Customers complain that retailers are now charging Tk 20 to Tk 30 more for each kilogramme of apple, orange, grape, sweet orange and watermelon, forcing them to reduce purchases amid persistently high inflation for nearly two years.
PHOTO: ANISUR RAHMAN

Imported fruits become costlier for duty hike

SUKANTA HALDER

Recent supplementary duty (SD) hikes on the import of fruits have dealt a fresh blow to people who were already cutting back on these delicacies since the imposition of regulatory duties in mid-2022.

On January 9, the National Board of Revenue (NBR) increased the supplementary duty on the import of certain dry and fresh fruits, such as nuts and betel nuts, to 45 percent from the previous 30 percent.

The duty on some fresh fruits, such as grapes, apples, and watermelons, as well as on juices, was raised to 30 percent from 20 percent.

This mid-fiscal year move by the government is widely interpreted as an attempt to increase revenue collection and meet conditions set by the International Monetary Fund (IMF) for its ongoing $4.7 billion loan programme for Bangladesh.

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Economists and businesses have criticised the timing of the NBR's decision, as people have been struggling with inflation above 9 percent for nearly two years.

Customers report that retailers are now charging Tk 20 to Tk 30 more for each kilogram (kg) of apples, oranges, grapes, sweet oranges, and watermelons, forcing them to reduce purchases amid persistently high inflation for nearly two years.

Naznin Akhter, a shopper at Karwan Bazar, one of Dhaka's largest kitchen markets, expressed her concern, stating that she could no longer afford foreign fruits in the volumes she used to purchase a year ago.

"Ten days ago, I bought medium-sized oranges at Tk 260 per kg, but the price has now risen to Tk 290. Similarly, apples that were Tk 290 per kg are now Tk 320," she said.

"I had planned to buy 2 kg of oranges and 2 kg of apples. However, due to the price hike, I ended up purchasing only 1.5 kg of each," she added.

Naznin urged the government to reconsider the duty hikes to ease the burden on consumers.

Fruit traders say the previous duty hikes reduced imports by roughly 30 percent, whereas the latest SD hikes have slashed wholesale sales by 20 to 25 percent.

Mohammad Sagar Mia, a shop owner at Karwan Bazar, said prices have risen by Tk 15 to Tk 20 per kg at the retail level.

"In some cases, the price of certain fruits has increased by Tk 25 per kg," he said.

Prior to January 9, he used to buy black grapes for Tk 500 per kg at wholesale, and now it costs Tk 530. Similarly, the price of small-sized pomegranates has risen from Tk 450 to Tk 480.

The price of oranges was Tk 200 to Tk 230 but has now increased to Tk 240 to Tk 260. Apples, which were Tk 280 earlier, are now Tk 300, he added.

Sagar also noted that pears, previously priced at Tk 270 to Tk 280, are now Tk 288.

Serazul Islam, president of the Bangladesh Fresh Fruits Importers Association, told The Daily Star that they sent a letter to the relevant government office a month ago requesting an exemption from regulatory duties and a reduction in advance income tax.

This request was particularly important with Ramadan, the month of fasting, due to begin in March, when believers typically incorporate different fruits into their daily diet, he said.

Islam also claimed that March was a time when the variety of local fruits available in markets was limited, although this could not be independently verified.

However, the opposite occurred, he said.

"With high inflation persisting, people have already been buying less fruit over the past two years," he added.

"The recent tax increases will further force many middle-income and lower-middle-income consumers to cut back on their fruit consumption," he said.

As a result of rising prices, wholesale fruit sales have already dropped by 20 to 25 percent over the past two to three days, Islam said.

Bangladesh's fruit imports, as reflected in the opening of letters of credit (LCs), fell by 8.5 percent year-on-year to $107 million in the July-November period of fiscal year 2024-25.

The settlement of the LCs also declined during the period, according to Bangladesh Bank data.

The Consumers Association of Bangladesh last Sunday urged the government to refrain from implementing the SD hikes until the end of Ramadan, warning that otherwise, it would worsen the financial struggles of low- and middle-income families.

India lets heavier Nepali vehicles to transit Bangladesh

STAR BUSINESS REPORT

India has approved higher axle weight limits for Nepali cargo vehicles transiting the Kakarbhitta-Phulbari-Banglabandha route, facilitating trade with Bangladesh, the Indian commerce ministry announced on Sunday.

Under Indian road transport regulations, the limits are set at 18.5 tonnes for two-axle vehicles and 28 tonnes for three-axle vehicles.

The decision followed Nepal's request during an India-Nepal Inter-Governmental Committee (IGC) meeting on trade and transit held in Kathmandu on January 10-11.

The meeting was co-chaired by Indian Commerce Secretary Sunil Barthwal and Gobinda Bahadur Karkee, secretary, Ministry of Industry, Commerce, and Supplies of Nepal.

Banglabandha, a key inland port in northern Bangladesh, provides a trade corridor between Nepal and Bangladesh via India's Siliguri corridor, a 52-kilometre stretch of land known as the "chicken's neck".

This route, operational since August 31 of 1997, has bolstered regional trade ties.

UK to 'unleash' AI to turbocharge economy

AFP, *London*

Prime Minister Keir Starmer is due Monday to outline an "action plan" to make the UK "the world leader" in artificial intelligence and spark Britain's flagging economy.

His Labour administration said AI would be "unleashed" across the whole of the country, with the "full weight" of its half a million strong civil service getting behind the endeavour.

"Artificial Intelligence will drive incredible change in our country," Starmer said in a statement late Sunday.

PHOTO: AFP

Britain's Prime Minister Keir Starmer's Labour administration said AI would be "unleashed" with the "full weight" of its half a million strong civil service getting behind the endeavour.

"From teachers personalising lessons, to supporting small businesses with their record-keeping, to speeding up planning applications, it has the potential to transform the lives of working people."

Starmer was due to lay out fuller details of Britain's approach to AI technology, which is raising complex questions for governments around the world, during a speech later on Monday.

In Sunday's press release ahead of the address, the premier said the AI industry "needs a government that is on their side, one that won't sit back and let opportunities slip through its fingers".

"In a world of fierce competition, we cannot stand by. We must move fast and take action to win the global race.

"Our plan will make Britain the world leader," he insisted.

The government's 50 proposals include creating what it calls "dedicated AI growth zones" designed to speed up planning proposals for data centres and other AI infrastructure.

US announces new restrictions on AI chip exports

AFP, *San Francisco*

The United States on Monday unveiled new export rules on advanced computing chips used for artificial intelligence, aiming to facilitate sales to allied nations and further curb access to countries like China.

The restrictions, which also include rules on weights for closed AI models, build on curbs announced in 2023 on exporting certain AI chips to China, which the United States sees as a strategic competitor in the field of advanced semiconductors.

"The US leads the world in AI now -- both AI development and AI chip design -- and it's critical that we keep it that way," Commerce Secretary Gina Raimondo told reporters.

The new rules update controls on chips, requiring authorizations for exports, re-exports and in-country transfers -- while also including a series of exceptions for countries considered friendly to the United States.

AI data centers meanwhile will need to comply with enhanced security parameters in order to be able to import chips.

The rules make it "hard for our strategic competitors to use smuggling and remote access to evade our export control," White House National Security Advisor Jake Sullivan said, while creating "incentives for our friends and partners around the world to use trusted vendors for advanced AI."

The new rules will go into effect in 120 days, Raimondo said, giving the incoming administration of President-elect Donald Trump time to potentially make changes.

China saw booming exports in 2024 as Trump tariffs loom

AFP, *Beijing*

China's exports surged to a record high in 2024, providing a much-needed boost for the economy as the prospect of biting tariffs imposed by US president-elect Donald Trump looms.

Overseas shipments represented a rare bright spot for Beijing last year as sluggish domestic consumption and a prolonged crisis in the property sector dragged on growth.

But Trump, who imposed sweeping tariffs on China during his first term in office, has threatened even heftier levies when he returns to the White House next week. Observers said that a recent surge in China's exports has likely been boosted by companies ramping up stockpiles ahead of Trump's second term amid fears of a painful trade war.

"In 2024, China's total exports exceeded 25 trillion yuan for the first time, reaching 25.45 trillion yuan ($3.47 trillion), an increase of 7.1 percent year-on-year," Lu Daliang, spokesman for the General Administration of Customs, said at a news conference.

Total imports, meanwhile, rose 2.3 percent to 18.39 trillion yuan, Lu said.

Combined trade swelled five percent to reach a record 43.85 trillion yuan, said Wang Lingjun, vice minister of the customs administration.

"China's position as the world's largest goods trading nation has become even more secure," Wang added.

Official customs data showed Monday that exports in December jumped 10.7 percent year-on-year, comfortably outperforming a forecast of 7.5 percent in a Bloomberg survey of economists.

"We expect shipments to remain strong in the coming months, as US importers continue to stockpile Chinese goods ahead of tariff hikes," Zichun Huang, China economist at Capital Economics, wrote in a note.

"But exports are likely to weaken later this year as President Trump puts his tariff threats into action," she added.

Imports last month grew one percent year-on-year, customs data showed, compared with a Bloomberg forecast of a one percent decline.

Exports have historically represented a key driver of activity for the world's number two economy, which officials say is likely to have grown five percent last year.

During the most recent US presidential campaign, Trump threatened to slap a 60 percent tariff on all Chinese goods.

China's exports "are likely to stay resilient in the near-term", wrote Huang.

"But outbound shipments will weaken later this year if Trump follows through," she wrote, adding that the new US tariffs "could reduce export volumes by about three percent and shave roughly 0.5 percent off China's GDP."

Since September, Beijing has announced some of its most aggressive policy measures in years as officials try to kickstart the economy, which has so far failed to achieve a full post-pandemic recovery.

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This photo taken on January 11 shows containers waiting to be transported at Guoyuan Port in Chongqing.
PHOTO: AFP