



A cauliflower garden in Bogura's Shajahanpur upazila is submerged after a downpour. Around 1,500 hectares of land used to farm vegetables around the country have been inundated following torrential rain over the past weekend. This has led to a massive loss for farmers and an increase in the price of vegetables such as green chillis and brinjals at wholesale markets.

PHOTO: MOSTAFA SHABUI

MOSTAFA SHABUI, Bogura

The torrential rain that swept over the country last weekend inundated over 16,400 hectares of cropland, causing losses to many farmers, according to data from the Department of Agricultural Extension (DAE).

Of the inundated area, Aman paddy was being cultivated on roughly 15,000 hectares while maize and vegetables accounted for the rest, said a senior DAE official.

The official added that water levels began to recede yesterday so the extent of damage would not be high.

However, vegetable farmers were left fearing massive losses.

Abdur Razzak, a vegetable farmer in the Katabaria area of Shajahanpur upazila in Bogura, said the beans and gourds he had planted across 27 decimals of land at a cost of Tk 12,000 were dying after being submerged for the past four days.

"Now, all those crops are under water. I have lost my entire investment," the frustrated farmer said.

Apart from affecting food crops, the downpours that started in the second half of last week across the country caused three deaths, suspension of rail communications, waterlogging in cities and severe traffic jams in Dhaka.

Mymensingh city experienced 378 millimetres of rainfall in 24 hours preceding 6:00 am Friday, the second-highest recorded in the country since independence, data by the Bangladesh



Meteorological Department showed.

The northern city of Rajshahi experienced the highest rainfall in a single day in 10 years – 245.8mm in 24 hours till 1:00pm on Thursday.

And in the last 24 hours until 6:00 am yesterday, Sylhet saw 358 mm of rain and Dhaka 125 mm, data from Bangladesh Meteorological Department showed.

Bogura, one of the major vegetable-producing districts, recorded 176 mm rainfall from October 3 to October 6. That, alongside floodwater from the Bangali River, led to the inundation of nearly 1,000 hectares, affecting 12,896 farmers.

Of that, 100 hectares of vegetable fields

have been inundated.

Mahidul Islam, a farmer in the Bijrul village under Nandigram upazila of Bogura, said 10 decimals of land where he had planted cabbage were submerged.

"The rain has not stopped yet. If this continues for two more days, these plants will die," the 40-year-old said.

The crops affected by heavy rainfall include late summer vegetables such as snake gourd, green chilli and seedbeds of winter vegetables.

Bangladesh produced 2.25 crore tonnes of vegetables in the fiscal year 2022-23, with winter vegetables accounting for over 60 percent of the total produce, data from the DAE showed.

Unfavourable weather has affected crop fields at a time when consumers are already facing increased prices of vegetables.

Food inflation stood at over 12 percent for the second consecutive month in September.

Yesterday in Dhaka, potatoes were selling for Tk 45-50 per kilogramme, which was 72 percent higher than the same day a year ago, according to data compiled by the Trading Corporation of Bangladesh.

In Bogura, vegetable prices increased sharply, said Aminur Rahman, director of the growers' market at the Mohasthan Haat in Shibganj upazila, one of the major vegetable-producing hubs in the district.

A week ago, green chilli was priced between Tk 100-120 per kg on the wholesale market, but prices have now risen to over Tk 200 per kg.

Prices of brinjal, another popular vegetable, soared to Tk 1,800-2,000 per maund this week, up from Tk 800-1,000 per maund earlier.

Saidul Islam, a farmer in Dariagacha of Shajahanpur upazila, said: "A week ago, we sold big brinjals for Tk 1,000 per maund. Today, traders from Dhaka were buying the vegetable at Tk 2,200 per maund."

Contacted, Matlubar Rahman, deputy director of DAE Bogura, said the recent rain would not damage paddy crops.

"It can damage vegetables, especially chilli crops, which can't tolerate inundation," he added.

## How do we stabilise forex market?

MAMUN RASHID

None in Bangladesh seems to be happy with the present foreign exchange rate and the liquidity situation.

Exporters think they are not getting a good rate against their exports as they receive Tk 110 per US dollar. An importer is happy to pay even Tk 115-116 for their import settlements. A patient going to India for treatments was frantically looking for cash USD even at Tk 118 last Thursday.

I asked a few treasury dealers: What should be the USD-Tk level if we want to improve liquidity in the market?

Most of them said in order to mobilise more remittances and improve liquidity, the exchange rate should be Tk 120-125 in the coming days.

One of our stable sources of foreign currency earnings, remittance from non-resident workers has been on a slide for a long despite a marked rise in the outflow of overseas job-seekers. In 2022, more than 1.1 million workers, the highest ever from the country, went abroad, most of them to the Gulf countries.

But the money they sent through the official channel dropped to \$21.28 billion from \$22 billion a year ago, marking a 6.65 percent year-on-year decline. The fall continued in 2023, with September recording the lowest receipts at \$1.34 billion in 41 months. It was also 13 percent lower year-on-year.

As expected, the forex reserves, which have already been severely strained, received yet another blow.

Receipts from exports, too, fell short of meeting the monthly target, posting the lowest earnings in three months. However, it rose 10.4 percent year-on-year to \$4.3 billion in September.

Such a gain compared to the past could be meaningful if exporters are not waiting in the hope of a further rise in the dollar rate before bringing back the funds from abroad. Most believe that given the fall in consumer demand overseas, the comparative year-on-year gain in exports may not be sustainable.

Media reported that the country's forex reserves stood at \$21.5 billion at the end of last month though some thought the net reserve to be at less than \$18 billion. According to Fitch, the reserves will dip further by the end of 2023 and will be able to cover only three months' imports.

Clearly, these are the warnings for our central bank in the coming months and ahead of the national polls. Hopefully, the regulatory agency will go for the drastic policy changes it has been promising since last year to meet the challenges of fast-depleting forex reserves, the persistent depreciation of the taka, and the resulting upward push to inflation.

In this context, the present policy of raising the exchange rate from time to time by Tk 0.50 or Tk 1 per US dollar, experts hold, is proving counterproductive as it is only fueling expectations in the market. Most opined the central bank should opt for the market-based exchange rate as it promised last July during a monetary policy announcement.

Many feel urgent measures must be in place to narrow down the existing exchange rate gap between formal and informal markets.

The current official rate of the greenback as determined by the Bangladesh Foreign Exchange Dealers Association (BAFEDA) and the Association of Bankers, Bangladesh (ABB) with the unofficial backing of the central bank is still Tk 8 lower than the rates being offered by hundi operators.

No good words even with the 2.5 percent incentive are going to work if remitters get 7.5 percent extra for every dollar they send home. In addition, nothing short of a full-blown war on hundi operators, including a constant watch on some financial institutions suspected of facilitating capital flight, is overdue.

The author is an economic analyst



## Which developing countries face debt crisis?

REUTERS, London

High interest rates, growing investor risk aversion and borrowing that ballooned in recent years have left a range of developing economies mired in debt crises. Helping them claw out of this will be a key agenda item at the annual IMF and World Bank meetings in Morocco's tourist hub of Marrakech which kicks off next week.

Below is a look at countries facing debt troubles, listed in alphabetical order.

EGYPT

North Africa's largest economy needs to repay some \$100 billion of hard-currency debt over the next five years. Cairo currently spends over 40 percent of revenues on interest payments; financing needs for fiscal 2023/2024 stand at \$24 billion.

Egypt has a \$3 billion IMF programme and has devalued the pound by roughly 50 percent since February 2022. But a \$2 billion privatisation plan has been slow, and it has delayed the removal of electricity subsidies.

Elections, scheduled for December, lower the chances of painful reforms, analysts said, and support from wealthy Gulf nations is key to ensuring financing needs are met.

ETHIOPIA

The Covid-19 pandemic hammered Ethiopia's economy, and a two-year civil war from November 2020 heightened the pain with the country losing duty-free access to the US amid rights abuse allegations.

Ethiopia requested a restructuring in early 2021

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People buy sugarcane at a wholesale market in Bangalore. Production declined in key sugar producing countries such as Thailand and India due to drier-than-normal weather conditions associated with the prevailing El Nino event.

PHOTO: AFP/FILE

## Sugar prices hit 13-year high for El Nino

FAO says

AFP, Paris

Global sugar prices soared to their highest level in almost 13 years in September as the El Nino weather phenomenon hit production in India and Thailand, the Food and Agriculture Organization said Friday.

While world food prices steadied as a whole last month, the FAO's Sugar Price Index jumped by 9.8 percent compared to August, the highest point since November 2010, the UN agency said.

El Nino, a climate pattern that occurs on average every two to seven years, is typically associated with warming ocean surface temperatures in the central and eastern tropical Pacific Ocean.

The phenomenon, which can last between nine to 12 months, started in July, according to the UN's World Meteorological Organization.