

Floods damage crops of Tk 350cr so far

SOHEL PARVEZ

Floods have already damaged crops worth nearly Tk 350 crore and are going to pile up further losses on tens of thousands of farmers, according to an official estimate.

Growers of aus and aman rice crops, jute and summer vegetables in 14 districts suffered the biggest losses as the floods submerged nearly 42,000 hectares of the cropland, said Alhaz Uddin Ahmed, director of the field services wing at the Department of Agricultural Extension (DAE).

"There is no scope of recovery of the crops that went underwater," he said.

The estimate of the loss was prepared based on inundation from June 25 to July 9. As soon as the DAE had completed the primary estimates, the floods, resulting from heavy rainfall and onrush of water from upstream, started submerging the localities and farmlands in the northern and central regions.

Until yesterday, crops on 62,000 hectares area in 26 districts were affected by the floodwaters. This includes the districts that were affected by the flood in the first spell, said DAE officials.

The natural disaster hit the country and farming at a time when the government has given a thrust to utilise every piece of cultivable land to ensure enough food production so that the nation can manage food supply and fight the Covid-19 pandemic without having to rely on global markets.

As part of the plan, the agriculture ministry earlier allocated Tk 33 crore for distribution of seed and fertilizer among small and



SK ENAMUL HAQ

Vegetable patches wither on flooded land near Elenga, Tangail. A banana grove awaits the same fate in nearby Chargachha area. This is the aftermath of the adjoining Jamuna river overflowing its banks recently. The photos were taken yesterday.

marginal farmers to encourage them to grow rice during the aus season and cultivate summer onion.

It widened aus rice acreage and yield targets, apart from increasing the cultivation of aman, the second-biggest rice crop contributing 39 per cent to the total 3.63 crore tonnes of rice output in the last fiscal year.

The ministry increased the aus paddy planting target by 17 per cent from the previous year's acreage.

The acreage for aus, which is harvested in July and August, crossed the target and stood at 13.36 lakh hectares, the highest in two decades.

The ministry earlier raised the rice production target by 20 per cent to 36 lakh tonnes during the aus season and targeted to increase the cultivation and yields during the current aman rice season by encouraging farmers to grow newly released improved varieties of rice.

Farmers plant the crop during the rainy season and harvest in November and December. The agriculture ministry reduced the prices of seeds.

As the floods continue to inundate, the DAE prepares to provide rehabilitation support to farmers.

"We will begin rehabilitation activities after

the water recedes," said DAE Director General Md Abdul Mueyed.

"We have taken a three-pronged strategy to support growers with seedlings," he said, adding that agricultural workers would encourage farmers to plant vegetables like bottle gourd in moveable bags.

To provide seedlings of aman crop, the DAE took a Tk 2.14-crore project to develop community seedbeds on 527 acres. The idea is to support 35,000 farmers to grow rice on the same bighas of land, said Ahmed.

It would support more than 1,250 farmers to grow seedlings on floating seedbeds.

The DAE will pilot a scheme of growing

FLOOD-INDUCED LOSSES

- » Crops on **42,000** hectares damaged
- » Total loss: Tk **348** crore

MAJOR CROPS AFFECTED BY FLOODS (From June 25 to July 9)

- » Aus: **9,350** hectares
- » Aman: **9,500** hectares
- » Aman seedbeds: **860** hectares
- » Vegetables: **3,000** hectares
- » Jute: **15,400** hectares

SOURCE: DAE

Eastern Bank's profits rise on higher loan recovery, low NPL

The bank's CEO says

AHSAN HABIB

Eastern Bank's profits grew at a handsome rate in 2019 thanks to a higher recovery from written-off and classified loans, new client acquisition and deeper penetration both in retail and SME segments despite it being a challenging year for almost every financial institution.

The profit after tax of the lender, which started operations in 1992, rose 30.1 per cent year-on-year to Tk 400 crore last year.

"The main reason of our profit rise in the challenging year was the higher recovery rate and we were able to keep the NPL ratio low," said Ali Reza Iftekhar, managing director and chief executive officer.

The lender recovered Tk 63.6 crore from its written-off loans last year which was Tk 42.3 crore and Tk 50.1 crore in 2018 and 2017 respectively. Meanwhile its recovery from classified loans were Tk 94.7 crore, Tk 70 crore and Tk 85.8 crore respectively.

Its non-performing loan (NPL) ratio was 3.35 per cent last year whereas the industry average was 9.32 per cent, according to its annual report.

"If the NPL remains high, profits are mostly hit with provisioning, from which we had relief as the quality of our assets is good and the NPL remains low," the CEO told The Daily Star yesterday.

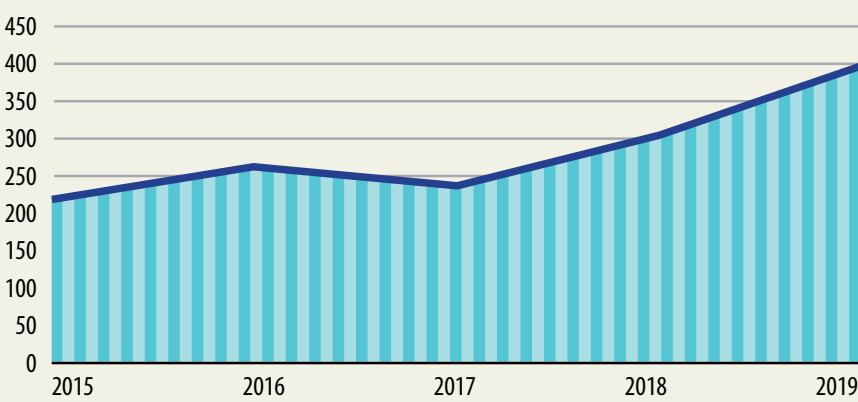
Though the NPL ratio was low compared to others in the industry last year, it was higher than 2.35 per cent in 2018 which was preceded by 2.50 per cent, 2.69 per cent and 3.27 per cent in the past successive years.

This rise was mainly caused by a single account from the textile industry, according to the annual report.

A big contributor to the profit of 2019 was net interest income, which rose by 8.69

Rise in EBL's profit over the years

(in Tk cr)



EBL's EPS over the years



per cent to Tk 827.7 crore riding on a 10.87 per cent portfolio expansion in the retail and SME sectors, according to the financial report of 2019.

"We hope to further expand our network as well as reach unbanked people and

we will leverage our network and digital strategy to drive deeper penetration in the retail and SME sectors," he said.

Eastern Bank has also found success in supply chain financing where it explored various industries and facilitated over

300 dealers and suppliers of several large corporate houses.

Its credit card portfolio hit almost Tk 600 crore in 2019, which is a 9 per cent growth from that the previous year.

Responding to a question, the managing director said the government set the lending rate at 9 per cent and his bank's interest rate was not higher than that of many other banks, for which net interest income growth was lower than that of the previous year.

The net interest income growth was 8.69 per cent last year which was 31 per cent in 2018.

Non-interest income increased by 14 per cent in 2019 mainly due to an increase in investment income, fees and service charges.

The bank's deposit base swelled 20.5 per cent year-on-year to Tk 23,998 crore.

"This high growth in a challenging year is a testament to the bank's brand strength."

The bank's advance to deposit ratio was at 77.2 per cent in 2019, a reduction from 83.08 per cent the previous year. The question was whether the bank reduced its lending to keep the ratio low.

Iftekhar said liquidity was the safety net for a bank so Eastern Bank always maintained a low advance to deposit ratio.

"Historically, we are much meticulous on the liquidity issue," he said, adding that they preferred to be very much liquid.

Returns on asset and equity of the lender stood at 1.30 per cent and 16.52 per cent respectively.

However, it declared 25 per cent cash dividend for shareholders whereas it was 20 per cent cash and 10 per cent stock dividends in 2018.

Its stocks traded at Tk 31 on Dhaka Stock Exchange yesterday.

Berger Paints launches disinfection services

STAR BUSINESS REPORT

Berger Paints Bangladesh yesterday launched disinfection services to help people and business houses steer clear of any infections amid the ongoing Covid-19 pandemic.

The Berger Expert Sanitisation Service is a convenient and effective way to give businesses and homeowners the confidence that their places will be safe for all the members and customers, said Md Mohsin Habib Chowdhury, senior general manager for sales and marketing at Berger Paints Bangladesh, a listed company.

The service provided by trained professionals meets the standards of the World Health Organisation, he said at an online event that was organised to launch the service.



The solutions will provide up to four weeks of protection against virus and bacteria, Chowdhury added.

The service cost is Tk 3.50 per square feet if the premise is less than 5,000 square feet. It is Tk 3 for premises between 5,000 and 10,000 square feet. The service charge is Tk 2.5 when the premise is larger than 10,000 square feet.

"The disinfectant is environment-friendly and is non-irritant to skin and eyes; as such, it will not be harmful to humans or animals," said AKM Sadeque Nawaj, general manager for marketing at Berger Paints Bangladesh.

On top of that, the solutions can be sprayed on all materials, even fabrics, and will kill 99.99 per cent viruses and germs, he said.

Customers will be able to book the service through the company's service centres, Berger experience zone outlets, call centre, website and official Facebook page.

The service is available in Dhaka and Chattogram now and will be expanded gradually, said Nawaj.

Shabbir Ahmed, head of project of Prolinks and Experience Zone; Noman Ashrafee Rahman, head of decorative brands; AMM Fazlur Rashid, head of channel engagement, and Md Saiful Ashraf, manager for research and development, also spoke at the event.

Kazi Monirul Kabir becomes member of Forbes Technology Council

STAR BUSINESS DESK

Kazi Monirul Kabir, founder of Dubai-based digital transformation company Spider Digital Innovation, has become a member of Forbes Technology Council, an invitation-only community for world-class chief information officers, chief technology officers and technology entrepreneurs.

The tech entrepreneur was vetted and selected by a review committee based on the depth and diversity of his experience. Criteria for acceptance include a track record of successfully impacting business growth metrics, as well as personal and professional achievements and honours.

"We are honoured to welcome Kazi Monirul Kabir into the community," said Scott Gerber, founder of Forbes Councils, the collective that includes Forbes Technology Council.

"Our mission with Forbes Councils is to bring together proven leaders from every industry, creating a curated, social capital-driven network that helps every member grow professionally and make an even greater impact on the business world."



Kazi Monirul Kabir

Pandemic puts a damper on Tata pickup project

JAGARAN CHAKMA

The initiative of Tata Motors and Nitol-Niloy Group to assemble the Indian automobile giant's specialised pickup trucks in Bangladesh has hit a roadblock as the progress of the project is being stymied by the ongoing pandemic.

"We had set a target to start assembling pickup trucks and manufacture at least 25 per cent of the components in Bangladesh by 2020. But the pandemic has delayed our work by at least a year," said Abdul Matlub Ahmad, chairman of Nitol-Niloy Group.

"We could not carry out work at the factory as Tata's engineers and other technical officials cannot travel amid the pandemic," he added.

According to the chairman, the group initially planned to assemble 800 pickup trucks per month at a factory of Nita Company, a joint venture of Nitol-Niloy and Tata, in Kishoreganj.

Now though, they have an old

plant in Jashore, where they can assemble small pickups and other trucks.

Currently, the chassis for trucks, buses and minibuses are imported in completely knocked down (CKD) condition and put together at the Jashore plant, said Ahmad.

The demand for pickup trucks in Bangladesh was over 1,000 units per month for the last four years with a growth rate of 18 per cent, data from the Bangladesh Road Transport Authority (BRTA) shows.

The BRTA approved the registration to 13,512 pickup trucks from various manufacturers in 2017, up from 11,371 in 2016, 10,257 in 2015 and 9,554 in 2014.

However, the BRTA has been unable to update these statistics amid the ongoing Covid-19 pandemic.

"We have all the machineries required at the Kishoreganj plant to start assembling as planned but unfortunately, pandemic has caused delays," said Ahmad, also a

former president of the Federation of Bangladesh Chambers of Commerce and Industry, the country's apex trade body.

The end game is not just to assemble pickup trucks in Bangladesh but to spur on automobile manufacturing in the



BY THE NUMBERS

- » Assembling target per month: **800** pickups
- » Initial investment planned: Tk **500** cr
- » Total investment target: Tk **800** cr
- » Jobs to be created: **5,000**
- » Target to make **25** per cent components locally
- » Prices to drop significantly

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