

No respite soon from high prices of vegetables

Downpours, floods damaged crops in major growing regions

SOHEL PARVEZ

Rainfall in Bangladesh was 9 per cent higher than average this year, leading to repeated floods that not only damaged a large number of crops, but also affected cultivation in general with vegetables being no exception.

This year's monsoon season affected the sowing, transplantation and growth of vegetables repeatedly, causing a reduction in its production and supply in the market.

Subsequently, consumers have had to pay very high prices for vegetables.

The market supply is unlikely to return to normal for at least the next one month as crops have been damaged by excessive rain while flooding has disrupted the sowing and transplantation of vegetables, said agriculturists, seed marketers and vegetable traders yesterday.

Now, no vegetable, except for potato and green papaya, can be bought below Tk 50 per kilogram in Dhaka.

The retail price of brinjal increased by 25 per cent to Tk 70-80 per kilogram yesterday compared to Tk 50-70 from a year ago. The price of green chilli also soared by more than three times its initial value to over Tk 200 per kilogram in Dhaka, according to data from the Department of Agricultural Marketing.

"There will be no respite from the high prices of vegetables any time soon. Farmers have to recultivate their vegetables as rainfall and flood have damaged crops twice," said Rahidul Islam, a vegetable wholesaler at Mahasthan Bazar, one of the main wholesale vegetable depots in the northwest district of Bogura.

In Bogura, the wholesale price of brinjal is Tk 50 per kilogram while green papaya is Tk 30 per kilogram.

Islam cultivated bottle gourd on two-bighas of land but the recent flood damaged his whole planation.

"None could be realised," he said.

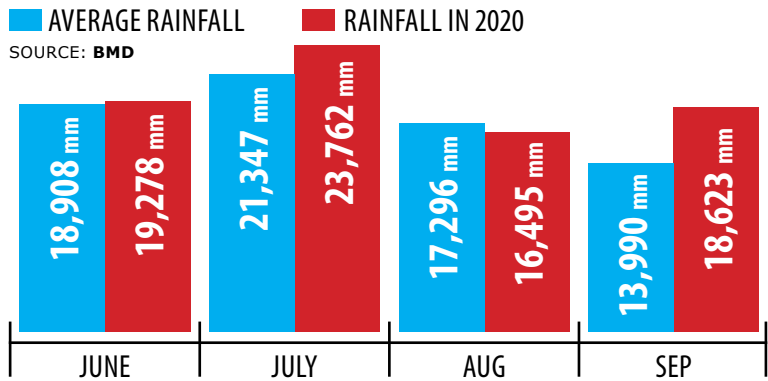
The DAE estimates that that fourth spell of flooding inundated 147,000 hectares of farm land in total. Of the flooded area, vegetables were being grown on 4,700 hectares, where all the plants are likely to have been fully damaged, said Md Asadullah, director of field



The supply of vegetables is unlikely to return to normal for at least the next one month as crops have been damaged by excessive rains.

PHOTO: STAR/FILE

RAINFALL SITUATION In millimetre



services wing at the DAE.

Farmers grow vegetables on more than 8.5 lakh hectares and winter vegetables account for a majority of the cultivation and production.

In fiscal 2019-20, the country's vegetable output was 1.80 crore tonnes, of which winter vegetables contributed nearly 70 per cent, according to a DAE estimate.

However, farmers could not cultivate early winter vegetables this year due to the record rainfall, said Md Abdul Mueyed, director general of the DAE.

The Bangladesh Meteorological Department (BMD) estimated that the country recorded higher rainfall than normal in June, July and

September. Only in August, rainfall was 5 per cent less than average, BMD data shows.

In September alone, the country saw 18,623 millimetres of rain, which is 33 per cent higher than the average of 13,990 millimetres.

"As a result of the record rainfall and flooding, vegetable cultivation has been affected twice or thrice," Mueyed said, "Good thing is though that farmers in Jashore started harvesting some winter vegetables and the market will see increased supply within a month."

Mohammad Habib, a vegetable wholesaler located at Karwan Bazar, the biggest wholesale market in Dhaka, said rainfall

damaged vegetable production in Panchagarh, Thakurgaon, Dinajpur, Rangpur, Nilphamari and Gaibandha.

This is why the prices are so high right now but at least supplies are coming from Jashore, Meherpur, Khulna and Bagerhat districts.

"Prices are unlikely to decline for the next one-and-a-half months," he said.

However, farmers are not benefiting from the high price of vegetables in Dhaka, said Md Mozibul Hoque, an agribusiness and supply chain analyst of Solidaridad Network Asia.

Citing his personal experience, he said farmers sold one bottle gourd at Tk 25 last week, when the retail price for the vegetable was Tk 60 in Dhaka.

"Traders are taking advantage of the flood situation," he added.

On the other hand, crop damage buoyed the sales of vegetable seeds. "We see repeated sales," said FH Ansarey, managing director and CEO of ACI Agribusinesses, a division of ACI.

Many farmers prepare seedbeds by making sheds to protect seedlings but pollination and plant growth is affected by the frequent rains, he added.

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Better business climate to help shake off jitters of LDC graduation

Experts say at webinar

STAR BUSINESS REPORT

Bilateral negotiations and improved business climate will help Bangladesh deal with adversities during its transition to a developing nation from a least developed country, experts said yesterday.

After graduating from the LDC category in 2024, the country could face several challenges, such as a lack of preferential access to international markets.

"Graduating from the LDC category will simultaneously provide a lot of opportunities and challenges for Bangladesh," said Salman F Rahman, private industry and investment adviser to the prime minister.

"Now, Bangladesh is preparing for what is to come," he said.

He was addressing a webinar styled, "LDC Graduation by 2024 and readiness of Bangladesh", jointly organised by the International Business Forum of Bangladesh (IBFB) and the Bangladesh Enterprise Institute (BEI).

Some have alleged that the government has done next to nothing to prepare the country for the post-graduation period.

However, this is untrue as the authorities are already working on solutions for potential problems and are developing strategies to secure

opportunities, Rahman said.

"Serious negotiations with the World Trade Organisation are taking place to address possible threats to the economy during the transition period."

Even after the graduation, there is a scope for Bangladesh to enjoy trade benefits under the Generalised System of Preferences (GSP) Plus scheme, Rahman added.

The GSP Plus facility is a special component of the GSP scheme that provides additional trade incentives to developing countries already benefitting from the preferential treatment.

Rahman acknowledged that the cost of doing of business is the highest in Bangladesh.

Ever since becoming an adviser to the prime minister, he has tried to improve the country's ranking on the World Bank's Ease of Doing Business Index.

"We have to come out from the old and traditional mindset to take benefit like tax exemption from the government. We have to pay taxes and duties to do business and face the challenges," he said, adding that he is confident that Bangladesh will be strong enough to face the adversities involving the graduation.

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Mutual funds to play bigger role in stock market

BSEC commissioner says

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) is anticipating mutual funds' contribution in stock market capitalisation to balloon from some 3 per cent at present to 20 per cent.

"Our hope is that (it will happen) within five years," BSEC Commissioner Mizanur Rahman told a webinar yesterday.

The sector should hold strong to help the stock market gain strength and also meet higher demands of private investment in coming years, he said.

The BSEC in a recent meeting said it brought changes to some rules and that more would follow centring mutual funds to bring discipline and accountability and revive investor confidence.

A mutual fund is a company that pools money from many investors and invests it in securities such as stocks, bonds and other assets. Stock market capitalisation is the total market value of an exchange's outstanding shares.

The private sectors needs the investment-GDP ratio to rise by 10 per cent to meet the government's targeted economic development and the capital market



could mobilise a large part of the massive investment demand, Rahman said.

Mutual funds could be a medium to this end, he said, lamenting, "But, the mutual fund sector failed to attract investors."

Fund managers are expected to generate a reasonable return which must at least be the risk-free rate plus a premium, said Rahman.

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Red tape still throws a spanner in the works

Says Seacom Group's Managing Director Mohammed Amirul Haque in an interview

JAGARAN CHAKMA

In countries like Bangladesh, being successful in life means achieving financial solvency but while many individuals try to do so by starting their own businesses, they are often impeded by numerous roadblocks, said Mohammed Amirul Haque, managing director of Seacom Group.

"Bureaucratic tangles are the main barriers to success in the country as the government bodies have yet to become business-friendly," he told The Daily Star in a recent interview.

For example, it took three days to receive a shipping agency licence in 1985 while the process would take at least three months now.

Besides, state-run lenders seem uninterested to finance basic industries but reserve their funds for sectors with limited scope for growth as bankers lack innovative ideas and still hang on to their traditional values.

Meanwhile, private banks are more liberal when it comes to financing basic industries but since they suffer from limitations, the country needs more foreign banks that have sufficient fund to support industrialisation.

Bangladeshi entrepreneurs are very innovative and industrious but need financial and policy support to increase their contributions towards the economy.

In regards to the power and gas supply in

Bangladesh, Seacom's managing director said the distribution lines were not up to date, which is another barrier to improving the country's ease of doing business ranking.

"If port facilities were simultaneously developed as well, the economy will flourish," he added.

Asked about how his organisation has dealt with the ongoing coronavirus pandemic, Haque said construction works on a number of projects, such as a 4,000-tonne LPG tank in Mongla and 2,000-tonne LPG tank in Narayanganj are ongoing.

Meanwhile, a new factory for Delta Agrofood Industries, a joint venture of Seacom and Samuda, is also being developed while 3,000 gas cylinders are being produced by Seacom's Delta LPG brand at its manufacturing plant in Bagerhat.

During the nationwide 'general holiday' between March 26 and May 30 aimed at curbing the spread of Covid-19, all of the companies under Seacom continued their operations on a limited scale while following health guidelines.

Haque also informed that during this period, Seacom provided necessary support for its workers.

"It is true that I faced crores of losses but this is reality and a natural occurrence," he said, adding that even so, none of his employees were laid off.



Mohammed Amirul Haque

The veteran businessman with 35 years of experience under his belt also offered some advice for new and young entrepreneurs.

"Nothing can be achieved overnight. Entrepreneurs have to dream big, zealously, and industrially rather than looking for shortcuts," he said.

Forming new business ideas is the best way to succeed for entrepreneurs as there is a huge potential for start-ups in Bangladesh.

To do this, age is not a factor since any individual only requires vision and a dedicated mindset to build an empire.

An industrialist or entrepreneur needs to think in line with the changing times and adopt new technologies to find cost-effective means of production.

"Technology is not constant and is regularly updated so you have to adapt to the changing situation," he added.

Young entrepreneurs could even work together to build up capital and share the risks but only after securing an in-depth knowledge on the market demand and potential for their product.

The ongoing pandemic has had varied effects on all businesspeople, making it a bitter experience for entrepreneurs.

Haque, also the founder and managing director of Premier Cement Mills, began his professional career in in 1985 after securing a shipping agency taking licence from the Chattogram Customs and Port Authority.

But over the last three-and-a-half decades or so, he has been involved in a number of businesses such as shipping, stevedoring and logistics, cement manufacturing, chemical and oil refining, agriculture, liquid petroleum gas, shrimp and so forth.

Even during his student life, Haque never believed that he would be suited for service work.

"I never dreamt of having a good job. Instead, I always wanted to do sometime by myself," he said, adding that with his father's support, he undertook the challenge from the very beginning.

After staring out by operating a shipping agency as it was capital free business from which he could just collect commission, Haque went on to sell a scrap ship to the late Sirajul Islam Chowdhury, a legendary industrialist of Chattogram.

Haque received around Tk 3.25 lakh as a commission for selling the ship, called the 'Bengal Tower', which was owned by another business icon, the late KM Ahmed of Mashriqi Group.

He then started to establish 20 companies one after another and at present, his organisation employs over 5,000 people.

Bangladeshi entrepreneurs are very innovative and industrious but need financial and policy support to increase their contribution towards the economy

Now, Seacom provides around Tk 700 crore in tax to the government each year and has no record of loan defaulting since its inception.

It was far easier to have a profitable business just three decades ago as the market was less competitive and people mostly opted for jobs rather than seek financial independence.

In regards to how employers should treat their staff, Haque said he treats his workers as he would like to be treated himself.

"I never put pressure or hurt them because without their contribution, Seacom cannot grow," he added.

Asked about his hobbies and interests, the entrepreneur informed that his only interest is to build up new industries and generate employment.

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