ADP spending rises

Health sector still lags behind

Rejaul Karim Byron *and* Dwaipayan Barua

Although the overall implementation of the annual development programme (ADP) marked a rise in the first two months of the new fiscal year compared to the corresponding period a year before, the ADP implementation in the health service sector is still lagging.

The government managed to spend about Tk 9,053 crore from its ADP budget in July and August of the current fiscal year, up 8.4 per cent from around Tk 8,351 crore in the same period a year ago.

This means implementing ministries and divisions have so far spent 3.82 per cent of the Tk 236,793 crore set aside to carry out development activities in FY 2021-22, according to data from the Implementation Monitoring and Evaluation Division (IMED) under the planning ministry.

However, the health services division has been one of the low performing divisions that could spend only Tk 170 crore, which is 1.31 per cent of its total allocation of Tk 13,000 crore. Last year, the division spent Tk 283 crore, or 2.45 per cent, of the Tk 10,000 crore allocation in the corresponding period.

Performance of the health sector was also poor in last fiscal year. Despite giving special focus on the health sector amid the Covid-19 pandemic, the health services division could implement only 58 per cent of its total ADP allocation in the last fiscal year.

Although the government committed to take steps to increase development expenses, the health service division is yet to improve its implementation rate.

Of the overall ADP spending of Tk 9053 crore in the last two months, Tk 6,413 crore came from government funds while Tk 2,009 crore came from project assistance.

According to the monthly implementation progress report of IMED, the implementation of government funds increased 11.09 per cent compared to the previous fiscal while project assistance declined 10.79 per cent.

In the same period of the last fiscal year, the implementing entities could spend Tk 5,773 crore from government funds and Tk 2,252 crore from project assistance.

Among the 15 largest allocation receivers, the industries ministry was the top performer in the first two months as it achieved 13.78 per cent of its allocation, followed by the local government division achieving 7.47 per cent, bridge division 5.80 per cent, primary and mass education ministry 5.33 per cent, road transport and highways division 4.09 per cent.

Apart from the health services division, other low performing entities, including the science and technology ministry, achieved 1.92 per cent of its spending target while secondary and higher education division achieved 1.14 per cent, and the housing and public works ministry achieved 1.18 per cent.

The shipping ministry and water resources ministry could spend less than 1 per cent of their respective allocations in this period.

STAR/FILE

A view of the metro rail project in Dhaka. Govt spent Tk 9,053 crore from its ADP budget in July and August of the current fiscal year, up 8.4 per cent from that a year ago.

S DILIP ROY

Workers are seen harvesting tea leaves grown on plain land in Aditmari upazila of Lalmonirhat district. It was previously believed that the crop could only be grown in hilly areas but with help from Bangladesh Tea Board, this perception is starting to change. The photo was taken recently.

Tea cultivation in plain land brings delight to farmers

S Dilip Roy, *Lalmonirhat*

With help from Bangladesh Tea Board, 82 farmers in Lalmonirhat district of Rangpur division are farming tea on 121 acres of plain land with great success.

Among them, Shahanara Begum Soma and Ferdous Alam embarked on their venture in Hatibandha upazila in 2017, according to the board's local project office.

Not only has the farm helped the couple attain solvency, but also acted as encouragement for others.

Since 2015, with advice and overall support of the board, tea farmers in the region began to expand cultivation.

An average of 1,500 kilogrammes (kgs) of green tea leaves are now produced on each acre of plain land every month in the district.

Kapor Uddin, a freedom fighter from Kisamat Nizzama village of Sreerampur union of Patgram upazila, told The Daily Star that he started to cultivate tea on three acres of plain land in 2018 with help from the board.

DISTRICTS IN FOCUS

"I sell green tea leaves for about Tk 21 to Tk 24 per kg at a tea processing factory in Panchagarh," he said.

Nur Sheikh, a farmer from Dahagram village in the same upazila, said he has been cultivating tea on one acre of land for the past three years.

But even though Sheikh is happy with this year's yields, he expressed some dissatisfaction at the current price.

"If we could sell green tea leaves at Tk 25 per kg, it would have been more profitable," he said.

Sheikh went on to say that it costs Tk 3,000 for six labourers to harvest 1,400-1,500 kgs of green tea leaves from each acre of land every month.

Besides, the cost of fertilisers and pesticides is another Tk 3,500 per acre each month while the harvested tea leaves sold at about Tk 30,000 per acre, he added.

Enayet Hossain, a farmer from Baura area of the same upazila, told The Daily Star that he was benefiting by cultivating tea on one-and-a-half acres of plain land.

"I used to know that tea is a crop grown only in hilly areas but with help from Bangladesh Tea Board, we are now producing tea on plain land, and for this we are happy and proud," he said.

"Our big problem in tea cultivation is that we have to sell the green tea leaves in Panchagarh. We have to bear the cost of transportation," Hossain added.

Md Arif Khan, project director of the board, said the only tea processing factory in Lalmonirhat's Hatibandha is closed due to power outages, forcing local farmers to sell their produce about 150 kilometres away in Panchagarh.

However, the board has ensured vehicle support, for which farmers have to pay the fuel cost and driver hire charge, enabling transport of 1,700-2,000 kgs of tea leaves, Khan said.

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GLOBAL BUSINESS

UK employee numbers surge above pre-pandemic level

Reuters, *London*

British employers added a record 241,000 staff to their payrolls last month, lifting the total number of payrolled employees just above the level they were before Britain first went into a Covid-19 lockdown last year, official data showed on Tuesday.

Tuesday's data show continued recovery in Britain's job market as the government phases out its furlough support program, which will finish on September 30.

Businesses reported more than 1 million vacancies in August – an all-time high – and the unemployment rate fell slightly to 4.6 per cent in the three months to July, the Office for National Statistics (ONS) said, in line with economists' expectations in a Reuters poll.

"The latest data brought more signs that labor market slack is declining fast and that labor shortages are contributing to faster underlying pay growth," said Ruth Gregory, economist at Capital Economics.

During the three months to July, the number of people in employment, which includes the self-employed as well as employees, rose by 183,000, broadly in line with forecasts. July marked the peak of a so-called "pingdemic" when hundreds of thousands of staff had to self-isolate after being alerted by a government mobile phone app that they had been in contact with people who had tested positive for Covid-19.

Businesses reported 1.034 million vacancies in August, the highest since these records began in 2001. "Today's statistics show that our plan for jobs is working," finance minister Rishi Sunak said.

Separate data last week showed that as of mid-August, around 700,000 workers were fully furloughed while 900,000 were on reduced hours and still receiving part-time furlough payments, compared with around 9 million full-time recipients at the peak.

Average weekly earnings in the three months to July were 8.2% higher than the year before, although the ONS said this was heavily distorted by pandemic and furlough-related effects.

Pay excluding bonuses rose by 6.8 per cent year on year in the three months to July, and the ONS said the true underlying rate was probably 3.6 per cent-5.1 per cent.

Gregory from Capital Economics said she expected labor shortages would be temporary.

"The danger is that they persist for longer than we expect, causing inflation to stay high and the Bank of England to pull the interest rate trigger next year," she added.

A man walks past a job centre following the outbreak of the coronavirus disease in Manchester, Britain.

REUTERS/FILE

Britain delays implementation of post-Brexit trade controls

Reuters, *London*

Britain said on Tuesday it was delaying the implementation of some post-Brexit import controls, the second time they have been pushed back, citing pressures on businesses from the pandemic and global supply chain strain.

Britain left the European Union's single market at the end of last year but unlike Brussels which introduced border controls immediately, it staggered the introduction of import checks on goods such as food to give businesses time to adapt.

The news gives Irish exporters to Britain more time to prepare to comply with the new regulations coming in as a result of Brexit.

Food exporters to Britain will benefit in particular, with a requirement to pre-notify shipments, which had been due to come into place on October 1, delayed until January 1, 2022.

Full phytosanitary checks on food and plant products and live animals, due on January 1st, 2022, will not now be introduced until next July.

"It's great news for Irish exporters" said Carol Lynch, partner at BDO," and gives more time to iron out the details of the requirements where there was still some lack of clarity at an operational level."

While the move will also be welcomed by some in the British logistics industry, the food and drink trade body attacked the government for the late announcement.

New checks on food products had been due to come into force in 17 days.

"The repeated failure to implement full UK border controls on EU imports since January 1, 2021 undermines trust and confidence among businesses," Ian Wright, head of the Food and Drink Federation, said. "Worse, it actually helps the UK's competitors."

The industry argues that while European producers can still sell to Britain without the extra cost and hassle of a full customs border, British producers face the reverse.

First-half sales of food and drink to Germany, Spain and Italy were all down by around half compared with 2019, it says.

The government said it had introduced a new "pragmatic" timetable to give companies time to recover from the pandemic.

British businesses, and customers, have complained in recent months that a shortage of workers in logistics, driving and warehouses has led to long delays in deliveries, with some supermarkets and restaurants struggling to stock a full range.

"Businesses will now have more time to prepare for these controls which will be phased in throughout 2022," Brexit minister David Frost said.

Flags of the United Kingdom and the European Union are seen ahead of the meeting of European Commission President Ursula von der Leyen and British Prime Minister Boris Johnson, in Brussels, Belgium.

REUTERS/FILE

Chinese envoy to US urges stable commercial ties

Reuters, *Washington*

China's new ambassador to the United States called on Monday for stable and constructive commercial ties between the world's two biggest economies, even as they struggle to resolve political and trade differences, a trade group said.

The envoy, Qin Gang, made the comments in an online meeting with the chief executives of major US companies who serve on the board of the US-China Business Council, the group said in a statement on Monday. "The ambassadors message to the CEOs was that the commercial relationship must thrive and grow while we work harder to resolve disagreements," said Craig Allen, president of the nonprofit group of 200 US companies that work with China.

The meeting came days after US President Joe Biden and Chinese President Xi Jinping agreed in a telephone call on the need to ensure that competition between their nations did not veer into conflict.

Allen said the overall US-Chinese relationship was "in a troubled place" at the moment, but Qin told the group their commercial ties remained strong.

Allen attended the meeting and has met the ambassador several times since he arrived at his new post in August.

US companies are growing frustrated by the slow pace of the Biden administration's review of China trade policies, and the continuation of tariffs on hundreds of billions of goods traded between the two countries.

S Korea fines Google $180m for market abuse

Afp, *Seoul*

South Korea's antitrust watchdog fined Google nearly $180 million on Tuesday for abusing its dominance in the mobile operating systems and app markets, it said, the latest in a series of regulatory moves against tech giants around the world.

The penalty came weeks after South Korea passed a law banning major app store operators such as Google and Apple from forcing software developers to use their payment systems, effectively declaring their lucrative Play Store and App Store monopolies illegal.

And last week a US judge ordered Apple to loosen control over its App Store payment system in an antitrust battle with Fortnite maker Epic Games.

Google and Apple dominate the online app market in South Korea, the world's 12th largest economy and known for its technological prowess.

The Korea Fair Trade Commission (KFTC) has investigated Google since 2016 for allegedly preventing local smartphone makers such as Samsung Electronics from customising its Android OS.