Make land ports fully functional

Businesspeople, economists of northern districts urge govt

Nepalese trucks are seen at Banglabandha land port in Panchagarh. There are five land ports in different districts of Rangpur. Businesspeople say if the government builds better infrastructure to increase capacity of the ports, economy of the region will get a boost. STAR/FILE

RUN-UP TO BUDGET FOR FY2021-22

KONGKON KARMAKER, *Dinajpur*

Budgetary allocation for Rangpur division's eight districts for fiscal 2021-22 should be adequate to expedite development of the country's extreme north, primarily known for crop production, said businesspeople, economists and members of the civil society.

Apart from the agricultural sector, the region's five land ports should be made fully functional with immigration services, they said when contacted by this correspondent of The Daily Star.

The five are in Hili at Dinajpur's Hakimpur upazila, Radhikapur at Dinajpur's Biral upazila, Banglabandha at Panchagarh, Burimari in Lalmonirhat and Sonahar in Kurigram.

The north, especially Rangpur, significantly accounts for the country's crop production, including rice, said Dr Fahima Khanam, chairman of the economics department at Hajee Mohammad Danesh Science and Technology University in Dinajpur.

Farmers are still deprived of fair prices just for a shortage of storage facilities, which moreover can currently hold only potato and no other perishable vegetable, she observed.

"The government should take up initiatives so that farmers can store vegetables for longer periods," she said.

Supporting her, Abdul Aziz, president of the Kurigram Chamber of Commerce and Industry, also demanded more subsidy in agriculture.

Kurigram has sufficient resources except for finance and its large-scale textile mills have been kept shut while a Chilmari river port is yet to be made operational, he said.

The Sonahar land port lacks infrastructure and immigration services which could have saved time and money of businesspeople seeking travel to India, he added.

Meanwhile, Rangpur needs an economic zone and leather processing factories which would generate employment opportunities and tackle its high poverty rate, he said, demanding making Lalmonirhat airport functional.

Rangpur's factories making hand rolled cheap cigarettes had created a lot of employment opportunities, especially for women, but high taxation was a drawback, said Mozibar Rahman, president of Rangpur Bidi Owners Samity, while seeking a reduction.

Panchagarh's booming tea sector could make use of government incentives for medium and small-scale growers alongside an auction house for availing better prices, said Sharif Hossain, president of the Panchagarh Chamber of Commerce and Industry.

Rangpur division's rice feeds around four crore people annually, so import cost cuts are required for its automatic rice mill machineries alongside on electricity tariffs, said Mosaddek Hossain, president of Automatic Rice Mill Owners Association in Dinajpur.

Betel nuts helping farmers make a fortune

DISTRICTS IN FOCUS

EAM ASADUZZAMAN, *Nilphamari*

Betel nut farming has changed the luck of many farmers in Nilphamari district as the crop is more profitable than many others thanks to its nature of giving high yield with little care and handsome market price.

For its exceptionally good taste, the betel nut grown in the district has high demand among traders around the country.

While visiting different villages like Chilahati, Uttor Ketkibari, Chandkhana of Domar upazila and Dakkhin Kharibari, Gayabari, Nautara in Dimla upazila, this correspondent found big betel nut orchards occupying 2-10 acres of land.

Even rows of betel nut plants were found in almost every house yard and boundary lines of farm lands.

Betel nut was grown this year on 4,000 acres of land to produce around 5,000 tonnes of the crop, said Imran Ahmed, sub assistant agriculture officer of the district office of the Department of Agricultural Extension (DAE).

"High alluvial land is suitable for betel nut farming and this kind of soil is available in the area, which is the major reason for its acreage to see a rise."

"There are 2,200 trees in my two-acre orchard, from which I expect to get five lakh pieces of nuts and sell those at Tk 15 lakh as the peak production season is going on," said Habibur Rahman, a 50-year-old Betel nut farmer of Dakkhin Kharibari village in Dimla upazila.

Abdul Kader of Chilahati village in Domar said he has a three-acre orchard.

"Only Tk 50 is needed to take care of a betel nut tree as fertiliser and labour cost. But 320 pieces of betel nuts worth Tk 1,280 can be yielded from each tree on an average," said the 60-year-old farmer.

Around 12-15 trucks of betel nuts go to different destinations from this market in each haat day that sits on every Friday and Tuesday, said Abdul Khaleque, 65, a lessee of Dimla.

Many backward linkage industries related to betel nut farming have also been developed in the area, he said.

Betel nut harvesting begins in mid-April and it continues until the last of June, said farmer Intaj Ali of Chandkhana village in Domar.

Betel nut has emerged as a cash crop in the area and many young entrepreneurs have found it as a profitable business, said Abdul Wahed Sarker, former president of Nilphamari Chamber of Commerce and Industry.

The entrepreneurs send their produce to different locations in Dhaka, Chattogram, Bogura and other cities, which is also playing a vital role in changing the socio-economic scenario of the area, he said.

"We encourage farmers to go for crop diversification," said Abu Bakkar Siddique, deputy director of the district office of the DAE.

"With the assistance of our field staff, more farmers are now coming into betel nut production and earning more than they use to earn from traditional crops."

EAM ASADUZZAMAN

For their exceptionally good taste, betel nuts grown in Nilphamari have high demand among traders around the country.

GLOBAL BUSINESS

India to borrow $22b more this FY to compensate states for tax shortfall

REUTERS/FILE

India's Finance Minister Nirmala Sitharaman attends a joint news conference with US Treasury Secretary Steven Mnuchin in New Delhi, India on November 1, 2019.

REUTERS, *New Delhi*

India's federal government will borrow $22 billion from the market to compensate the country's states for a shortfall in tax receipts this fiscal year, but it deferred cutting taxes on medicines and medical equipments used to treat coronavirus patients.

This borrowing would be additional to the 12 trillion rupees ($166 billion) it already plans to raise in the fiscal year that started on April 1.

India's deadly second wave of coronavirus that killed thousands of people in the last two months is now threatening an economic revival that had begun to take hold since the beginning of the year.

The economy is showing signs of distress, such as falling tax collections and slump in sales of a variety of goods including automobiles.

The Goods and Services Tax (GST), India's biggest tax reform, was introduced in 2017 to replace an array of federal and state duties. State governments were promised compensation through a surcharge on taxes on luxury goods for five years to ensure 14 per cent annual growth in GST revenue.

Federal Finance Minister Nirmala Sitharaman was speaking to reporters after the meeting with the Goods and Services Tax Council, which she chairs and includes all state finance ministers of the country.

The outcome of the meeting, which the council's first for eight months, disappointed some of its members and experts, after it deferred taxes on Covid-19 related medical equipments and medicines.

"The council has failed to address major pain points of the industry and the common man resulting from the pandemic," said Rajat Bose, partner at Shardul Amarchand Mangaldas & Co, a law firm.

China, US can find common ground on tariff exclusions

Chinese think tank says

REUTERS

The Biden administration is unlikely to remove tariffs on Chinese goods in the short term, but China and the United States might find a middle ground by increasing tariff exclusions as a way to reduce tensions, a Chinese think-tank said.

With even free trade advocates in the US lobbying that Washington should use tariff cuts as a tool for new trade negotiations with China, tariffs are likely to remain in place, said a report from China Finance 40 forum (CF40) on Saturday, an economic and finance think tank with members from regulators, academia and financial institutions.

But with the United States facing inflationary pressures in the first half of this year, Washington may look to reduce the tariff burden through tariff exclusions, which would avoid resistance in congress and ease political pressure, the report said.

The Biden administration is conducting a comprehensive review of US-China trade policy, ahead of the expiry of the Phase 1 deal at the end of 2021. The report noted that the US government still retains additional tariffs on US$370 billion of Chinese exports to the United States.

The report also noted that the Biden administration was more concerned about the impact of China's support for the technology sector and wanted the US to focus on its own tech support.

US and Chinese flags are seen in front of US dollar and China's yuan banknotes in this illustration picture. REUTERS/FILE

UK wants more G7 progress on climate finance, eyes tax reform

REUTERS, *London*

British finance minister Rishi Sunak called for more progress on ensuring financial markets support lower greenhouse gas emissions, after speaking with other finance ministers and central bankers from the G7 group of rich nations on Friday.

Britain's finance ministry said Sunak sought consistent international rules on how companies report their climate impact, so investors can make better-informed decisions.

Britain will host an in-person meeting of finance ministers in London on June 4-5, when Sunak also hopes to broker a deal among G7 countries on a joint approach to business taxation.

The United States has proposed a global minimum corporation tax rate of 15 per cent, well below G7 levels, but above those in some countries such as Ireland. But Britain remains concerned the plans do not go far enough on taxation of tech giants such as Amazon, Google and Facebook.

"I look forward to next week's meeting as we continue working together to support jobs and secure a green and global economic recovery," Sunak said after chairing Friday's virtual talks, which also discussed the world economy and central bank digital currencies.

US Treasury Secretary Janet Yellen told the meeting it was important to provide further fiscal support "to promote a robust and lasting recovery in the wake of the pandemic", the US Treasury said.

British Finance Minister Rishi Sunak

Biden's big budget comes with a modest growth outlook

REUTERS

President Joe Biden's first budget proposal comes with a big price tag - at $6 trillion, roughly 50 per cent higher than pre-Covid-19 federal spending - but, at least for now, projects a relatively modest long-term lift to the economy, likely reflecting concerns about the aging US population.

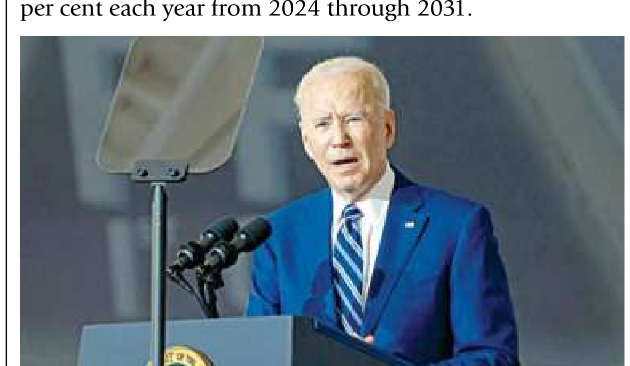
The administration's spending blueprint for the fiscal year ending in September 2022 would increase spending on infrastructure, education and combating climate change, echoing familiar priorities for the first-term Democrat.

But it comes with forecasts for near-term growth that do not reflect the rapid improvement in the economy so far this year.

With the help of $1.9 trillion in additional stimulus spending approved earlier this year, the economy grew at an annualized rate of 6.4 per cent in the first quarter, a pace projections from both the Survey of Professional Forecasters and Federal Reserve officials see persisting through the year.

By contrast, the Biden budget pegs growth this year at just 5.2 per cent. Council of Economic Advisers Chair Cecilia Rouse said forecasts underlying the budget were locked down in early February, assumptions administration officials plan to revisit later this year.

Also notable is the rapid deceleration in growth expectations after next year, to between 1.8 per cent and 2 per cent each year from 2024 through 2031.



REUTERS/FILE

US President Joe Biden delivers remarks at Joint Base Langley-Eustis in Hampton, Virginia, US on May 28.

While that is squarely in line with the longer-run output estimates from Fed officials, it is at least a quarter percentage point short of the consensus among private forecasters, and around a full point south of the amped-up projections from the Trump administration's final budget proposal two years ago, before the Covid-19 pandemic.

Economists said the Biden projections likely factor in two systemic headwinds to a prolonged run of above-trend growth: The country is aging rapidly, and the workforce is not growing.

The Census Bureau in 2017 estimated that 20.5 per cent of the US population would be 65 or older by 2030, compared with about 16.8 per cent at the start of this decade.