

China to launch \$40b fund to boost chip industry

REUTERS, Hong Kong/Beijing

China is set to launch a new state-backed investment fund that aims to raise about \$40 billion for its semiconductor sector, two people familiar with the matter said, as the country ramps up efforts to catch up with the US and other rivals.

It is likely to be the biggest of three funds launched by the China Integrated Circuit Industry Investment Fund, also known as the Big Fund.

Its target of 300 billion yuan (\$41 billion) outdoes similar funds in 2014 and 2019, which according to government reports, raised 138.7 billion yuan and 200 billion yuan respectively.

One main area of investment will be equipment for chip manufacturing, said one of the two people and a third person familiar with the matter.

President Xi Jinping has long stressed the need for China to

President Xi Jinping has long stressed the need for China to achieve self-sufficiency in semiconductors

achieve self-sufficiency in semiconductors. That need has become all the more pressing after Washington imposed a series of export control measures over the last couple of years, citing fears that Beijing could use advanced chips to boost its military capabilities.

In October, the US rolled out a sweeping sanctions package that cut China's access to advanced chipmaking equipment and US allies Japan and the Netherlands have taken similar steps.

The new fund was approved by Chinese authorities in recent months, two of the people said.

China's finance ministry is planning to contribute 60 billion yuan, said one person. Other contributors could not be immediately learned.

All the sources declined to be identified as the discussions were confidential.

The State Council Information Office, which handles media queries on behalf of the government, the finance ministry and the Ministry of Industry and Information Technology did not immediately respond to Reuters requests for comment.



The market for hog plums, locally known as amra, has exploded into life in the southern region of the nation, with approximately 30,000 tonnes of the fruit, valued at around Tk 100 crore, being produced across six districts.

PHOTO: TITU DAS

Hog plum farmers log better business

SUSHANTA GHOSH

River canals in the southern region of Bangladesh are packed with vendors that have seemingly built their dreams around the production of hog plums, locally known as 'amra'.

Trawlers and hundreds of boats laden with hog plums on their way to Dhaka and Chattogram have become a common sight in Nesarabad upazila and Jhalakathi sadar upazila in Barishal.

According to the Department of Agricultural Extension (DAE) in Barishal, approximately 30,000 tonnes of the fruit, valued at around Tk 100 crore, was produced on about 2,000 hectares of land across six districts in the region.

Hog plum cultivation now supports the livelihood of at least 20,000 farmers and at least 1,000 wholesalers and trawler owners in the southern region.

Shekhar Sikder, the owner of an orchard in Kuriana union of Pirojpur, said that he earned

Hog plum cultivation now supports the livelihood of at least 20,000 farmers and at least 1,000 wholesalers and trawler owners in the southern region.

at least Tk 5 lakh from cultivating hog plums on two acres of land. Md Waliur Rahman of Jhalakathi sadar added: "We got about 100 tonnes of the fruit, which is worth Tk 5 lakh, from around eight acres of land. At the end of the season, more will be cultivated."

Farmers said easy transportation due to the Padma Bridge has given a fillip to the trade.

Babul Mandal, from Atghar union of Nesarabad upazila, said at least 100 trucks



were transporting hog plums from Atghar, Kuriana and Adamkathi Haat to Dhaka and Chattogram daily. Sahid Mallik, a wholesale businessman from the Zindakathi village in Pirojpur, added that at least 100 local wholesalers had dispatched 300-400 tonnes of hog plums by trucks and trawlers to Dhaka and Chattogram.

Depending on the quality, the price ranges from Tk 20,000-25,000 per tonne, said Shekhar Sikder.

"It is playing a major role in overcoming the downturn associated with the Covid-19 pandemic," said Niranjan Halder, president of an association of guava and hog plum farmers.

Chapal Krishna Debnath, upazila agriculture officer of the DAE in Pirojpur, said yields were better this time, with at least 16 tonnes collected per hectare. Ali Ahamed, upazila agriculture officer of the DAE in Jhalakathi sadar, said 90

hectares in Jhalakathi had been devoted to hog plum cultivation.

Local farmers said they gravitated towards the crop because it offered good profit, especially since the price of the fruit was higher this year compared to the past. Several farmers said they were anticipating higher profits from the cultivation of hog plums than in previous years.

Many have replaced their guava orchards, which they say offers little profit, and instead started planting hog plums to make up for losses suffered in the fallout of the pandemic.

However, Bipul Bihari Halder, a principal by profession who also maintains a farm, pointed out one of the issues facing the industry. He said that farmers could not meet demand for hog plums in the off season, when prices are generally higher, due to a lack of methods to preserve their harvest, such as cold storages.

Bangladesh Festival begins Sept 27

STAR BUSINESS REPORT

The first "Bangladesh Festival", a four day fair aiming to promote tourism in Bangladesh, will begin at the Bangabandhu International Conference Centre in Dhaka on September 27.

Organised by the Bangladesh Tourism Board (BTB) on the occasion of World Tourism Day 2023, the festival will be open to visitors from 11:00am to 11:00pm every day.

Abu Tahir Muhammad Zaber, chief executive officer of the BTB, announced the event through a press conference at his office in Dhaka's Agargaon yesterday.

He said the representatives of local tour operators, airlines and hospitality service providers, such as hotels and resorts, will participate in the festival to showcase various offers for potential tourists.

Zaber explained that the festival aims to help visitors make interesting travel plans by providing a platform to learn about the country's cultural and heritage sites.

"Visitors will have the opportunity to see pictures of the tourist attractions in each district before deciding to go witness their natural beauty, history and traditions first hand," he added.

Besides, traditional food items of Bangladesh will be available at the event, providing an opportunity to enjoy the country's unique and authentic cuisines.

A total of 10 seminars will be held at the event, with topics ranging from safety, accommodation and transport to investment opportunities, data innovation and human resource development in tourism.

Zaber also said the four-day cultural programme will showcase some of the country's iconic performing arts and literature, including Gambhira, Baul music and Potho Natya.

The BTB plans to celebrate World Tourism Day in this fashion at the same place every year.

India's services growth slows But exports hit record high

REUTERS, Bengaluru

Growth in India's dominant services industry lost some steam in August but overall conditions remained strong despite elevated inflationary pressures, according to a business survey that showed exports were at a record high on robust foreign demand.

Tuesday's findings, coupled with a sister survey on Friday which found factory growth expanded at its fastest pace in three months, suggest Asia's third-largest economy will be the fastest-growing major country despite slowing global growth.

The S&P Global India services Purchasing Managers' Index fell to 60.1 in August from 62.3 in July, lower than the Reuters poll expectation of 61.0.

Still, the reading was above the 50-mark separating growth from contraction for a 25th consecutive month - the longest stretch since August 2011.

"This spike in international demand supported one of the best sales performances recorded over the past 13 years, and acted as a catalyst for firms to expand their workforces as well as output," noted Pollyanna De Lima, economics associate director at S&P Global.

"Demand strength also fostered a heightened sense of optimism regarding the outlook, boding well for economic growth prospects."

A sub-index monitoring overall demand slowed slightly in August compared to the previous month. Although it remained strong at 60.0 it was below July's 13-year peak of 62.2.

Foreign demand was its highest since the series began in September 2014.

READ MORE ON B2

Russia upends global grain trade

AFP, Paris

Russia has cemented its position as the world's top grain exporter with the help of a bumper harvest and cut-rate prices while its war in Ukraine has upended the market.

Ukraine was a major exporter of wheat and other food commodities to developing nations before Russia's invasion in February last year, but it has lost access to the crucial Black Sea route for its shipments.

Moscow initially imposed a blockade on Ukraine shipments via the Black Sea but later agreed to reopen the route in a deal brokered by the United Nations and Turkey that included inspections of ships to ensure they were not carrying weapons.

The agreement enabled Ukraine to export more than 30 million tonnes of grain from three Black Sea ports, but Russia withdrew from the initiative in July.

The corridor "didn't help Ukraine rebound in terms of their agricultural production" as the invasion deprived it of a quarter of its exploitable grain fields, said Joseph Glauber, senior research fellow at the International Food Policy Research Institute in Washington.

Turkish President Recep Tayyip Erdogan met Russian leader Vladimir

Putin on Monday in an effort to revive the grain deal.

Putin warned that Moscow would only return to the arrangement when Western nations fully implement agreements to lift restrictions on Russian agricultural exports.

Erdogan said on Monday that Turkey and the United Nations had prepared new proposals aimed at addressing Russia's problems with the deal.

Ukraine was a major exporter of wheat and other food commodities to developing nations before Russia's invasion in February last year

The Black Sea disruptions have prompted Ukraine divert its grain exports through other routes including the Danube river, trucks and train.

But the river route is not completely safe, either, with infrastructure coming under attack, the latest being a drone strike on a grain export hub on the Danube on Monday.

READ MORE ON B2

Sugar price in India jumps to 6-year high

REUTERS, Mumbai

Sugar prices in India have jumped by more than 3 percent in a fortnight to their highest level in six years, traders and industry officials said, as limited rainfall in the country's key growing regions raised production concerns for the upcoming season.

This could add to food inflation and discourage New Delhi from allowing sugar exports, supporting global prices, which are near their highest in more than a decade.

"Sugar mills are worried that production could fall sharply in the new season because of drought. They are not willing to sell at lower price," said Ashok Jain, president of the Bombay Sugar Merchants Association.

Higher prices will, however, improve margins for producers such as Balrampur Chini, Dwarikesh Sugar, Shree Renuka Sugars and Dalmia Bharat Sugar, helping them make payments on time to farmers, dealers said.

Sugar output could fall by 3.3 percent to 31.7 million metric tons in the new season starting from October 1 as low rainfall hits cane yields in the western state of Maharashtra and Karnataka in southern India, which together account for more than half of total Indian output, a leading trade body estimated.

Although sugar prices rose to 37,760 rupees (\$454.80) per metric ton on Tuesday, their highest since October 2017. Indian prices are

nearly 38 percent lower than the global white sugar benchmark.

The price rise will dissuade the Indian government from allowing exports in the new season, Jain said.

India allowed mills to export only 6.1 million metric tons of sugar during the current season

to September 30, after letting them sell a record 11.1 million metric tons last season.

New Delhi is expected to ban mills from exporting sugar in the season beginning October, halting shipments for the first time in seven years, three government sources told Reuters last month.



People buy sugarcane at a wholesale market in Bengaluru. Sugar mills in India are worried that production could fall sharply in the new season because of drought.

PHOTO: AFP/FILE