



Workers are sorting red chillies in an open yard in Hatfulbari area in Bogura's Sariakandi upazila. Some 25 seasonal businessmen in the northern upazila buy half-ripe chillies from farmers, dry and sell them among the traders in the neighbouring districts as well as processors. The photo was taken on February 24.

PHOTO: MOSTAFA SHABUJ

## How chilli became the first cash crop in char areas

MOSTAFA SHABUJ, Bogura

Even 15-20 years ago, the grazing areas in the Brahmaputra basin did not produce any cash crops that producers could talk about proudly. Now the sandy land has turned out a boon for farmers as they have gone for growing chillies as the first cash crop of the vast shoal area.

According to the Department of Agricultural Extension (DAE), 25 to 32 types of crops are grown on the sandy land across the country.

Of them, chilli, maize and pumpkin are currently the main cash crops, with hot peppers handing a good profit to growers for decades.

Abdur Razzak, a farmer of Nayapara char in Bogura's Sariakandi upazila, has spent his entire life in Hatsherpur char. The 65-year-old has cultivated hybrid chilli on 2.5 bighas of land.

So far, he has collected 120-130 maunds of the crop from one bigha of land. He spent Tk 40,000 to Tk 45,000 per bigha and has been able to make a profit of around Tk 1 lakh.

Razzak recalled: "20 years ago, there was no irrigation system in the char areas, so most of the land was left uncultivated. Therefore, we had no cash crops."

Only some corn varieties and pulses were cultivated but the produce was not enough to provide the char farmers two meals a day, he said.

The situation has changed completely now.

"Now we have an affordable irrigation system and various crops are being grown. Among the crops, chilli has been fetching a handsome profit for the last 15 years," Razzak said.

Motiur Rahman, a 60-year-old farmer in Baje Phulchhari char of Gaibandha's

Fulchhari upazila, said even 15 years ago, one could not post good profits by growing chillies because the yield of the local varieties was not higher.

After the introduction of hybrid seeds, now 100 to 130 maunds of chillies are produced per bigha. "This gives us a profit of Tk 1 lakh to Tk 1.5 lakh per bigha," said Rahman.

According to the Sariakandi upazila agriculture office, five unions of the upazila are entirely located in the Jamuna basin where 14,000 hectares of land have been brought under cultivation.

Out of the areas, chilli has been cultivated on 3,350 hectares this year, which produced 8,710 tonnes of red chillies worth around Tk 300 crore as per current market prices.

This year, chillies have been grown on 7,238 hectares in Bogura, DAE data showed, with 80 percent of the acreage located in Sariakandi and Sonatala upazilas.

Last year, chillies were cultivated on 7,820 hectares in the northern district, yielding 2,263 tonnes of dry chillies worth Tk 1,400 crore.

Sariakandi Upazila Agriculture Officer Abdul Halim said Bogura's red chillies are well known all over the country.

"The chars in the district are producing the best chillies of the country because the area is suitable for cultivating the crop."

The farming of hybrid chilli started in Bogura in the 1990s. In 2004, the government implemented the "Char Livelihood Programmes" to alleviate

poverty for the people living in the areas. Since then, seeds of high-quality crops have been distributed among farmers.

"Currently, char farmers are benefiting by growing chillies," said Md Motlubar Rahman, deputy director of the Bogura DAE.

Chillies have become a popular crop among farmers in every char in the northern districts as the Brahmaputra, the Teesta and the Jamuna flow through the region.

There are about 165 chars in Gaibandha, with the crop being grown over about 1,300 hectares of land this year. The crop may fetch Tk 120 crore to Tk 140 crore.

Similarly, Kurigram has 364 villages located over the char land. Some 1,850 hectares are growing pepper, representing about 80 percent of the char areas.

Khorshed Alam, deputy director of the DAE Gaibandha, said paddy cultivation is not very profitable in the district, so maize and chillies provide the lifeline for farmers.

"Growing chillies requires less irrigation. Therefore, more areas in the chars are being brought under the crop cultivation."

Biplab Kumar Mohant, deputy director of the DAE Kurigram, says farmers have expanded chilli cultivation by 100 hectares compared to last year since the crop is profitable.

Chilli is cultivated thrice a year: twice during summer and once in winter. About 60 percent of the produce is sold as green chillies while the remaining is in the dried form.



## Insolvency and bankruptcy code of India: guide for Bangladesh

MAMUN RASHID

The establishment of the Insolvency and Bankruptcy Code (IBC) in India was critically acclaimed as a success story since it led to impressive changes in the Indian banking system and set a standard for debt recovery, credit culture, and the entire financial system.

Hence, Bangladesh which is in the same position with increasing impaired assets in the banking industry as India in the pre-IBC era, will only gain massively from trying to replicate India's successes with the Code.

The insolvency legal system in India was diversified and fragmented prior to IBC and this resulted in protracted litigation, job losses, and financial distress. Cases like Kingfisher Airlines and Nirav Modi formed the background of the most significant defaults in India's history. Moreover, the bankruptcy filings of Jet Airways and GoAir have shown the complexity of the previous insolvency resolution process in India.

The advent of IBC in 2016, initiated by former Finance Minister Arun Jaitley, thus opened a new chapter in India's strategy against non-performing assets (NPAs) and the banking crisis. The IBC has a goal of speeding up the insolvency resolution process, empowering the creditors, and encouraging debtors to be responsible.

Through its provision of the unifying framework for the management of distressed assets, it made possible the prompt resolution of these assets, which ensured higher recovery rates and shorter resolution timelines.

A live example of the IBC's transformative power is the merger of Tata Steel and Bhushan Steel, which enabled the creditors to recover several billions and save jobs. It also released economic benefits such as simplifying business ease and protecting the depositors' accounts.

The IBC brought about revolutionary change to deal with financial distress by emphasising on resolution instead of asset liquidation. The unique mechanism brings a structured approach, in contrast to earlier inefficient debt recovery processes, ensuring the timely resolution of stressed assets and preventing their undervaluation through liquidation.

Creditors have much stronger leverage and a collective right to request insolvency proceedings with defaulted debtors. Additionally, a moratorium period makes it difficult to strip the assets, mainly by banks and also speeds up the resolution process, thus limiting the NPAs. Strict timelines prevent drawn-out litigation associated with debt recovery, therefore, improving efficiency for core banking operations and reducing creditor losses.

Investor confidence is retained in the transparent framework for resolving insolvency cases. Established regulators like the National Company Law Tribunal (NCLT) and the Insolvency and Bankruptcy Board of India (IBBI) thereby reinforce trust in the financial system.

The cross-border insolvency clause assists multinationals in going smoothly through the resolution proceedings, aligning with international standards. Therefore, the business environment in India is improved.

Through the order of liquidation instead of resolution, fortification of creditors' rights, and encouragement of responsible lending, the IBC has laid out a solid structure for the economic growth and sustainability of countries in the financial sphere of India. Bangladesh could also gain by adding another framework to its portfolio for the resolution of NPLs, bank strengthening and sustainable growth of its economy.

The author is an economic analyst.

## China reaffirms financial support for Sri Lanka

AFP, Beijing

China has said it would continue to support Sri Lanka, as the crisis-hit island nation's prime minister on Saturday wrapped up a visit to Beijing to try to finalise a debt restructuring deal.

Prime Minister Dinesh Gunawardena arrived in China on Monday for a visit that included meeting President Xi Jinping and an appearance at the Boao Forum, a high-profile international meeting.

Sri Lanka's years-long economic crisis was high on the agenda during Gunawardena's trip, with China accounting for around 10 percent of the South Asian country's total foreign debt.

China is willing to "continue supporting its financial institutions to actively negotiate with Sri Lanka, maintain friendly communication with other creditors, play a positive role in the International Monetary Fund, assist Sri Lanka in financial relief," Beijing's foreign ministry said in the Chinese version of a joint bilateral statement released Friday.

The two sides agreed to "make every effort to promote the Port City Colombo and Hambantota Development Project, turning them into flagship projects of the Sino-Sri Lankan joint construction of the 'Belt and Road'", the statement said, referring to Xi's massive Belt and Road global infrastructure initiative.

The southern sea port of Hambantota was considered among the white elephant projects launched by former president Mahinda Rajapaksa, who ruled the country for a decade until 2015.

## India moves to prevent wheat hoarding

REUTERS, Mumbai

India has asked traders, major retailers and food processors to declare wheat stocks every Friday from April to prevent hoarding and price spikes, the government said on Friday.

The world's second biggest wheat consumer after China has been trying to contain wheat prices after heat waves curtailed production for two straight years, forcing the government to sell record volumes to boost domestic supplies.

India had imposed a limit on how much wheat stock traders could hold to moderate prices. However, the limit is set to expire on March 31st and after that, traders must declare their wheat stocks, the government said in a statement.

The measure is aimed to "manage overall food security and prevent hoarding and unscrupulous speculation," it added.

The government is keen to replenish stocks by increasing wheat procurement this year and to do this effectively, they want to monitor private buying, said a

trader.

"If needed, the government can again impose the stock limit to facilitate procurement," he added. He declined to be named as he was not authorised to speak to the media.

Wheat inventories held in

government warehouses dropped to 9.7 million metric tons at the start of this month, the lowest since 2017.

In 2023, the government bought 26.2 million tons of wheat from local farmers, compared to its target of 34.15 million tons.



Labourers load sacks of wheat on a truck at a wholesale market in Amritsar.

PHOTO: AFP/FILE