

China's 2022 fuel exports to drop to 7-year low

REUTERS, Singapore

China's fuel product exports will rebound in August to near the highest for the year so far after Beijing issued more quotas in June and July, although broader curbs are set to cap shipments at seven-year lows for 2022, analysts and traders said.

The rebound in fuel exports from China, the world's second-biggest producer of refined fuels, has helped cool global prices that hit record highs in May and June as western sanctions on Russia following the Ukraine war tightened global markets.

Shipments are expected to level off over the rest of the year, however, as Beijing prioritises the local market to curb domestic fuel inflation. Diesel, gasoline and jet fuel exports for the year are expected to be as much as 40 per cent lower from 2021.

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With the drop-off in China - once Asia's top gasoline exporter and a key diesel supplier - fuel importers will have to rely on South Korea, India and the Middle East, analysts said.

"With China staying in a scale-back mode so far, it is certainly an opportunity for export-oriented refiners in the rest of Asia and Middle East to supply the shorts in Europe and US," said Mukesh Sadhav, head of downstream and oil trading at consultancy Rystad Energy.

Asian refiners outside China are expected to raise their crude throughput 10 per cent-15 per cent this year from 2021, while China's output may be flat as a rebound in the second half offsets a rare decline in the first six months of the year, Sadhav said.

China's July refinery runs fell to their lowest in more than two years, data showed on Monday, with year-to-date volumes down 6.3 per cent from a year earlier.

China's diesel exports are expected to show the most dramatic rise for August, topping one million tonnes for the first time since July 2021 as state refiners' clear overflowing inventories that have swelled since Covid-19 lockdowns stifled consumption, estimates from Refinitiv and Chinese

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A farmer is seen spraying pesticides on his henna field at Salmashi village in Savar. Local henna growers have been cultivating the plant for years and earning good profits in the process.

PHOTO: AKLAKUR RAHMAN AKASH

People of 'Mehndi Gram' earning big from henna

AKLAKUR RAHMAN AKASH
from Savar

The Salmashi village in Savar is popularly known as "Mehndi Gram" as most farmers in the area cultivate henna trees on a commercial basis to provide for their families.

During a recent visit to the village, this correspondent found local farmers either preparing henna leaves for sale or tending to the fields themselves.

Henna grower Payar Ali said nearly 50 farmers in the village collectively cultivate the plant on about 200 bighas.

Henna cultivation is more profitable than traditional crops as the demand in markets in Dhaka is increasing day by day.

Ali himself has been cultivating henna for the last 15 years on five bighas of land, where 4,500 to 5,000 saplings can be planted on each bigha.

The seedlings take about seven to eight years to mature before the leaves can be harvested around five times a year.



"I rent my land for Tk 15,000 per bigha and regularly make 100 bundles of henna leaves for sale at Rayer Bazaar in Dhaka. The bundles sell for between Tk 30 and Tk 80 apiece," Ali said.

"Last year I earned about Tk 2 lakh, excluding expenses, as market prices were good while fertiliser and pesticide costs were low.

There won't be as much profit this year as the situation is reversed," he added.

Swapan Ali, another farmer of the village who cultivates henna on 10 bighas of land, said rather than selling his leaves at the market, he sells it directly to wholesalers from the field.

So far this year, he has sold

henna leaves from his land three times and made a good profit.

Asked whether he might expand cultivation considering his success, Swapan said overall production in the region is actually decreasing day by day.

"Once upon a time, henna was cultivated in our neighbouring village of Kalatia but due to increasing urbanisation, it is no longer cultivated there," he said.

"Cultivation in our village is decreasing also due to the higher cost of labour, fertiliser, pesticides and land rent."

"So, it is not possible to increase henna cultivation. Our village may now be known as 'Mehndi Gram' but we might eventually lose this title," Swapan

added.

Abdul Ali, a henna trader, said he buys the leaves from contracted farmers to sell it at the Karwan Bazar wholesale market in Dhaka.

"I have purchased one acre of henna plant this season for Tk 80,000 in hopes of earning Tk 40,000 after paying costs," he added.

Jalal Miah, who purchases henna leaves from the Rayer Bazar wholesale market and sells it on a van beside his vegetable business, said he usually gets five bundles of henna leaves for Tk 250 to Tk 350 taka and sells for Tk 700 to Tk 750.

"I can sell more leaves before occasions such as Eid and earn more money from it," he added.

Contacted, Upazila Agriculture Officer Najiat Ahmed said that according to their information on henna cultivation, the plant is grown on about 10 hectares of land in Savar.

"Henna cultivation is more profitable than traditional farming as the demand in markets in Dhaka is increasing day by day," Ahmed said.

"The people of Salmashi area have been cultivating henna for a long time and earning good profit. We provide training on how to cultivate henna and make it more profitable," she added.

Curbing money laundering through AI

SAIFUR RAHMAN

East India Company colonised Bengal in 1757 when India's contribution to the world's GDP was about 27 per cent and Bengal (Suba E. Bengal) was one of the wealthiest places on Earth.

In 1947, when the British left, Bengal became one of the poorest places. This happened due to rampant loot and one-way transfer of wealth.

The transfer of money is still going on but the actor this time is our own people. About \$7.5 billion is being transferred overseas each year, 87 per cent of which happens through trade-based money laundering (TBM).

Corruption and money laundering are inextricably linked through myriad activities involving many agencies. Prevention must follow a "Whole of Government" approach encompassing information exchange amongst different agencies.

"Follow the money" is a strategy that has been proposed by the Financial Action Task Force of the G7 countries in controlling crime and money laundering. Many law enforcement agencies of the developed world now host special units responsible for pursuing not malefactors, but bank accounts, investment portfolios, houses, and cars.

Justice systems are made responsible for managing such sequestered assets until they can be forfeited and sold. If the wealth of people could be monitored in Bangladesh, the acquisition of black money and their subsequent trafficking could have been traced. An anti-money laundering (AML) system powered by artificial intelligence (AI) can achieve this.

The prerequisite is the digitalisation of information (data) of various organisations. Some agencies such as the Credit Information Bureau, the Election Commission and banks already have systems capable of digitally exposing data.

The decision-making process of the system must be fully automated to keep the human factor out. This is vital since millions of dollars can't be stolen unless corrupt officials are involved

Other agencies such as the income tax department, the land registry departments, customs, immigration, the Anti-Corruption Commission, share trading agents, departments with publicly funded projects, and money exchange agents can provide relevant data digitally. This is not a comprehensive list - there can be more.

The proposed AML system has (1) a database and (2) an AI component. Data would be extracted from various agencies on a daily basis and saved in a central database. The system will also collect information from people, newspapers and social media.

Data from various sources would be linked together by the national identification or tax identification number, enabling the system to correlate information from different sources and track down suspicious activities.

The decision-making process of the system must be fully automated to keep the human factor out. This is vital since millions of dollars can't be stolen unless corrupt officials are involved.

The AI component would use technologies such as machine learning, neural networks, rule-based processing and natural language processing to go through billions of data and run millions of scenarios to come up with decisions that would mimic human intelligence.

The system will run routine programmes to monitor the wealth of citizens, review foreign

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China unexpectedly cuts key rates as economy slows

REUTERS, Beijing

China's central bank cut key lending rates in a surprise move on Monday to revive demand as data showed the economy unexpectedly slowing in July, with factory and retail activity squeezed by Beijing's zero-Covid policy and a property crisis.

The grim set of figures indicate the world's second largest economy is struggling to shake off the June quarter's hit to growth from strict Covid restrictions, prompting some economists to downgrade their projections.

Industrial output grew 3.8 per cent in July from a year earlier, according to the National Bureau of Statistics (NBS), below the 3.9 per cent expansion in June and a 4.6 per cent increase expected by analysts in a Reuters poll.

Retail sales, which only just returned to growth in June, rose 2.7 per cent from a year ago, missing forecasts for 5.0 per cent growth and the 3.1 per cent growth seen in June.

"The July data suggest that the post-lockdown recovery lost steam as the one-off boost from reopening fizzled out and mortgage boycotts triggered a renewed deterioration in the property sector," said Julian Evans Pritchard, senior China economist at Capital Economics.

"The People's Bank of China is already responding to these headwinds by stepping up support...But with credit growth proving less responsive to policy loosening than in the past, this probably won't be sufficient to prevent further economic weakness."

Local shares gave up earlier gains after the data while

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Technicians work on Peugeot 207 and 206 car production lines at the Iran Khodro auto plant, west of the Iranian capital Tehran, on Sunday.

PHOTO: AFP

Iran's top automaker sets sights on Russia

AFP, Tehran, Iran

Iran's leading automaker is seeking to prioritise exports to Russia, its CEO said Sunday, as both countries reel under Western economic sanctions.

Iran Khodro unveiled the latest model of its crossover Rira vehicle at its factory west of Tehran, where CEO Mehdi Khatibi announced the manufacturer's ambitions for the Russian market.

"We are going to pay special attention to the Russian market, and we are also thinking of partnering with Russian investors," he said.

"We have held good negotiations with Moscow. The Russian market, with its capacities, will be one of our important markets," Khatibi added.

"We will begin exporting this year" to Russia, he said.

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