

Watermelon farmers, traders fear massive losses

Sales fall as new Covid restrictions keep customers at bay



Sales of watermelons in retail markets have fallen significantly in Patuakhali, as many consumers have stopped going out because of the sharp increase in the number of virus caseloads. PHOTO: SOHRAB HOSSAIN

DISTRICTS IN FOCUS

SOHRAB HOSSAIN and SUSHANTA GHOSH

Despite a bumper yield of watermelon in Barishal division, the top producer of the popular summer fruit, farmers and traders fear massive losses because of the new containment measures aimed at curbing the rise in coronavirus infections.

The sales of watermelons in the retail market have fallen significantly in Patuakhali, a district in the southern division which accounts for a third of the national output of the fruit, as many consumers have stopped going out because of the sharp increase in the number of virus caseloads and deaths from the disease.

The presence of consumers was found to be thin during visits to New Market, Puran Bazar and Hetalia Bandhghat Bazar in Patuakhali town.

Uttam Kumar, a watermelon trader in New Market, said the number of buyers had come down due to the restrictions.

"Before the latest restriction, I could sell 100 to 150 pieces of watermelons a day. Now, I can't sell more than 50 watermelons."

Abul Hossain, a trader in Hetalia Bazar, said many people did not want to leave their homes due to the restriction.

"Moreover, there is no buyer for watermelons as many have lost jobs, and the incomes of many people have dropped because of the persisting pandemic. This has reduced the demand for watermelon as well as the price."

Before the latest restriction, watermelon was sold at Tk 30 to 35 per kg. The price has now declined to Tk 15 to 20 per kg.

Watermelon was planted on 38,824 hectares of land across the country this year with a production target of 19.25 lakh tonnes.

Watermelon is cultivated in all of the six districts in Barishal, with Patuakhali being the top producer. Barishal division churns out 70 per cent of total watermelons of the country.

In the Barishal division, watermelons were planted in 24,688

hectares of land. The production target has been set at 12.24 lakh tonnes, according to an official of the Department of Agricultural Extension (DAE).

In Patuakhali, the fruit was cultivated on 14,822 hectares of land with a production target of 7.43 lakh tonnes, said Md Aftab Uddin, additional director of the DAE in Barishal.

The DAE estimates that the market value of watermelons will exceed Tk 1,000 crore.

AKM Mohiuddin, deputy director of the DAE in Patuakhali, said watermelon production had improved this year due to favourable weather.

"Watermelon yield is good in the loamy soils in the region. In addition, the colour of watermelon is bright. The watermelon produced in the region is delicious."

Kartik Dutta, president of the Barishal Fruit Traders' Association, said despite the bumper crop this time, there was a possibility of not getting the expected price due to the movement restriction.

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LEADERS SUMMIT ON CLIMATE

John Kerry's short visit to leave long-term effects



KHONDAKER GOLAM MOAZZEM

John Kerry, the special presidential envoy for climate of the United States, is coming to Dhaka tomorrow. Though his visit will be of short duration, it has long and important implications for Bangladesh's effort to address the climate vulnerabilities and seek support for sustainable solutions at global levels.

As the president of the Climate Vulnerable Forum (CVF), Bangladesh has been raising its voice for energy transition, net-zero carbon emissions by 2050, climate justice and climate-related adaptation and mitigation on different global platforms.

In continuation of this, the prime minister of Bangladesh has been invited to the Leaders Summit to be held on April 22-23, 2021. The Summit will be hosted by the president of the United States, and Kerry's visit is in connection with the event.

There are six issues the government should take into account to engage with the US-led initiatives on the climate crisis closely.

Issue 1: Bangladesh needs to raise its climate ambition and revise its interim NDC targets on reduction of GHG emissions

Bangladesh has submitted (interim) Nationally Determined Contributions (NDCs) 2020 to the United Nations Framework Convention on Climate Change (UNFCCC) in December 2020. Likewise in the first NDC (2017), it has reiterated its commitment to reduce GHG emission below 5 per cent level of the business as usual (BAU) emission by 2030 in three critically important sectors such as power, transport and industry, and would reduce 15 per cent below the BAU emission contingent to necessary international funding and technological support.

Given the urgency against climatic vulnerabilities, Bangladesh needs to raise its ambition level to reduce GHG emissions (for example, 30 per cent below the BAU emission) and make a substantive effort to reach that ambition level.

Issue 2: Bangladesh needs to demonstrate its policy implementation



OPINION

capacities and visible progress in attaining policy commitments through effective actions

Lack of proper implementation of development policies is a major institutional weakness of the government. This is reflected in a different medium to long term policy documents. For example, the Power and Energy System Master Plan (PSEMP) 2016, which is operational now, almost failed to ensure increasing the share of the renewable energy (RE) in power generation as per target (only 0.07 per cent against the target of 10 per cent in FY2020).

The National Priority Targets

renewable energy and climate resilience initiatives. The government could take the opportunity to align its national and international commitments along with major global initiatives.

Issue 3: Over-reliance on fossil fuel in power generation is seriously hampering a fuel mix transitioning towards clean energy

The energy mix in power generation in Bangladesh is overwhelmingly fossil fuel-based: an aggregate of 89 per cent of total electricity generation capacity is dependent on fossil fuel. According to the PSEMP 2016, the projected power generation by 2041 would be 60,000 MW, where the share of different fossil



REUTERS/FILE

US Special Presidential Envoy for Climate John Kerry attends a joint news conference with French Economy and Finance Minister Bruno Le Maire (not seen) after a meeting at the Bercy Finance Ministry in Paris on March 10.

(NPT) under the SDGs set 'NPT 20' to increase renewable energy share in the total final energy consumption to 10 per cent by 2030. Unless a significant change is undertaken in the generation, transmission and distribution plan, the target would hardly be reached.

Being the chair of the CVF for 2019-2021, the Mujib Climate Prosperity Plan up to 2030 is being prepared for the CVF, which will develop a strategic framework to mobilise financing, especially through international cooperation for implementing

fuels would be: natural gas/LNG (35 per cent), coal (35 per cent) and oil (5 per cent). Only 3 per cent of total generation were kept for renewable energy-based power generation.

The Centre for Policy Dialogue (CPD) projected that a positive decision of the government towards renewable energy-based power generation at the abandoned sites of coal-fired power plants would help raise the share of renewable energy to 10.6 per cent by 2041, from less than 3 per cent in FY2020.

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GLOBAL BUSINESS

Rupee loses 1.5pc in biggest single-day fall for 20 months

REUTERS, Mumbai

The Indian rupee lost 1.5 per cent on Wednesday, suffering its biggest single-day fall in 20 months as the central bank mapped out plans for a massive government bond buying programme.

The partly convertible currency ended at 74.55 per dollar versus its previous close of 74.43, having earlier touched 74.5550, its weakest since Nov. 17.

The Reserve Bank of India (RBI) kept interest rates at record lows on Wednesday but its commitment to government bond purchases raised prospects of plenty of rupee liquidity, and potential inflation, both of which undermined sentiment toward the currency.

"The forex market wasn't expecting such a dovish stance," said Rahul Gupta, head of currency research at Emkay Global Financial Services, who said he now expected the exchange rate to trade between 73.50-74.50 rupees per dollar. During the RBI's post-policy news conference, Governor Shaktikanta Das said all options were available for it to address exchange rate volatility.

"With regards to forex (intervention), all options are on the table. We will use the various options depending on how the situations unfold," Das said.

The central bank however was absent from the market on Wednesday, which traders said was likely due to the relative outperformance of the rupee in recent months.

They said they expected the RBI to intervene if the rupee's moves were excessive and not in line with fundamentals.

Almost all other Asian currencies gained, tracking US bond yields which continued to retreat, easing pressure on regional assets.

"The RBI policy was actually good overall as there were no negative surprises. But there is a lot of carry trade which got unwound causing the massive fall in the rupee," the head of forex trading at a private bank said.



A cashier checks Indian rupee notes inside a room at a fuel station in Ahmedabad, India. REUTERS/FILE

AFP, Washington

Proposed by the United States, supported by the IMF and welcomed by major economies including France and Germany, a global minimum tax rate on corporations is gathering momentum toward becoming a reality.

The reform aimed at ending tax competition between countries and the use of tax havens by companies will be on the agenda of G20 finance ministers when they meet virtually on Wednesday, and the group could unveil a proposal by July.

The idea has been promoted by the Organization for Economic Co-operation and Development but received a fresh boost this week when US Treasury Secretary Janet Yellen said she would push for an agreement among the advanced economies in the G20. "Together, we can use a global minimum tax to make sure the global economy thrives based on a more level playing field in the taxation of multinational corporations," Yellen said on Monday.

The idea is to ensure companies pay a minimum amount of tax regardless of where they are located, preventing firms from evading taxes by establishing headquarters in countries with lower rates -- a practice prevalent among tech companies which drains resources from government coffers.

The United States lowered its corporate tax rate in 2017 under former president Donald Trump. But President Joe Biden last week proposed raising the rate again to finance a massive \$2 trillion infrastructure and jobs plan.

However, Yellen has said it would be best to couple a US rate increase with the establishment of a global minimum tax to end the "race to the bottom" among countries to see who implements the lowest rate.

Washington's allies welcomed the US push, with French Finance

Global minimum tax for corporations inches towards reality



REUTERS/FILE

US President Joe Biden meets with Treasury Secretary Janet Yellen in the Oval Office at the White House in Washington, US.

Minister Bruno Le Maire telling AFP "a global agreement on international taxation is now within reach" and called on countries to "seize this historic opportunity." German Finance Minister Olaf Scholz called Yellen's announcement a "great step forward" in the battle to stem the erosion of government revenues. "The support of the USA gives this initiative a strong tailwind," Scholz said, adding he hoped a deal could be reached this year. The European Commission expressed a similar sentiment, with spokesman Daniel Ferrie saying the bloc called on "all global partners to remain engaged in these discussions and to continue the work without delay."

The IMF joined in on Tuesday, with the fund's chief economist Gita Gopinath saying "We are very much in favor of a global minimum corporate tax." Speaking at the start of the spring meetings of the IMF and World Bank, she underscored the "large amount" of tax avoidance and "countries sending money to tax havens." "That's reducing the

tax base on which governments can collect revenues and do the necessary social and economic spending that's required. "The international reform would be comprised of two components: the minimum tax rate and the establishment of a system to modulate corporate taxes based on profits in each country, regardless of where they are headquartered -- which would likely impact tech giants the most."

Biden singled out the US technology and e-commerce giant Amazon last week for avoiding federal income taxes as he proposed to boost the US corporate tax rate to 28 per cent.

Chief executive Jeff Bezos said Tuesday that the company supports the proposal as part of a "balanced solution that maintains or enhances US competitiveness" and one that makes "bold investments in American infrastructure." "No official global minimum tax rate on corporations has been decided, but estimates range between 12.5 per cent and 21 per cent."

NEWS In Brief

Cambodia starts vaccinating textile factory workers

AFP, Phnom Penh

Cambodia started on Wednesday to vaccinate workers in its textile industry, concentrating on the \$7 billion backbone of its economy to help jump-start a post-pandemic recovery.

Cambodia still has one of the world's smallest coronavirus caseloads, but an outbreak that started in late February has led to its first 22 COVID-19 deaths and a five-fold increase in total cases to 2,915.

As its vaccination campaign ramps up, focus has been placed on the textile sector, which employs about 850,000 workers, mostly women, and makes up 16 per cent of the Cambodian economy. Labour Ministry spokesman Heng Sour, who was observing the inoculation of workers at an industrial park in Phnom Penh, said the government aimed to increase the pace of vaccinations to 1,000 to 1,200 a day at each injection centre.

Samsung Electronics, LG forecast 40pc leaps in Q1 operating profits

AFP Seoul

South Korea's two biggest electronics firms both forecast jumps of around 40 per cent in their first-quarter operating profits Wednesday, with coronavirus-driven working from home fuelling global demand for semiconductors and home appliances. Tech behemoth Samsung Electronics said in an earnings estimate that it expected operating profit of 9.3 trillion won (\$8.3 billion) for January to March, up 44.2 per cent from a year earlier, largely driven by robust sales of smartphones and the launch of its flagship Galaxy S21 series.

Meanwhile, LG Electronics, South Korea's second-largest appliance firm after Samsung, forecast a 39.2 per cent jump in operating profit for the same period, to 1.5 trillion won. "Both quarterly revenue and operating profit are the highest in the company's history," it said in a statement.



A woman wearing a protective mask walks past a Samsung store in central Kyiv, Ukraine. REUTERS/FILE