



Kitchen markets in Ishwardi upazila are packed with litchis amid the ongoing harvesting season but the overall decline in production throughout Bangladesh has led to higher prices for the fruit. Experts say just 60 to 65 per cent of the trees are providing yields due to adverse weather during cultivation. PHOTO: AHMED HUMAYUN KABIR TOPU

AFC Agro Biotech's profit plunges 80%

STAR BUSINESS REPORT

AFC Agro Biotech Ltd posted an 80 per cent year-on-year decrease in profit to Tk 11.52 lakh in the third quarter of the ongoing financial year.

The company, which is engaged in the manufacturing of agro-based pharmaceutical fermentation products, clocked a profit of Tk 57.61 lakh in the same quarter of 2021-22.

So, the earnings per share fell to Tk 0.01 in January-March of 2022-23 against Tk 0.05 in the same quarter of the previous financial year, according to the un-audited financial statements.

"The EPS decreased due to a fall in profit," said the company in a filing on the Dhaka Stock Exchange today.

AFC Agro Biotech's profit fell to Tk 1.96 crore in July-March of FY23, down more than 56 per cent year-on-year from Tk 4.49 crore in the same period in FY22. As a result, the EPS declined to Tk 0.17 from Tk 0.39.

Shares of the company traded at Tk 23.50 on the DSE yesterday, unchanged from a session earlier.

Litchi prices higher as yields dip

Farmers, traders happy to be making good profit despite lower supply

KONGKON KARMAKER and AHMED HUMAYUN KABIR TOPU

Litchi farmers across Bangladesh are registering poor yields this year due to adverse weather, meaning that consumers will have to pay more for the fruit in face of short supply.

"Overall production is not good in terms of quantity, size, colour and taste," said Jahurul Islam Jewel, a litchi trader at the Kalitola fruit market in Dinajpur sadar upazila.

According to the Department of Agricultural Extension (DAE) in Dinajpur, litchi produced in the district is the preferred choice among consumers as they bear a unique taste for being grown in perfect soil and climate conditions.

However, temperature fluctuations during the flowering period in February coupled with high heat and lack of rain during the budding season in March have severely impacted production.

Litchi is being grown on around 26,000 hectares across the country this year with an average of about 2 lakh tonnes of the fruit produced each year.

Dinajpur alone contributes some 5,500 hectares with roughly 4,000 commercial orchards in the district.

Officials of the Dinajpur DAE expect production of around 40,000 tonnes this year while the region yielded more than 45,000 tonnes in 2022.

A 100 piece bunch of the Madrazi variety is currently selling for as much as Tk 320, up by about Tk 30 from last year.

Similarly, the same amount of Bedana litchis is now being sold for up to Tk 700 compared to a maximum of Tk 600 previously.

During a recent visit to the Kalitola fruit market, this correspondent found that while

that the litchis on display were undersized and lack the proper colour while their peels were filled with spots.

Farmers blame bad weather for the poor yields with many litchi plants in some parts of Dinajpur, Thakurgaon and Panchagarh having failed to even flower.

"My entire production was damaged by the weather," said Md Saju Mia, a farmer of Mashimpur village under Dinajpur sadar upazila.

Temperature fluctuations during the flowering period in February coupled with high heat and lack of rain during the budding season in March have severely impacted production

Md Shamim Ashraf, additional director of Dinajpur DAE, said around 20 per cent of the litchis in Dinajpur, Thakurgaon and Panchagarh have been harvested so far.

On the other hand, farmers are happy to be getting better prices this year with Ishwardi upazila of Pabna expecting an output of 33,500 tonnes worth about Tk 500 to Tk 550 crore.

A total of 3,100 hectares of land in the region have been brought under litchi cultivation this year, according to Mita Sarkar, agriculture officer of Ishwardi upazila.

"About 60 to 65 per cent of the trees are providing yields," he added.

Last year, local farmers got 34,100 tonnes of the fruit worth some Tk 500 crore with

each 100-piece bundle selling for Tk 180 to Tk 200.

This year though, 100-piece bundles are going for Tk 250 to Tk 300 and so, farmers are expecting better profit, Sarkar said.

Md Hasibul Islam, a seasonal fruit trader in Atghoria upazila of Pabna, said traders like him are also enjoying the higher price as they are making profit despite the poor supply.

"I took around 5,000 litchis to a roadside retail outlet in the afternoon and sold half within two hours," he added.

Wholesalers are similarly pleased with the higher price as demand has increased in local markets.

"We have been supplying eight to 10 trucks of litchi from the Silimpur wholesale market for transport across the country for the past few days," said Md Rejaul Karim, a local trader.

Echoing the same, Milon Hossain, a trader of the Jatrabari wholesale market in Ishwardi upazila, said they are buying each 100-piece bundle of litchi for up to Tk 300 and sell them for Tk 360.

But the demand is increasing even with this high price, he added.

Md Shajahan Ali Badsha, a leading litchi trader in Ishwardi upazila, said litchi is short lived fruit but it brings handsome profit, which is why cultivation is increasing.

The litchi business lasts for only 10 to 15 days but the farmers in Ishwardi upazila make handsome profit every year.

Some Tk 500 to Tk 600 crore worth of business takes place within the first two weeks of the season and there is no other crop that gives so much profit in such a short time, Badsha said.

As such, litchi cultivation has been expanding over the years with Ishwardi upazila now providing the highest output from a single area, he added.

National BUDGET FY2023-24

Steel makers seek tax breaks

JAGARAN CHAKMA

Steel makers in Bangladesh are seeking reduced import duty, value added tax (VAT) and other tariffs in the upcoming national budget to provide products at lower prices, meaning that construction costs would likely decrease.

In a letter to Finance Minister AHM Mustafa Kamal earlier this month, the Bangladesh Steel Manufacturers Association (BSMA) proposed slashing VAT on sales to 1 per cent from 2 per cent.

In addition, VAT should be cut to Tk 450 from Tk 1,200 per tonne for locally sourced and imported scrap and billet, and Tk 900 from Tk 2,200 per tonne for purchases of mild steel (MS) products.

Similarly, customs duty should be reduced to Tk 500 from Tk 1,500 per tonne and advance income tax to Tk 100 from Tk 500 per tonne, it said.

The BSMA made these demands considering the current market situation, which remains unstable due to the global economic downturn brought on by various crises.



Manwar Hossain, president of the BSMA, said the domestic steel industry has faced several setbacks ever since the onset of Covid-19 in 2020.

For example, raw material imports have become severely constricted as steel makers are struggling to open letters of credit amid the ongoing US dollar shortage.

And as around 90 per cent of the raw materials used for producing steel comes from abroad, this has led to higher production costs and a subsequent working capital deficit in the industry.

However, inflationary pressure resulting from the Russia-Ukraine war could now deal a fatal blow as power and gas prices have surged abnormally in recent times.

Hossain then informed that around 15 per cent of the production cost for making steel goes towards energy and so, the price of steel products is skyrocketing.

According to market data of the Trading Corporation of Bangladesh, MS rod has been retailing at Tk 101,500 per tonne since May 15.

Also, the steel industry is suffering badly as infrastructure development in the country and construction activities in the private sector have slowed significantly amid the US dollar crisis.

This has directly impacted the overall construction industry as hundreds of businesses related to housing, cement, ceramics, hardware and more have been affected.

As such, the roughly 50 lakh people employed by these institutions, including steel makers, are now at risk of losing their jobs, the BSMA said.

Junk stocks infect market once again

Experts warn of rumour-based investment

STAR BUSINESS REPORT

The age-old trend of junk stocks gaining value despite having no reason to advance has returned just when major indices of Bangladesh's stock market are starting to rise.

The DSEX, the benchmark index of the DSE, increased by 14 points, or 0.22 per cent, to 6,339 points. With this, the index rose for two days consecutively.

The DS30, the blue-chip index, advanced 0.05 per cent to 2,199 points while the DSES, the shariah compliant index, edged up 0.02 per cent to 1,371 points.

Among the top ten gainers, two junk stocks -- Meghna Pet Industries and Meghna Condensed Mills -- took place by rising more than 9 per cent each.

A newly listed company -- Trust Islami Life Insurance -- and three B-category companies -- Legacy Footwear, Union Capital, and Meghna Insurance -- also featured on the list.

When a company incurs loss and fails to pay any cash dividend, it is then considered a junk stock.

If a company cannot pay at least 10 per cent cash dividend to its shareholders, then it is considered a B-category company.

The higher rise of junk stocks and low performing companies compared to good stocks is an old disease of the stock market that was seen relatively less in the last few days, said a stockbroker.

While stock market indices have been rising for the last two weeks, junk stocks have again taken the driving seat.

READ MORE ON B2



Customers inquire about gold jewellery at a shop in Dhaka. Jewellers in Bangladesh have cut gold prices by Tk 1,749 a bhoori for the domestic market thanks to a drop in the rates of pure gold in the local market. From today, the price of each bhoori or 11.664 grams of 22-carat gold ornaments will be Tk 96,695, down from Tk 98,444 earlier. The Bangladesh Jewellers Association took the decision yesterday. PHOTO: STAR/FILE

Indo-Bangla Pharma suffers 91.65% drop in profit

STAR BUSINESS REPORT

Indo-Bangla Pharmaceuticals Limited suffered a 91.65 per cent dip in profit to Tk 11.62 lakh in the third quarter of the current financial year.

It made a profit of Tk 1.39 crore in the same quarter of 2021-22.

The EPS was Tk 0.01 in January-March of 2022-23 against Tk 0.12 in the same quarter of 2021-22, according to the unaudited financial statements.

The company made a profit of Tk 1.16 crore in July-March of FY23, down more than 83 per cent from the Tk 7.20 crore reported in the same period of FY22. As a result, the EPS plummeted to Tk 0.10 from Tk 0.62.

Indo-Bangla Pharmaceuticals' shares traded at Tk 17 on the Dhaka Stock Exchange yesterday, unchanged from a session earlier.