Sri Lanka seeks $6b from IMF

AFP, *Colombo*

Cash-strapped Sri Lanka on Tuesday asked the International Monetary Fund to arrange a creditor meeting for $6 billion in loans to help keep the country afloat during its unprecedented economic crisis.

Months of daily blackouts, long queues for petrol and record inflation have made daily life a misery in the South Asian island nation of 22 million people.

The government has already defaulted on its $51 billion foreign debt, and a critical shortage of foreign currency has left traders unable to import adequate supplies of food, fuel and other essential goods.

Months of daily blackouts, long queues for petrol and record inflation have made daily life a misery in the country

Prime Minister Ranil Wickremesinghe said the country needed $5 billion for its daily needs in the next six months, along with another billion to stabilise Sri Lanka's rapidly depreciating rupee.

"We call on the International Monetary Fund to hold a conference to help unite our lending partners," the premier told parliament.

He said a meeting under IMF auspices with China, Japan and India -- Sri Lanka's three biggest bilateral lenders -- would be a "great strength" in helping source more loans.

Sri Lanka is already in talks with the IMF for a bailout and has appointed international experts to help restructure its debt, about half of which is in international sovereign bonds.

Wickremesinghe again warned the country was heading for serious food shortages and said the United Nations had agreed to issue an urgent appeal on Thursday to raise humanitarian funds.

A disastrous ban on agricultural chemical imports, introduced by President Gotabaya Rajapaksa last year, dramatically curtailed crop yields and led to protests by farmers.

The policy was reversed months later, but Sri Lanka is now out of foreign currency to import fertiliser, pesticides and other much-needed farming chemicals.

Some cargo trucks loaded with products are seen parked at the Akhaura land port in Brahmanbaria, one of the largest export-oriented ports in the country. The volume of exports through the port has fallen significantly over the past six years. PHOTO: MASUK HRIDOY

Exports thru Akhaura land port on the decline

Fall 77pc in six years

MD ASADUZ ZAMAN

The volume of exports through Akhaura land port in Brahmanbaria has fallen significantly over the past six years as increased connectivity between north-eastern Indian states and other parts of the country helped them reduce imports from Bangladesh.

Besides, most businesses in both nations prefer conducting their import-export activities through other ports with better facilities that are closer to end-destinations in order to reduce transportation costs.

The once fully export-oriented port was used to ship processed stone, rods, tiles, cement, glass, plastics, edible oil and fish to Agartala in Tripura. The north-eastern states of India previously imported these goods from Bangladesh as having them delivered from within their own country was comparatively more expensive and time consuming.

However, the scenario has since changed thanks to better railway connectivity in the region.

A total of 5.68 lakh tonnes of goods were shipped through Akhaura land port in fiscal 2015-16 but the export volume dropped by about 77 per cent to 1.32 lakh tonnes in fiscal 2020-21, according to a report

by the Bangladesh Land Port Authority.

Exports through the port, established in 1994, have seemingly fallen further in the current fiscal year as only 64,363 tonnes of products were sent to India as of February.

Shafiqul Islam, a local exporter, told The Daily Star that he used to send large amounts of stone to Tripura.

"But stone exports are almost completely halted now as Indian buyers avoid importing from us and instead collect the material from Assam as their transportation system has improved over the years," he said.

"Still though, we are exporting fish, plastics and agricultural machinery through the port," added Islam, also general secretary of the Akhaura Land Port Importers and Exporters Association.

Mohammed Amirul Haque, chief executive officer and managing director of Premier Cement Mills, said they export cement from other land ports considering the availability of various facilities.

"Everyone looks for diversified export facilities when choosing a land port. We used Akhaura land port when it was the prime port of the country," Haque added.

Echoing the same, Kamruzzaman Kamal, director of marketing at Pran-RFL Group, said they consider all aspects when deciding on a port to ship their goods.

For example, choosing a port which is closer to the end destination helps lower transportation costs.

A major portion of Pran-RFL's exports to India are shipped to Meghalaya through Tamabil Land Port along the Gowainghat border in Sylhet, he added.

Forkan Ahmed Khalifa, general secretary of the Akhaura Land Port Clearing and Forwarding Agents Association, said Bangladesh used to export goods directly to India through the port but now, the neighbouring country is moving goods from Kolkata to Tripura through its improved railway transport system.

"Exports have declined radically over the years as a result," he added.

Khalifa went on to say that another reason for the decline in total exports is that soybean and palm oil shipments have been reigned in to cater to increased domestic demand.

Contacted, Taslim Shahriar, senior assistant general manager of Meghna Group of Industries, said that barely any edible oil is going to India now.

"Competitive prices from other suppliers, duty issues and domestic demand are major

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EXPORT TO BANGLADESH

Wheat trucks held up in Indian ports

Delay for strict LC check

STAR BUSINESS REPORT

Hundreds of trucks carrying wheat to Bangladesh have been held up at different land ports in West Bengal for at least three weeks.

The exporters apprehend that the wheat will start rotting because of the delay in transportation and rains, reports our New Delhi correspondent.

The delay is due to strident check of letters of credit following an order by the Indian commerce ministry in the wake of reports that a number of private exporters have back-dated their LCs to avoid the curbs imposed by India on wheat export on May 13, officials and industry sources said.

India imposed the restriction on wheat export following a severe heat wave that hit crop's production in March-April, triggering a decline in the overall domestic output.

While imposing the ban, the Directorate General of Foreign Trade (DGFT) under Indian commerce ministry said the export shipments, for which irrevocable letters of credit (LC) had been issued before May 13, would be allowed.

The ministry later said it has been brought to its notice that a section of exporters had attempted to reset the date of their LCS, officials said.

Following this the authorities ordered a fresh check of all LCs for wheat export.

Uzzal Saha, general secretary of West Bengal Exporters' Coordination Committee (WBECC), said around one lakh tonnes of wheat are stuck at Mahadipur land port in Malda district.

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Stock index, turnover drop

STAR BUSINESS REPORT

Stocks in Bangladesh dropped for a second consecutive day yesterday while turnover of the Dhaka bourse also fell, with investors showcasing an inclination towards booking profits.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), dropped 20 points, or 0.31 per cent, to 6,468.

Witnessing the drop of the index, investors' participation also fell, so turnover nosedived 24 per cent to Tk 739 crore at the premier bourse of the country. A day earlier the important market health indicator amounted to Tk 974 crore.

The short-term profit-booking tendency of the cautious investors brought down the broad index, said International Leasing Securities in its daily market review.

Some of the investors rebalanced their portfolios, focusing more on insurance stocks rather than the other sectors, which created a huge demand for insurance stocks, it added.

Among the sectors, general insurance rose 3.6 per cent and mutual fund 0.5 per cent, whereas services dropped 1.7 per cent and ceramic 1.5 per cent.

Based on the turnover, investors' activities were mostly concentrated on general insurance (17.6 per cent), pharmaceuticals and chemicals (11.8 per cent), and banking (10.6 per cent) sectors.

Meanwhile, DS-30, the blue-chip index, and DSES, the Shariah-based index, edged down 10 points and 6 points respectively.

At the DSE, 114 stocks advanced, 228 declined and 38 remained unchanged.

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WHEAT EXPORT BAN

Indian rice traders step up purchase amid panic

REUTERS, *Mumbai*

India's surprise ban on wheat exports has prompted rice traders to increase purchases and place unusual orders for longer-dated deliveries, fearing the world's top rice exporter may restrict those shipments as well, four exporters told Reuters.

In the last two weeks, traders have signed contracts to export 1 million tonnes of rice for shipments from June through September and are opening letters of credit (LCs) quickly after signing deals to ensure the contracted quantity will be sent even if India restricts exports, the people said.

Those forward purchases come on top of roughly 9.6 million tonnes of rice already shipped out of India this year - in line with record 2021 shipments - and may reduce the amount of grain available for other buyers during the coming months as loading schedules fill.

"International traders pre-booked for the next three to four months and everybody opened LCs to ensure business continuity," said Himanshu Agarwal, executive director at Satyam Balajee, India's biggest rice exporter.

Normally traders sign deals for the current and next month.

Aggressive purchases from India could also reduce demand for rice from Vietnam and Thailand, the world's second and third-biggest exporters respectively, which are struggling to compete on price.

India last month banned wheat exports in a surprise

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Labourers unload rice bags from a supply truck at India's main rice port at Kakinada Anchorage in the southern state of Andhra Pradesh, India. PHOTO: REUTERS/FILE

German industrial orders fall again

AFP, *Frankfurt*

German industrial orders fell for the third month in a row in April, official data published Tuesday showed, as Russia's war in Ukraine dampened the outlook for Europe's largest economy.

New orders fell by 2.7 per cent over the previous month, according to figures provided by the economy ministry.

The renewed drop was "primarily due to the escalation of the Ukraine conflict", the ministry said in a statement.

Overall, incoming orders were 6.2 per cent below their level of a year ago, when the coronavirus pandemic was weighing more heavily on industry.

The fall was seen particularly in capital goods, used in production, which decreased 4.3 per cent compared with the previous month.

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