

Litchi season to be fleeting this year

Farmers and traders cite production shortfalls



KONGKON KARMAKER

Litchies from Dinajpur, the largest growing district, are high in demand for their unique flavour, size and colour.

DISTRICTS IN FOCUS

KONGKON KARMAKER, Dinajpur

The litchi season may end earlier than usual this year as unfavourable weather conditions led to lower production of the sugary tropical fruit, according to industry insiders.

The season is usually 45 days long but it might not last for even a month this year as production was nowhere near the expected level, said traders and plantation owners in Dinajpur.

Litchi is grown across all 64 districts of the country but just 26 of them are engaged in commercial production.

The litchies from Dinajpur, the largest growing district, are high in demand for its

unique flavour, size and colour.

Litchi arrived in the markets halfway through May this year even though the harvests usually begin at the end of May or early June every year.

"We started plucking early this year as it ripened early," said Moslem Uddin, a litchi grower of Dhukurjhari village under Biral upazila of Dinajpur.

Litchis from surrounding upazilas hit a seasonal market in Dinajpur town about a week ago, said local traders.

During a visit to the temporary market, which is the largest wholesale market in Dinajpur town, this correspondent found traders passing busy times. Traders from other districts also source litchi from the market.

Several varieties of the fruit are produced in Dinajpur, including Madrazi, Bombai, Bedana, Kathali and China 1, 2 and 3. Of them, the Madrazi variety has already flooded the markets

while Bedana is available on a small scale.

The Bombai and China 1, 2 and 3 varieties will arrive in a couple of weeks, they added.

A 100-piece bunch of Madrazi litchi is being sold for Tk 200 to Tk 280 depending on the quality and size while Bedana is available between Tk 500 and Tk 700.

Considering the low supply amid high demand, traders say prices may rise.

Mozahar Ali, a farmer of Paikpara village under Dinajpur Sadar upazila, said he brought his litchis to the local wholesale market for sale on Monday.

"Price is good but the production was frustrating against expectations," he added.

Ali went on to say that litchi production has dropped by around 70 per cent as he grew the fruit on just 10 trees this year compared to 60 trees in 2020.

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MAMUN RASHID



OPINION

0.06 per cent to \$28.27 billion in the nine-month period from \$28.25 billion in the same period of the previous fiscal year.

The exports and imports have been declining noticeably since last year. However, the economy started to recover from the lacklustre situation created by the deadly virus since December, which possibly has been reflected in the import growth.

However, a lot of things depend on how deep the onslaught of the second wave on our external trade is. If we cannot control the infection rate of Covid-19, it is likely to be a big concern for the future of the country's trade and economy.

It has been mostly construed that the foreign investors would not be comfortable with investing if Bangladesh fails to manage the ongoing coronavirus situation.

The current account surplus stood at \$125 million, which was a \$2.65 billion deficit in the same period in the last fiscal year. The surplus number was \$1.36 billion just a month ago.

Net foreign direct investment (FDI) dropped 7.96 per cent during the period.

Bangladesh received \$948 million net FDI in the first nine months of the outgoing fiscal year, down from \$1.03 billion a year earlier, central bank data showed.

A trade deficit may not be too bad even amidst the coronavirus challenges if you have a healthy foreign exchange reserve, strong remittance inflow, foreign direct investment, and aid flow. More importantly, when capital machinery or industrial raw materials import is the cause of this possible trade deficit.

Bangladesh's trade deficit widened by 20.02 per cent in the first nine months of the current fiscal year as import payments rose. But export earnings stagnated, which is often being shown as the sluggish economy by the conventional school of thought in economics.

The deficit stood at \$14.49 billion during the July-March period of the 2021 fiscal year, up by \$12.07 billion from the same period a year ago.

Bangladesh Bank data showed imports rose by 6.04 per cent to \$42.76 billion in the July-March period, from \$40.33 billion in the same period last fiscal year.

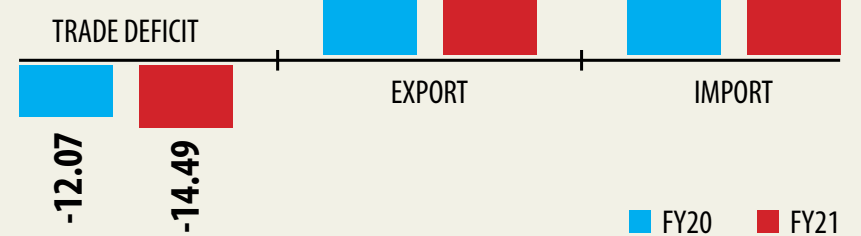
On the other hand, exports rose by only

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BALANCE OF PAYMENTS

Jul-Mar, In billions of \$;

SOURCE: BB



GLOBAL BUSINESS

US Treasury sees G7 backing for 15pc-plus global minimum tax

REUTERS, Washington

US Treasury Deputy Secretary Wally Adeyemo said he expects strong backing from G7 peers for Washington's proposed 15 per cent-plus global minimum corporate tax, which should help solidify support in the US Congress for domestic corporate tax legislation.

"My sense is that you're going to see a lot of unified support amongst the G7 moving forward," Adeyemo told Reuters on Monday after France, Germany, Italy and Japan made positive comments about the Treasury's proposal.

That support may be voiced at an in-person meeting of G7 finance ministers in London on June 4-5, Adeyemo said.

Optimism about a long-sought comprehensive deal for how to tax the largest multinationals and digital services companies has increased since the Treasury last week said it would accept a global minimum tax rate of 15 per cent or higher.

The rate is well below the Biden administration's proposed 21 per cent minimum rate for US companies' overseas income and its 28 per cent proposed domestic corporate tax rate.



REUTERS

Attendees take part in G7 foreign ministers' meeting in London, Britain on May 5.

The Financial Times on Thursday reported that G7 countries are close to agreement on the corporate taxation of multinational firms.

While the talks are taking place among nearly 140 countries through the Organization for Economic Cooperation

and Development (OECD), G7 countries -- the United States, Japan, Germany, Britain, France, Italy and Canada -- have a strong influence over multilateral decisions.

The reaction from G7 chair Britain, which currently has a 19 per cent corporate tax rate, has been more guarded. Asked if

Britain would support Washington's 15 per cent minimum proposal, Prime Minister Boris Johnson shifted the focus to taxation of large tech companies such as such as Alphabet Inc and Facebook Inc.

"Reaching an international agreement on how large digital companies are taxed is a priority, and we welcome the US's renewed commitment to reaching a solution," Johnson said. The US global minimum tax proposal is expected to be a key topic of discussion at a preliminary virtual G7 finance leaders meeting on Friday.

DOMESTIC TAX LINKAGE

Adeyemo, who is involved in the OECD tax talks, said he expects a broad international commitment of 15 per cent or more to build support in Congress for a US corporate tax increase by narrowing the gap between US and overseas rates.

In 2017, the Trump administration and Republicans in Congress cut the US corporate tax rate to 21 per cent and instituted a minimum tax rate on overseas income from intangible sources of 10.5 per cent. Business groups including the US Chamber of Commerce have opposed any increases in US tax rates, arguing they would put US firms at a disadvantage.

NEWS

In Brief

UK regulator looking into \$39b AstraZeneca-Alexion deal

REUTERS

Britain's competition regulator is reviewing AstraZeneca's \$39 billion buyout of US-based Alexion on concerns it could reduce competition in the UK market or elsewhere.

The UK's Competition and Markets Authority (CMA) said on Tuesday it was inviting comments from any interested party on the deal to help its assessment, setting a deadline of June 3 for any submissions.

Anglo-Swedish drugmaker AstraZeneca, also a major Covid-19 vaccine producer, agreed to buy Alexion in December in its largest ever deal in a bet on rare-disease and immunology drugs and to diversify away from its fast-growing cancer business.

Cambridge, UK-based AstraZeneca's shareholders approved the proposal at a general meeting earlier this month.

The United States has cleared the deal, as have other countries including Canada, Brazil and Russia.

"The commencement of the UK CMA's formal review is another important step towards closing of the proposed acquisition, which we continue to expect will be in the third quarter of 2021," a representative for AstraZeneca said.



REUTERS

Test tubes are seen in front of a displayed AstraZeneca logo in this illustration taken on May 21.

India plans Covid-19 economic stimulus package

REUTERS

India is preparing an economic stimulus package for the sectors worst affected by Covid-19, Bloomberg reported on Tuesday, citing people familiar with the matter.

The finance ministry is working on proposals to bolster the tourism, aviation and hospitality industries, along with small and medium-sized companies, Bloomberg reported.

The discussions were at an early stage and no timeline for an announcement was decided, the report added.

Huawei to launch new operating system for phones in June

REUTERS, Shenzhen, China

China's Huawei Technologies said it will launch its new Harmony operating system for smartphones on June 2, its biggest move yet aimed at recovering from the damage done by US sanctions to its mobile phone business.

The use of its own operating system will mean it will no longer be reliant on Android. US sanctions banned Google from providing technical support to new Huawei phone models and access to Google Mobile Services, the bundle of developer services upon which most Android apps are based.

It was not immediately clear if it will be launching new smartphones at the same time or if there will be updates for existing phones or how fast the rollout might occur.

The new HarmonyOS will only go some way to mitigating the impact of the 2019 sanctions that also barred Huawei from accessing critical US-origin technology, impeding its ability to design its own chips and source components from outside vendors.

Once the world's biggest smartphone maker, Huawei now is ranked 6th globally with a 4 per cent market share in the first



REUTERS/FILE

People look at smartphones in Huawei's first global flagship store in Shenzhen, Guangdong province, China on October 30, 2019.

quarter. The previous Trump administration argued that the Chinese telecommunications giant posed a threat to US national security - a charge that Huawei has denied.

Huawei CEO Ren Zhengfei this week called on staff to "dare to lead the world" in software in a bid to move into business areas that can't be affected by US sanctions, according to an internal memo seen by Reuters.

The company will need to take a more "open source" approach to development and should try to attract more software experts from overseas as part of the pivot, it said.