

Lockdown leaves scars on vegetable growers

They incurred heavy losses amid transport crisis

KONGKON KARMAKER, Dinajpur

Vegetable farmers in Rangpur and Dinajpur incurred huge losses amid the lockdown when they were finding it difficult to send crops to Dhaka and other parts of the country as truck operators were demanding high fares on different grounds.

Farmers in the two northwestern districts were deprived of fair prices for their produce because they were forced to let the crops rot on many occasions or sell those off at low rates.

"Vegetables were rotting in the croplands as most of us refrained from harvesting large quantities on time as traders were reluctant to buy our crops for a lack of trucks," said Fazlu Mia, a farmer of Ranipukur village under Mithapukur upazila of Rangpur.

But now that the lockdown is being lifted for a few days, the farmers expect that their sufferings will ease to some extent as transportation cost will come down and demand will rise.

As a whole, Rangpur division has a crop intensity of 222 per cent, which is higher than the national average of 198 per cent in fiscal 2019-20, showed data from the Bangladesh Bureau of Statistics (BBS).

"We farmers were selling our vegetables at a low price as demand declined for the strict lockdown," Mia added.

This is the second year that farmers in the country's northwest and other districts, that are distant from major cities such as Dhaka, were suffering from a lack of buyers and transportation.

Last year, after the government



A farmer is seen loading eggplants onto a truck in Dinajpur's Birganj upazila amid the nationwide strict lockdown, which put undue stress on the transportation of vegetables to different parts of the country. The photo was taken recently.

KONGKON KARMAKER

enforced a countrywide shutdown in the April-May period, many growers incurred losses for similar reasons.

Jafar Ali, a farmer of Jaigir village, said the transportation cost had almost doubled, raising prices at the consumer level.

According to officials of the Department of Agricultural Extension (DAE) in Rangpur, different vegetables are being produced on 9,480 hectares of land in the district this year.

The total area being cultivated was 385 hectares more than that of the previous year.

On the other hand, at least 13,500 hectares of Dinajpur, Thakurgaon and Panchagarh have been brought under vegetable cultivation this summer.

Farmers produced 3.8 lakh tonnes of vegetables in Rangpur division this year, according to provisional data from the DAE.

On a national scale, farmers produced 20 lakh tonnes of

summer vegetables, or 44 per cent of the total vegetable production, in fiscal 2019-20, as per the BBS data.

Agricultural officials said farmers prefer to produce vegetables on their own land as it was more profitable thanks to its cost effectiveness and being hassle-free in the northwest division.

However, the Covid-19 pandemic has become a curse for the farmers as vegetable sales decreased significantly for various

reasons, including the disruptions to transportation.

Area-based sales at local markets of vegetables also declined.

During a recent visit to different places, including Jaigir, Mithapukur, Buriganj and Palichora areas, this correspondent found that only a few trucks were being loaded with vegetables.

"I used to hire at least five to six trucks every day for sending vegetables to other districts, including Dhaka and Chattogram, every season but now I am hiring only a single truck for the higher charges amidst the lockdown," said Rafiqul Islam of Mithapukur.

Alleging that the truckers were charging up to 80 per cent higher, he added that the demand from traders has also dropped.

Usually, large trucks, mini-trucks and pickup vans are preferred for transporting vegetables to other districts from Rangpur.

"But due to the high transmission rate of Covid-19, most truckers are afraid of getting infected," Islam said.

Another farmer, Golam Rabbani, said wholesalers were not taking adequate amounts of vegetables from the growers as they were facing troubles in transporting those to other districts amidst the strict lockdown.

"We are suffering losses," he said, mentioning that he sold spiny gourds to wholesalers at Tk 15 per kilogramme but it was being retailed at Tk 35 per kilogramme.

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SONALI LIFE INSURANCE

BSEC probing abnormal prices in buy orders

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has launched an investigation to understand the circumstances behind abnormally high prices being placed in buy orders for newly listed Sonali Life Insurance.

On July 12, the stocks jumped to Tk 86.5, or by 440 per cent, from Tk 16. Its board had declared dividends the previous day, so it was open to movements, be it a rise or fall, that day.

The prices offered in some of the buy orders for each share interestingly ranged from Tk 300 to as much as Tk 1,050.

Earlier on July 5, The Daily Star ran a report over this new trend, where an abnormally high number of buy orders and prices were being placed in an attempt to create artificial demand and thereby manipulate prices.

The buy order prices for Sonali Life Insurance were abnormally high and inflated because the dividends paid out were not that attractive, said a stock broker preferring anonymity.



The life insurer declared 10 per cent cash dividends for the year ending on December 30 of 2020 and a 2 per cent interim cash dividend. The high prices put on offer were only an attempt to entice general investors and artificially manipulate pricing, he said.

So, the BSEC's decision to form an investigation committee is a welcome move as the gamblers will get a message now, he added.

BSEC Spokesperson Mohammad Rezaul Karim said the regulator wants to identify the reasons behind such abnormally high prices being placed in buy orders for Sonali Life Insurance.

The committee was formed on Monday, when the BSEC ordered its deputy director, Muhammad Oariful Hasan Rifat, to submit the corresponding report within 10 working days.

"We will find which brokerage firms placed the orders and for what reasons. Whether it was placed following rules and regulations.

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GLOBAL BUSINESS

Asian shares down

REUTERS, London/Shanghai

The dollar hit three-month highs against the euro and world stocks slipped on Wednesday after a jump in US inflation fuelled expectations of a quicker end to Federal Reserve stimulus, while a drop in China's crude imports dampened oil.

The US consumer price index rose 0.9 per cent in June, data showed on Tuesday, above market expectations and the largest gain since June 2008.

Investors are also watching the semi-annual testimony of Fed Chair Jerome Powell to Congress on Wednesday and Thursday for more clues on whether the Fed will take more aggressive steps to halt rising inflation.

"This isn't surprising that the market is concerned about inflation, our view is still that most of it is transitory," said Seema Shah, chief strategist at Principal Global Investors, adding that she did not expect the Fed to start tapering its bond-buying programme until early next year.

"The Fed speakers will be out in force today reiterating their patience with inflation to reassure markets."

MSCI's broadest gauge of global stocks dipped 0.15 per cent after hitting a record high on Tuesday on investor bets of a global economic recovery just weak enough to permit central banks to retain a dovish policy. European stocks fell 0.34 per cent after hitting record peaks on Tuesday, with Germany down 0.24 per cent and France off 0.15 per cent.

Britain's FTSE 100 dropped 0.5 per cent, after UK inflation hit 2.5 per cent in June, its highest in nearly three years.

MSCI's broadest index of Asia-Pacific shares outside Japan dipped 0.22 per cent, as Chinese blue-chips fell 1.15, Hong Kong's Hang Seng slipped 0.7 per cent and Seoul's Kospi lost 0.2 per cent. Japan's Nikkei fell 0.38 per cent. S&P futures were steady after the S&P 500 index lost 0.35 per cent on Tuesday. The Dow Jones Industrial Average fell 0.31 per cent and the Nasdaq Composite dropped 0.38 per cent overnight.

President Joe Biden's administration is continuing to push for fiscal stimulus to boost the US economy.

Democrats on the US Senate Budget Committee late on Tuesday reached an agreement on a \$3.5 trillion infrastructure investment plan that they aim to include in a budget resolution to be debated this summer.

Japan's growth forecast cut as new pandemic curbs hit



A man wearing a protective face mask, amid the coronavirus disease pandemic, makes his way at a local shopping street in Tokyo on May 5.

REUTERS/FILE

REUTERS, Tokyo

Japan's economy will grow at a slower pace than initially expected in the third quarter, as fresh coronavirus emergency curbs in Tokyo, extending through the Olympic Games, weigh on consumption, a Reuters poll found.

But analysts saw growth accelerating in the fourth quarter, with a majority expecting a "strong" or "very strong" boost from pent-up demand in the second half of the year, offering some signs of a brighter outlook.

The world's third-largest economy was expected to grow an annualised 4.2 per cent this quarter, according to the poll of around 40 economists taken between July 2 and 13, down from a 4.8 per cent expansion projected last month. Economists also trimmed annualised growth for the second quarter to 0.4 per cent from 0.5 per cent.

"The state of emergency that started in Tokyo will likely have quite an impact on consumption," said

Nobuyasu Atago, chief economist at Ichiyoshi Securities.

"It's likely that pent-up demand will materialise later than expected. A consumption recovery that was hoped for in July-September is being pushed back to the fourth quarter."

The government introduced a new state of emergency in Tokyo this week that is due to last until Aug. 22 - so through the July 23-Aug. 8 Olympic Games - fuelling fears of an extended hit on bars and restaurants, which are being asked to operate under shorter hours. Japan's economy has struggled to stage a convincing recovery this year due to the large toll the health crisis is taking on domestic demand, especially for services such as travel, dining out and other leisure activities.

The government will release its second-quarter gross domestic product estimate on Aug. 16, after the economy saw an annualised 3.9 per cent contraction in the January-March period.

The median poll forecast showed the economy would grow an annualised 4.6 per cent in the fourth quarter, slightly higher than last month's projection of a 4.4 per cent expansion.

Forecasts for the current and next fiscal years were left unchanged at 3.6 per cent and 2.6 per cent growth, respectively.

NEWS In Brief

German economic recovery at full swing: ministry

REUTERS, Berlin

Germany's economic recovery from the Covid-19 crisis is at full swing, and the outlook for the industry remains positive despite supply bottlenecks for intermediate products, the German Economy Ministry said on Wednesday.

"The supply bottlenecks for intermediate products ... have a dampening effect, however they do not impair the positive underlying dynamic of the overall economy," the ministry said in its monthly report.

The ministry said it expects inflation to reach 3 per cent or more in the second half of 2021 due to a base effect from a temporary VAT cut last year that was part of the government's stimulus program to help the economy recover from the coronavirus shock.

Inflation will ease significantly in 2022, it added.

US, UK trade chiefs meet, agree to strengthen bilateral ties

REUTERS, Washington

US Trade Representative Katherine Tai and her British counterpart Liz Truss agreed to continue working to strengthen bilateral ties in a meeting in Washington on Tuesday, Tai's office said in a statement.

Tai and Truss agreed that their recent truce in a long-running trade dispute over aid for planemakers Airbus and Boeing creates a platform for "future collaboration on shared challenges, including those posed by the anti-competitive practices of China and other non-market economies."

They also stressed the importance of fair competition in the global economy, and agreed to work together to enhance the international trading system and address forced labor issues.

Truss said the two discussed working together to tackle unfair trade practices, making progress on cooperation on large civil aircraft, and boosting the 196 billion pound (\$270.75 billion) trading relationship. "Trade = growth = jobs," she wrote on Twitter.



REUTERS/FILE

Britain's Trade Minister Liz Truss walks after the ceremony of State Opening of Parliament at the Palace of Westminster, amid the coronavirus disease restrictions, in London, Britain on May 11.

Singapore economy to get back on track after Q2 stumble

REUTERS, Singapore

Singapore's economy contracted in the second quarter after battling new outbreaks of Covid-19 but economists expect it to get back on track quickly as global growth picks up and vaccination rates rise.

The city state's economy still showed the best growth in more than a decade on a year-on-year basis, as many economies have done because of last year's coronavirus-induced slump.

"The economy stumbled in Q2 after the government

reimposed restrictions in response to a spike in virus cases, but with new infections down and the government rolling back containment measures, the recovery should regain momentum over the coming months," said Alex Holmes, economist at Capital Economics.

He still expects GDP growth to come in at the top end of the government's 4 per cent-6 per cent estimate in 2021.

The economy contracted a seasonally adjusted 2 per cent in the second quarter of 2021, a reversal from 3.1 per cent

growth in the preceding quarter, preliminary government data showed on Wednesday.

On an annual basis, GDP grew 14.3 per cent in the second quarter, the Ministry of Trade and Industry data showed, against economists' forecast in a Reuters poll of 14.2 per cent.

GDP had fallen a record 13.3 per cent year-on-year in the second quarter of 2020. The country was under a lockdown for most of that period to curb the spread of the coronavirus.

Singapore had implemented tougher rules on public

gatherings in May this year after a spike in Covid-19 cases. It has been loosening them over the last few weeks as vaccinations pick up. In absolute terms, gross domestic product in the second quarter of 2021 remained 0.9 per cent below its pre-pandemic level in the second quarter of 2019.

The manufacturing sector grew 18.5 per cent on year, helped by robust global demand for semiconductors and semiconductor equipment. The construction sector expanded 98.8 per cent compared with a year earlier when most

construction activities stopped due to the lockdown.

The Singapore dollar has lost about 2.5 per cent this year, most of it in the past month as the U.S. dollar has climbed broadly and as a resurgence of the virus has weighed on Asian currencies. It was little changed after Wednesday's data.

The government expects GDP to expand 4 per cent to 6 per cent this year, although growth could exceed the upper end of that forecast. The bellwether economy had posted its worst recession last year.