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BUSINESS

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## IMF lowers GDP growth forecast to 4.4pc

AKM ZAMIR UDDIN

The International Monetary Fund yesterday lowered its economic growth forecast for Bangladesh to 4.4 per cent for the current fiscal year as the country is still struggling to pull itself out of the wreckage caused by the coronavirus pandemic.

The new projection is 1.3 percentage points lower from its previous forecast of 5.7 per cent.

The IMF came up with the projection in its latest World Economic Outlook published on its website yesterday.

The lender's projection is much lower than the government's target of 8.2 per cent for the current fiscal year of 2020-21.

The IMF usually forecasts Bangladesh's GDP growth based on a calendar year. But it projected the economic output for the first time on the basis of the fiscal year.

The country's GDP growth may stand at 7.3 per cent in fiscal 2024-25, the IMF said.

READ MORE ON B3

## GPH Ispat to ship 25,000 tonnes of billet to China

*It's a record for a local firm*

SOHEL PARVEZ

GPH Ispat, one of the country's leading steel makers, is going to export billet to China in what will be the biggest-ever outgoing shipment of raw materials by any Bangladeshi company.

The company said it decided to ship 25,000 tonnes of MS billet to the world's second largest economy for \$10.17 million.

"It is the first time that a bulk cargo of billet will be exported from Bangladesh," GPH Ispat said in its disclosure to the Dhaka Stock Exchange (DSE).

After the news broke, the company's share prices rose 3.16 per cent to Tk 26.10 as of yesterday.

The steel maker's disclosure came a month after it expanded its annual billet production capacity from 2.1 lakh tonnes in 2018 to more than 10 lakh tonnes this year.

READ MORE ON B3

AKM ZAMIR UDDIN

Recovery from loan write-offs plunged to at least a 66-month low in the second quarter of 2020 as banks faced troubles in realising the delinquent loans because of the countrywide shutdown.

In contrast, lenders wrote off a large amount of loans between April and June to clean their balance sheets.

Banks collectively recouped Tk 48 crore from their written-off loans in the April to June quarter, down 66 per cent from three months ago and 87 per cent from a year earlier, according to data from the central bank.

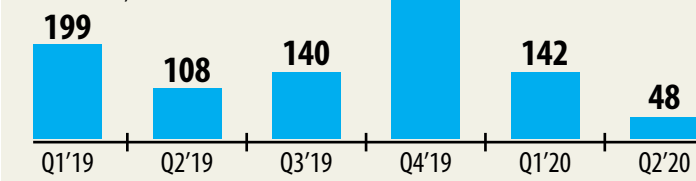
This is the slowest recovery from the written-off loans since 2015. Loan recovery data before 2015 was not available.

Banks wrote off Tk 992 crore in the second quarter, the highest since January 2019. Loans amounting to Tk 2,057 crore were written off in the last quarter of 2018.

The write-off is a tool that allows banks to clean their balance sheet by removing bad

### RECOVERY TRENDS FROM LOAN WRITE-OFF

In crore Tk; SOURCE: BB



assets. Lenders have to keep 100 per cent provisioning against the delinquent loans.

There is no realistic prospect of recovering them and the majority of loans are now owned by the habitual defaulters. These loans are shifted to off-balance sheet records.

The module of loan write-off has become a better tool than the loan rescheduling as some defaulters now frequently regularise their non-performing loans by taking advantage of the relaxed facility, experts said.

In many cases, banks do not keep 100 per cent provisioning

against the rescheduled loans, putting an adverse impact on the financial health of lenders, they said.

"Banks will have to sacrifice profits to write off defaulted loans as they have to maintain a large amount of provisioning," said Emranul Huq, managing director of Dhaka Bank.

But, the recovery from such loans has created a worrisome situation for the banking sector as a major portion of the written-off loans is owned by the habitual defaulters, he said.

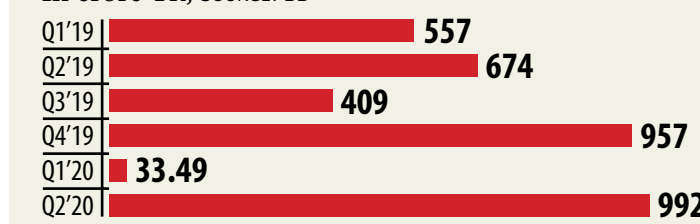
The recovery from all types of loans declined in the second quarter due to the shutdown put in place to contain the spread of the coronavirus pandemic.

Huq, however, said loan recovery is improving in the third quarter as the economy is picking up again.

"Realising written-off loans is usually tough and the trend has worsened in the recent months due to the business slowdown," said Syed Mahbubur Rahman,

### LOANS WRITTEN OFF

In crore Tk; SOURCE: BB



managing director of Mutual Trust Bank.

The judicial process was hampered in the second quarter due to the pandemic. This has also slowed down the recovery, he said.

Banks have to file lawsuits against the defaulters before writing off loans.

"A good amount of the written-off loans were recovered as per the verdict given by the courts," said Rahman, also a former chairman of the Association of Bankers, Bangladesh, an organisation of the top executives of banks.

As of June, the banking sector's total written-off loans stood at Tk 55,804 crore, up 2.5 per cent from a year earlier.

Banks have failed to realise 77.54 per cent of the total written-off loans since January 2003, when the central bank introduced the policy.

Unrealised delinquent loans stand at Tk 43,272 crore as of June.

Despite keeping 100 per cent

provisioning, the write-off is not a solution to tackle the defaulted loans, a central bank official said.

If defaulted loans can be checked, the written-off loans will go down automatically, he said.

Non-performing loans totalled Tk 96,116.65 crore as of June, up 1.91 per cent six months ago and 14.50 per cent one year earlier.

The relaxed rescheduling facility offered by the central bank last year helped banks bring down their NPLs significantly.

The policy allowed defaulters to reschedule their classified loans with a down payment of 2 per cent of the outstanding amount instead of the existing 10-50 per cent.

Under the relaxed policy, banks rescheduled defaulted loans of more than Tk 50,000 crore last year.

The central bank has also granted a moratorium facility to borrowers for this year so that they can tackle the ongoing economic hardship.

# Govt softens stance on low-priority projects

REJAUl KARIM BYRON

The finance ministry has softened its stance on the disbursement of funds from the annual development programme for the low-priority projects bowing down to pressures from the line ministries and also because of the improvement in revenue collection.

Now, 25 per cent of the allocation from the ADP would remain halted for the ministries because of the lingering pandemic, down from 30 per cent previously.

The finance ministry would not issue any circular to this effect but has already communicated with the line ministries about the relaxation, said a finance ministry official.

The government has also allowed the line ministries to reprioritise their project list. Now a ministry can move up a project from the low-priority list to the medium or high priority lists.

If a ministry moves up a project from the low-priority list, it has to move down a project from the medium or high priority lists to the low-priority list so that the allocation is not affected.

In July, the government put a hold on the implementation of the low-priority development projects to free up funds for the productive sectors amid widening revenue shortfall caused by the devastating impacts of

### AT A GLANCE

- ADP projects were categorised as high, medium and low priority
- This was done to ensure best use of limited resources
- Govt had earlier decided to put on hold low-priority projects of Tk 40,000cr
- The objective was to free up funds for productive sectors
- Govt changed its stance as revenue situation improved
- Finance ministry will review its cost-cutting measures in December

the pandemic.

The projects under the health and agriculture sectors, the two most priority areas for the government in its fight against the deadly virus, have been spared from the cost-cutting move.

The latest relaxation from the finance ministry came after ministries and divisions expressed dissatisfaction over the decision to put on hold the implementation of the low-priority

projects, said a planning ministry official recently.

Because of the halt, the implementing ministries and divisions have been facing problem as they can't clear bills for contractors since the finance ministry is not disbursing funds against the projects, said the official.

Recently, the roads transport and bridges ministry asked the finance ministry to reconsider its decision.

The recent improvement in the revenue collection situation also prompted the finance ministry to soften its tone.

Revenue collection grew 7.85 per cent year-on-year in August and the recovery is expected to keep up the momentum as the economic activities are picking up although the uncertainty caused by the pandemic persists.

The growth is, however, 0.16 per cent year-on-year in the July-August period of the current fiscal year, data from the National Board of Revenue showed.

"As the fund position is better, we are giving more concessions," said the finance ministry official, adding that revenue collection would grow in September as well.

The fund disbursement for the low-priority projects has been postponed for a temporary basis, he said.

READ MORE ON B3

## Adcomm faces VAT evasion charges

STAR BUSINESS REPORT

The VAT intelligence has filed a case against leading advertising agency Adcomm on allegation of evasion of value-added tax (VAT), said a senior official of the field office of the National Board of Revenue (NBR).

The agency did not properly deposit the VAT collected from clients, said Moinul Khan, director general of the VAT Audit, Intelligence and Investigation Directorate (VAIID), in an email press statement yesterday.

The ad agency, however, said it believed that it paid VAT as per guidelines till date.

The NBR's field office said it conducted a drive at Dhaka's Tejgaon office of the agency on April 14, 2019

and seized commercial documents of the firm.

The VAAID considered in its audits the accounts of the Adcomm for five years since the year 2013-14.

It said that the seized commercial documents were cross-examined with the VAT returns submitted by the company to the VAT circle.

The NBR's field office said it found in its audit that the advertising agency did not deposit Tk 2.33 crore VAT against advertisements. At the same time, the agency avoided Tk 1.11 lakh VAT on space rentals, Tk 41.5 lakh as VAT at source, according to the VAAID statement issued by Khan.

"Adcomm dodged a total of Tk 2.96 crore of VAT on various heads," said Khan in the statement, adding

that the total amount of the indirect tax payable by the company stood at Tk 5.76 crore as 2 per cent monthly interest was payable on the VAT amount because of the failure of the firm to deposit the tax timely to the state coffers.

"The case has been filed under VAT law following a long investigation," he said.

The VAAID sent the case to the VAT Commissionerate Dhaka South for settlement.

Khan said this was a charge sheet and the company would be required to pay the claimed VAT amount along with fines once it was proved through legal process that the company had unpaid VAT.

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Guarantors Life Insurance Limited



# Japan's PM to order new economic stimulus as early as November

The government last Wednesday said economic activity likely stopped contracting in August.



A black and white photograph of Shinzo Abe, the Prime Minister of Japan, speaking at a podium. He is wearing a dark suit, a white shirt, and a light-colored tie. The podium features a circular seal with the Japanese text '内閣府' (Cabinet Office) and '日本国' (Japan). A microphone is positioned in front of him. The background is dark and out of focus.


REUTERS/FILE

# Amazon pitches early holiday shopping with fall 'Prime Day' event

A report by news site Reveal said the week around last year's Prime Day

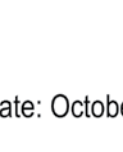
"The safety of our employees is our top priority," it said in a statement.

শেখ হাসিনার নির্দেশ  
জলবায়ু সহিষ্ণু বাংলাদেশ।



# Government of the People's Republic of Bangladesh

Office of the Project Director  
Sustainable Forests & Livelihoods (SUFAL) Project  
Bangladesh Forest Department  
Ban Bhaban, Agargaon, Dhaka-1207, Bangladesh  
[www.bforest.gov.bd](http://www.bforest.gov.bd)



Memo No. FD/SUFAL/Procurement/SD-40/2019-20/188/1221

Date: October 12, 2020

## Request for Expressions of Interest (Consulting Services - Firms Selection)

**Country: Bangladesh**  
**Name of the Project: Sustainable Forests & Livelihoods (SUFAL) Project**  
**Credit No: 6325-BD**  
**Assignment Title: Elephant Conservation & Human Elephant Conflict Resolution**  
**Reference No. Package No: SUFAL/SD-40**

Government of the People's Republic of Bangladesh has received financing from the World Bank towards the cost of the **Sustainable Forests & Livelihoods (SUFAL) Project** and intends to apply part of the proceeds for consulting services.

The consulting services ("the Services") include Elephant Conservation & Human Elephant Conflict Resolution. The detailed Terms of Reference (TOR) for the assignment and soft copy of Prescribed Format for submission of Expression of Interest can be found at the following website: [www.bforest.gov.bd](http://www.bforest.gov.bd) or can be obtained at the address given below:

The Bangladesh Forest Department (BFD) now invites eligible firms ("Consultants") to indicate their interest in providing the Services. Interested Consultants should provide information on Prescribed Format issued with this REOI demonstrating that they have the required qualifications and relevant experience to perform the Services. The shortlisting criteria are:

- General Experience of the Firm (core business and years in business).
- Specific Experience in similar assignment;
- Experience of working under donor funded projects will be added advantage;
- Firm's relevant organizational capabilities (Managerial, Financial and Logistics) for the assignment.

Key experts will not be evaluated at the shortlisting stage.

The attention of interested Consultants is drawn to Section III, paragraphs, 3.14, 3.16, and 3.17 of the World Bank's "Procurement Regulations for IPF Borrowers" July 2016 (Revised November 2017) ("Procurement Regulations"), setting forth the World Bank's policy on conflict of interest.

Consultants may associate with other firms to enhance their qualifications, but should indicate clearly whether the association is in the form of a joint venture and/or a sub-consultancy. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected. It is preferable to limit the maximum number of joint venture partners in 03 (three) including the lead partner.

Although the lead firm in the joint venture will provide the core expertise, each partner of the JV has to be reasonably prepared to take over the responsibilities and role of any of the partners that may fail to perform or withdraws.

A Consultant will be selected in accordance with the Consultant's Qualification Based Selection (CQS) method set out in the Procurement Regulations.

Further information can be obtained at the address below during office hours 9:00 to 5:00 hours (BST). Expressions of interest must be delivered in a written form to the address below (in person, or by mail, or by e-mail) by **October 28, 2020** up to 3.00pm (BST).

**Md. Rakibul Hasan Mukul**  
 Project Director  
 Sustainable Forests & Livelihoods (SUFAL) Project  
 Bangladesh Forest Department (BFD)  
 Ban Bhaban, Agargaon, Sher-e-Bangla Nagar  
 Dhaka-1207, Bangladesh  
 E-mail: [rakib.mukul@outlook.com](mailto:rakib.mukul@outlook.com)





**Mohammad Jainul Bari, secretary to social welfare ministry; Fahim Ahmed Faruk Chowdhury and Rana Laila Hafiz, directors of Pubali Bank, and Md Abdul Halim Chowdhury, CEO, pose at an event recently when the bank donated Tk 1.5 crore to Alor Pathe, an organisation formed for the welfare of disadvantaged children of various institutions of Sylhet under the district social services office.**

## Farmers hope hog plums can make up for their losses

FROM PAGE B4  
Farmers in Barishal, Pirojpur and Jhalakathi collectively produced about 21,000 tonnes of hog plum last year, according to sources from the Department of Agricultural Extension (DAE) wing in Barishal division.

The fruit is usually grown in about 1,500 hectares of land in this region and farmers log Tk 5-6 crore in sales revenue.

This year though, thanks to more favourable conditions and the availability of more land for cultivation, hog plum production could increase by 5 per cent to reach around 22,000 tonnes.

"Production could increase as the weather is favourable," said Md Aftab Uddin Ahamed, additional director of the DAE wing in Barishal.

Sekhor Shikder, a farmer in the Kuriana union under Nesarabad upazila of Pirojpur, said that they did not make any profit from guava production this year as prices decreased by at least 50 per cent year-on-year.

"We are now looking to produce hog plums. We may have incurred losses through guava production but hog plum farming could help our profits return," he added.

Meanwhile, Mithun Halder, a hog plum farmer of Jalabari village in Pirojpur, believes that sales could increase.

"Last year, we sold at least Tk 2 lakh worth of hog plum but this year, we expect higher yields due to the favourable conditions. We think sales could cross the Tk 2.5 lakh mark now as production should increase by at least 10 per cent," he said.

Although the vitamin-rich fruit grows well in different districts of Barishal division, it is mostly grown in sadar upazila of Jhalakathi and Nesarabad upazila.

Flowers appear on the trees between mid-January and March while harvesting season is between mid-June to September.

Besides, several growers have had their banana, chili or other vegetable gardens damaged by incessant rains for the past few months.

While visiting a hog plum garden in Kuriana village of Pirojpur, it was found that the fruits are picked and packed by farmhands.

Sangeet, a supervisor of the garden, said the price of hog plum is lower this year compared to the year before.

## Desperate Americans hit by pandemic beg Congress, Trump to pass economic relief bill

REUTERS

Sylvia Padilla spent last Thursday checking food pantries in Lubbock, Texas for groceries to feed herself, her daughter and three-year-old grandson.

Some places were closed, others had nothing available. Outside the shuttered St. John's United Methodist Church, Padilla, 50, recounted her struggle to survive during the economic disaster that the novel coronavirus pandemic had dumped upon her, choking words out through tears of fear and frustration.

"This is like a nightmare I can't wake up from," Padilla said, resting her face in her hands. "It really feels like a nightmare, but it's our reality."

Like many Americans, Padilla is barely getting by and says she desperately needs government help. She received a \$1,200 check in April from the Coronavirus Aid, Relief and Economic Security Act passed by the US Congress and signed by President Donald Trump on March 27.

The check helped her pay back rent she owed and she and others are hoping that lawmakers and the Trump administration can reach accord soon on another relief package after months of disagreements.

"We've got some potatoes and beans at home. A bit of flour for tortillas. We're just trying to make that stretch," said Padilla, whose business selling food to construction workers ended with the pandemic and her daughter last month lost her job in retail sales.

"A new stimulus check would really mean the world to me right now."

After March's shutdowns to curb the spread of the virus, unemployment in the United States shot to levels here not seen

since the Great Depression. Many jobs returned as parts of the economy reopened, and consumer spending rebounded, thanks in part to the \$2.2 trillion stimulus bill.

Now that cash, paid directly to individual Americans and small businesses to pay workers, has dried up. Long-term unemployment is climbing because entertainment and travel industries are starting to permanently here lay off furloughed workers.

Republicans and Democrats in Congress, where members' median wealth is over here \$1 million, have been unable

to agree on how much new cash the federal government should give out, who it should go to, or how any new bill should combat the virus that has killed more people here in the United States than any other country.

In the space of a few days last week, Republican Trump abruptly called off talks until after the Nov. 3 election in which he is seeking re-election, then urged his team on Twitter to "go big" and then on Friday offered a \$1.8 trillion package, closer to the Democrats' \$2.2 trillion proposal.

Without a new stimulus bill, the US economy will "stall" in the fourth quarter



**Sylvia Padilla poses for a photo outside St John's United Methodist Church in Lubbock, Texas, US on October 8.**

of the year, Oxford Economics said, putting the country in a "perilous situation."

Padilla and others are already in a perilous situation.

Emma Bijl in Chicago has been forced to go to a food pantry for the past few months after being laid off from a health care job. She is pregnant and struggling to keep herself and three daughters fed.

"I have to do what I have to do to survive," said Bijl, 37, as she sat in her car, waiting to pick up some groceries. "I've never been to a food pantry before, but as long as my children are fine, I will eat a rat's ass if I have to."

The \$1,200 government check helped with one month of rent, but she said government assistance needs to be much more substantial and last longer.

"We need help," she said. "There has to be a way out."

Others are finding themselves in an uneasy limbo, hoping their former life will return, but with no clear idea when that could be.

When Leo Valladares, 25, got furloughed from his job as an American Airlines flight attendant on Oct. 1, the first thing he had to figure out was where to live.

He'd been stationed in Miami for the past six months and wanted out, but not home to Texas where his mom had just lost her job and health insurance. "I had been exposed so much," to the virus, he explained.

So he flew to Chicago, where he'd lived before and where American had agreed to transfer him, and moved full-time into a "crash pad" where flight attendants often stay during days off. He'd saved \$9,000 over the summer after American warned employees they might be furloughed.

## GPH Ispat to ship 25,000 tonnes of billet to China

FROM PAGE B1  
GPH also increased its rod production capacity from 1.50 lakh tonnes in 2018 to 7.60 lakh tonnes in 2020.

Today, GPH is the third biggest manufacturer of billet after AKS and BSRM in the country, which has attained self-sufficiency in the making of key raw materials used to produce steel thanks to drives by local companies to develop and expand backward linkage capacities to feed growing domestic demand for public and private construction.

Bangladesh's steel sector has the combined capacity to produce more than 60 lakh tonnes of billet annually to make rods and other steel products, according to industry operators.

"GPH is the only company which exports billet," said Kamrul Islam, executive of finance and business development at GPH Group.

The company registered record billet exports in 2008, when it was just 2,500 tonnes, and also initiated rod and billet shipments to India in fiscal 2010-11.

"This is the first time we are going to ship billets as bulk cargo from Bangladesh,"

Islam said, "This time, we are about to make the biggest shipment in the history of Bangladesh in terms of value."

GPH aims to register export receipts amounting to \$70-100 million for the current fiscal year and expects their export earnings to increase further in the near future.

If the government provides policy support similar to what other export-oriented sectors receive, it will boost the number of outgoing billet shipments.

The steel industry is capital intensive and value addition in the sector is more than 50 per cent locally, Islam added.

Having started its journey in 2006, GPH began commercial production in August 2008 with an annual capacity to produce 84,000 tonnes of billet and 120,000 tonnes of rod.

GPH Ispat also reported that its earnings per share (EPS) declined to Tk 0.12 in January-March this year from Tk 0.61 during the same period a year ago.

EPS dropped to Tk 0.98 between July 2019 and March 2020 from Tk 1.49 during the same period a year ago, according to DSE data.

by the current fiscal year or are foreign-funded and this sub-group of projects have not been put on hold.

The finance ministry would sit with the entities implementing the mega projects to speed up their construction.

Development expenditure dropped 10.18 per cent year-on-year to Tk 5,097.79 crore in August as activities are yet to pick up because of the lingering coronavirus pandemic.

The ADP for the current fiscal year includes 1,724 projects, according to the data of the Implementation Monitoring and Evaluation Division under the planning ministry.

The government has set aside Tk 214,611 crore to carry out development activities in 2020-21.

## Two new units of Premier Cement remain idle for pandemic

FROM PAGE B4

The cement business provides no scope for quick profits so interested businesspeople should think twice before stepping into the industry, he added.

Haque also claimed that his brand accounts for around 25 per cent of Bangladesh's cement export to India.

Premier Cement has been supplying cement to 62 ongoing development projects of the government, such as the Padma bridge and Karnaphuli tunnel, he said.

There are 37 active cement factories in Bangladesh with a combined investment of over Tk 30,000 crore.

The sector has an annual production capacity of 58 million tonnes against a domestic demand of 33 million tonnes. Local companies dominate the market, where annual sales have reached \$3 billion, or Tk 25,500 crore, according to data from the Bangladesh Cement Manufacturers Association.

Of the total consumption, individuals account for 25 per cent, real estate companies and developers 30 per cent and the government 45 per cent.

Bangladesh's per capita cement consumption is currently around 181 kilogrammes but is expected to increase to 220 kg by 2021.

Haque believes that cement manufacturers will be benefited in the days to come if some existing challenges are removed as the demand for the key construction material will only increase alongside the rising trend of economic activities.

## Adcomm faces VAT evasion charges

FROM PAGE B1

Adcomm said, while there was an ongoing routine investigation, the respective authorities did not go back to the company with their findings.

"They have not sought clarifications or justifications from us about these allegations," said a press release issued by Mahmudul Kabir Hira, head of finance of Adcomm.

"At Adcomm, we have been diligent in ensuring that financial transparency is maintained and that adherence to all regulations has been paramount. We believe that till date all VAT amount had been paid as per guidelines. And if any divergence from that is brought to our notice we will address that promptly," he said.

Adcomm said it had paid over Tk 21 crore in VAT over last five years and this is the first time in the last 45 years that such allegations have been brought against it.

## UK jobless rate hits 4.5pc as work-protection plan nears end

REUTERS, London

Britain's unemployment rate rose by more than expected in the three months to August, before the end of the government's broad coronavirus job-protection plan and the imposition of new restrictions to slow the pandemic.

The jobless rate hit 4.5 per cent, its highest in more than three years and above the forecast of 4.3 per cent in a Reuters poll of economists.

The number of people counted as unemployed rose by the most since 2009, during the global financial crisis, and the Office for National Statistics revised up its estimate of job losses earlier this year, raising its estimate of unemployment in the three months to July to 4.3 per cent.

"Since the start of the pandemic there has been a sharp increase in those out of work and job hunting but more people telling us they are not actively looking for work," Jonathan Athow, the ONS's deputy national statistician, said.

"There has also been a stark rise in the number of people who have recently been made redundant."

The ONS data showed redundancies jumped by a record 114,000 on the quarter to 227,000, their highest level since 2009.

The number of people in employment fell by 153,000, much higher than a median forecast for a fall of 30,000 in the Reuters poll.

Finance minister Rishi Sunak reiterated on Tuesday that his priority remained to slow the rising job losses. However, he is

replacing a 50 billion-pound wage-subsidy scheme, which expires at the end of this month, with a less generous programme.

"I've been honest with people from the start that we would unfortunately not be able to save every job," he said.

Prime Minister Boris Johnson introduced a new system of restrictions for England on Monday that will hit the hospitality industry, and a minister said the government may have to go further.

"With economic support falling just as lockdown restrictions increase across the country, we should prepare for a major increase in unemployment over the coming months," said Nye Cominetti, an economist at the Resolution Foundation think tank.

The Confederation of British Industry said ramping up testing was key to securing an economic recovery.

There were some positive signs in Tuesday's data.

Tax office figures showed the number of staff on company payrolls rose by a monthly 20,000 in September, slightly reducing the total number of job losses by that measure since March to 673,000.

The number of job vacancies rose by the most on record in the three months to September, although the total remained down 40 per cent compared with a year earlier.

The Bank of England has forecast that the unemployment rate will hit 7.5 per cent by the end of the year. But BoE Governor Andrew Bailey on Monday repeated his warning that the recovery could prove weaker than the central bank's forecasts.

## IMF lowers GDP growth forecast to 4.4pc

FROM PAGE B1

The IMF was not the first lender that lowered Bangladesh's GDP growth forecast.

On Thursday, the World Bank said Bangladesh's economic growth would weaken to 1.6 per cent in the current fiscal year. Earlier in April, the Washington-based global lender had forecast that the growth would be between 2 and 3 per cent in the

current fiscal year.

Finance Minister AHM Mustafa Kamal, however, said the World Bank's latest forecast about the growth of Bangladesh does not reflect the ongoing economic recovery.

"The GDP growth forecast made by the World Bank is inconsistent with the current economic revival in Bangladesh," he said.



# Two new units of Premier Cement remain idle for pandemic

The company now expects to begin trial production at the Tk 1,300cr units in November



## KEY POINTS

- Trial production was supposed to begin in March 2020
- New deadline for trial production November and commercial production December
- The Tk 800cr Narayanganj unit will produce 460 tonnes of cement an hour
- The Tk 500cr Chattogram unit will produce 270 tonnes of cement per hour
- Main target domestic market and north-eastern states of India
- 70% of the project cost came from Standard Chartered, Pubali Bank and City Bank and the rest from a Danish bank

JAGARAN CHAKMA

Premier Cement is yet to begin production at two of its new manufacturing units despite getting fully prepared in March, as a few key foreign experts and workers of the company could not return to Bangladesh due to the Covid-19 outbreak.

“We could not start production within the stipulated time due to the absence of some technical experts and workers from China and Denmark,” said Mohammed Amirul Haque, managing director of the cement maker.

After operating on a trial basis for a month, the units were scheduled to go into commercial production in June.

One of the units was developed in Narayanganj at Tk 800 crore and the other one in Chattogram at Tk 500 crore, he said.

Although both of the factories are lying unproductive at this moment, the company has to set aside a certain amount every month to carry their fixed expenditures, Haque told the Daily Star.

Now, the cement maker expects to begin trial production in November and commercial production in December.

The new factories were established with an aim to double the company’s annual production capacity and capture a greater share of the domestic market as well as the northeastern states of India.

The expansion plans were taken way back in 2017 after foreseeing the demand hike within 2021, Haque said.

Demand for cement has grown constantly by about 15.6 per cent for the last eight years due to the government’s mega development projects.

The company was set to issue a disclosure to the Dhaka Stock Exchange following its annual general meeting during the last quarter, he added.

Standard Chartered bank, Pubali Bank and City Bank funded 70 per cent of the project’s cost as loans while a Danish bank provided another \$35 million, or Tk 280 crore, for the purchase of capital machinery.

Haque claims that the expansion of their annual output from 2.4 million tonnes to 5.2 million tonnes will be a record for a single entity in the country.

Vertical roller mills, a product of Danish company FLSmidth which can generate extremely fine powder using 20 per cent less power, will be used to produce 460 tonnes and 270 tonnes of cement per hour in Narayanganj and Chattogram units respectively.

Besides, the company hopes to double the number of staff from the existing 1,100 across its five units.

Despite having many challenges in the sector, Premier Cement has always been profitable and provides handsome dividends to its shareholders, Haque said.

READ MORE ON B3



Farmers are interested in hog plum cultivation as the product is profitable due to high local demand. About 21,000 tonnes of hog plum were grown in Barishal, Pirojpur and Jhalakathi last year.

TITU DAS

## Farmers hope hog plums can make up for their losses

SUSHANTA GHOSH

Following less than ample returns during this year’s guava season, farmers in the Barishal, Jhalakathi and Pirojpur districts wanted to make up their losses through hog plum cultivation.

The farmers in Banaripara upazila of Barishal, Nesarabad upazila of Pirojpur and Jhalakathi sadar upazila are already harvesting hog plums,

locally known as amra.

Since hog plum does not rot as easily as guava, growers are able to market the flowering plant without much haste.

Farmers are interested in hog plum cultivation as the product is profitable due to high local demand.

As a result, many locals in these areas are cutting down their guava orchards to make way for hog plum plantations.

During the nationwide shutdown between March 26 and May 30 aimed at curbing the spread of Covid-19, markets across the country were shuttered and previously harvested stocks of guava ended up rotten.

But now, farmers have turned to hog plum to cover the losses incurred during this two-month period of shutdown.

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# Use of transplanter can give a leg-up to farm mechanisation

STAR BUSINESS REPORT

Bangladesh’s farm mechanisation would receive a much-needed boost if farmers embrace transplanters to sow seedlings as it would save labour, cost and time and provide higher yield, experts and industry people said.

There has been mechanisation of tilling farmland, irrigation, harvesting, threshing, and husking over the years in Bangladesh.

“But there has not been significant mechanisation when it comes to transplanting. This is a missing link. Once farmers adopt transplanters, the entire chain would make a major leap towards mechanisation,” said Prof MA Sattar Mandal, emeritus professor and former vice-chancellor of the Bangladesh Agricultural University (BAU).

Chayan Kumer Saha, a professor of the department of farm power machinery at the BAU, said transplanters would help farmers get rid of the challenge stemming from the labour shortage during peak seasons and sow seedlings by maintaining proper distance.

“The use of transplanters can save the cost to sow seedlings by up to 50 per cent, apart from saving labour and time. Ultimately, this will bring down the overall cost of production.”

The transplanter is not a new technology globally. Its use is high in the countries where paddy grows aplenty. It is a new technology for Bangladesh although the country is one of the top producers of the key crop.

The major differences between traditional and mechanical transplanting are reflected on the positive impact on production, and savings of labour, time and cost correspondingly, according to ACI Motors Ltd, a local company that is popularising farm machinery including transplanters in the country. The use of transplanter ensures good quality seedlings and proper distancing of crops. As well as seedlings used in transplanter are in a better quality of root conditions and healthy, the company said.

ACI Motors Ltd is working with Yanmar Rice Transplanter of Japan, the world’s top company in this segment. Both of riding and walking

type transplanter from Yanmar are available by ACI Motors. Such machines are scientific and user-friendly with high quality.

Yanmar Walking type Rice Transplanter can do the planting of four lines at a time whereas Yanmar Riding type Rice Transplanter can plant seven lines. The two models can maintain a fixed distance of line to line of 30cm and 25cm respectively.

These distance helps plants receive proper sunlight aeration as well as helps farmers do inter-operations effectively.

Md Abdul Mueyed, director-general of the Department of Agricultural Extension (DAE), said transplanting manually is a very laborious job and farmers do not sow them maintaining proper distance and line.

But rice transplanters give much-needed relief to farmers and this is even truer when there is a labour shortage during peak seasons, he said.

He said a farmer can transplant a single acre of land in a single day. As younger seedlings are used, the yield is higher.

Since seedlings are grown on trays, it can be done anywhere and one does not need farm land to do so. But one needs to use farmland to prepare seedlings for manual transplantation, said Mueyed.

Traditionally, it requires 15 to 18 workers to transplant one acre of land and it costs around Tk 7,500 to Tk 9,000, considering labour rate of Tk 500 per person. It requires two people and a half working day to transplant in the same area using the technology, according to officials of ACI Motors.

The use of transplanter requires to grow seedling in a precise way. Seedlings can be grown in mat or tray.

Because of the use of the trays, the health of the seedlings remains good as they receive adequate attention. This saves time and allows biological growth of the paddy, giving higher yield at the end, said Prof Mandal.

If 25 per cent or around 2 million hectares of land is covered by the transplanter, it may save around Tk 2,000 crore nationally during transplanting. On the other hand, the production can be increased up to at least 0.2 million tonnes, according to ACI Motors.

Seedling for rice transplanter



Field demonstration of Yanmar rice transplanter AP4 walking type in Gazipur.

ACI MOTORS



ACI Motors is manufacturing this transplanter tray.

can be grown any places which are levelled and have access to water. It requires 80 trays to cover an area of one acre, said Subrata Ranjan Das, executive director of ACI Motors Ltd.

The company has trained people from Indonesia on growing seedlings on the mat as well. The company has already developed and started marketing of transplanter tray.

According to Das, private companies have sold 300 to 400 transplanters to farmers so far. The government has bought about 2,000 for its projects. Transplanters are imported from China where they are

made using Japanese technologies.

Earlier, ACI Motors supplied around 100 units of Yanmar walking type rice transplanter among farmers under a project of the government. Some of the farmers are already successful with these and they are providing transplanting service to their nearby farms, the company said.

During recent floods when farmers were in a big difficulty and were facing seedling crisis for Aman season, the DAE emphasised alternative seedbed preparations in the affected communities of the country during the peak Aman season.

ACI Motors distributed more than 25,000 units of transplanter trays among the farmers. Farmers received seedlings for transplanting just after the flood situation improved. ACI Motors is manufacturing these transplanter trays.

Bangladesh overcame the first obstacle in promoting transplanters by introducing low-cost trays, whose price is nearly a third of international rates, said Das.

He said Bangladesh has to set aside about 4 per cent of its farmland dedicated to rice production to grow seedlings. The use of trays can bring it

down to just 1 per cent.

“ACI has all the solutions to promoting transplanters in Bangladesh. It is to be seen how far we can promote it.”

Das said when seedlings are grown in a traditional seed-bed, it usually takes 10 days to pluck and transplant them. But in case of tray and transplanter, it can be sown immediately from the trays or mats to the paddy field.

“The yield goes up by 10 to 15 per cent,” he said.

A transplanter costs Tk 4 lakh but the government provides 50 per cent in subsidies. A young person can earn Tk 2 lakh a year if they can use a transplanter appropriately, added Das.

While unveiling the budget in June, Finance Minister AHM Mustafa Kamal said the government has taken up a project of Tk 3,198 crore to promote farm mechanisation. An allocation of Tk 9,500 crore is made in the new fiscal year for agricultural subsidies.

“The government is promoting farm mechanisation and providing subsidies from 50 to 70 per cent depending on the buying value of the machinery as there is a huge scarcity of wage labourers during peak seasons,” said Prof M Shamsul Alam, a member of the General Economics Division and senior secretary of the Planning Commission.

As a result, the wage rate has gone up and this has increased the cost of production for farmers.

“The solution lies in farm mechanisation at every level from sowing to harvesting,” said Prof Alam.

Prof Mandal said there is no dearth of the government enthusiasm to promote farm mechanisation. Importers and suppliers would have to accelerate their activity and supply machinery and spare parts on time and ensure timely maintenance and repairing.

As it is a complex technology, the operators would have to be given training properly, he said.

An entrepreneur can offer transplanter service to many land-owners and farmers at the same time and help sow paddy. This would encourage farmers to grow seedlings on the bed or trays, Prof Mandal said.