

# Include potato in relief packages

Agriculture ministry urges authorities as there is surplus stock



STAR BUSINESS REPORT

The agriculture ministry has recently urged authorities concerned to include potatoes in relief packages meant for people affected by natural calamities.

The ministry stated it issuing separate letters to the Ministry of Disaster Management and Relief, NGO Affairs Bureau and Office of the Refugee Relief and Repatriation Commissioner.

Potato production in Bangladesh has steadily increased over the years and now there is a surplus stock of the popular vegetable. So potatoes can be distributed as a part of relief activities, said the letter.

Farmers produced 1.06 crore tonnes of potato this calendar year, up 10 per cent from 96 lakh tonnes in 2020, according to data from the Department of Agricultural Extension (DAE) and Bangladesh Bureau of Statistics (BBS).

"It is necessary to ensure the proper and multiple uses of potato. Potatoes can be distributed along with the relief items including rice, wheat, flour and other items among the destitute and affected people to fight any natural calamity," said the ministry.

This will increase the versatile use of potatoes on one hand and help meet demand for potatoes at the consumer level on the other. Besides, it will ensure marketing of the products produced by farmers.

The ministry's call comes at a time when farmers and traders are worried about whether they will be able to get a fair price for their potatoes due to low demand in the market.

Despite a bumper yield of potato this year, farmers and traders, particularly those in the country's northern region which accounts for 70 per cent of the production, are fearing losses due to the low prices.

Traders were offering Tk 12 per kilogramme at the cold storage gates in Joypurhat, one of the main potato producing districts in the north. However the cost per kilogramme stands at Tk 17.5, according to a farmer.

STAR/FILE

Despite a bumper yield of potato this year, farmers and traders, particularly those in the country's northern region, are fearing losses due to low prices.

# Time to diversify exports to US



AL MAMOON

While touring Las Vegas recently, Commerce Minister Tipu Munshi expressed Bangladesh government's willingness to scale up trade with the United States. He was talking to attendees at the Men's Apparel Guild In California (MAGIC), the biggest fashion marketplace in the US, showcasing apparel, footwear and accessories and sourcing resources from all around the world.

The Export Promotion Bureau (EPB) of Bangladesh has been patronising local mid-sized apparel manufacturers to participate in this fair for long. That is one laudable but small step in the way of boosting trade between the two countries.

What big steps have we taken to foster the nine-billion-dollar trade further? How Vietnam, with zero export to the US in 1993, has nearly eighty-billion-dollar export earnings? Did we compete intelligently, make smart use of our resources but still fell behind or swayed, carried away and gave up? Could things be done differently?

## A TALE OF TWO NATIONS

In the early nineties, Vietnam did not have anything to sell! Instead, it bought from the US. It took the country till 1994 to send the first shipment, whereas we were sitting on \$1 billion export and \$1.3 billion in total trade that year. Twenty-six years later, Vietnam has registered an 11-fold growth than us in total trade and 13-fold in export only.

Braving the pandemic, Vietnam lifted its trade with the US to \$89.63 billion in 2020, covering 2.38 per cent of America's \$3.76 trillion total trade volume. With China and Mexico retaining the top two positions, Vietnam made its way to the top 10. We were 46th with \$7.92 billion, enjoying a not-so-significant 0.21 per cent

market share.

The US Census Bureau has published data till the end of June, and it is apparent that total trade will exceed the \$4-trillion mark. Among the top 10 players, China is down two spots, and Vietnam is up two notches!

Bangladesh continues to hold the 46th position with a \$4.78 billion trade.

## EXPORT BASKET

That we need to diversify our export basket is fashionably told by all quarters: government, business, and academia. Perhaps this is one of the rare areas where we have a national consensus!

Indeed, we have diversified. EPB statistics showed that in the fiscal year of 2020-21, our export to the US was \$6.97 billion, composed of 68 kinds of products. Only two items – knitwear and woven garments – captured 85.26 per cent of the pie. If we add other textile products to that, it will go past 90 per cent.

In sharp contrast, Vietnam spearheads with cell phone-related equipment, furniture parts, seats (excluding barber and dental), and Portland, aluminous and slag cement. These were bigger than its \$12.57-billion apparel export.

Vietnam carefully crafted its exportable for the US. We probably developed such market research neither at the public nor at



# OPINION

the private level. The top five US imports consistently have been oil, passenger vehicles, computers, cell phone equipment, and medicines in individual dosages for many years. Vietnam struck two of them very well.

Back home, the recent focus on leather and non-leather shoes by both producers and regulators is visible. Our mainstream media emphatically covered that footwear export to the US from Bangladesh posted a 73.13 per cent growth in the fiscal year of 2020-21 to reach \$230.2 million, up from \$132.96 million in FY20.

Alongside, we can also put together all our power behind furniture, insulated wire, toys, children's bicycles, refrigerators, freezers, and air conditioning machines - all on America's rising demand list.

READ MORE ON B2

## GLOBAL BUSINESS

# Yellen backs reappointing Powell as Fed chair

REUTERS

US Treasury Secretary Janet Yellen has told senior White House advisers she backs reappointing Jerome Powell as US Federal Reserve Chair, whose term expires in February, a Bloomberg News reporter wrote on Twitter.

President Joe Biden has not made a decision and will likely weigh in around Labor Day in early September, the reporter added in the tweet.

A spokesperson for the US Treasury Department declined to comment.



Federal Reserve Chair Jerome Powell

No comment was immediately available from the White House. Powell was elevated to Fed chair by President Donald Trump in 2018, replacing then Fed chair Yellen.

Republican Senator Steve Daines, a member of the Senate Banking Committee, urged Biden in a letter last week to keep Powell at the helm of the Federal Reserve for another four years to build confidence in an improving economy.

Renominating Powell "would send a strong signal to households, businesses, and consumers that the head of the Federal Reserve continues to enjoy broad bipartisan support, and will act as necessary to achieve its dual mandate of price stability and maximum employment," he wrote.

After the coronavirus pandemic prompted widespread shutdowns last year, the Powell-led Fed slashed its benchmark overnight interest rate to near zero and began a massive bond-buying effort.

That support is credited with heading off a financial crisis and paving the way for a rapid economic rebound. A White House official last month said Biden would soon be engaging his senior economic team in "a careful and thoughtful process" about Fed appointments.

Powell has his share of critics, including members of the climate activist group 350.org, who are calling on Biden to nominate a "climate leader" to replace Powell and who plan to protest against Powell's leadership during the Fed's annual central banking conference next week in Jackson Hole, Wyoming.

# Taliban inherit untapped \$1tr trove of minerals

AFP, Paris

The Taliban now hold the keys to an untouched trillion-dollar trove of minerals including some that could power the world's transition to renewable energies, but Afghanistan has long struggled to tap its vast deposits.

The Taliban are already in a financial bind since they returned to power 20 years after their ouster, as major aid donors halted their support for Afghanistan.

Endless wars and poor infrastructure have prevented the country from getting its hands on the metals that could brighten its economic fortunes.

The resources include bauxite, copper, iron ore, lithium and rare earths, according to a January report by the US Geological Survey (USGS). Copper, which is needed to make power cables, became a hot commodity this year as prices soared to more than \$10,000 per tonne.

Lithium is a crucial element to make electric car batteries, solar panels and wind farms. World demand for lithium is expected to grow by over 40 times by 2040, according to the International Energy Agency.

And Afghanistan "sits on a



AFP

Newly absorbed personnel in the Afghan security forces take part in a military training in Bandejoy area of Dara district in Panjshir province on August 21, days after the Taliban takeover of Afghanistan.

huge reserve of lithium that has not been tapped to this day," said Guillaume Pitron, author of the book "The Rare Metals War".

Afghanistan is also home to rare earths that are used in the clean energy sector: Neodymium, praseodymium and dysprosium.

The country's untapped mineral

riches have been estimated at \$1 trillion by the USGS, though Afghan officials have put it three times as high.

Afghanistan has done better digging for precious stones such as emeralds and rubies as well as semi-precious tourmaline and lapis lazuli, but the business is

plagued with illegal smuggling to Pakistan. The country also mines for talc, marble, coal and iron.

While the Taliban's takeover may deter foreign investors, one country that appears willing to do business with them is China.

The world's second-biggest economy has said it was ready to

have "friendly and cooperative" relations with Afghanistan after the Taliban entered Kabul.

The state-owned China Metallurgical Group Corporation won rights in 2007 to lease the giant Mes Aynak copper ore deposit for 30 years and extract 11.5 million tonnes of the commodity. The project to tap the world's second-largest unexploited copper deposit has yet to start operations "due to safety issues", according to Chinese state-run tabloid Global Times.

But Global Times cited a source at the group as saying that it would "consider reopening it after the situation is stabilised, and international recognition -- including the Chinese government's recognition of the Taliban regime -- takes place.

"While Chinese leaders are "not enthusiastic" about the Taliban takeover, "they will not allow principle to stand in the way of pragmatism," Ryan Hass, a senior fellow at the Washington-based Brookings Institution think tank, said in a blog. "Beijing's lack of development at its major investment in the Mes Aynak copper mine demonstrates its willingness to exercise patience in pursuit of return on investment," he wrote.

# Political conflict mars economy in Brazil: minister

REUTERS, Brasilia

Brazil's Economy Minister Paulo Guedes said on Friday that political conflict is contaminating the economy and overshadowing positive news on economic growth and the prospect of a much smaller primary budget deficit next year.

Guedes spoke to investors as the country's political climate became even more tense after far-right President Jair Bolsonaro's request to the Senate on Friday to impeach a Supreme Court judge.

Critics have accused Bolsonaro of sowing doubts about Brazil's voting system so he can question next year's election results if he loses.

The political clashes are worsening, Guedes said.

"There is much political noise - it is understandable, but it has to be reduced," Guedes said.

Guedes also said the budget deficit would drop to 0.3 per cent of GDP in 2022, compared to 1.7 per cent this year. Earlier, Special Treasury and Budget Secretary Bruno Funchal, speaking on the legal news website Jota, said there was room to revise down the 2022 primary budget deficit, currently targeted at 170 billion reais.

Brazil can expect to see a budget surplus in 2023 as the economy begins to grow again, recovering from the Covid-19 pandemic, Funchal said.

But Funchal said fiscal uncertainty in the past few weeks, with the real currency weakening against the dollar, as investors worry about the public debt and court-ordered payments the government owes.

Funchal said any increase in these liabilities is now the main challenge facing the Treasury, one that will hurt spending on social welfare programs and other government policies if it is not dealt with. The 2022 budget that the Economy Ministry will send Congress will include the payment of 89 billion reais (\$16.57 billion) in court-ordered obligations, and discretionary spending will have to be reduced to allow for that, Funchal said.

# Russia pledges retaliation after new US sanctions

REUTERS, Moscow

Moscow pledged retaliatory measures after a new set of sanctions imposed by the United States on a Russian ship and two companies involved in the Nord Stream 2 gas pipeline, Russia's foreign ministry said in a statement on Saturday.

The \$11 billion project, which will double the existing Nord Stream pipeline across the Baltic Sea and allow Russia to bypass Ukraine when piping gas to Europe, has been a focal point of tensions between Moscow and Washington.

Washington imposed the sanctions on Friday on a ship, its owner and a construction company, but opponents of the project said the measures were insufficient to stop it.

The United States and Britain also imposed sanctions on Friday on men they said were Russian intelligence operatives responsible for the poisoning one year ago of Kremlin critic Alexei Navalny.