Tangail farmers enjoy bumper mustard yield, better prices

Whole families, including the youngsters, join in to take home bumper harvests of mustard in Tangail this year propelled by favourable weather conditions. Local markets are also offering farmers higher prices compared to that last year. The photo was taken at Birbasinda in Kalihati upazila last week.

MIRZA SHAKIL

Mirza Shakil, *Tangail*

Tangail is in for a bumper mustard yield this year due to favourable weather conditions. Farmers are also very happy being offered better prices in local markets.

They took on cultivating the cash crop just after facing devastating and prolonged floods. Support from the Department of Agricultural Extension (DAE) was at hand.

Farmers cultivated mustard alongside vegetables in the period between the harvest of Aman paddy and the planting of Boro.

DAE officials said farmers were more into cultivating mustard this year as floods had prevented many from growing Aman.

Nationally, farmers have sown mustard on 5.83 lakh hectares in the current marketing year ending in June, up 3 per cent from that the previous year, DAE data showed.

Though the acreage of mustard has declined over the past decade, the production of the oilseed soared thanks to the introduction of high-yielding varieties.

"Farmers are cultivating more high-yielding varieties of mustard in place of local varieties," said DAE Director General Md Asadullah.

Yields of improved mustard varieties can reach more than one tonne per hectare, whereas local varieties produce less than one tonne, he said.

Mustard production soared 27 per cent to 3.12 lakh tonnes in fiscal 2018-19, from 2.46 lakh tonnes in fiscal 2010-11, according to data from the Bangladesh Bureau of Statistics (BBS).

Tangail is one of the country's biggest zones for mustard cultivation, producing near about 50,000 tonnes a year.

Some 45,660 hectares of land were used: 24,445 hectares for the local variety and 21,215 hectares for hybrid ones.

In comparison, 41,700 hectares were used last year, meaning an increase of more than 4,000 hectares.

Farmer Nobiullah Mondol of Musduddi Uttorpara village in Dhanbari upazila cultivated BARI-14 and BARI-17 varieties on his three bighas of land.

He says mustard harvests come within just two months of sowing the seeds, and Boro paddy grows better on land from which mustard has just been harvested.

Mohammad Mahbubur Rahman, Dhanbari upazila agriculture officer, said this practice also reduced the cost for cultivating Boro paddy as farmers could make more profit having to use less fertiliser.

Necessary seeds and fertiliser were provided as incentives to 160 local farmers, while advice provided to all over the right use of fertiliser and pesticide, he said.

Farmers said production cost per bigha amounted to around Tk 3,000 to Tk 3,500, and a good yield equals about six to seven maunds.

Farmer Mortuz Ali of Jadavpur village in Sakhipur upazila cultivated eight bighas and got around 50 maunds.

"I have spent Tk 3,500, including for seeds, fertiliser and ploughing, behind each bigha. I hope to make a profit of Tk 6,000 to Tk 7,000 from each bigha," he said.

Selling his mustard at Nakshala market in Sakhipur, farmer Abu Sayeed said to have secured better prices.

"I am happy to get Tk 1,700 and Tk 1,800 per maund, which was Tk 1,400 to Tk 1,600 last year," he said.

Mustard trader Abdul Mannan said higher prices were prevailing, and he was offering Tk 1,700 to Tk 2,000 for each maund.

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Global container shipping rates are high, but unsustainable: Fitch

Star Business Desk

Global container shipping companies' performance will be strong in 2021 after a profitable 2020, according to credit rating agency Fitch Ratings.

Spot freight rates will remain high in the short term, which will flow through to contracted rates for 2021.

"However, we consider the current rates unsustainable in the medium term, as the sector is susceptible to rate volatility and risks of weak economic recovery and trade protectionism, requiring constant prudent capacity management," Fitch said on its website.

A combination of rebounding demand for goods in the second half of 2020, supply chain disruptions - such as container box shortages and port congestion - and more strategic capacity management drove container freight rates up, especially on the routes from China to Europe and the US.

Shipping one 40-foot container from China to Europe or the US West Coast now costs over $8,000 and $4,000, respectively, from well below $2,000 a year ago, according to Freightos Baltic Index.

Trade volume recovery was fuelled by a change in consumer spending habits during the pandemic - ordering more manufactured goods while saving by spending less on services, such as leisure and restaurants. It was further supported by inventory re-stocking by businesses that faced acute supply chain disruptions and increased demand for personal protective equipment.

Total volumes shipped from Asia to North America exceeded 2019 levels by over 7 per cent in 2020, according to Container Trade Statistics. A decline in volumes on the Asia-Europe route by about 5 per cent in 2020 indicates growth potential in 2021 as demand recovers.

Container box shortages and port congestion due to pandemic-related operational disruptions have extended container ships' turnaround times, further increasing freight rates. A usually quiet period during the Chinese New Year could have eased some congestion, but demand remained strong as China maintained its production levels.

The ongoing virus outbreaks in many regions and mobility restrictions are likely to keep freight rates abnormally high in the short term.

These higher-than-usual spot rates will translate into higher contract freight rates in the ongoing spring contracting season.

"However, we view rate volatility as an inherent sector risk, and we expect rates to reduce once supply disruptions related to the pandemic are addressed," Fitch said.

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REUTERS/FILE

Cargo ships sail in Hong Kong, China.

GLOBAL BUSINESS

India exits recession with 0.4pc quarterly growth

Afp, *New Delhi*

India's economy grew 0.4 per cent year-on-year in the final quarter of 2020, official data showed Friday, ending its first recession since independence as easing coronavirus restrictions sparked a modest recovery.

The country has struggled to claw back lost ground after a stringent, months-long lockdown caused the labour market to collapse and the economy to contract by nearly a quarter between April and June.

India entered a "technical recession" last year for the first time since gaining independence in 1947 after registering two successive quarters of contraction. The government now estimates annual GDP will fall eight percent in 2020-21.The latest figures, which fell shy of the expectations of a Bloomberg survey of economists pegging growth at 0.5 percent, will nonetheless bring some cheer to Prime Minister Narendra Modi's beleaguered government.

Key sectors such as construction and manufacturing showed an improvement compared to the same quarter last year, Friday's data revealed. And in January, car sales in the bellwether automobile sector increased by more than 11 percent compared to a year earlier, according to industry figures. Restrictions have been relaxed as coronavirus infections have slowed in the country of 1.3 billion in recent weeks, allowing economic activity to resume.

But the government still faces the tough task of creating enough jobs for India's overwhelmingly young population, as millions of migrant workers make their way back to cities, reversing a massive exodus sparked by the lockdown./- 'Not out of the woods' -/ "We can't say we are completely out of the woods," Mumbai-based economist Ashutosh Datar told AFP. "The real test would be what happens next financial year. Today's number is not a major surprise. "The government has forecast economic growth of 11 percent in the 2021-22 financial year, in line with the International Monetary Fund's prediction of 11.5 per cent.

But experts have warned that India, whose tally of 11.1 million infections is second only to the United States, could experience another wave and be hit by new variants of the virus, as has happened in Brazil, Britain and South Africa.

India's economy was in the throes of a prolonged slowdown even before the pandemic, and the hit to global activity from the virus and one of the world's strictest lockdowns combined to deal the country a severe blow.

"The real question is if a second Covid wave happens, what will be the reaction? If it is a national lockdown like we had last March, then the effects will be just as negative," Pronab Sen, India's former chief statistician, told AFP.

Authorities have so far imposed limited restrictions, attempting to strike a balance between keeping the economy going and targeting outbreaks in the hardest-hit regions of the country. The financial and film capital of Mumbai ordered fresh pandemic curbs on Monday, banning religious gatherings and political rallies after infections spiked to levels last seen in October.

The finance ministry said the country's economic recovery was well underway, but warned that "India is not yet out of the danger of the pandemic". "Social distancing continues to be the most effective tool to combat the pandemic as activity levels continue to rise in the economy," the ministry said in a statement.

New Delhi is hoping that the economy will get a further boost from a massive vaccination drive that kicked off last month, with 12.2 million shots administered so far to health workers and other frontline staff.

But the vaccine programme is already behind schedule. India plans to inoculate 300 million people by July, but at the current rate, it will take several years. India will begin to vaccinate people over 60 and those over 45 with multiple medical conditions starting Monday.

A craftsman makes stool chairs along the roadside on the outskirts of Amritsar yesterday.

REUTERS

How idled car factories super-charged a push for US chip subsidies

Reuters

When President Joe Biden on Wednesday stood at a lectern holding a microchip and pledged to support $37 billion in federal subsidies for American semiconductor manufacturing, it marked a political breakthrough that happened much more quickly than industry insiders had expected.

For years, chip industry executives and US government officials have been concerned about the slow drift of costly chip factories to Taiwan and Korea. While major American companies such as Qualcomm Inc and Nvidia Corp dominate their fields, they depend on factories abroad to build the chips they design.

As tensions with China heated up last year, US lawmakers authorized manufacturing subsidies as part of an annual military spending bill due to concerns that depending on foreign factories for advanced chips posed national security risks. Yet funding for the subsidies was not guaranteed.

Then came the auto-chip crunch. Ford Motor Co said a lack of chips could slash a fifth of its first-quarter production and General Motors Co cut output across North America.

"It brings home very clearly the message that the semiconductor is really a critical component in a lot of the end products we take for granted," said Mike Rosa, head of strategic and technical marketing for a group within semiconductor manufacturing toolmaker Applied Materials Inc that sells tools to automotive chip factories.

Within weeks, automakers joined chip companies calling for chip factory subsidies, and US Senate Majority Leader Chuck Schumer and President Biden both pledged to fight for funding.

Industry backers now aim to be part of a package of legislation to counter China that Schumer hopes to bring to the Senate floor this spring. Still, all agree it will do little to solve the immediate auto-chip problem.

Headlines about idled car plants resonated with the public that had shrugged off abstract warnings in the past, said Jim Lewis, a senior fellow at the Center for Strategic and International Studies. Lawmakers, already worried that a promised infrastructure bill will not materialize this year, decided to push for quick solution.

"Nobody wants to be seen as soft on China. No one wants to tell the Ford workers in their district, 'Sorry, can't help,'" Lewis said. "It was one of those moments where everything aligned."

The package includes matching funds for state and local chip-plant subsidies, a provision likely to heat up competition among states including Texas and Arizona to host big new chip plants that can cost as much as $20 billion.

The subsidies could benefit a factory in Arizona proposed by Taiwan Semiconductor Manufacturing Co and one in Texas eyed by Samsung Electronics Co Ltd, even though those factories would be geared toward high-end chips for smartphones and laptops, rather than simpler auto chips.

Sri Lanka seeks $2.2b from China as reserves shrink

Afp, *Colombo*

Sri Lanka is seeking $2.2 billion from Chinese banks, the government said Thursday, in echoes of a borrowing binge more than a decade ago that resulted in the country having to give up a strategic port to China.

Money and capital markets minister Nivard Cabraal said the government was hopeful of finalising a $1.5-billion swap facility with China's central bank.

"Within the next two weeks we should be able to finalise it," Cabraal told reporters in Colombo while maintaining that the funds would be used as a "buffer" to meet the government's foreign currency needs.

Official figures show Sri Lanka's foreign reserves plummeted to $4.8 billion at the end of January, the lowest since September 2009 when they fell to $4.2 billion.

Officials said Sri Lanka was also in talks with China Development Bank for a $700-million loan that would include the equivalent of $200 million being drawn in Chinese currency.

Under former president Mahinda Rajapaksa between 2005-15, Colombo borrowed billions from China, accumulating a mountain of debt for expensive infrastructure projects.

This sparked Western and Indian concerns that the strategically located Indian Ocean nation was falling victim to a Chinese debt trap.

Mahinda Rajapaksa returned to power as prime minister in 2019 after his brother Gotabaya Rajapaksa as elected president.

Sri Lanka was forced to hand over its strategic Hambantota port on a 99-year lease to a Chinese company in 2017 after Colombo said it was unable to service the $1.4-billion debt from Beijing used to build it. Three top international rating agencies downgraded Sri Lanka's creditworthiness late last year after raising doubts over Colombo's ability to service its foreign debt.

The South Asian nation's economy is reeling from the twin impacts of the deadly 2019 Easter bombings that killed 279 and devastated the tourism sector as well as the fallout from the pandemic. Cabraal insisted Thursday that Sri Lanka would maintain its record of repaying debt on time and said the credit downgrades by international agencies were "unwarranted."

He said Sri Lanka had already repaid $500 million this year out of its $3.7 billion debt servicing commitment for calendar 2021.

He said the government imposed a ban on luxury imports and several other commodities in a bid to conserve foreign exchange so that the country could have sufficient foreign currency to repay its debt.

Sri Lanka's economy contracted by a record 3.9 percent last year.

However, Cabraal said economic activity was picking up and the country estimated foreign inflows of $32 billion against outflows of $27.6 billion this year leaving a surplus of $4.4 billion.