

# Seed production brings solvency to farmers



A farmer takes care of her vegetable seed field at Bishbari village at Aditmari upazila in Lalmonirhat.

S DILIP ROY

## DISTRICTS IN FOCUS

S Dilip Roy, Lalmonirhat

Many farmers in Rangpur's Lalmonirhat Sadar and Aditamari upazila have turned to vegetable seed cultivation after being left unsatisfied by the prevailing prices of food grains.

With various seed companies cooperating with these farmers, they have been able to turn their lives around by securing proper returns for their produce.

Atul Chandra Roy, a farmer of Durakuti village in Lalmonirhat Sadar, said they cultivate vegetable seeds on 10 to 50 decimals of land each year. Farmers get about four to eight kilogrammes of seed from each bigha of land.

"I have been producing vegetable seeds for the past 10 years," Roy added.

It takes three-and-a-half months to ready a single seed for sowing while highlands are usually selected for cultivation.

"Besides, organic fertilisers are also used on seed producing fields," said Delwar Hossain, a farmer of Kamlabari village in Aditmari upazila. "We have to be very careful and aware while producing the seeds," he added.

Over 1,000 farmers are involved in cultivating vegetable seeds in 20 villages of Lalmonirhat Sadar and Aditmari upazila, said Mehedi Hasan, assistant manager of Lal Teer Seed, a seed producing company based in the northern region.

"We purchase the farmer's vegetable seeds at a fair price," he said, adding that seed companies also provide technical support for growing and processing seeds.

Sabed Ali, a farmer at Fulgach village in Lalmonirhat, said farmers produce various vegetable seeds, including bottle gourd, bitter gourd, cauliflower, cabbage, chilli, lady's finger, ridge gourd, tomato and so on.

According to variety and quality, the seeds are sold at prices between Tk 5,000 to Tk 25,000.

The farmers can earn twice if the conditions remain favourable.

"Without producing vegetable seeds, it was impossible to bring solvency to my family," Ali said, adding that many farmers in his village have followed suit.

According to officials of the Department of Agricultural Extension (DAE) in Lalmonirhat, at least 2,000 farmers in the region are involved in producing vegetable seeds.

Farmers in the region are very pleased with the prices they get for seeds, said Shamim Ashraf, deputy director of the DAE in Lalmonirhat.

Although some of these farmers have been associated with seed production for a long time, there are also many newcomers to the industry.

"Other than the seed companies, farmers are also given advice and technical support from the DAE to help develop advanced seeds," Ashraf told The Daily Star.

# Dilemma of VAT registration of non-resident entities and their VAT agents



NUR AHAMMED SUPRIM

The government has introduced Value Added Tax and Supplementary Duty Act, 2012 and Value Added Tax and Supplementary Duty Rules, 2016, which came into effect on July 1 in 2019.

With the introduction of these two new laws, non-resident entities involved in certain economic activities in Bangladesh that are considered 'supplies made in Bangladesh' have been brought within the scope of VAT, like radio or television broadcasting or telecasting services, electronic services, telecom services etc.

A non-resident is an entity/company providing services to the customers in Bangladesh without having any office or presence in Bangladesh.

To comply with the law, such non-resident entities not having permanent place of business in Bangladesh have to file online application to register themselves with the authorities concerned

in Bangladesh.

The registration process requires such non-resident entities to appoint VAT agents in Bangladesh, as approved by the National Board of Revenue (NBR).

Besides, the tax administrator has appointed few individuals who can act as a VAT agent of any non-resident. In reality, most of the non-residents prefer to appoint CA firm or consultancy firms/entities in this kinds of cases.

Unfortunately, appointment of the agents and registration of non-residents under the VAT law are facing some problems now.

Practical challenges for VAT agent: As per the new law, the VAT agent shall be responsible for all activities of the non-resident it represents. The challenging chapter starts from this current legal provision. The provision is elaborated below.

"Such VAT agent of a non-resident shall bear all responsibilities and carry out all activities of the non-resident and shall be jointly and severally liable for the payment of all dues including taxes, fines, penalties, and interests that may be imposed."

This wide ruling about the agent's risk and responsibilities has made most of the prospective agents (CA firms), discouraged to register or act themselves as VAT agent of non-residents.

READ MORE ON B3



The National Board of Revenue should review the VAT law so that both the non-resident entities and their VAT agents work here with ease.

PHOTO: STAR/FILE



## GLOBAL BUSINESS

# Traffic in Suez Canal resumes after stranded ship refloated

REUTERS, Ismailia, Egypt

Shipping was on the move again late on Monday in Egypt's Suez Canal after tugs refloated a giant container ship which had been blocking the channel for almost a week, causing a huge build-up of vessels around the waterway.

With the 400-metre-long (430-yard) Ever Given dislodged, 113 ships were expected to transit the canal in both directions by early Tuesday morning, Suez Canal Authority (SCA) chairman Osama Rabie told reporters.

He said a backlog of 422 ships could be cleared in 3-1/2 days.

The Ever Given had become jammed diagonally across a southern section of the canal, the shortest shipping route between Europe and Asia, in high winds early on March 23. Evergreen Line, which is leasing the Ever Given, said the ship would be inspected for seaworthiness in the Great Bitter Lake, which separates two sections of the canal.

"The ship was ready for



A man waves an Egyptian flag as ship Ever Given, one of the world's largest container ships, is seen after it was fully floated in Suez Canal, Egypt on March 29.

REUTERS/FILE

limited navigation after an initial inspection and not a single container was damaged, but a second investigation will be more precise and if it was affected it will show," Rabie said.

At dawn on Monday, rescue

workers from the SCA working with a team from Dutch firm Smit Salvage partially refloated the ship and straightened it in the canal. After several hours it shifted briefly back across the canal before being manoeuvred free by tugs as the

tide changed, a canal source said.

"The time pressure to complete this operation was evident and unprecedented," said Peter Berdowski, CEO of Smit Salvage owner Boskalis, after the Ever Given was refloated.

The company said approximately 30,000 cubic metres of sand had been dredged to refloat the 224,000-tonne container ship and a total of 11 tugs and two powerful sea tugs were used to pull the ship free.

Bernhard Schulte Shipmanagement (BSM), the technical managers of the container ship, said there were no reports of pollution or cargo damage. Vessels waiting to transit the canal include dozens of container ships, bulk carriers, oil tankers and liquefied natural gas (LNG) or liquefied petroleum gas (LPG) vessels, Nile TV reported.

Rabie said that within four days, traffic would return to normal. "We'll work day and night to end the backlog,"

Vessels similar in size to the Ever

Given, which is one of the world's largest container ships, could pass through the canal safely, he added, and the SCA would not change its policy on admitting such ships. Shipping group Maersk said the knock-on disruptions to global shipping could take weeks or months to unravel.

Owners and charterers of delayed ships face at least \$24 million in expenses they will be unable to recoup as their insurance policies do not cover them and cargo owners could also face uninsured losses, industry sources said. Egyptian President Abdel Fattah al-Sisi, who had not publicly commented on the blockage, said Egypt had ended the crisis and assured resumption of trade through the canal.

Oil prices fell 1 percent after the ship was refloated while shares of Taiwan-listed Evergreen Marine Corp rose. About 15 per cent of world shipping traffic transits the Suez Canal, which is an important source of foreign currency revenue for Egypt.

## NEWS In Brief

### Vietnam Q1 growth picks up as virus is contained

AFP, Hanoi

Vietnam's economy continued to expand in the first three months of the year, officials said Monday, thanks to the government's success in containing the worst of the coronavirus.

And while the 4.48 per cent rate given by the General Statistics Office was below forecasts in a Bloomberg survey, it was better than the same period last year and the government said it hoped to chalk up annual growth of 6.5 per cent for 2021.

Vietnam has long been one of the best performing economies in Asia and was one of the few in the world to expand last year owing to strict pandemic measures including massive contact tracing and mandatory quarantine. So far it has recorded only around 2,600 infections and 35 deaths among its population of 98 million.



A vendor waits for customers at her fruit stall in Hanoi on March 29.

AFP

# Benefits of 'drastic' climate action outweigh costs: economists

AFP, Paris

The cost of global warming will far outweigh the cost of rapidly cutting greenhouse gas emissions, more than 700 economists from around the world said Tuesday in an unprecedented call to climate action.

A major international survey found that nearly three-quarters of the economists responding believed that "immediate and drastic" action was needed to limit the fallout of climate change, warning that the costs of failing to slash carbon pollution would rapidly balloon to reach trillions of dollars every year. Nearly nine out of 10 (89 per cent) said they believed that climate change would worsen global inequality, and they were nearly unanimous

in believing that the benefits of net-zero emissions by mid-century would vastly outweigh the costs.

"People who spend their careers studying our economy are in widespread agreement that climate change will be expensive, potentially devastatingly so," said Peter Howard, economics director at the Institute for Policy Integrity at NYU School of Law, which conducted the survey. "These findings show a clear economic case for urgent climate action. For years economists have been divided on the cost-benefit equation involved in funding climate action, with even Nobel Prize-winning academics such as William Nordhaus arguing that strong actions should be balanced against costs.



A man walks near a coal-fired power plant in Harbin, Heilongjiang province, China.

REUTERS/FILE

Most traditional models of climate cost focus on changes to GDP in a specific year -- that is, a so-called "level impact". But more and more research has shown that climate change will reduce economic growth below what has been projected globally.

The consensus reached by survey respondents suggested that the projected economic fallout from climate change would reach \$1.7 trillion annually by 2025 and roughly \$30 trillion per year by 2075.

By contrast, 65 per cent of respondents said that the costs of renewable energy technology such as wind and solar would continue to fall over the next decade and estimated that half of the world's energy mix would be green by 2050.

### US not yet ready to lift tariffs on China

AFP, Washington

President Joe Biden's new trade negotiator has said the United States is not yet ready to lift tariffs on Chinese imports, but could be open to talks with Beijing. US Trade Representative Katherine Tai, whose appointment was confirmed earlier this month, told The Wall Street Journal she understood the levies were hitting some American companies and consumers, but they can also protect businesses.

In January 2020, then-president Donald Trump signed an accord between Beijing and Washington after a bruising trade battle that saw tariffs imposed by both sides. "I have heard people say, 'Please just take these tariffs off,'" the 47-year-old Tai told the WSJ in an interview published Sunday.

But the former trade lawyer -- whose parents were born in China -- warned that suddenly axing the levies could harm the US economy unless a policy reversal is "communicated in a way so that the actors in the economy can make adjustments.