



PHOTO: MOSTAFA SHABUI

Data of the Trading Corporation of Bangladesh shows that potato prices have increased by 75.44 percent over the past year. The photo was taken from Bogura town on Tuesday.

# Old potato prices firm despite arrival of new crops

Traders blame recent rains for supply shortage

SUKANTA HALDER and KONGKON KARMAKAR

Old and new potatoes are being sold at the same price in kitchen markets of several districts across Bangladesh, including Dhaka, according to traders.

Old and new potatoes are selling for about Tk 60 and Tk 70 per kilogramme (kg) respectively, leaving buyers frustrated, they said, adding that potato prices rose as fresh crops were damaged by recent rain.

Mohammad Zahid Uddin, a retailer at Duaripara Bazar in Dhaka's Mirpur, said the price of old potatoes automatically decrease when new ones hit the market.

"But the situation is completely different now as I am selling old and new potatoes at the same price. After the recent rain, the price of potatoes in the wholesale market actually increased," he

added. Mohammad Sabuj, a wholesaler at Karwan Bazar, one of the largest kitchen markets in Dhaka, said many farmers in the country suffered amid the recent rain.

Due to excessive rainfall, water accumulated in the potato fields, where farmers sowed seeds for the season starting from October.

So, many of the newly grown seed potatoes went rotten and as farmers were afraid of the resulting losses, they did not decrease the price of old potatoes, he added.

Data of the Trading Corporation of Bangladesh shows that potato prices have increased by 75.44 percent over the past year.

Haji Awlad, a trader in Munshiganj, a major potato production hub in the country, said he brought new potatoes from Dhaka at Tk 62 per kg.

"But the price is even higher

considering transport costs. So, we are selling new potatoes for Tk 70 per kg," he added.

ABM Mizanul Haque, agriculture marketing officer of Munshiganj, also said potato prices have increased as fields under potato cultivation were damaged by the recent rain.

He said the price of potato was Tk 10 less than the current price prior to the rainfall brought about by Cyclone Michaung.

In Dinajpur and other surrounding districts, the prices of new and old potatoes have been the same at different kitchen markets for the last couple of days.

The price of new potatoes is Tk 50-55 per kg while that of old potatoes is Tk 50-60 in local markets.

Suman Mia, a wholesale potato trader of Railbazarhat in Dinajpur town, said the price of old potatoes usually goes down

after the arrival of new potatoes, but things are different this year.

"An uneasy situation is prevailing in the potato market this year," he added.

For example, the cultivation of early-season varieties of potato is always profitable for growers in Dinajpur and other districts but they are hardly getting the expected profit this year.

Jogendranath Roy, a farmer of Maljhar village under Biral upazila of Dinajpur, cultivated early-season varieties of potato on his one bigha of land.

Roy harvested the potatoes from one decimal of land on Monday and sold them at Tk 30 per kg from the field, which is almost half of what he got last year.

Md Nuruzzaman, deputy director of the Department of Agricultural Extension in Dinajpur, said potato growers were panicked after the rainfall last week as it affected production.

## Maintain safety standards to boost exports

Experts tell plastic goods makers

STAR BUSINESS REPORT

Local plastic goods makers are doing good in Bangladesh but they are failing to increase exports because of their reluctance to maintain fire and health safety compliance in factories, industry stakeholders said yesterday.

They spoke at a workshop on "Factory audit on hazard identification, risk assessment, and control" organised by the Plastic Products Business Promotion Council and the Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA) at the Cirdap Auditorium in Dhaka.

Bangladeshi plastic product manufacturers should concentrate more of maintaining health and safety standards if they want to expand their reach in the global market, said Shamim Ahmed, president of BPGMEA.

The BPGMEA has over 2,200 member factories and majority of them are small and medium in size.

Factories with less than 100 manpower are considered as small factories, within 100-300 are medium factories and above 300 large.

The entrepreneurs should be aware of the fire safety issues in their factories as the factory owner may lose everything if a fire breaks out, Senior Commerce Secretary Tapan Kanti Ghosh said at the event.

## UK economy shrinks

AFP, London

Britain's economy shrank by more than expected in October in a broad-based decline, official data showed Wednesday, hitting reverse as high interest rates took their toll.

Gross domestic product contracted 0.3 percent on sliding construction, manufacturing and services activity, the Office for National Statistics (ONS) said in a statement on the eve of the Bank of England's latest rate decision.

That dashed market expectations for a milder decline of 0.1 percent and followed a 0.2 percent increase in September.

Added to the gloom, the economy was flat in the three months to October, the ONS also revealed.

"Services were the biggest driver of the fall with drops in IT, legal firms and film production - which fell back after a couple of strong months," noted ONS director of economic statistics Darren Morgan.

"These were also compounded by widespread falls in manufacturing and construction, which fell partly due to the poor weather."

British finance minister Jeremy Hunt cautioned that a string of BoE rate hikes, aimed at dampening inflation, had impacted activity.

"It is inevitable GDP will be subdued whilst interest rates are doing their job to bring down inflation," Chancellor of the Exchequer Hunt said in reaction to the data.

The BoE has ramped up rates from a record low of 0.1 percent at the end of 2021, as it sought to bring down soaring inflation that sparked a cost-of-living crisis.

## CPA hopes to sign deals

FROM PAGE B1

Talking to journalists yesterday, CPA Chairman Rear Admiral Mohammad Sohail said all the parties involved were working in full swing to complete the preparatory works aimed at initiating the construction.

The parties involved the shipping ministry, CPA, World Bank and international consultant and transaction adviser firms.

The government has already selected two global giants in port operations - PSA Singapore and DP World of the United Arab Emirates - to construct and operate two of the terminals, said Sohail.

The World Bank will finance the breakwater construction and access channel dredging, for which a German joint venture of Sellhorn, WSP, KS and Aqua has been appointed as the consultant.

Meanwhile, the joint venture which prepared the master plan comprises South Korean firms Kunhwa Engineering and Consulting Company Ltd and Daeyoung Engineering Company Ltd.

It is also preparing the project's feasibility study alongside detailed

designs and other documentations required for the multipurpose terminal which will be built by the CPA.

The CPA chairman hoped to complete these works by March, float tenders by April and commence construction of the multipurpose terminal by July.

Regarding the other two terminals, Sohail said a firm appointed as the transaction adviser was also finalising its work and hopefully it will be possible to sign an agreement with PSA Singapore and DP World by June.

The CPA is exchanging views with the two global operators regarding the designs of the two terminals while the two firms are also preparing to start construction immediately after signing the deal, he said.

All the parties involved are working at the same pace and have taken up plans to commence the whole project simultaneously, he said.

The government last year appointed Ernest N Young as the transaction advisor for the two terminals.

The transaction advisor will take into account the feasibility study,

master plan and data from two consultants, said a senior CPA official.

It will prepare a business model and transaction structure report and formulate a draft request for proposal and a draft agreement and then submit it to the CPA, he said.

Based on its reports, the CPA would send a request for proposal to the two selected global operators seeking their offers, he said.

Since all works are ongoing at a fast pace, the final agreement will hopefully be signed within the stipulated period, he added.

## FBCCI seeks PM's attention

FROM PAGE B1

So, he sought the attention of the premier so that businessmen are not categorised as loan defaulters due to their failure to make instalments regularly, according to a press release.

Alam's comments came as the new board of the FBCCI paid a courtesy call to the prime minister at Gono Bhaban yesterday.

In the press release, Alam said the import of luxury and non-essential goods may be strictly controlled to deal with the persisting dollar crisis.

The current global geopolitical scenario, the economic crisis caused by the Russia-Ukraine war and the conflict in the Middle East are taking their toll on the economy of Bangladesh, he said.

"Under the circumstances, it has become necessary to take several initiatives with the combined efforts of the public and private sectors to attain the desired economic growth."

According to Alam, production is hampered due to a lack of uninterrupted gas supply.

"We had agreed to accept the increase in the price of gas on the condition that uninterrupted gas supply will be ensured. Although the price has been increased, uninterrupted supply is not available in many areas."

## IMF injected cash

FROM PAGE B1

In a positive development, the interest rate is now allowed to move higher as the central bank moved away from the ceiling in July - three years after the ceiling was introduced. Government borrowing has also fallen.

"Whether the fall in government borrowing will sustain or not is a different discussion, but this is good signal to fight inflation," Hussain said.

However, not much has been done to make the exchange rate flexible though it is needed for Bangladesh to ease the pressure on the reserves.

The reserve stood at \$33.4 billion in 2021-22 and it is estimated at \$24.3 billion in 2023-24.

The inflation rate was 9 percent in FY22 and the IMF expects it to fall to 7.9 percent in FY24.

But it would rely on the outcomes of the reform agenda.

Hussain said Sri Lanka has taken strong steps through the monetary policy to tackle inflation whereas Bangladesh is already late and still has not done enough.

He alleged that when it comes to exchange rate management, Bangladesh is moving in the opposite direction by allowing the Bafeda (Bangladesh Foreign Exchange Dealers' Association) and the ABB

(Association of Bankers, Bangladesh) to fix rates.

"This system is not working at all."

"As a result, a chaotic exchange rate prevails. There is no level playing field. Everyone is reporting at an official rate but the real rate is much higher and there is no discipline."

Prof Selim Raihan, executive director of the South Asian Network on Economic Modeling, said the Sri Lankan economy bounced back mainly because of its reform initiatives initiated by its central bank's governor.

"The governor was not politically motivated and he took policy measures professionally and effectively. As a result, the economy rebounded dramatically though it is not out of the woods yet."

On the other hand, Prof Raihan says, there is no visible sign of a revival in Bangladesh since the government is dilly-dallying in bringing about reforms.

No reforms are visible in the banking and revenue sectors and in stopping hundi and capital flight, which are also blamed for the current economic woes.

"It is being said that reforms will accelerate after the election, but there is no way to make any more delays," Raihan added.

## Chattogram port

FROM PAGE B1

When it comes to shipping the Fesco containers back to Russia, they will be carried to Mundra port using feeder vessels after undergoing transshipment at the port of Colombo.

There, the containers will be loaded onto a Fesco vessel and proceed directly to Novorossiysk, with the total transit time estimated at 45 days, the report said quoting a press release from the company.

Most of the import cargo flow will be consumer goods and light industry products while export traffic will consist of wood products, chemical cargo and building materials, it

added.

As per the Fesco website, import tariffs for cargo sent from Chattogram to Novorossiysk via Colombo and Mundra have been fixed at \$2,400 per 20-foot container and \$3,700 per 40-foot container.

Meanwhile, the export tariff for Chattogram bound cargo on the Novorossiysk-Mundra route would be \$2,200 per 20-foot container and \$3,700 per 40-foot container.

Bangladesh exported \$460 million worth of products to Russia in fiscal 2022-23. In the July-October period of the current fiscal, exports to Russia amounted to \$136 million, up 37 percent year-on-year.

## IMF, ADB loans to boost reserves by December

FROM PAGE B1

stable until the national election slated for January 7.

The BB has continued to sell the US dollar to banks, supplying about \$5 billion between July 1 and November 28.

The BB sells about \$60 million each working day, mostly to the state-run banks to help them settle import bills of government agencies such as the Bangladesh Petroleum Corporation, the Bangladesh Agricultural Development Corporation, and the Bangladesh Chemical Industries Corporation.

Replying to a question, the BB spokesman said that the central bank is following a tight monetary policy to control the skyrocketing inflation.

"Curbing inflation is our first priority, so our policy measures are all aimed at fighting it."

Inflation stood at 9.49 percent in November, according to the Bangladesh Bureau of Statistics, way higher than the government target of 6 percent for the current financial year.

Haque also said that the central bank has continued its efforts to make the foreign exchange rate market-based.

"Our current account balance is now in surplus, but the financial account is still in negative territory and we will have to work on it."

At the end of October, the deficit in the financial account stood at \$3.96 billion, in contrast to a surplus of \$1.27 billion during the same period a year earlier, BB data showed.

Between July and October, the current account balance was \$233 million in surplus, in contrast to a deficit of \$4.48 billion previously.