



The demand for coconuts, which provide a nutrient-rich and refreshing way to keep hydrated, has gone up in recent weeks amid the heatwave across the country. Here, workers are seen unloading coconuts from a boat before shipping them off to traders in Dhaka, who buy each piece of the fruit for between Tk 45 and Tk 50 at wholesale depending on size. The photo was taken recently.

PHOTO: TITU DAS

China's export growth hits 2-year low amid virus curbs

REUTERS, Beijing

China's export growth slowed to single digits, the weakest in almost two years, while imports barely changed in April as tighter and wider Covid-19 curbs halted factory production and crimped domestic demand, adding to wider economic woes.

Exports in dollar terms grew 3.9 per cent in April from a year earlier, dropping sharply from the 14.7 per cent growth reported in March although slightly better than analysts' forecast of 3.2 per cent. It was the slowest pace since June 2020.

Imports were broadly stable year-on-year, improving slightly from a 0.1 per cent fall in March and a bit better than the 3.0 per cent contraction tipped by the Reuters poll.

The weak figures show China's trade sector, which accounts for about a third of gross domestic product, is losing momentum as lockdowns across the country ensnared supply chains in major centres like Shanghai, heightening risks of a deeper slowdown

in the world's second-largest economy and beyond.

"The virus outbreaks in China led to huge difficulties in the production chains and the supply chains," Chang Ran, a senior analyst at Zhixin Investment Research Institute said in a note on Monday. "Meanwhile, some countries in Southeast Asia have transitioned from recovery to production expansion, replacing Chinese exports to some extent."

Julian Evans-Pritchard, senior China economist at Capital Economics, said the main headwind to exports is weakening foreign demand.

"The sharpest falls were in shipments to the EU and US, where high inflation is weighing on real household incomes," he said. "The declines were also especially pronounced in electronics exports which suggest a further unwinding of pandemic-linked demand for Chinese goods."

Beijing's extraordinary efforts to curb the country's largest Covid-19 outbreaks in two years have clogged highways and ports, restricted activity in dozens of

cities including Shanghai and forced companies from Apple supplier Foxconn to automakers Toyota and Volkswagen to suspend some operations.

Factory activity was already contracting at a sharper pace in April, industry surveys showed, raising fears of a steep slowdown that could also hit global growth.

Shi Xinyu, a foreign trade manager in Yiwu, a commodities trading hub, said only 20-50 per cent of stores in the city are open due to Covid disruptions.

"The weak import demand came amid the downward economic cycle and Covid hit," Shi said. "Life is already hard enough and it happens we've got a leaky roof as it rains."

Additionally, heightened risks from the Ukraine war, persistently soft consumption and a prolonged downturn in the property market are also weighing on growth, analysts say.

With the national jobless rate at a near two-year high, authorities have promised more help to shore up confidence and ward off further job losses in a politically sensitive year.

Some analysts even warn of rising recession risks, saying policymakers must provide more stimulus to reach an official 2022 growth target of about 5.5 per cent if Beijing doesn't ease its zero-Covid policy. However, there are few signs of that happening. The country's top leaders said last week they would stick with their "zero-Covid" policy, stoking worries of a sharper economic downturn.

Exports may have found some support from a weaker yuan, which suffered its worst month in April in nearly two years.

Zhiwei Zhang, chief economist at Pinpoint Asset Management, does not expect export growth to perk up in May as supply problems persist.

"The contraction of imports is a signal, as many firms' imports of parts of components probably got disrupted," Zhang said in a note. "The resumption of production is quite slow at this stage."

China posted a trade surplus of \$51.12 billion in the month, slightly wider than a forecast for a \$50.65 billion surplus. The country reported a \$47.38 billion surplus in March.

Japan to take time phasing out Russian oil: PM

REUTERS, Tokyo

Japan will take time to phase out Russian oil imports after agreeing on a ban with other Group of Seven (G7) nations to counter Moscow's invasion of Ukraine, Prime Minister Fumio Kishida said on Monday.

The G7 nations committed to the move "in a timely and orderly fashion" at an online meeting on Sunday to put further pressure on President Vladimir Putin, although members such as resource-poor Japan depend heavily on Russian fuel.

"For a country heavily dependent on energy imports, it's a very difficult decision. But G7 coordination is most important at a time like now," Kishida told reporters, repeating comments he made at the G7 meeting.

"As for the timing of the reduction or stoppage of (Russian) oil imports, we will consider it while gauging the actual situation," he said. "We will take our time to take steps towards a phase-out." He did not elaborate.

There have been no ships loading Russian oil for Japan since mid-April, according to Refinitiv data. About 1.9 million barrels were exported from Russia to Japan in April, 33 per cent down from the same month a year ago.

The country imported a total of 89 million barrels of oil in March.

The Ukraine crisis has highlighted Japan's energy dependence on Russia even as Tokyo has acted swiftly and in tandem with the G7 in instituting sanctions.

The latest ban underlines a turn in Japan's policy. Japan has said it would be difficult to immediately cut off Russian oil imports, which accounted for about 33 million barrels of Japan's overall oil imports, or 4 per cent, for 2021.

S Korea's incoming govt may join US economic pact

REUTERS, Seoul

South Korea is "positively considering" joining an Indo-Pacific economic pact planned by the United States, a government official said on Monday, after domestic media said the incoming administration had decided to join as a founding member.

The Indo-Pacific Economic Framework (IPEF) could launch as soon this month, to fill a gap in engagement with the region since 2017, when then President Donald Trump quit a multinational deal that became the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

"It is listed in 110 national tasks that the incoming government is positively considering," said a South Korean finance ministry official, who sought anonymity in line with government practice.

The remarks came after the Asia Business Daily, citing government sources, said the government of President Yoon Suk-yeol, who is set to be sworn in on Tuesday, had decided to join the pact on its launch.

Three cheers

FROM PAGE 4

Export Promotion Bureau, the National Board of Revenue, the Bangladesh Export Processing Zones Authority, the Bangladesh Economic Zones Authority, the Bangladesh Investment Development Authority and all other regulators on the other. Hats off!

THE ANTICLIMAX

The bottom line, however, remains that of a titanic \$4.5 trillion annual trade of the US with the world, we could only capture a paltry 0.23 per cent market share. It is far less than 1 per cent, with the top three Canada, Mexico, and China holding 14 per cent of the pie each.

How do we broaden our share then? What can we do differently? What crafts can elevate us to a one-per cent holding? A quick look at our export basket to the US will say it all.

We have exported 67 major kinds of products to the US in the first nine months of the current fiscal year but the poor composition of it is painful.

Articles of apparel knitted or crocheted and not knitted or crocheted sit tight on the top of the table with \$6.59 billion worth of export, holding an 86.53 per cent share of our total export.

Footwear, other made-up textile and headgears are the only other export items we have that could cross the \$200-million mark. Travel goods, artificial flowers, articles of human hair, furniture, and mattresses are striving to make a mark. Our export to the US was

\$7.62 billion as of March, data from the Export Promotion Bureau showed.

The harsh reality is that our excessive dependence on readymade garments is still omnipresent. We are not going to repeat the diversity prescription here as our export to the US is quite diversified already.

Entrepreneurs and government are appeared to be trying everything from pharmaceuticals to ceramic ware, from toys and games to glass and glassware, and from electrical machinery to plastics to feed the target destination.

Why success is hard to come by though is a debate we would spare today. It is an occasion to celebrate the milestones and keep the spirits high for the next nine months.

Just a quick food for thought if we leave here: if some more of our big-name exporters in non-apparel industries had been a little more mindful about the depth of the US market, that could have done wonders. For instance, fish and lobsters. For our fish exporting giants, Europe continues to be the comfort zone. Sadly, the \$40-million export to the US is largely consumed by the Bangladeshi diaspora. So, one can call it a pseudo export.

MYTH VS REALITY

The name America generally does not click in people's minds when it comes to inward remittances. It is always the Middle East that we think all the remittance is coming from. But our

central bank data shows the US is the second-highest remittance sending country after Saudi Arabia. In the last financial year, it was \$5.72 billion and \$3.46 billion, respectively.

Surprised? Then, brace yourself for more bumping!

When it comes to foreign direct investment, many would put China first. Many others might name Japan or Korea. The fact of the matter is these countries are our valued partners, but not really the toppers if FDI stock is counted.

The top three investing countries are the US, the UK and the Netherlands.

The cumulative FDI inflow from the US stood at \$4.32 billion as of December 2021, out of the \$21.58 billion global total. That is one single country has invested one-fifth of the total FDI that came from all around the world.

LAST WORD

America leads in more ways than one then!

In FY2019-20, America reclaimed its position as the top destination for our export with Germany, the UK and Spain as the next three major markets. 2020-21 followed suit. This fiscal year, the US is on a hat-trick as our biggest buyer on earth.

Let us raise our glasses to the champion!

The author is a member of the Pacific Council on International Policy and a former commercial counsellor at the Los Angeles Consulate. He can be reached at amamoon42@gmail.com

Indian rupee falls to new

FROM PAGE B4

declined the most, with market heavyweight, the conglomerate Reliance, losing more than 3.0 per cent following its quarterly results reported late on Friday.

Foreign investors have withdrawn a net 1.34 trillion rupees (\$17.3 billion) from Indian equities so far this year, stock exchange data showed.

The war in Ukraine and resurgence of Covid-19 restrictions in China have exacerbated outflows from emerging markets like India as foreign funds turn risk-averse.

Inflation worries on the back of rising commodity prices have also soured sentiment in Asia's third-largest economy, which imports more than 80 per cent of its oil needs.

Consumer price inflation in India hit a 17-month high of 6.95 per cent year-on-year in March, and economists expect data to be released later this week to show that number rising beyond seven per cent in April.

The US Federal Reserve last week hiked the key lending rates by half a percentage point, but also held off on signalling more aggressive measures.

"After an unscheduled rate hike by the Reserve Bank of India, if India's inflation moves higher than 7.0 per cent... the pressure will be on for the RBI to act again," forex firm OANDA's Jeffrey Halley said in a note.

"That may give some strength to the rupee but is unlikely to be bullish for local equities."



Emranul Huq, managing director of Dhaka Bank, and MA Muttaleeb, managing director of International Classic Composite, exchanged signed documents of an agreement on cash management services at the bank's head office in Gulshan, Dhaka recently. Mohammad Abu Jafar, additional managing director of the bank, Md Mostaque Ahmed, deputy managing director, Shamima Nasrin, chairman of International Classic Composite, and Mosharaf Hussain Chowdhury and Mehrab Al Shaheen, directors, were present.

PHOTO: DHAKA BANK

Asian stocks tumble on global anxieties over inflation

AFP, Hong Kong

Asian stocks fell on Monday as investors remained anxious over inflation and the ongoing impact of China's Covid lockdown policies, despite an initial Wall Street bounce thanks to a solid US jobs report.

Global markets have taken a beating over a series of crises including surging inflation, rising interest rates, China's economic slowdown and the war in Ukraine.

Investors were given more bad news on Monday as China's April exports slumped to their lowest level in almost two years, due to Beijing's strict zero-Covid policy which has pushed millions under lockdowns and halted manufacturing hubs.

Exports plunged to 3.9 per cent on-year, while imports were stagnant for April.

Chinese customs spokesman Li Kuiwen tried to strike an upbeat note by saying the economy still had room to make a turnaround

but experts were less optimistic.

"Asian equities are down heavily in the red today as regional markets react to tightening Covid-19 restrictions in China and fears of a prolonged slowdown in the world's second-largest economy," Jeffrey Halley, a senior market analyst at OANDA Asia Pacific, said.

Lockdowns across dozens of Chinese cities -- from the manufacturing hubs of Shenzhen and Shanghai to the breadbasket of Jilin -- have wreaked havoc on supply chains over recent months, crushing small businesses and trapping consumers at home.

The jitters reverberated across Asian equities Monday, tanking in Australia, Singapore and Seoul. Tokyo's Nikkei index closed down more than 2.5 per cent, while China's two mainland indices -- Shanghai and Shenzhen -- saw a slight bump throughout the day.

Hong Kong's stock exchange was closed for a public holiday.

Markets were briefly lifted by a solid US jobs report released Friday. The US Labor Department

had announced that the world's largest economy added a better-than-expected 428,000 jobs in April, with the unemployment rate remaining at a low 3.6 per cent.

But any uptick was short-lived, as the United States' fierce monetary tightening has continued to send traders running for the hills.

The Federal Reserve hiked borrowing costs by half a percentage point last week -- the most since 2000.

Wall Street's S&P 500 dropped 0.6 per cent, while the other two US indices had also dipped by close of Friday. Nasdaq suffered the most at 1.5 per cent.

The losses globally capped a volatile week, and markets are bound to remain "messy", said Diana Mousina, a senior economist at AMP Investments.

"There may be more downside as markets worry about a significant economic slowdown or 'hard landing' and aggressive interest-rate hikes," she wrote in a note according to Bloomberg.