BONDED WAREHOUSE LICENCE

Panel to resolve RMG cash incentive issue

Tipu Munshi says

REFAYET ULLAH MIRDHA

A high-powered committee will be formed by Sunday to resolve issues pertaining to payment of cash incentives to garment exporters who do not have bonded warehouse licences, said Commerce Minister Tipu Munshi yesterday.

The minister said this to The Daily Star after a meeting with leaders of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and officials of the National Board of Revenue (NBR) at the minister's Bangladesh Secretariat office in Dhaka.

Some changes may also be needed in the bond rules, import policy and VAT for an amicable solution to the issue, the commerce minister said

Salman F Rahman, adviser to the prime minister on private industries and investment, was present at the meeting.

"We all agreed to form the committee and to resolve the stalemate through holding discussion," said Munshi.

The proposed committee will be formed under the commerce ministry, Munshi said, adding that the representatives from the BGMEA, BKMEA and NBR would be included in the committee.

An NBR letter on cash incentive payment against receipts of garment factories without bonded warehouse licences was a misunderstanding on the NBR's part, as agreed by the participating official of the tax administration in the meeting, said the minister.

So the letter that was sent from the NBR will not come into effect until a new solution comes through the discussion among the stakeholders, said Munshi.

Some changes may also be needed in the bond rules, import policy and VAT for an amicable solution to the issue, said the minister.

The NBR official who was present at the meeting also assured that he would discuss the issue with the chairman of the NBR and help to prevent the previously issued letter from coming into effect.

AKM Salim Osman, the BKMEA president who was present at the meeting, also said they would not take note of the letter until the final solution comes from the proposed committee.

"We need a permanent solution of the issue. So, it would be solved through formation of a high-powered committee. If the permanent solution is drawn, a similar problem may arise in the future," said Osman.

A total of 1,038 factories do not have the bond licences but has been exporting goods for many years, according to data from the BKMEA in yesterday's meeting.

These garment factories, which do not have bonded warehouse licences, export $5.52 billion worth of apparel items in a year employing 6,65,747 people, said the data.

Of these factories, some 508 are members of the BKMEA, 387 of the BGMEA, 103 of the Bangladesh Terry Towel and Linen Manufacturers and Exporters Association and 100 of others, said the data.

Honey farming a new hope for small entrepreneurs

A beekeeper in Adampur village of Moulvibazar's Kamalganj upazila is seen tending to a brood box, inside of which (right) honey bees create a hive to produce the natural sweetener. The photo was taken recently. PHOTO: MINTU DESHWARA

MINTU DESHWARA

Honey cultivation has proved to be a profitable venture for many farmers, especially small-scale entrepreneurs, in Sylhet division and as a result, people are becoming increasingly interested in the practice.

The region produced about 15,215 kilogrammes (kgs) of honey in fiscal 2020-21, when the production target was 15,000 kgs.

During a visit to Adampur village in Kamalganj upazila of Moulvibazar district, this correspondent found that most houses featured wooden or tin brood boxes that filled the air with the gentle buzzing of bees.

These boxes act as beehives where honey is collected and once full, farmers collect the organic sweetener for sale. Besides, they can earn some extra money by breeding queen bees for other farmers.

Altaf Mahmud Talukder, president of Kamalganj Upazila Honey Farmer Entrepreneur Development Council, said each brood box provides an average income of Tk 10,000 per year without much effort.

Mahmud went on to say that there now are more than 400 beekeepers in different villages of the upazila's Adampur and Islampur unions.

How It All Began

In the past, people would go to the Rajkandi forest next to Adampur to collect honey from beehives naturally built in trees, according to locals. However, as more and more people

DISTRICTS IN FOCUS

rushed to the area in search of this pure honey, modern methods of bee farming, namely the brood boxes, were introduced, said Ahmed Siraj, adviser to Kamalganj Upazila Honey Farmers Entrepreneurs Development Council.

As this initiative proved to be profitable, honey farming has expanded commercially from house to house in the area for the past 10 years to 12 years.

Azad Mia, a farmer of Kanthalkandi village near Rajkandi forest, said he used to collect honey from the trees but after capturing a queen bee and placing it in his brood box, he was able to commercially produce the sweetener.

A Multi-Crore Taka Industry

With 400 beekeepers spread throughout the region, industry insiders say the honey farming business is worth crores.

Dr Monir Ali, a resident of the area, is a newcomer to the industry with 33 brood boxes, of which 22 are at home and 11 spread out elsewhere.

"I sold honey worth Tk 50,000 last year and there is no cost other than making the box," he said.

The Bangladesh Small and Cottage Industries Corporation (BSCIC) provides training and loans to beekeepers in the region but more support is needed, Ali added.

Farmers say that Adampur and its neighbouring Islampur have a naturally favourable environment for honey cultivation.

Honey farmer Furkan Mia said there were many local seasonal fruit and flower trees in the forest from which their bees collect honey.

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GLOBAL BUSINESS

India launches $3.5b incentives for green cars

AFP, *New Delhi*

India will splash 257 billion rupees ($3.5 billion) on incentives for the auto sector to boost production of clean cars, the government said Wednesday, as it seeks to cut greenhouse gas emissions as part of the Paris climate accord.

The push for electric vehicles is also fuelled by the need to reduce pollution, with major cities in the nation of 1.3 billion people home to some of the world's dirtiest air.

The scheme will allow India to "leapfrog to environmentally cleaner, electric vehicles and hydrogen fuel cell vehicles", the cabinet said in a statement.

"It will herald a new age in higher technology, more efficient and green automotive manufacturing," it added.

The incentives will be provided to automobile and drone manufacturers in India over a five-year period.

To qualify for the scheme, the new or existing manufacturers have to invest at least $34 million in India over the five years, according to local business publication Bloomberg Quint.

No further details about the programme were released by the government Wednesday, but it said it was expected to generate some $5.8 billion in fresh investment and create 750,000 jobs.

The announcement comes in the wake of reports that electric car pioneer Tesla was looking to enter the Indian market.Auto sector analyst Awanish Chandra told AFP the scheme was a clear message from the government that it wants to "incentivise green energy".

"It is an equal opportunity for everyone. The government will be very happy if Tesla comes and makes a huge investment. That will give good competition to our own players," he said.

India is the world's third-biggest carbon emitter, and is expected to become the world's most populous country by the middle of the decade.

The country is on track to exceed its voluntary goals under the 2015 Paris climate agreement.

But carbon emissions are still on track to grow 50 per cent by 2040, driven by industry and transport.

Some 25 million more trucks are expected on India's roads by 2040, according to a forecast by the International Energy Agency.

China's biotech sector comes of age

REUTERS, *Hong Kong*

If investors in China's biotech industry needed one more sign that the sector is coming of age, then a major licensing deal RemeGen Co Ltd struck last month with Seattle-based Seagen Inc fits the bill.

The agreement to co-develop cancer treatments using a RemeGen antibody drug conjugate is regarded as one of the biggest of its kind between a Chinese biotech and a Western firm. It provides for up to $2.4 billion in milestone payments, in addition to $200 million upfront as well as royalties if approved.

People walk past a booth of biotech company Beigene at the 2021 China International Fair for Trade in Services in Beijing, China on September 3. REUTERS/FILE

It is also at least the fifth out-licensing deal potentially worth more than $1 billion clinched by a Chinese biotech. Nearly all were signed in the past year, underscoring China's still small but growing role in developing innovative cancer drugs that will be used worldwide.

"China is clearly already an important and integral part of the global biopharma industry, not a separate ecosystem," said Franck Le Deu, senior partner at consultancy McKinsey in Hong Kong.

China's government has made cancer treatments a top priority for the industry. The world's most populous nation last year accounted for 30 per cent of cancer deaths globally and 24 per cent of newly diagnosed cases, according to one study. Supportive policies for the sector over the past five years are also now bearing fruit and Western firms have come knocking at Chinese biotech doors.

For Seagen, the RemeGen deal will allow it to directly challenge breast cancer treatments from Roche Holding and AstraZeneca/Daiichi Sankyo. The antibody also shows promise in tackling bladder and stomach tumours.

Other notable deals include a Novartis AG agreement worth up to $2.2 billion for a BeiGene Ltd drug. The two are co-developing an antibody similar to Keytruda from Merck and Opdivo from Bristol-Myers Squibb which help the immune system attack several different types of cancer and which have reaped billions of dollars in sales.

AbbVie has also partnered with I-Mab to co-develop a monoclonal antibody for several types of cancer in a deal worth up to $1.9 billion.

Bumpy road as ageing Japan bets on self-driving cars

AFP, *Tokyo*

With an ageing population in need of transport, Japan is betting on autonomous cars, but an accident involving a self-driving showcase at the Paralympics illustrates the challenges ahead.

Japan is far from the only place with autonomous vehicles on the roads, but its government has set acceleration of the technology as a key priority.

Last year, it became the first country in the world to allow a vehicle capable of taking full control in certain situations to operate on public roads.

The Honda car has "Level 3" autonomy, meaning it can take certain decisions alone, though a driver has to be ready to take the wheel in emergencies.

The government has changed the law to pave the way for increasingly advanced autonomous vehicles, and the ministry of economy, trade and industry (METI) has plans for 40 autonomous taxi test sites nationwide by 2025.

It's a policy driven by a serious problem: Japan's population is the oldest in the world, and the country is plagued by persistent labour shortages.

"In the cargo and transport sectors, drivers have become older and the shortage of human resources has become serious," a recent METI report said.

It also warned of "terrible traffic accidents caused by elderly drivers making operational errors".

40pc of UK companies face recruitment difficulties

REUTERS, *London*

British businesses have reported a sharp rise in recruitment difficulties within the space of just a few weeks - partly as a result of a continued lack of European Union workers, official figures showed on Thursday.

Some 41 per cent of companies with 10 or more staff reported greater than usual recruitment challenges in the two weeks to September 5, up from 32 per cent in early August, the Office for National Statistics (ONS) said here.

Around a quarter of businesses with recruitment difficulties named a reduced number of EU applicants as a factor, rising to almost half in the transport and storage sector, where a lack of truck drivers here has led to widespread delivery bottlenecks.

Labour shortages were most widespread in hospitality, followed by water utilities, healthcare and construction.

Britain introduced new immigration rules on January 1 which require most EU workers not already living in Britain to get work visas, something that can be time-consuming and costly.

The number of EU nationals employed in Britain in the three months to the end of June was 8.7 per cent lower than before the Covid-19 pandemic, compared with a 2.4 per cent fall in the size of the total workforce, the ONS said.

ONS data earlier this week showed Britain had more than an average of just over 1 million job vacancies in the three months to the end of August, a record high.

Recruitment difficulties had also become a theme in company earnings reports in the past quarter, said Sarah Coles, a personal finance analyst at brokers Hargreaves Lansdown.

"In some cases, this means businesses are struggling to operate effectively, which in turn is putting the brakes on GDP," she said.

Employers have called on the government to temporarily ease visa rules to allow them more time to train British staff, but the government has rejected this so far and said part of the solution is for businesses to improve pay and conditions.

The Bank of England expects higher oil prices and post-pandemic bottlenecks, including labour shortages, to push inflation up to 4 per cent by the end of the year, although it thinks this will fade and sees potential slack in the job market.