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Floods damage Tk 1,152cr crop

SOHEL PARVEZ
The flood has caused crop losses amounting to about Tk 1,152 crore of tens of thousands farmers, mainly in the northern region, according to an estimate of the Department of Agricultural Extension (DAE).

The inundation damaged crops on 1.09 lakh hectares affecting more than 6.51 lakh farmers in 31 districts, said officials.

Vegetable growers suffered the biggest losses from the flood that began early last month resulting from heavy rains, followed by jute and aus paddy producers.

The DAE estimates that the inundation destroyed summer vegetables on 9,841 hectares area and almost mature aus paddy on 25,851 hectares.

Farmers had planted aus on 11.49 lakh hectares this year, which is less than the targeted area.

Overall yield of the summer crop is likely to be 22 lakh tonnes because of decreased acreage for growers' switch to jute, maize and vegetable for higher returns to recover the lower return from winter crop boro and crop damage for flood, said the US Department of Agriculture (USDA) in its July issue of Grain and Feed Update on Bangladesh.

The USDA said the monsoon season in



Bangladesh officially started on June 17 and heavy rains began on July 9 across the country, including the upstream neighbour of Nepal and the two Indian states of Assam and Meghalaya.

"The massive rains triggered widespread flooding and landslides and affected the livelihood of 6 million people," it said, adding that aus rice, transplanted aman rice seedbeds, jute, vegetables, sugarcane, banana and chili were the most damaged crops.

Bangladesh is the seventh most vulnerable country with regard to the adverse effects of climate change, said the US agency.

The USDA lowered its forecast on Bangladesh's rice output for the 2019-20 season -- which runs from May to April -- to 3.52 crore tonnes from 3.53 crore tonnes.

Apart from aus paddy, farmers had to count losses of sown aman on 29,635 hectares and seedlings of

transplanted aman 11,875 hectares. Aman is the second rice crop after boro and seedlings production of the autumn crop has been on along with transplantation.

To help farmers get seedlings, the DAE has taken an initiative to produce seedlings on 75 acres of government-owned land and 530 acres of farmer-owned lands by providing them with production cost, said Md Abdul Mueed, director of the DAE's field services wing.

It is also helping growers to make 2,500 floating seedbeds of aman so that they can transplant, he added.

Besides food producers, many growers, who cultivated the cash crop jute this year, incurred losses due to flood.

Jute on 22,039 hectares area was damaged, according to the DAE.

The DAE has taken a Tk 80 crore scheme to encourage cultivation of mustard, maize and wheat in the coming winter, Mueed said.

"Priority will be given to the flood-affected regions," he added.

Don't deposit funds with weak banks

Energy ministry asks BPC, Petrobangla

AKM ZAMIR UDDIN

The energy ministry has asked Bangladesh Petroleum Corporation (BPC) and Petrobangla not to deposit their funds with weak financial institutions in the hope of getting higher returns in the form of interest.

"Institutions with good CAMELS ratings will have to be selected to deposit fund as per instruction given by the finance division," according to a letter sent by the ministry to the two state-owned organisations.

"Capital of BPC and Petrobangla will be at risk, if fund is deposited with the financially weak banks and NBFIs," the letter said.

The CAMELS rating is an internationally recognised rating system that indicates the actual financial health of banks and non-banking financial institutions (NBFIs).

The energy ministry has given the instruction at a time when a good number of NBFIs have failed to repay depositors' money despite the maturity of funds.

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TCB can now import basic commodities

No need to wait for govt permission

STAR BUSINESS REPORT

The Trading Corporation of Bangladesh (TCB) can now import basic commodities on an emergency basis, without waiting for any permission from the higher authorities of the government, after it was exempted from the public procurement rules until May 2021.

The decision came in a meeting yesterday of the cabinet committee on economic affairs chaired by Finance Minister AHM Mustafa Kamal.

In the event of a sudden price hike of

basic commodities in the market, the TCB has to intervene to cool down the market.

But because of the delays in getting the permission to import the commodities, the state-run agency fails to arrest the price spiral, Kamal said.

But now, thanks to being excused from the public procurement rules, the TCB can now import essential commodities like edible oil, onion, garlic, ginger and lentils on an emergency basis and sell those directly in the market.

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BTCL offers unlimited landline calls for Tk 150

STAR BUSINESS REPORT

Landline provider Bangladesh

Telecommunications Company Limited (BTCL) has offered unlimited calls within its network for only Tk 150 per month as the struggling state-run company fights for a turnaround.

BTCL has also removed the monthly fee, said a statement yesterday.

The monthly fee for connections in the Dhaka, Chattogram and Khulna metropolitan city areas is Tk 160, in district level Tk 120 and Tk 80 for the rest.

To make calls to other network the charge will be Tk 0.52 per minute and the new rate will be effective from August 16.

Currently there are about 5.50 lakh active landline connections of BTCL.

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Govt sets export target at \$54b

STAR BUSINESS REPORT

The government yesterday set the export target for the current fiscal year at \$54 billion, up 15.20 percent than that a year ago.

Of the amount, merchandise export target has been fixed at \$45.50 billion, which is 12.25 percent higher than the achievement of last fiscal year.

Meanwhile exports from services sector has been set at \$8.50 billion, a 34.10 percent year-on-year rise from that attained last fiscal year.

Md Mofizul Islam, senior secretary to the commerce ministry, announced the target after a meeting with businesspeople and leaders of trade bodies and business chambers at his secretariat office in Dhaka.

The target for the new fiscal year has been fixed on the achievements of the immediate past fiscal year.

World economic outlooks, government policy supports, changes in the dollar exchange rate, market and product diversification, supply side capacity, improvement of safety standards in garment factories and effects of the US-China trade war have been taken into consideration during fixing of the target, Islam said.

Last fiscal year receipts from merchandise shipment amounted to \$40.53 billion and services sector \$6.33 billion.

Overall exports had registered a 14.30 percent growth, 10.55 percent in goods shipments and 46.06 percent in services sector.

As usually, the highest export target has been fixed for the garment sector in the current fiscal year. This year the garment export target has been fixed at \$38.20 billion, which is 11.91

percent higher than the achievement of last fiscal year.

Of the amount, \$18.85 billion has been targeted from knitwear and \$19.35 billion from the woven sector. Last year Bangladesh exported garment items worth \$34.13 billion, registering a 11.49 percent year-on-year growth.

With exports not diversifying at the expected pace, the contribution of garment items in national exports claimed a larger share last fiscal year.

The contribution of garment sector (knitwear and woven) increased to over 84 percent from more than 82 percent last fiscal year.

Diversification in exports is slow despite government initiatives on providing cash incentives to different sectors with potential.

Last fiscal year the garment sector even exceeded the annual target by 4.42 percent. The target was set at \$32.68 billion, according to data from the Ministry of Commerce.

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Garment products now account for 84 percent of total exports.

Private sector to be deprived of required finance

IBFB says about 2019-20's monetary policy

STAR BUSINESS DESK

The lowering of the private sector credit growth target for fiscal 2019-20 will affect the industrial production and employment generation, the International Business Forum of Bangladesh (IBF-B) commented on the latest Monetary Policy Statement yesterday.

The government has set the private sector credit growth target at 13.2 percent for the July to December period of 2019-20 and 14.8 percent for the full year against 16.5 percent growth target set for 2018-19.

Achieving 8.20 percent GDP growth in the ongoing fiscal year will be difficult with such a reduction in the private sector credit growth target, the IBFB said in a statement.

Moreover, the targeted loan from savings certificates will shrink the deposit base of banks and leave an impact on loan for the private sector, it said.

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