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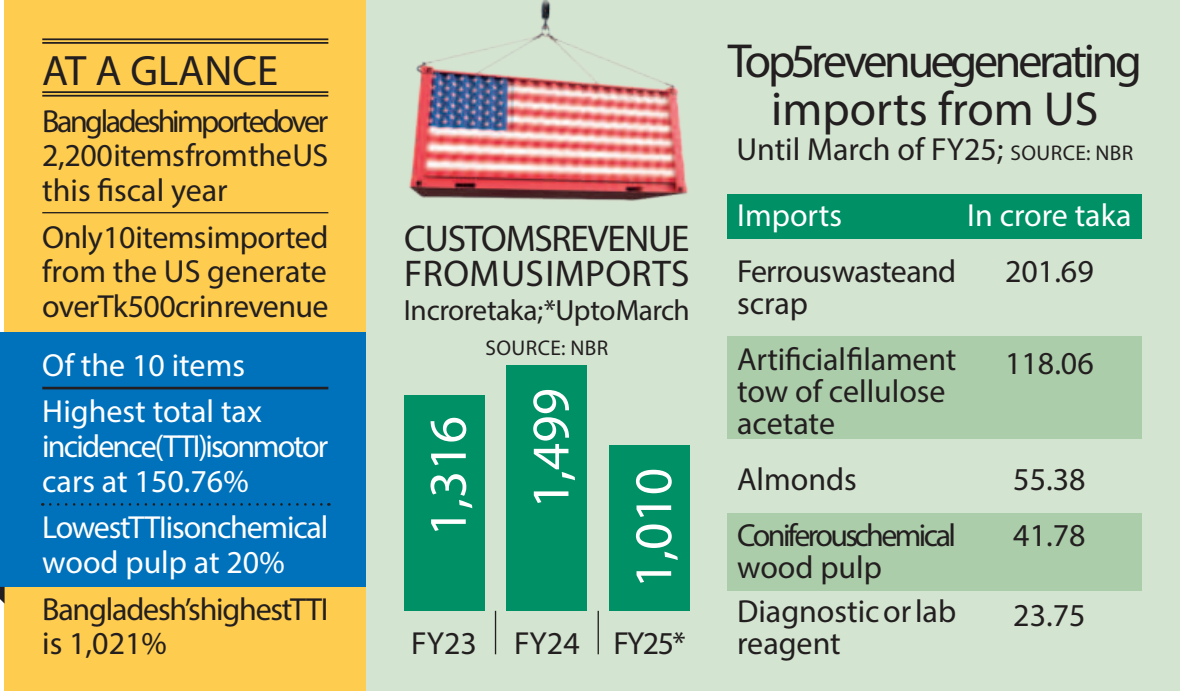
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Bangladesh earned Tk 1,500cr tariff from US imports in FY24



MD ASADUZ ZAMAN and MOHAMMAD SUMAN

Bangladesh generates a negligible amount of revenue from taxes levied on goods imported from the United States, according to an internal assessment by the revenue board following Washington's announcement of imposing a 37 percent reciprocal tariff on Bangladeshi products entering the US market.

In the July-March period of fiscal year (FY) 2024-25, taxes on US imports brought in just around Tk 1,000 crore – less than 2 percent of

the total revenue collected from all imports during that period.

Bangladesh imported goods worth Tk 22,168 crore from the US during those nine months, with tax receipts from those imports totalling Tk 1,010 crore, according to the National Board of Revenue (NBR).

In contrast, overall revenue from global imports reached Tk 64,439

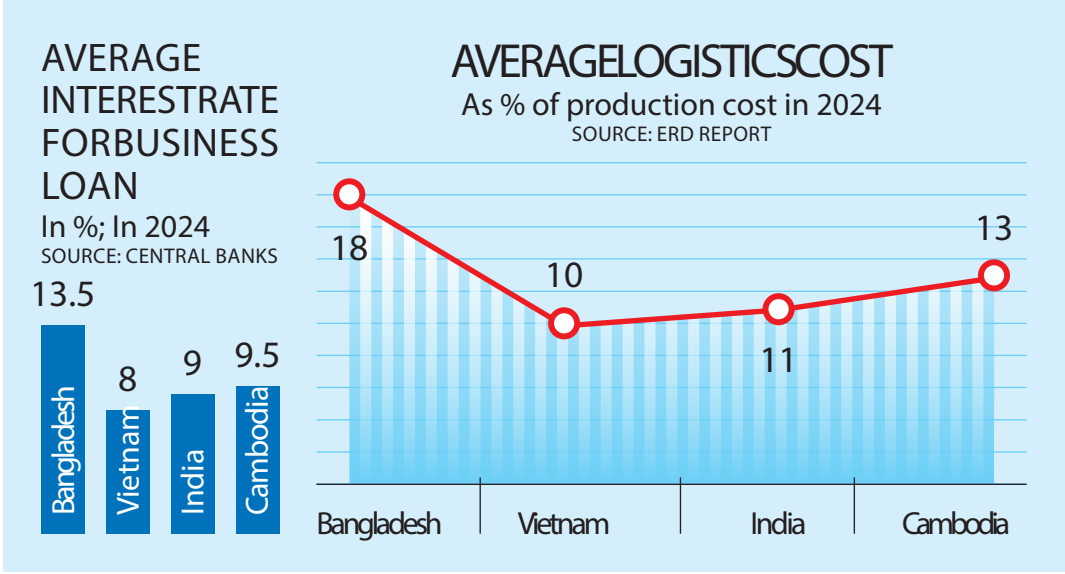
crore during the period, according to the latest NBR report.

The scenario was similar in FY24, when tax collected from US imports amounted to Tk 1,499 crore against total revenue of Tk 100,819 crore, which was around 1.5 percent of Bangladesh's total earnings from import duties.

The country's import payments stood at Tk 702,230 crore in FY24, of which Tk 28,144 crore went to the US, reflecting only 4 percent of Bangladesh's total merchandise imports, according to the Bangladesh Bank data.



Rising costs erode business competitiveness



JAGARAN CHAKMA

Bangladesh, long regarded as a cost-competitive destination and once hailed as the next Asian tiger, is now grappling with mounting pressure as the cost of doing business is rising sharply across key sectors.

What was once considered the country's strongest advantage – a cheap labour pool – is now being undermined by persistent infrastructural weaknesses, policy unpredictability, and rising input costs.

The World Bank's latest assessment and regional business surveys reveal that while labour costs in Bangladesh remain comparatively lower than in Vietnam and India, the total cost structure – encompassing logistics, energy, financing, and regulatory compliance – has become increasingly unfavourable.

The issue has once again come to the spotlight, becoming highly relevant as the US government has raised the tariff on Bangladeshi products to 37 percent from around 15 percent.

Experts believe that shipments of Bangladeshi goods will experience a significant setback, with the possibility of a decline in exports to the US market due to the reduction in competitiveness.

The new US tariff on Bangladeshi products has created uncertainty, which is not helpful for a developing country like Bangladesh.

According to the Comprehensive Report on the Logistics Sector of Bangladesh, prepared by the Economic Relations Division of the Bangladesh government, logistics alone account for 15-20 percent of production expenses, significantly higher than Vietnam's 9-11 percent.

This sharp gap is mainly attributed to poor road infrastructure, congestion at major ports such as Chattogram, and outdated logistical facilities.

In contrast, Vietnam's investment in deep-sea ports and modern transport networks has helped reduce delivery times and lower logistics costs, boosting its competitiveness.

Energy is another major hurdle.

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Investment summit begins tomorrow

STAR BUSINESS REPORT

The Bangladesh Investment Summit 2025 is set to begin at the InterContinental Dhaka tomorrow, taking place at a critical juncture when foreign direct investment (FDI) inflows have plunged to a six-year low, raising concerns about the country's investment climate.

Chief Adviser Prof Muhammad Yunus, in a message to global partners, extended a warm invitation to the summit, calling it an opportune moment to explore Bangladesh's investment potential.

"My friends, partners, and distinguished global leaders from around the world, it is my honour and pleasure to warmly invite you to the Bangladesh Investment Summit 2025," Yunus said.

He highlighted the country's recent economic transformations, driven by progressive investment policies, and reaffirmed the government's commitment to ensuring a level playing field for all investors.

"Bangladesh today stands out with its defining strengths – solid economic fundamentals, globally competitive resources, and one of the highest returns on investment in the region."

"This summit serves as your gateway to data-driven insights into Bangladesh's most promising sectors. Join us and witness firsthand the immense opportunities our nation holds. Partner with us in shaping the future of one of the world's most dynamic economies."

Scheduled to run from April 7 to April 10, the summit aims to draw attention from global investors and underscore Bangladesh's evolving economic landscape.

More than 550 foreign investors from 50 countries have registered to attend, alongside 2,500 local participants.

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IMF mission to start reviewing reform progress today

Two loan instalments tied to reforms

STAR BUSINESS REPORT

A delegation from the International Monetary Fund (IMF) will today start reviewing the progress of reforms tied to two instalments of a \$4.7 billion loan programme against the backdrop of the fourth instalment being deferred.

The delegation, scheduled to arrive last night, is slated to stay till April 17, according to the Ministry of Finance.

Last December, a mission arrived to review the progress of conditions regarding the fourth instalment, which was supposed to be disbursed in February.

However, the IMF deferred the disbursement to June as Bangladesh could not meet prior conditions relating to reforms to the National Board of Revenue (NBR) and Bangladesh Bank.

The visiting delegation is expected to meet Finance Adviser Salehuddin Ahmed today morning, a finance ministry official said. The team will hold a series of meetings with key government agencies to assess the status of various structural benchmarks under the loan conditions, Finance Division officials said.

During the visit, IMF officials will hold discussions with representatives from the Finance Division, the National Board of Revenue, Power Division, Power Development Board, Bangladesh Energy Regulatory Commission, and the Energy and Mineral Resources Division.

The review mission will conclude with a meeting between the IMF team and the finance adviser on April 17 followed by a press briefing.

The mission's focus will be on NBR reforms, subsidy management and the implementation of a market-based exchange rate.

The IMF has been seeking the implementation of a market-based exchange rate for a long time. However, economists believe such a move may create volatility in the foreign exchange market and pose difficulties in maintaining a healthy foreign exchange reserve.

The IMF delegation will also focus on reforms to the NBR as tax collection in Bangladesh is very low compared to the size of its gross domestic product, which adds pressure to the government's fiscal management.

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