

Investment in health gives 10 times more return

A top official of Bill & Melinda Gates Foundation tells The Daily Star

SAJJADUR RAHMAN

BANGLADESH should increase its investment in social sectors such as health, education and nutrition to build a healthy population and enjoy demographic dividend, said a senior official of the Bill & Melinda Gates Foundation.

"Investment in health gives 10 times more return and that's a conservative number," Mark Suzman, chief strategy officer and president of the foundation's global policy and advocacy, told The Daily Star in an interview in Dhaka recently.

Ten was the lower number and the foundation-commissioned study says the return on health is between 10 and 17 times.

"That return takes place over 25 years. And if you look over the cycle of the economy, the benefits are indisputable," he said, adding that the higher allocation for education and health in fiscal 2019-20's budget was encouraging.

The foundation strongly believes the basic investment on health start before pregnancy, and Bangladesh still has a very extensive stunting problem.

"Stunting is extremely damaging to you because if you don't get full proper nutrition in the first two years of life and particularly in the first six months, your brain will never fully recover and develop into what it would have been otherwise."

"That's a huge tax on future generations and the future workforce. So, we believe it's critically important that those investments be prioritised now and then naturally the demographic dividend actually comes into being."

Set up in 2000, the Bill & Melinda Gates Foundation is a private foundation founded by the Microsoft founder and his wife and is the largest transparently operated private foundation in the world.

Based in Seattle, the foundation's total grant payments since inception was \$50 billion. Last year, the total direct grantee support was \$5 billion, up from \$4.7 billion a year earlier according to the charitable organisation's website.

Historically, it has focused on global health and health-related issues. It also focuses on



Mark Suzman

areas that could have catalytic effect on poverty, such as agricultural development, access to sanitation and financial inclusion.

It has been working extensively in Bangladesh for more than a decade. The areas include nutrition, agriculture research, health and financial inclusion.

"What we are doing are aligned with the priorities of the government."

Over the last 10 years, it has provided about \$250 million directly and another \$100 million indirectly to Bangladesh. It works through 60 to 70 partners.

It has been a long-term supporter of the International Centre for Diarrhoeal Disease Research, Bangladesh (ICDDR,B).

It has a partnership with the Bangladeshi Rice Research Institute (BRRI) to help it develop more robust hybrid rice seeds that are both more drought- and flood-resistant and are often with improved food fortification.

"The ICDDR,B and the BRRI are the

examples of models that we would love to be replicating in some other countries."

In Bangladesh, it also finances a lot of the big international agencies such as the Global Alliance for Food Security and the GAVI Alliance and the Global Fund to Fight HIV, TB and malaria.

It primarily provides grants as well as a combination of financial and technical support. "It is a two-way partnership; we learn a lot from what our partners here are doing, which often can be relevant for our work in other countries."

It has been partnering with Brac for well over a decade in multiple areas.

"We have been increasing our work steadily," said Suzman, who joined the foundation in 2007 as the director of global development policy, advocacy, and special initiatives.

In 2012, he was appointed president of global policy, advocacy and country programmes, and in 2016 he was given an

additional title: the foundation's first chief strategy officer.

Bangladesh has made impressive progress over the last decade in bringing down child and maternal mortality and overall poverty rates, said Suzman, a South African national.

The child mortality numbers are a big contributing factor and Bangladesh has an excellent track record in vaccine delivery.

"But even when you have progress like that, there's still more to be done."

The foundation is a big financial supporter of the GAVI, a global vaccine alliance through which Bangladesh procures most of the standard vaccines at a much lower price.

But Bangladesh's graduation into the lower middle-income bracket means it might lose the eligibility to the discounted GAVI rates.

"Bangladesh will now have to start paying a little bit more for vaccines because you're a wealthier country. It's a similar problem that a country like Vietnam is having right now."

During the visit, Suzman met with the principal coordinator of the government on Sustainable Development Goals and the planning minister to see how the foundation's interventions can contribute to areas such as health, agriculture and nutrition, where there

Bangladesh is one of the biggest victims of the changing climate and hosted the Global Commission on Adaptation meeting in Dhaka last month.

The purpose of the meeting was to determine how to help the adaptation process of countries like Bangladesh that actually contributed relatively little to climate change but are disproportionately affected by the results.

"And one of the discussions I was having with the foreign minister was how we can combine our voices and the voice of the government of Bangladesh at the upcoming UN General Assembly where there is going to be a big climate summit to focus on these kinds of issues, which we feel not enough attention has been paid to."

Unlike the Millennium Development Goals, the SDGs will have to be implemented by the respective countries.

For Bangladesh, it will need \$1 trillion to meet the goals, and the financing challenge is a very real one.

Financing should come from three sources: the government, the private sector and international aid agencies, donors and philanthropies like the Gates Foundation.

The biggest pool and the most important is the domestic resources of the country itself and how it is mobilised.

Bangladesh has made some improvements but by international comparisons, it still has a relatively low percentage of the GDP captured as a sort of tax and governmental revenue.

"You're not going to be successful if that doesn't increase significantly over the next decade."

The private sector can think about how it can contribute to achieving the SDGs through businesses directly and through corporate social responsibility indirectly.

Bangladesh has put in place an SDG tracker to measure the progress in real time and check accountability.

"That's exactly the kind of model we think other countries should be following," said Suzman, who holds a doctorate in international relations from Oxford University and earned his bachelor's degree from Harvard University.



is potential for improvement.

Bangladesh did very well and very badly in the World Bank's recent Human Capital Index, he said.

The country is one of the best performers in South and East Asia and performs better than India. It showed significant improvements in investment in education and health, the two main contributing factors to human capital.

On gender equity, he said there has been important progress but it is not as much as it should have been.

The Gates Foundation has also some activities in the area of climate change.

Tens of thousands losing jobs as India's auto crisis deepens

REUTERS, New Delhi

SLUMPING sales of cars and motorcycles are triggering massive job cuts in India's auto sector, with many companies forced to shut down factories for days and axe shifts, multiple sources said.

The cull has been so extensive that one senior industry source told Reuters that initial estimates suggest that automakers, parts manufacturers and dealers have laid off about 350,000 workers since April.

Within this previously unreported figure, car and motorcycle makers have laid off 15,000 and component manufacturers 100,000, with the remaining job losses at dealers, many of which have closed, the industry source said.

Reuters was able to identify at least five companies that have recently cut or plan to cut hundreds of jobs, mainly from their temporary labour force.

The downturn - regarded by industry executives as the worst suffered by the Indian auto industry - is posing a big challenge for Prime Minister Narendra Modi's government as it begins its second term at a time when India's jobless numbers are climbing.

To revive the sector, auto executives plan to demand tax cuts and easier access to financing for both dealers and consumers at a meeting with officials from India's finance ministry scheduled for Wednesday, the senior industry source said.

The industry's plight was highlighted by the Automotive Component Manufacturers Association of India (ACMA), with the trade body's director general, Vinnie Mehta, saying the sector was experiencing a "recessionary phase".

The malaise has been spreading across much of the industry, both in terms of vehicle type and components as well as geographically in India's manufacturing hubs.

For example, Japanese motorcycle maker Yamaha Motor and auto components makers including France's Valeo and Subros have laid off about 1,700 temporary workers in India after a slump in sales, sources told Reuters.

Subros, which is part-owned by Japan's Denso Corp and Suzuki Motor Corp, has laid off 800 workers. Indian parts maker Vee Gee Kaushiko has cut 500 people while Yamaha and Valeo last month reduced their workforces by 200 each, said several sources aware of the cuts.

Meanwhile, automotive supplier Wheels India could cut its temporary workforce by as much as 800 and has started realigning its shifts, two of the sources said.

The layoffs come as carmakers including Honda Motor Co, Tata Motors and Mahindra & Mahindra have implemented brief suspensions to production in recent weeks in the face of slow demand, separate sources said.

The auto sector, which contributes more than 7 percent of India's GDP, is facing one of its worst downturns.

Passenger vehicle sales have dropped for nine straight months through July, with some automakers suffering year-on-year declines of more than 30 percent in recent months.

Manpower is the only variable factor for companies and more workers will face the axe, said ACMA's Mehta.

Yamaha, Subros, Vee Gee Kaushiko and Wheels India did not respond to requests for comment.

China warns India of 'reverse sanctions' if Huawei is blocked

REUTERS, New Delhi

CHINA has told India not to block its Huawei Technologies from doing business in the country, warning there could be consequences for Indian firms operating in China, sources with knowledge of the matter said.

India is due to hold trials for installing a next-generation 5G cellular network in the next few months, but has not yet taken a call on whether it would invite the Chinese telecoms equipment maker to take part, telecoms minister Ravi Shankar Prasad has said.

Huawei, the world's biggest maker of such gear, is at the centre of a geopolitical tug-of-war between China and the United States. US President Donald Trump's administration put the company on a blacklist in May, citing national security concerns. It has asked its allies not to use Huawei equipment, which it says China could exploit for spying.

Two sources privy to internal discussions in New Delhi said India's ambassador in Beijing, Vikram Misri, was called to the Chinese foreign ministry on July 10 to hear China's concerns about the US campaign to keep Huawei out of 5G mobile infrastructure worldwide.

During the meeting, Chinese officials said there could be "reverse sanctions" on Indian firms engaged in business in China should India block Huawei because of pressure from Washington, one of the sources said, citing a readout of the ambassador's meeting.

In response to Reuters' questions, China's foreign ministry said Beijing hoped India would make an independent decision on 5G bidders.

"Huawei has carried out operations in India for a long time, and has made contributions to the development of Indian society and the



Attendees visit a Huawei exhibition stand during the Consumer Electronics Expo in Beijing on August 2.

economy that is clear to all," spokeswoman Hua Chunying said in a statement.

"On the issue of Chinese enterprises participating in the construction of India's 5G, we hope the Indian side makes an independent and objective decision, and provides a fair, just and non-discriminatory commercial environment for Chinese enterprises' investment and operations, to realize mutual benefit."

The Indian foreign ministry did not respond

to a request for comment.

Responding to the Reuters story, US Congressman Jim Banks, an Indiana Republican, slammed the Chinese Communist Party, saying in a tweet that it was "strong-arming" countries into "surveillance and espionage."

"China is now blackmailing India into using #Huawei for its 5G infrastructure - they know no bounds! The #CCP moves to strong-arming countries into exposing themselves to surveillance and espionage."



A worker adjusts the windscreen wipers of a parked car at a Maruti Suzuki stockyard on the outskirts of the western Indian city of Ahmedabad.

Trump dismisses fears of long-lasting trade war

REUTERS, Washington/Beijing/Shanghai

US President Donald Trump dismissed fears of a protracted trade war with China on Tuesday despite a warning from Beijing that labeling it a currency manipulator would have severe consequences for the global financial order.

Trump, who announced last week he would slap a 10 percent tariff on a further \$300 billion in Chinese imports starting on Sept. 1, tweeted that "massive amounts of money from China and other parts of the world" were pouring into the US economy.

He also pledged to stand with American farmers in the face of Chinese retaliation. China

has halted US agricultural purchases and raised the possibility of additional tariffs on US farm products.

US farmers, a key political constituency for Trump, have been among the hardest hit in the trade war. Shipments of soybeans, the most valuable US farm export, to top buyer China sank to a 16-year low in 2018.

While Trump played down the prospect that the trade dispute could be drawn out, St. Louis Federal Reserve Bank President James Bullard said the US central bank may be stuck with a volatile global trade environment for years.

"I think of trade regime uncertainty as simply being high in the current environment," Bullard

said at a National Economists Club luncheon. "I do not expect this uncertainty to dissipate in the quarters and years ahead."

The US Treasury Department said on Monday it had determined for the first time since 1994 that Beijing was manipulating its currency.

It acted after China decided to let the yuan fall below the key seven-per-dollar level for the first time in more than a decade, rattling financial markets and dimming hopes for an end to a trade war that has dragged into a second year.

US stocks strengthened on Tuesday afternoon, with the S&P ending up 1.3 percent a day after dropping 3 percent. The Nasdaq surged 1.4 percent.