

Bitcoin drops below \$30,000, lowest since July 2021

AFP, Tokyo

Bitcoin slumped below \$30,000 for the first time since July 2021 on Tuesday as cryptocurrencies track sinking markets with investors spooked by aggressive US monetary tightening and surging inflation.

The world's largest cryptocurrency by market value fell as low as \$29,764 in Tuesday trade, before recovering above \$30,000, extending a recent collapse in price as investors desert assets viewed as risky.

Bitcoin's value has more than halved since a November surge that saw the token hit a record of nearly \$69,000.

While crypto enthusiasts view bitcoin as a hedge against inflation, an influx of more traditional investors tend to view it as a riskier asset.

Crypto enthusiasts view bitcoin as a hedge against inflation, but traditional investors tend to view it as a riskier asset

They have been offloading bitcoin and other digital tokens along with other volatile assets like tech stocks as the US Federal Reserve moves to hike interest rates to tackle decades-high inflation.

"Bitcoin is breaking below some key technical levels as the never-ending selloff on Wall Street continues," said Edward Moya, senior market analyst for the Americas at Oanda.

"The institutional investor is paying close attention to bitcoin as many who got in last year are now losing money on their investment," he added.

While the token's "long-term fundamentals have not changed in months", concerns about growth and a possible recession are creating "a very difficult environment for cryptos", Moya said.

"No one is looking to buy the crypto dip just yet and that leaves bitcoin vulnerable here." The slump in crypto follows dives on US equities and other markets, with the tech-rich Nasdaq closing down 4.3 per cent on Monday, the S&P 500 declining 3.2 per cent and the Dow ending off 2.0 per cent.



Unseasonal floods owing to the swelling of the water level in the Teesta river mean many farmers who cultivated boro paddy on its shoals in the dry season were able to collect a small portion of the crop as waters submerged their land, dealing a blow to their livelihood. These two char farmers in Char Rajour of Lalmonirhat sadar upazila harvested damaged paddy in order to use them as fodder for their cattle. The photo was taken recently.

PHOTO: S DILIP ROY

Teesta shoal farmers fall on hard times for crop damages

Demand interest-free loan facility from govt

S DILIP ROY

Dhiren Chandra Barman, a 60-year-old farmer in Char Rajour in Lalmonirhat sadar upazila, nowadays passes sleepless nights after his paddy crop, on which he relies to feed his six-member family, was completely damaged because of an unseasonal flood.

"How will I repay loans? I see no other alternative other than death to move out of this crisis," he said recently, with teary eyes.

Barman had cultivated boro paddy on six bighas of land on the bed of the river Teesta with a loan of Tk 50,000 from a non-governmental organisation (NGO) and local moneylenders.

Due to untimely floods, caused by the higher flow of waters to the river from the upstream and incessant rains, the entire paddy field went underwater, damaging the crops.

He managed to receive only 30 kilogrammes of paddy against 97 maunds he harvested from the same field last year.

"Boro paddy grown on the bed of the Teesta is the main source of our livelihood throughout the year," he said.

He usually sells the produce to repay loans and meet family expenses. But this year's ill-timed floods have shattered all his hopes.

"I will not be able to repay the loan this year. I will not be able to run the family. I have become helpless," he told

The Daily Star.

The sexagenarian is not alone. Mokhles Mia, another farmer in the same locality, had grown boro paddy on seven bighas of land after borrowing Tk 60,000 from NGOs and local lenders.

He also had thought that he would pay back the loans after harvesting the paddy but the crop too had got damaged.

In 2021, he received 115 maunds of paddy from the land whereas it was only 25 kgs this time.

"My eight-member family depends on the boro paddy all year round. Only the Almighty knows how the family will survive this year," said the 62-year-old.

He is under pressure to repay the loans but he is hopeless. "Maybe, we should run away from home to get rid of the loan burden," Mokhles said.

During a visit to the area, Sekandar Ali, a 67-year-old farmer in the Char Bogurapara area under the Rajarhat upazila in Kurigram, was found weeping.

He had cultivated paddy on 10 bighas and he too had lost the crop to the floods. He had got 156 maunds of paddy from the land last year.

He had borrowed Tk 1 lakh from NGOs and local moneylenders in the hope that he would repay the loans by selling the produce but his hopes have been dashed.

"We have never seen floods in the month of Chaitra. This year's unseasonal floods

have ruined our livelihood."

Fifty-eight-old farmer Javed Ali, hailing from the same char area, also went through the same predicament.

"We have lost our crops due to the floods. If we don't get assistance from the government, we will face difficult days."

Ali has sought interest-free loans from the government so that they can move out of the current situation and survive.

He says most farmers in the char areas grow crops by borrowing either from NGOs or individual lenders. They make the repayment after harvesting the crops.

Meser Ali, a farmer from Char Gorbordhan in Lalmonirhat's Aditmari upazila, echoed Javed Ali.

"If we don't get government assistance or interest-free loan facility, we would not be able to survive," said the 70-year-old.

There are 95 chars on the Teesta river bed in Lalmonirhat and Kurigram districts.

Char farmers make a living by producing various crops, including paddy in the river bed during the dry season. Growing paddy is their main source of income. But the floods have hit their livelihood hard.

According to sources at the Department of Agricultural Extension (DAE), during the dry season, more than 50,000 char farmers cultivate various crops, including maize, paddy, wheat, and spices on 75,000-80,000 hectares of land along the 115-kilometre-long Teesta river bed, spread over 12 upazilas in five districts: Lalmonirhat, Kurigram, Rangpur, Nilphamari, and Gaibandha.

Boro paddy and different vegetables have been damaged due to the untimely floods,

READ MORE ON B2

BUDGET FORMULATION

Keep in mind Ukraine war, new Covid wave

BIDS Director General Binayak Sen suggests

MD ASADUZ ZAMAN and SOHEL PARVEZ

The government should make budgetary allocation for the fiscal year of 2022-23 to deal with the impacts of the ongoing Russian-Ukraine crisis and the possibility of the emergence of another wave of coronavirus, said a noted economist.

The suggestions came from Binayak Sen, director-general of the Bangladesh Institute of Development Studies (BIDS), as China is fighting its worst Covid-19, while the Russia-Ukraine conflict shows no signs of abating.

China, known as the world's factory, is the largest trading partner of Bangladesh. The latest wave of coronavirus cases in Shanghai has already hurt the weak recovery of the global supply chain from the pandemic-induced

disruptions.

And the conflict has added fuel to inflation in many countries, including Bangladesh.

"We are facing double jeopardy: from the Ukraine crisis and the new wave of coronavirus," Sen told The Daily Star in a phone interview recently.

"So, the government should allocate an additional 10 per cent of the budget to combat the coronavirus pandemic and the impacts of the Russia-Ukraine crisis so that we can deal with challenges, if any."

The coronavirus situation has seen significant improvement in Bangladesh in recent months, helped by the successful mass rollout of coronavirus jabs and the sharp fall in coronavirus caseloads.

But Sen says Bangladesh has to remain alert about any new wave of Covid-19 since the virus has not disappeared from the world.

"So, the fear of a new wave is still there."

He called for a separate fund to tackle any difficult situation. "If we face any new threat, then we would be able to use the fund."

Sen, who joined the BIDS in 1986, is an expert on poverty, income inequality, human development, labour market, social security, good governance, and political economy.

The former senior economist of the World Bank thinks Bangladesh's economic growth may come under strain because of the international crisis.

"We had thought that the Ukraine war would be over within one or two months. But the crisis has defied all predictions and it may continue for some time. The war may linger. The policymakers should take this into their consideration."

The fallout of the war, coupled with the impacts of the pandemic, may create a major threat for Bangladesh and a threat for budget management, he says. The impacts might come in the form of revenue shortfall or a drop in export earnings and might hand a blow to the balance of payments.

"Even, economic growth may falter to some extent because of the crisis in the international markets. It will have an impact on employment and social protection."

READ MORE ON B2



END TO RUSSIAN GAS

Germany readies crisis plan

REUTERS, Berlin

German officials are quietly preparing for any sudden halt in Russian gas supplies with an emergency package that could include taking control of critical firms, three people familiar with the matter told Reuters.

The preparations being led by the Ministry for Economic Affairs show the heightened state of alert about supplies of the gas that powers Europe's biggest economy and is critical for the production of steel, plastics and cars.

Russian gas accounted for 55 per cent of Germany's imports last year and Berlin has come under pressure to unwind a business relationship that critics says is helping to fund Russia's war in Ukraine.

Germany has said it wants to wean itself off Russian supplies but expects to be largely reliant on Moscow for gas until the middle of 2024.

It remains unclear whether an abrupt halt would happen and the officials said Germany wanted to avert an escalation, such as by backing a European gas embargo, having already supported sanctions against Moscow on coal and oil.

But they now fear Russia could cut off gas flows unilaterally and want to be able to cope if it does.

While a broad framework is in place and the government is determined to help, the details of how it will put the plan into action are now being thrashed out, the officials said.

The government would back granting further loans and guarantees to prop up energy firms, helping them cope with soaring prices, and could take critical

READ MORE ON B2



An aerial view of a pier for a planned floating liquefied natural gas (LNG) terminal in the harbour in Wilhelmshaven, Germany on May 4.

PHOTO: AFP/FILE

Dollar hits 20-year high

REUTERS, New York

The US dollar reached a new 20-year high on Monday as risk-off sentiment stemming in part from concerns over the Federal Reserve's ability to combat high inflation boosted the greenback's safe-haven appeal.

The dollar has risen for five straight weeks as US Treasury yields have climbed on expectations the Fed will be aggressive in attempting to tamp down inflation.

On Monday, Minneapolis Fed President Neel Kashkari said the US central bank may not get as much aid from easing supply chains as it is hoping for in helping to cool inflation. Atlanta Fed President Raphael Bostic said he already sees signs of peaking supply pressures and that should give the Fed room to hike at half-percentage-point interest rate increments for the next two to three policy meetings, but nothing bigger.