NBR extends corporate tax return deadline to April 30

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has extended the deadline for companies to file their income tax returns until April 30 this year.

Previously, businesses were required to submit their returns by March 16.

Announcing the extension, the tax authority yesterday issued a notification, signed by HM Shahriar Hassan, second secretary of the NBR.

This marks the third time the NBR has extended the deadline due to the low response from businesses and requests from stakeholders.

Initially, the deadline was pushed from January 15 to February 15, before being further extended to March 16.

Gold price steady

REUTERS

Gold prices held were little changed on Wednesday, with the market's attention on US President Donald Trump's tariff policies and a key US inflation report due later in the day.

Spot gold was steady at $2,919.06 an ounce as of 0928 GMT, after rising 1 percent in the previous session. US gold futures inched up slightly to $2,924.80.

Investors are focused on the US Consumer Price Index data, due at 1230 GMT, for clues on the Federal Reserve's interest rate stance.

The Fed last year cut rates by 100 basis points, but has held steady since then. Traders are currently expecting the next cut in June.

In order "to see gold marching further up, we need to see a further slowdown of the US economy including lower price pressure," said independent analyst Giovanni Staunovo.

"The polices of the Trump administration such as tariffs keep financial markets volatile and support demand for safe haven assets, added Staunovo."

Trump's increased tariffs on all US steel and aluminum imports took effect on Wednesday, stepping up a campaign to reorder global trade in favour of the US and drawing swift retaliation from Europe.

Bullion is seen as a safe asset amid economic and geopolitical turmoil. It also tends to thrive in a low interest rate environment as it yields no interest.

BANGLADESH IMPORTS over five times its exports to Saarc nations

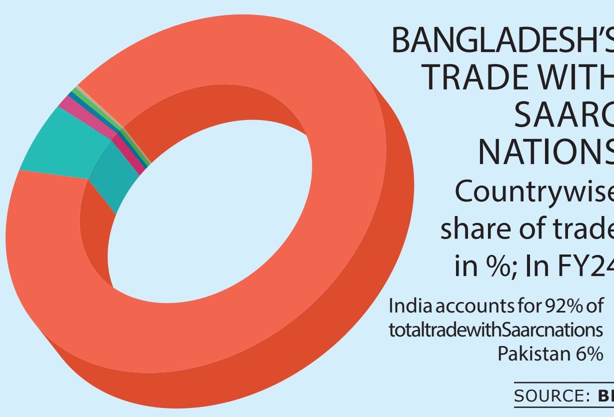
TAKEAWAYS

Trade Imbalance

Imports from Saarc nations in FY24 were $9.76b | Exports were $1.74b

KEY TRADING PARTNER

India accounts for over 92% of imports and 90% of exports within Saarc



MAIN IMPORTS

Textiles, chemicals, minerals, vegetables, beverages, machinery and base metals

MAIN EXPORTS

Garments, vegetable fats & oils, rawhides and skins, leather, plastic and rubber products

RECOMMENDATIONS

Review the main obstacles to exporting diversified goods | Strengthen regional cooperation

STAR BUSINESS REPORT

Bangladesh continues to grapple with a significant trade imbalance with Saarc countries as import payments far exceed exports, according to the latest Bangladesh Bank (BB) report.

The report, covering fiscal year (FY) 2023-24, shows Bangladesh's total import payments to Saarc nations stood at $9.76 billion while export earnings from the region reached only $1.74 billion.

Imports were more than five times the value of Bangladesh's exports to the eight-member bloc, underscoring the country's heavy reliance on goods from its South Asian neighbours -- particularly India, its largest trading partner in the region and second-largest import source after China.

Imports from Saarc accounted for 15.44 percent of Bangladesh's total imports of $63.22 billion in FY24, up slightly from a year earlier.

In the same year, exports to the region made up 4.47 percent of total shipments of around $39 billion, according to the BB report on Bangladesh's trade, remittances and foreign investment within Saarc, released Tuesday.

"The respective authority should take appropriate policy measures to reduce the amount of imported goods from Saarc countries by raising indigenous production of such goods to meet the demand of the people of Bangladesh," the BB said.

The report also said Bangladesh's overall imports declined in FY24 from the previous year, in line with a broader drop in total imports. Exports also fell, reflecting a downward trend in trade with regional partners.

Of the total imports from Saarc, Bangladesh sourced over 92 percent from India in FY24. Similarly, India accounted for 90 percent of Bangladesh's exports to the region, the report said.

After India, the top three destinations for Bangladeshi goods within Saarc were Pakistan, Nepal and Sri Lanka.

Pakistan was the second-largest source of imports within Saarc, with Bangladesh paying $627 million in FY24, or 6.34 percent of the total import payments to the region.

However, exports to Pakistan declined sharply, falling 25 percent year-on-year to $62 million in FY24 from $82.85 million a year earlier.

Exports to Pakistan made up 3.56 percent of the total shipments to Saarc.

Bangladesh mainly imported textiles and textile articles, chemical products, mineral products, vegetable products, beverages, spirits and vinegar, tobacco, machinery and mechanical appliances, base metals, and articles of base metals from Saarc nations.

Its key exports included garments, vegetable fats and oils such as rice bran oil, rawhides, leather, and plastic and rubber products.

"India stands out as the primary destination for Bangladesh's export receipts within the Saarc region, showing substantial growth over the years."

The report said exports to Saarc nations displayed mixed trends -- some countries showed consistent growth while others fluctuated, "possibly influenced by economic factors, trade agreements, or specific industries".

Export receipts from Pakistan varied over the years, peaking at $105.80 million in FY22.

Sri Lanka was the third-largest destination for Bangladeshi exports within Saarc, accounting for 3.11 percent of total shipments.

"Export receipts of Bangladesh from Sri Lanka have been steadily increasing," the report said.

Exports to Nepal also showed growth, especially from FY11 to FY22, reaching a peak of $105.50 million in FY22 before plunging to $43.38 million in FY24.

Nepal accounted for 2.49 percent of Bangladesh's exports in FY24.

The Maldives, Bhutan and Afghanistan collectively imported about $25 million worth of Bangladeshi goods, with earnings from these three countries remaining stagnant over time.

The BB said Bangladesh exports a limited range of products within Saarc.

"Thus, authorities like the Export Promotion Bureau and Bangladesh Bank should take effective initiatives to boost export earnings from the Saarc region by selling diversified Bangladeshi goods."

"The authorities should review the main obstacles to selling diversified Bangladeshi goods to Saarc countries and mitigate them to reduce the trade deficit," it added.

The central bank further said that while Bangladesh continues to exhibit economic growth and trade expansion, further exploration of opportunities and mitigation of challenges, particularly within Saarc, remain necessary.

"Strengthening regional cooperation and addressing trade imbalances will be essential for sustainable economic development."

CPA step yields results as yards clear up

DWAIPAYAN BARUA, *Ctg*

A prior warning from the Chittagong Port Authority (CPA) about a fourfold hike in container storage charges for longer stays has proved fruitful in combating acute congestion inside the port yards.

On February 19, the number of FCL containers reached over 31,000 TEUs against a total capacity of 40,368 TEUs.

A day later, the CPA director (traffic) issued a notice urging importers to speed up delivery by March 9. Otherwise, it warned that the charges would be increased fourfold.

The number of FCL containers came down to 25,000 TEUs by March 1, and the scenario remained the same till yesterday.

Meanwhile, the CPA started imposing higher rent on full container load (FCL) containers left undelivered beyond the four-day period on Monday after the declared deadline expired.

However, the warning, which was given almost three weeks ago, yielded results well ahead of the deadline, port officials claimed.

The port had been experiencing a huge pile-up of FCL containers—meaning those occupied by a single importer's goods—since early last month, when the inflow of imported Ramadan cargo began to gain momentum.

Around 90 percent of imported containers arriving at the port are FCL containers.

At one stage, the yards dedicated to storing FCL containers exceeded 78 to 80 percent of their storage capacity.

Berth operators reported that they had witnessed an improvement in the situation within a week as importers sped up delivery. The number of FCL containers came down to 25,000 TEUs by March 1, and the scenario remained the same till yesterday

The move was designed to reduce congestion, said CPA Secretary Md Omar Faruk, adding that ahead of Ramadan, a section of importers intentionally delays taking delivery of goods to manipulate market prices.

Usually, no storage rent is charged for the first four days after a container is unloaded from a vessel.

For a 20-foot loaded container, the port charges $6 per day for the first seven days after the free period, $12 per day from the 12th to the 20th day, and $24 per day from the 21st day onward.

For a 40-foot container, the charges double at each stage.

With the new imposition, importers will have to pay between $24 and $96 per day for a 20-foot container in phases after the four-day free period expires.

Berth operators reported that they had witnessed an improvement in the situation within a week as importers sped up delivery.

Hailing the timely move, Nazmul Hoque, executive director of Saif Powertec, which runs the New Mooring Container Terminal (NCT), said there is no congestion at the yards now.

Garment exporters, however, expressed concern over the higher rent, as a significant volume of FCL containers carry imported raw materials for the sector.

Nasir Uddin Chowdhury, first vice-president of BGMEA, said no garment owner wants to keep their imported containers at the yard for even an additional hour.

However, mentioning that it takes time to clear imports due to complexities in documentation and other valid reasons in some cases, the BGMEA sought special consideration for unintentional delays.

He also urged the authority to exempt FCL containers imported for the garment sector from the imposition.

EU to impose counter tariffs on $28b of US goods

REUTERS, *Brussels*

The European Union will impose counter tariffs on 26 billion euros ($28 billion) worth of US goods from next month, the European Commission said on Wednesday, ramping up a global trade war in response to blanket US tariffs on steel and aluminium.

The EU executive said, however, that it remained open to negotiations and considered higher tariffs in no one's interest.

US President Donald Trump's increased tariffs of 25 percent on all steel and aluminium imports took effect on Wednesday as prior exemptions, duty free quotas and product exclusions expired.

The European Commission said it will end its current suspension of tariffs on US products on April 1 and that its tariffs will be fully in place by April 13.

"The counter measures we take today are strong but proportionate. As the United States are applying tariffs worth $28 billion we are responding with counter measures worth 26 billion euros," European Commission chief Ursula von der Leyen told reporters.

"The EU must act to protect its consumers and business." The suspended tariffs apply to products ranging from boats to bourbon to motorbikes, and the EU said it would now start a two-week consultation to pick other product categories.

The new measures will target around 18 billion euros in goods, with the overall objective to ensure that the total value of the EU measures corresponds to the increased value of trade impacted by the new US tariffs, the EU said.

Trump metal tariffs kick in as global trade war looms

REUTERS, *Washington*

President Donald Trump's increased tariffs on all US steel and aluminum imports took effect on Wednesday, stepping up a campaign to reorder global trade in favor of the US and drawing swift retaliation from Europe.

Trump's action to bulk up protections for American steel and aluminum producers restores effective global tariffs of 25 percent on all imports of the metals and extends the duties to hundreds of downstream products made from the metals, from nuts and bolts to bulldozer blades and soda cans.

Trump's hyper-focus on tariffs since taking office in January has rattled investor, consumer and business confidence in ways that economists worry could cause a US recession and further lag on the global economy.

The European Commission, the executive arm of the European Union charged with coordinating trade matters, responded swiftly, saying it would impose counter tariffs on 26 billion euros ($28 billion) worth of US goods from next month.

"We are ready to engage in meaningful dialogue," Commission President Ursula von der Leyen told reporters, adding she had tasked Trade Commissioner Maros Sefcovic to resume his talks to "explore better solutions with the US".

"We firmly believe that in a world fraught with geoeconomic and political uncertainties, it is not in our common interest to burden our economies with such tariffs."

China's foreign ministry said Beijing would take all necessary measures to safeguard its rights and interests, while Japan's Chief Cabinet Secretary Yoshimasa Hayashi said the move could have a major impact on US-Japan economic ties.

Workers install steel rods at a construction site in Florida on March 11. PHOTO: REUTERS

Close US allies Canada, Britain and Australia criticised the blanket tariffs, with Canada mulling reciprocal actions and Britain's trade minister Jonathan Reynolds saying "all options were on the table" to respond in the national interest.

Australian Prime Minister Anthony Albanese said the move was "against the spirit of our two nations' enduring friendship" but ruled out tit-for-tat duties.

"Tariffs and escalating trade tensions are a form of economic self-harm, and a recipe for slower growth and higher inflation," he told reporters.

The countries most affected by the tariffs are Canada, the biggest foreign supplier of steel and aluminum to the US, Brazil, Mexico and South Korea, which all have enjoyed some level of exemptions or quotas.

Trump initially threatened Canada with doubling the duty to 50 percent on its steel and aluminum exports to the US but backed off after Ontario province suspended a move to impose a 25 percent surcharge on electricity exports to the states of Minnesota, Michigan and New York.

That incident whip-sawed US financial markets already jittery over Trump's broad tariff offensive. Asian markets were broadly steady on Wednesday, although Australia's benchmark closed 9.6 percent below February's record high.