

Star BUSINESS

MAJOR CHANGES

- The existing six-tier duty structure for import will continue
- Zero-duty import privilege for most items will go
- Supplementary duty on 191 items will be reduced
- Regulatory duty on 91 goods will be removed

NO CHANGE

- Continuation of reduced duty benefits for import of essential foods

IMPORT COST TO DECLINE

- Drop in import duty for powdered milk of 2.5kg container
- Reduction of import duty on shelled cashew nuts
- More ingredients of cancer drugs to get duty benefit
- Reduced import duty on dialysis filter & dialysis circuit
- Import duty cut on raw materials of ferroalloy
- Reduced import duty for polypropylene yarn
- Duty cut on software import

IMPORT COST TO INCREASE

- Increased import duty for water purifier
- Higher import duty for AC components
- Raise in customs duty for ATM, CCTV camera, generator assembling
- Higher import duty on LED, energy-saving lamps
- Increased customs tariff on equipment for rental power plants
- Higher tariff for import of equipment for private hospitals

DUTY MEASURES FOR FIRMS IN ECONOMIC ZONES, HI-TECH PARKS

- End of exemption for capital machinery and construction materials
- 1 % import duty for capital machinery
- Some 25% customs duty on vehicle import

EXTENSION OF DUTY BENEFIT FOR DOMESTIC MANUFACTURING

- Prefabricated steel building materials
- Ingredients of refrigerators
- Components of washing machines
- Computer parts and accessories
- LPG cylinder manufacturing

Extending the duty benefits for local manufacturing of refrigerators and washing machines will not only attract foreign investment but also strengthen the industry and create employment opportunities.

Mostafa Kamal
Chief business officer at Walton Home and Kitchen Appliances

Duty benefit for washing machines, refrigerators likely to stay

MOHAMMAD SUMAN and MD ASADUZ ZAMAN

Manufacturers of washing machines, refrigerators and computers may keep enjoying the opportunity to import components used in their production at reduced tariffs for up to three years as the government plans to put an end to the exemption culture in phases.

In contrast, some sectors that currently qualify to purchase raw materials and intermediate items at concessional import duties are likely to face higher rates from the next fiscal year, which begins on July 1.

For air conditioner and refrigerator manufacturing

industries, the government plans to extend the existing facility to June 2026, according to the finance ministry.

The National Board of Revenue (NBR), however, is considering raising the customs duty on the import of compressors used in making air conditioners and refrigerators to 10 percent in 2024-25 from 5 percent now.

In order to shield domestic compressor manufacturers from under-invoicing of the value of imported ones, the customs administration is expected to impose a minimum price for the devices procured from other countries.

Mostafa Kamal, chief business officer at Walton Home and Kitchen Appliances, said the

duty benefit for home appliances such as washing machines and refrigerators will not only attract foreign investments but also bolster local manufacturing and create numerous jobs.

"Thanks to the benefit, local firms will be more interested in starting manufacturing to

reduce tariffs to 5 percent from the present 10 percent on the import of polypropylene yarn, a major ingredient used in carpets, to support the growth of carpet making.

Likewise, the import duty for water purification equipment manufacturing industries is likely to go up to 15 percent from 10 percent as the government looks to give protection to the growing industry.

In another move, the customs administration is likely to offer concessional duties to the import of components of CCTV (closed-circuit television) and automated teller machines until June 30, 2026. It, however, may propose raising the import duty to 5 percent in the coming fiscal year from the present 1 percent.

Currently, there is no such timeline for the duty benefit enjoyed by firms while buying raw materials from international suppliers.

Bangladesh will have to set duties in line with global rates once it graduates from the group of least developed countries in 2026.

"We are considering fixing a timeline so that we can end the exemption culture. This is because certain sectors have thrived and it appears that they don't require support for a long period," said the official.

The NBR is also expected to



become more competitive. As a result, the price of the products will decrease. This will ultimately benefit the customers."

Finance ministry officials said the government may also extend the concessional duty benefit for the purchase of parts and components of mobile phones by two years to June 2026 from external sources to support their production locally. The current benefit expires on June 30.

Similarly, the manufacturers

Cost of kidney dialysis, dengue testing equipment may decline

MOHAMMAD SUMAN

Importers will be able to avail significant benefits on the import of kidney dialysis and dengue testing equipment from the upcoming fiscal year.

This comes as the National Board of Revenue (NBR) has proposed to extend the current concessional facility on the import of raw materials necessary for the manufacturing of medicines, medical supplies and healthcare products in the upcoming budget.

It specifically suggested reducing the import duty on dialysis filters and dialysis circuits, essential materials used for kidney dialysis, to 1 percent from 10 percent.

The NBR is also planning to facilitate the import of dengue kits at subsidised rates in the upcoming budget.

The NBR had previously exempted import duty, value-added tax, and advance tax on rapid dengue detection test kits, dengue re-agents, and platelet and plasma test kits in 2019 due to increasing dengue outbreaks.

However, this exemption lapsed in October 2019 and was not renewed. The new proposal comes in light of the ongoing dengue outbreaks in the country, which have been escalating every year.

The NBR also assigned a unique HS code for spinal needles, a common tool for medical treatment, and set the import duty at 5 percent.



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AnonTex allowed to sell mortgaged property to pay Janata Bank's loans

STAR BUSINESS REPORT

Garment manufacturer AnonTex Group is going to get an opportunity to repay state-run Janata Bank's loans by selling its mortgaged properties.

AnonTex currently owes Tk 4,960 crore to Janata Bank and the total debt of the garment maker's 18 institutions to the bank stands at Tk 8,178 crore, according to bank documents.

The bank wants to collect Tk 4,960 crore of the loan's principal amount from the group, which has 385 bighas of land in Ashulia and Tongi mortgaged to the bank.

AnonTex wants to sell the land to repay the bank's debt. However, the money, which will be collected by selling the land, will be deposited directly to AnonTex's accounts with Janata Bank.

The board of directors of Janata Bank has taken this decision, according to a source at the bank.

According to Janata Bank sources, in 2004, AnonTex Group's Juvenile Sweater received its first loan from the Shantinagar branch of Janata Bank.

Later in 2008, the loan was transferred to Janata Bank's corporate branch as the Shantinagar branch did not have the capacity to lend more.

The group continued to take loans by opening various new institutions since 2010. Finally, the total debt of its 18 companies stood at Tk 8,178 crore. Later, the group did not repay that amount.

Janata Bank decided to waive interest of Tk 3,359 crore on the condition of a one-time loan payment as the customer failed to repay the loan and defaulted.

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No end in sight: low-income families reel from stubborn inflation

REFAYET ULLAH MIRDHA

It was 9pm on Thursday when around 50 people, mostly rickshaw pullers, were lying on passenger seats and vans on the side of a road near Mohammadpur's Townhall area.

They were eagerly waiting for a car: a group of people boarding the vehicle usually comes to the largely residential area at around 7pm and distributes cooked foods such as rice and curries free of cost.

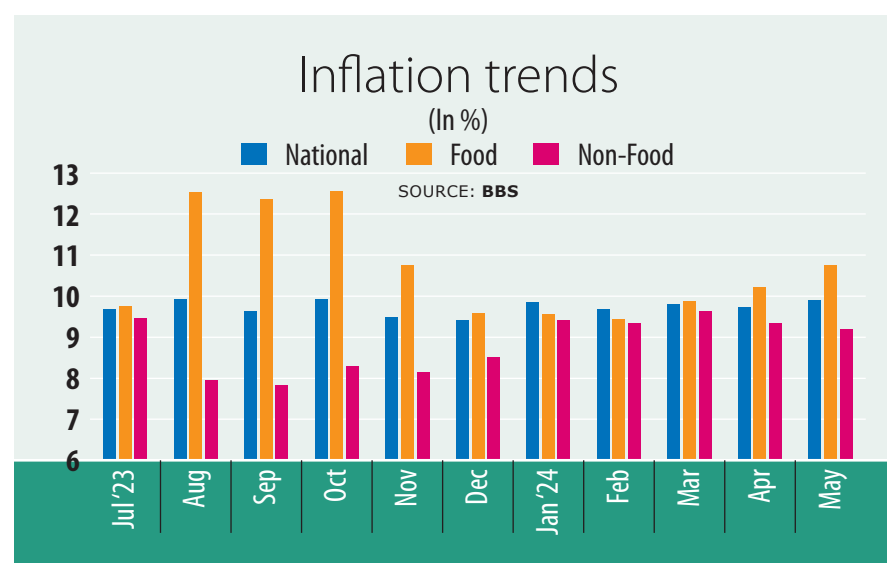
However, on that Thursday evening, two hours had already passed but there were no signs of them.

Thirty-eight-year-old Mohammad Sumon was one of the rickshaw-pullers. He, along with his wife, and neighbour Mohammad Tuhin had been sitting in a van. The couple live at a rented house in a slum near Allah Karim Mosque.

Speaking to The Daily Star, they said they might have to go to bed unfed since free food was not available in the evening while there was no food left back home as well.

Sumon said they came here with the hope that the people, whose identities could not be known, would distribute the food like they did since the beginning of Ramadan in early March.

"It has given me a lot of relief as we have been eating and also taking food for



our other family members."

Sixty-year-old Shahnaz Begum, who hails from Chandpur, was also there. She has had to rely on the free food since her two daughters who used to work as house-help are now without work.

The elderly woman had hoped to collect foods for the daughters as well as her husband, who is sick.

Sumon, Shahnaz and Tuhin are all the victims of persistent higher inflation, which has hit the purchasing power of

the poor and low-income groups hard for the past two years because essentials have become costlier.

The Consumer Price Index grew by an average of 9.73 percent in the first 11 months of the current financial year, which was 8.64 percent during the identical period a year prior, data from the Bangladesh Bureau of Statistics showed.

In 2022-23, the average inflation rate

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Offshore banking depositors may be exempted from excise duty

SOHEL PARVEZ

Depositors, who park funds in offshore banking units of banks, may enjoy exemption from excise duty payment on their foreign currency deposits in the coming fiscal year of 2024-25, according to officials.

"We are considering providing the exemption to encourage people to keep their foreign currency in the offshore banking accounts," said a senior official of the finance ministry.

The government plans to offer the benefit as banks are working to lure foreign currency holders, particularly non-resident Bangladeshis, to make deposits in their offshore banking units (OBUs).

The development comes after Bangladesh Bank relaxed the rules and allowed banks to receive funds from the OBUs amounting to up to 40 percent of their regulatory capital to settle payment obligations.

The central bank allowed Bangladeshis and foreign nationals to avail the benefit and permitted domestic commercial banks' OBUs to offer an interest or profit rate markup over a benchmark rate for term deposits in foreign currencies to eligible customers.

Bankers earlier said the move could play a crucial role in overcoming the foreign currency shortages that the country has been facing for more than two years since outflow started exceeding inflow.

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