

Keep tea industry open during next lockdown

Garden owners urge govt

MINTU DESHWARA

Tea garden owners in Bangladesh have urged the government to keep the industry out of the purview of the strict nationwide lockdown beginning on July 23.

They made the demand in a letter to the cabinet secretary on Thursday afternoon, stating that the closure of their operations for such a prolonged period would lead to huge losses for the sector.

Following an unprecedented rise in coronavirus-related deaths across the country, the government has decided to impose a 14-day lockdown in a bid to curb the infection rate.

Leaders of the Bangladesh Tea Association, a platform of garden owners, said they raised the demand so that the country's largest industry could continue production and meet the promises made to both domestic and international buyers.

The tea industry has always played an important role in Bangladesh's economy, by alleviating poverty in remote regions, including hilly areas, and generating export revenue.

The industry provides opportunities for direct employment to about six lakh people, many of whom have taken up residence at the tea gardens themselves, while another five lakh people are indirectly involved through marketing or other services.

In 2020, Bangladesh produced 86.39 million kilograms of tea worth Tk 1,631 crore, of which 2.18 million kgs worth Tk

34 crore were exported.

Even though similar lockdowns took place last year, tea gardens were allowed to run operations under the prime minister's directive.

Another argument for keeping the industry open is that those working at plantations adhere to all the health safety guidelines while at work.

However, as soon as they are out of a job, they start breaking these rules by going to different places, according to garden owners.

So, if these establishments are closed, the risk of spreading Covid-19 becomes higher, they said.

Besides, if the tea leaves are left to rot, orders will be cancelled. In addition, the scope to repay bank loans will also reduce, they added.

M Shah Alam, chairman of the Bangladesh Tea Association, said now was the peak season for the industry.

"We counted losses during the off-season. So, if the industry remains closed for two weeks, it will go bankrupt," he said.

"So, our demand is to keep the tea industry open even if there are restrictions for everything else."

The association represents 146 tea gardens in the greater Sylhet and Chattogram, the two main producing regions for the popular beverage.

There are 167 tea gardens in Bangladesh.



The tea industry has always played an important role in Bangladesh's economy, by alleviating poverty in remote regions, including hilly areas, and generating export revenue, insiders say.

COLLECTED

Farmers in a pickle with unsold cattle

Blame pandemic for low demand

PARTHA CHAKRABORTY and MIRZA SHAKIL

Ever since the beginning of July, Abul Hossain, a livestock farmer based in the southwestern district of Bagerhat, has been patiently waiting for buyers for the three bulls he reared over the past three years.

His untiring efforts eventually paid off as one of the bulls, weighing nearly 45 maunds, was finally sold.

He hopes to sell off the other two sacrificial animals ahead of the upcoming Eid-ul-Azha, which accounts for roughly half of the cattle slaughtered in Bangladesh each year.

Being unable to find buyers that are willing to pay his desired prices in Bagerhat, Hossain set off for Dhaka on July 16 with the two bulls, including the largest one, in search of more affluent customers.

"I even tried to sell online but did not get a good response," he told The Daily Star yesterday.

Hossain is just one of tens of thousands of farmers who have fattened their cattle to profit from the increased demand ahead of Eid-ul Azha, the second biggest religious festival for Muslims.

According to data from the Department of Livestock Services (DLS), nearly 70,000 farmers fattened a total of 38.58 lakh cattle, including bulls, for this year's festival.

However, their hopes have been hanging in the balance thanks to the nationwide lockdowns imposed by the government to contain the spread of Covid-19.

However, the government has suspended these restrictions from July 15 till after Eid. As such, cattle markets were able to be set up all over the country, rejuvenating the hopes of farmers.

Soon after the lockdown was lifted, trucks of cattle began moving towards the makeshift markets.

Still though, buyers are yet to turn up in adequate numbers.

During a recent visit to the Karatia cattle market, one of the largest regular weekly cattle markets in Tangail sadar upazila, it



AMRAN HOSSAIN

Nearly 70,000 farmers fattened a total of 38.58 lakh cattle, including bulls, for this year's festival, according to data from the Department of Livestock Services.

was found that a huge number of animals had reached the market but the turnout of buyers and wholesalers was poor.

The scene was quite similar at the Elega cattle market in Kalihati upazila and Air Force Bazar cattle market in Sakhipur upazila.

Traders at the markets said most buyers currently just come to check the prices.

On the other hand, several buyers said that although they hoped for lower cattle prices this year due to the Covid-19 situation, the cattle owners are demanding unreasonably high prices.

Besides, many marginal farmers feel uneasy about selling their cattle online in fear of being duped.

As a result, many middlemen handle their online sales under the guise of being farmers.

Across the 12 upazilas of Tangail, more than 1,000 cattle farms have fattened about 50,000 animals for sacrifice, according to the DLS office in the district.

Farmers blame the lockdown measures for the sparse number of buyers.

Shah Aziz Talukder, owner of the Bina Agro Farm in Baluchara area of Tangail municipality, said he is yet to get the desired response when trying to sell cattle through online markets.

But Dulal Hossain Chakdar, owner of the Chakdar Cattle Farm, the largest cattle farm in Bhupur upazila, did succeed in securing buyers through his efforts online.

As of July 15, he sold 26 of the animals from his farm, where he fattened 100 bulls and oxen in hopes of good profits during Eid.

"People are communicating online every day. Wholesalers are also coming to see them," he said.

However, Nazmul Molla, a livestock farmer of Mollahat upazila of Bagerhat, could not sell his bull weighing 1,325 kilograms for his desired price of Tk 12 lakh.

"People come to visit the bull but no one offers any price," he said.

"The coronavirus has destroyed our hopes and businesses," added Nazmul, who has to spend about Tk 700 daily to feed the bull.

The case is similar for Bagerhat's Hossain, who could not sell his bulls last year either thanks to low demand amid the economic downturn caused by Covid-19.

Still though, both Hossain and Molla hope their luck will improve in Dhaka.



GLOBAL BUSINESS

Stocks sag on concerns about Covid, global growth

AFP, New York

Global stocks mostly fell Friday as worries about rising Covid-19 cases and their effect on global growth weighed on sentiment, pushing Wall Street into the red for the week.

After data showed an unexpected rise in US retail sales, Wall Street pushed higher at the open. But markets soon tumbled into the red and losses grew as the day progressed.

Analysts pointed to profit taking as a factor in Friday's session and throughout the week following records earlier in the month. Investors are "continuing to trim winning positions" as they await more clarity on the course of the economy, said Briefing.com analyst Patrick O'Hare.

The broad-based S&P 500 ended down 0.8 percent at 4,327.16, taking its weekly losses to around one percent. The highly-contagious Delta variant has led to surging infection rates in many parts of the world, leading authorities to reimpose certain restrictions.

"Covid-19 concerns still linger and the economic outlook is not as bright as it was just a few weeks



REUTERS

Traders work on the floor of the New York Stock Exchange in New York City, US on July 12.

ago," said market analyst Edward Moya at trading platform Oanda. Major European bourses which closed one percent lower along with Tokyo, as investors worried over rising

Covid-19 infections and the Bank of Japan trimmed its economic growth forecast for the current fiscal year.

Hong Kong's leading index was flat as late profit-taking wiped out earlier gains ahead of a US warning about doing business in the territory.

In a long-awaited advisory that has already been denounced by China, the United States warned its business community of "growing risks" of operating in Hong Kong due to China's clampdown.

The advisory acknowledged that Hong Kong, a former British colony handed back to China in 1997, "retains many economic distinctions" from the mainland, including stronger protections of intellectual property.

But Washington pointed to a declining climate under a national security law enacted last year, including the arrest of one US citizen -- John Clancey, a prominent human rights lawyer.

Shanghai closed 0.7 per cent lower while Seoul, Taipei, Kuala Lumpur and Bangkok also retreated. Wellington was flat while Sydney, Singapore, and Jakarta ticked higher.

NEWS In Brief

US consumer sentiment drops in early July on inflation fears

REUTERS

US consumer sentiment fell sharply and unexpectedly in early July to the lowest level in five months as inflation worries dented confidence in the economic recovery, a survey showed on Friday.

The University of Michigan said its preliminary consumer sentiment index fell to 80.8 in the first half of this month - the lowest since February - from a final reading of 85.5 in June. Economists polled by Reuters had forecast the index would rise to 86.5.

"Consumers' complaints about rising prices on homes, vehicles, and household durables has reached an all-time record," Richard Curtin, the survey director, said in a statement.

China vows to curb commodities speculation to ensure price stability

REUTERS, Shanghai

China will crack down on the hoarding and speculation of commodities while ensuring supplies and prices are stable, in a move to tame price volatility seen in recent months, said China's Ministry of Industry and Information Technology.

"We will coordinate with relevant departments to ensure the stability of bulk commodities supplies and prices... guide upstream and downstream players in the industrial chain to stabilise production, supply and marketing of raw materials," ministry spokesperson Huang Libin told a press conference on Friday, according to a transcript on the ministry's website.



REUTERS/FILE

Workers unload coal at a storage site along a railway station in Hefei, Anhui province in China.

Ericsson's 5G march hits a wall in China, shares fall

REUTERS, Stockholm

Ericsson said on Friday it was no longer banking on previously anticipated contract wins for 5G tenders in China as it gets caught in the crossfire of a political battle between Beijing and the West, sending its shares down 8 per cent.

Chinese rival Huawei Technologies Co Ltd has been

banned from selling equipment in Sweden, where Ericsson is based, and in some other western countries.

Ericsson had previously warned that Sweden's ban might impact its business in China, which is undertaking a huge 5G build-out and where it generates just under 10 per cent of its revenue.

Chief Financial Officer Carl Mellander told Reuters on Friday that 5G tenders expected during the second quarter in China did not take place, and the company said in a statement that sales there fell by 2.5 billion Swedish crowns (\$290 million).

Asked on an analyst call if Ericsson expected to recoup that money, Chief Executive Borje

Ekholm replied: "No, it's not coming back."

Mellander said in an interview that it was "prudent to forecast materially lower market share in China going forward."

Initial contract allotments for the second phase of 5G deployment in China are expected to be announced before the end of this month, according

to two sources familiar with the matter.

Ericsson's dour outlook was in sharp contrast to Nokia, along with Huawei one of Ericsson's main rivals in the race to upgrade global wireless systems to 5G.

The Finnish group said this week it would likely raise its full-year outlook due to a stronger-than-expected second quarter.