Fresh fuel blow to Europe

Nord Stream 1 pipeline to shut for 3 days

REUTERS, *Frankfurt*

Russia will halt natural gas supplies to Europe for three days at the end of the month via its main pipeline into the region, state energy giant Gazprom said on Friday, piling pressure on the region as it seeks to refuel ahead of winter.

The unscheduled maintenance on the Nord Stream 1 pipeline, which runs under the Baltic Sea to Germany, deepens an energy standoff between Moscow and Brussels which has already helped send inflation surging in the region and raised the risk of rationing and recession.

Gazprom said the shutdown was because the pipeline's only remaining compressor requires maintenance. Gas flows via other pipeline routes also have fallen since Russia invaded Ukraine in February, in which Moscow calls a "special military operation."

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The move will bring further disruption particularly for Germany, which depends largely on deliveries from Moscow to power its industry. The European Union has accused Russia of using energy as a weapon. Moscow has denied the charge and has blamed sanctions for the drop in exports.

"We are monitoring the situation closely with the Federal Network Agency," a spokesperson for Germany's economy ministry said. The Biden administration did not immediate respond to requests for comment.

The shutdown, to run from Aug. 31-Sept. 2, follows a 10-day maintenance curtailment in July, and raised fears over whether Russia would resume supplies, which have been reduced since mid-June.

Ukraine's gas transmission system operator said it and the Polish gas pipeline system have the capacity to compensate for the Nord Stream halt, and allow Russian gas to reach Europe.

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Cultivation of the once little-known dragon fruit is expanding across the country thanks to increased demand among the general public. To cater to the widening market, farms such as this in Thanchi upazila of Bandarban have expanded to an impressive size. PHOTO: LALTANLIAN PANGKHUA

Dragon fruit cultivation gaining ground

SOHRAB HOSSAIN *and* LALTANLIAN PANGKHUA

People in Bangladesh once barely knew about dragon fruit, also called pitaya, but it is gradually making its way into the fields by winning the hearts of farmers all over the country through its immense popularity.

In fiscal 2020-21, farmers grew pitaya on 695 hectares of land to bag 8,660 tonnes of the fruit, which is more than double the total yield of 3,463 tonnes the previous year.

Six years ago, Bangladesh produced only 66 tonnes of dragon fruit on 18 hectares of land, according to the Horticulture Wing of the Department of Agricultural Extension (DAE).

Jhenaidah is the main dragon fruit producing hub as it accounts for 39 per cent of the total production while other districts, namely Jashore, Natore and Bandarban, have become major producers as well.

Seeing their success, more farmers in other regions are now trying to grow the fruit and Mustafa Zaman is one of them.

The resident of Kangkuni Para village under Baliatali union of Patuakhali's Kalapara upazila planted 10 types of dragon fruit, including Singapore Pelora and Bari White, that are now selling for Tk 300 to Tk 400 per kilogramme (kg).

In addition to selling the fruit itself, he also gets an extra income by selling pitaya tree saplings and cuttings, earning him a total of

around Tk 50,000 per month after expenses.

Zaman first started cultivating dragon fruit in 2012 by collecting indigenous seeds from Dhaka.

After seeing the yields were good, he started commercial cultivation in 2017 with 800 trees on an acre of land next to his house.

Zaman says he has been involved in agriculture since his childhood and always wanted to grow something exceptional rather than traditional crops like paddy.

This led to an attempt to grow a type of date native to Saudi Arabia in 2008 but the soil and climate conditions were not suitable, leaving him disappointed when the trees dried up after a few years.

He persevered though and was ultimately introduced to dragon fruit farming.

Zaman said there are currently eight types of pitaya trees in his garden, which bear fruits between April and November.

Besides, each seedling sells for Tk 150 to Tk 500 while the price of cuttings ranges from Tk 80 to Tk 150.

"Most orders come online and are delivered through courier service," he added.

Eager people flock to have a glimpse of Zaman's garden and considering his success, young men of nearby villages are also trying their hand at dragon fruit farming.

As such, at least 50 small and big pitaya gardens have been developed in different areas of Kalapara upazila.

Farmer Sohel Gharami of the neighbouring Dhankhali union said he has started cultivating dragon fruit on a small scale.

Siddique Gazi, a farmer of Nilganj village under the same union, said Zaman's garden is mind-blowing and he plans to follow his example.

While Zaman has created interest among many in his area, hundreds of miles away to the east, Toyo Mro from the Bandarban Chimbuk area won accolades from Bangla daily Prothom Alo in 2018 by becoming an ideal gardener.

He developed a low-cost cultivation system for pitaya in the hilly areas, which are favourable for cultivating the fruit because the weather and hills ensure that there is no chance of waterlogging.

Goni Mia from Rangamati, who cultivated pitaya on about one acre of land, sold about Tk 600,000 worth the fruit this year to make a handsome profit.

Farmers sell dragon fruit for between Tk 350 and Tk 100 per kilogramme depending on their size. Somor Sing Roaza from Khagrachhari district said he has been using a mixed process cultivation method to grow dragon fruit alongside mangoes on around one acre of land for the last eight years.

However, he could not make an adequate profit this year as the lack of rain prevented his pitaya from growing large.

"So, local traders were not willing to buy them for a big amount," he added.

KM Mohiuddin, deputy director of the DAE in Patuakhali, said they are encouraging farmers by setting up demonstration farms in eight upazilas of Patuakhali on a total of 15 hectares of land this season.

Making money out of troubled water!

MAMUN RASHID

Out of my 26 years with three global banks, I spent more than half of it in treasury dealing room environment in Dhaka, Mumbai, Dubai, Singapore, Hong Kong, London, and New York.

Thanks to Pravat Gupta at ANZ Bank, Robert Green at Standard Chartered, and Kantic Dasgupta at Citibank, NA, I ended up doing a number of balance sheet management, financial institutions risk management and treasury risk management audits and reviews in or for those banks.

Many senior Bangladesh Bank officials always saw me as the right fit to teach the young officials at the central bank's foreign exchange regulation, investment or inspection departments.

Obviously, with the recent pressure on our local foreign exchange market rather forex markets across the world, young bank professionals, my students at the business schools, treasury personnel and business analysts are necessarily and mostly unnecessarily coming to me to know: 1) Where do I see US dollar/BDT in the near or distant future; 2) What is the right level for the dollar against the taka and more importantly for the business houses 3) How should they organise their activities with regard to timely import bills settlement? The other day even a journalist asked: How do we stabilise the forex market?

Now with this recent crackdown on a few banks by the central bank, rumours about more banks coming under their radar and corridor discussions that a few treasury seniors enjoying holidays outside the country during this critical time, the apprehensions are taking expanded shapes.

I wish I had some straight answers (I am peeping at the book 'Good Economics for Hard Times' at the corner of my table)!

Most of the developing economies have seen reasonable to a large devaluation of their local currencies against the greenback. For some countries, it was as high as 50 per cent

However, to put things in proper perspective, I would say most of the developing economies have seen reasonable to a large devaluation of their local currencies against the greenback. For some countries, it was as high as 50 per cent.

For Bangladesh, the scenario is not at all bad with our steady export growth, inward remittance hovering around $20 billion with quite reasonable foreign direct investment, and development assistance flows.

Our external debt/GDP ratio is still quite manageable with a ratio of around 43 per cent, while for India, it is around 70 per cent, and for Sri Lanka, it is 100 plus per cent.

Yes, there are some discussions that it may go much higher post-2023 once the large project loan repayments start. However, the upside is even during the peak of the coronavirus pandemic, Bangladesh didn't lose sight of its laundry lists regarding ease of doing business, liberalising the forex regime through the issuance of prudential guidelines at frequent intervals, and helping large and essential goods importers by releasing forex from its own coffer. Of course, more money is coming in to make the best use of the rising domestic consumer spending.

However, things were not possibly at all right when we saw the official taka rates were forcefully kept at a lower level ignoring the currency trends in other trading partner countries, the understanding gap to evaluate the outlier years of 2020 and 2021 when all the 'informal channels' of money transfer were not available, and the country

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UK slips towards recession

REUTERS, *London*

Britain's slide towards a recession has gathered momentum after data this week showed inflation jumping above 10 per cent, wages lagging far behind price growth and consumer confidence sinking to a record low.

The deteriorating picture for the world's fifth-biggest economy comes after the Bank of England warned this month of a 15 month contraction from the end of this year, worse than the outlook for other big European economies and the United States.

Higher-than-expected public borrowing figures on Friday underlined the hard decisions facing the next prime minister about how to expand help for the poorest households, which has so far fallen short of support given by most other European governments.

The stakes were laid bare by a warning from public healthcare providers that Britain faced a "humanitarian crisis" as soaring energy prices put many poorer Britons at risk of physical and mental illness.

"Many people could face the awful choice between skipping meals to heat their homes and having to live in cold, damp and very unpleasant conditions," Matthew Taylor, chief executive of the NHS Confederation, said.

The scale of the hit to households from their energy bills will become clearer next Friday when regulators announce the latest leap in the cap on electricity and gas tariffs, which have surged since Russia's invasion of Ukraine.

Already almost double their levels of a year ago, the tariffs could double again by early next year.

Next week's announcement comes against the

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An employee arranges produce inside a Sainsbury's supermarket in Richmond, west London. UK inflation is jumping above 10 per cent, while wages are lagging far behind price growth and consumer confidence is sinking to a record low. PHOTO: REUTERS

S&P lifts Ukraine rating

AFP, *Washington*

S&P joined Fitch in upgrading Ukraine's credit rating on Friday after the war-torn nation last week secured a two-year reprieve on its foreign debt from creditors.

Boosting the country's credit score of foreign debt to CCC+ "reflects strong committed international financial support to Ukraine, coupled with eroding, albeit still relatively high, foreign exchange reserves," S&P Global Ratings said in a statement.

"As a result, the near-term risks to the government's liquidity position and, more broadly, its capacity to honor commercial debt, including in foreign currency, appear manageable." But S&P said that is based on the assumptions that donors like the United States

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