

Indian farmers see Modi's budget as all promise, no delivery



A farmer transports sugarcane on his bicycle from a farmland near Modinagar in the northern Indian state of Uttar Pradesh.

REUTERS, Khanjarpur, India

Farmer Ram Pal Singh voted for Narendra Modi's promise of "better days" in India's 2014 general election, but he won't be backing the prime minister again even after last week's budget promised more aid to the countryside.

Growing discontent in rural India, home to two-thirds of the country's 1.3 billion people, bodes ill for Modi as he tries to bounce back from a heavy defeat in a state election last year in Bihar and build a support base to keep power in the 2019 general election.

In an eye-catching announcement, the budget doubled spending on agriculture and farmers' welfare to \$5.3 billion in support of his promise that their incomes would double by 2022.

Yet critics say most of the extra spending is in fact an accounting entry that shifts the cost of an interest subsidy to the agriculture budget that was previously borne by the finance ministry.

"We have received nothing from the govern-

ment. We don't even recover our costs," said Singh, whose 21-acre (8.5-hectare) plot is big by Indian standards.

Two failed monsoons, and sudden unseasonal rains, have caused widespread crop damage across northern India. Debt-laden farmers like Singh say low state purchase prices and a lack of compensation for crop losses are worsening their plight.

Singh lost \$4,500 over the past two years because of severe damage to his wheat and sugarcane crops in the Ghaziabad district of Uttar Pradesh, 30 miles (50 km) east of New Delhi. It has left him with debts of more than \$10,000, and despair has driven him to think of selling his land.

"We have so much land but we still struggle to survive... there is only sadness in farming," said Singh, 60, who does not want his grandchildren to work in the fields.

Last month, farmers went on the rampage in neighbouring Haryana state to protest a lack of

economic opportunity. Thirty people died and saboteurs cut metropolitan Delhi's main water supply.

"The budget may give you an illusion the government has tried to address the problems faced by farmers," said independent food and trade policy analyst Devinder Sharma. He called instead for a package of "immediate assistance" to stop a spate of suicides by farmers from spreading.

Modi last year promised higher compensation for crop losses, but more than a dozen farmers interviewed by Reuters on a field trip said they had received no relief. Many have taken out more loans or sold cattle to tide themselves over.

All but one said they will not support Modi's Bharatiya Janata Party (BJP) in next year's poll in Uttar Pradesh, India's most populous state, home to 200 million people.

In 2014, the party swept Uttar Pradesh, winning 71 of 80 seats to claim the strongest parliamentary mandate in three decades. The budget play seemed designed to improve its standing in rural areas, traditionally a weak spot for the BJP.

"For the first time the agriculture sector has figured prominently in budget, and for the first time we've seen such a sharp rise in allocation for farmers' welfare," Farm Minister Radha Mohan Singh told a news conference.

But Jai Kisan Andolan, a peasants' rights movement, and 35 farming unions counter that the budget offered them no debt relief, and failed to hike either government farm purchase prices or crop-loss compensation rates. "Most of what the budget speech projects as big favours to the farming community is actually 'business as usual' with a sleight of hand," the groups said in a statement after the budget.

In addition, the main effort to expand irrigation - adding just 2 percent of net cultivated area of 141 million hectares - is seen as piecemeal. And a new crop insurance scheme is expected to get off to a slow start.

"The government does not have a firm plan to address the rural crisis. They will have to pay a big political price for this," said Satish Misra, a political analyst at the Observer Research Foundation in New Delhi.



Imran Ahmed, chairman of the standing committee on posts, telecommunications and ICT ministry; AHM Mustafa Kamal, planning minister; and Zunaid Ahmed Palak, state minister for ICT, pose as Moynul Haque Siddiqui, chairman of Bangladesh TechnoSity Ltd, and Ko Ho-Kon, chairman of Samsung Climate, sign an agreement during the ICT expo that ended at the Bangabandhu International Conference Centre in Dhaka on Sunday. TechnoSity is the developer and operator of block-3 of the Kaliakoir Hi-Tech Park in Gazipur, where Samsung Climate, a South Korean diversified industrial equipment manufacturer, will invest.

TECHNOSITY

CareersClub starts operation in Bangladesh

STAR BUSINESS DESK

CareersClub Pty Ltd Australia has recently started its operations in Bangladesh and organised a workshop in collaboration with the business school of Independent University of Bangladesh on its premises.

At the event, Hemi Hossain, leadership consultant and director of business and capability development at the club, provided insights on major ingredients for a successful career and steps that students can take to move to the right direction.

Emma Hart, lead human resource capability specialist, spoke about the

importance of building key transferable skills like communication and leadership, to give students a competitive edge in the modern workplace.

She also elaborated why having a clear vision at an early stage of student's career is crucial for their success, the club said in a statement.

Chandan Poudyal, director of business consulting, highlighted how the changes in technology over the years impacted every aspect of people's life.

CareersClub will organise another seminar today in collaboration with Brac University and Bangladesh Supply Chain Council.

Speakers from various multinational companies will join the seminar which is themed at "Leadership aspects of the corporate world".



Hemi Hossain, leadership consultant and director of business and capability development at CareersClub; Emma Hart, lead human resource capability specialist, and Chandan Poudyal, director of business consulting, pose after conducting a workshop in collaboration with the business school of Independent University of Bangladesh on the premises of the university in Dhaka.

CAREERSCLUB



Sabina Yeasmin, managing director of Ohtshirt, an online store for personalised t-shirts, and ABM Mahbubur Rahman, CEO, pose with the participants of a designers' meet organised by the company at its office in Banani, Dhaka on Saturday.

PROCHITO

Luxembourg duchess seeks return to Cuba to develop microfinance

AFP, Luxembourg

She fled Cuba with her bourgeois family as revolution brewed, and later married into one of Europe's royal dynasties.

Today, as the Communist-ruled island emerges from long economic isolation, Luxembourg's Grand Duchess Maria Teresa says she hopes to return home to pitch the cause of micro-credit to help the country's poor.

A Unesco goodwill ambassador, Maria Teresa, 59, has long championed collateral-free seed loans to help families set up businesses to haul themselves out of poverty -- the system famously set up by Bangladeshi Nobel Peace laureate Muhammad Yunus, founder of the Grameen Bank.

She has backed projects in countries as diverse as Nepal, Mali, Thailand, Laos and Bosnia, and hopes that Cuba, too, can benefit.

"From an economic point of view, there is an enormous amount to be done for (Cuba)," the wife of Grand Duke Henri, the monarch of the tiny but wealthy EU nation, said in an interview with AFP. "The Cuban population has suffered greatly for very many years."

She added: "One thing that would give me enormous pleasure would be to travel to Cuba with Professor Yunus to launch microfinance."

"It's something I feel very passionate about. I don't know if the situation economically is right or if the political opening is sufficient and ready to do it now, but it's a dream I have."

In 1959, Maria Teresa's family, a bank-

ing dynasty of Spanish descent called the Mestres, fled Cuba, leaving behind a business empire that would be confiscated by Fidel Castro's revolution.

The Havana-born duchess admitted it would not be easy going back to a country where Castro, 89, is still living and which is still run by his brother Raul following Castro's retirement due to ill health.

"He is neither a friend nor an enemy. He is someone because of whom my whole family had to leave the island of Cuba. This is not an easy situation," she said.

However when Maria Teresa became engaged to marry Henri, then the heir to the Luxembourg throne, on November 7 1980, Fidel Castro was the first to congratulate her.

"The first bouquet that arrived at the palace was a huge bunch of roses with a card from Fidel Castro, with all his congratulations," she recalled.

Following her marriage in February 1981, and her husband's accession to the throne in October 2000, she met Castro in Havana through the efforts of a first cousin who was close to the Castro regime.

She said the opening up of Cuba and the end of the US trade embargo made her "very happy" for the Cuban population. US President Barack Obama is due to make a historic trip to Cuba on March 21-22.

"Cubans are geographically close to the United States but their heads and their hearts are turned towards Europe," the duchess said.

"They have a lot of affection for France and, I hope, a little bit for Luxembourg these days. I hope Europe will be there for Cuba at this moment of change."

Chief of Russia's biggest carmaker Avtovaz to step down

AFP, Paris

Russia's biggest carmaker Avtovaz, majority owned by Renault-Nissan, said on Monday its chief executive Bo Andersson is to step down.

Hit hard by Russia's economic crisis, the company, which makes Lada cars, has been battling with bankruptcy fears since last month reporting a tripling of net losses for 2015.

Andersson "is planning to resign", the automaker said in a statement.

The company's board is to meet on March 15 to pick a successor who "will take the reorganisation into a new operational phase", it said.

In February, Avtovaz said market conditions "create a material uncertainty that gives rise to significant doubt about the group's ability to continue as a going concern".

Net losses in 2015 amounted to 73.8 billion rubles (\$928 million, 847 million euros), nearly triple the 2014 figure of 25 billion rubles.

China Feb FX reserves fall to \$3.20tr, lowest since late 2011

REUTERS, Beijing

China's foreign exchange reserves fell \$28.57 billion in February, slightly less than expected and easing from January's slump, suggesting the central bank is scaling back its interventions to support the yuan as capital outflows slow.

Still, China's foreign reserves declined for a fourth straight month, and the \$3.20 trillion at the end of February was the lowest level since December 2011, data from the People's Bank of China showed on Monday.

Economists polled by Reuters had predicted reserves would fall \$30 billion from \$3.23 trillion at the end of January.

China's reserves are still the world's largest, but it has been burning through them at such a pace that some analysts believe Beijing might soon have to allow a sharp fall in the value of the yuan or back-pedal on liberalisation and tighten capital controls.

"It shows that outflows did slow down somewhat, but there are a lot of factors," said Yang Zhao, chief China economist at Nomura in Hong Kong. The yuan steadied in February after volatile moves in December and January, helped in part by a weaker dollar as expectations of U.S. interest rate hikes faded, Zhou said.

There may also have been an impact from the long Lunar New Year holidays in early February, when many firms close for extended periods and business activity slows, he added.

"The central bank and other top officials have repeatedly expressed a desire for stabilisation and said there's no basis for large scale depreciation in the yuan. Equally important, the market has quickly downgraded expectations for a rapid lift-off (in interest rates) by the U.S. Federal Reserve."

Capital outflows from China have increased since its surprise devaluation of the yuan last August, and have been fanned by concerns about its economic slowdown and expectations of higher U.S. rates. That has prompted the central bank to sell dollars in the currency markets to support the yuan and crack down on forex trading which it suspected to be speculation.

China's reserves sunk \$99.5 billion in January and \$107.9 billion in December, the biggest monthly drop on record. For 2015 as a whole, its reserves fell \$513 billion, the largest annual drop in history.

"In February the government instituted a lot of administrative measures, which may have been able to slow down the outflows," Kevin Lai, chief economist of Asia ex-Japan at Daiwa Capital Markets said, in a note.

Heavy outflows of funds from China in recent months may also have been exaggerated by Chinese companies rushing to repay dollar-denominated debt, rather than widespread capital flight, the Bank of International Settlements (BIS) said on Sunday, a view that has also been raised by China's central bank governor.

On Monday, the central bank's vice governor said the nation's foreign exchange reserves are ample and reasonable, cross-border capital flows are manageable and China's economic fundamentals are sound. Governor Zhou Xiaochuan also said during a just-ended G20 meeting that changes in China's foreign reserves were normal.

Growing confidence among officials that they have snuffed out expectations of further yuan depreciation could free up the central bank for more aggressive monetary easing which the slowing economy deeply needs, ING economist Tim Condon said in a note before the reserve data, predicting it could cut interest rate again before the end of March.

But while outflows may cool as the yuan steadies, many analysts believe the central bank still faces a tough job keeping the yuan stable, especially as the economy faces persistent downward pressure.

Chinese officials insist they see no reason for further depreciation, but analysts polled by Reuters believe the yuan will weaken another 3.5 percent against the dollar over the next 12 months, though a sharp, one-off devaluation is not seen on horizon.

The yuan has weakened about 5 percent against the dollar since the August devaluation, but less against a basket of currencies which China is increasingly referencing in hopes of making exchange rate movements less volatile.