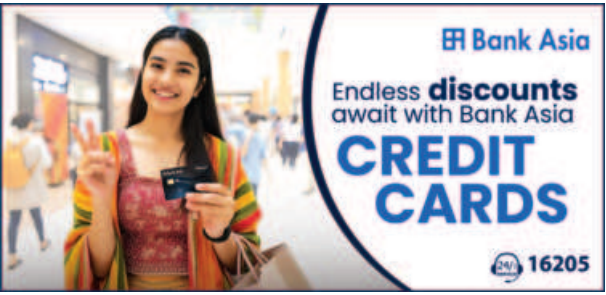


Star BUSINESS



Govt to clear Beximco worker dues before Ramadan

Labour adviser says

STAR BUSINESS REPORT

The government will clear salary arrears and service benefits of over 27,000 laid-off workers of Beximco Group within this month, ahead of Ramadan, said Labour and Employment Adviser Brig Gen (ret'd) M Sakhawat Hussain yesterday.

However, the amount of funds required and its source are yet to be determined, he said, adding that it may come from government sources or from the sale of Beximco Group's companies.

The matter will be decided in a meeting scheduled for February 18, the adviser said at a press briefing after a meeting of advisers at the shipping ministry in Bangladesh Secretariat.

The meeting will be attended by managing directors of banks which had provided massive amounts of loans to the group, he said.

When asked about the government's promise of finding jobs for the workers, Hussain said the workers were skilled and would not face any hurdle in finding a job.

The monthly rate of internal migration involving garment factories in Bangladesh varies between 7 percent and 8 percent, he said.

The government has been trying to sell shares of Beximco Group's profitable units, but it may face difficulties in selling shares owned by the group's owners, the adviser said

Still, the government will try to find jobs for them, he added.

The government has been trying to sell shares of Beximco Group's profitable units, but it may face difficulties in selling shares owned by the group's owners, said Hussain.

The government will sell shares of two of the group's companies to pay worker salaries at 13 production units owned by the conglomerate, he said.

He said different banks provided more than Tk 40,000 crore in loans to Beximco Group, yet the value of all of its assets was not even close to it.


Of the loans, Tk 28,544 crore was taken by the group's 32 textile and apparel subsidiaries. Of those 32 factories, 16 exist only on paper.

Beximco owes Janata Bank Tk 23,285 crore, Sonali Bank Tk 1,424 crore, Agrani Bank Tk 420 crore, Rupali Bank Tk 987 crore, National Bank Tk 315 crore, and United Commercial Bank Tk 333 crore.

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STOCKS		
	DSEX ▼	CASPI ▼
	0.04%	0.25%
	5,189.62	14,482.25

COMMODITIES		
	Gold ▼	Oil ▼
	\$2,893.36	\$72.75
	(per ounce)	(per barrel)



ASIAN MARKETS				
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
	▲ 0.12%	▲ 0.42%	▼ 0.02%	▲ 0.85%
	76,382.49	38,963.70	3,861.34	3,346.39

Pharma industry has a bright future

Foreign participants say at Asia Pharma Expo

JAGARAN CHAKMA

Foreign participants at the 16th Asia Pharma Expo foresee a bright future for Bangladesh's pharmaceutical industry, given its continuous product development and expanding global footprint.

"Bangladesh's pharmaceutical sector has shown really impressive development. The country manufactures medicines of global standard and has developed a highly skilled workforce," said Lashimikanth Enaganti, assistant general manager of Smilax Laboratories Limited, India.

He was speaking to The Daily Star at the venue of the 16th Asia Pharma Expo and Asia Lab Expo, organised by the Bangladesh Association of Pharmaceutical Industries at the Bangladesh-China Friendship Exhibition Centre in Purbachal.

Enaganti praised Bangladesh's progress, highlighting its high-quality medicine production and skilled workforce. His company, which produces 60 types of active pharmaceutical ingredients (APIs),

BY THE NUMBERS

- Bangladesh imports \$1.7b worth of APIs and machinery each year
- Exports reached \$205.48m in FY24
- The country exports pharma products to 157 countries

STRENGTH

- Bangladesh manufactures global-standard medicines and has a skilled workforce

THE EXPO

- Foreign participants see a bright future for Bangladesh's pharma industry
- Expo aims to foster innovation, collaboration and technological advancement
- The show features 800 companies from home and abroad

exports to 10 leading Bangladeshi pharmaceutical firms. He sees this growth as mutually beneficial for both countries.

Deepak Shah, director at Mumbai-based Titan Laboratories Pvt Ltd, echoed this observation. His company, a supplier of 20 types of APIs, has been exporting to Bangladesh for over two decades and has witnessed the sector's significant progress.

"Our export volume to Bangladesh is increasing," he added.

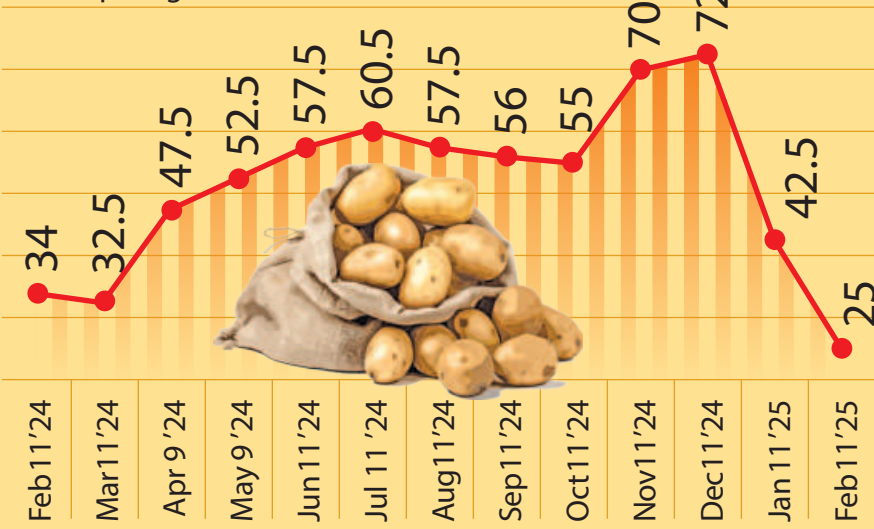
Monjurul Alam, CEO of Beacon Medicare Limited, said that Bangladesh imports around \$1.2 billion worth of APIs annually. He emphasised that events like the Asia Pharma Expo help local companies source new ingredients and advanced machinery, supporting industry expansion.

READ MORE ON B3

Potato farmers in peril as prices fall below production costs

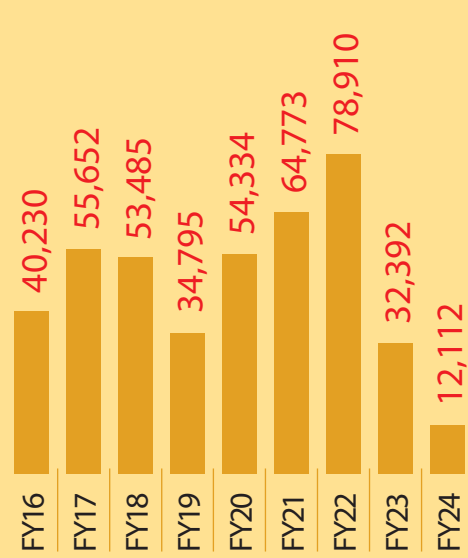
Average retail price of potato in Dhaka

In taka per kg; SOURCE: TCB



POTATO EXPORTS OVER THE YEARS

In tonnes; SOURCE: DAE



SUKANTA HALDER and KONGKON KARMAKER

Lured by high prices during the potato planting season in November last year, farmers expanded cultivation of the tuber at an unprecedented rate this season.

According to the Department of Agricultural Extension (DAE), potato growers cultivated the starchy vegetable on a record 5.24 lakh hectares this fiscal year, up 15 percent year-on-year, hoping to capitalise on record prices, which had soared to as high as Tk 80 per kilogramme (kg) last year.

As the harvesting season has now arrived, potato farmers in major producing hubs are no longer thinking about turning a profit.

Instead, they are wondering how to survive after being forced to sell their produce below production costs due to record cultivation and the prospect of ample supply.

In Dhaka yesterday, potatoes were at Tk 20 to Tk 30 per kg in retail, the same price as a week ago, according to the state-run Trading Corporation of Bangladesh (TCB).

The situation is even bleaker elsewhere, with several farmers in Rangpur, Dinajpur, Thakurgaon, Bogura and Joypurhat reporting prices as low as Tk 11 per kg -- far below the production costs, which the DAE estimated at Tk 15 per kg this season.

This has left many farmers fearing they will be unable to recoup their initial investment. They are now pinning their hopes on rising prices in the coming months or government steps to support them.

"So much land has never been dedicated to potato farming before," Md Obaidur Rahman Mondol, director of the field service wing at the DAE, told The Daily Star.

This season, total production is expected to reach 1.20 crore tonnes, according to the

Bangladesh Cold Storage Association (BCSA), a major player in the local supply chain.

The Bangladesh Bureau of Statistics (BBS) has a more moderate estimate of 1.06 crore tonnes.

Both figures are close to the 1.09 crore tonnes produced last season, according to DAE data, and surpass the country's annual demand of around 90 lakh tonnes.

Although the government estimates that around 30 percent of total produce is lost due to shortcomings in storage facilities, this oversupply means there may be little relief for small farmers.

Anwar Hossain, a farmer from Uttar



Gosaipur village in Dinajpur, recently sold potatoes at Tk 13 per kg, though his production costs reached Tk 16.60 per kg.

"My production costs rose by Tk 3 to Tk 4 per kg this year due to the excessive prices of potato seeds," he said.

Potato seeds were at Tk 35 to Tk 40 per kg last season, but the rates increased to Tk 80 per kg during the planting period this season, which spans October to November, Hossain said.

Besides, labour costs and other agri inputs also increased, he added.

The DAE's estimates support his claims, showing that potato production costs rose by Tk 2 per kg year-on-year, driven by higher expenses for pesticides, seeds, labour and land leasing.

Shariful Islam, a potato farmer from Sherpur upazila in Bogura, said his production costs amounted to Tk 16 to Tk 17 per kg. However, after failing to get a better offer, he had to settle for selling his produce at just Tk 11 per kg on Tuesday.

"If the losses continue to pile up, I am unsure whether I will cultivate potatoes next season," he lamented, blaming the government for failing to control the prices of fertilisers and seeds.

Another concern is that cold storage facilities are charging around Tk 4 more per kg than last season to store potatoes.

Mazharul Islam, a potato farmer in Joypurhat, one of the country's largest potato-producing districts, was luckier than many others.

He said he managed to break even by selling his produce at Tk 10 per kg. "Honestly, we continue farming because we have no shame," he said in frustration.

Md Sawkat Osman, director of the crops wing at the DAE, said production was very good this season due to favourable weather and the absence of late blight disease, leading to an oversupply. As a result, farmers are not getting their desired prices.

He believes that the drop in potato prices is temporary.

However, cold storage owners at a press conference recently claimed that retail prices of potatoes will not cross Tk 40 per kilogramme this year, citing this year's potato production is set to surpass local demand.

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VAT hike reflects govt's failure in negotiation with IMF

Economists say at roundtable

STAR BUSINESS REPORT

The recent hike in value-added tax (VAT) and supplementary duty on nearly 100 goods and services reflects the government's failure to negotiate effectively with the International Monetary Fund (IMF), economists said at a roundtable yesterday.

They claimed the government raised VAT in line with IMF conditions to generate an additional Tk 12,000 crore in revenue.

However, they argued that this target is unlikely to be met, ultimately burdening businesses and consumers instead.

"The government couldn't negotiate properly. The IMF frequently pushes to increase the tax-to-GDP ratio, but timing is crucial," said M Masrur Reaz, chairman of the Policy Exchange of Bangladesh.

"This is a complete failure to negotiate on the government's side, of which the National Board of Revenue (NBR) was a part," he added.

Reaz made the remarks during a roundtable discussion titled "The burden of additional taxes on consumers: Ways to overcome it", organised by jagonews24.com, an online news portal, at the premises of the Metropolitan Chamber of Commerce and Industry (MCCI) in the capital.

The speakers said the government raised VAT in line with IMF conditions to generate an additional Tk 12,000 crore in revenue

Citing a study, Reaz pointed out that reducing the tax burden by 20 percent could lead to a 14-fold increase in private investment amid natural GDP growth, while revenue collection could rise by 6.5 times.

"We often change tax policies without conducting proper impact assessments, which creates uncertainty and hinders economic growth," he

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Tight monetary policy to raise production costs: BUILD

STAR BUSINESS REPORT

The continuation of a tight monetary policy by keeping the policy rate unchanged at 10 percent could lead to higher production costs, public-private dialogue platform Business Initiative Leading Development (BUILD) said yesterday.

The platform's reaction came after the Bangladesh Bank (BB) unveiled the monetary policy for January-June this year, maintaining the key policy rate to curb inflation, which has remained above 9 percent for the 23rd consecutive month since March 2023.

The repeated hikes in the policy rate have pushed up interest rates, making loans costlier for businesses.

BUILD stated that the contractionary policy is increasing the cost of importing raw materials, raising wages, and driving up machinery expenses, thereby inducing policy-driven inflation that contradicts the strategy to reduce inflation.

It noted that a high policy rate alone cannot contain inflation. Other factors, such as supply-side constraints, also influence inflation.

"BB should consider these factors to ensure perfect competition in the economy along with good governance through a coordinated effort," it said.

BUILD reported that its study found a lack of discipline in the supply side.

"There is a dominance of extortionists at the field level," it said, adding that only eight to nine entities control the supply of imported consumer goods, creating an oligopolistic market structure.

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