

## EU, India relaunch FTA talks

REUTERS, Brussels

The European Union and India on Friday relunched negotiations to forge a free trade agreement, with the aim of completing talks by the end of 2023.

"This partnership will become a defining moment for world trade in the 21st century," Indian Commerce Minister Piyush Goyal told a news conference.

The two sides previously launched talks in 2007, but they were frozen in 2013 due to lack of progress. EU and Indian leaders agreed in May 2021 to resume negotiations.

EU Trade Commissioner Valdis Dombrovskis said the free trade agreement would cover "essentially all trade", in line with World Trade Organisation standards, including sectors such as automobiles and spirits.

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"For the European Union, the partnership with India is one of the most important relationships for the upcoming decade", Dombrovskis said.

The next round of negotiations is scheduled to take place in New Delhi from June 27 to July 1.

The two sides will also hold separate discussions to create agreements to protect investment and region-specific agri food product names such as champagne or feta cheese, known as geographical indications.

For the European Union, a free trade agreement with India would fit its strategy of increasing its engagement with the Indo-Pacific region, where the bloc is targeting bilateral deals to take advantage of expected higher economic growth.

A deal with India could act as a counter-balance to China's growing influence in the region. The EU is also aware that former EU member Britain is also pushing for a trade accord with India.

During the talks the EU will likely push for lower tariffs to gain greater access to Indian markets for its cars, alcoholic drinks and agri-food products such as cheese.



A fruit trader is seen with a forlorn look on his face even though he has an abundance of pineapples to sell as prices of the fruit are half of what they were last year, when Covid-19 drove up demand for foods rich in vitamin C.

PHOTO: MIRZA SHAKIL

# Pineapple prices frustrate farmers

MIRZA SHAKIL, Tangail

Although pineapple yields in Madhupur upazila of Tangail have been good this year, growers have been left frustrated by a 40 to 50 per cent drop in prices for the highly popular fruit, according to local farmers and agriculture officials.

Blaming the availability of other seasonal fruits and fall in Covid-19 infections for decreased demand, they said the lack of proper marketing facilities and food processing industries in the area are two other reasons for the fall in prices.

The Madhupur Garh region is famous for contributing a majority of the roughly two lakh tonnes of pineapple produced across Bangladesh each year.

Pineapples grown in the region, which include the Giant Q, Honey Queen and Ashwina varieties, are famous for their sweet, juicy flesh that bears a distinct aromatic flavour.

About 80 per cent of the pineapples grown in the region are the Giant Q variety while the Honey Queen and Ashwina varieties account for 10 per cent each. According to the Department of Agricultural Extension in Madhupur, pineapples were cultivated on around 5,800 hectares of land in the upazila this year.

Similarly, more than 3,000 hectares of land in the adjacent



Ghatal and Fulbaria upazilas in Mymensingh are being used to grow the fruit.

Local agriculture officials said that pineapple growers in the region enjoyed high prices for the past two years as people increasingly consumed the fruit rich in vitamin C to help stave off Covid-19 infections.

However, pineapple prices are low this year due to decreased demand thanks to the availability of other summer fruits like mango, litchi and jackfruit while the coronavirus situation has all but subsided, they added.

Several pineapple traders at Jalchhatra market, the largest pineapple market in Madhupur, said although Giant Q pineapples sold for between Tk 30 and Tk 50 depending on size last year, the same fruit is now selling for no more than

Tk 15 to Tk 30.

Tariqul Islam, a pineapple grower in the Mote Bazar area, said he cultivated pineapples on four acres of land this year.

"I have harvested 200 naturally ripened pineapples from my orchard a couple of days ago but could not sell them yet due to the lack of buyers," he added.

Echoing the same, Saiful Islam, a farmer in Beribadh area who cultivated pineapples on four bighas of land, said even though yields are good, prices are very low this season.

"Wholesalers are not offering more than Tk 12 to Tk 15 per piece for the pineapples that cost at least Tk 30 last year," he added.

With this backdrop, several growers emphasised on the need for setting up food processing or juice industries

in the region to help them get fair prices for their produce.

Another issue though is that a section of farmers is using excessive amounts of pesticides and chemicals to grow pineapples, which is making health-conscious people lose interest in the fruit, sources said.

However, local farmers insist that they have no alternative to using such chemicals as they would otherwise incur losses if forced to wait for the fruits to ripen naturally.

Besides, most wholesalers are uninterested in buying naturally ripened fruits as most of them rot during transportation, they said.

Contacted, Al Mamun Russel, upazila agriculture officer of Madhupur, said ripening agents are used all over the world and they are not harmful for human health if used correctly.

Still though, a section of local pineapple growers is using the chemical in excessive amounts at will, which reduces the taste and quality of the fruits.

"We always suggest that they do not use more than the recommended dosage but they do not care about it," he added.

Asked about the possibility of setting up of food and juice processing industries in the area for locally grown pineapples and other fruits, the agriculture officer said they have already asked the agriculture minister to take an initiative in this regard.

## Tax reduction to discourage cash transactions

Says FICCI President Naser Ezaz Bijoy

SOHEL PARVEZ

The 2.5 percentage points corporate tax rate cut will encourage firms in Bangladesh to move away from cash transactions, said Naser Ezaz Bijoy, president of the Foreign Investors' Chamber of Commerce & Industry (FICCI).

The government has proposed a cut in the corporate tax rate by 2.5 percentage points for listed and non-listed companies.

Firms will have to carry out most of their transactions through banks and mobile financial services to avail the benefit. They also can't spend and invest up to Tk 12 lakh using cash.

The move by the National Board of Revenue (NBR) is aimed at encouraging formal transactions, expediting the process of making the economy cashless, and generating more revenues. Naser described the initiative as very positive and constructive.

"This will discourage cash transactions and we, from the FICCI, recommended this," he said in a phone interview on the tax and budgetary measures proposed by the finance minister for the next fiscal year.

The FICCI thinks companies will give more effort to come out of cash-based transactions if the differentiation in tax benefits is higher.

"The more incentive you provide, the more tendency there will be to take the benefit," Naser said.

He called for raising the ceiling for cash transactions initially.



**FICCI members contribute around 90 per cent to the foreign direct investment in Bangladesh and have generated more than 50 lakh jobs, directly and indirectly, according to the apex body of foreign investors**

"The limit should be scaled back gradually to bring it down to Tk 12 lakh. Otherwise, the purpose will remain unattained," he said, adding that the banking system and mobile financial service providers are capable of handling such transactions.

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During the conversation, Naser also lauded some initiatives of the National Board of Revenue (NBR) and added there have been attempts to make budget and tax measures business-friendly.

The uniform corporate tax rate of 10 per cent for all export-oriented green factories and 12 per cent for conventional factories, like that of the garment industry, is hailed by the noted banker as a step toward treating all exporters equally.

"This will create a level-playing field for all exporters. Going forward, we will expect some more initiatives to diversify exports," he said.

Besides, the scope extended to the companies with a single production unit to get the value-added tax registration and the reduction of the tax deducted at source for the supply of raw materials are good moves.

According to the FICCI, the effective tax rate is the main consideration of investors, not the nominal tax rate.

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## Germans turn to food banks as inflation bites

AFP, Berlin

German pensioner Gabriele Washah waits in line to fill her trolley with bags of carrots for 50 cents, yoghurts just past their sell-by date and bunches of wilting flowers.

With the cost of living soaring across Europe, the 65-year-old retired shop assistant is one of many Germans turning to food banks to make ends meet.

"Sometimes I go home from the shop almost crying because I can't afford it any more," she told AFP outside the row of stalls in Bernau, near Berlin.

Nestled in an alleyway behind a big chain supermarket, the food bank sells at greatly reduced prices groceries donated by supermarkets, as well as cheap prepared meals.

Here, customers can pick up a full trolley of food for around 30 euros (around \$32).

For Washah, that means bread, butter and her favourite sandwich filling, sausage -- "which used to cost 99 cents (\$1.02) but now sometimes costs more than two euros".

Driven by the war in Ukraine, inflation in Germany soared to 7.9 per cent in May -- its highest level since reunification in 1990, with food prices among those worst affected.

Demand for food banks across the country has increased "significantly" since the start of the year and doubled in some areas, according to a spokeswoman for the Tafel food bank network.

There are around 1,000 such schemes in Germany, run by volunteers and available to customers on a means-tested basis.

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A woman buys spinach at a fruit and vegetable market in Berlin. Some 16 per cent of Germans, or more than 13 million people, were living below the poverty line in 2020, according to a study by the charity Deutscher Paritaetische Gesamtverband, published in December 2021.

PHOTO: AFP

## Ukraine war not behind rising global inflation

Putin thinks

AFP, Saint Petersburg

Russian President Vladimir Putin said Friday that Moscow's military intervention in Ukraine was not the cause of global economic troubles, instead blaming Western countries for using the situation to cover up their own mistakes.

"What is happening is not the result of recent months, much less the result of a special military operation that Russia is conducting in the Donbas," Putin said referring to the predominantly Russia-speaking region of Eastern Ukraine.

"The rising prices, inflation, the problem with foods, prices for fuel... are the result of systematic mistakes in the economic policy of the current US administration and European bureaucracy," Putin said in televised

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