Chalan Beel's dried fish producers worried over supply crunch

DISTRICTS IN FOCUS

AHMED HUMAYUN KABIR TOPU, *from Sirajganj*

Dried fish producers of Chalan Beel which spreads across Pabna, Sirajganj and Natore districts have been left frustrated this year as their production levels have been halved by high input costs amid a scanty supply of local fish varieties.

Around 47 rivers and other water bodies flow into Chalan Beel, the biggest static waterbody in Bangladesh's northern region, making it a favourable location for fish processes and exporters.

"I used to dry about 1.5 tonnnes to 2 tonnes of fish every day but now I am not getting more than 1 tonne daily," said Md Shukur Ali, a wholesale trader based in Mohishluti market of Sirajganj's Tarash upazila.

Around 200 maunds to 250 maunds (one maund equals around 37 kilogrammes) of fish are processed each year for both the domestic and international markets at Mohishluti, one of the country's biggest sources of dried fish.

"Last year, I produced 10 tonnes of dried fish which were sold in Indian markets but this year, I have no scope to produce even four tonnes or five tonnes of dried fish," Ali told The Daily Star.

Due to the lack of supply from Chalan Beel, dried fish producers are being forced to buy fish at high costs from other regions.

"And as a result of the soaring production cost, we are failing to catch the international market," Ali added.

Dried fish producers mainly process local varieties of fish, with the smaller ones of the barb species of the family Cyprinidae, in Bangla called "puti maach", having high demand in Indian markets.

"So, we mainly produced dried puti for supplying to Indian markets in the last few years but due to scanty supply from Chalan Beel, the buyers from Sayedpur are reluctant to purchase them at higher prices," said Md Alom Ali Mollah, another dried fish wholesaler.

Dried fish traders of Chalan Beel supply their products to the wholesale market in Sayedpur upazila as there are many major merchants in the region who export it to India.

But due to a scantly supply of the main raw material, most processers have cut their production.

"After experiencing continuous loss, I am not producing dried fish anymore this year," said Md Nasir Uddin, a dried fish trader.

Uddin went on to say that dried fish producers mostly conduct their business from October to December but the lack of rain in the monsoon season this year has led to poor fish farming.

However, Md Abul Kalam Azad, the district fishery officer, told The Daily Star that it was not a lack of production, but rather extensive marketing that caused a shortage of fish.

"Fish production in Chalan Beel has not faced any detrimental effect, rather fish farmers sell their produce in different markets across the country due to huge demand," he said.

"Besides there are many sheds established in different areas for making dried fish due to the international demand, so the fish market has grown," Azad added.

Not only at the commercial level, several thousand smaller fishermen in Chalan Beel and its adjoining areas produce dried fish in their households to sell the product in different districts during winter, said various sources.

Fish is seen drying under the open sun at the Mohishluti warehouse in Tarash upazila of Sirajganj. Although dried fish has good export value, production has been halved this year due to high input costs. The photo was taken recently.

PHOTO: AHMED HUMAYUN KABIR TOPU

The poverty reducing effect of migration

SAYEMA HAQUE BIDISHA

In the context of a developing country like Bangladesh, migration and resulting remittances can have crucial implications for its growth and development. Overseas migration has been working as a key means of providing employment opportunities for the growing labour force, with the remittances sent by the migrants contributing at both the macro and micro levels.

For example, since the last decade or so, international remittances have been on a rise and during the last fiscal (2020-21), it reached a record high of around $24.8 billion (Bangladesh Bank, 2021).

However, not only international remittances, increased connectivity within the country and better employment opportunities in larger cities have led to a gradual increase in internal migration.

Both types of migration and resulting remittances have contributed directly towards the socio-economic welfare of the households and, in particular, played an important role in household consumption expenditure, thereby helping in eradicating household poverty.

Though it can vary across recipient households as well as with the characteristics of the migrant himself/herself, the micro effect of remittances can be quite substantial, especially for the rural households.

According to the Household Income and Expenditure Survey 2016 (HIES 2016) and with a propensity score matching (PSM) method across the migrant and non-migrant households, the former group wasfound to have significantly higher per capita monthly consumption expenditure in comparison to the latter, with such a difference prevailing not only for international migration, but also for households with members undertaking internal migration.

However, the contribution of remittances sent by the migrants living abroad is much stronger as the effect (from a technical point of view-average treatment effect based on nearest neighbourhood matching) of such migration on the per capita monthly consumption expenditure of recipient households is significantly higher (Tk 1,538.57 vs Tk 572.91 for the internal migration households).

Such a positive contribution of migration on the consumption of recipient households can be observed more prominently while looking at the household level poverty rates.

While considering both types of migration, we find a 1.1 percentage points reduction in headcount poverty rate (for upper poverty line) due to migration. The poverty-reducing impact of foreign migration and resulting remittance flows is found to be around 0.9 percentage points, with the effect being rather a modest 0.2 percentage points for the internal migration households.

OPINION

While considering the lower poverty line, the effect of migration is found to be around 0.71 percentage points (0.57 percentage points for the international migration households and 0.14 percentage points for the internal ones). Therefore, while being a key source of income for the recipient households, migration and remittances tend to play a crucial role for their economic welfare.

It is not only during "normal" times, migration, especially the international one, has acted as a key form of coping instruments even in the context of Covid-19 pandemic induced income shock.

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GLOBAL BUSINESS

Vietnam police smash $3.8b cryptocurrency ring

AFP, *Ho Chi Minh City*

Vietnamese police have smashed a huge cryptocurrency ring worth around $3.8 billion, state media said Friday, as authorities battle rampant illegal gambling in the country.

Fifty-nine people were detained in southern business hub Ho Chi Minh City, accused of luring players through social media to place bets online, according to the city police's official newspaper.

The gambling ring is reportedly the biggest ever uncovered by Vietnamese police.

State media said players were instructed to buy a cryptocurrency wallet and convert their money into one of two digital currencies, Ethereum or USDT -- also known as Tether -- before placing bets on Swiftonline.live and Nagaclubs.com.

To entice new players, the detainees posted pictures on social networks showing off their fancy cars, expensive houses and extravagant parties.

To sway the more cautious, scammers also offered players insurance packages, with the promise of a refund if they did not win after six games.

However, during periods when there were a large number of players, the ring leaders crashed the websites in order to steal money from the digital wallets and avoid detection by police. Officers confiscated 55 laptops and desktops, 39 mobile phones and seven luxury cars from the gang in Ho Chi Minh City.

State media said the gang had also established large-scale gambling networks in many other provinces and cities across the country.

Vietnam's communist government has started loosening its grip on domestic gambling, allowing Vietnamese to bet in casinos and opening up some sports betting.

State media said players were instructed to buy a cryptocurrency wallet and convert their money into digital currencies before placing bets.

PHOTO: AFP/FILE

Global tax deal leaves billion-dollar loopholes

REUTERS, *Dublin*

Leaders of the worlds largest economies hailed a recent agreement to overhaul global corporate tax rules as key ensuring multinationals paid their fair share of tax.

The October deal established a global minimum corporate tax rate of 15 per cent aimed at curtailing profit-shifting to lower-tax jurisdictions such as Ireland, where many large international firms have their European headquarters.

It will eliminate incentives to shift jobs and profits abroad, US President Joe Biden in early October.

But some companies could still use Ireland to reduce their tax bills even after the agreement takes effect, according to tax specialists and a Reuters review of corporate filings.

Thats because the new agreement wont stop companies benefiting from a strategy widely implemented in recent years that reduces taxes over a period of up to a decade or more.

Irelands relatively generous tax allowances permit multinationals with a presence in the country to sell intellectual property, such as patents and brands, from one subsidiary to another to generate deductions that can be used to shield future profits from tax.

Companies that have generated deductions to reduce their taxable income by more than $10 billion each in recent years via this tax-minimizing strategy include US technology companies Adobe Inc and Oracle Corp, corporate filings show.

Business-software provider Oracle declined to comment and Adobe, creator of software such as Acrobat pdf-maker, didn't respond to requests for comment. Both companies have said they conform to relevant tax laws.

The agreement, brokered by the Organisation for Economic Co-operation and Development (OECD), is due to take effect in 2023.

It was signed by more than 130 jurisdictions, including Ireland.

The Irish finance ministry said Irelands tax treatment of intellectual property transactions is in line with other OECD countries.

In response to Reuters questions, the OECD acknowledged that companies could continue to benefit from profit-shifting strategies already in place but that it expects companies to be unable to build up such tax shields in the future.

The approach typically relies on a company also having a subsidiary in a country with a corporate income-tax rate of zero, such as Bermuda, that enables the company to conduct the sale tax free.

By phasing out zero-tax jurisdictions for multinationals, the OECD expects the global minimum tax of 15 per cent will make the strategy no longer attractive. Were trying to design rules for the future, said John Peterson, an OECD official.

Peterson added that the OECD cant be certain how each countrys rules would interact with the global minimum tax. But he said the OECD is confident that abuses will be limited by a requirement that countries calculate taxable income in accordance with accounting rules.

US service sector booms in Nov despite shortages

AFP, *Washington*

Business activity in the massive US services sector grew beyond expectations in November even as companies dealt with shortages and supply delays, according to an industry survey released Friday.

The Institute for Supply Management (ISM) said its services index climbed to an all-time high of 69.1 per cent last month, more than expected and a gain of 2.4 points from October.

All industries surveyed reported growth, while employment climbed, orders were stable but strong and prices fell back slightly even as they remained at high levels, according to the report.

However, the survey's chair Anthony Nieves said the supply shortages and delays that have complicated business across the world's largest economy have yet to abate.

"Demand continues to outpace supply that has been impacted by capacity constraints, shortages of labor and materials and logistical challenges," he said.

There was no improvement in supplier delivery times last month, the report said.

Omicron could dent global economic growth: IMF chief

REUTERS, *Washington*

The International Monetary Fund is likely to lower its global economic growth estimates due to the new Omicron variant of the coronavirus, the global lender's chief said at the Reuters Next conference on Friday in another sign of the turmoil unleashed by the ever-changing pandemic.

Omicron has spread rapidly to at least 40 countries since it was first reported in South Africa last week, officials say, and many governments have tightened travel rules to try to keep it out.

"A new variant that may spread very rapidly can dent confidence, and in that sense, we are likely to see some downgrades of our October projections for global growth," IMF Managing Director Kristalina Georgieva told the conference.

Much remains unknown about Omicron. Researchers said it could have picked up genetic material from another virus, perhaps one that causes the common cold, which would allow it to more easily evade human immune system defences.

Parts of Europe and the United States are grappling with a wave of infections of the more familiar Delta variant.

IMF MD Kristalina Georgieva

The new strain could further destabilize economies that are still emerging from Covid-19 related lockdowns and disruptions.

A corporate Christmas party in the Norwegian capital Oslo resulted in at least 13 infections, making it the biggest outbreak outside of South Africa, officials said.

The World Health Organization's (WHO) chief scientist Soumya Swaminathan told Reuters Next that the fast-spreading variant would have to become more transmissible to out-compete Delta, which accounts for 99 per cent of current transmissions.

"We need to be prepared and cautious, not panic, because we're in a different situation to a year ago," she said. WHO's emergencies director Mike Ryan said there was no evidence that existing vaccines needed to be modified to fight Omicron.