Farmers and boatmen are having to shell out Tk 3 more than the government-fixed rate on every litre of diesel purchased in remote char areas by the Brahmaputra river in Kurigram's Chilmari upazila as local dealers are having to secure supplies at their own expense over the last couple of years. The photo was taken earlier this month.

PHOTO: S DILIP ROY

Diesel costlier for char farmers in Chilmari

Dealers don't get supply from floating depots on Brahmaputra

S DILIP ROY

Farmers in char areas of Brahmaputra river in Chilmari upazila are spending Tk 83 for a litre diesel to irrigate their boro land instead of the government-fixed rate of Tk 80 enjoyed by mainland farmers.

This is because local dealers do not get a supply of the fuel from the floating depots of three state-run marketing companies on the Brahmaputra river, forcing retailers to use horse-drawn carts to carry diesel to the remote areas to deliver them to the farmers.

Char farmers have to buy diesel at a higher rates from retailers as the latter has to spend additionally to bring the fuel to the remote areas after buying it from dealers.

But the rate of diesel was the same in the char and mainland while the dealers got diesel supply from the floating depots on the Brahmaputra three years ago.

"I need 50-60 litres of diesel to run shallow machines to supply water every day during the boro paddy farming season," said Mantez Ali, a 60-year-old farmer at Astomir char.

"We are forced to buy diesel at Tk 83 per litre from retailers."

"If the dealers get diesel from the floating depots, we will be able to buy the fuel at the government-fixed rate from dealers," he said, calling for ensuring the supply of diesel from the floating depots.

There are 6,000 shallow machines in the entire Chilmari upazila. Of them, 70 per cent are operated in char areas, according to local agriculture officials.

At present, there are three barges on the Brahmaputra in the Chilmari naval port area. One owned by Meghna Petroleum Ltd has a capacity of four lakh litres while the other two owned by Jamuna Petroleum Ltd have a combined capacity of 8 lakh litres.

However, the state-run companies have not supplied diesel from the barges for long.

Twenty-two listed dealers have not been getting the supply of diesel from the floating depots on the Brahmaputra at the Chilmari naval port in Kurigram for the last three years.

To meet the demand, traders are receiving the fuel from Baghabari Ghat and Parbatipur through lorries, spending extra on transport fare.

Ayub Ali, depot superintendent of Meghna Petroleum's Chilmari depot, blames the navigability problem in the Brahmaputra for the current situation.

He says oil tankers can't come to the floating depots to supply diesel.

"So, there is no supply of diesel from the floating depot as well," Ali said. "If the navigability of the river improves, oil tankers will be able to come easily and allow the depot to supply diesel as per demand."

Shafiar Rahman, a diesel retailer at Char Shakha Hati, says they transport diesel to impassable char areas using horse-drawn carts after buying them from dealers in the mainland. As this imposes an additional cost, they have to sell the diesel at a higher rate to farmers.

"But we had not charged char farmers any additional rate for the diesel when we got the fuel from the floating depot a few years ago," he said.

According to diesel dealer Jaynal Mia, they have to shell out Tk 1,500 to Tk 1,700 for transporting 1,000 litres of diesel from Baghabari Ghat and Parbatipur through lorries, forcing them to sell the fuel at a higher price.

"The farmers are suffering too. If diesel is supplied from the floating depots, we will be able to sell diesel at a fair price," he said.

Jaynal went on to say that the supply from the floating depots was regular from 1989 to 1997. But after 1997, the supply became irregular and the quantity was inadequate.

"But, we have not got any diesel from the floating depots in the last three years."

A char farmer is spending Tk 118, including Tk 83 for a litre of diesel and Tk 35 for shallow machine rent, to irrigate one decimal of land during the boro season, up from Tk 90 last year.

However, a mainland farmer spends Tk 110, which includes Tk 80 for a litre of diesel and Tk 30 for shallow machine rent for the same purpose, up from Tk 85 last year.

Textile millers demand duty, VAT cut for man-made fibre

STAR BUSINESS REPORT

Textile millers yesterday demanded the withdrawal of tax on the import of man-made fibre and reduction of VAT on the sales of the item in the local markets as the consumption of the artificial raw material is rising globally.

Currently, local spinners can avail the duty-free import of only four types of man-made fibre upon receiving certification from the Bangladesh Textile Mills Association (BTMA). But businesses import 21 more varieties of artificial fibre paying taxes.

The textile millers also called for halving the value-added tax on the sale of a kilogramme of manmade fibre yarn to Tk 3 from Tk 6 now as they also pay Tk 3 on the sale of cotton-made yarn, according to a proposal of the BTMA.

The association submitted the proposals to the National Board of Revenue (NBR) for incorporation in the budget for the upcoming fiscal year of 2022-23.

Mohammad Ali Khokon, president of the BTMA, presented the proposals during a meeting with Abu Hena Md Rahmatul Muneem, chairman of the NBR, at the latter's office in Dhaka.

The textile millers also proposed the government withdraw the 1 per cent duty on the import of capital machinery.

Highlight

- Local spinners can avail duty-free import of **4** types of man-made fibre
- Businesses import **21** more types of artificial fibre by paying taxes
- Millers demand halving VAT on sales of man-made fibre yarn to Tk **3** a kg
- Entrepreneurs urge for withdrawal of **1**% duty on capital machinery import
- Millers demand continuation **15**% tax on textile companies up to **2030**

"The government should also continue the 15 per cent income tax on textile production-related companies up to 2030 as the current tenure is coming to an end June 30," the association said.

Moreover, the government should withdraw the 2 per cent tax levied on the purchase of cotton from the local markets as many spinners buy the textile raw material from the local market during any shortage.

The BTMA suggested scrapping the 15 per cent VAT on the sales of pet chip textile as the use of artificial fibre and yarn is increasing in Bangladesh.

Speaking at the same meeting, the leaders of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), demanded the withdrawal of VAT on all kinds of goods related to export-oriented garment industries.

While presenting the proposals, Mohammad Hatem, executive president of the association, called for continuing a logical source tax on export receipts and fixing the corporate tax for green garment factories at 10 per cent and for non-green factories at 12 per cent, all for five years.

He said the 10 per cent tax on cash incentives should be withdrawn, while the duty on the imported products needed to set up central effluent treatment plants should be zero, according to a press release of the BKMEA.

Russia's trade flow shifts towards China

REUTERS, *Washington*

The United States is poised to unleash a wider array of sanctions against Russia if Moscow escalates the conflict in Ukraine, denying key Russian financial institutions and companies access to US dollar transactions and global markets for trade, energy exports and financing. read more

But the United States and its allies have never before attempted to cut a $1.5 trillion economy out of global commerce, and it is unclear how much pressure even unified Western sanctions can put on Moscow.

A review of World Bank and United Nations trade data shows that since lesser sanctions were imposed in 2014 after Russia annexed Ukraine's Crimea, China has emerged as its biggest export destination.

New sanctions could prompt Russia to try to deepen its non-dollar denominated trade ties with Beijing in an effort to skirt the restrictions, said Harry Broadman, a former US trade negotiator and World Bank official with China and Russia experience.

"The problem with sanctions, especially involving an oil producer, which is what Russia is, will be leakage in the system," Broadman said. "China may say, 'We're going to buy oil on the open market and if it's Russian oil, so be it.'"

Under an executive order signed by President Joe Biden on Monday, any institution in Russia's financial services sector is a target for further sanctions, the White House said, noting that more than 80 per cent of Russia's daily foreign exchange transactions and half its trade are conducted in dollars.

Stacked shipping containers are pictured at a commercial port in Vladivostok, Russia.

PHOTO: REUTERS

US home prices saw biggest jump in 34 years

AFP, *Washington*

US home prices in 2021 saw their biggest increase in at least 34 years, according to data released Tuesday, as buyers spent the year snapping up homes and builders struggled to keep up.

Home prices surged 18.8 per cent last year, according to the S&P CoreLogic Case-Shiller US National Home Price index, the biggest jump in its existence and much more than the 10.4 per cent jump seen in 2020.

The US real estate market last year saw the most existing homes sold in 15 years, with sales topping six million even as supply sunk to an all-time low by the close of the year.

Builders have had to deal with double-digit increases in material costs as well as a shortage of workers. That pushed home prices higher, and played a role in consumer prices experiencing their largest jump in decades.