

## Engineering, food losses drag stocks down

### STAR BUSINESS REPORT

Dhaka stocks closed lower yesterday, reversing the previous session's gains as losses in engineering and food shares weighed on the indices.

The DSEX, the benchmark index of the bourse, declined by 30.48 points, or 0.58 percent, to close at 5,197.26, according to DSE data.

Other indices followed the same pattern of negative performance, as the Shariah-based DSES and the blue-chip DS30 also edged lower.

The market closed in the red as most large-cap sectors posted negative performances, BRAC EPL Stock Brokerage Ltd said in its daily market update.

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Block trades — high-volume transactions involving large numbers of securities — contributed 3.2 percent to the overall market turnover.

Market breadth was firmly negative, with 105 issues advancing, 233 declining, and 58 remaining unchanged.

Among the major sectors, engineering led the sectoral losses with a 1.15 percent fall, followed by food and allied, down 1.02 percent; fuel and power, 0.60 percent; and pharmaceuticals, 0.50 percent.

Other sectors posting losses included banks (down 0.20 percent), non-bank financial institutions (0.08 percent), and telecommunications (0.07 percent).

Orion Infusion emerged as the most traded stock, posting a turnover of Tk 30.3 crore, said BRAC EPL.

On the performance table, Social Islami Bank surged 10 percent to top the gainers' list, while Peoples Leasing and Financial Services slumped 9.09 percent, making it the worst performer of the session.



Native to the tropical Americas, hog plum is making waves in the Barishal and Khulna divisions. Many farmers, who traditionally cultivated guava, are now adding hog plums to their orchards, attracted by its higher market prices and longer shelf life. PHOTO: TITU DAS



# SMALL FRUIT, BIG SUCCESS

## Hog plum fuels profits for southern farmers

SUSHANTA GHOSH

From the traffic signals of Dhaka to the floating markets of Barishal, the hog plum, locally known as amra, is now a common sight across Bangladesh. Once grown mostly in homesteads, it is now one of the most popular fruits you can find selling at corners of markets, bus, launch terminals, and rail stations.

For thousands of city vendors, the fruit provides a profitable source of seasonal income between June and October. Hawkers sell it fully prepared — peeled, neatly cut, salted, and often packaged in transparent plastic pouches. But it is the southern farmers who largely deserve the credit for its rapidly rising popularity, and it is they who are the biggest beneficiaries of this trend.

Native to the tropical Americas, the hog plum is making waves in the Barishal and Khulna divisions. Barishal, Patuakhali, Pirojpur, Bhola, Barguna, and Jhalakathi are among the leading districts. Many farmers who traditionally cultivated guava are now adding hog plums to their orchards, attracted by higher market prices and a longer shelf life.

One such farmer from Jhalakathi Sadar, Wahidul Islam Hiru, said he began cultivating guava three decades ago on only two bighas of land, along with a few hog plum trees. Over the years, he has shifted more towards hog plums. Now, on 20 acres of land, he produces 80 100 tonnes of hog plum each year. "I earn over Tk 30 lakh a year from

hog plum sales."

Early this season, hog plums sold for Tk 800-Tk 900 per maund (37.32 kg), rising to Tk 1,800 later on, earning him a hefty profit. "Though flowering was slightly lower this year, higher prices offset the loss. This fruit is now the main source of income not just for me, but for thousands of farmers across Barishal."

His point seems valid to anyone visiting the southern region.

During harvest season, rivers and canals across Jhalakathi Sadar, Nesarabad in Pirojpur, and Banaripara in Barishal turn vibrant with green, fruit-laden boats heading to wholesale markets — a scene that has become emblematic of the region's rural economy.

According to the Bangladesh Bureau of Statistics, hog plum production stood at 45,400 tonnes in fiscal year 2023-24. Barishal accounted for 39 percent of the total, followed by Khulna with just over 20 percent.

In Pirojpur, 3,390 farmers cultivated hog plum on 577 hectares (per hectare = roughly 2.5 football fields) this year, producing over 10,000 tonnes worth around Tk 15 crore, said Mohammad Mahfuzur Rahman, deputy director of the Department of Agricultural Extension (DAE).

"The initial cost is slightly higher, but it drops to one-third in subsequent years," he noted.

At Jindakathi village in Pirojpur, farmer Suvash Mondol switched from guava to hog plum and has no regrets. "Guava gave me

Tk 1.5 lakh a year. Now, from the same three acres, I get five tonnes of hog plum and make about Tk 1 lakh profit per acre," he said.

Mondol's expense stands at Tk 1 lakh per acre, including 200 kg of fertiliser and Tk 40,000 in labour. He sells hog plums for Tk 1,200 per maund early in the season and Tk 1,800 later, sending truckloads to Dhaka and Sylhet.



**Production stood at 45,400 tonnes in FY24, with Barishal accounting for 39%**

Deepak Maitra, another seasoned farmer from the same village, said, "From one bigha (0.62 acre) of land, I harvested about 50 maunds of hog plum and sold them for around Tk 70,000-Tk 75,000."

He added that from the same amount of land, he earned only Tk 17,000 by selling guava from his orchard.

Across the Barishal Division, hog plum was grown on 1,849

hectares this year, producing around 24,000 tonnes worth an estimated Tk 100 crore, according to regional DAE data. The crop was cultivated on 315 hectares in Patuakhali, 251 in Barishal, 72 in Barguna, and 32 in Bhola.

"Hog plum offers better market value and longer shelf life, so many farmers are incorporating it alongside their guava orchards," said Barishal DAE Additional Director Nazrul Islam.

Jhalakathi alone produced 4,578 tonnes from 602 hectares, said DAE Deputy Director Md Abdullah Al Mamun. "Per acre, production costs Tk 75,000-Tk 80,000, while returns reach up to Tk 1.7 lakh. After hog plum received Geographical Indication status, its value and importance rose further," he said.

Wholesaler Tapas Bepari said some 50-60 major traders operate across the three southern upazilas, each shipping 200-300 maunds of hog plum daily to major cities like Dhaka and Sylhet.

Still, farmers say they are missing out on higher profits due to the lack of local processing facilities and fair market prices.

"We don't have factories or cold storage, so we don't get the added value our produce deserves," said Nityananda Samaddar, a farmer from Jhalakathi.

"Many tourists visit the floating markets of hog plum, guava, and vegetables, but farmers still depend on the wholesale prices fixed by Dhaka traders. We want fair local markets and fruit-processing factories established here," he added.

## Why our financial sector lags behind the real economy

SHAHIDUL ISLAM

Bangladesh's economy presents a striking contrast. Its markets for real sector products such as consumer goods, construction materials, pharmaceuticals, and real assets like land and apartments are relatively robust, with their share of GDP comparable to peer countries. The same, however, cannot be said for financial products such as corporate bonds, life insurance policies, and mutual funds. These markets remain among the least developed in the region. Even countries with lower per capita income, including Nepal and Pakistan, have more advanced financial markets.

Bangladesh's banking sector, which flourished after World Bank-mandated financial reforms in the early 1990s, has steadily declined, with deposit and loan growth now lagging far behind nominal GDP. Why does this disparity persist between a thriving real sector and a struggling financial one?

The answer lies in the nature of the products. Real sector goods involve tangible items and immediate value exchange; buyers receive groceries or materials at the point of payment. In such transactions, the role of legal and regulatory authorities is minimal because trust is built through instant delivery.

Financial products, by contrast, are fundamentally different. They represent claims on future cash flows, their value depending on the present worth of payments expected years later. A life insurance policyholder, for example, may pay premiums for decades before any payout is made. This complexity makes the development of financial markets heavily dependent on a sound legal and regulatory system that encourages trust and credibility.

For financial markets to function effectively, a country needs a strong legal system to enforce contracts between issuers and investors. Without reliable enforcement, investors cannot trust that promised payments will be honoured. Equally critical are competent regulatory institutions that ensure issuers remain adequately capitalised, solvent, and transparent.

In Bangladesh, these foundations have long been weak, and the situation has worsened over the past decade. Regulators have often been influenced by vested interests seeking to exploit financial institutions. Licences for banks, insurance companies, and mutual fund managers have frequently been issued not to promote financial inclusion or stability but to enable insiders to siphon off public funds. This erosion of integrity has undermined confidence and stifled the growth of financial markets.

The lag in Bangladesh's financial sector carries serious consequences. A robust financial system is essential for channelling household savings into productive investments, supporting real sector growth, and helping households and businesses manage risks. An underdeveloped insurance market limits businesses' ability to mitigate risk, while a weak corporate bond market restricts firms' access to long-term capital. The banking sector's decline further constrains financial intermediation, as slower deposit and loan growth reduces lending capacity. Without a dynamic financial sector, Bangladesh's economic progress is curtailed because savings cannot be efficiently channelled into building productive capacity.

To close this gap, Bangladesh must pursue comprehensive financial sector reform. Strengthening governance is crucial; regulatory institutions need to be independent, transparent, and insulated from political influence. Upholding the rule of law is equally important to ensure contract enforcement and protect investors. Rebuilding institutional credibility through stricter licensing, regular audits, and penalties for misconduct will help restore public trust. Public awareness campaigns could also educate citizens about the risks and benefits of financial products, enabling them to make informed decisions when choosing service providers.

Bangladesh's real economy has shown remarkable resilience, but its financial sector remains the weak link. Without urgent reform, the gap will only widen, threatening long-term growth. By fostering a trustworthy and resilient financial system, Bangladesh can unlock its full economic potential, ensuring household savings drive sustainable development.

The writer is CEO of VIPB Asset Management Company and former president of CEA Society Bangladesh

# 'Industrialise first, clean up later' no longer suits developing nations

UNDP economist says sustainability has become central to growth

### STAR BUSINESS REPORT

The old model of "industrialise first, clean up later," which once prioritised rapid growth over environmental concerns, no longer works for developing nations, according to economists and business leaders.

They said sustainability and responsible business practices are no longer simply ethical choices but essential elements of economic growth and competitiveness.

"Sustainability and competitiveness are increasingly becoming inseparable for modern businesses as the world faces deepening environmental and social challenges," said Owais Parry, country economic adviser at UNDP Bangladesh.

Speaking at "Sustainability Day 2025," organised by the UN Global Compact Network Bangladesh (UN GCNB) in Dhaka yesterday, Parry said, "We face many environmental concerns today, from the climate crisis to severe air pollution, not only in Bangladesh but across many other countries."

He said businesses are responding to these challenges, and as an economist, he has observed how they are also adapting to changing consumer demands.

"These shifts, in turn, reflect the evolution of our societal values," he added.

Drawing from history, Parry said, "Many years ago, during the First Industrial Revolution, it was quite common, even encouraged, for factories to hire young children. There were no questions asked."

"Today, while it sadly still exists in some places, it is largely unthinkable for most of us that children should work in factories."

The UNDP economist said that while laws have helped prevent such exploitation, the real change has come from a deeper moral transformation. "There has been a fundamental shift in our values."

According to Parry, ideas once considered fringe, such as social business, green finance, and creating value at the bottom of the pyramid, have now become mainstream — a positive shift over the past two decades.

He said innovation has been the driving force behind this transformation. And it is not just technological but also about ideas and business models. For instance, corporate social responsibility (CSR) was once seen merely as a cost, something done to build goodwill, said Parry, adding, "Now, it is increasingly viewed as an investment."



Drugmaker Renata PLC has installed rooftop solar panels at its Bhaluka site in Mymensingh to promote sustainability and reduce the environmental impact of its pharmaceutical operations. PHOTO: RENATA

At the event, AK Azad, vice president of the International Chamber of Commerce (ICC) Bangladesh, urged the country's business community to integrate sustainability and responsible practices into their core

operations to remain competitive in a rapidly changing global trade landscape.

Azad, also the chairman of Ha-Meem Group, a leading readymade garment supplier, said that as Bangladesh prepares to graduate

from least developed country (LDC) status, it faces both new opportunities and challenges. "We must enhance competitiveness, diversify exports, and embrace sustainability and innovation as the foundation of our next phase of growth," said the business leader.

He commented that state-led innovation in technology, green finance, and digital transformation could make industries more efficient and globally competitive.

Calling the event "not just a celebration but a call to action," Azad urged business leaders, policymakers, and civil society to work together so that sustainability becomes a shared national goal.

In his opening remarks, Farooq Sobhan, network representative at the UN Global Compact Network Bangladesh, highlighted the role of the private sector in integrating innovation into sustainability strategies.

He said the next phase of corporate growth will depend on how effectively businesses align their models with environmental and social priorities.

Among others, Commerce Secretary Mahbubur Rahman, Green Delta Insurance PLC Managing Director Farzanah Chowdhury, and Global Compact Network Bangladesh Executive Director Shahamin S Zaman spoke at the event.