

Star BUSINESS

Earnings from spice exports increased 25 percent year-on-year in the first three months of fiscal year 2023-24.

Story on B4



Farmers who reside in char areas of Bogura's Shariakandi upazila collect fodder for their cattle on purchasing them from others who are currently harvesting Aman paddy. The char areas were inundated with flood waters for some time recently, leading to a dearth of fodder. The photo was taken at Batir Char on Sunday. PHOTO: MOSTAFA SHABU

Long-term USD loan facility for exporters

18 banks sign deal with BB

STAR BUSINESS REPORT

Eighteen private commercial banks yesterday signed a deal with the Bangladesh Bank (BB) to avail funds from the central bank's long term financing facility (BB-LTF) for export-oriented manufacturing companies.

The banks are Mutual Trust Bank, City Bank, Bank Asia, Jamuna Bank, UCB, Southeast Bank, Trust Bank, NCC Bank, Premier Bank, Pubali Bank, Midland Bank, Shahjalal Islami Bank, Exim Bank, Standard Bank, Prime Bank, Dhaka Bank, Brac Bank and Eastern Bank.

The banks signed the deal with the central bank in a programme held yesterday at the BB headquarters.

Before the move, the central bank unveiled a long term financing facility for private sector firms, mainly export-oriented manufacturers, to help them borrow in US dollars to purchase equipment and services needed to run sustainable operations.

Under the BB-LTF, loans, which could be as high as \$10 million, will be offered in the US currency, as per BB guidelines.

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Tk 7,000cr scheme for farm sector kicks off

STAR BUSINESS REPORT

The government will today launch a Tk 7,000 crore project to boost the commercialisation of farming and accelerate agricultural exports by facilitating the expansion of safe food production.

Mostly financed by the World Bank, the initiative aims to expand the cultivation of fruits and vegetables following Good Agricultural Practices (GAPs) to 3 lakh hectares of land, according to project officials.

The five-year project, which is the biggest of its kind till date, is scheduled for completion in June 2028.

The initiative also aims to expand the cultivation of climate resilient and high-yielding varieties of rice while also increasing the acreage of pulses, oilseeds and horticulture crops to 2 lakh hectares each.

In essence, the project was taken up in order to diversify the country's agricultural production and cut import dependence on key items, they said.

"We are seeing the transformation of agriculture as a form of subsistence to commercial farming," said Md

Mizanur Rahman, coordinator of the Program on Agricultural and Rural Transformation for Nutrition, Entrepreneurship, and Resilience in Bangladesh (PARTNER).

"Through this programme, we want to give a push to fully commercialise our agriculture

regarding food safety as there are allegations of excessive application of pesticides.

As such, the country's fresh fruits and vegetables, despite increased production, are yet to enter regulated markets in a big way for a lack of compliance with GAPs.

refurbished.

This will be done in order to ensure that items are shipped in compliance with the requirement of importing countries, said an official of the Department of Agricultural Extension (DAE).

Additionally, the government aims to provide a "Krishak Smart Card" to each of the 2.27 crore registered farmers to provide various support, including extensions on finance and input subsidies.

The agriculture ministry also plans to introduce 200 vehicles as a part of its mobile crop clinic to provide support to farmers on the field through testing soil and crop disease.

"We also aim to help entrepreneurs engage in commercial agriculture," the DAE official added.

Under the initiative, training will be given to 20,000 youth and women entrepreneurs in commercial agriculture and agri-businesses, agricultural innovations and services, according to a project summary.

"We will also work on adopting improved and efficient irrigation technologies," Rahman said.

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sector and increase its exports," he added.

Rahman informed that while activities under the programme have already started, it will officially kick off through a formal launch today.

The initiative comes at a time when Bangladesh is registering increased production of crops, particularly vegetables and other high value produce, as farming has become the main source of income for a section of people.

However, concerns remain

"We will work to address the issues of non-compliance related to export," Rahman said.

Agriculture Minister Muhammad Abdur Razzaque is expected to inaugurate the inception workshop on the project at the Krishibid Institution Bangladesh in Dhaka today.

Under the scheme, which involves 15 organisations, an internationally accredited laboratory will be established while nine existing ones will be

25 banks keep NPLs below 5%

MD MEHEDI HASAN

With the high rate of non-performing loans (NPLs) being a major challenge for the banking sector, just 25 of the 61 commercial banks in Bangladesh are managing to keep their NPL rates below 5 percent.

Additionally, 11 of these 25 lenders registered NPL rates of less than 3 percent by the end of June this year, according to data of Bangladesh Bank.

Industry insiders say the banks with low NPL rates practise good governance while their board of directors avoid interfering with management activities, making these lenders financially sound.

However, simply having a low NPL rate does not always indicate good financial health.

This is because it is only natural for newer banks to report lower rates of loan default considering how they have yet to disburse their overall portfolio.

Moreover, certain lenders hide their actual financial health by showing a clean balance sheet, they said.

The 11 banks that registered the lowest NPL rates are Eastern Bank, Pubali Bank, Shimanto Bank, Bengal Commercial Bank, Citizens Bank, Community Bank, Global Islami Bank, Bank Al-Falah, Citibank, the State Bank of India and Commercial Bank of Ceylon.

Of these, Bengal Commercial, Citizens Bank and Community Bank are newcomers who have yet to make significant disbursements, for which they have the lowest NPL rate, said an official of the central bank.

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Now IDB pulls out of Islami Bank board

STAR BUSINESS REPORT

Multilateral development finance institution Islamic Development Bank (IDB) has withdrawn the directorship of its representative from the board of directors of Islami Bank Bangladesh PLC.

The largest private commercial bank of Bangladesh disclosed the information in its latest report on shareholding of sponsors, directors, foreigners, institutions and shareholders published on its website on Sunday.

Mohammed Monirul Molla, managing director of Islami Bank Bangladesh PLC, did not respond

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STOCKS	
DSEX ▲	CASPI ▲
0.28%	0.10%
6,247.38	18,490.19

COMMODITIES	
Gold ▼	Oil ▼
\$1,856.82	\$86.29
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.87%	▲ 2.43%	▲ 1.03%	▼ 0.70%
66,079.36	31,746.53	3,199.07	3,075.24



Flour being sold at a subsidised rate of Tk 24 per kilogramme from a truck running an Open Market Sale programme of the Directorate of Food for financially insolvent people at Chakda of Kadamtali in the capital. Under the programme, a person can buy a maximum of 5 kilogrammes of flour. Another packaged flour is available at Tk 30 per kilogramme. The photo was taken recently. PHOTO: PALASH KHAN

Factories closed, yet stock prices remain high

STAR BUSINESS REPORT

In inspections to identify potentials of companies which have been performing poorly over the years, Dhaka Stock Exchange (DSE) last month found factories of five listed entities closed.

The five are Northern Jute Manufacturing Company Ltd, Dulamia Cotton Spinning Mills Ltd, Regent Textile Mills Ltd, Usmania Glass Sheet Factory Limited and Familytex (BD) Ltd.

Apart from the Regent, all are under z category, meaning they have junk stocks.

However, their shares prices are higher than that of many blue chip stocks, that is shares of companies with good performance records.

Yesterday the prices were Tk 194, Tk 70.8, Tk 9.80, Tk 50.2 and Tk 4.9 respectively, according to the DSE data.

Moreover, the head offices of the Northern and the Familytex were found being used

by other companies, Bangladesh's premier bourse said in separate disclosures in its website.

The Northern's factory was found closed on September 4, 2023. The next day its head office was found being used by OMC Limited.

The Dulamia factory was found closed on September 24, 2023, that of the Regent and the Usmania on September 26, 2023 and that of the Familytex on September 27.

The Familytex head office was found being used by Olila Glass Industries Ltd.

Early last month the DSE had selected 42

companies to conduct inspections as they were incurring losses, failing to hold annual general meetings or had been kept shut for many years, confirmed a top DSE official.

The Bangladesh Securities and Exchange Commission allowed the DSE to inspect 14 companies in the first phase.

