

## Control room to monitor fertiliser situation

STAR BUSINESS REPORT

The agriculture ministry yesterday opened a control room to monitor the fertiliser situation across the country.

People will be able to contact the control room for any fertiliser-related queries and lodge complaints against irregularities, the ministry said in a press release. The control room will remain open from 8:00am to 11:00pm every day.

The ministry took the initiative at a time when farmers in many parts of the country are complaining that they are not getting fertilisers at the stipulated price.

The agriculture ministry says there is no shortage of fertilisers in Bangladesh and the current stock is higher than in the same period last year.

On August 25, the stock of urea fertiliser stood at 6.56 lakh tonnes while there were 3.94 lakh tonnes of triple superphosphate (TSP), 8.23 lakh tonnes of diammonium phosphate (DAP), and 2.73 lakh tonnes of muriate of potash (MOP).

For the current Aman season, the ministry puts the demand for urea fertilisers at 6.19 lakh tonnes, TSP at 1.19 lakh tonnes, DAP at 2.25 lakh tonnes, and MOP at 1.37 lakh tonnes.

## Scam-hit ILFSL incurs losses for 3rd straight year

STAR BUSINESS REPORT

Scam-hit International Leasing & Financial Services Ltd (ILFSL) suffered losses for the third consecutive year in 2021.

The non-bank financial institution reported consolidated earnings per share of Tk 9.26 in the negative for the year that ended on December 31, 2021. It was Tk 31.30 in the negative a year ago.

Consolidated net asset value per share stood at Tk 154.19 in the negative, against Tk 144.93 in the negative a year ago, while consolidated net operating cash flow per share was Tk 1.51 in the negative from Tk 7.04 in the negative.

The board recommended no dividend for the year, according to a web posting of Dhaka Stock Exchange yesterday.

ILFSL is one of the financial institutions that witnessed the embezzlement of thousands of crores of taka by Proshanto Kumar Halder and his allies.



Workers arrange Hilsa fish on a van after collecting them from a fishing boat in the Fishery Ghat area in Chattogram. The popular fish will be taken to the Fishery Ghat market before selling them to traders. The photo was taken on Saturday.

PHOTO: RAJIB RAIHAN

### SHIPMENT AHEAD OF DURGA PUJA

# Exporters apply to govt to export Hilsa to India

NAZRUL ISLAM, Chattogram

Traders in Bangladesh are seeking permission from the government to export Hilsa to India on the eve of the Durga Puja, the biggest religious festival of Hindu devotees, when the demand for the popular fish goes up.

Exporters have been selling the fish, well-known for its distinct flavour, in the neighbouring country for the last three years after securing approval from the commerce ministry.

This year too, they are seeking permission from the government to ship the fish ahead of the festival in October. So far, 25 exporters have submitted applications to the ministry. Bangladesh has maintained a ban on the export of the national fish since August 2012 to keep its prices reasonable in the domestic market. But the government lifts the restriction for India on the occasion of the Durga Puja as a goodwill gesture.

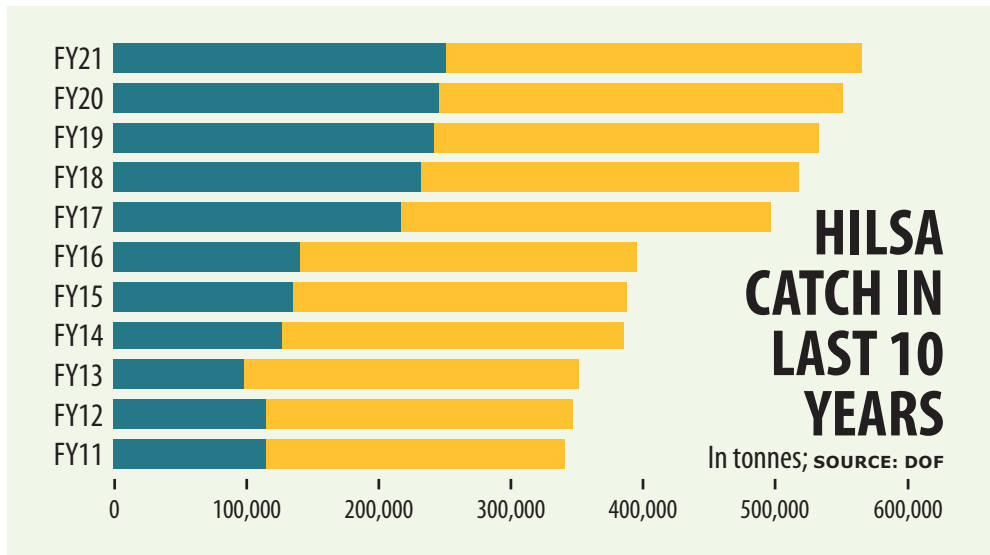
Last year, the commerce ministry gave approval to 115 firms to export 4,600 tonnes of Hilsa to India against applications from around 200 companies. But only 1,100 tonnes were ultimately exported.

Some 1,450 tonnes were exported to India in 2020 and 18 firms received permission in the year. In 2019, only one trader got the permission and it exported 500 tonnes of the fish.

Most of the fish go to West Bengal. The Durga Puja is the biggest and most popular festival in the Indian state.

Since fishermen started fishing in the sea on July 23 after a 65-day ban, enough Hilsa is being netted currently. The trading of fish has increased noticeably at the fish landing centres in the coastal areas of the country, said industry people.

A number of traders say it was experienced in the last two or three years that those who



got the permission to export Hilsa to India were not the actual exporters. And they failed to make the shipment on time despite receiving the approval.

Bangladesh Frozen Food Exporters Association President Amin Ullah told The Daily Star that the ministry usually sets a short period of time for the export.

Since a large number of exporters supply Hilsa to India during the period, buyers in the neighbouring country offer lower prices, causing the suppliers to incur losses, he said.

"The government should allow the genuine exporting firms to ship the fish and set the export period for at least one month. Otherwise, the goal will not be achieved."

The owners of a number of exporting firms alleged that the exporters could not send the shipment within the stipulated time last year due to the delay the ministry made in giving permission.

"When the approval was given, the

market price of Hilsa was lower in India than in Bangladesh. As a result, Bangladeshi exporters failed to benefit from the export opportunity," said one exporter.

Traders say the Hilsa export is not an issue that is limited to trade only. Rather, it fosters harmony between the two neighbours.

Babul Akter, president of the Bangladesh Frozen Food Exporters Association (non-packer), says the Hilsa export goes through a lengthy process.

"Hilsa can be exported in a planned way if the decision is made in advance instead of prompting the exporters to rush to it ahead of the Durga Puja. Otherwise, exporters will face losses and the government will be deprived of valuable foreign currencies."

In Bangladesh, local fishermen caught 5.65 lakh tonnes of Hilsa in the fiscal year of 2020-21, the highest on record. It was 5.5 lakh tonnes a year ago, data from the Department of Fishing showed.

## Will regulatory steps work for money market?

MAMUN RASHID

There is possibly no denying that in view of a very weak opposition along with a not-so active parliament, some above average and reasonably honest civil bureaucrats have taken command of the country's policy regime. This has also been further attributed by most of our economists and civil society members not having adequate visibility regarding how the country or economy is being run.

Though I am not aware of how many of them studied economics at the university, it is apparent that this powerful group of public servants has successfully built a cohesive team among themselves.

Recently, I had frank conversations with a few members of the group on the interest rate and the exchange rate. While on the exchange rate, most of them felt that the taka rate should have been allowed to go for a gradual depreciation against the US dollar, but most of them seemed to be very stubborn about not shifting from the 6 per cent deposit rate and the 9 per cent lending rate.

On the other hand, my banking and economist friends in North America and even in India thought that the interest rate hike is almost a one-way traffic to dampen money circulation and, thereby, command rising inflation.

We have heard US President Biden attributing a lot of credit to the success of monetary policy through interest rate hikes to rein in the rising inflation. Even in Bangladesh, preliminary investigations revealed that the low-interest rate is the culprit behind people buying cash dollars as a tool for savings rather than keeping money at the banks at sub-inflation rate deposits. Some economists felt that unless we leave the interest rate to follow a market route, roaring inflation cannot be controlled.

**The inflexible policy on interest rates also does not conform to basic and conventional monetary economics and has already drawn criticism from macro-economists**

However, the bureaucrats, as well as regulators, seemed to be very focused on driving money to the hungry stream of the economy as the non-governmental organisations and micro-credit institutions borrow from the banks and non-bank financial institutions and then go on to lend to small and micro-entrepreneurs.

Of course, my friends from the economics department felt that the existing fixed interest rate regime is going to be very counter-productive and that in the long run, this is only going to keep more common people under dire stress.

The inflexible policy on interest rates also does not conform to basic and conventional monetary economics and has already drawn criticism from macro-economists. Furthermore, it is also risky, especially given that compared to Turkey, our banking sector is quite fragile and is lacking in depth and strength. If inflation is not controlled soon and it continues to spike, it can send more people to the streets whereby begging may be an option.

I do agree with my bureaucrat friends that the dollar crisis may have eased a bit and acceptably may stabilise around Tk 100. However, I, along with my friends and some economics teachers at home and abroad, feel that the possibility of an economic crisis remains. At this point in time, it may not come from abroad but rather from the unconventional and perilous policies being championed by our policymakers.

The author is an economic analyst.

## DSE turnover surges past Tk 2,000cr

STAR BUSINESS REPORT

Trading at the Dhaka Stock Exchange (DSE) yesterday crossed Tk 2,000 crore for the first time in 11 months thanks to higher participation from general investors, according to market analysts.

The DSEX, the benchmark index of the Dhaka bourse, rose by 46 points, or 0.75 per cent, to close the day at 6,401.

Turnover of the DSE, a key indicator of the market's health, surged 18 per cent to Tk 2,105 crore, which is the highest since the Tk 2,497 crore registered on October 7, 2021.

Of the securities listed with the bourse, 219 advanced, 102 declined and 61 did not show any price movement.

Bargain hunters put fresh bets on sector-wise issues as they are regaining their confidence on the currently bullish market, International Leasing Securities said in its daily market review.

The investors' attitude has become positive again thanks to different measures taken by the central bank that gradually brought stability to the exchange rate while ongoing discussions regarding fuel imports from cheaper sources has also helped, it added.

The market index is rising mainly due to the increased participation of general investors but institutional investors are still not in a buying mood, said a top official of a merchant bank preferring anonymity.

"As the concerns over macroeconomic indicators have not faded, we cannot take the decision to buy shares."



Workers fill sacks with wheat at the market yard of the Agriculture Product Marketing Committee on the outskirts of Ahmedabad, India.

PHOTO: REUTERS

## India restricts wheat flour, semolina exports

STAR BUSINESS REPORT

Banning wheat exports four months ago, India on Saturday restricted the overseas shipment of flour made from wheat, including the wholemeal one, and semolina in order to curb rising domestic prices.

Some export will be allowed subject to government approval, reports our New Delhi correspondent.

The Directorate General of Foreign Trade notified of the decision taken by the Cabinet Committee on Economic Affairs on August 25.

Wheat flour exports from India amounted to \$128 million during the April-July period this year, registering 200 per cent year-on-year growth.

The wheat export ban triggered a sharp rise in overseas demand for wheat flour alongside a significant price rise in the domestic market.

The all-India average retail price of wheat rose by over 22 per cent year-on-year to Rs 31.04 per kilogramme (kg) on August 22, according to data of India's Ministry of Consumer Affairs.

The average retail price of wheat flour was up 17 per cent to Rs 35.17 per kg. Wheat prices at both wholesale and retail markets have also come under pressure due to a nearly 3 per cent drop in domestic output.