

star BUSINESS

BTRC limits bandwidth imports from India

MAHMUDUL HASAN

Bangladesh Telecommunication Regulatory Commission (BTRC) has capped bandwidth imports from India at 50 percent of the country's consumption of 6,500 Gbps to reduce reliance on a single source and promote diversified international connectivity.

Currently, about 60 percent of Bangladesh's bandwidth consumption is imported from India by international internet gateway (IIG) operators through international terrestrial cable (ITC) companies.

Bangladesh Submarine Cable PLC (BSCPLC) currently supplies the remaining 40 percent of the bandwidth for internet.

BTRC Chairman Emdadul Bari said the regulator aims to further reduce bandwidth imports from India to 30 percent, while increasing the share of submarine cable supplied bandwidth to 60 percent through the BSCPLC.

The remaining 10 percent would be sourced via satellite, he added.

This move comes through an amendment to the IIG guidelines, according to the BTRC documents.

Md Ariful Huq, deputy general manager for sales and marketing at the BSCPLC, said they

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Talks on trade deals show no major progress

REFAYET ULLAH MIRDHA

Talks on preferential trade deals with a dozen countries have stalled since the political changeover in August last year, potentially adding to the challenges related to Bangladesh's graduation from the club of Least Developed Countries (LDCs) in 2026, according to economists and business leaders.

Apart from the turmoil stemming from the ouster of the Awami League government by a mass uprising last year, experts also blamed ongoing rapid and dramatic changes in the geopolitical landscape and the reluctance of participating countries as reasons for the slow progress in bilateral trade negotiations.

Under the interim government, which assumed office in August last year, authorities have only made progress in negotiating Economic Partnership Agreements (EPAs) with Japan and South Korea.

EPA talks with Japan entered their third and fourth rounds of meetings in Tokyo and Dhaka this month while negotiations with South Korea were launched in Seoul in November last year.

However, negotiations to sign trade deals with other countries such as India, Thailand, Malaysia, Indonesia, China, and Turkey, have hit a virtual deadlock.

After graduation from LDC status, scheduled for November next year, Bangladeshi exports will no longer be eligible for many preferential market benefits. However, bilateral trade deals could help retain these benefits even after graduation.

EXISTING AND PLANNED TRADE DEALS

Talks underway with

Countries
India, Indonesia, Japan, South Korea, Sri Lanka, Nepal, Malaysia, Türkiye, China and Thailand

Trading blocs
Association of Southeast Asian Nations (ASEAN)
Regional Comprehensive Economic Partnership (RCEP)

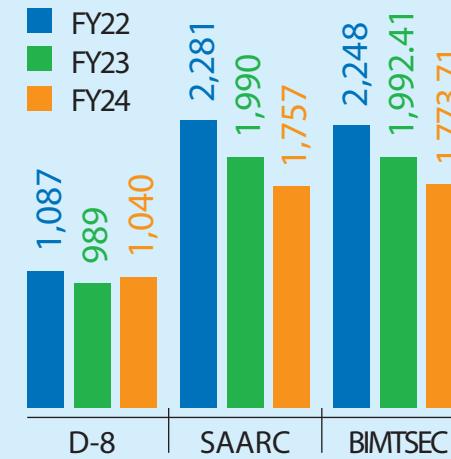
Agreements done so far

- FTA: Asia Pacific Trade Agreement (APTA)
- FTA: South Asian Free Trade Agreement (SAFTA)
- FTA: BIMSTEC
- FTA: D-8
- FTA: PTA with Bhutan

SOURCE: COMMERCE MINISTRY/WTO

BANGLADESH'S EXPORTS UNDER REGIONAL TRADE AGREEMENTS

In million \$; SOURCE: EPB



To prepare for graduation and ensure a smooth transition, the commerce ministry has been attempting to negotiate bilateral trade agreements, including Free Trade Agreements (FTAs), Preferential Trade Agreements (PTAs), Economic Partnership Agreements (EPAs), and Comprehensive Economic Partnership Agreements (CEPAs), with several countries and blocs.

The Awami League government was holding similar talks with major trading blocs, such as the Association of Southeast Asian Nations (ASEAN) and the Regional Comprehensive Economic Partnership Agreement (RCEP), to retain trade benefits.

However, Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue, said the progress in this regard has not been encouraging.

The economist identified an inability to negotiate complex trade issues as a key reason for this trend. "Besides, signing trade deals also takes a lot of time as such topics are complicated," Rahman added.

However, Commerce Adviser Sk Bashir Uddin begged to differ.

He stressed that progress in signing trade deals with major countries has not been halted, saying that communications through official channels are ongoing.

To support that stance, the business-turned-adviser referenced trade agreement talks with Japan.

After the fourth round of negotiations this month in Dhaka, Japan's foreign ministry stated that both sides had a fruitful discussion on the way forward and areas such as trade in goods, rules of origin, customs procedures, trade facilitation, trade in services, investment, electronic commerce, and intellectual property.

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Asset recovery should not stop for political reasons: BB governor

Laundered assets may be seized this year

STAR BUSINESS REPORT

The process of recovering laundered assets should not be interrupted due to political reasons, Bangladesh Bank Governor Ahsan H Mansur said yesterday.

"Regardless of which government comes to power in the future, this initiative should not be stopped," he said.

While it may be possible to seize laundered assets within this year, completing the legal process and recovering the stolen assets may take at least five years, he mentioned.

The central bank governor made these remarks while addressing a seminar titled "Macroeconomic Challenges and Banking Sector Reforms", organised by the Economic Reporters' Forum (ERF) at its office.

Mansur acknowledged that recovering laundered assets is a significant challenge but one that is achievable.

He pointed out that countries like Malaysia, Angola, and Nigeria had successfully recovered laundered assets, though it

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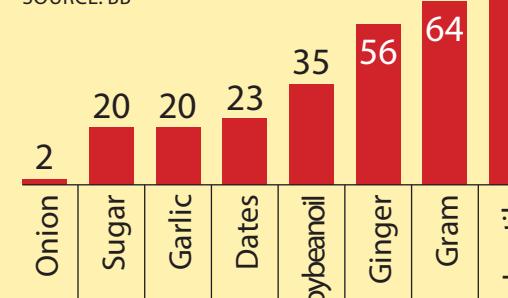


Essential commodity imports surge ahead of Ramadan



Growth of import of essential commodity during October 2024-January 2025
Year-on-Year growth, in %

SOURCE: BB



NBR eases VAT for supermarket shoppers

STAR BUSINESS REPORT

Customers will no longer have to pay the additional 7.5 percent trade value added tax (VAT) when shopping at supermarkets, according to the National Board of Revenue (NBR).

Previously, this VAT was applicable to the total shopping bill and was mentioned on receipts provided by superstores. From now on, customers will only need to pay the maximum retail prices (MRP) listed on products, which already include a 15 percent VAT.

Supermarket operators will now be able to claim input tax credit on the 15 percent VAT applied to consumer goods they sell. As a result, shoppers will no longer need to pay the trade VAT, said a senior NBR official, who spoke on condition of anonymity.

Admittedly, supermarkets will be required to purchase all goods using VAT challans.

Welcoming the move, Sabbir Hasan Nasir,

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Correction

A report titled "Unable to return deposits, 8 banks leave BPC dry", published on Thursday, contained a factual error. It incorrectly mentioned that a letter was sent to South Bangla Agriculture and Commerce Bank requesting the encashment of BPC's fixed deposits. In reality, the letter was intended to request the renewal of BPC's fixed deposits.

We regret this inadvertent error.

STAR BUSINESS REPORT

Essential commodity imports have seen a sharp rise in the last four months, driven by increased demand ahead of Ramadan, which is scheduled to begin on March 1, according to the latest data from the Bangladesh Bank (BB).

Typically, the consumption of sugar, lentils, and cooking oil rises during the month of fasting, for which households and businesses stock up on food supplies.

Reflecting this trend, the settlement of letters of credit (LCs) for key commodities, including sugar, soybean oil, lentils, and chickpeas, increased significantly between October 2024 and January 2025 compared to the same period a year earlier.

The data shows that LC settlements for these essential goods registered double-digit growth, a surge attributed to rising demand ahead of Ramadan, inflationary pressure, and changes in global supply chains.

According to the BB report, sugar imports rose by 20 percent, reaching 454,034 tonnes between October 2024 and January 2025, compared to 378,265 tonnes in the same period last year.

Soybean oil imports saw a 35 percent increase, with 598,252 tonnes imported this year compared to 447,820 tonnes a year ago.

The most significant increase, however,

Businesses are securing their imports early to avoid future price surges and to ensure the availability of essential commodities for Ramadan.

Biswajit Saha
Director of corporate and regulatory affairs at City Group

Biswajit Saha, director of corporate and regulatory affairs at City Group.

He noted that the upcoming month of fasting was a key factor behind the rise in LC settlements, reflecting increased imports of essential goods.

As Ramadan approaches, all eyes will be on food prices, Saha added.



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