High economic growth can't alone fight undernutrition

REAZ AHMAD

ECONOMIC growth and poverty reduction alone cannot solve the problem of undernutrition. Had that been the case, with respectable economic growth and a fairly rapid rate of poverty reduction in the last quarter century, Bangladesh would not have faced the nutrition challenge that it does today.

Prof SR Osmani, a development economist with vast experience in the areas of poverty, inequality, hunger, and nutrition, emphasised investment in women's empowerment, mother and child care, in order to make a significant dent in the persisting undernutrition.

"Nearly a third of our babies are born at low birth weight. Some of them die prematurely, while a large number of those who survive are brought up undernourished," said Osmani, who is a teacher at Ulster University, Northern Ireland, the UK.

In an interview with The Daily Star, Osmani explained, "A lack of nutrition that many of the young and under-aged mothers suffer from, ultimately passes on to the next generation."

Many of these mothers were themselves born as low birth-weight babies and brought up as undernourished girls. Many of these girls are getting married early and giving birth to babies at a time when they themselves are growing as teenagers. As a result, during pregnancy young mothers and foetuses compete for food, a competition in which the mothers almost invariably win, leaving the foetuses nutritionally deprived. This, together with poor nutritional history of the mothers, results in babies being born with low birth-weight, he said.

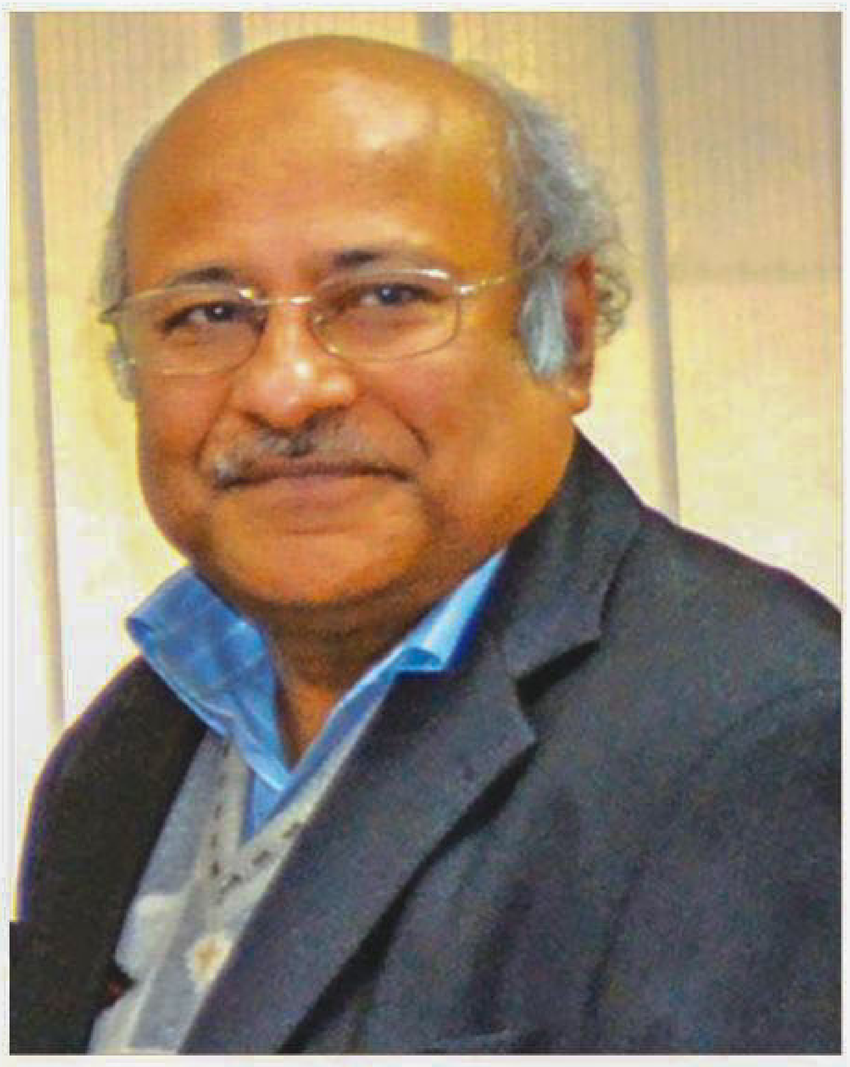
Economic growth and increased food production would not eliminate the problem of undernutrition, noted Osmani, unless the issues of mothers' history of malnourishment, teenage marriage and inappropriate diets are addressed.

And the best way to do so, according to Osmani, is to launch a mass campaign in support of mother and child care and against teenage marriages.

"Bangladesh has a legacy of running successful campaigns of this magnitude. Take for example – the population control campaign, immunisation campaign, sanitation campaign. We should draw inspiration from those."

Osmani came to Dhaka recently to attend the launch of a World Food Programme-commissioned report -- Strategic Review of Food Security and Nutrition in Bangladesh.

He is the lead author of the report, which notes that



SR Osmani

an alarmingly large number of people still remain food insecure and hungry – a quarter of the population or 40 million people – and most people do not have a sufficiently nutritious and diverse diet in Bangladesh.

More than 1 in 3 children are still afflicted by stunted growth, and acute malnutrition has not decreased significantly over many years, the report noted.

Osmani, a first generation researcher of the country's premier think tank -- Bangladesh Institute of Development Studies (BIDS) -- applauded the fact that the prevalence of stunting among children has come down from 55 percent to 36 percent in the last 20 years but argued that the rate of reduction is not rapid enough to meet the targets.

"If stunting continues to fall at the current pace, Bangladesh will risk missing out on the global nutrition targets for 2025 as set by the World Health Organisation."

In order to meet those targets, the rate of reduction in the prevalence of stunting must be doubled from the current rate of 2.5 percent reduction per year, he said.

Malnourishment manifests itself in many different ways – for example, being underweight for one's age, too short for one's age (stunting), too thin for one's height (wasting), deficiency in vitamins and minerals (micronutrient deficiency), and also obesity and overnutrition.

Stunting is the primary manifestation of undernutrition caused by inadequate nourishment on one side and recurrent infections on the other in early childhood and even before birth, due to malnutrition during fetal development brought on by a malnourished mother.

Wasting (low weight for height) indicates in most cases a recent and severe process of weight loss, which is often associated with acute starvation and/or severe disease.

The problem of undernutrition is compounded by inappropriate child care and child feeding practices, said Osmani, who worked under the tutelage of Nobel laureate Amartya Sen at the World Institute for Development Economics Research, Helsinki, prior to joining Ulster University.

Nearly half of the newborns are not exclusively breastfed in the first six months of their life, and after six months, many of them do not receive complementary food in the right quantity, quality and frequency.

He emphasised the importance of taking special care of children in the first 1,000 days of life - from conception as a foetus to the age of two, since what happens to them on the nutritional front during this period has a profound impact on their subsequent physical and cognitive development.

"This is the period we need to focus on if we really want to make a difference in the nutrition scenario."

Osmani, who obtained his PhD from London School of Economics, observed that many safety net schemes are at work in Bangladesh but none of them directly targets the newborn.

He also emphasised the need for eating a more diversified diet.

Eating a large quantity of food does not by itself result in adequate nutrition, a balanced diet does, he said.

"It is a matter of concern that over the last two decades, there has been very little change in our excessive reliance on cereals – as much as 77 percent of our energy intake still comes from cereals. Diets need to be diversified, along with taking measures related to the wellbeing of women and children," concluded Osmani.

German industry posts steepest fall in five months in Sep

REUTERS, Berlin

Weak demand both at home and abroad drove an unexpected fall in German industrial orders in September, data showed on Monday, dampening hopes that factories will make a significant contribution to growth in the third quarter.

Contracts for goods 'Made in Germany' were down by 0.6 percent on the month, the sharpest fall since April, after increases in the previous two months. The reading was well below a Reuters consensus forecast for a rise of 0.3 percent.

The economy ministry said the orders figures for the whole third quarter, not just September, were still positive.

"The brightening of sentiment indicators points to a certain recovery of the industrial sector over the rest of the year," it added.

But analysts were less optimistic.

ING Bank said in a note to clients that the data reflected the reality of a sector that had been weak for almost three years, booking an average monthly growth of 0.1 percent over the first nine months of this year.

"The initial relief after the Brexit shock provided by two positive months with increasing new orders has now given room for realism," ING economist Carsten Brzeski wrote in the note. "German industry is still running low on fuel."

Indonesian growth slows in third quarter

AFP, Jakarta

Indonesia's economic growth slowed in the third quarter as government spending and exports fell, official data showed Monday, dimming hopes that Southeast Asia's top economy will hit its GDP target this year.

The economy expanded 5.02 percent year-on-year from July to September, slightly below forecasts and slower than a revised 5.19 percent in the second quarter, according to the statistics agency.

Government spending, which supported better-than-expected growth in the second quarter, slipped by three percent year-on-year while exports also fell heavily in the resource-rich economy.

Analysts forecast full-year growth in the G20 economy would likely come in below the government's target of 5.2 percent, as Indonesia extends a steady years-long slowdown driven by falling demand for its commodities exports, particularly from powerhouse China.

"While we think the worst is over for the economy, a strong and sustained rebound is unlikely," said Oliver Jones of Capital Economics.

HSBC warns of gloomy outlook in Britain, reports capital boost

REUTERS/FILE

An aircraft flies past the HSBC headquarters building in east London.

REUTERS, Hong Kong/London

HSBC Holdings warned of a dim outlook for its British business next year as slowing economic growth following the vote to leave the European Union hampers Chief Executive Stuart Gulliver's drive to boost revenues at Europe's biggest bank.

"UK retail banking profit will be challenging next year," Gulliver told Reuters on Monday, pointing to the Bank of England's economic growth estimates and forecast for sharply rising inflation.

Against a backdrop of shrinking profits, HSBC reported a sharp jump in its core capital ratio to 13.9 percent, as the key measure of financial strength was lifted by a change in the regulatory treatment of its investment in China's Bank of Communications.

The change in how Britain's Prudential Regulation Authority treats the investment eased analyst concerns about its ability to build capital buffers to maintain its dividend payouts and lifted HSBC's shares 4.4 percent by 0845 GMT.

The ratio jumped to 13.9 percent from 12.1 percent at the end of June and 11.9 percent at the close of last year.

"This change more accurately reflects the nature of our relationship as a minority shareholder in BoCom," Chief Financial Officer Iain Mackay told Reuters.

Bernstein analysts said the higher capital ratio should be enough to allow HSBC to maintain next year's dividend out of capital, even as earnings decline.

"For yield investors, who have been the source of support for valuation of this stock, this keeps the stock in the safety zone into the next 6-9 months," said the brokerage, which rates the stock as "underperform" due to its rich valuations.

HSBC posted an 86 percent fall in reported pretax profit to $843 million for the third quarter ended on Sept. 30, as it booked a $1.7 billion loss on the sale of its Brazilian unit, falling revenues from trade, and adverse foreign currency movements.

HSBC in August abandoned a timetable for reaching its 10 percent return on equity target, as slowing growth in its core home markets of Britain and Hong Kong hit revenues.

HSBC said in its earnings statement its $2.5 billion share buyback programme announced in August this year was now 59 percent complete and it expected to finish by the end of this year or early 2017.

Executives at British lenders last month privately cautioned ahead of reporting their earnings that economic conditions would probably get much tougher next year when Britain is due to formally start the process to leave the EU.

Gulliver said on Monday that the bank had seen limited impact on its British business so far other than a temporary drop in small business loan demand but warned of hard times ahead next year.

A seasonal decline in profits in the fourth quarter would likely combine with dividend and British bank tax payments to head off further boosts in capital in the near term, Mackay told Reuters.

"It's reasonable to assume that there's unlikely to be any particularly strong progress with respect to capital formation in the fourth quarter," Mackay said.

The third quarter results statement showed progress on Gulliver's plan to shrink HSBC and dispose of underperforming businesses.

The bank posted a further $57 billion worth of risk-weighted assets (RWA) savings in the third quarter, $40 billion of which came from the sale of its Brazil business, and is now more than 80 percent of the way to achieve its RWA reduction target.

May lays groundwork for post-Brexit India trade deal

AFP, New Delhi

British Prime Minister Theresa May said Britain would become the ultimate free trade champion as she laid the groundwork Monday for a potential post-Brexit deal with India, the world's fastest growing major economy.

In her first bilateral trip outside Europe since taking office in July, May said Britain would not "turn its back on the world" once it has left the EU but emphasised that new economic relationships had to benefit all sides.

May's visit is an attempt to get the ball rolling for a future trade deal between the two countries, although nothing can be signed until Britain actually leaves the European Union - most likely in 2019.

Accompanied by a delegation of around three dozen business leaders, May arrived in the smog-bound capital New Delhi late Sunday and will travel to the southern tech hub of Bangalore on Tuesday.

"On this visit alone more than one billion pounds of business deals will be signed. And there's much more we can do," May told reporters after meeting with Indian Prime Minister Narendra Modi.

"We have also agreed to establish structural talks at officials level to identify what more we can do now before Britain leaves the EU to remove barriers to trade and investment."

While the benefits of a deal to Britain are evident, sealing one will be no easy task in a country which has been negotiating with the EU as a whole on a free trade agreement for the best part of a decade.

REUTERS

Britain's Prime Minister Theresa May, *right*, and her Indian counterpart Narendra Modi arrive for a photo opportunity ahead of their meeting at Hyderabad House in New Delhi yesterday.

India still has a rigorous regime of tariffs and red tape which have traditionally made it one of the most complex places to do business, even if the potential market is huge.

Britain's need to cut deals quickly once it leaves the EU gives Modi's government added bargaining power.

The Hindustan Times wrote on Monday with Britain's looming departure from the EU, "the UK needs trade with India more than ever".

Despite their historical ties from the colonial era, bilateral trade is relatively low at $14 billion last year -- smaller than the volume of trade between India and Germany.

"India-UK ties are truly special. It is an enduring partnership, which is nurtured by our shared values, extensive people to people linkages," Modi said, speaking at a joint press conference with May.

But May offered little ground on relaxing visa rules for Indian nationals -- a key issue pushed by Delhi -- as she aims to keep a tight lid on the number of migrants entering Britain.

Anger at levels of immigration from both inside and outside Europe were seen as a crucial factor in the outcome of the June referendum when British voters opted to pull out of the EU.

But there is particular unhappiness in Delhi over visa restrictions on students wanting to stay on in Britain after completing university courses which have led to a 50 percent drop in Indians enrolling.

May announced two changes that will benefit Indian business travellers, while insisting that Britain's current policies already ensure that "the brightest and the best of India's students" continue to be welcomed.

Indians travelling on work visas will be allowed to join the "registered travellers scheme", which allows users to speed through immigration at some borders.

The Indian government will be able to nominate top executives for the "Great Club" -- a bespoke visa service for business travellers first launched in 2013.

May said rules could be relaxed further if Indians who overstay their visas could be returned home more quickly.

"The UK will consider further improvements to our visa offer if, at the same time, we can step up the speed and volume of returns of Indians with no right to remain," she said.

The governments also agreed a partnership to help India develop "smart cities", which are designed to be models of urban planning -- one of Modi's pet projects.

CEO of fast-growing Chinese firm admits to cash shortage

AFP, Beijing

The CEO of Chinese internet firm LeEco has told employees the company grew too quickly and is short of cash, according to a letter seen by Bloomberg News, weeks after it announced its US expansion.

Billionaire Jia Yueting said his 12-year-old video-streaming company, which recently bulldozed into sectors as wide-ranging as self-driving cars, sports, smart phones, film making, and TV-sets, had "over-extended" in its global strategy.

"We blindly sped ahead, and our cash demand ballooned," he said in the lengthy letter sent to workers Sunday, Bloomberg reported. "At the same time, our capital and resources were in fact limited."

The company would seek to cut costs and curb expansion in order to focus on its core businesses, he said, after having burned through 10 billion yuan ($1.5 billion) developing a car.

"Our fundraising ability isn't strong," he wrote.

The letter came weeks after the company announced plans to take on tech giants Apple and Google in the US market with its LePro 3 and Le S3 smart phones.

At the time he admitted that some had told him "LeEco is crazy to come to the backyard" of such companies.

The sprawling conglomerate's seven different businesses had one profitable entity, the video streaming service LeShi, Bloomberg said.

Shares in the LeShi subsidiary closed down 4.68 percent on the Shenzhen exchange Monday.

Jia said in a blog post last month before the US launch that while LeEco's disparate activities "may seem unrelated, but the synergy between and among them is the backbone of our business model."

He added that the company has "run into a few doubters along the way because we're doing something that has never been done before and something that isn't easy to do."