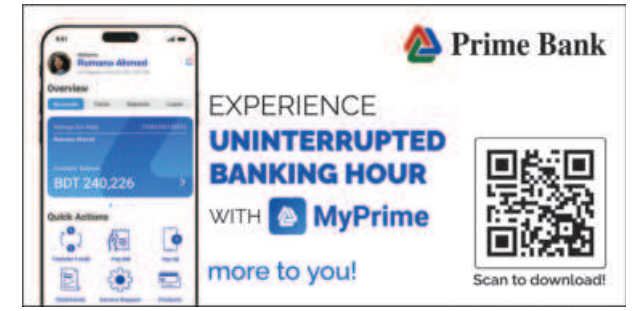


Star BUSINESS



El Niño weighs on Bangladesh's agriculture

SOHEL PARVEZ and MOSTAFA SHABUJ

Extreme heat has gripped many parts of the world as June saw the warmest global average temperature on record and the trend continued into July, according to the UN's World Meteorological Organisation (WMO).

Bangladesh, as a country in the eastern and northern hemispheres, also witnessed heatwaves in May and June.

The country saw 16 per cent below average rainfall in June and it is likely to see lower-than-usual precipitation this month as well.

As of the middle of this month, rainfall was 67 per cent below the normal level, said the Bangladesh Meteorological Department (BMD).

Extreme weather events are already affecting the agriculture sector of Bangladesh.



In the absence of adequate rains, a farmer is using an electricity-run irrigation system to water his fields as he prepares to cultivate Aush paddy, meaning his production cost will be higher than in the past. The photo was taken from Bogura's Nandigram upazila on Wednesday. PHOTO: MOSTAFA SHABUJ

months, according to the WMO.

El Niño events are typically associated with increased rainfall in parts of southern South America, the southern United States, the Horn of Africa and central Asia.

In contrast, El Niño can cause severe droughts in Australia, Indonesia, and parts of southern Asia.

SM Quamrul Hassan, a meteorologist at the Storm Warning Centre at the BMD, said there is a global prediction of lower rainfall and warmer temperature for El Niño in this region.

"We are seeing the impact of El Niño in Bangladesh too."

Recently, Ferdous Alam, a chili grower in Gharia village under Bogura's Shibganj upazila, said leaves of chilis curled and fruits fell before maturing due to lower rainfalls and higher temperatures.

"Hot weather has destroyed us this year," said Khaja Sheikh, a farmer in Biharpur village under the upazila, one of the largest vegetable growing localities.

Md Tajul Islam Patwary, director of the field crops wing at the Department of Agricultural Extension (DAE), said flowering has been hit by heatwaves.

"Droughts and a lower rainfall have affected Aus crop this year."

The DAE had targeted to bring 13.95 lakh hectares of area

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PHOTO: SUZIT KUMAR DAS

Lower rainfall spells trouble for jute farmers

SUZIT KUMAR DAS, Faridpur

Though the monsoon is just two months in, there has been lesser rainfall than usual this year, leading to apprehensions among jute growers in Faridpur and Rajbari over finding water sources for retting.

Lying some 120 kilometres or so west of the capital, the two adjoining districts are major hubs for jute cultivation. The crop is planted from early March to early May and harvested from July to September.

Some 7,38,580 bales (one bale equals 180 kilogrammes) of jute were produced in Faridpur while 4,84,135 in Rajbari in fiscal year 2020-21, according to the latest data available from the Bangladesh Bureau of Statistics.

This can be better brought into context with the fact that around 77,25,083 bales were produced around the country that year.

This year the expectation from Faridpur is 12,22,280 bales while Rajbari 6,81,250 bales.

But Dhaka division, under which the two district are situated, received 326mm of rainfall in June whereas the usual is around 361mm. July's figures are expected to be around 330mm to 405mm whereas the average is around 376mm.

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India bars non-basmati white rice export

STAR BUSINESS REPORT

India yesterday prohibited the export of non-basmati white rice with immediate effect after late seasonal monsoon rains hurt the crop and raised fears of a production shortfall, reports Reuters.

The late arrival of the monsoon led to a large rain deficit up to mid-June. And while heavy rains since the last week of June have erased the shortfall, they have caused significant damage to crops.

"In order to ensure adequate availability of non-basmati white rice in the Indian market and to allay the rise in prices in the domestic market, the government of India has amended the export policy of this variety," a government statement said.

Retail rice prices have risen 11.5 per cent over the past year and 3 per cent over the past month, it added.

Contacted, Chitta Majumder, managing director of the Majumder Group of Industries, said although the neighbouring country has banned white rice exports, the demand for this type of rice is low in Bangladesh.

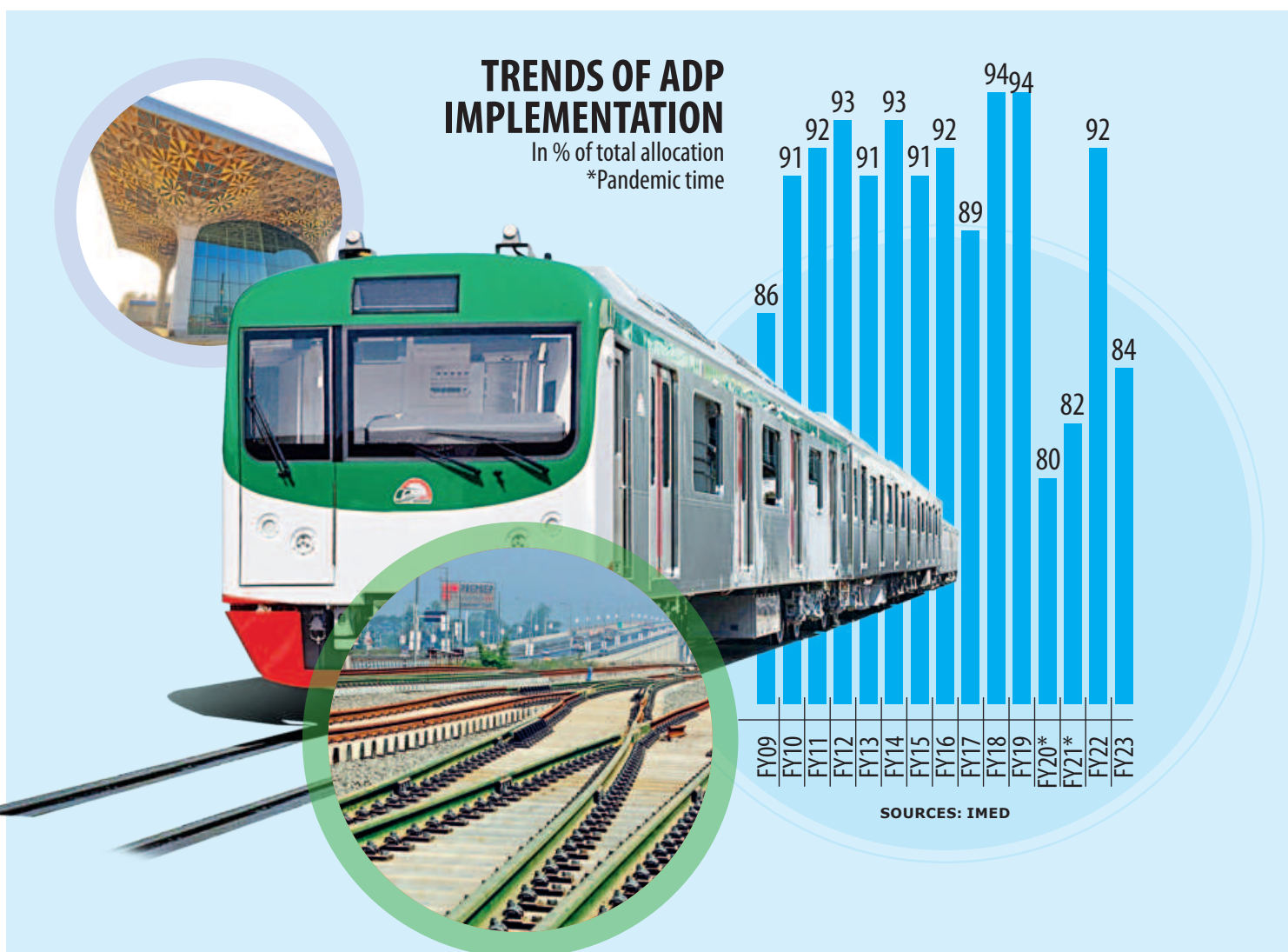
"There is some demand for white rice among people in Sylhet and Chattogram. So, it [the ban on exports]

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Correction

In a report headlined "Furniture sales surprisingly low this Eid" published in The Daily Star on April 21, it was mistakenly mentioned that previously, Hatil would sell at least Tk 3 crore worth of furniture throughout Ramadan, but the company saw sales of just Tk 1.5 crore this time around.

Actually Hatil sold furniture worth at least Tk 47 crore throughout Ramadan in 2022 and sales stood at Tk 37 crore during Ramadan in 2023.



Development spending falls

ADP implementation stood at 84% in FY23

MD ASADUZ ZAMAN

The government managed to spend 84.16 per cent of its development budget in the just-concluded fiscal year, way lower than its averages in recent decades, official figures showed yesterday.

The expenditure under the revised Annual Development Programme (ADP) in 2022-23 was even 8.58 percentage points lower than the previous year, according to the data released by the Implementation Monitoring and Evaluation Division (IMED).

Ministries and divisions spent Tk 199,099 crore from the total revised ADP of Tk 236,560 crore. In FY22, it was Tk 203,648 crore.

If the development expenditure made in FY20 and FY21, when the economy witnessed serious disruptions owing to the coronavirus pandemic, was excluded, the spending in FY23 would be the lowest since the fiscal year of 2007-08.

ADP spending usually hovers around 90 per cent.

A lower development outlay was expected

in the last fiscal year as the government embraced austerity, prioritising projects and cutting allocation, amid the US dollar crisis and limited fiscal space driven by lower-than-expected revenue collection.

However, the inefficiency of ministries and divisions is often blamed for the country's failure to hit the ADP targets.

The implementing agencies expended Tk 125,162 crore, which was 81.77 per cent of the Tk 153,066 crore set aside by the government from its own coffers. This was the lowest in at least 19 years, reflecting the focus aimed at belt-tightening.

Owing to a nearly 30 per cent fall in the foreign exchange reserve, the government had planned to speed up the execution of the projects bankrolled by bilateral and multilateral lenders. Still, the utilisation of external loans fell by 2.66 percentage points to 90.40 per cent.

"Initially, it seems to be the effects of the government's austerity measures," said Zahid Hussain, a former lead economist of the World Bank's Dhaka office, while speaking about the fall in ADP spending.

The economist raised the question

of whether the austerity measures were implemented properly.

"The aim of the austerity was to tackle the dollar crisis by keeping the demand under control or moving slowly when it comes to importing raw materials for government-funded projects. It was applicable for government projects, not for foreign-funded projects."

The revised ADP cut the budget for foreign-funded projects in FY23 from the original ones. Still, the government could not reach the target.

"It's a matter of concern," said Hussain.

"So, it's not clear whether the fall in the overall implementation rate is the result of austerity measures or it happened by default."

He said if the lower ADP implementation rate stemmed from the slower implementation of less priority projects, then it could be said that it was part of cost-cutting measures.

According to Hussain, when the implementation of foreign-funded projects falls, the use of domestic financing also

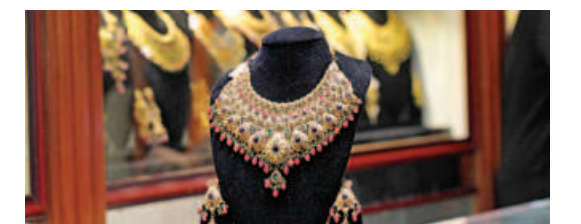
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Prices of gold cross Tk 1 lakh for first time

STAR BUSINESS REPORT

The price of each bhoiri of gold has crossed the Tk 1,00,000-mark for the first time in Bangladesh as Bangladesh Jewellers Samity (Bajus) has hiked the rate of the precious metal with effect from today.

With the latest hike, customers will now have to pay Tk 100,776 for a bhoiri (11,664 grammes) of 22 carat gold, up 2.36 per cent from the previous rate.



"We have decided to hike the rate as the prices of pure gold has increased in the local market. Inflow of gold has declined because of new baggage rules by the customs," said Dewan Aminul Islam, vice president of Bajus.

The last time Bajus hiked the price of gold, used mainly for making jewellery, was on June 7.

The standing committee on pricing and price monitoring of Bajus announced the new rate yesterday.

Gold prices have been rising for more than a year, influenced by a hike in the international market and volatility in supplies in the domestic market.

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ASIAN MARKETS			
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