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Star BUSINESS

Bank Asia, EBL avail $70m IFC loan

STAR BUSINESS DESK

Bank Asia PLC and Eastern Bank PLC (EBL) have signed separate agreements with the International Finance Corporation (IFC), a member of the World Bank Group focused on the private sector in developing countries, to avail themselves of a total of $70 million in loans.

Sohail RK Hussain, managing director of Bank Asia; Ali Reza Iftekhar, managing director and CEO of EBL; and Allen Forlemu, regional industry director, Financial Institutions Group, Asia Pacific at the IFC, signed the deals in Dhaka.

Each bank will receive $35 million, the banks said in separate press releases.

Bank Asia said it would use the loan for capacity building in the micro, small, and medium enterprise (MSME) sector.

Meanwhile, EBL said it would use the loan to support its working capital and trade-related lending programme.

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Govt to sell rice in 424 upazilas thru special OMS

STAR BUSINESS REPORT

In preparation for the upcoming Ramadan, the government will begin selling rice at subsidised prices in 424 upazilas across the country starting in February, aiming to ensure that low-income families have affordable access to the staple grain at the local level.

Ramadan, the holy month of fasting, will begin on March 1 this year.

Rice will be sold through a special Open Market Sales (OMS) programme at a total of 848 centres across the country, according to a press release issued by the food ministry yesterday.

Three metric tonnes of rice will be sold per day in 401 upazilas across 61 districts, while one metric tonne will be sold per day in 23 upazilas across three hill districts.

The rice will be sold for Tk 30 per kilogramme (kg), with each person allowed to purchase a maximum of five kgs.

Additionally, under the OMS (general) programme, rice will be sold at 906 centres in Dhaka city, district municipalities, eight city corporations, and four labour-intensive districts, namely Dhaka, Narayanganj, Narsingdi, and Gazipur.

All the centres will sell 1 tonne of rice per day, while the Secretariat centre will sell 2 tonnes.

Over the past two years, real incomes have fallen drastically due to persistent inflation, pushing at least 78 lakh people into poverty, according to a study by the Research and Policy Integration for Development (RAPID).

This includes 38 lakh people who have become extremely poor.

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PHOTOS: KONGKON KARMAKER, TITU DAS

As transplantation of Boro season paddy is running in full swing, farmers across the country are being forced to pay over the odds for fertiliser as retailers cite a lack of supply. The higher prices of the key production input, alongside rising costs of pesticides and labour, are putting a strain on small growers.

Farmers forced to pay more than subsidised rates for fertiliser

SOHEL PARVEZ *with* KONGKON KARMAKER, AHMED HUMAYUN KABIR TOPU *and* PARTHA CHAKRABORTY

Farmers in different parts of the country are being compelled to buy fertiliser, a key ingredient for crop production, by paying more than government-fixed prices.

This has posed a significant setback for farmers during the current Boro season, the biggest in terms of rice production volume.

Growers are being charged Tk 3 to Tk 4 more than the set prices for each kilogramme (kg) of chemical fertilisers, including urea, Triple Super Phosphate (TSP), Diammonium Phosphate (DAP), and Muriate of Potash (MOP), as dealers complain of supply shortages.

Take the case of Ajay Das and Liton Das, two small farmers from the Badhal union of Bagerhat.

They purchased urea fertiliser at Tk 30 per kg and TSP at Tk 35 per kg nearly three weeks ago, paying far more than the administered rates, which are Tk 27 per kg for both products.

Besides, they are supposed to get each kg of DAP for Tk 21 and MOP for Tk 20.

The subsidies are aimed at keeping production costs low, facilitating food production, safeguarding the nation's food security, and enabling consumers to afford food regardless of their income level.

But now, higher prices of key production inputs are putting a strain on businesses.

"It is increasingly difficult for small farmers like us to sustain the business among rising production costs," lamented Ajay, one of tens of thousands of growers who have seen their costs of production rise steadily over the years.

For example, labour costs with food stood at Tk 544 in June 2024, up from Tk 511 in July of the previous year, according to the Bangladesh Bureau of Statistics (BBS).

In 2023, the previous Awami League government hiked prices of urea, DAP, TSP, and MOP fertilisers by Tk 5 per kg, less than a year after it raised the administered rates by Tk 6 per kg.

For the current fiscal year, the government projects a total of 59 lakh tonnes of urea, TSP, DAP, and MOP will be required, up 3 percent from a year ago.

Chemical fertilisers are mainly used to grow dry-season rice, locally named Boro, which is harvested in May.

Of all the fertiliser that is required to grow Boro season paddy, farmers apply roughly 60 percent in the four months from December to March, a senior official of the agriculture ministry said.

However, many farmers are not getting fertiliser as required.

For instance, Md Mozibar Rahman, a farmer from Mistripara village in Dinajpur who is cultivating a six-bigha Boro field, could not purchase fertiliser from a dealer in his area as his stock had been sold out.

He had to turn to a retailer, paying Tk 1,550 for a 50-kg (Tk 31 per kg) bag of TSP and Tk 1,200 for 50 kg of DAP (Tk 24 per kg).

"The seller refused to provide a receipt against the purchase," Mozibar alleged, adding, "Farmers like us are struggling due to the high input costs of fertilisers, pesticides, and labour, while we continue to be denied fair prices for our crops."

Shariful Islam, a fellow grower who lives in Gobindapur village of the Biral upazila in the same district, shared a similar experience.

He said fertiliser prices usually spike during periods of high demand and limited supply.

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Bangladesh may lose 4.8% of working hours to heat stress by 2030: study

STAR BUSINESS REPORT

Bangladesh is projected to lose 4.8 percent of its working hours due to heat stress by 2030 if adequate and timely adaptation measures are not taken, according to a study.

Besides, rising sea levels are expected to submerge about 17 percent of the country's land and displace about 20 million people by 2050, said the study on "Just Climate Transitions in Bangladesh".

KEY POINTS

- Rising sea levels may submerge 17% of Bangladesh's land and displace 20m people by 2050
- Apparel and textile exports may lose competitiveness if renewable energy is not adopted by 2030
- Experts suggested decarbonisation measures in factories

Moreover, Bangladesh will lose its competitiveness in global garment trade if the country fails to adopt proper measures for transitioning to renewable energies by 2030 or the next 10 years.

This is because international clothing retailers and brands will either pay less for garments made by factories running on fossil fuel or avoid purchasing from them altogether.

The study, conducted by international consulting firm FSG with help from H&M Foundation and Laudes Foundation, was unveiled at a discussion organised by Bangladesh Apparel Exchange at The Westin hotel in Dhaka yesterday.

These findings were shared by two authors of the study, Sujata Rathi and Akshay Kohli -- a director and associate director of the FSG respectively.

Rathi, Kohli and other discussants mainly spoke on challenges in the garments and construction sectors.

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STOCKS

DSEX ▼	CASPI ▲
0.07%	0.15%
5,126.42	14,375.62

COMMODITIES

Gold ▲	Oil ▲
$2,742.81 (per ounce)	$73.45 (per barrel)

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.71%	▼ 1.39%	▲ 0.11%	▼ 0.06%
75,901.41	39,016.87	3,801.07	3,250.60

Top UAE firms plan to invest in Bangladesh

STAR BUSINESS REPORT

Abu Dhabi Ports Group (ADPG) and Masdar, two major companies in the United Arab Emirates (UAE), yesterday put forward plans to invest in port development, management and logistics as well as the renewable energy sector in Bangladesh.

Ahmad Ibrahim Al Mutawa, chief executive officer of ADPG, and Fatima Almadhloum Alsuwaidi, head of development and investment for the Asia-Pacific Region at Masdar, presented the investment proposals when they called on Chief Adviser Prof Muhammad Yunus at the State Guest House Jamuna.

Of the companies, Masdar, a renewable energy company, proposed to invest $500 million in reclaimed land on the coast to set up a 250-megawatt solar power project.

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"Bangladesh is ready for business," the chief adviser said while appreciating the investment proposals.

"Bring your people and set up as many plants as you want," he added.

ADPG is the fourth major port handler and logistics company, after DP World of the UAE, AP Moller Maersk of Denmark, and Red Sea Gateway Terminal of Saudi Arabia, to express interest in Bangladesh's port management in less than a week.

The Abu Dhabi-based company has expressed interest in developing one of the proposed three bay terminals through financing, operating and maintaining container and multipurpose terminal and other facilities under a joint venture with the Chittagong Port Authority.

Group CEO Al Mutawa praised the welcoming attitude of Bangladeshi authorities and hoped the investment would help increase ship movement in Bangladeshi ports.

Masdar's regional head of investment, Alsuwaidi said they are very supportive of showcasing new ideas to Bangladesh."

Abdulla Ali Al Hmoudi, the UAE ambassador to Bangladesh, handed over an invitation from the Dubai ruler to the

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Marico secures handsome profit growth with higher sales

STAR BUSINESS REPORT

Marico Bangladesh secured handsome profit growth in the third quarter of its financial year 2024-25 by increasing its sales, even amidst the erosion of people's purchasing power due to inflationary pressure.

With a focus on the beauty and wellness industry, the multinational fast-moving consumer goods (FMCG) company reported a profit of Tk 139.68 crore in the October-December quarter (its financial year began last April).

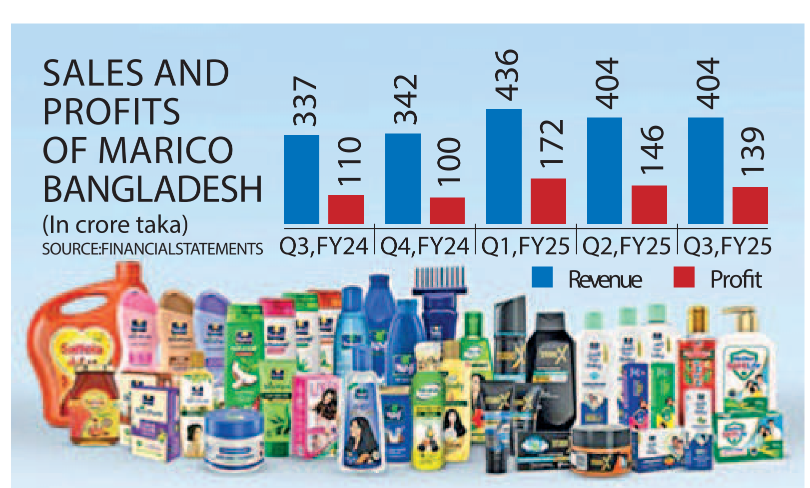
This represented a year-on-year growth of 26 percent.

The revenue of the company reached Tk 404 crore, reflecting a robust 19.7 percent year-on-year growth, despite heightened inflationary pressures and ongoing macroeconomic challenges.

While coconut oil remains the largest contributor to revenue, the value-added hair oil, beauty and health, and men's grooming segments have showcased strong growth momentum.

Based on its high profit, the company's board of directors declared an interim cash dividend of 440 percent, or Tk 44 per share, for those who retain the company's shares until February 23.

The price of the shares rose slightly to Tk 2,321 on the Dhaka Stock Exchange yesterday.



Marico's earnings per share (EPS) stood at Tk 44.34 for the October-December quarter, up from Tk 34.93 in the same period of the previous year, according to its financial statements.

The company attributed the growth to an increase in revenue, an improvement in gross profit margins, and higher net finance income. However, there was a drop in its cash flow, which is an indicator of a company's financial health.

Marico reported a net finance income of Tk 16 crore, which was 47 percent higher than that of the same quarter in the previous year.

The company's financial investments reached around Tk 690 crore. In the higher interest rate regime, the investment is yielding high income for the company, contributing to its profits.

Spending on products like coconut oil accounts for a small portion of people's overall expenses, which is why high inflation had little impact on the demand for this product, said an analyst of a top brokerage house.

On the other hand, the brand's perceived value among people is high, so its sales rose, he said.

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Lower-tier govt employees may get dearness allowance

REJAUL KARIM BYRON

The interim government may consider a dearness allowance for lower-grade government staff to provide respite from the ongoing high inflation.

However, it has not yet been finalised whether the allowance will be provided during the ongoing fiscal year or the next one.

A finance ministry official said they have conducted internal exercises and found that a huge amount of money would be required for this at a time when the government has been facing a shortfall in revenue collection.

As a result, the government is considering whether the dearness allowance could be provided only to staffers of the 10th to 20th grades.

In this regard, Finance Adviser Salehuddin Ahmed told The Daily Star on Monday that he will not say anything at this moment.

"I will not do anything unpopular. I have no desire to be a populist, nor do I want to please anybody. I am looking into the matter. This is what I can say at this moment," he further said.

The finance adviser noted that there are employees in different grades who receive low salaries.

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