

## Hoping for a calmer H2? Forget it

REUTERS

Investors hoping the second half of the year would bring some relief after a bruising six months, may not be feeling very optimistic after the last 24 hours.

The newsflow has been relentlessly gloomy. Talk of gas rationing in Europe, a political crisis in Britain and a fresh flare up of COVID-19 cases prompting fresh restrictions in Shanghai has put the boot firmly into risk appetite.

World stocks are on the back foot, the dollar is comfortably perched at a two-decade high versus its major rivals and the U.S. Treasury bond yield curve is screaming recession risk.

Though sliding bond yields offered a boost to U.S. stock markets overnight, futures point to a bleak start. A gauge of European stock market volatility is nearing two-month highs.

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But markets hoping for a break from the doom loop of falling asset prices forcing traders to cut positions and dragging in momentum-chasing hedge funds may not find any immediate relief.

On top of economic data this session, is the Federal Reserve's minutes for the June meeting where it announced the sharpest hike in the U.S. benchmark interest rate in nearly 30 years.

It is likely to foreshadow more hikes as Fed officials have said their top priority is fighting inflation, even at the cost of growth with markets betting on another 75 bps rate hike later this month.

A battered sterling meanwhile was starting European trade on a weak footing (again) against a backdrop of political turmoil – British Prime Minister Boris Johnson has been gravely wounded by the resignation of ministers who said he was not fit to govern.



Launches at the Barishal river port are seeing customers return in droves ahead of Eid-ul-Azha following a lull in business in the first week after the inauguration of Padma Bridge. With launch services still being cheaper than road transport, the port is currently handling between 10,000 and 15,000 passengers per day.

PHOTO: TITU DAS

# Barishal launch services see passenger rebound

Passengers, owners cite lower fares, Eid

SUSHANTA GHOSH

Use of launch services in Barishal declined by up to 50 per cent in the first seven days after Padma Bridge was inaugurated but the situation has since changed thanks to an onrush of Eid home-goers.

Launch owners say there was an initial reduction in cabin bookings as people preferred using roads in order to visit Padma Bridge.

However, many passengers are now using launch services as fares have been slashed by at least 25 per cent, making this mode of transport significantly cheaper considering the tolls of Padma Bridge, which are at least 1.5 times higher than the average charge on ferries.

Debashish Saha, a counter staff of the Sundarbans launch service, said they reduced the cabin fares to Tk 1,000 from Tk 1,400 while the cost of booking a spot on the deck was cut to Tk 250 from Tk 300.

Shafiqul Islam, a cabin boy of the Survi launch service, said all the tickets for their ferry have been booked till July 8.

Mohana Das, a passenger from Dhaka, said she paid Tk 800 for a cabin just a few days



ago as launch operators are decreasing the charge in order to fill their empty seats.

On the other hand, most launch owners are saying they reduced the prices considering the altered conditions brought on by the opening of Padma Bridge.

According to launch owners, there are seven luxury ferries that travel from Barishal river port to Dhaka and back every day.

The total number of cabins provided by these ferries is more than 800 while there are more than 500 seats on the deck. However, around 10,000 to 15,000 people are travelling

on the Dhaka-Barishal route by launch every day ahead of Eid-ul-Azha.

In the past, even 1 lakh people would travel to and from Barishal river port every day during the Eid holidays, they added.

Similarly, bus owners say that 2,000 to 3,000 people would previously travel on the Dhaka-Barishal route by road but their numbers have since doubled with the inauguration of Padma Bridge.

"But due to the lack of width of the Bhangra to Barishal highway, buses do not have the capacity to carry a large number of passengers on this

route," said Kishore Kumar Dey, secretary of the Barishal Bus Owners Group.

Still though, about 50 new busses started plying the route after Padma Bridge was opened on June 25.

Saidur Rahman Rintu, vice-president of the Barishal Launch Owners Association, said it is not possible to move more than 10,000 people daily using roads but launches are currently transporting about 3 lakh travellers each day.

Mostafizur Rahman, a former officer of Barisal river port, said although nearly 5,000 launch passengers leave Barishal every day, most of them only travel during Eid. "But traffic on the Dhaka-Barishal highway has tripled ever since the inauguration of Padma Bridge," he added.

Badsha Sardar, manager of Green Line Transport, said they had four transports plying the Dhaka-Barisal highway in the past but now, there are twelve transports on the route.

Akib Hossain, counter-in-charge of Sakura Paribahan's Barisal Nathullabad bus stand, said they used to operate at least 32 vehicles on the Dhaka-Barisal route but the number has since risen to 42 vehicles.

## Agro-preneurship and enhancing farm income

WAIS KABIR

In Bangladesh, employment generation is the prime agenda for sustainable development for huge educated jobless. This is highlighted in policy discussions or research findings.

Value-addition in agriculture through post-harvest processing is considered a critical element which requires a fresh look in the agricultural technology system. Although the growth rate in the country is considered favourable in spite of the impact of the coronavirus pandemic and other global phenomena, sluggish employment needs to be addressed.

It is often said that entrepreneurs need to be created in the country. A number of such entrepreneurs have already emerged in the field of rural areas, especially in the supply of inputs, financial transactions, feed, poultry farms, dairy farms, nurseries, floriculture, mushroom cultivation, fish drying, and fattening of cattle. However, it is still very small compared to the overall market demand of the country.

Agricultural start-ups are becoming very popular in different countries, including Bangladesh. These start-ups are working on connecting producers and consumers, solving problems in the production process, providing financial assistance to farmers, capacity-building through training and market creation.

Bangladesh Bank has set up a fund of Tk 500 crore to create startups and entrepreneurs. In this, a maximum loan of Tk 1 crore has been arranged for entrepreneurs. It is learned that 1 per cent of the financial institutional income is supposed to be used to stimulate such innovative ideas in these sectors on easy terms. Small entrepreneurs can benefit by utilising these initiatives.

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The Access to Information (AZI) Programme of the government promotes IT-based solutions, including supporting innovative ideas. It helped agri-professionals develop digital solutions to reach farm growers. It has been supporting innovative ideas into action, including agriculture through an innovative fund.

Like other countries in Asia, Bangladesh has achieved commendable success in diversified fields of agriculture, including aquaculture. Exotic fruits are being grown as high-value products with the involvement of young investors.

It is known that high-yielding and nutrition-rich crops or livestock products will continue to contribute to food security in South and Southeast Asia. Basically, this development has been or is being made possible by utilising high-yielding seeds, natural resources, and an improved fertilizer irrigation system. But growers engaged in small-scale farming do not get a fair price.

Considering the opportunity of infrastructure and connectivity, more particularly the newly built Padma bridge, product processing may offer an expansion of the market within the country and beyond.

SME is a big employment generation and economic sector in the country.

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## IMF doesn't rule out possible global recession

REUTERS

The head of the International Monetary Fund (IMF) on Wednesday said the outlook for the global economy had "darkened significantly" since April and she could not rule out a possible global recession next year given the elevated risks.

IMF Managing Director Kristalina Georgieva told Reuters the fund would downgrade in coming weeks its 2022 forecast for 3.6 per cent global economic growth for the third time this year, adding that IMF economists were still finalising the new numbers.

The IMF is expected to release its updated forecast for 2022 and 2023 in late July, after slashing its forecast by nearly a full percentage point in April. The global economy expanded by 6.1 per cent in 2021.

"The outlook since our last update in April has darkened significantly," she told Reuters in an interview, citing a more universal spread of inflation, more substantial interest rate hikes, a slowdown in China's economic growth, and escalating sanctions related to Russia's war in Ukraine.

"We are in very choppy waters," she said. Asked if she could rule out a global recession, she said, "The risk has gone up so we cannot rule it out." Recent economic data showed some large economies, including those of China and Russia, had contracted in the second quarters, she said, noting the risks were even higher in 2023.

"It's going to be a tough '22, but maybe even a tougher 2023," she said. "Recession risks increased in 2023."

Investors are growing increasingly concerned about recession risks, with a key part of the US Treasury yield curve inverted for a second straight day on Wednesday, in what has been a reliable indicator that a recession is looming.



Autorickshaw drivers queue along a street to buy gasoline from a fuel station in Colombo on Wednesday.

PHOTO: AFP

## Sri Lanka hikes interest rates, warns trouble ahead

AFP, Colombo

Cash-strapped Sri Lanka has raised interest rates one percentage point on Thursday, the second sharp hike in three months, as the central bank warned of 80 per cent inflation and a painful recession.

The Central Bank of Sri Lanka ramped up its benchmark deposit and lending rates to 14.5 per cent and 15.5 per cent respectively, after data showed inflation soared to a record 54.6 per cent last month.

Officials said the hike was aimed at containing runaway prices, which were forecast to rise 80 per cent by year's end, and reduce any build-up of demand pressures in the shattered economy.

Acute shortages of food and fuel, alongside lengthy electricity blackouts, have led to months of widespread

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