

Japan to sanction chip exports to Russia over Ukraine

AFP, Tokyo

Japan will impose sanctions on Russia targeting semiconductor exports and financial institutions, Prime Minister Fumio Kishida said Friday after G7 leaders agreed to punish Moscow economically for invading Ukraine.

The announcement came after Russian President Vladimir Putin unleashed a full-scale ground invasion and air assault on Thursday.

Kishida said the world's third-largest economy planned "asset freezes and the suspension of visa issuance for Russian individuals and organisations" as well as asset freezes "targeting Russian financial institutions". "Thirdly, we will sanction exports to Russian military-related organisations, and exports to Russia of general-purpose goods such as semiconductors and items on a restricted list based on international agreements," he told reporters.

Kishida did not detail the scale of the sanctions or which individuals and institutions would be targeted, though local media said Bank Rossiya, Promsvyazbank and Russia's economic development bank VEB would be hit.

Semiconductors are essential components in products from cars to gaming consoles, and are in short supply worldwide.

The United States has also announced export controls on sensitive components that US President Joe Biden said will "cut off more than half of Russia's high-tech imports".

Japan is a key US ally and member of the Group of Seven, which held virtual talks overnight and agreed "to move forward on devastating packages of sanctions and other economic measures to hold Russia to account", Biden said.



Work being done on an engine of a passenger-carrying water vessel at a shipyard of Sundarban Navigation Company in Beltola area of Barishal city yesterday. Dozens of luxury launches are carrying hundreds of passengers every day, some equipped with elevators, well-furnished rooms and modern gadgets such as echo sounders to fathom the depth of water, radars, wifi and radio communication.

PHOTO: TITU DAS

BSCIC yet to finalise location for industrial park in Jashore

SUKANTA HALDER and MD ABU TALHA SARKER

Although five years have passed since the Bangladesh Small and Cottage Industries Corporation (BSCIC) made plans to establish an industrial park for automobile and light engineering industries in Jashore, the agency is yet to finalise the exact location for the project.

The initiative was taken based on a recommendation from a panel formed by the industries ministry. According to the plan, a park could be set up on 100 acres of land in Fatehpur mouza of Jashore, a centre for making farm machinery such as threshers.

Later in 2019, the BSCIC sought consent from the Jashore district administration to acquire the land for the project. The district has been registering decent growth in the establishment of auto workshops for the last several decades.

Local businesses said various types of parts, such as springs, propellers and chassis of private vehicles, brick and stone-crushing machines, concrete-mixture

machines, water pumps and shallow engines, are made in the south-western district.

At least 300 establishments in the region are associated with the making and trading of light engineering products.

BSCIC has sought permission from the district administration to acquire up to 500 acres of land to construct the industrial enclave

"Of them, about 200 are engaged in making auto parts and the bodies of buses," said Harun Ur Rashid, former general secretary of the Jashore Light Automobile Engineering Owners' Association.

More than 15,000 people are involved in these growing sectors.

In order to develop the park, the BSCIC previously requested the district administration to give an estimate on the

availability and cost of land in Fatehpur.

In response, the deputy commissioner's office informed the agency that paddy and dates were being grown in the land where the park was planned for construction.

The DC office then requested the BSCIC to select low or non-agricultural land instead. The corporation later planned to develop the park at Harinar Beel, a wetland beside the Jashore-Satkhira road.

Recently, the BSCIC has sought permission from the district administration to acquire up to 500 acres of land to construct the industrial enclave.

"If we get the consent, we could start our work in the next fiscal year," said Rashedur Rahman, deputy general manager for planning at the BSCIC.

Lokman Hossain, owner of Rifat Engineering Works, says it will be of great benefit to all if an industrial park is set up in the region.

Md Tamijul Islam Khan, deputy commissioner, says the BSCIC is responsible for the land selection. "If they select the right place and apply to us, we will approve it."

Arabs fear for wheat supplies after Russia invades Ukraine

AFP, Cairo

Russia's invasion of Ukraine could mean less bread on the table in Egypt, Lebanon, Yemen and elsewhere in the Arab world where millions already struggle to survive.

The region is heavily dependent on wheat supplies from the two countries which are now at war, and any shortages of the staple food have potential to bring unrest.

If those supplies are disrupted, "the Ukraine crisis could trigger renewed protests and instability" in several Middle East and North Africa countries, the Washington-based Middle East Institute said.

The generals now ruling in Khartoum after an October coup have not forgotten: In 2019 one of their own, Field Marshall Omar al-Bashir, Sudan's longtime autocrat, was toppled by his military under pressure from mass demonstrations triggered by a tripling of the bread price.

Sudan is already facing regular anti-coup protests but seems to have taken the initiative to avoid demonstrations over bread.

When Russia's invasion began on Thursday, the second-highest figure in Sudan's ruling Sovereign Council was in Moscow to discuss trade ties. Bread is already a luxury for millions in Yemen, where a seven-year war has pushed the country to the brink of famine.

"Most people can barely afford the basic foods," and the war in Ukraine will only "make things worse", Walid Salah, 35, a civil servant in the rebel-held capital Sanaa, told AFP.

Russia is the world's top wheat exporter and Ukraine the fourth, according to estimates by the US Department of Agriculture.

Moscow's invasion pushed the wheat price far above its previous record high in European trading to 344 euros (\$384) a tonne on Thursday.

David Beasley, the World Food Programme's executive director, said the Ukraine-Russia area provides half the agency's grains. The war, he said, "is going to have a dramatic impact".

WFP says 12.4 million people in conflict-ravaged Syria are also struggling with food insecurity. Before its civil war began in 2011, Syria produced enough wheat to feed its population but harvests then plunged and led to increased reliance on imports.

The Damascus regime is a staunch ally of Moscow which backed it militarily during the war. "Syria imported some 1.5 million tonnes of wheat last year, largely from Russia," The Syria Report, an economic publication, said this month.

Damascus says it is now working to distribute the stocks to use them over two months. Supplies in neighbouring Lebanon won't last that long.

The country is gripped by a financial crisis which has left more than 80 percent of the population in poverty, and a 2020 port explosion damaged large parts of Beirut including silos containing 45,000 tonnes of grain.

Lebanon's current stock, in addition to five ships from Ukraine waiting to be offloaded, "can only last for one month and a half", said Ahmad Hoteit, the representative of Lebanon's wheat importers.

Ukraine was the source of 80 percent of the 600,000 to 650,000 tonnes of wheat imported annually by Lebanon, which has only been able to store about a month's worth of wheat since the port blast, he told AFP.

Foreign aid

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The Washington-based multilateral lender provided \$500 million for purchasing Covid-19 vaccines.

According to officials, there was not much use of the WB fund initially. But it has recently picked up and the government has spent \$130 million under Covid-19 support.

Bangladesh has set an ambitious target to receive \$12.98 billion in foreign assistance from the development partners in the current fiscal year.

But the ERD may slash the allocation target in the revised budget by \$1.5 billion as the fund use has been lower than expected.

Bangladesh spent around \$3 billion to \$3.5 billion annually from 2013-14 to 2016-17. Spending of foreign funds crossed \$7 billion per year since the fiscal year 2018-19.

The commitment of development partners also

increased by 47.55 per cent year-on-year in the past seven months to \$4.69 billion.

When a loan agreement is signed with a development partner, it is considered a commitment, meaning the fund is ready for utilisation.

The government has set a target to realise commitments for \$6 billion in foreign aid this fiscal year.

An official of the ERD said they have some agreements in the pipeline which would be signed within June 2022. Once inked, the commitment of foreign aid will cross the figure targeted.

China made the highest commitment of \$1.3 billion followed by the ADB with \$822 million and the WB with \$795 million.

During the past seven months, Bangladesh made debt repayments amounting to \$900 million, a decrease of 26 per cent from a year ago.

Avoid duties on local

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"However, the profits of businesses have not increased," he added.

Jashim then urged the government not to impose any new tax in 2022-23.

The FBCCI chief said the government should now assess the implementation growth of automation projects, which were taken to modernise and improve revenue management.

Md Farid Uddin, a panel adviser of the FBCCI and a former member of the National Board of Revenue, said the VAT Act-2012 has now become the Sales Tax Act due to various amendments in 2019.

He recommended a fundamental reform of the law.

At the meeting, Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association, demanded that tariffs on man-made fibre be repealed in the upcoming national budget.

He also asked for the implementation of a single rate of duty on the import of spare parts, and retention of 15 per cent corporate tax on textiles until 2030.

Snehashish Barua, committee member and adviser of the Foreign Investors' Chamber of Commerce and Industry, suggested rationalisation of the advance tax rate and formulation of a single rate of VAT from the next fiscal year.

BBS still faces challenges in imparting timely

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The census, which is performed once a decade, offers complete data on population, its composition, workforce, density, housing and other socioeconomic indicators which are vital for formulating economic and other policies.

The last census was conducted in 2011, when the country's population stood at 15.17 crore. Currently, the estimated population is 16.8 crore, according to the Bangladesh Economic Review 2021.

The statistical agency prepared the master plan in 2018 and was supposed to publish a preliminary report on the exercise by July last year. In January 2021, it pushed back the date to October 25-31, but there has not been much headway, said BBS sources.

The BBS has also failed to ensure timely generation of the data on agriculture production.

Speaking to The Daily Star, Prof Md Aynul Islam, general secretary of the Bangladesh Economic Association, said reliable data is a key component for informed policymaking.

"The BBS is the sole authority to provide data in Bangladesh. But several data are not provided in a regular manner, which makes it difficult to make informed policy decisions."

Islam pointed out that the GDP figures provided by the BBS have faced

questions recently.

"There is a general perception among the researchers that GDP figures in Bangladesh are overestimated. So, the BBS needs to win the trust of people. This issue should be addressed properly."

Similarly, the Household Income Expenditure Survey (HIES), which is supposed to be conducted every five years, is now seven years old.

The survey was due in 2015. The BBS completed it in 2016-17, meaning when data were finally made available, they were already three years old.

"The next HIES survey was scheduled in 2020. It is 2022, and we do not have any information on the survey," Islam said.

During the coronavirus pandemic, the dearth of updated data posed challenges to the government as there is no information on the number of new poor or job losses. But the information is important to design stimulus packages and other policies targeting poverty and vulnerability.

The labour force data used to be published quarterly. But after 2015 and 2016, it was discontinued.

The BBS was also given the responsibility to conduct a census to develop the National Household Database, which will be used to improve the beneficiary selection

process for social security programmes. The agency conducted the census in 2017 but has not released the data yet.

"The data had become outdated even before their release," Islam added.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, also lauded the BBS for publishing updated data.

"However, the BBS should work independently and be accountable to the parliament. Its data should not be reviewed by any political parties or approved by a cabinet meeting, as it is a sensitive issue."

Prof Selim Raihan, executive director of the South Asian Network on Economic Modelling, says the BBS has some success in generating and publishing data and carrying out surveys.

"Its performance is better than many developing countries in the Asia-Pacific region."

However, there are shortcomings.

"Not only research organisations, but many government officials have admitted to a lack of qualitative data," said Raihan, a professor of economics at the University of Dhaka.

In a broader sense, after 48 years of the BBS's journey, it is still not in a good position. The role of the state-run agency has become even more

important at a time when the government is working to achieve the Sustainable Development Goals.

"Willingness to work is a major issue to overcome the situations rather than funding," said Prof Raihan.

BBS Director-General Mohammad Tajul Islam could not be contacted for comments.

Zahid Hussain says a country needs statistics to assess development strategies.

"But when statistics are not available at regular intervals, you will face difficulty and then you will have to make a guess relying on whatever information you have."

"Statistics have not been available at regular intervals despite reforms and various projects."

Hussain says so far, there has been no controversy about poverty and employment data. "But there is a question about GDP growth, inflation and even agriculture production figures."

"I don't know how many people trust the inflation data of the BBS because consumers see a different picture when they go to the kitchen markets. So, the BBS has to publish important statistics regularly, and the problem related to credibility has to be overcome."

"Overall, there has been progress in terms of access and coverage of data, but the BBS still has a long way to go," Hussain added.

Soybean meal

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The relaxation created worries among farmers about whether this would raise production costs.

"Soybean meal exports have been allowed on grounds that prices are lower here than in the neighbouring country. It is a suicidal decision," said Md Shah Emran, general secretary of the Bangladesh Dairy Farmers' Association (BDFa).

The duty-free import of soybean, which leaves soybean meal once oil is extracted, is allowed in Bangladesh for edible oil producers, for which the price of soybean meal is cheaper than in India.

After the notice was issued, the price of animal feed has been growing and at least 50 per cent of farms will have to be shut down, Emran apprehended.

According to the BDFa, there are around 12 lakh small and medium farms in Bangladesh.

He said around 75 per cent to 80 per cent of the demand for soybean meal can be met by local mills.

The rest has to be imported but in spite of this, the government is allowing the export of soybean meals on a case-to-case basis, he said.

According to the BDFa general secretary, the price of soybean meal increased by 71 per cent to Tk 60 per kilogramme at present from Tk 35 per kg a year ago.

Bangladesh requires 20 lakh tonnes of soybean meal, and 80 per cent of the ingredient comes from local seed crushing mills, which import soybean seeds to cater to both edible oil and feed industries. Soybean meal accounts for 25-35 per cent of animal feed.