



Foot-pedalled threshers being sold in the range of Tk 13,000 to Tk 17,000 on the Gohail Road in Bogura yesterday.

PHOTO: MOSTAFA SHABUJ

China faces uphill battle to repeat 2020 miracle as exports falter

REUTERS, Beijing

China's slowing economy will struggle to stage the kind of stunning recovery it achieved from the early depths of the pandemic two years ago, as its formidable export machine teeters and options to revive investment and consumption dwindle.

Analysts and policy insiders say that means China's leaders may have to quietly accept economic growth of about 5 per cent for this year, below Beijing's current target of "around" 5.5 per cent, and prospects of a slower "U-shaped" recovery, rather than a rapid "V-shaped" one.

With no end in sight to China's zero-Covid policy, investors worry a prolonged slowdown in the world's second-largest economy could further weaken the global recovery and that worsening supply chain disruption could fan inflation risks.

That outlook contrasts sharply with 2020, when China's economy roared back from its a deep pandemic-induced contraction, thanks to a combination of stimulus and surging exports as

locked-in global shoppers splurged on Chinese goods. "China's economic and Covid cycles are different to that in other countries. Back (in 2020), China effectively controlled the Covid outbreak and achieved a rapid recovery in production and reaped benefits," said a policy source who spoke on condition of anonymity.

"This time around, the outside world chooses to lie flat, and we see more negative impact on China as they tighten policies that will hit external demand, putting pressure on China's foreign trade."

Even before widespread Covid curbs in Shanghai and other major Chinese cities hit the economy, private-sector economists considered Beijing's growth target as ambitious.

The United States, Europe and other major economies have chosen to "live with the virus" as they reopen and rely on vaccines to fight the pandemic.

In China, such policies are seen as encouraging inaction against a deadly and highly infectious virus and as such are politically unpalatable.

In 2020, China surged back from its

pandemic slump to become the only major economy to grow in a turbulent year, in which the Covid-19 shock forced Beijing to scrap its annual growth target.

On the last day of 2020, President Xi Jinping declared victory over the pandemic under the banner of the Communist Party while senior officials touted the ruling party's ability to "turn crisis into opportunity."

That early success means China is now likely to stick with its zero-Covid policy until at least a key party meeting towards the end of the year.

Unlike 2020, however, the US Federal Reserve and other central banks are raising interest rates to curb runaway prices, making it harder for the People's Bank of China to ease monetary policy due to worries about capital outflows and local inflation.

Chinese consumers are tightening belts amid rising job losses and falling incomes, and the government remains reluctant to give cash handouts similar to those used in the United States and Europe, policy insiders say. Some Chinese cities have offered shopping vouchers to residents.

Channeling more money into big-ticket infrastructure projects is China's most viable move, but may not be enough to pick up the slack as property spending weakens, they said.

"Infrastructure, which received full-throated support from President Xi in April, should lead the recovery," economists at Societe Generale said in a note.

"But infrastructure alone won't be enough, and a housing market rebound would be essential for the whole economy to turn around, given that consumption is unlikely to see a proper recovery until the end of the zero-Covid policy."

Economic data this week for April showed China's consumption and factory output fell at a pace unseen since early 2020, when the Wuhan outbreak became a pandemic.

The broad-based slowdown has stoked worries of further job losses, with China's nationwide survey-based jobless rate rising to 6.1 per cent in April, the highest since February 2020 and well above the government's 2022 target of below 5.5 per cent.

Private sector should engage in disaster risk management

Speakers tell event organised by DCCI, ActionAid Bangladesh, United Purpose, World Vision

STAR BUSINESS REPORT

Disasters can be detrimental to supply chains, production and overall business marketing, for which it is imperative to engage the private sector in risk management to mitigate the losses, said speakers at an event yesterday.

The event was jointly organised by the SUPER project initiated jointly by the Dhaka Chamber of Commerce and Industry (DCCI), ActionAid Bangladesh, United Purpose and World Vision at the Pan Pacific Sonargaon Dhaka, according to a press release.

DCCI President Rizwan Rahman said disasters like earthquakes, fires and chemical explosions have far-reaching consequences, taking a heavy toll on the sustainability of enterprises.

He said Bangladesh in the recent past took up several policies to reduce disaster risks and the country needs to prioritise disaster management across the private sector.

In order to ensure sustainable economic development, attract investment and face the risks of hazards, disaster risk management skills need to be improved, said Enamur Rahman, state minister for disaster management and relief.

He said it was not only the public sector's job; the private sector's engagement was very important. Ambassador of the Philippines to Bangladesh Alan L. Deniega said both the public and private sectors should come forward to work together for capacity improvements in disaster risk management.

The private sector has to play the dominant role in disaster risk management for its own development and sustainability, said Farah Kabir, country director of ActionAid Bangladesh.

She said there should be an integrated risk analysis system under the supervision of a public-private partnership.

'Pau-Pau' foodpanda's brand ambassador

STAR BUSINESS DESK

Online food and grocery delivery platform foodpanda yesterday introduced a mascot as its brand ambassador.

Pau-Pau is a fun-loving and free-spirited panda. Its pink colour aims to inspire people. It is passionate about empowerment for living life on one's own terms, environment as foodpanda's sustainability champion, and enthusiasm for food and fun, said the platform in a press release.

"As we progressively roll out across all our channels, we hope customers will have an exciting, fresh and vibrant experience on the foodpanda platform, with their new friend Pau-Pau," said Manisha Saliya Tarek, head of marketing at foodpanda Bangladesh.

Ukraine war could be a wake-up

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developed several policies such as the National Agriculture Policy 2018 and the National Agricultural Mechanisation Policy 2020.

Considering the prevailing problems of Bangladesh's subsistence agriculture, with economic shocks from the Covid-19 pandemic and the Ukraine war, Bangladesh needs an evolutionary policy instead of a revolutionary policy. To achieve the goals of the arable sector, Bangladesh should consider the following seventh-fold prescriptions:

First, to overcome the food crisis, Bangladesh should ensure the immediate import of wheat, corn and soybeans to fulfill the national demands at reasonable prices. The government support systems based on income class should be strengthened and extended.

Second, in the next growing seasons to reduce import dependency on commodity crops, the government should promote diversification, incorporating wheat, corn and oilseed production. To make this diversification successful, agricultural research, education and extension organisations should help farmers identify which crops and production practices will be practical and profitable on their farms.

In the short run, the government can assist with output market stabilisation and subsidies for fertiliser, fuel and other inputs, but in the long run, the crop

choices for diversification should be able to stand on their own.

Third, conventional agricultural mechanisation may not bring a paradigm shift in the booming overall economy owing to agricultural labour scarcity, younger generations' negative feelings about agriculture, requiring farm consolidation and exacerbation of the environmental footprint of agriculture. Consequently, the government should avoid the downsides of conventional agriculture by skipping a few steps to increase land productivity with precision agriculture within the current farming landscape of small field sizes, trees along field edges, and rural villages.

Fourth, the arable sector needs farm management analysis with different equipment options and cropping patterns. The analysis should go beyond rice monoculture to consider crop rotations with polyculture, catch crops, and relay, strip or patch intercropping to achieve social, economic and environmental sustainability.

Fifth, agricultural policies should protect the interest of the smallholders by exploring size-neutral farm productivity innovations including digital apps for farm equipment contracting and sharing, as well as electrically powered autonomous machines. This would simultaneously open entry windows for the younger generation with

potential for "farming as a service" contracting and machine hire businesses and opportunities in the agricultural robotics industry with a potential worldwide market.

Sixth, the arable sector should move from production-centric to market-centric infrastructure with digital innovation. Smallholders and young entrepreneurs could use mobile phones, internet and social media for marketing those diversified farm products.

Seventh, universities and research organisations should be the hub of innovation with the support of the government and industries, where industries could avoid fixed costs of research and academics could apply theoretical knowledge. One of the side effects of this approach is that academics with practical experience would be better teachers.

In summary, Bangladesh should embrace Industry 4.0, specifically, Agriculture 4.0. In this process, retrofitting existing machinery, supporting new digital technologies and promoting home industries and startups could be potential sustainable intensification solutions.

The authors are, respectively, an Elizabeth Creak Fellow at Harper Adams University of the UK, the Elizabeth Creak Chair in Agri-Tech Applied Economics at the university, and a professor of agricultural economics at the Bangladesh Agricultural University.

Small, light engineering

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and buy automatic tempering machines and ultra-modern CNC lathes.

A CNC lathe is a machine tool where the material or part is held in place and rotated by the main spindle as the cutting tool that works on the material is mounted and moved on various axes.

Pappu also called for the supply of gas.

SM Shaliqui Alam, president of the Nilphamari Chamber of Commerce and Industries, says local small and light engineering industries that use traditional tools face

competition from foreign factories having modern machinery.

"The government should provide technical and financial support as well as adequate training to help them survive."

Khondokar Yasir Arefin, deputy commissioner of Nilphamari, says the government is always helpful for the expansion of the small and light engineering sector in Saidpur.

"Setting up of an economic zone in the district is in process and genuine entrepreneurs will get privileges in setting up of factories."

Food inflation pain puts

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Food is the single largest category in inflation baskets - the selection of goods used to calculate the cost of living - in many developing nations, accounting for around half in countries like India or Pakistan and on average for some 40 per cent in low-income countries, International Monetary Fund data shows. Food producers have become more protective: India on the weekend announcing a ban on wheat exports while Indonesia halted exports of palm oil to control soaring prices at home in late April.

And with the war in Ukraine not only disrupting food but also fertilizer supplies, food inflation could be more longer-lasting, Marcelo Carvalho, head of global emerging markets research at BNP Paribas told Reuters. "This is here to stay," said Carvalho. "Food is very salient - when there is a change in food prices, the

perception about inflation is magnified - that feeds into inflation expectations that are more easily unanchored."

For Um Ibrahim, a 60-year-old widow and street vendor selling headscarves in front of a mosque in the middle-class district of Madinet Nasr in Egypt's capital Cairo, feeding her four children has become much harder.

"All prices rose - clothes, vegetables, poultry, eggs - what am I going to do?" she asked, laying out her ware on a cloth.

Egypt, one of the world's biggest wheat importers, has seen inflation soar more than 13 per cent in April, and is expected to hike interest rates again at a meeting this week after it devalued the currency by 14 per cent in mid-March.

Emerging market policy makers have to perform a balancing act between taming inflation and keeping fragile growth alive at a time of rising global interest rates.



HBM Iqbal, chairman of Premier Bank, virtually presides over the bank's 23rd annual general meeting yesterday. The shareholders approved 12.50 per cent cash and 10 per cent stock dividends for 2021. Moin Iqbal, vice-chairman, Abdus Salam Murshedy, BH Haroon, Mohammad Imran Iqbal, Jamal G Ahmed and Shaila Shelley Khan, directors, and M Reazul Karim, managing director, were present.

PHOTO: PREMIER BANK



Md Shah Alam Bhuiyan, deputy managing director of United Commercial Bank (UCB), and Munazzeel Riasat, managing director of Agrigate Network Ltd (ANL), exchanged signed documents at the bank's corporate office in Dhaka yesterday over an agreement on opening accounts of registered farmers of the latter. Md Mohsinur Rahman, head of SME banking of UCB, and BM Hasibul Hasan, head of business at ANL, were present.

PHOTO: UNITED COMMERCIAL BANK

Britain's unemployment hits

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energy-driven surge in inflation might become entrenched.

Consumer price inflation was 7.0 per cent in March and official figures

due on Wednesday are expected to show it hit 9.1 per cent in April when a 54 per cent rise in energy tariffs took effect.

The BoE expects further price rises will

push the economy close to recession by the end of the year, pushing up unemployment.

Tuesday's data showed soaring pay in some sectors.