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NBR needs to collect Tk 2 lakh crore in three months

IMF presents target, revises GDP growth upward to 4%

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The National Board of Revenue (NBR) faces the herculean task of collecting nearly Tk 2 lakh crore in the final three months of the current fiscal year to meet conditions set by the International Monetary Fund (IMF) under its \$4.7 billion loan programme.

The IMF, led by Mission Chief Chris Papageorgiou, presented its revenue targets during a scheduled meeting with NBR officials at the board's headquarters in the Agargaon area of the capital on Sunday.

"The IMF team asked us to raise the tax-GDP ratio to 7.9 percent by June, which is currently at 7.4 percent," said a senior NBR official who attended the meeting.

To meet the target, the revenue board needs to collect a total of Tk 4.55 lakh crore by June — meaning revenue would need to grow by 19 percent in FY 2024-25 compared to actual receipts from the previous year.

However, revenue growth stood at a mere 1.7 percent as of February.

Against this backdrop, the NBR official described the expectations of the multilateral lender as "high, ambitious and unrealistic."

According to an internal estimation by the revenue board, the NBR has so far mobilised around Tk 2.52 lakh crore during the July–March period.

In addition to the short-term target, the IMF has urged the government to lift the tax-GDP ratio to 9 percent in FY 2025-26.

"The IMF also suggested reducing existing tax expenditures and introducing a uniform value-added tax (VAT) rate," the NBR official added.

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March PMI points to slower economic growth

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The Bangladeshi economy might have expanded in March, but at a slower pace due to sluggish growth in sectors like agriculture, manufacturing, and construction.

The Bangladesh Purchasing Managers' Index (PMI) slipped by 2.9 points to 61.7 in March from the previous month, reflecting a slower pace of economic expansion.

The March reading marked a deceleration in expansion for key sectors such as agriculture, manufacturing, and construction, according to a report jointly released by the Metropolitan Chamber of Commerce and Industry (MCCI) and Policy Exchange Bangladesh (PEB).

Meanwhile, the services sector was the only one to post a faster rate of expansion.

The PMI is a leading economic indicator that signals the general direction of the economy. A reading above 50 indicates expansion, while a reading below 50 signals contraction.

The agriculture sector marked its sixth consecutive month of expansion, but at a reduced pace. Slower growth was observed in new business, business activity, and input costs.

Meanwhile, order backlogs slipped into contraction, and employment saw a faster rate of contraction.

Manufacturing registered its seventh straight month of expansion, although the pace moderated.

Most indexes remained in expansion territory, but order backlogs continued to contract, albeit at a slower rate.

Construction expanded for the fourth consecutive month, also at a slower pace. New business and input costs saw slower expansion, while employment picked up at a faster rate.

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Exports rise but Trump tariffs create uncertainty

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After two months of sluggish growth, Bangladesh's exports surged in March, driven by strong growth in the readymade garment (RMG) sector.

Exports grew 11.44 percent year-on-year to \$4.25 billion last month, with RMG manufacturers fetching 81 percent of total receipts.

This drew mixed reactions from analysts, especially in light of the tariff hike by the US administration.

After the imposition of new tariffs by the US, the export outlook has become uncertain, said MA Razzaque, chairman of Research and Policy Integration for Development.

As such, if exports cannot pick up further, economic recovery could stutter, he opined.

"This will have spillover effects on other markets as exporters aim to oversupply to those markets, depressing prices. Trump's policies can also trigger a global recession, dampening growth prospects here in Bangladesh and elsewhere," he added.

"More importantly, if Trump is going to offer generous concessions to others, such as Vietnam, India and Cambodia, through bilateral negotiations and not to Bangladesh, that can be disastrous. Overall, the global economy and trading environment have now become uncertain and unpredictable, which is not conducive to achieving economic stability."

Razzaque added that the return to double-digit growth is commendable, but it has been achieved based on last year's weak base.

"On the structure of exports, it is more or less the same story," he said. "After a prolonged weakness in the global demand for apparel, we started seeing a bounce back."

Including March's shipment, total exports in the first nine months of the current fiscal year climbed to \$37.19 billion, reflecting a 10.63 percent year-on-year spike.

The rise in exports, coupled with migrant workers sending home a record \$3.29 billion in remittances in March, has provided a welcome boost to the country's dwindling foreign exchange reserves.

"Bangladesh's export sector has demonstrated a commendable performance,"

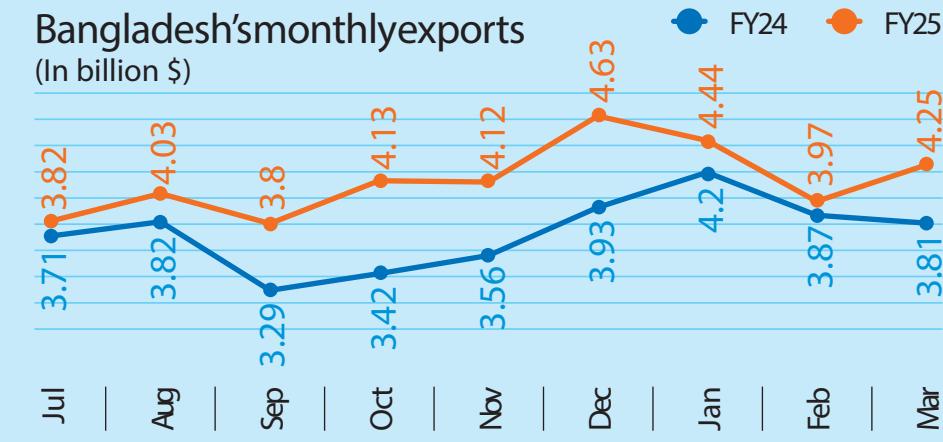
GROWTH SECTORS

- » Apparel
- » Leather&leather goods, non-leather footwear
- » Home and specialised textiles
- » Light engineering

SECTOR WITH NEGATIVE GROWTH

- » Jute and jute goods
- » US tariff hike creates uncertainty
- » Economic recovery may stutter

Bangladesh's monthly exports (In billion \$)



SOURCE: EPB

the Export Promotion Bureau said in a statement.

During the first three quarters of FY25, RMG exports amounted to \$30.25 billion, marking a 10.84 percent year-on-year increase.

Kazi Iqbal, a research director at the Bangladesh Institute of Development Studies, said the upward trend indicates that the country's manufacturing sector has become increasingly resilient to shocks.

"We have mastered this art quite efficiently over time."

Apart from apparel, exports of leather and leather goods, the second-biggest export earner, recorded 22.64 percent growth in March. In the July–March period, exports of leather and leather goods increased by nearly 10 percent year-on-year to \$852 million.

Light engineering products, home and

specialised textiles, and non-leather footwear exporters also witnessed higher shipments during the period.

However, despite a slight pickup in the jute sector's exports in March, overall shipment during the July–March period of FY25 fell.

The EPB added that agricultural products, an emerging export segment, suffered significant negative growth year-on-year, dropping 25.72 percent in March, necessitating targeted interventions to reverse the trend.

"We have to be very vigilant following tariff hikes by the Trump administration," Iqbal added.

"In fact, we need to collect daily data on the experiences of the exporters — to what extent the shipments are being cancelled, deferred, or subject to any negative impacts. Any knee-jerk reaction may be counterproductive in the long run."

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Bangladesh has significant investment potential: experts



Experts attend a session titled 'Startup Connect 2025' on the sidelines of Bangladesh Investment Summit 2025 at InterContinental Dhaka yesterday.

PHOTO: MD ZAHIDUR RABBI

MD ZAHIDUR RABBI

Bangladesh has significant potential for investment but poor infrastructure, lack of access to finance and regulatory hurdles in the country remain concerns, according to businesspeople at Bangladesh Startup Connect 2025.

The event, being held on the sidelines of the Bangladesh Investment Summit, began yesterday, with the aim of showcasing local startups, fostering cross-border collaborations, and unlocking new investment opportunities.

Tanveer Ali, chairman of Constellation Asset Management Company Ltd, delivered the keynote at the opening ceremony.

Ali emphasised on the country's investment potential by highlighting its young workforce, strategic location, and increasing access to technology.

This was followed by a plenary session moderated by Sadia Haque, co-founder and CEO of Sharetrip.

The panel included notable speakers,

including Chowdhury Ashik Mahmud Bin Harun, executive chairman of Bida, Ahsan H Mansur, governor of the Bangladesh Bank, and Shish Haider Chowdhury, secretary of the ICT Division.

The session addressed the government's role in facilitating the growth of the local startups through policy initiatives and also touched on the challenges faced by new businesses, such as access to finance and regulatory hurdles.

The session concluded with the launch of the Infusion Partners Fund introduced by Abdul Muktadir, founder of Incepta Pharma, with the aim of accelerating startup growth in the country.

The second panel of the day, moderated by Mirza Salman Hossain Beg, founder and CEO of Stealth Startup, focused on why investors should consider Bangladesh.

Rahat Ahmed, founder of Anchorless Bangladesh, and Oussama Gililah, director at Razor Capital, highlighted the country's untapped market potential in

sectors such as technology, consumer goods, and healthcare.

The panelists noted that while Bangladesh's investment climate is improving, challenges such as a lack of infrastructure and limited access to venture capital remain concerns.

Following the discussion, a session moderated by Sarah Iqbal, head of Impact Partners at SAJIDA Foundation, explored how businesses can position themselves to attract investment.

Craig Bristol Dixon, general partner at Accelerating Asia, emphasized the need for startups to demonstrate scalability and a long-term vision to secure investor confidence.

The next panel, moderated by Sadia Hossain, director at YY Ventures, examined how the fundraising landscape is evolving. It also discussed the challenges startups face when seeking capital and pointed out the increasing role of alternative funding sources, such as crowdfunding and strategic partnerships.

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Form taskforce to fight tariff fallout
ICCB also calls for taking diplomatic steps

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The International Chamber of Commerce Bangladesh (ICCB) has suggested forming a taskforce to tackle the challenges arising from the imposition of reciprocal tariffs by the US and undertaking diplomatic negotiations with the US authorities.

The proposals were made at a press briefing at Golden Tulip The Grandmark Dhaka yesterday.

The ICCB recommended forming the taskforce under the commerce ministry and including leading exporters, importers, officials from the Export Promotion Bureau and customs.

"The taskforce may meet at regular intervals to monitor trade trends between Bangladesh and the US, to reduce the trade gap and suggest remedial measures," ICCB President Mahbubur Rahman said at the event.

The remedial measures include resolving issues that hinder smooth trade between the two countries, he added.

He appreciated the prompt action taken by Chief Adviser Muhammad Yunus in convening an emergency meeting to assess the impact of the hike in US tariff and to formulate an appropriate response strategy.

"The government is heading in the right direction. If it forms a taskforce and monitors the situation daily, it will be easier to negotiate and manage the impact effectively," Rahman said.

Bangladesh must undertake diplomatic negotiations with the US authorities for more favourable trade terms. This involves highlighting the mutual benefits of a balanced trade relationship and seeking exemptions or reductions in the imposed tariffs, he said.

He believes that this government was capable of better negotiations as the chief adviser was a globally renowned personality.

People should not be too worried as the tariff was imposed on all competitor countries, for which the impact would befall all of them, he said.

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Mahbubur Rahman

