Prawn farmers facing bleak future

Partha Chakrabortty, *Bagerhat*

Over the last couple of years, export earnings from shrimp, grown mainly in the southwest coastal districts for shipment to the developed economies, have been falling consistently in the face of competition from low-priced vannamei shrimp.

The declining shipment has sent not only processors and exporters into losses but also dented the dreams of tens of thousands of farmers, who bet on shrimp farming to make a fortune.

And the pandemic-induced demand slump has further increased the woes of growers.

"Prices of prawn have fallen drastically this year from that of a year ago," said Chinmoy Das, a shrimp trader in Kachua upazila under Bagerhat, one of the main shrimp producing districts in the southwest.

Farmers could large prawns at Tk 1,300 per kilogramme (roughly eight prawns) last year. Now they have to sell prawns of the same grade at Tk 600 per kg.

Prices of smaller sized prawns also dropped, creating worries among many farmers of losses.

"Both farmers and small traders like us are on the verge of losses," Chinmoy said.

Gopal Das, a farmer in the same upazila of the district, echoed the same.

Growing shrimp in three enclosures, he said current the prices of prawn were unlikely to bring any profit for them.

"We have to spend nearly Tk 350 to produce one kilogramme of prawn," said Gopal, adding that the cost excludes land rent and other expenses including his pay.

He said unfavourable weather affected the growth of prawns in his farms. Hence, most of the prawns have not grown big enough to help him get the highest prices prevailing in the market.

Gopal said most of the prawns were small in size and it would take 10-20 to make a kilogramme. The average price of prawns would be Tk 450 per kg, he said.

"This is going to be a loss," he said, adding that losses would total Tk 500,000 after meeting all his dues.

His peers, Litu Chakrabortty, Dipon Das from Kachua and Abhijit from another upazila of Fakirhat, are also suffering from low prices for their produce, a major source of their livelihood.

Dipon suffered losses of Tk 40,000 from his prawn farm this year.

This year, many shrimp farmers suffered losses owing to cyclone Amphan in May. Their woes increased as the pandemic devastated global demand.

Bangladesh fetched $550 million from shrimp exports in fiscal 2013-14 and exports have been falling consistently in the subsequent years owing to competition from the cheaper vannamei shrimp farmed mainly in China, southeast Asia, India and some Latin American regions.

Export earnings were $333 million in fiscal 2019-20, data from the Export Promotion Bureau showed.

And exports dropped 9 per cent year-on-year to $163 million in the July-November period from that of a year ago, increasing the woes of more than eight lakh farmers who grow shrimp on 2.72 lakh hectares of land for the EU and US markets.

Kazi Belayet Hossain, president of the Bangladesh Frozen Foods Exporters Association, said processors tried to continue exports even after accepting reduced prices resulting from a demand slump for coronavirus havoc.

And there been some demand for prawn in its main market in the UK owing to stimulus offered by the UK authority to support restaurants. The stimulus ended in September, he said.

"We got orders for until November. From the first week of December flow of new orders has been dry amid fresh lockdown owing to second wave of the coronavirus," he said.

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PARTHA CHAKRABORTTY

Competition from low-priced vannamei shrimp for the past couple of years, alongside the pandemic-induced demand slump and slow growth due to unfavourable weather, is consistently bringing down export of shrimp to developed economies. Big sized prawns which went for Tk 1,300 per kilogramme (comprising roughly eight prawns) last year are now fetching Tk 600.

US firms keen to participate in Ctg port expansion

Says Joanne Wagner, deputy chief of mission at the US embassy in Dhaka

Joanne Wagner

Staff Correspondent, *Chattogram*

Companies from the US are keen to participate in the ongoing development of the Chattogram port and improve the efficiency of its activities, said Joanne Wagner, deputy chief of mission at the US embassy in Dhaka.

The expansion of the Chattogram port has created a number of exciting opportunities for firms from the US to share their technology, expertise and ideas and help the country's most active port achieve the status it aims to reach, she said.

Wagner made these comments while leading a team of US representatives on a two-day visit to Chattogram, where they met the port's officials on Sunday afternoon.

"We are looking for opportunities that can benefit both the US and Bangladesh, ways that we can make something out of even these challenging times before us," she told The Daily Star.

There are a number of areas with potential for US investment in Bangladesh, particularly the tourism industry of Chattogram as well as the pharmaceutical, IT, light engineering and energy sectors.

Energy is a very promising sector and the US companies are very much involved in the planning for such projects.

With regard to Bangladesh's blue economy, which relates to the exploitation and preservation of the marine environment, Wagner said business agreements would soon be reached on how the US companies could support local aquaculture.

Around 10 years ago, a project called the Megaport Initiative was implemented at the Chattogram port with financing from the US to prevent the possible movement of dangerous cargo through the port.

But the Megaport Initiative was not just about Bangladesh since it was something that the US was very much concerned about and eager to implement.

This is because having dangerous goods in any port is a risk for the people who live and work there and also for the people where the goods are destined for, she added.

Wagner went on to say that a US company that provides container logistics support is keen to implement an overhead cargo movement project in the Chattogram port.

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NEWS *In Brief*

Companies may face 2pc fine for breaching EU cybersecurity rules

Reuters, *Brussels*

Large energy, transport and financial companies as well as digital providers and makers of medical and computer devices could be fined up to 2 per cent of their global turnover for breaching EU cybersecurity rules under a European Commission proposal.

Concerns about the cybersecurity of key assets have mounted in recent months, especially over cyber attacks by state actors and other malicious players.

U.S. federal agencies and thousands of companies are now investigating a sweeping hacking campaign that officials suspect was directed by the Russian government. The European Medical Agency was also targeted earlier this month.

With two in five EU employees working from home due to the COVID-19 pandemic and one in eight businesses hit by cyber attacks, the EU executive says its proposal is meant to bolster Europe's collective resilience against cyber threats.

November lockdowns frustrate Zara owner Inditex's recovery

Reuters, *Madrid*

Zara owner Inditex said many of its stores were closed or operating with restrictions as a fresh wave of COVID-19 lockdowns hindered the fashion giant's path to recovery.

The apparel sector, Europe's hardest-hit retail sector at the start of the pandemic, recovered slightly over the summer as lockdowns lifted and demand bounced back - but a return of restrictions has put sales of clothing back on shaky ground.

Spain's Inditex booked a 14 per cent drop in sales from August to October, a recovery from the 31 per cent fall in the previous quarter.

REUTERS/FILE

A customer, wearing a protective face mask, leaves a Zara shop in Monte Carlo during the coronavirus disease outbreak in Monaco.

GLOBAL BUSINESS

Asian countries, Switzerland at risk in US Treasury's currency report

Reuters, *Washington*

The US Treasury could label several countries currency manipulators before President Donald Trump leaves office, analysts say, as the coronavirus pandemic skews trade flows and widens US deficits with trading partners.

Currency experts say Vietnam, Thailand, Taiwan and Switzerland all risk being found in violation of the three US criteria for currency manipulation in the Treasury Department's long-delayed report on the foreign exchange practices of major trading partners. They expect the report within days.

While President-elect Joe Biden is expected to be less confrontational with US allies on matters of trade, a new White House could find it politically difficult to immediately walk back designations of currency manipulation by the current administration.

To be labeled a manipulator, countries must at least have a $20 billion-plus bilateral trade surplus with the United States, foreign currency intervention exceeding 2 per cent of GDP and a global current account surplus exceeding 2 per cent of GDP.

Brad Setser, a former US Treasury economist and senior fellow at the Council on Foreign Relations, has replicated data used by Treasury to analyze these criteria, constructing a quarterly tracker that shows Vietnam, Switzerland and Thailand exceeded the department's thresholds during the first and second quarters of

2020. Taiwan met all three thresholds in the second quarter, but barely missed on the foreign exchange intervention in the first quarter in the data compiled by Setser, who now serves on Biden's transition team for trade issues.

However, Treasury's actual data may differ and it has some discretion in applying the label, and mitigating circumstances such as the coronavirus pandemic may factor into its decisions.

Trade surpluses for Asian economies exporting personal protective equipment and other supplies needed to fight the pandemic have jumped, while capital has surged into safe haven currencies such as the Swiss franc, driving them higher.

The Swiss National Bank has spent 90 billion francs ($101 billion) to tame the franc's rise in the first half of 2020, putting it squarely in the Treasury's focus.

The Treasury has often treated Switzerland differently because it views Switzerland's intervention as not trade-driven, but that could change this time, said Mark Sobel, another former Treasury and International Monetary Fund official.

"If the Treasury is going to go after a few Asian countries and Switzerland trips all three criteria, how do you not go after them?" said Sobel, now with the Official Monetary and Financial Institutions Forum think-tank.

Vietnam's currency practices have been in the Trump administration's crosshairs for months, as the US Trade Representative's office investigates the undervaluation of the dong. Business groups are concerned the administration could make moves, such as punitive tariffs, on these soon.

The Treasury already declared Vietnam's currency undervalued by 4.7 per cent in 2019 in a Commerce Department anti-subsidy case, which led to punitive duties on Vietnamese light vehicle tire imports.

Taiwan, like Vietnam, has seen its trade surplus with the United States grow as companies moved supply chains from China to these countries in response to US tariffs on Chinese goods. Taiwan spent $3.9 billion buy US dollars in the first half of 2020, to tame a 5 per cent rise in the Taiwan dollar against the greenback, exceeding its 2019 purchases.

China, declared a manipulator in August 2019 at the height of US-China trade tensions, has been a fixture on Treasury's monitoring list for years due to its massive trade surplus with the United States.

Honda recalling 1.79m vehicles worldwide for safety issues

Reuters, *Washington*

Honda Motor Co said on Tuesday it was recalling 1.79 million vehicles worldwide in four separate campaigns, including some linked to reported fires.

The recalls cover 1.4 million vehicles in the United States.

The Japanese automaker said one recall covers 268,000 2002-2006 model year CR-V vehicles in the United States to replace power window master switches. Honda said there had been no reported injuries, but 16 fires reported related to the issue.

Honda conducted a prior recall of the power window master switches in 2012. The new recall is in response to moisture-related failures of switches repaired under the previous campaign.

Honda is also recalling about 735,000 US 2018-2020 Accord, Accord Hybrid and 2019-2020 Insight vehicles to update the Body Control Module software. A programming flaw could disrupt communication causing illumination of several warning lights and malfunction of electronic components, it said, including "the rear view camera display, turn signals and windshield wipers."

Honda is also issuing two recalls covering 430,000 U.S. vehicles in 22 U.S. states and the District of Columbia with significant road salt use to inspect and potentially replace front drive shafts. Both are in response to possible breakage of the drive shafts due to corrosion. No injuries have been reported in relation any of the recalls, the company said.

Honda said repair parts are not available for all vehicles involved in the drive shaft recalls. The recalls cover some 2012 Honda Civic Hybrid, 2007-2014 Honda Fit, 2013-2015 Acura ILX

2013 Acura ILX Hybrid and 2013-2015 Honda Accord vehicles. No crashes have been reported in the drive shaft or software recalls.