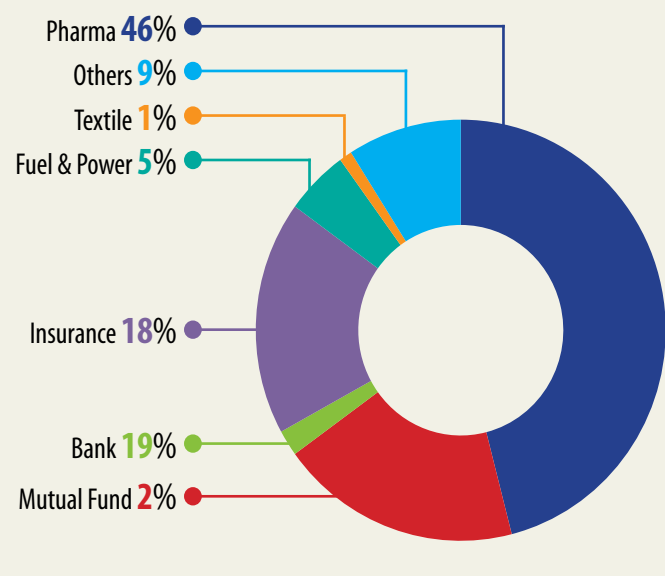
"So stock prices of these companies remained strong compared with the other sectors," he said.

DSEX, the benchmark index of the DSE, went up 7.15 points, or 0.17 per cent, to stand at 4,001.81.

The pressure brought on by the demand for purchasing stocks of life insurance, general insurance, and pharmaceuticals sectors helped the index gain marginally, according to a top official of a

SECTORAL SHARE IN TURNOVER

SOURCE: LANKABANGLA SECURITIES



leading stockbroker.

This purchase pressure on insurance sector continued on the back of the stock market regulator's instruction to comply with a minimum 2 per cent shareholding of directors, he said, adding that 14 insurance companies failed to comply.

Investors are taking a position on these stocks with the expectation that directors of these companies would start buying shares to comply with the BSEC's instruction, the broker added.

Paramount Insurance topped the gainers' list that rose 9.98 per cent followed by United Insurance, Rupali Life Insurance Agrani Insurance and Meghna Pet Industries.

Khaleque Pathan, a stock investor, said the market was still illiquid due to the existence of the floor price, so most of the stocks had not been traded.

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Bangladesh preferred alternative for German investment: envoy

STAR BUSINESS REPORT

Bangladesh will be a preferred destination for alternative German investment as the country's entrepreneurs are looking for such destinations, said German Ambassador to Bangladesh Peter Fahrenholtz.

In a virtual meeting with members of the Bangladesh German Chamber of Commerce and Industry (BGCCI) on Monday, the ambassador said his

the rule of law and adhere to zero tolerance on corruption as proposed by the prime minister.

"It will definitely have a good impact on overall business development," the German ambassador was quoted as saying in a BGCCI press release.

Fahrenholtz also informed that in the past three years he had not seen any Bangladeshi business delegation visit Germany to explore new markets and investment, which was very unfortunate.

He suggested that the BGCCI could pursue the simplification of rules and regulations for investors and reducing bureaucratic bottlenecks.

The German ambassador also suggested that Bangladesh Investment Development Authority (BIDA) should be more proactive and realistic in attracting foreign direct investment (FDI).

He said he had not seen any new brochures promoting business in Germany and suggested that the BGCCI could come forward to publish such information booklets and brochures to attract new investors. In this regard, he gave the reference of neighbouring countries.

Meanwhile, the BGCCI has been informed by the German Chamber of Commerce, Berlin (AHK) that they would like to hold a dialogue and was looking forward to welcoming Bangladeshi business delegations in Germany to further accelerate and develop business relations.



government contributed \$50 million for the Rohingya refugee camp in Cox's Bazar and \$20 million for garment workers who lost jobs.

He said he could see that Bangladesh had a robust economy with dynamism, resilience and ambition and could surely bounce back soon.

German investment and trading companies are looking for new places for their investments and businesses, said the ambassador.

"Bangladesh will be one such important destination."

The BGCCI should impress upon relevant authorities to make bureaucracy more business-friendly; and to abide by

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Challenges facing accountants in protecting public interest amid Covid-19



ASM SHAYKHUL ISLAM

The whole mankind of this planet is now living in a completely unknown socioeconomic environment amid the Covid-19 pandemic.

Almost all organisations of all sizes and sectors, including professional accountants and auditors, are now facing unexpected and extreme challenges across the world.

The industry and service sectors of the economy have been affected very badly due to coronavirus. Businesses and people are now passing hard times. Accountants and auditors also cannot carry out their professional works properly as they have to maintain social-distancing.

The contagion has brought significant uncertainties, market volatility and business disruptions across the world. The present

situation has created an adverse liquidity in the businesses.

Due to this, another situation may arise to sell a part of business or assets or discontinue the business itself.

So, accountants should now assess the abilities of the businesses to continue as concerns are growing to protect shareholders' interest.

During any economic recession, generally assets are impaired and there may be unexpected decline of the market value of assets like property, plant and equipment.

This situation demands testing the impairment of assets. The Covid-19 will lead to technological improvements of industries and businesses and as such, many machinery and equipment will become obsolete and lose economic performance than expected.

As a result, carrying value of those assets may not be recovered and it may be difficult for professional accountants and auditors to apply the International Financial Reporting Standards (IFRS) 5.

Moreover, many businesses are witnessing unexpected stock lots of inventories due to the cancellation of orders. The International Accounting Standard (IAS) 2 requires that inventories should be measured at lower of cost and net

The Covid-19 is a major issue as well as an opportunity for accountants and auditors to further develop under digital platforms.

realisable value (NRV), which may also be difficult at the moment.

Under the circumstances, professional accountants and auditors should apply fair judgments in addition to the IFRS with a view to ensuring true and fair financial statements.

The Covid-19 has created a situation of providing more services through digital platform. But it is a reality that most of the businesses in Bangladesh are family-owned and they maintain some confidentiality in their financial transactions.

The owners are reluctant to give full information to the

accountants and auditors through online considering the matters of cyber security and involvement of taxmen.

Besides, online remote working may also create increased risk of financial fraud and may impact internal control.

The International Auditing and Assurance Standard Board has highlighted in its Covid-19 staff alert regarding the possibility of fraud and error and awareness of the auditors to pay more attention to standards.

The Covid-19 is a major issue as well as an opportunity for accountants and auditors to further develop under digital platforms. They should now develop foolproof online professional service platforms and be very careful to detect frauds and rosy pictures of financial statements.

Amid the presence of the deadly virus, they should maintain ethics in giving professional judgments and take extra precautions to gain confidence of stakeholders and protect public interest so that the WorldCom, Enron, Lehman Brothers and Satyam types of situations are not repeated.

The writer is a former president of the Institute of Cost and Management Accountants of Bangladesh.