WHEAT EXPORT

India has no immediate plan to lift ban

Says minister

REUTERS, *Davos*

India has no immediate plans to lift a ban on wheat exports, but will continue with deals which are done directly with other governments, Commerce Minister Piyush Goyal told Reuters.

The world's second biggest producer of wheat banned private overseas sales of the grain on May 14 after a scorching heat wave curtailed output and domestic prices hit a record high. Global wheat prices surged after the decision.

"Currently there's instability in the world, if we were to do that (lift the ban), it would only help black marketeers, hoarders and speculators. Neither will it help the really vulnerable and needy countries," Goyal said when asked if New Delhi had any plans to allow private exports to resume.

"The smarter way to do it is through the government to government route, by which we can give affordable wheat grain to the most vulnerable poor," he said in an interview on Wednesday at the World Economic Forum in Davos.

Nike not renewing franchise deals in Russia

REUTERS

US sportswear maker Nike has not renewed agreements with its largest franchisee in Russia, the Vedomosti daily reported on Wednesday, marking the latest exit by a major U.S. brand since Russian forces entered Ukraine.

Nike said on March 3 it would temporarily suspend operations at all its Nike-owned and -operated stores in Russia in response to Moscow's actions in Ukraine and has said that those still open are operated by independent partners.

The head of Inventive Retail Group (IRG), which operates Nike-branded stores in Russia through its subsidiary Up And Run, said Nike was no longer supplying goods to Russia, Vedomosti reported.

Indian farmers harvest wheat against the backdrop of Taj Mahal in Agra. Wheat prices surged to a record high on May 16 after India decided to ban exports as a heatwave hit production.

PHOTO: AFP/FILE

Local polls behind India's wheat, sugar export curbs

PALLAB BHATTACHARYA

Electoral calculations appear to be one of the key factors behind India's decision to curb sugar and wheat export, according to industry analysts.

Two states -- Prime Minister Narendra Modi's home state Gujarat and Himachal Pradesh -- will witness fresh assembly elections this year-end and the government is in no mood to take any chances with a possible surge in the prices of sugar and wheat in the domestic market in the run-up to the polls.

By restricting the export, the government of Modi, whose Bharatiya Janata Party is in power in Gujarat and Himachal Pradesh, hopes to build up sufficient domestic stock to keep the prices in check in order to keep the voters happy, particularly during the coming festive season in October when India's two biggest festivals -- Durga Puja/Dusshera and Diwali -- are scheduled.

According to officials, allowing unregulated export, particularly by private traders taking advantage of rising international prices of wheat and sugar, could have added to a fall in their availability at home and increased prices. The government is keen to avoid this by keeping a tight leash on wheat and sugar export.

India may have faced criticism for its curb on wheat export but the Modi government obviously does not want to upset the voters at home, industry insiders and officials said.

Sources in the BJP said a victory in Gujarat and Himachal Pradesh is expected to send the desired optics for the BJP in the run-up to the assembly elections in the key states of Rajasthan (now ruled by the Congress), Madhya Pradesh (BJP-ruled) and Chhattisgarh (Congress-governed), besides the northeastern state of Tripura, now in the BJP's control.

ANALYSIS

To top it all, there are fresh general elections in early 2024 when the Modi government's handling of the economy is likely to come under close scrutiny.

India is already grappling with rising food inflation and there are speculations that the Reserve Bank of India might go for a lending rate hike. In view of this, the government would not like to face any fresh risk of price rise, the BJP source said.

The government is continuously monitoring the situation in the sugar sector, including production, consumption, export as well as price trends in the wholesale and retail markets all over the country.

Prices of sugar in the domestic market in the last 12 months are under control, said officials.

The wholesale prices of sugar in India are range-bound between 3,150 rupees and 3,500 rupees per quintal, while retail prices are also within control in the range of 36 rupees to 44 rupees per kilogramme in different parts of the country.

India has been the highest producer and the second-largest exporter of sugar in the world in the current year. Its decision to restrict sugar export came in the light of record exports of the product, according to official estimates.

In the sugar season of 2020-21, against a target of six million tonnes, about seven million tonnes were exported.

In the current sugar season of 2021-22, contracts for export of about nine million tonnes have been signed and about 8.2 million tonnes were dispatched from sugar mills for exports and nearly 7.8 million tonnes have been exported. The export of sugar in the current season is the highest.

The decision to cap sugar export will ensure that the closing stock of sugar at the end of the season (September 30) remains 6 million to 6.5 million tonnes, which is 2-3 months' stocks. India's monthly requirement in the domestic market is around 2.4 million tonnes, officials said.

Crushing in the new sugar season starts in the last week of October in Karnataka state, in the last week of October to November in Maharashtra, a major sugar-producing state, and in November in Uttar Pradesh, another key manufacturing state. So generally, up to November, the supply of sugar takes place from the previous year's stock, they pointed out.

Against the backdrop of the unprecedented growth in exports of sugar and the need to maintain sufficient stock and safeguard the interests of the common people by keeping prices in check, the government of India has decided to regulate sugar exports from June 1, the officials said.

Private sector engagement for unlocking climate finance

MOHAMMAD ABU YUSUF

Climate change is a reality and it is mainly caused by humans. Despite contributing less than 0.47 per cent to global greenhouse gas emissions, Bangladesh is one of the most climate-vulnerable countries with millions of people and livelihoods at risk.

Bangladesh has developed Bangladesh Climate Change Strategy and Action Plan 2009, comprising 44 programmes under six thematic areas to deal with adverse impacts of climate change and support low carbon economic growth. The government has demonstrated its commitment to undertake both adaptation and mitigation efforts by allocating funds from its annual budgets.

Bangladesh created "The Bangladesh Climate Change Trust Fund" in 2009 for adaptation, mitigation and research. Up to 2020-21, the government allocated Tk 3,900 crore to this fund from its own resources.

According to the Climate Budget Report of 2021-2022, Bangladesh's climate-related budget involving 25 ministries and divisions is $2.96 billion, which is 0.73 per cent of the country's GDP.

Between 2015-16 and 2021-2022, Bangladesh doubled its climate budget. Still, the public sector financing through budgetary provisions seems grossly inadequate given the large investment needed for climate change adaptation and resilience building.

Increased awareness of the private sector about the significance of investment in climate change for continuing their business operations is of paramount importance

The World Bank estimates that the country would need $5.7 billion per year as adaptation finance by 2050. This amount is more than five times higher than the current expenditure for climate change adaptation.

In order to help climate victims and support their livelihood (livelihood is at stake due to increased sea level and salinity, flood, drought, storms etc.) and shelters, adaptation projects are essential. As Bangladesh is the least responsible for carbon emissions, adaptation is Bangladesh's priority to combat the impacts of climate change.

The draft National Adaptation Plan (NAP) has identified 15 priority climate programmes (activities, deliverables programmes and interventions identified), for which an approximate Tk 7,30,600 crore will be required. Despite commitments from developed country parties, multilateral development banks (MDBs), and other development partners to ramp up investments in adaptation, funding from the private sector would be essential as public spending alone can't meet the demand for investment for climate change.

It is notable that Bangladesh is raising climate finance from the United Nations Framework Convention on Climate Change (UNFCCC)-related financial institutions such as the Green Climate Fund (GCF), the Adaptation Fund, and the LDC Fund to meet its mitigation and adaptation commitments, including the formulation of the NAP, under the Paris Agreement.

With the funding support of the GCF, Bangladesh is implementing an adaptation

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US to end Russia debt payment exemption

AFP, *Washington*

The United States will end an exemption allowing Moscow to pay foreign debt held by American investors with funds held in Russia, the US Treasury said Tuesday, a move that could push Vladimir Putin's country closer to default.

The escape clause to the drastic financial sanctions imposed on Moscow after it invaded Ukraine in late February, which allowed US banks to receive and process the payments to creditors, ends as of 0401 GMT Wednesday, two days before Russia's next debt service payment is due.

US Treasury Secretary Janet Yellen last week hinted at the move announced Tuesday, saying the exemption was put in place to allow financial institutions to adjust but that it was "time-limited." Punishing Western sanctions on Russia have largely severed the country from the international financial system, including blocking Moscow's ability to access funds held in US banks to pay its foreign creditors.

The latest move scraps the final outlet, which was forcing Putin's government to drain its war chest of reserves to make payments.

Yellen had signaled the default was the goal, part of President Joe Biden's efforts to intensify the pressure on Putin as the war rages on.

"Russia is not able right now to borrow in global financial markets, it has no access to capital markets. If Russia is unable to find a legal way to make these payments... they technically default on their debt," Yellen told reporters last week.

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An aerial view of oil tank cars and railroad freight wagons in Omsk, Russia on Tuesday. Russia is still bringing in vast amounts of cash from its energy exports, and is forcing countries in Europe to pay in roubles to avoid sanctions.

PHOTO: REUTERS

M&S pulls out of Russia

REUTERS, *London*

British retailer Marks & Spencer will end its franchise agreement in Russia in the coming months and joined rivals in warning about the outlook for the current year amid a worsening cost-of-living crunch.

The 138-year-old clothing and food company ceased shipments in March to FiBA, its Turkish franchise partner in Russia, and said on Wednesday it would pull out of the relationship there, taking a charge of 31 million pounds ($39 million).

Several high-profile western firms have announced plans to leave Russia since its invasion of Ukraine including McDonald's, Starbucks and Renault.

M&S had previously said it was unable to close its 48 Russian stores, which employ about 1,000 people, due to complex legal arrangements with its local partner.