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SCAN FOR DETAILS



The heavy rain and wind amid cyclone Sitrang damaged croplands all over the country on Monday but the farmers' losses could have been minimised if they had access to agriculture insurance. Here, paddy crops at a field in Gobindaganj upazila of Gaibandha are seen laid low by the strong gusts and incessant rain. PHOTO: MOSTAFA SHABUI

Agri insurance still elusive

Farmers' losses pile up for natural disasters

SUKANTA HALDER, DIPANKAR ROY and SOHEL PARVEZ

Cyclone Sitrang is over and the weather is forecast to be sunny today. But for thousands of people in Bangladesh, including farmers, it is rather gloomy. This is because the cyclone lashed their crop fields and washed away fish farms, particularly in the coastal region, devastating their efforts aimed at making fortune. Suresh Rakkhit, a farmer in Dumuria upazila of the southwestern district of Khulna, and Mohammad Jewel Hossain, a shrimp and fish farmer in Rupsha upazila under the same district, are two growers who could face huge losses for the cyclone, which swept over the country on Monday night.

Rakkhit estimates his losses for damages to his papaya and other vegetable fields to be Tk 500,000. For Hossain, who saw his fish farms and shrimp enclosures inundated, the losses would be around Tk 600,000. "I don't know how to recoup the losses," said Hossain. Like him, thousands of farmers today are helplessly staring at losses in the absence of cushion or insurance coverage. The government and various other stakeholders have long been calling for introducing agriculture insurance in Bangladesh in order to mitigate risk of farmers in the event of losses resulting from floods, cyclone, droughts, unseasonal and excessive rains, and other weather-related events. Yet, no insurance scheme has



come forth so far to shield food producers. Until now, efforts to introduce agriculture insurance have remained largely limited to piloting schemes, including the ongoing one by state-run Sadharan Bima Corporation (SBC). But average annual costs of disasters are \$300 million,

according to the Bangladesh Agriculture Insurance Situation Analysis published by the World Bank Group in 2018. Only one insurer, Green Delta Insurance Company (GDIC), has so far incorporated crop insurance as a commercial product. A pilot scheme – Weather Index-based Crop insurance – has been underway since 2021, in partnership with Brac and

Syngenta Foundation and under a Swiss Agency for Development and Cooperation-supported Bangladesh Microinsurance Market Development Project. SBC and GDIC are offering crop insurance policies to farmers under the project. And participants said they got positive responses from farmers. Under the scheme, farmers get coverage against weather perils like drought, unseasonal rainfall, and low and high temperature, said Monirul Hoque, lead of the non-life insurance under the microfinance programme of Brac. "We have already settled a number of claims to boro paddy and potato farmers, and farmers are positive. Quick claim settlement is the biggest marketing tool."

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Amid crisis, banks asked to clear import bills on time

STAR BUSINESS REPORT

The ongoing shortage of US dollars has created a tough situation for some banks in Bangladesh as they are finding it difficult to clear import payments on time, tarnishing the country's image in the international market. So, the Bangladesh Bank yesterday asked banks to clear the import bills on time, or else their licences for authorised dealer branches, which carry out foreign exchange businesses, will be scrapped. The bankers responsible even will face punishment for their failure to settle the import bills, said the BB in a notice. Contacted, two central banks said there was no connection between banks' unwillingness to settle import bills and the shortage of the greenback in the foreign exchange market. In January last year, the central bank asked banks to settle the import bills as per rules, but many banks have still been ignoring the instruction, said one of them. A managing director of a bank said that lenders were now facing an acute shortage of dollars. "So, some of them have been unable to clear the import bills."

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- German Bangla JV Food
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WHY THEY HAVE TO LEAVE



No operation for more than two years



Incurring loss for more than three years



Cumulated loss exceeded their paid-up capital



Failed to declare dividend for three years

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DSE initiates exit process for 29 listed companies

AHSAN HABIB

The exit process for 29 low-performing companies whose shares are traded on the over-the-counter market of the Dhaka Stock Exchange (DSE) has begun. According to a directive of the Bangladesh Securities and Exchange Commission (BSEC), 29 companies have been selected for the exit. The companies include Arbee Textiles, Azadi Printers, Bangladesh Chemical Industries, Bangladesh Dyeing & Finishing, Bangladesh Luggage Industries, Bangladesh Zipper, Chic Tex, Eagle Star Textile Mills, German Bangla JV Food, and Gulf Foods.

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Cut regulatory duty on sugar

Tariff Commission suggests

SUKANTA HALDER

Reducing the regulatory duty on sugar imports from 30 per cent to 10 per cent could stabilise sugar prices in the domestic market, according to a report by the Bangladesh Trade and Tariff Commission (BTTC). The BTTC recently submitted the report to the commerce ministry, highlighting the country's demand for sugar, local production, import, current stock and pipeline situation. Various sugar refineries in the country have stocks of 1.54 lakh tonnes of unrefined sugar while another 2.21 lakh tonnes are in the pipeline awaiting import, with which it is possible to meet local demand for two-and-a-half months, it said. Sugar prices recently increased in Dhaka, Chattogram and some other parts of the country amid a supply

crunch. And although private mill owners say imports are normal, they see no way out of the price spiral as there is a lack of sufficient gas to refine sugar. Amid the squeezing supply, the Bangladesh Sugar Refiners Association on October 20 urged the government to remove all types of import duties on unrefined sugar and allow commercial banks to open letters of credit for such imports without restriction. At Khatunganj, a wholesale market in Chattogram, prices of sugar shot up by Tk 100-150 per maund (37.32 kilogrammes) to Tk 3,780-3,800 per maund in the last two days due to falling supply, said Anamul Haque, owner of Shah Amanat Trading. Consumers in Dhaka and Chattogram yesterday had to pay up to Tk 110 at retail for a kilogramme (kg) of the sweetener, which cost less

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