

## Germany skirts recession with Q1 growth

AFP, Frankfurt

The German economy grew by 0.2 per cent in the first quarter of 2022, official figures published Friday showed, swerving a technical recession after ending 2021 on a downwards note.

Despite the positive result, the war in Ukraine has had "a growing impact" on the economy since Russia's invasion in late February, the federal statistics agency Destatis said in a statement.

Gross domestic product shrank 0.3 per cent in the last quarter of 2021 as supply bottlenecks and a new wave of the coronavirus took their toll.

Europe's largest economy was caught between "two opposing forces", said Fritz Koehler-Geib, chief economist at the public lender KfW.

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The recovery after the last wave of the coronavirus had given a "positive impulse", she said, but new bottlenecks in raw materials and components as a result of the Ukraine conflict were "weighing" on the economy.

Interruptions to supplies of key parts from Ukraine have hampered production, forcing a temporary factory stop at Germany's leading auto manufacturer Volkswagen.

Rising costs for "energy and food" due to the conflict had likewise taken the wind out of a hoped-for post-pandemic consumer boom, Koehler-Geib said.

Earlier this week, the German government slashed its forecast for growth in 2022 to 2.2 per cent from the 3.6-per cent figure it had put forward in January.

Germany, which is highly reliant on Russian energy imports and maintained strong business links with Moscow, was "paying a price" for its backing for Ukraine, Economy Minister Robert Habeck said.

An Russian gas embargo in response to the war could have potentially painful impact on businesses and consumers, driving the cost of energy even higher.



Workers are seen sorting potatoes inside a "natural" cold storage in Domar upazila of Nilphamari. With production far exceeding the collective storage capacity of traditional cold storages, these bamboo structures serve as a much-needed alternative as farmers can use them to store their crops for up to four months at almost no cost.

PHOTO: EAM ASADUZZAMAN

# 'Natural' potato storage the new rage in north

Provides potato farmers a cheap way to keep their crops for later sale

EAM ASADUZZAMAN, Nilphamari

Amidst substantial amounts of potato production and subsequent space constraints in cold storages, a new method of stowing the spuds that does not require freezing has come as a blessing for farmers in the country's northern districts.

With this new method, farmers will be able to ensure good profits by selling the stored potatoes over time as they would be otherwise forced to sell them at throwaway prices just after harvests.

During a recent visit to Rangpur and Nilphamari districts, this correspondent found that there were now many "natural" storages for potatoes grown in the region.

On an average, the storehouses are about 25 feet long and 15 feet wide with roofs made of corrugated iron sheets while the floors and walls are comprised of bamboo slats to facilitate air flow.

In addition, herbs locally known as "biskutuli" are spread on the floors to protect the potatoes from pest infestations. About 30 tonnes to 32 tonnes of the tuber crop can be kept for up to four months without expense in each of these storage facilities.



The Department of Agricultural Marketing had initiated a project, styled "Potato preservation, processing and marketing at homesteads", in fiscal year 2015-18 to build 40 of these storages in the region.

Motivated by its success, the department has undertaken a new project to construct another 450 of these storages in different areas at a proposed cost of Tk 41 crore.

The project plans are currently at the planning commission for recommendations, according to relevant sources.

"Natural potato storages

have proven effective and so, many will be built in 16 districts of Rangpur and Rajshahi along with Munshiganj, Cumilla and Chadpur," said Anwarul Huque, deputy director of the department for the Rangpur region.

At present, there are some 41 natural storages that can accommodate about 1,500 tonnes of potato.

After conducting intensive surveys, Bangladesh Agricultural Research Council conveyed its observation that by using the natural storages, farmers can increase their profit by up to Tk 6 per kilogramme (kg) of the crop.

In eight northern districts of Rangpur division, potato production amounted to 40 lakh tonnes this year but the region's 102 cold storages can accommodate only 9.5 lakh tonnes, showed data from the Department of Agricultural Extension.

The cost of preserving a 50-kg bag of potato in cold storages is about Tk 260, which is too high for most farmers to bear.

A local Farmers Marketing Group (FMG), comprising 30 to 35 members, maintains the procedure of preserving and selling potatoes from storages in due time and also sharing profits proportionately.

Md Abul Islam, leader of an FMG wing in Uttar Motukpur village, said potatoes kept in cold storages remain intact from March to June and by this time, prices rise to their benefit.

This year though, they were compelled to sell large amounts of potatoes early on at a lower profit as untimely rainfall during the harvest season threatened to ruin the crops.

"But the spuds kept in cold storage lose their natural taste, which is disliked by consumers," said Moklesur Rahman, a farmer of the same village.

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## The economics of Eid-ul-Fitr

MUHAMMAD ABDUL MAZID

The latest wave of Covid-19 is on the verge. The economy looks like on rebound mode, but it may take more time for the life and livelihood to return to normalcy if other things remain constant.

In the last 24 months, Bangladesh missed dozens of festivals, but if they could be celebrated to a greater degree, the economy would have regained momentum.

Curbing disparity, proper distribution of resources, and the window of employment opportunity for the lower and middle class can be notched up by leveraging this festival.

It was highly speculated that the economic climate will be nascent in the next phase on the heels of the last two years' exacerbated situation. So,

pouring more funds this time may turn to drainage. That takes a heavy toll on the overall scenario. This is the landscape of how the festival's economy becomes gloomy.

However, given that the nation spent a substantial amount of cash for Eid-ul-Fitr (two months' salary and festival bonus together) and remittances poured in, a special business spree started for the transportation sector as many people travel.

Media reports confirm the magnitude of financial transactions marking the celebration of Eid in a country of 17.5 crore people.

Festivals are common in all societies and cultures. With the change in social and economic structures, the nature of festivals also changes. But some festivals are so deeply rooted in the social organism that they continue to entertain from generation to generation.

Some of the festivals bear the mark of the community and nationality, some have the stamp of religion, and some bear the impression of politics. The main foundation of religious festivals is ritual and is of collective activities. Many of the rituals were related to agriculture and were determined by lunar months.

**Curbing disparity, proper distribution of resources, and the window of employment opportunity for the lower and middle class can be notched up by leveraging this festival**

The ancient rituals were magical processes to tame supernatural power. In the subsequent cultures, this characteristic feature was retained. Some spontaneous agro-based ancient festivals lost their spontaneity with the passing of time and became more formal.

Although most of the festivals were related to religions, these did not evolve on account of religions - they originated spontaneously in society. Later, they assumed a more formal character.

For example, not very long ago, singing and music were a part of the Eid festival of the Muslims of Bengal, which was an expression of spontaneity. But now it is not there. Nowadays, these are more formal than before, but new social dimensions have been added to them.

They have become occasions of mutual exchange of pleasantries among friends and relatives and become an event of economic boom, cultural activities and even political manoeuvrings.

Eid-ul-Fitr is also connoted as a festival of distributing fitra, a form of charity from the rich to the poor, helping them celebrate Eid.

In Bangladesh, Eid is observed colourfully in a befitting manner and with great zeal and zest. This festival has evolved in the primitive society out of the prayer for food and has now become varied and vibrant.

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## DEALING WITH DEFAULT

# Russia makes last-gasp dollar bond payments

REUTERS

Russia made what appeared to be a late U-turn to avoid a default on Friday, as it made a number of already-overdue international debt payments in dollars despite previously vowing they would only be paid in roubles.

Whether the money would make it to the United States and other Western countries that sanctioned Russia was still not clear, but it represented another major twist in the game of financial chicken that has developed about a possible default.

Russia's finance ministry said it had managed to pay \$564.8 million on a 2022 Eurobond and \$84.4 million on a 2042 bond in dollars - the currency specified on the bonds. The ministry said it had channeled the required funds to the London branch of Citibank, one of the so-called paying agents of the bonds whose job is to disburse them to the investors that originally lent the money to Moscow.

Russia has not had a default of any kind since a financial crash in 1998 and has not seen a major international or 'external' market default since the aftermath of the 1917 Bolshevik revolution.

The risk of another one though is now a flashpoint in the economic tussle with Western countries which have blanketed Russia with sanctions in response to its actions in Ukraine that Moscow has termed a "special military operation". The bonds were originally supposed to be paid earlier this month but an extra 30-day 'grace period' that government bonds often have in their terms meant Moscow's final deadline was on May 4.



A woman buys vegetables at a food market in Moscow on Friday. Russia has not had a default of any kind since a financial crash in 1998 and has not seen a major international or 'external' market default since the aftermath of the 1917 Bolshevik revolution.

PHOTO: AFP

## HSBC's top shareholder calls for its break-up

REUTERS

HSBC Holdings's largest shareholder, Chinese insurance giant Ping An, has called for a break-up of the London-based bank, a source familiar with the matter said on Friday.

Ping An has set out its plan to split the company to HSBC's board, according to earlier media reports, which also cited people familiar with the matter.

Ping An declined to comment.

HSBC did not comment on Ping An's involvement, but defended its overall strategy in a statement on Friday.

"We believe we've got the right strategy and are focused on executing it," a spokesperson for the bank said by email.

The plan would unlock greater value for HSBC shareholders by separating its Asia operations, where the bank makes most of its money, and other parts

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