

US services sector accelerates

AFP, Washington

The dominant US services sector saw growth accelerate in March as worker shortages and Covid-19 cases eased, but firms continue to face supply challenges, according to an industry survey released Tuesday.

The Institute for Supply Management (ISM) said its services index rose 1.8 points to 58.3 per cent, recovering from the slowdown seen in February and boosted by big jumps in new orders and employment.

The massive sector also saw an improvement in supplier deliveries and backlogs of orders, despite complaints of ongoing shortages of key materials and rising energy prices caused by the sanctions imposed on Russia following its invasion of Ukraine.

"There was an uptick in business activity in March, but respondents have indicated that they

The massive sector also saw an improvement in supplier deliveries and backlogs of orders

continue to be impacted by capacity constraints, logistical challenges and inflation," the survey's chair Anthony Nieves said.

"Labor shortages have eased slightly, as Covid-19 cases have declined and public-health restrictions have been relaxed."

The increase marks 22 straight months of expansion, according to the survey, which showed 17 industries reporting growth, with agriculture the lone exception in slowing down.

However, "Geopolitical concerns -- particularly the Russia/Ukraine war, which has impacted material costs, most notably fuel and chemical prices -- have created uncertainty for many businesses," Nieves said.

Amid the rapid recovery from the pandemic, the US economy has been plagued by shortages and rising prices as well as struggles to find workers.

Comments from survey respondents indicate ongoing issues, including rising prices and long lead times, which have impacted production in some cases and caused some firms to be more cautious about investments.



A lush litchi orchard is seen at Mashimpur village of Dinajpur sadar upazila. While the trees started blooming a little later than usual this year, growers hope that good yields amid favourable weather will help offset the higher production costs.

PHOTO: KONGKON KARMAKER

Litchi growers eye bumper yield

KONGKON KARMAKER

With litchi season creeping ever closer, farmers in Dinajpur are spending busy days caring for their orchards in order to ensure maximum output of the mouth-watering tropical fruit, weather permitting.

However, the litchi trees started blooming a little later than usual this year as they entered the flowering stage in early March instead of late February, according to the Department of Agricultural Extension's officials in Dinajpur.

If all goes well, the bite-sized fruit usually remains in the market for about a month after arriving in early June each year.

Litchis are grown all over Bangladesh but the favourable climate and soil conditions in some northern districts, such as Dinajpur, are much more conducive.

As such, various types of the fruit, including Madrazi, Bombay, China 1, 2 and 3, Kathali and Bedana, are grown in the region.

The DAE data shows that litchis are being grown on 9,197 hectares of land across eight districts in Rangpur and Dinajpur this year.

Dinajpur is leading the cultivation though with 7,226 hectares of land while Rangpur accounts for the rest.

The DAE officials say that there are some 4,000 large and small-scale commercial litchi orchards spread across the eight districts.

With an average of about 5.16 tonnes of the fruit being produced on each hectare, the region's total production target is around 47,500 tonnes this year.

When it comes to just Dinajpur, which is the largest litchi growing district in the country, the DAE has set the production target at about 33,484 tonnes.

There are at least 3,000 large and small scale commercial orchards spread across 13 upazilas in the district, where cultivation has expanded by 10 per cent each year.

"We expect a healthy yield this year if everything goes right," said Ashraf Islam of Chiribandar upazila in Dinajpur.

Many farmers told The Daily Star that only 70 per cent of the litchi trees in Dinajpur had flowered last year, affecting production levels in the process.

This year though, approximately 90 per cent of the plants are blooming, which has raised hopes for farmers.

During a visit to several orchards in different upazilas of Dinajpur, this correspondent found that hired labourers were busy caring for litchi plants to prevent any pest attacks or dropping out of buds.

"We take care of the tree year-round but they need special care as soon as they start flowering. The budding period after flowering is most important," said Bulbul Ahmed, a litchi grower of Madhabati village under Biral upazila of Dinajpur.

He went on to say that production

costs would be higher this year due to the soaring cost of inputs, including fertiliser, farm hands and diesel.

"The production cost will increase 30 per cent this year," he said.

In addition to rising production costs, fluctuating weather conditions have also become a threat for litchi growers like Ziaur Rahman of Mashimpur village under Dinajpur sadar upazila.

About 45 of Rahman's litchi trees failed to bud properly due to ups and downs in temperature and besides, early morning fog is a big enemy of litchi cultivation.

"Its bad luck for me but I am trying to save the other trees," he said, adding that a similar situation was prevailing in other orchards in the area.

Prodip Kumar Guha, additional director of the DAE in Dinajpur, said all crops were weather sensitive and litchis were no exception.

"Production can be affected in some places due to the fluctuating climate and prevailing fog in the early morning. But overall, we expect a good yield this year," Guha said.

Litchis play a significant role in the district's rural economy. Last year, about Tk 400 crore worth of the fruit was traded in the region, he added.



ADB trims Asia growth forecast

AFP, Manila

The Asian Development Bank trimmed its 2022 growth forecast for developing Asia Wednesday as "increasing" price pressures after Russia's invasion of Ukraine threaten a recovery from Omicron surges.

Inflation across the vast region stretching from the Cook Islands in the Pacific to Kazakhstan in Central Asia was expected to gather pace as countries bounced back from the pandemic, and energy and food costs rose, it said.

In the wake of the Omicron-driven surge in coronavirus infections and the conflict in Ukraine, the Philippines-based lender lowered its 2022 economic growth forecast to 5.2 per cent.

That compares with its previous prediction in December of 5.3 per cent and the 6.9 per cent growth chalked up last year.

While the bank was optimistic the region would continue to rebound from Covid-19, chief economist Albert Park said the recovery would be "uneven" and there were "significant downside risks".

"What is certain is that the fallout from the war is an additional hurdle for economies in developing Asia which are still contending with the pandemic," Park said.

While the Caucasus and Central Asia would take a direct hit from the Ukraine crisis due to their close trade and financial links to Russia, the rest of the region would be affected indirectly through higher food and energy prices.

"Energy bills will rise for energy importers, pushing inflation up and weighing on demand," the bank said in its flagship Asian Development Outlook report.

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A worker checking equipment at a textile factory in Jinjiang in China's eastern Fujian province. Covid-19 still casts a shadow over developing Asia, with the risk of more deadly variants emerging and the Omicron outbreak in China threatening regional growth and supply chains.

US IT firm keen to set up software delivery centre

STAR BUSINESS REPORT

SVAM, a US-based global information technology services provider, wants to set up a software delivery centre in Bangladesh.

Top officials of the company expressed this interest at a meeting with Zunaid Ahmed Palak, the state minister for ICT, at his office in Dhaka yesterday.

Anil Kapoor, president and chief executive officer of SVAM International Inc, and Dhananjay Kumar, vice president were present at the meeting, according to a statement from the ICT Division.

Kapoor said SVAM will facilitate training for IT engineers in Bangladesh with US trainers in areas of modern IT services.

The software delivery centre is a competitive and cost-effective web-based solution providing improved flexibility in software distribution methods.

Based in New York, SVAM International is a leading provider of IT support and related services across multiple countries.

It provides business-focused solutions like robotic process automation, mobile force automation, consulting and staffing services.

EU takes sanctions aim at Russia fossil fuel exports

AFP, Strasbourg

EU leaders on Wednesday said the bloc will soon have to sanction all of Russia's hydrocarbon exports as they blamed Moscow for "war crimes" discovered in Ukraine, especially in the town of Bucha.

The declarations, made to the European Parliament in the French city of Strasbourg, came as the European Union was poised to implement a fifth round of sanctions cutting off Russian coal imports, while NATO and G7 foreign ministers gathered in Brussels for further steps on coordinated action.

The EU must also impose oil and gas sanctions on Russia "sooner or later", European Council chief Charles Michel told MEPs.

The deaths of civilians in Bucha and other parts of Ukraine were "war crimes" and "yet more proof that Russian brutality against the people of Ukraine has no limits," he said.

"We the EU, we will not turn our backs. We will look reality straight in the eye. There must be, and there will be, severe consequences for all those responsible," he said.

European Commission President Ursula von der Leyen echoed that, saying: "We will hold accountable those who are responsible for war crimes. The perpetrators must pay after Bucha more than ever." She said the EU intended to keep ramping up "smart" sanctions that would hurt Russia more than the European Union.

The latest package of measures, she said, "will not be our last sanctions".

"Yes, we've now banned coal. But now we have to look into oil. And we'll have to look into the revenues that Russia gets from the fossil fuels," she said.

Russia's oil, gas and coal exports are its key sources of foreign income, with the EU its main customer.

Some EU countries, notably Germany, have been reluctant to hit Russian energy exports because of the damage it would do to their own economies.

But pressure has been building to go after them following the reports of mass civilian deaths in Bucha and other areas in Ukraine formerly held by Russian troops.

German industrial orders fall sharply

AFP, Frankfurt

German industrial orders fell more than expected in February, official data showed Wednesday, as the economy ministry warned that "high uncertainty" over the war in Ukraine was likely to dampen the outlook for manufacturers.

New orders dropped by 2.2 per cent over the previous month, statistics agency Destatis said, the first dip in the indicator in four months. Destatis said the decrease was mainly due to lower demand from abroad.

Factory orders are closely watched as a preview of future economic activity in Europe's manufacturing powerhouse.

February's dip gives a "first taste of how the war in Ukraine and new uncertainties will affect the German economy", tweeted ING bank economist Carsten Brzeski.

PHOTO: AFP/FILE