

## Toyota yearly production target hit by chip shortage

AFP, Tokyo

The world's top-selling carmaker Toyota said Tuesday it no longer expects to meet its annual production target with operations hampered by the global chip crunch.

A worldwide shortage of microchips – essential components of modern cars – has forced many automakers including Toyota to slow or temporarily halt production.

In September, the Japanese giant lowered the number of vehicles it hopes to make in the year to March 2022 to nine million, down from 9.3 million.

But on Tuesday the company said fresh cuts to a planned bumper factory output next month meant it was unlikely to meet its new target.

“Current demand is very strong, therefore we were aiming for a high February production plan,” Toyota said in a statement.

But “due to the impact of the continuing demand for semiconductors across all industries”, the company said it had reduced its global production target for February to around 700,000 units, some 150,000 fewer than before.

**Toyota lowered the number of vehicles it hopes to make in the year to March 2022 to nine million, down from 9.3 million**

“As a result of the revision, the full-year production forecast for the fiscal year... is expected to be lower than the previous forecast of nine million units,” it said.

Next month's target is still higher than the 668,000 units Toyota made in February 2021, however, as it scrambles to make up for lost output due to the semiconductor shortage and pandemic disruption to supply chains in Southeast Asia.

The targets are for Toyota and Lexus vehicles only, not the auto group's other brands Daihatsu and Hino.

Toyota said it would halt operations for several days next month on 11 production lines at eight of its 14 Japanese plants.

The company offered its “sincerest apologies to our customers and suppliers for the various inconveniences these adjustments may cause”.



Plastic industry will be one of the drivers of export growth if the sector is provided with proper policy support, experts think.

PHOTO: STAR/FILE

## Focus on light engineering, plastic for faster export growth

Says a senior government official

### STAR BUSINESS REPORT

Bangladesh needs to shift its product concentration to sectors like plastics and light engineering so that it can gradually move upwards in its industrialisation pathway, Senior Commerce Secretary Tapan Kanti Ghosh said yesterday.

As Bangladesh will upgrade from being the 43rd largest economy to 25-26th by 2030, greater foreign direct investment may be attracted and the ease of doing business may be gradually improved, he said.

With proper factor analysis, the projected target for 2030 can be upgraded, the secretary said.

After 2026 when Bangladesh will graduate from the least developed country (LDC) category, the government will not extend cash subsidy but provide support in the forms of research, knowledge, logistics and so on, he said.

He also informed that finance ministry has commissioned a study to seek alternatives of subsidies considering the changed situation after the LDC graduation.

Referring different projections of the light engineering sector, the secretary said there is a need for alternative projections



considering the global export of \$700 trillion, economic situation, supportive policies extended by the government and the target of perspective plan to be a developed country.

Ghosh spoke while addressing a workshop to finalise the export roadmaps for “plastic and light engineering sectors” jointly organised by Business Initiative Leading Development (BUILD) and the commerce ministry at the office of the Export Competitiveness for Jobs (EC4J) Project in Dhaka.

He said the plastic and light engineering sectors will be the

increase its light engineering and bicycle export because they secured significant amount of foreign direct investment, he said.

He suggested BUILD to revisit the target considering the global issues and economic development.

At the event, BUILD CEO Ferdaus Ara Begum said plastic toy has got huge potential to be a significant export product along with automobile components, provided that the sector is supported with policies such bonded warehouse facilities and reduced lead time.

Additional Commerce Secretary Hafizur Rahman said: “We have a target to reach export of \$80 billion by the marginal year of export policy 2021-2024.”

“We have roughly 300 plastic recycling factories across the country producing plastic flakes from scraps and exporting around 40,000 tonnes of flakes annually for making yarns,” said Md Monsurul Alam, director of EC4J project.

“We need to stop it and figure out how we can produce yarns from flakes in Bangladesh.”

Shamim Ahmed, president of Bangladesh Plastic Goods Manufacturers and Exporters Association, also spoke.

drivers of export growth if they are provided with proper policy support.

He also wanted to know from the stakeholders about what kind of policy support they need as the government is keen to see higher export growth through relevant policy interventions.

The secretary also endorsed the projection of BUILD for the plastic sector roadmap to be the 40th largest exporter by 2030.

BUILD shared two presentations on the two sectors export roadmaps at the validation workshop.

Viet Nam was able to

## Asean poised for post-pandemic inclusive growth – here’s why

JOO-OK LEE

The Covid-19 pandemic caused global investment activities to fall amid economic uncertainties, lockdowns, supply chain disruptions and postponement of investment by multinational enterprises.

The Association of Southeast Asian Nations (Asean) also recorded that foreign direct investment (FDI) fell to \$137 billion in 2020, down from its highest-ever inflow of \$182 billion in 2019, when it was the largest recipient of FDIs in the developing world.

Despite the decline, the Asean remained an attractive investment destination.

The region's share of global FDI rose from 11.9 per cent in 2019 to 13.7 per cent in 2020 while the intra-Asean share of FDI in the region increased from 12 per cent to 17 per cent.

Additionally, the longer-term trend shows that the value of international project finance in

the Asean has doubled from an annual average of \$37 billion in 2015–2017 to an annual average of \$74 billion in 2018–2020.

And the future looks bright. According to the first-of-its-kind Asean Development Outlook (ADO) report, the total combined GDP of 10 Asean countries in 2019 was valued at \$3.2 trillion, making Asean the fifth-largest economy in the world and well on track to become the fourth largest by 2030.

With a total population of about 700 million people in the region, 61 per cent are under the age of 35 and the majority of young people are embracing digital technologies in their daily activities.

The outlook remains promising, with coordinated pandemic response efforts and several key developments underway in the region.

### Coordinated Pandemic Responses

Asean members took coordinated actions to respond to pandemic challenges, such as the Hanoi Plan of Action on Strengthening Asean Economic Cooperation and Supply Chain Connectivity in Response to the Covid-19 pandemic.

Members collaborated on the flow of essential goods and enhanced the resilience of its supply chains and sourcing in the region.

This joint response was critical given how the concentration of FDIs in the Asean is connected to global value chain activities or regional production networks that involve intra and inter-firm linkages.

To support recovery and resilience building, the Asean launched the Covid-19 Asean Response Fund and cooperated with external partners on the Asean Centre for Public Health Emergencies and Emerging Diseases to enhance regional health security and sustain Asean preparedness and resilience in the face of public health emergencies.

### Regional Comprehensive Economic Partnership

The Asean-led Regional Comprehensive Economic Partnership (RCEP) Agreement came into force on January 1, 2022, for Australia, Brunei Darussalam, Cambodia, China, Japan, Lao PDR, New Zealand, Singapore, Thailand and

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**A green future does not only benefit the well-being of the next Asean generation, but is good for Asean economically, boosting the region's competitiveness in attracting green FDIs**

## Ozone pollution costs Asia billions in lost crops

AFP, Tokyo

Persistently high levels of ozone pollution in Asia are costing China, Japan and South Korea an estimated \$63 billion annually in lost rice, wheat and maize crops, a new study says.

While ozone forms a protective layer around the Earth in the upper atmosphere, it is a harmful pollutant at ground level.

It is created by a chemical reaction when two pollutants, often emitted by cars or industry, combine in the presence of sunlight and it can interfere with plant photosynthesis and growth.

The research published Monday harnesses pollution monitoring data from the region and field experiments to show ozone affects Asia's crop yields more than previously thought.

The study's authors said the findings should push policymakers to reduce emissions that produce ozone.

“Air pollution control in North America and Europe succeeded in lowering ozone levels,” said Kazuhiko Kobayashi, a co-first author of the study and professor emeritus affiliated with the University of Tokyo.

“We need to repeat that success across East and South Asia,” he told AFP.

Previous estimates of ozone's effects on staple crops such as rice, wheat and maize have sometimes used varieties that are not prevalent in Asia, or tested plants grown in pots rather than fields.

To get a more accurate picture, the researchers looked at varieties common in the region and did experiments with crops in pots but also in fields.



A farmer shows his drought destroyed corn crop and fields caused by over 70 days without rain, near Bishan town in Southwest China's Chongqing Municipality.

PHOTO: AFP

## Telenor to divest more Myanmar businesses

AFP, Oslo

Norwegian cell phone operator Telenor said Monday it is also selling its stake in a digital payment service in Myanmar following the military coup in the Asian country.

Telenor, which has already announced the sale of its Burmese telecoms subsidiary, will sell its 51 per cent stake in Digital Money Myanmar Limited (Wave Money) for \$53 million (46 million euros), the company said in a statement.

The service allows people to make financial transactions from their mobile phones.

Yoma MFS Holdings, a subsidiary of Yoma Strategic, which is listed on the Singapore Stock Exchange and already owns 44 per cent of Wave Money, will buy the stake and thereby take control of the company.