Granite mining in Tk 565cr loss

Maddhapara Granite Mining now pins hope on hiring expert contractor

A hydraulic crane is being used for loading rocks on the site of Maddhapara Granite Mining Company Ltd in Dinajpur.

STAR/FILE

Our Correspondent, *Dinajpur*

State-run Maddhapara Granite Mining Company has run up a loss of around Tk 565 crore, mainly due to two contractors hired back-to-back failing to meet their extraction targets.

Moreover, a new contractor is yet to be appointed despite the end of the tenure of the last one.

Granite is used in buildings, bridges, pavements and monuments while its polished slabs and tiles are used in countertops, tiles, stair treads and many other design elements expressing elegance and quality.

The Maddhapara company, which runs under Petrobangla, had first hired North Korean entity Nam-Nam which started developing the mine in Parbatipur upazila of Dinajpur in 1994 and began granite extraction in 2007.

Under the agreement, the company was to bring out 5,500 tonnes of granite daily.

Instead, it generated around 900 tonnes a day on an average, yielding just 20 lakh tonnes in six years operating single shifts instead of three.

Afterwards, Germania Trest Consortium was hired in September 2013 for a fee of Tk 1,400 crore alongside a 12.5 per cent cut on all extracts.

The condition was that it had to extract at least 9.2 million tonnes of granite in six years alongside developing 12 stopes or large underground rooms.

The company attained 40.84 per cent of the extraction target, for which it was paid its share alongside 52 per cent of the fee.

The company cited production halts in three periods for failing to attain the target, including delays in equipment delivery, equipment failure and the pandemic shutdown.

The contract ended in February 2020.

On February 26 last year, the Petrobangla company floated a tender in newspapers to hire a suitable contractor. But the date was deferred six times for the pandemic.

Some 13 companies have applied for the job and completing the process will take over two months even if everything is done on a priority basis, officials said.

Meanwhile, the contract with Germania Trest Consortium has been extended till September 2 this year. Under the new agreement, it has to extract 1.1 million tonnes of granite.

Officials who have dealt with the mine's operations, including a former managing director, say the country would continue to incur losses if a qualified company was not provided the contract.

Abu Daud Md Fariduzzaman, managing director of Maddhapara Granite Mining Company, refused to make any comment over the latest tender.

But he did state that everything would be conducted as per the associated rules.

Rose tea brings fresh taste

DISTRICTS IN FOCUS

Mintu Deshwara

In a first for the country, rose tea recently joined the white and yellow blends for sale in local markets.

It was sold for Tk 3,000 per kilogramme (kg) on May 5 at an auction centre in Moulvibazar's Sreemangal upazila.

The rose tea, which bears a similar colour and fragrance of its namesake, was sourced from Brindaban Tea Garden in Habiganj.

Rrich in antioxidants that help prevent cell damage among other health benefits, the tea is produced on a very limited scale for export. Local tea connoisseurs are only accustomed to drinking lemon, milk and green tea.

"We only got 10 kilogrammes of rose tea but were able to sell it at a good price as there is good demand for this blend," said Helal Ahmed, managing director of Srimangal Tea Broker.

Rose tea is produced in many countries across the globe. However, those are made mixing rose flavour with tea leaves, according to Nasir Uddin Khan, manager of the Brindaban Tea Garden.

"But we produce the tea by mixing rose leaves with high quality black tea leaves, not by adding flavours," he said.

"Since many locals import rose tea from China and Sri Lanka, we produced it on an experimental basis to get an idea if selling the product is viable in this country," Khan added.

The tea garden manager went on to say that if they witness adequate demand, then production would be increased.

Of the 20 kgs of rose tea produced this year, 10 kg was sold at the Sreemangal auction center while the remaining half will be auctioned off in Chattogram.

Riyam Chowdhury, owner of Asian Tea Supplier, said there was good demand for white, yellow and even rose tea in the tourist town of Sreemangal.

This was the first tea auction of the current fiscal year while the second will be held at a later date in Chattogram.

About 60,000 kg of various tea blends were sold on the opening day, worth Tk 90 lakh.

More than 5 buyers and brokerage houses from around the country took part in the auction, according to the Tea Planters and Traders Association of Bangladesh (TPTAB), an organisation that manages the Srimangal tea auction.

A total of 22 auctions will be held this year as tea production will be better this time due to the prevalence of favorable weather, said Jahar Tarafdar, member secretary of the TPTAB.

Since huge amounts of tea are sold at the Srimangal auction every time, many modern warehouses have been built there.

As a result, people are able to enjoy high quality tea year round.

At this year's auction, some white tea sold for more than Tk 7,000 per kg while yellow tea went for Tk 5,000.

READ MORE ON B2

GLOBAL BUSINESS

EU reaches deal on tax transparency for multinational firms

Reuters, Brussels

European Union government and Parliament negotiators reached a deal Tuesday on rules that will force large multinational companies to disclose how much revenue and tax they pay in the 27-nation bloc and how much they pay in countries considered tax havens by the EU.

The new law, proposed by the European Commission in 2016, is part of the EU's efforts to fight tax avoidance by large international companies at a time when the EU badly needs cash to finance an economic recovery after the Covid-19 pandemic.

Under the new law, multinational corporations with a turnover of more than $916 million annually in two consecutive years will have to declare profits, tax and number of employees in EU countries and in countries on the EU list of noncooperative jurisdictions.

But data on tax paid in other countries outside the EU and not on the tax havens blacklist will only be given in aggregated form, as EU governments did not want to agree to a more detailed country-by-country breakdown.

The Oxfam charity group criticized that, saying many of the world's tax havens were not on the EU list of noncooperative jurisdictions and therefore would avoid scrutiny.

"Transparency for only the 27 EU member states and the 21 currently blacklisted or greylisted jurisdictions means keeping corporate secrecy for over three out of four of the world's nearly 200 countries," the Oxfam charity group said.

"EU legislators have granted multinational corporations plenty of opportunities to continue dodging taxes in secrecy by shifting their profits to tax havens outside the EU, like Bermuda, the Cayman Islands and Switzerland," Oxfam's tax expert Chiara Putaturo said.

She said the deal also offered companies a reporting exemption for commercially sensitive information for five years, providing a way to avoid disclosure, and noted the large turnover requirement would exclude up to 90 per cent of multinationals.

But some members of the European Parliament who negotiated the deal said it would still help make the tax system fairer.

"These tax transparency measures will help to ensure that multinational companies pay their fair share and can bring some fairness to how they operate," said Ernest Urtasun, Greens MEP of the Parliament's economic and monetary affairs committee.

According to the Tax Justice Network think tank, EU countries are responsible for 36 per cent of tax lost globally to corporate tax abuse, costing countries worldwide over $154 billion every year as profits are shifted to low tax jurisdictions like Ireland, Luxembourg and the Netherlands.

The text of the agreement must now go through formal adoption in two European Parliament committees and the Parliament's plenary, and in the Council of EU governments.

REUTERS/FILE

EU Commissioner for Economy Paolo Gentiloni gives a news conference on the launch of the European Tax Observatory, in Brussels, Belgium on June 1.

US winds down small business aid scheme that gave $800b

Afp, *Washington*

The US government on Tuesday closed the books on the Paycheck Protection Program (PPP) that extended a nearly $800-billion lifeline to small businesses to keep them afloat amid the Covid-19 pandemic.

Created by the CARES Act rescue package in March 2020, the PPP emergency aid measure offered low-cost loans to small businesses which did not have to be repaid if certain conditions were met.

In a statement announcing its May 31 closure, Small Business Administration chief Isabella Casillas Guzman said the program provided $798 billion to 8.5 million small firms and nonprofits across the country.

"I've heard story after story from small business owners across the country about how PPP funds helped them keep the lights on, pay their employees -- and gave them hope," Guzman said.

The program was part of Washington's response to the mass unemployment and business disruptions caused by the pandemic, which also included cash payments to individuals and expanded unemployment benefits, in three massive relief measures.

However, the PPP faced criticism early on after its initial funds were quickly exhausted amid reports large businesses, including major restaurant chains, partook of the funds, though some later returned the money. It also was dogged by fraud, with federal officials over the past year announcing hundreds of charges involving half a billion dollars allegedly bilked from the PPP and other pandemic relief programs.

AFP/FILE

The Paycheck Protection Program was part of the US government's response to the massive downturn caused by the Covid-19 pandemic in 2020.

China holds economic talks with US

Reuters, *Beijing*

Chinese Vice Premier Liu He exchanged views with US Treasury Secretary Janet Yellen on issues of mutual "concern", in his second virtual call in a week with top economic and trade officials under the US Biden administration.

Liu, who has led China's negotiations in Sino-U.S. trade talks since former US President Donald Trump went on a trade war with Beijing, held a similarly "candid" exchange with US Trade Representative Katherine Tai on May 26.

China's increased engagement between the trade and economic chiefs of the world's largest economy, since Joe Biden took office in January, comes as the US administration criticises Beijing on human rights abuses and seeks to rally other rich nations to form a united front on China.

"Secretary Yellen discussed the Biden-Harris administration's plans to support a continued strong economic recovery and the importance of cooperating on areas that are in US interests, while at the same time frankly tackling issues of concern," the US Treasury Department said in a brief statement.

In Liu's video call with Yellen on Wednesday, both sides conducted extensive exchanges on the macroeconomic situation and bilateral and multilateral cooperation, the official Xinhua news agency reported.

"The two sides believed that the China-US economic relations are very important," Xinhua said.

They also "candidly exchanged views on issues of mutual concern, and expressed willingness to maintain communication."

No details were given on the issues discussed.

Last week, Tai said the United States still faces "very large challenges" in its trade and economic relationship with China.

The Biden administration is conducting a review of US-China trade policy, ahead of the expiry of their Phase 1 deal at the end of 2021.

Beijing and Washington signed the deal in January 2020. It calls for China to increase purchases of US agricultural goods, manufactured products, energy and services by $200 billion over 2020 and 2021, compared with a 2017 baseline.

The pact eased a two-year tariff war waged by Trump that aimed to change China's trade practices, although duties remain in place on hundreds of billions of dollars of trade.

US Treasury Secretary Janet Yellen speaks as she joins White House Press Secretary Jen Psaki for the daily press briefing at the White House in Washington, US on May 7.

REUTERS/FILE