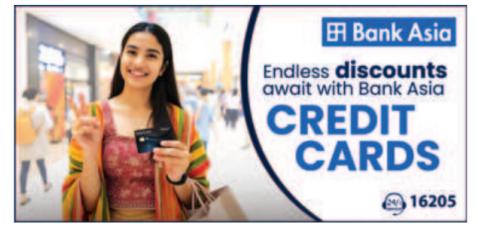


Star BUSINESS



High tax on stock trading deters investment

Brokers say

STAR BUSINESS REPORT

The existing tax structure discourages investors from investing in the stock market, according to representatives of the top brokerage houses of Bangladesh.

They said the National Board of Revenue (NBR) collects advance turnover tax from brokerage houses even if they incur losses, that too at a high rate compared to neighbouring countries.

However, this tax burden is ultimately shifted onto investors.

Additionally, investors are also required to pay annual fees amounting to Tk 450 even if they incur losses and do not trade any shares. Most of this fee goes to the government exchequer, they added.

The comments were made at an event organised by the DSE Brokers Association of Bangladesh (DBA) at the Dhaka Club yesterday.

Shakil Rizvi, a director of the Dhaka Stock Exchange (DSE), said, "The tax structure of the market is akin to that for cigarettes, making it seem like the government is discouraging people from coming to the stock market."

"Why? Is the stock market a demerit good? Is the NBR trying to discourage investors from coming to the stock market?"

He added that if someone invests in the market, they must pay Tk 450 annually, of which Tk 200 is deducted and submitted to the government.

"Why should the government collect tax from every investor, even those with minimal investment?" he questioned.

In 2005, the tax stood at Tk 12.5 for each trade amounting to Tk 1 lakh. It has risen to Tk 50 since.

READ MORE ON B3



Govt to rationalise tariffs on around 350 items

The move aims to tackle post-LDC challenges

TARIFF RATIONALISATION BY NBR AHEAD OF LDC GRADUATION

- Bangladesh has over 7,600 tariff lines
- Bangladesh has binding tariffs on 955 lines
 - Agriculture: 763
 - Non-agriculture: 192

Regulatory duty (RD) RD applied to nearly half of tariff lines

RD has been withdrawn from 282 items

NBR phasing out tariff since FY23

Brought 60 tariff lines within bound rate

Withdrawn minimum import price on 50 items

Supplementary duty (SD) reform underway

- SD accounts for 26% of tariff lines
- NBR removed SD on 234 items
- It cut SD on 172 items

SOHEL PARVEZ

The government is expected to rationalise tariff rates on numerous items next fiscal year to help Bangladesh prepare for challenges after graduation from least developed country (LDC) status in November 2026.

As part of the exercise, the National Board of Revenue (NBR) is likely to remove minimum import prices — a price it uses to assess duties on imported items — for over 40 items in FY26.

Besides, the revenue administration is also likely to streamline regulatory duties on around 230 tariff lines — the items listed in a country's tariff schedule — and rationalise supplementary duties on over 100 items, finance ministry officials said.

"We are taking preparations to adjust our tariff rates so that we can be compliant with the World Trade Organisation (WTO) rules applicable for developing countries," a senior

official said.

Bangladesh has 7,611 tariff lines. Its binding tariff commitment to the WTO covers 955 tariff lines, with 763 tariff lines for agricultural products and 192 tariff lines for non-agricultural items.

Of those, tariff rates on 60 tariff lines were higher than the binding rates committed by Bangladesh to the WTO when it acceded to the WTO in 1995 as one of its founding members.

The NBR began to rationalise tariffs in phases in FY23, in line with recommendations from a committee that was formed by the previous government in 2021 to prepare for

possible challenges stemming from LDC graduation.

In the past two years, the NBR brought down tariffs on 60 items within the bound tariff rates based on the panel's suggestion.

The panel came up with the proposals following a study, which also favoured the rationalisation of supplementary and regulatory duties.

It said rationalisation has become particularly important in light of the country's upcoming graduation from the LDC club, which will require domestic industries to compete without reliance on import protection.

The study found that Bangladesh had imposed regulatory duties (RDs) on 3,565 tariff lines, around 47 percent of the total.

These duties ranged from 3 percent to 35 percent. However, in the fiscal year 2022-23, nearly 95 percent of the revenue from RDs came from just 250 tariff lines.

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Fahmida Khatun

Trump's tariff policy a wake-up call: Fahmida

STAR BUSINESS REPORT

The imposition of high tariffs by the USA without following due process signals a flawed policy approach, said Fahmida Khatun, executive director of the Centre for Policy Dialogue.

The US-China trade tensions have created a global tariff storm, and Bangladesh is not immune, she said at a shadow parliament session held at the Film Development Corporation in the capital yesterday.

"The 37 percent tariff imposed on Bangladesh is also part of a flawed process," she said.

Fahmida pointed out that the tariff surge under US President Donald Trump serves as a wake-up call for Bangladesh as the country prepares to graduate from the least developed country (LDC) status.

"We will not receive tax benefits for long. Therefore, enhancing commercial capacity and strengthening trade diplomacy is crucial," she said.

She also warned that political unrest and institutional weaknesses could deter foreign investment.

"If political stability and law and order are maintained and institutional reforms are carried out effectively, investment will rise regardless of political changes," she added.

READ MORE ON B3

Pahela Baishakh sales pick up this year

Apparel and sweetmeats see 5-10% growth as holiday gap spurs spending



With Pahela Baishakh on the horizon, shoppers have taken to the streets to pick out outfits for the festive occasion. In previous years, celebrations centring the Bangla New Year accounted for an estimated one-fourth of annual sales by local fashion outlets. However, sales have picked up this year. The photo was taken from Bailey Road yesterday.

PHOTO: ANISUR RAHMAN

SUKANTA HALDER

With Pahela Baishakh just around the corner, a festive spirit has taken over markets across Bangladesh, with clothing, sweetmeats and fish registering noticeably higher sales compared to last year.

Businesspeople say that last year, Pahela Baishakh fell just two days after Eid-ul-Fitr, while this year, the two festivals are nearly two weeks apart. This gap has had a somewhat positive impact on sales.

However, they added that sales would have been even better this year if people could have anticipated the scale of celebrations to take place following last

year's nationwide protests culminating in a political changeover.

The celebration of the beginning of a new Bengali year traces its roots back to the Mughal era, when Emperor Akbar introduced tax collection reforms in the region.

In previous years, Baishakh celebrations and the purchase of new dresses accounted for an estimated one-fourth of annual sales by local fashion outlets.

Soumik Das, chief executive officer of Rang Bangladesh, told The Daily Star that sales centred around Pahela Baishakh have been significantly better this year.

"Last year, Pahela Baishakh came just two days after Eid-ul-Fitr, but this time

there's a gap between the two festivals, which has positively impacted sales," he said. Compared to last year, his sales have increased by nearly 10 percent.

However, due to the short time after Eid-ul-Fitr, full preparations for Pahela Baishakh could not be made. As a result, despite receiving inquiries from many customers, it was not possible to respond to all of them, he added.

Khalid Mahmood Khan, co-founder of Kay Kraft, a retailer of fashionwear, accessories, home textiles, handicrafts, and handloom-based products, said sales have improved compared to last year.

But despite extensive preparations, the sales figures have fallen short of expectations, he said.

READ MORE ON B3

Why is private credit demand at its lowest level?

MD MEHEDI HASAN

Credit demand in the private sector of Bangladesh has virtually ground to a halt, hitting its lowest level since at least 2004, indicating a distressed business and investment situation.

Private sector credit growth stood at 6.82 percent in February this year, as per Bangladesh Bank data, down from 7.15 percent the month prior.

Even at the height of the Covid-19 pandemic in 2021, private sector credit growth had hovered between 8 percent and 7.5 percent, noticeably higher compared to current trends.

This raises the question: Why is the demand for credit in the private sector so low?

To answer this question, The Daily Star spoke to bankers, central bank officials, economic experts, and businesspeople.



They highlighted several reasons, including uncertainty in the investment climate due to the recent political changeover, high interest rates owing to the tight monetary policy, banks' go-slow strategy, lacklustre loan recovery, worsening law-and-order situation, high bad loans, strict action against some large borrowers, and the shrinking lending capacity of banks.

For over two years, the central bank has continually hiked the policy rate — the rate at which commercial banks borrow from the central bank — to combat skyrocketing inflation, which has contributed to a rise in lending rates at banks.

The banking regulator kept the policy rate unchanged at 10 percent for the January-June period of the current fiscal year. As such, banks are currently imposing a maximum of 16 or 17 percent interest on lending, which stood at just 10 or 12 percent a year ago.

Similarly, hesitance in the investment scenario is reflected by the trend of letter of credit (L/C) openings for capital machinery imports.

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Southeast Bank donates Tk 50 lakh to Khulna University

STAR BUSINESS DESK

Southeast Bank PLC has provided financial support worth Tk 50 lakh to Khulna University under its special corporate social responsibility (CSR) fund for conducting research activities.

Nuruddin Md Sadeque Hossain, managing director of the bank, handed over the cheque to Prof Md Noor Un Nabi, treasurer of the university, at a function on the university campus premises in Khulna recently, said a press release.

Earlier, Southeast Bank also provided similar financial assistance to Sher-E-Bangla Agricultural University in Agargaon, Dhaka; Bangladesh Agricultural University, Mymensingh; Bangabandhu Sheikh Mujibur Rahman Agricultural University in Gazipur; Chattogram Veterinary and Animal Sciences University in Chattogram; Sylhet Agricultural University; Habiganj Agricultural University; and Hajee Mohammad Danesh Science and Technology University.

This financial assistance reflects southeast bank's ongoing commitment to supporting agricultural research and contributing to national agricultural development as part of its social responsibility initiatives. Prof Md Rejaul Islam, head of agrotechnology



Nuruddin Md Sadeque Hossain, managing director of Southeast Bank PLC, hands over the cheque worth Tk 50 lakh to Prof Md Noor Un Nabi, treasurer of Khulna University, at a function on the university campus in Khulna recently.

PHOTO: SOUTHEAST BANK

department at the university; and Prof Md Shafiqul Islam and Prof Md Matul Islam, agrotechnology department; and Md Masum Uddin Khan and Abidur Rahman Chowdhury, deputy managing directors of the bank; and Md Musfiqur Rahman, senior vice-president and head of CSR division, among others, were also present.

Despite Trump pause, overall US tariff rate at highest in a century

AFP, Washington

US President Donald Trump's delay of steeper tariffs may have won brief respite on Wall Street, but analysts say his actions – which hit China especially hard – already bring the average US effective tariff rate to its highest in over a century.

Besides imposing sweeping new 10 percent tariffs on goods from most US trading partners, Trump has also unleashed steep duties on imports of steel, aluminum and autos since his White House return.

But on Wednesday, he backed off even higher rates on dozens of economies, including the European Union and Asian manufacturing hub Vietnam, following a sharp sell-off in US government bond markets – though he doubled down on action against China.

Many goods from the world's second biggest economy now face levies of at least 145 percent – the total additional figure Trump has imposed this year. "The newly imposed tariffs now affect \$2.4 trillion of US imports, or nearly 75 percent," said Erica York of the Tax Foundation.

"Compared to Trump's first term, this is a massive escalation, as his first tariffs affected about \$380 billion of US imports or 15 percent," she told AFP.

Researchers from the Budget Lab at Yale University estimate that "consumers face an overall average effective tariff rate of 27 percent, the highest since 1903."

"This is only slightly different from where the effective rate was before the late-April 9 announcement," they added.

Even after accounting for consumption shifts, the average tariff rate will be 18.5 percent, the Budget Lab anticipates. This would be the highest since 1933. Thibault Denamiel, a fellow at the Center for Strategic and International Studies (CSIS), estimates that the US tariff rate was 2.4 percent in December 2024 – a figure which now stands north of 20 percent.



Ahsan H Mansur, governor of Bangladesh Bank, delivers his speech at the "CAMLCO Conference-2025" organised by the Bangladesh Financial Intelligence Unit and the Anti-Money Laundering Compliance Officers of Banks in Bangladesh, at the Radisson Blu Chattogram Bay View in the port city yesterday.

PHOTO: BFIU

BFIU organises CAMLCO Conference-2025 in Chattogram

STAR BUSINESS DESK

The Bangladesh Financial Intelligence Unit (BFIU), in collaboration with the Anti-Money Laundering Compliance Officers of Banks in Bangladesh (AACOB), organised the "CAMLCO Conference-2025" to raise awareness for the prevention of money laundering.

Ahsan H Mansur, governor of Bangladesh Bank, attended the conference as the chief guest at the Radisson Blu Chattogram Bay View in the port city yesterday, the organisation

said in a press release.

In his address, Mansur said, "Within the next six months, steps will be taken to freeze foreign assets linked to laundered money from Bangladesh as part of a broader initiative to recover illicit funds and promote financial accountability."

AFM Shahinul Islam, head of the BFIU, presided over the conference.

Resource persons at the conference discussed contemporary money laundering issues as well as various effective strategies for its prevention.

SBAC Bank celebrates 12th anniversary

STAR BUSINESS DESK

SBAC Bank PLC celebrated its 12th founding anniversary on Thursday.

Md Moklesur Rahman, chairman of the bank, inaugurated the celebration at the bank's head office in the capital's Motijheel, said a press release. Habibur Rahman, managing director and CEO of the bank, presided over the programme.

Anwar Hussain, vice chairman of the bank, Mohammad Helal Uddin, chairman of the executive committee, Prof Md Maksudur Rahman Sarkar, chairman of the audit committee, Mohammed Ayub, Halizur Rahman Babu, Mohammad Mahbubor Rahman and Mushfiqur Rahman, directors, and Prof Mohammad Moqbul Hossain Bhuiyan, independent director, attended the event as special guests.

Md Rabiul Islam, additional managing director of the bank, Md Altaf Hossain Bhuiyan and Md Nazimuddoula, deputy managing directors, along with other top executives of the head office, were also present.



Md Moklesur Rahman, chairman of SBAC Bank PLC, cuts a cake with high officials of the bank at its head office in the capital's Motijheel, celebrating the bank's 12th founding anniversary on Thursday.

PHOTO: SBAC BANK

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (APR 12, 2025)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 72-Tk 85	0	11.35 ↑
Coarse rice (kg)	Tk 50-Tk 55	0	2.94 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-2.30 ↓
Lentil (kg)	Tk 105-Tk 110	0	0
Soybean (litre)	Tk 158-Tk 168	-8.94 ↓	10.51 ↓
Potato (kg)	Tk 20-Tk 25	-10.00 ↓	-52.63 ↓
Onion (kg)	Tk 30-Tk 50	-5.88 ↓	-33.33 ↓
Egg (4 pcs)	Tk 38-Tk 44	-3.53 ↓	0

SOURCE: TCB



Itaru Otani, chairman of Yamaha Motor India Group, attends a programme to launch Yamaha FZ 25 series motorcycle at the International Convention City Bashundhara in the capital yesterday.

PHOTO: ACI MOTORS

Yamaha launches FZ 25 series motorcycle in Bangladesh

STAR BUSINESS DESK

ACI Motors, an automobile company and the technical collaboration partner for Yamaha motorcycles in Bangladesh, has launched a new model in the Yamaha FZ 25 series, featuring a higher cubic capacity (CC) engine for the local market.

Itaru Otani, chairman of Yamaha Motor India Group, inaugurated the new motorcycle at an event held at the International Convention City Bashundhara in the capital yesterday, according to a press release.

Equipped with a 249cc engine, this high-performance motorcycle boasts an oil-cooled

BS6 engine, 5-speed gearbox, 7-level adjustable monocross suspension, sharp and compact bi-functional projection LED headlamp, LED tail lamp, and dual-channel ABS braking system.

Overall, the model is anticipated to introduce a new dimension to biking experiences for customers.

The motorcycle will be available in three striking colours. Initially, customers will be able to acquire the bike through pre-booking.

Among the various Yamaha models, the FZ series has enjoyed considerable popularity in Bangladesh since its introduction through ACI Motors in 2016. To date, over four models from

this series have been released in the market, all of which have consistently ranked high in customer demand.

Until recently, Yamaha in Bangladesh had only retailed motorcycles with engines up to 155cc. However, following regulatory approval for higher-cc motorcycles in the country, Yamaha initiated efforts to introduce a model that would align with evolving customer expectations, the press release added.

FH Ansarey, managing director of ACI Motors; and Subrata Ranjan Das, deputy managing director; along with senior officials from both Yamaha and ACI Motors, were also present.

'ECB ready to intervene if tariffs threaten stability'

AFP, Warsaw

The European Central Bank is ready to act should US President Donald Trump's tariff blitz threaten financial stability, ECB chief Christine Lagarde said Friday.

The ECB "is always ready to use the instruments that it has available", Lagarde said in Warsaw, after talks with eurozone finance ministers about how Europe can avert a trade war – or protect its economy if negotiations to avoid US levies fail.

"What we have observed recently, of course, is a degree of volatility," she told reporters.

"But in Europe, and in the euro area in particular, we have observed that market infrastructures and functioning of markets, including the bond markets, is functioning in an orderly fashion," Lagarde said.

Her comments come less than a week before the ECB's next meeting to decide on monetary policy, with European stock markets struggling for direction in early afternoon deals, and the dollar dropping to the lowest level against the euro in more than three years.

Although Trump announced a 90-day pause of his stinging universal tariffs, a trade war between China and the United States has continued to escalate with tit-for-tat levies.

With no end in sight, their fight has caused jitters in markets, especially Asia. Lagarde was joined by top EU officials including economy commissioner Valdis Dombrovskis, who warned that US tariffs would hit the European Union's economic growth.

According to EU estimates, the bloc could see a hit to economic growth of 0.2 percentage points, spread over the period from now until 2027, if the situation does not improve or deteriorate.

CPA calls for ministry's

FROM PAGE B4

In January, the berth operators demanded a \$5 increase in the onboard handling charge per container, which the shipping agents opposed.

Fazle Ekram Chowdhury, president of the Berth Operators, Ship-Handling Operators, and Terminal Operator Owners' Association, said they have not increased the onboard handling rate since 2007.

"It is really impossible for us to continue operations at the previous rate amid rising operational costs, workers' wages, and other expenses," he said.

After months of negotiation, the CPA, in a tripartite meeting on March 9 this year, unilaterally determined an incremental rate of Tk 205 per container.

The berth operators instantly gave their consent to the CPA-determined increase, but the shipping agents opposed it, said CPA Secretary Md Omar Faruk.

Leaders of the Bangladesh

Container Shipping Association (BCSA) offered to increase the rate by only Tk 33.57 per unit during the meeting.

Later, in a letter to the CPA on March 23, the BCSA finally proposed an increase of Tk 50.36 per unit.

Port users reported that the berth operators rejected the offer and started issuing bills at the CPA-determined rate, while the shipping agents have refrained from making any payments since then.

Under these circumstances, the CPA secretary, on April 7, sent a letter to the senior secretary of the shipping ministry, accusing the shipping agents of non-cooperation.

In the letter, the CPA secretary expressed concern over a probable disruption in container handling at the GCB jetties due to the ongoing dispute, which could increase vessel stay times.

He expressed hope that the problem would soon be resolved with timely intervention from the ministry.

Investors interested

FROM PAGE B4

However, he declined to reveal the exact figures, saying they depended on several factors.

He did mention that Ospig is currently calculating costs for sourcing new machinery from Spain, Italy and Türkiye.

Koning also believes Bangladesh's potential reaches well beyond textiles, especially in high-tech manufacturing.

"We visited the Walton Group's factory. They are producing high-

tech products like refrigerators, mobile phones, and solar systems," he said.

"We also saw a bicycle assembly plant. These visits showed us that Bangladesh is capable of more. Not just pharmaceuticals, but even machinery for the global market," he added.

"We participated in the summit with expectations, and we are leaving with conviction. Bangladesh is ready, and so are we," he commented.

US tariffs threaten

FROM PAGE B4

The final quarter of 2024 saw the economy expand by 5.4 percent, bringing the full calendar year's GDP growth to 5.0 percent, compared to a contraction of 2.3 percent in 2023.

The island's worst economic performance came in 2022, when GDP shrank by 7.3 percent.

Months of shortages in early 2022 led to street protests that eventually toppled then-president Gotabaya Rajapaksa.

His successor, Ranil Wickremesinghe, doubled taxes, cut subsidies, raised prices and went on to lose his re-election bid in September.



Farmers harvest onion seeds—often called “black gold”—in Faridpur. This year, onion seed has been cultivated on 1,854 hectares of land in the district. Last year, the seeds sold for Tk 150,000 to Tk 200,000 per maund. The photo was taken in Baliadangi village of Charbhadrans upazila in Faridpur recently.

PHOTO: SUZIT KUMAR DAS

Ship with 36,100 tonnes of Indian rice arrives at Ctg port

STAFF CORRESPONDENT, Ctg

A vessel carrying 36,100 tonnes of parboiled rice from India has arrived at Chattogram port, with the consignment imported under an open tender agreement, according to a press release.

The ship, MV Frosso K, reached the outer anchorage on April 10 and was berthed at the GCB terminal yesterday, said the office of the Controller of Movement and Storage, Chattogram, under the Directorate of Food.

The consignment is part of a government deal to import a total of 4.5 lakh tonnes of rice from India in nine packages, as per the press release signed by Imdad Islam, senior information officer and public relations officer of the ministry.

So far, 3.17 lakh tonnes of rice have reached Bangladesh under this agreement, it added.

Unloading of the cargo began in the afternoon after the rice samples were tested, said an official of the Controller of Movement and Storage office.

Increase imports of US goods to reduce trade gap: textile millers

STAR BUSINESS REPORT

Textile millers and garment exporters yesterday urged the government to increase imports from the US market in order to reduce the trade imbalance between Bangladesh and the United States.

They made the call at a roundtable on “US Tariffs on Bangladesh’s Exports: Reciprocal Strategies and Way Forward for Negotiations,” organised by the Bangladesh Textile Mills Association (BTMA) at Gulshan Club in Dhaka.

Showkat Aziz Russell, president of the BTMA, proposed leveraging Bangladesh’s status as a major importer of American cotton by manufacturing cotton-based garments for duty-free access to the US market.

He also called for robust government support and greater foreign direct investment to create employment and enhance competitiveness in the textile sector.

In his keynote, Masrur Reaz, chairman of Policy Exchange Bangladesh, underscored the significance of the recent

90-day deferment on new US tariffs and suggested that stakeholders move beyond diplomacy alone and pursue market-based solutions.

“Bangladesh must act decisively — by engaging buyers and brands, increasing US content in exports, and assessing sector-specific impacts — to secure long-term access to the US market,” said Reaz.

The speakers suggested increasing US content in manufactured goods to 20 percent to qualify for reduced tariff rates, and establishing US cotton storage hubs in Bangladesh to streamline imports and eliminate logistical barriers.

They also recommended investing in infrastructure, industrial capacity, and human capital to boost productivity and global market readiness, and encouraging US investment in diversified sectors to expand export offerings.

Including the US private sector in ongoing free trade agreement dialogues alongside government efforts was also recommended.

Participants expressed cautious

optimism that evolving global trade realignments could open new doors for Bangladesh. However, they warned that inaction could lead to long-term setbacks.

The US remains Bangladesh’s largest export destination, accounting for nearly 20 percent of total readymade garment exports, valued at \$7.34 billion in 2024.

Hafizur Rahman, administrator to the Federation of Bangladesh Chambers of Commerce and Industry; Anwar Hossain, vice-chairman of the Export Promotion Bureau and administrator to the Bangladesh Garment Manufacturers and Exporters Association, attended the event.

Anwar-ul Alam Chowdhury, president of the Bangladesh Chamber of Industries; Abdul Hai Sarker, president of the Bangladesh Association of Banks; and Shamim Ahmed, president of the Bangladesh Plastic Goods Manufacturers and Exporters Association, also attended.

Mohibuz Zaman, managing director of ACI Healthcare Ltd, and Mohammad Helal Mia, chairman of Amanat Shah Group, were also present.

Nearly half of Bangladeshi homes without internet: BBS

STAR BUSINESS REPORT

Just over half of Bangladesh’s households were direct internet users by the end of December 2024, according to a new survey by the Bangladesh Bureau of Statistics (BBS).

The BBS quarterly report on the use of information and communication technology (ICT) revealed that 52.4 percent of households had access to internet services at the end of last year, up from 50.4 percent in the July–September quarter.

Despite the rise, nearly 48 percent of families remained outside the reach of internet connectivity. Internet usage at the household level has steadily increased in recent years.

In 2022, the household internet usage rate was 38 percent, marking a 14.4 percentage point rise in just two years.

However, at the individual level, growth has been slower, rising by only 6.5 percentage points over the same period to reach 47.2 percent.

The findings are based on data collected from 61,632 households across the country as part of the BBS’s second quarterly ICT usage survey of the current financial year.

The survey showed a significant increase in smartphone penetration.

While 70 percent of households used smartphones in the July–September quarter, the rate rose to 72.3 percent in October–December.

The BBS attributed this rise to the growing utility and affordability of smartphones.

However, the urban–rural disparity in internet usage remains stark. About 61.6 percent of urban households use the internet compared to just 48.2 percent of rural households.

The BBS survey, which gathers data from individuals aged five and above, is aimed at informing national ICT policy, as well as reporting to international platforms such as the International Telecommunication Union (ITU) and the SDG Tracker.

Stocks ended lower last week

STAR BUSINESS REPORT

The stock market ended lower last week as investors reacted cautiously to the imposition of ‘reciprocal tariffs’ by the United States, dampening sentiment in the first trading week after the Eid vacation.

Earlier this month, the US administration imposed a 37 percent tariff on Bangladeshi products under a new policy targeting countries it says were trading unfairly.

However, US President Donald Trump, on April 9, announced a 90-day pause on the measure for all nations except China.

The initial announcement had already rattled global markets and triggered retaliatory moves from other countries, shaking investor confidence.

The Dhaka Stock Exchange’s benchmark DSEX index dropped 13.93 points, or 0.27 percent, to close at 5,205.23, continuing its recent downward trend.

Govt to rationalise tariffs on around 350 items

FROM PAGE B1

Following the panel’s recommendations, the revenue board scrapped RDs on 282 items between FY23 and FY25. It also abolished the minimum import price on 50 items, a benchmark used for duty assessments.

The study also showed that supplementary duties (SDs) were applied to 1,926 tariff lines, accounting for 26 percent of the total. Most of these lines carried a 20 percent SD.

It was found that 154 items contributed over 85 percent of the revenue collected from SDs.

The panel proposed reducing SDs on items not deemed harmful or socially undesirable, especially those that are not produced locally and are unlikely to strain the foreign currency reserves.

However, it recommended maintaining high SDs on luxury goods such as cars and diamonds. Acting on these suggestions, the NBR has so far removed SDs on 234 items and reduced them on another 172.

The remaining adjustments are expected to be carried out in the next fiscal year, following a time-bound plan devised to implement the panel’s recommendations.

The study said that high levels

of tariff protection can discourage domestic industries from pursuing export opportunities, as the local market offers higher profitability under such a regime.

“Therefore, the process of tariff rationalisation will create an opportunity for the policymakers to strike a balance between protecting import-substitute local industry through tariffs and creating a conducive environment for increasing competitiveness of exportable products and increasing the efficiency of local producers,” it said.

According to the report, nearly half of Bangladesh’s manufacturing sector, in terms of value added, is now export-oriented. “Therefore, there is a need to focus on the export market along with the domestic markets.”

The study also pointed out that efforts to streamline the tariff regime could help promote export diversification — an area where Bangladesh has long sought progress.

The panel said that with LDC graduation scheduled for 2026, Bangladesh will need to gradually lower import-stage tariffs.

It warned that once the country loses its unilateral duty-free market access, signing Free Trade Agreements

(FTAs) will become essential to offset the impact.

“As Bangladesh may lose unilateral free market access after graduation, it will be necessary to start preparing for signing Free Trade Agreements (FTAs) to recuperate that loss,” the report said.

It added that high customs duties and para-tariffs, such as regulatory and supplementary duties, would pose serious obstacles in securing FTAs.

“The process of tariff rationalisation will therefore help Bangladesh to increase its eligibility as a potential trade partner and engage effectively in trade negotiations,” it added.

Local think tank Centre for Policy Dialogue (CPD) last month suggested aligning tax policies with WTO regulations to prepare for LDC graduation.

The independent think tank said

Pahela Baishakh sales

FROM PAGE B1

He attributed this to a sense of uncertainty among the public and institutions regarding the scale of this year’s celebrations.

Shaheen Ahmed, the owner of Anjan’s — a well-known fashion and lifestyle brand in Bangladesh offering a wide range of clothing, accessories, and lifestyle products — echoed Khan.

SaRa Lifestyle Limited, a sister concern of leading garment exporter Snowtex Group, has rolled out a summer collection designed specifically with the hot weather during Pahela Baishakh in mind.

Sk Rahat Auyon, manager of media and public relations at Snowtex Group, said the response has been encouraging.

“Sales are going quite well. With Eid and Pahela Baishakh falling close together this year, many customers chose to buy their Baishakh outfits during Eid shopping,” he said.

According to a 2012 survey by the Bangladesh Fashion Entrepreneurs Association, a platform for local clothing entrepreneurs, fashion houses across the country generate annual sales of around Tk 6,000 crore.

More than 50 percent of the sales come during Eid-ul-Fitr, and at least another 25 percent ahead of Pahela

Bangladesh has a binding coverage of 17 percent of tariff lines, which means 83 percent of tariff lines remain unbound.

“Bangladesh will continue to enjoy the flexibility related to tariffs on non-bound items even after graduation. NBR should be aware of and take advantage of this.”

It said LDC graduation will mean that direct export incentives — 3–4 percent cash incentive for the export-oriented apparel sector, and the 20 percent cash incentive for agricultural exports — will no longer be permissible under the WTO.

“Such export incentives will need to be phased out and WTO-compliance ensured. To support exporters, Bangladesh will need to put in place other supportive measures that do not violate WTO regulations.”

Baishakh, said the survey, which was conducted in 2012.

Celebration of the new Bengali year has also become one of the biggest occasions for sweetmeat makers thanks to a growing trend among corporates to send gift hampers to clients and vendors.

Sweets are an integral part of Baishakh celebrations, with items worth around Tk 50 crore sold across Bangladesh each year before the pandemic hit in 2020.

Mahbubur Rahman Bokul, head of Bangladesh operations at Premium Sweets, said sales centring this year’s Pahela Baishakh have increased by 5 percent compared to last year.

“In 2024, Pahela Baishakh was just two days after Eid, whereas this year the gap is nearly two weeks. This has had a positive impact on sales,” he said.

However, Bokul said that sales could have been even better if the overall situation in the country was more stable.

Over time, a plate of panta (water-soaked rice) with mashed potato and a piece of fried hilsa has become a must for Baishakh breakfast, marking the start of daylong celebrations. The demand for hilsa, already a pricier national fish, typically drives prices up every year.

High tax on stock trading

FROM PAGE B1

Moreover, if an investor makes any profit from share sales, they must pay a capital gains tax. If they benefit from dividends, they must pay further taxes.

“So why should those investors come to the stock market, especially as the government’s treasury bond is offering 12 percent interest and carries a minimum tax burden,” Rizvi asked.

Md Saifuddin, senior vice-president of the DBA, said the high turnover tax was inequitable as it is “unadjustable”.

“You are paying taxes even if you are incurring losses because this tax is not adjustable. Such a system is unthinkable in any country. This is a breach of equity and justice to the broker community,” he said.

Moreover, the advance tax is exorbitant compared to other countries, he said.

For instance, the tax rate is such that for every trade worth Tk 1 lakh, a Bangladeshi broker pays Tk 50. In India, it is 10 rupees for every trade of 1 lakh rupees while in Pakistan it is 0.65 rupees for each trade of 1 lakh rupees. In Singapore, the tax is 7 dollars for each trade worth 1 lakh dollars.

In many countries, such as the US, Malaysia, and Turkey, the turnover tax is zero, according to the DBA.

“I can tell you, taking all the responsibility, that all the brokerage houses of the country are now incurring losses if their investment income is not considered. So, advance tax on trade should be adjustable, allowing them to adjust taxes if they incur losses,” said Saiful Islam, president of the DBA.

Even the top 10 brokerage houses are incurring losses in that sense, he claimed. The rate should be rationalised so that the industry remains afloat, he said, adding the brokerage house business is now at a critical stage due to low turnover.

However, Islam praised the NBR’s top brass, saying this year they had listened to the brokers’ logic behind the demand for lowering the advance turnover tax, and hoped to see an impact of that in the next budget.

He also pointed to a positive move last year, when the NBR lowered the tax from 30 percent to 15 percent on capital gains above Tk 50 lakh from

selling shares of listed companies on the stock exchanges with the objective of encouraging investment in the capital market.

The DBA President also sought clarification on the definition of capital loss when it comes to calculating capital gains tax. Mohammed Nasir Uddin Chowdhury, managing director of LankaBangla Securities, sought a ban on the provision allowing black money to be whitened through the real estate sector.

The interim government scrapped the provision that allowed individuals to legalise undeclared income on payment of 15 percent tax on assets, including cash, securities, deposits, financial schemes and instruments in September last year.

However, the National Board of Revenue did not cancel the amnesty to whiten black money in case of investment in real estate — flats, buildings and land — on payment of a specific amount of tax depending on the size and location of the properties.

Minhaz Mannan Emon, a director of the DSE, and Umar Haider Khan, vice-president of the DBA, also spoke at the event.

Trump’s tariff

FROM PAGE B1

Presiding over the event, Debate for Democracy Chairman Hasan Ahmed Chowdhury Kiron said the 90-day suspension of the new US tariffs has brought temporary relief, and some purchase orders have resumed.

He said Bangladesh could benefit from the void created by the 145 percent tariff on Chinese products.

Kiron presented 10 recommendations, including diversifying exports, reviving generalised system of preference (GSP) benefits, ensuring timely repatriation of export earnings, and shifting incentives from cash to utilities.

The shadow parliament, titled “Bangladesh Will Be Able to Meet the Challenge of High Tariff Rates in the United States,” was won by Bangladesh University of Business and Technology, defeating Manarat International University.

Investors interested in Bangladesh despite business hurdles

German denim maker says they're here to stay and grow

JAGARAN CHAKMA

Although Bangladesh is the world's second-largest exporter of readymade garments, it continues to struggle with major challenges, including inadequate infrastructure, cumbersome bureaucracy and murky regulations.

Still, these obstacles haven't scared off global investors. On the contrary, many, including those from Germany, are taking an even keener interest.

One such investor is Thomas Koning, chief executive officer (CEO) of Ospig GmbH, a German firm specialising in jeans and casual wear.

Speaking to The Daily Star on the sidelines of the Bangladesh Investment Summit 2025, Koning was frank about the barriers international businesses often face in the country.

Yet he also expressed a growing confidence in Bangladesh's shifting policy landscape and, above all, in its people.

"You can have the best factory in the north, but if you can't get your goods out to the port efficiently, it simply doesn't work. Infrastructure must improve," he said, pulling no punches.

Despite these concerns, Koning made his position clear by saying that Ospig is not going anywhere.

"The speeches we heard, particularly from the CEO of Inditex and the chief adviser of the interim government, were deeply encouraging. They have given us hope that positive changes are not only coming, they are already underway," he added.

He said that political stability was the foremost concern for foreign investors, and he believed Bangladesh was on the right track.

"What we need is stability. And we see it coming. We already held bilateral meetings here with members of the interim government. I must say, we have a very positive impression. They are focused on what truly matters at this moment," Koning said.

When asked what could accelerate foreign direct investment (FDI), he was direct. "The most important thing is to

TAKEAWAYS FROM INTERVIEW

<p>INVESTMENT & BUSINESS COMMITMENT</p> <p>Ospig signals renewed confidence in Bangladesh's industrial ecosystem</p> <p>It plans further investments within the next 12 months</p> <p>"Bangladesh is ready—and so are we," says Ospig CEO</p>	<p>STRENGTHS & OPPORTUNITIES</p> <p>Bangladesh's greatest strength is its eager, skilled, and hard-working workforce</p> <p>Ospig is impressed by Bangladesh's high-tech manufacturing capabilities</p> <p>Beyond garments, Bangladesh shows promise in electronics, bikes, and machinery</p>	
<p>CHALLENGES & BOTTLENECKS</p> <p>Poor infrastructure and red tape are key hurdles</p> <p>Using only one port for exports is unsustainable for international business</p>	<p>POLICY & REFORM RECOMMENDATIONS</p> <p>Govt should simplify bureaucracy and ensure policy consistency</p> <p>Political stability is the top priority for international investors</p>	

You can have the best factory in the north, but if you can't get your goods out to the port efficiently, it simply doesn't work. Infrastructure must improve.

Thomas Koning
CEO of Ospig GmbH

reduce bureaucratic red tape," said the German investor.

"International investors like us need a clear, streamlined structure. Talking to multiple departments for one project slows things down. We need simplicity, transparency and efficiency," he said.

According to Koning, his company has already urged the government to maintain policy consistency and adopt key reforms to unlock the country's human potential fully.

Even with optimism in the air, logistical headaches remain, particularly those tied to infrastructure.

"If you run a factory near Dhaka and want to export to Europe, you need to go through Chattogram. It's just 270

kilometres, but it takes ten hours by truck. That's not viable. There are at least 16 bottlenecks along the way," he said.

He pointed out that relying on a single port makes overseas trade far more difficult than it is supposed to be.

To support Bangladesh's ambitions of becoming a manufacturing hub beyond garments, Koning said the country must urgently invest in infrastructure and enforce its laws more rigorously.

However, one key strength lies in its people. "We've had a factory here for 30 years. We know the people. They are eager to learn, hardworking, and often well-educated," he said.

"In many countries, finding skilled manpower is tough. But in Bangladesh,

you have both the numbers and the mindset. That's your biggest potential," he added.

Ospig GmbH has been operating in Bangladesh since the mid-1990s, supplying denim and casual wear to leading fashion brands worldwide.

The company's renewed commitment sends a strong signal about growing global confidence in Bangladesh's industrial prospects and investment ecosystem.

Koning said that the company plans to expand its operations further. "Yes, we have already invested millions in the garment sector here. And yes, we are planning further investments within the next 12 months," he added.

READ MORE ON B2

Strengthening leadership to regain trust in private banks

MAMUN RASHID

Moody's recently downgraded the outlook for Bangladesh's banking sector to negative due to increasing asset risks and worsening economic conditions. Key concerns include declining asset quality, high inflation, and a slowdown in GDP growth, which is projected to fall to 4.5 percent in FY25. By September 2024, the systemwide non-performing loan (NPL) ratio had jumped to 17 percent, up from 9 percent just nine months earlier.

Social unrest, supply chain disruptions, and weakening demand drove this surge. State-owned banks remain undercapitalised, with a capital-to-risk-weighted-assets ratio of 2.5 percent in September 2024. Despite stable liquidity, the systemwide loan-to-deposit ratio stands at 81 percent.

Strong leadership is crucial for navigating the crisis facing the banking sector. Effective leaders can drive the necessary reforms and strategic investments to address challenges such as scams and corruption. They play a pivotal role in fostering a culture of transparency and accountability, which is essential for restoring public trust.

Strong leadership is also vital for implementing transformation initiatives that can enhance operational efficiency and resilience. It is recommended that the appointment of board members in commercial banks be based solely on qualifications and experience, rather than political or social affiliations. This aims to enhance governance and ensure that decisions are made in the best interests of stakeholders.

In the early 1980s, Bangladesh allowed the establishment of new private sector commercial banks (PCBs), which were predominantly led by CEOs and senior management transitioning from state-owned banks. This era saw a focus on expanding trade finance and private sector lending, although there was less emphasis on modernising business processes, risk management, and developing robust delivery platforms. Subsequent reform programmes in the banking sector have initiated changes in managing classified loans and at-risk assets. However, areas such as IT, modern management practices, human resource development, and governance have received less attention.

The late 1990s marked a shift, as young professionals with global perspectives—often coming from foreign banks—joined PCBs, pushing for change. Their efforts were bolstered by second-generation, foreign-educated entrepreneurs on bank boards and supportive central bank officials with international training. The introduction of "core risk management guidelines", developed with input from foreign bank executives, was a pivotal step in transforming risk management practices.

The sale of ANZ Grindlays Bank and the exit of several foreign banks left a pool of experienced professionals who could be integrated into the local banking system. Successful transformations in certain banks instilled confidence among private sector bank directors to attract senior managers with international experience, embedding change into their growth strategies.

In recent times, many banks prioritise tech-savvy CEOs because technology drives innovation and efficiency. A CEO skilled in technology and banking can lead digital transformations crucial for competitiveness and meeting customer expectations. They foster a culture of innovation by integrating emerging technologies like AI, blockchain, and data analytics to enhance services and operations. Additionally, tech-savvy CEOs improve risk management and compliance using sophisticated tools.

As consumer behaviour shifts to digital banking, they expand digital channels and improve the customer experience with user-friendly apps and personalised services. Ultimately, a tech-savvy CEO positions the bank to navigate digital challenges and opportunities for sustainable growth and competitive advantage.

Despite current challenges, there is a growing acknowledgment among PCB owners and directors of the need to attract talent from top-tier banks to sustain the transformation. They recognise that change is inevitable and essential for future banking success.

Although state-owned banks are yet to see similar leadership transitions, a shift in this area may occur. Bangladesh's banking sector is undergoing significant transformation, with a focus on integrating global practices and fostering leadership that can navigate the evolving landscape.

The author is an economic analyst who has worked with several global banks and consulting firms for more than 35 years.

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Dollar feels heat as Trump's tariffs spark trade turmoil

REUTERS, Singapore

In just a week, the dollar has gone from a safe haven to investors' whipping boy as US President Donald Trump's chaotic tariffs on friend and foe alike undermine decades of trust in the world's reserve currency.

The sudden loss of confidence was nowhere more stark than in the Treasury market, which saw the largest weekly increase in borrowing costs since 1982 as offshore funds fled. "The US, almost overnight, it seems to have lost its safe-haven attributes," said Ray Attrill, head of FX strategy at National Australia Bank.

"There is ... a loss of confidence to some extent ... you're overlying that with the loss of exceptionalism and the view that in the short-term, at least, it's the US economy that's going to be suffering more than any other from what's happening on the tariff front."

The dollar, already on course for its worst year since 2017, on Friday plunged to a decade-low against the Swiss franc and dropped to its weakest level against the euro in more than three years. "The whole premise of the dollar as a reserve currency is being challenged, effectively, by what we've seen since Trump's election," said Attrill.

CPA calls for ministry's intervention as port rate row deepens

Shipping agents, berth operators deadlocked over Tk 205 rate hike

DWAIPAYAN BARUA, Ctg

The feud between shipping agents and berth operators over increasing the onboard container handling rate has remained unresolved for over three months now, despite repeated attempts by the Chittagong Port Authority (CPA).

The CPA, in a tripartite meeting last month, unilaterally determined an incremental rate, but the shipping agents opposed it.

Sensing further disruption in container handling at six jetties of a port terminal, the CPA has, for the second time, sought intervention from the ministry for the sake

of smooth port operations and uninterrupted import and export activities.

The CPA, in a tripartite meeting last month, unilaterally determined an incremental rate, but the shipping agents opposed it

The CPA also sought the ministry's assistance early last month on the same issue, following a longer stay of vessels for several weeks due to slowed-down

operations by the berth operators amid the dispute.

The issue arose in early January, centring a longstanding conflict between shipping agents—who represent container vessel operators—and six berth operators over the latter's proposal to raise onboard container handling charges.

The six berth operators are engaged in handling vessels at six jetties of the port's oldest terminal, named the General Cargo Berth (GCB).

Shipping agents currently pay berth operators Tk 559.53 per container for onboard handling, including loading and unloading.

READ MORE ON B2

US tariffs threaten Sri Lanka's recovery: IMF

AFP, Colombo

Sri Lanka's recovery from its worst economic meltdown, which forced a sovereign default and toppled a president, will be undermined if punishing US tariffs resume, the IMF warned on Friday.

The United States is Sri Lanka's largest single market, accounting for almost a quarter of its \$12 billion in merchandise exports. The trade balance is heavily in favour of the small South Asian nation.

Washington imposed a 44 percent "reciprocal tariff" on the island nation before putting it on hold for 90 days on Thursday.

Sri Lanka has not retaliated but instead appealed for negotiations with Washington.

"The recent external shock and evolving developments are creating uncertainty for the Sri Lankan economy, which is still recovering from its own economic crisis," the IMF said following talks with local officials.

It noted that more time was needed to assess the full impact on the IMF-supported bailout programme Sri Lanka entered into in early 2023.

Sri Lanka secured a \$2.9 billion, four-year loan from the IMF after running out of foreign exchange to finance even the most essential imports, such as food, fuel and medicines. "Against ongoing global uncertainty, it remains important to continue rebuilding external buffers through reserves accumulation," the IMF said.

Sri Lanka had reported its first full year of economic expansion since its unprecedented crisis in 2022 when the US tariff announcement was made. READ MORE ON B2

Why is gold reaching record heights?

AFP, London

Why do investors flock to gold when economic times turn tough? As the precious metal reaches record highs AFP explains why it remains such a trusted lifeline.

The trading turmoil unleashed by US President Donald Trump's tariffs has triggered a record run for gold, widely viewed as a safe-haven investment.

On Friday it struck an all-time high of \$3,227.51 an ounce in trading, handing the commodity a gain of more than 20 percent since the start of the year.

Additional Trump benefit
"So far, precious metals bullion is exempt from US tariffs and this is probably because they are not seen as core industrial products," Frank Watson, senior metals analyst at trading platform Kinesis Money, told AFP.

The aim of Trump's tariffs is to support American output and reduce the US trade deficit, which taxing gold would fail to achieve.

After gold struck a record high at the start of April when Trump unleashed his reciprocal tariffs, investors sold off the metal to gain necessary liquidity amid tumbling stock markets.

This caused gold to weaken briefly before rebounding. The metal meanwhile avoided fresh declines after Trump on Wednesday surprisingly paused his tariffs for dozens of countries, with the

exception of China.

Dollar retreat

The US currency has retreated strongly against main rivals in the wake of Trump's tariffs, further boosting gold's attractiveness.

Gold is "an important risk-management asset held by entities including central banks and financial institutions as well as

retail investors", said Watson.

Markets are concerned about the impact of a global trade war on growth and is betting that the US Federal Reserve will announce further cuts to interest rates to support activity in the world's biggest economy.

This despite the tariffs threatening a fresh spike to inflation, which ordinarily

would see central banks looking to hike interest rates.

Such expectations of lower borrowing costs are adding to the pressure on the dollar as well as for US government bonds, which are losing some of their safe-haven status.

Rare tangible asset

Gold profits also from the fact it is a rare and tangible asset. While the majority of people will never own a gold bar they are able to get their hands on a piece of gold jewellery.

"People want a tangible asset that they can own," said John Reade, a strategist at the World Gold Council.

In an interview with AFP, he added that gold has proven to be an asset investors and savers seek when losing confidence in governments and banks, even if it means earning no dividends or interest on their investment.

"Gold is incredibly rare and doesn't corrode, making it the ultimate long-term store of value," noted Watson.

Central bank craze

Gold is prized by central banks, which contribute to inflating its price by filling vaults with bullion to hedge against hardship, stabilise currencies and to use as collateral for loans and transactions.

In 2024, global central banks together added more than 1,000 tonnes of gold to their reserves for the third year running, according to the World Gold Council.



People buy gold at a shop in Denpasar on Indonesia's resort island of Bali on April 12. Gold struck an all-time high of \$3,227.51 an ounce in trading, handing the commodity a gain of more than 20 percent since the start of the year.

PHOTO: AFP