



Bachchu Mia tends to his patch of amaranth in Darsha village in Kandigaon union of Sylhet sadar upazila. He has invested Tk 60,000 till date to grow amaranth and red amaranth in equal proportions on four bighas of land with hopes of making a harvest after a couple of months that would fetch him Tk 2 lakh. The photo was taken recently. PHOTO: SHEIKH NASIR

Food security still a ways off despite inroads

Shows data of the World Food Programme

STAR BUSINESS REPORT

Although Bangladesh has made inroads in terms of food security, about 36 percent of the country's low-income households faced food shortages in the October-November period of 2023, according to the World Food Programme (WFP). A recent survey by the WFP, styled "Bangladesh Food Security Monitoring: Seasonal Impact", found that households led by women or featuring people with physical disability suffered during the period despite seasonal changes in income opportunities. The WFP recently released its findings, which are based on a survey conducted on 1,200 households across the country between October and November last year. It said multiple shocks, including higher health expenditures and eroding incomes, were the driving factors behind food insecurity during the period. Concerns over high food prices remained elevated, with some 93 percent of households saying that the rise was their deepest concern and significantly affected their wellbeing regardless of

income, it added. On average, almost two in every 10 low-income households, or 18 percent, were facing food insecurity in November. However, it was 24 percent in August, as per the findings of a previous WFP survey. The latest WFP report says food security had improved nationwide in November as the rice and winter vegetable harvesting season began that month. This allowed farming households to recover losses stemming from heavy rainfall earlier in the year while also generating employment opportunities. Still, many households had to rely on negative coping strategies to put food on the table despite the overall improvement in food security. More than six out of every 10 households applied livelihood-based coping strategies, such as borrowing money and selling productive assets, to buy food, the survey said. Besides, the proportion of respondents who had to opt for credit purchases of food and other essential items remained similar in October and November at 45 percent, it added.

Meanwhile, an average of more than three in every 10 households could not afford balanced diets due to price hikes for regular food items, particularly sources of protein like eggs, fish and meat. Additionally, not all of the country's divisions adequately cultivate vegetables, with households in many areas reporting that there was a lack of it in their diets. **DIVISION-WISE FOOD SITUATION** The overall distribution of food insecurity among the divisions, excluding Rangpur, was quite uniform in November as farming households reported increased income following the vegetable harvests. But due to the effects of Cyclone Midhili, farming households in Barishal experienced crop loss and damage that same month. As such, households in Barishal faced the highest food insecurity compared to those in other regions. But in Dhaka and Chattogram, workers faced challenges related to food security as strikes in the garment industry coupled with natural calamities and ongoing political unrest reduced their income. Regarding the recovery of people's

income, the WFP said it would be a prolonged process, particularly for poor households, as sustained inflationary pressure in the country is increasing living costs. Close to seven in every 10 poor households reported increased expenditures, especially for food, healthcare and education, during the October-November period, it added. The WFP also said an average of 63 percent of the households surveyed reported higher expenditures in November. Besides, four in every 10 low-income households reported high income losses, which is a very high ratio compared to that of middle-and-higher-income earners. Between 30 and 40 percent of households across all divisions reported income losses during the period, with some 10-13 percent in Chattogram, Barishal and Dhaka registering up to 50 percent lower earnings. Of them, some 22 percent had received assistance from government and non-government sources.

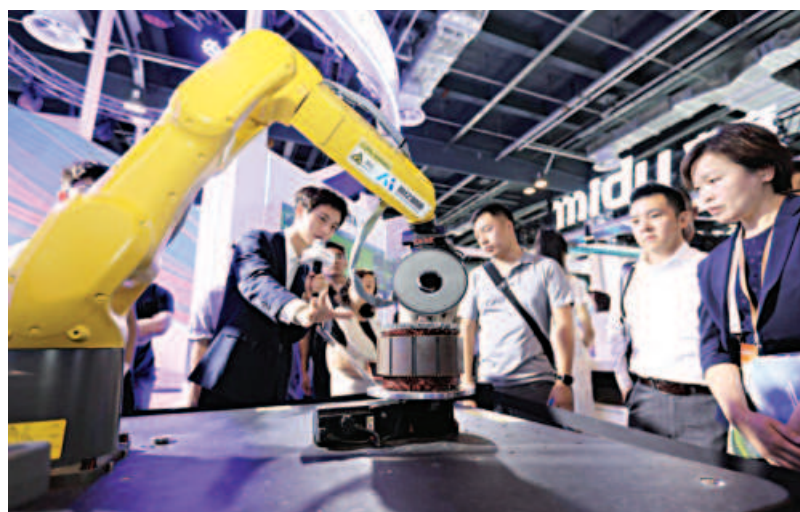
Shanghai goes big on smart factories

ANN/CHINA DAILY

Shanghai is determined to consolidate its leading position in intelligent manufacturing by building 70 new intelligent factories this year, and 200 new intelligent factories and 20 benchmark factories by the end of 2025, official sources said on Thursday. Some 70 new intelligent factories covering key industries, including automotive, high-end equipment and electronic information, will be built this year in an effort to achieve systematic optimization and overall enhancement in products' full life-cycles, manufacturing procedures and various supply-chain processes, said Zhang Ying, director of the Shanghai Commission of Economy and Informatization, during a smart factory construction promotion conference in Shanghai on Wednesday. The East China cosmopolis is the nation's largest integrated solutions provider for intelligent manufacturing systems and one of the core equipment industrial clusters of intelligent manufacturing. As manufacturing is critical for China's overall development, intelligent manufacturing is vital in enhancing core competitiveness of the nation's industries. It also plays an important role in accelerating new industrialization, said Chen Jie, vice mayor of Shanghai. "Therefore, it is an inevitable choice for megacities like Shanghai to take smart factories as a key area for the digital transformation of the manufacturing sector, and to accelerate the construction of smart factories," Chen said. In the past few years, Shanghai has consolidated its development of intelligent factories, expanding the ecosystem of intelligent manufacturing. It has also gradually

improved the toolbox of innovative development policies. With equal focus on both quantity and quality, Shanghai's intelligent manufacturing has developed well with all-around achievements to show for it, Zhang said. "Shanghai has so far built 19 national-level smart factories, 100 municipal-level smart factories and more than 1,000 intelligent manufacturing applications. More than 70 percent of the city's industrial enterprises above the designated size, or with an annual revenue of 20 million yuan (\$2.79 million) or above each, have conducted intelligent factory evaluation," said Zhang. According to Zhang, the construction of intelligent factories has improved industrial enterprises' quality and efficiency. Production efficiency of Shanghai's intelligent factories has increased by more than 50 percent on average, while

operational costs fell by more than 30 percent and energy consumption was down by nearly 14 percent. "With support and help from various government divisions, we have constantly improved our intelligent manufacturing, and finally reached a high level of automation," said Xu Xiaoying, director of operations at Aptiv Electrical Centers (Shanghai) Co. According to Xu, enterprises are increasingly benefiting from the integrated resources and industrial chain created by the Shanghai Commission of Economy and Informatization. Through accelerated cultivation of a batch of world-class intelligent manufacturing system integration businesses, Shanghai has seen this segment's output value exceed 60 billion yuan, while the industrial scale of intelligent manufacturing equipment sector has surpassed 100 billion yuan, Zhang said.



Visitors learn how an intelligent robot helps check product quality during an expo in Shanghai. In the past few years, Shanghai has consolidated its development of intelligent factories, expanding the ecosystem of intelligent manufacturing. PHOTO: CHINA DAILY

Dollar flat

REUTERS, New York

The dollar was little changed on Friday after a rally in response to mixed data that suggested the world's largest economy showed pockets of weakness but remained resilient overall. The dollar index was flat at 102.43 in afternoon trading after hitting 103.10 in wake of the stronger-than-expected US jobs report. That was the highest since mid-December. For the week, the dollar gained 1.1 percent, on pace for its best weekly rise since mid-July. The greenback earlier rallied after data showed the US economy created 216,000 new jobs in December, exceeding the consensus forecast of 170,000. The unemployment rate was steady from November at 3.7 percent, compared with expectations of a rise to 3.8 percent, while average earnings rose 0.4 percent on a monthly basis, against forecasts of a 0.3 percent gain. But that report was offset by data later in the session that indicated the US services sector slumped last month.

Garment exports

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"This is certainly not a healthy sign for the economy and we have been always supporting and promoting sector diversification," Hassan said in a letter sent to garment manufacturers yesterday. "This contrast in growth in favour of garments is a testament to your dynamism and determination," he added. The sector has witnessed a qualitative shift in product portfolio, moving beyond basic garments to higher-end products like non-cotton, outerwear, activewear and suits. This diversification showcases the evolving capabilities and commitment to meeting the changing demands of the global market. "These factors, combined with our resilience, adaptability and innovative spirit, set us apart from our competitors," Hassan said.

The Red Sea crisis

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Since November, at least 25 commercial vessels operating in the southern Red Sea and the Gulf of Aden have been attacked, AFP reported. On January 5, Maersk said it is diverting all container vessels from Red Sea routes around the Cape of Good Hope for the foreseeable future, warning customers to prepare for a significant disruption, while Hapag Lloyd tallied a big increase in costs of diverting ships. Khairul Alam Suzan, a vice-president of the Bangladesh Freight Forwarders Association, said the use of the Red Sea cuts the distance by 3,000-4,000 kilometres. "As vessels are avoiding the seaway, the overall import cost will go up," said Taslim Shahriar, senior assistant general manager of Meghna Group of Industries, a major commodity importer and processor. "This will also compound pressure on the already strained foreign exchange reserves of the country as the increased cost of frights will have to be borne in foreign currencies."

Syed M Tanvir, managing director of Pacific Jeans, one of the leading garment exporters in Bangladesh, says definitely, there are reasons to be concerned about. "Most readymade garments from Bangladesh are shipped through this route. As ships will go around the Cape of Good Hope, a portion of the additional cost will apparently be passed to us by buyers. So, businesses will be affected at this challenging time." There is another challenge. Exporters will be under more pressure from buyers to ship garments within the lead time. Until now, they were able to seek some extra time from buyers in the case of failure to meet the deadline. The change in the route will make it harder. "So, we will have to deliver

Japanese firms rush to resume production after earthquake

REUTERS, Tokyo

Japanese manufacturers rushed to resume production four days after a magnitude 7.6 earthquake killed at least 94 and disrupted infrastructures in the country's west coast, as businesses were returning from gloomy New Year holidays. About 80 percent of 200 companies with plants in the quake-hit areas, including makers of machines, semiconductors and textiles, have resumed production or would resume soon following the quake, Industry Minister Ken Saito said on Friday. But the government cannot picture a clear timeline for the recovery of the region's power supply, Saito added. Roughly 24,000 buildings in Ishikawa, the hardest-hit prefecture where the quake's epicentre is located, are still out of electricity, according to Hokuriku Electric Power. Electronic parts supplier Murata Manufacturing on Friday said it was examining the damage at five plants in Ishikawa and neighbouring Toyama, while eight other plants in the region have resumed production or would do so by Tuesday. Carmaker Toyota Motor was looking into how its production might be affected after its suppliers Aisin and Sumitomo Electric Industries suffered some damage from the earthquake, president Koji Sato said.

The economic loss from the earthquake could amount to less than 0.01 percent of Japan's gross domestic product, Nomura Securities' Chief Economist Kyohei Morita estimated.

Display makers Japan Display and EIZO, as well as chipmakers Kokusai Electric, Sanken Electric and Toshiba Electronic Devices & Storage, have said they were checking and repairing damaged factory facilities. The economic loss from the earthquake could amount to less than 0.01 percent of Japan's gross domestic product, Nomura Securities' Chief Economist Kyohei Morita estimated on Thursday. The impact on wider supply chains would be milder than that from the 2016 Kumamoto earthquakes which hit auto and semiconductor industrial hubs, Morita wrote in a note to clients. Unlike the 2011 East Japan earthquake and tsunami, which triggered nuclear plant meltdowns in Fukushima and led to a nationwide power crunch, the quake's impact on electricity supply remained regional, although it could affect Japan's push to bring its nuclear capacity back online. While manufacturers are the pillar of the local economies of the quake-hit Ishikawa and Toyama, accounting for a third of corporate revenues, services companies, such as builders and hotels, provide the most jobs there, according to market research firm Teikoku Databank. The quake and a fire it set off have knocked Ishikawa's major tourist centre Wajima, known for fisheries, lacquerware, and markets, just as tourism was making a comeback from the COVID-19 crisis.

Bangladesh will not remain immune from the crisis as a good portion of its around \$130 billion trade with other nations goes through the waterway

Bangladesh imports fertilizer mainly through the Cape of Good Hope and the Arabian Sea. So, the shipping time is not going to increase but the freight charge has already gone up, said an official of the agriculture ministry. Bangladesh's flag carrier vessels have also remained unaffected until now. Commodore Md Ziaul Hoque, managing director of the Bangladesh Shipping Corporation, said the Red Sea trade route has not been closed yet and a huge volume of traffic is moving. "The Houthi say they will target ships linked only to Israel, so the risk of vessels carrying Bangladeshi flag may be low since we are a Muslim-majority nation. However, we are monitoring the situation."