



Potato planting activities are going on in full swing in Gaibandha's Gobindaganj upazila. With supplies of the tuber harvested in the previous season running low as the new season approaches, consumers are paying more for the vegetable now.

PHOTO: MOSTAFA SHABUI

# Potato prices jump as supplies shrink

SUKANTA HALDER and MOSTAFA SHABUI

Consumers in Bangladesh have been paying more for potatoes over the past week, with supplies of the tuber harvested in the previous season running low as the new season approaches.

Additionally, the high profiteering tendency among a section of people in the supply chain is dealing a further blow to consumers who are already reeling from persistent inflation.

Inflation eased in September but is still hovering over 9 percent, as it has been since March 2023, according to Bangladesh Bureau of Statistics data. Hand-in-hand, food inflation has remained above 10 percent for six consecutive months since April.

Traders said potatoes are unavailable in the market near the end of the season and that prices go up at this time each year.

The planting season for potatoes runs from October to November while harvesting activities are carried out in February and April.

Mohammad Shipon, a retailer in the Pallabi extension area of Mirpur, said he was selling potatoes for Tk 70 per kilogramme (kg) yesterday, up from Tk 60 a week ago.

When he asked traders why prices had increased, they could not explain, he said, adding that customers often ask him about prices have gone up, but he has no answers.

Yesterday, potatoes were sold at Tk 65 to Tk 70 per kg in kitchen markets in the capital whereas it was Tk 55 to Tk 60 seven days ago, data from the Trading Corporation of Bangladesh (TCB) showed.

Potato prices have increased 17.39 percent in the past week, 22.73 percent in the past month and 28.57 percent in the past year, the data illustrated.

This year, the potato market has been affected by instability due to the loss of potato seeds for heavy rains and inclement weather at the beginning of the season.

The first blow came in December last year, when incessant rains induced by

Cyclone Michaung hit field crops.

Additionally, in April, a fungal disease known as late blight also affected the production of one of the most-consumed vegetables in some areas of Bangladesh.

Mostafa Azad Chowdhury Babu, president of the Bangladesh Cold Storage Association, said farmers are making a profit of Tk 15 to Tk 20 on each kg of potatoes this year while traders are getting about Tk 10.

"Usually, they don't profit that much. This is why the price of potatoes is so high at the end of the season," he said.

According to the Department of Agricultural Marketing (DAM) office in Bogura, a major potato hub, there are 42 cold storages for potatoes in the district, with a combined capacity of 3.93 lakh tonnes.

This year, 194,823 tonnes of potatoes were kept in stores for consumption alongside 128,000 tonnes of seed potatoes.

Until October 30, 33,330 tonnes of table potatoes and 63,064 tonnes of seed

potatoes were preserved.

An official of the DAM office in Bogura, wishing anonymity, said farmers have mislabelled table potatoes as seed potatoes and kept them in cold storages this year.

"They are withholding potatoes and increasing the price. That is why the price of potatoes is increasing almost every day at the end of the season," the official said.

Masud Karim, director general of the DAM, told The Daily Star that he expected potato prices to drop when new potatoes hit the market in late November.

He added that farmers often harvest crops earlier and sell them if prices are good.

The agriculture ministry estimated the annual demand for potatoes to be around 75 lakh to 80 lakh tonnes.

According to the Bangladesh Cold Storage Association, total production did not exceed 85 lakh tonnes last year although the Department of Agricultural Extension estimated it to be 1.12 crore tonnes.

# Strengthen IP rights regime to attract investment: AmCham

STAR BUSINESS REPORT

Bangladesh needs a stronger intellectual property protection mechanism to become more attractive for foreign direct investment, according to Syed Ershad Ahmed, president of the American Chamber of Commerce in Bangladesh (AmCham).

"A strengthened intellectual property rights (IPR) regime is essential for the country to position itself as an attractive destination for global business, promoting sustainable economic integration and growth," he said.

Ahmed informed that while the country has made good progress to this end, there are areas for improvement and AmCham would provide the necessary support.

Against this backdrop, Ahmed urged for implementing and centralising customs recordation, a provision for which was introduced earlier this year.

Although customs recordation was included in an amendment to the customs act, it is not actually being followed, he said.

"Obviously, there are some practical challenges. We will discuss this further," the AmCham president added.

Ahmed made these comments at a discussion, styled "Strengthening IPR Frameworks: Challenges and Way Forward", organised by the AmCham at The Westin Dhaka yesterday.

Barrister Hamidul Mesbah, an IPR expert, said the National Board of Revenue (NBR) has yet to reach a verdict on about 100 applications lodged for settling issues related to IPR since 2020.

"The ICT and software industries would not face challenges if copyright and IPR laws are properly implemented. Instead, it would encourage foreign investment," he added.

Shilpi Jha, senior commercial specialist and IP policy adviser for South Asia at the United States Patent and Trademark Office, said they aim to strengthen IPR laws in the region.

As such, they have helped arrange capacity-building training programmes for local IP officials with the help of some other foreign organisations and the industries ministry, said Jha.

Hossain Ahmed, member (customs policy and ICT) of the NBR, said there was a communication gap between the revenue authority and the industries with pending IPR applications.

# India's slowdown is touching the untouchable

REUTERS, Mumbai

India's biggest companies no longer offer a rose-tinted window onto the world's fifth-largest economy. Shoppers have been tightening their purse strings for years. Now the austerity is spreading from the rural poor to the urban rich. That is the opposite of the recovery story that was supposed to play out.

GDP is growing at 6.7 percent but the reality is that consumption has been weak in India since at least 2020. Income growth is anaemic: casual and regular workers in 2023 earned a monthly wage 1 percent lower than in the previous year, per an International Labour Organization report based on government data. For a while, big companies that dominate the country's stock benchmarks like the Nifty 50 Index seemed well insulated.

The latest set of company earnings suggest otherwise.

Hindustan Unilever's net profit fell 2 percent year-on-year for the three months ended September. Reliance Retail - a unit of \$215 billion Reliance Industries - reported a 1 percent drop in revenue in the same quarter and shrank store space by 2 percent from its June level; boss Mukesh Ambani's execution on strategy looks as much of a problem as a softening economy.

Shoppers Stop, an upscale department store, logged its second straight quarter in the red. The list goes on.

The hope was always that the incomes of the poor who were buying fewer biscuits would improve. Instead, urban demand is showing weakness too - sales of fast-moving consumer goods groups in cities are growing at nearly one-fifth of last year's rate - just as rural sales inch up from a prolonged slump.

India's festival season is usually a time people spend but carmakers

struggled to clear inventory in the run up to the Diwali holiday last week: Revenue growth at Maruti Suzuki, the country's top carmaker by sales, crawled at its slowest pace in three years during the September quarter. Even luxury marque BMW is slashing prices; discounts could get bigger going forward, the Times of India reported on Oct. 28, citing unnamed industry analysts.

Nearly half of the top 100 listed firms that have reported earnings for the September quarter missed estimates by more than 4 percent, the highest since March 2020, according to Venugopal Garre and his colleagues at Bernstein. Garre says companies are not acknowledging "the elephant in the room" and are hoping the slowdown is a one-off anomaly. For the country's eye-wateringly expensive equities - MSCI India is valued at more than 23 times earnings - that sets up a lot of potential pain.

# China's premier 'fully confident' of hitting growth targets

AFP, Shanghai

Chinese Premier Li Qiang said Tuesday he was "fully confident" the country would hit its economic goals this year, lauding recent stimulus measures and suggesting there was still room for more.

Beijing has set a growth target of around five percent for 2024, but in the third quarter the country saw its slowest expansion in a year and a half.

The government has announced a raft of measures aimed at boosting activity, including rate cuts and the easing of some home purchasing restrictions, but analysts have bemoaned the lack of detail so far.

Observers hope a specific figure for the stimulus could emerge from this week's meeting of the Standing Committee of the National People's Congress (NPC), the top body of China's rubber stamp parliament, in Beijing.

Speaking Tuesday at the opening ceremony of a major international trade show in Shanghai, Li said: "We are fully confident in the realisation of this year's goals and the development of China's economy in the future."

The premier, who has official responsibility for economic policy, suggested that authorities still had room to manoeuvre when it came to further measures.

"There is a relatively large space for financial and monetary policies, and the policy tools are even more abundant," he said.

An initial market rally when the measures were announced has since fizzled out, with investors put out by the lack of detail.

But there have been glimmers of hope for the economy recently, including China's manufacturing output expanding for the first time in six months in October.

Activity in China's services sector also accelerated in October, according to an independent index published Tuesday.

On Monday lawmakers on the NPC standing committee meeting reviewed a bill that would raise local government debt ceilings to replace existing hidden debts, according to state news agency Xinhua.

Another challenge facing the economy is escalating trade rows with several key trading partners -- most notably the European Union and the United States.

# Govt gears up efforts to raise

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Now, only a 2 percent advance income tax is payable on the import of rice.

Besides, by the end of last month, the food ministry requested the high-ups of the government for allowing the import of 11 lakh tonnes of rice.

They said this was to build reserves to ensure the public food distribution target of 30 lakh tonnes during the current fiscal year of 2024-25.

Of the amount, the government plans to distribute nearly 24 lakh tonnes under various social safety net schemes.

Earlier, the advisers' committee on economic affairs decided to import 5 lakh tonnes of rice, whereas the budget allocation for the current fiscal year was 3.5 lakh tonnes.

The government also recently eased public procurement rules for rice imports through open tender.

Bangladesh did not import any rice in fiscal year 2023-24.

Neither the public nor the private sector imported any rice between July 1 and November 4 this fiscal year.

The official of the food directorate said farmers have started reaping Aman season paddy, which accounts for the second-biggest amount of rice harvested.

The extent of crop damage for repeated floods, particularly in the eastern region, at the end of August and last month, would be clearly understandable once harvests end.

"We will get an idea regarding the import requirement after that," he said, adding, "But our efforts are on. We are in discussions with India, Vietnam and Myanmar to import rice under government-to-government contracts."

Estimates by the Department of Agricultural Extension (DAE) show that Aman acreage declined to 57.35 lakh hectares this season from 57.5 lakh hectares in the previous one.

The Bangladesh Trade and Tariff Commission in a report on October 29 cited the DAE estimate and said the recent floods had caused a production loss of 8.39 lakh tonnes.

The food ministry official said fresh harvest of Aman rice has started arriving in the market and prices of the grain were likely to decline in the coming weeks.

The good news is that India is likely to get a good harvest this season, he added.

# A third of NBFIs

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In the past 15 years, we have not been able to do anything. There is good governance now. Now, we are trying to find a way to bring back order," he added.

Wishing anonymity, some industry insiders said that the Bangladesh Bank was also responsible for the ailing NBFIs as the central bank's supervision was not up to the mark.

As a result, frequent reports of scams and loan irregularities were reported in the sector over the last few years.

Bhuiyan said they had already met with the central bank governor and discussed the problems plaguing the NBFI sector.

"We urged the Bangladesh Bank to form a separate commission to establish good governance and resolve issues like NPLs in the sector," he said.

# Dollar limps

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Overnight, though, the US currency slumped as much as 0.76 percent against the euro to a three-week trough after a weekend opinion poll showed Harris with a surprise lead in Iowa, a traditional Republican stronghold. Overall, polls continue to show a tight race.

The dollar index, which measures the currency against six major peers including the euro, edged down slightly to 103.89 as of 0618 GMT, after slumping as low as 103.67 on Monday for the first time since Oct. 21. Last week it surged to the highest since the end of July at 104.63.

The euro edged up to \$1.0879, after lifting to \$1.09145 in the previous session for the first time since Oct. 15.

Sterling was slightly higher at

\$1.2959. Against the yen, the dollar traded at 152.34, after slipping to 151.54 overnight, a one-week low.

"We judge financial markets are now positioned for a Harris win," said Carol Kong, a currency strategist at Commonwealth Bank of Australia.

"The USD can therefore fall modestly by 1 percent 2 percent this week if Vice President Harris wins and lift materially if (former) President Trump wins," she said. "Any delays and/or disputes over vote counting can also add to currency volatility this week."

The winner may not be known for days after Tuesday's vote, though Trump has already signalled that he will attempt to fight any defeat, as he did in 2020.



A 'Smart Fill' refilling machine of Hindustan Unilever is seen inside a supermarket in Mumbai. Hindustan Unilever's net profit fell 2 percent year-on-year for the three months through September.

PHOTO: REUTERS/FILE