



A trader is seen selling litchis at a local market in Dinajpur city. The juicy tropical fruit has long been exported from Bangladesh but for the first time, a single orchard in Biral upazila of Dinajpur is directly shipping 300 kilogrammes of litchi to France.

PHOTO: KONGKON KARMAKER

Litchi from local orchard going global

Experts forecast higher shipments this year

KONGKON KARMAKER

This year, a litchi orchard in Biral upazila of Dinajpur has started shipping the tropical fruit to France, indicating the growing volume of agricultural exports from Bangladesh.

The first 300 kilogramme consignment of litchi was brought to Dhaka for shipping earlier this week, according to the deputy commissioner's office and Department of Agricultural Extension (DAE) in Dinajpur.

And while the country has been exporting litchi to different markets across the globe since 1999, this is the first time that a single orchard was able to directly ship its fruits.

Dinajpur is famous for its litchi, which are grown in the perfect soil and climate conditions given its geographic location.

The local administration of Dinajpur with support of Md Habibur Rahman, the divisional commissioner of Rangpur, took the initiative to export litchi after discussing the issue with relevant parties.

Shakil Ahmed, the deputy commissioner of Dinajpur, inaugurated the shipment at his office on Tuesday.

At the programme, Ahmed told reporters that the first consignment comprised about 16,000 pieces of litchi of the Bedana variety.

"All the standards for ensuring that the litchi is of export quality was maintained throughout the production process," he said, adding that adequate packaging was used to avoid any damage.

The litchis are expected to reach



France within 72 hours of their departure from Dhaka on Tuesday.

Growers had been demanding such facilities for several years and now, their dreams have finally become reality through this small effort.

Afzal Hossain, who owns the orchard that is exporting litchi, said it gives him great pride to be directly exporting fruits to a European country.

Besides, another 0.5 million pieces, or 9,500 kilogrammes, of the China-3 variety will soon be exported to France in the next consignment, which will be directly collected from different litchi orchards, said Dinajpur Deputy Commissioner

Ahmed.

According to DAE officials, around 2 lakh tonnes of litchi of various varieties are produced annually on 26,000 hectares of land across the country.

As such, litchi from Pabna was also exported to different countries in the Middle East.

However, the demand for litchi from Dinajpur is particularly high for its exceptional quality, taste, colour and size.

Until June 7 this fiscal year, exporters shipped 112 tonnes of the fruit, said Md Rezaul Karim, director of the Plant Quarantine Wing under the DAE.

"We expect the volume of litchi export

will cross last fiscal year's mark," he added.

Mohammad Monsur, general secretary of the Bangladesh Fruits, Vegetables and Allied Product Exporter's Association, said around 30 exporters are shipping litchi to different countries.

So far, they got orders amounting to 2.5 tonnes from different countries, he added.

Mitul Kumar Saha, joint director of marketing and managing director (additional charge) at Hortex Foundation, said Bangladesh shipped 149 tonnes of litchi fiscal year 2021-22.

"This was the biggest shipment till now. But we see new exporters have come to export mango and other fruits. We expect a good amount of litchi export this year too," he added.

As per data from the International Society for Horticultural Science (ISHS), China, India and Vietnam are major producers and exporters of litchi.

China is in top rank followed by Vietnam and India.

Vietnam is the second largest litchi exporting country even though it has a smaller output compared to China and India.

The US, Canada and countries in the EU are major importers of litchis from different countries with China supplying around 80 per cent of total demand.

Meanwhile, other South Asian countries supply the remaining 20 per cent, according to the ISHS.

In 2021, China exported \$63.2 million worth of litchis to different countries.

Interest rate cap withdrawal to affect investment: FBCCI

STAR BUSINESS REPORT

If the bank interest rate cap is withdrawn and left to be decided by the open market, inflow of investment will be affected, said Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday.

However, a large number of economists have been suggesting over many months to withdraw the interest rate cap for lowering the high inflation in the domestic markets.

Previously, bank interest rates were increased to reduce inflation but the result was the opposite, as inflation could not be contained while investment was affected, said Jashim.

The government should increase the allocation for improving energy supplies as the industries have been suffering from low gas pressure in the supply lines and frequent power cuts, he added.

If the government wants to maintain macroeconomic stability, investment in energy is very important, he told a roundtable on the proposed budget for fiscal 2023-24.

Production in industrial units has been affected for the ongoing low gas pressure and frequent power cuts although gas prices were doubled to Tk 30 per unit from Tk 16 per unit, said Jashim.

Expressing resentment, he said the government has been amending the banking companies act but the FBCCI does not know anything about it as this important stakeholder was not consulted.



Moreover, although a taskforce exists comprising representatives of the National Board of Revenue (NBR) and the FBCCI, meetings are not taking place for consultations on different disputes related to tax issues, he said.

Jashim demanded that the government withdraw a 15 per cent VAT on the sale of recycled fabrics and yarn and suggested on not imposing advanced income tax as surplus amounts are not returned to businesspeople as per the rules.

The proposed budget is not ambitious but it will be difficult to implement, he said.

He also suggested automating services of the NBR and for expanding the tax net up to rural areas for generation of more revenue.

The discussion was organised by Economic Reporters' Forum (ERF) in collaboration with the Research and Policy Integration for Development (RAPID) and The Asia Foundation at the ERF office in Dhaka.

Abdur Razzaque, chairman of the RAPID, suggested increasing direct tax, mainly to reduce income inequality.

Currently, direct tax accounts for 35 per cent of the total revenue generated by the government and the government plans to take it up to 42 per cent in a few years. If it can reach 50 per cent by 2030, it will be laudable, he said.

He also suggested increasing the allocation in three important sectors, even if it means reducing that for others, to benefit the low-income segment of the population.

The proposed budget reduced allocations to some extent in these three sectors from that last year, said Razzaque.

Of them, the allocation for open market sales of commodities by state agencies was reduced by some 10 per cent, vulnerable group feeding by 30 per cent and job creation for financially insolvent people 15 per cent, he said.

Highlighting that macroeconomic stability is very important, Razzaque suggested withdrawing the interest rate cap and letting it be decided by the open market to curb inflation in the markets.

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\$858m World Bank loan for climate resilient agri growth, road safety

STAR BUSINESS DESK

Bangladesh and the World Bank yesterday signed two financing agreements totaling \$858 million to enhance climate-resilient agricultural growth, food security and improve road safety.

Sharifa Khan, secretary to the Economic Relations Division of the ministry of finance, and Abdoulaye Seck, country director for Bangladesh and Bhutan at the World Bank, signed the agreements, said a press release.

The \$500 million programme on Agricultural and Rural Transformation for Nutrition, Entrepreneurship, and Resilience (PARTNER) will help transform the agriculture sector by promoting crop diversification, food safety, and climate resilience across agri-food systems of Bangladesh.

The programme will support sustainable and nutritious food production through greater efficiency in input use, good agricultural practices, and the promotion of stress-tolerant and nutrient-dense varieties.

It will help increase entrepreneurship and access to services by expanding access to digital agricultural services tools, improved food safety processes, and increased female and youth entrepreneurship.

It will also help modernise institutions and policies through improved data management, increased research and development activities, and partnerships with global agricultural research institutions and with the private sector.

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This aerial photo taken on June 6 shows shipping containers stacked at Zhoushan port in Ningbo, in China's eastern Zhejiang province.

PHOTO: AFP

China trade with Russia hits highest level

AFP, Beijing

China's total trade with Russia in May soared to levels not seen since the beginning of Moscow's war in Ukraine, official data showed Wednesday, as Beijing steps up support for its sanctions-hit ally.

Trade between the two countries last month was worth \$20.5 billion, data from Beijing showed, with Chinese imports from Russia worth \$11.3 billion.

There was no official breakdown of the figures, which also showed China's exports more broadly falling for the first time since February -- breaking a two-month growth streak as a post-Covid rebound.

Rising global inflation, the threat of recession elsewhere and geopolitical tensions with the United States have weakened demand for Chinese products.