

Forex reserves cross \$21b again

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Bangladesh's foreign exchange reserves crossed \$21 billion yesterday after almost 10 months thanks to an increased inflow of foreign currency generated by remittances and export earnings.

According to the International Monetary Fund's calculation method, the forex reserves stood at \$21.11 billion on Sunday, up from \$20.89 billion a day earlier, as per the central bank's latest data.

Previously, forex reserves had hit the \$21 billion mark in July last year.

However, gross forex reserves (according to the central bank's calculation) increased to \$26.38 billion, up from Thursday's \$26.14 billion.

The rising trend in remittances and export earnings has fuelled the forex reserves, Arief Hossain Khan, executive director and spokesperson of the central bank, told The Daily Star.

He added that steps taken by the interim government to tackle money laundering have given a boost to the reserves.

Remittance inflow hit \$3.29 billion in March, the highest in any single month in the history of Bangladesh.

Go all out to remove trade barriers with US

Trade leaders urge govt to raise imports of US cotton, soybean

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Business leaders from Bangladesh and the United States have called on the government to make every effort to remove both tariff and non-tariff barriers on imports from the US to narrow the trade gap and facilitate Bangladeshi exports to the American market.

At a dialogue in Dhaka yesterday, organised by the American Chamber of Commerce in Bangladesh (AmCham), the trade leaders also called for modernising key government services to improve efficiency and reduce delays.

For example, they recommended that customs departments at ports operate round-the-clock and that airports in Dhaka, Chattogram and Sylhet be upgraded to streamline services and shorten trade turnaround times.

To help balance trade, the dialogue also encouraged Bangladesh to increase imports of US cotton, soybean oil and soybean seeds.

Participants urged the government to continue negotiations with the US, especially given the uncertainty surrounding a 90-day pause on a 37 percent reciprocal tariff on Bangladeshi exports to the US.



What should be done?

Reduce long lead time | Runkey offices such as customs round the clock | Bring down tariff and non-tariff barriers | Import more US cotton and soybean seeds to reduce trade gap

KEY POINTS

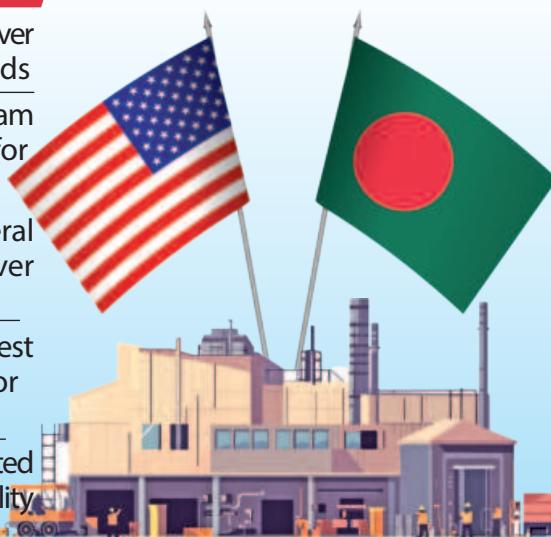
Businesses are worried over higher tariffs on goods

Bangladesh sending team to USTR on April 21 for negotiation

US-Bangladesh bilateral trade now stands at over \$10b

The US is the single largest export destination for Bangladesh

US cotton will get dedicated bonded warehouse facility



The AmCham plans to compile a set of recommendations from the discussion, which will be submitted to the government and the United States Trade Representative (USTR) to help mitigate the impact of higher tariffs on bilateral trade.

The event was attended by business leaders from both

nations, diplomats, senior government officials, importers, exporters and trade experts.

With higher tariffs looming, concerns remain over the future of trade between the two countries. Business representatives expressed anxiety over the lack of clarity from the US administration on what the final tariff rates might be.

Syed Nasim Manzur, president of the Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh

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Wheat imports may exceed 60 lakh tonnes for second year

STAR BUSINESS REPORT

The Bangladesh Bank instructed banks to further clear overdue letters of credit (LC) payments, as this type of non-payment tarnishes the image of the country's banking system, increases the cost of foreign trade, and disrupts the trade environment.

After issuing similar directives a couple of times over the past five months, the central bank reiterated the order to all banks in a circular issued yesterday.

Overdue LC payments, which were hovering above \$445 million in November last year, came down to \$242 million as of January 31, according to central bank data.

"If the bill against imports is not paid in a timely manner, it tarnishes the image of the country's banking system, increases the cost of foreign trade, and disrupts a favourable trade environment," the central bank said.

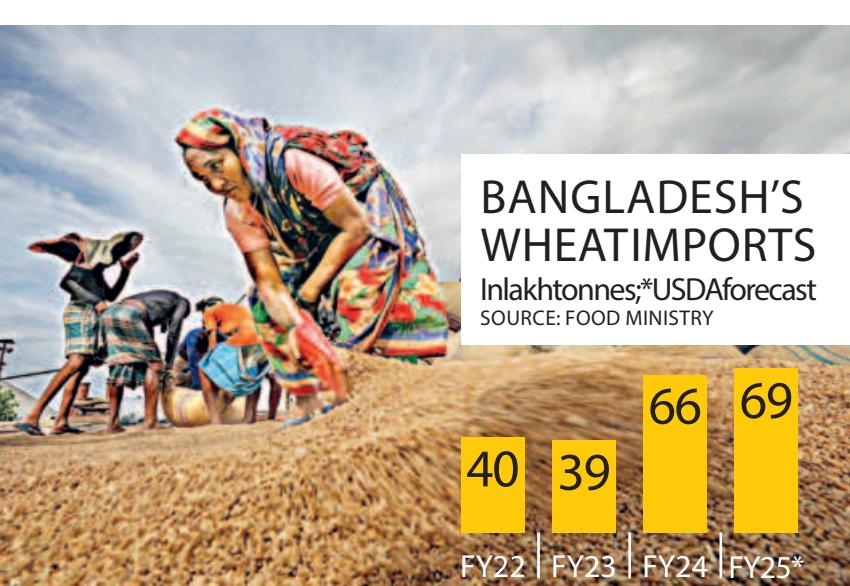
As such, banks have been ordered to take several measures to ensure prompt payment of overdue bills.

One of the measures is to draft a comprehensive action plan for overdue accepted bills (foreign or local) after detailed review and analysis, considering factors such as litigation status and realisation clause.

A detailed analysis, performance evaluations must be conducted on a branch-wise basis, where applicable, and special monitoring measures should be introduced in branches with a high volume of overdue unpaid accepted bills (foreign or local).

If any bill under litigation is not payable, the supplier's bank must be informed accordingly, the central bank said.

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Bangladesh's wheat imports are expected to cross 60 lakh tonnes for a second consecutive year, thanks to lower prices in the international market and higher domestic demand for the cereal grain, which is the second most consumed staple after rice.

Data from the food ministry show that the public and private sectors imported 42.5 lakh tonnes of wheat between July 1 and April 10 in the current fiscal year (FY) ending in June. This volume accounts for 64 percent of the total wheat imports in FY24.

Taslim Shahriar, deputy general manager of Meghna Group of Industries (MGI), said overall imports could reach around 63-64 lakh tonnes by the end of this fiscal year.

After declining for three consecutive years, Bangladesh's wheat imports began to recover in FY24, supported by falling prices in the global market.

In its latest report on grain and feed, the US Department of Agriculture (USDA) said that since April 2024, Bangladesh has been importing large quantities of wheat – mostly from the

Black Sea region – due to lower prices, improved supply chain logistics, and higher demand in the local market.

The USDA forecasted that total imports might rise to 68 lakh tonnes in the current fiscal year.

Citing import data from the first eight months of the year, the US agency projected that the South Asian country may purchase an additional 28 lakh tonnes of wheat in the remaining four months, considering continued demand.

"The prices of hard wheat in exporting countries and soft wheat from Argentina and Brazil fell in March 2025. This price drop is likely to encourage Bangladeshi importers to buy more wheat as they are very sensitive to price changes," the report said.

The agency noted that Bangladesh, which relies heavily on the international market due to low domestic production, imported 29 lakh tonnes of wheat during the last four months of the previous year.

However, Abul Bashar Chowdhury, chairman of Chattogram-based

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No scope to cut corporate tax

NBR chairman says

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The National Board of Revenue (NBR) yesterday said there was no scope to reduce corporate or individual tax rates in the budget for the upcoming fiscal year, a stance that businesses opposed.

At a pre-budget discussion organised by the Dhaka Chamber of Commerce and Industry (DCCI), Daily Samakal and Channel 24 at the InterContinental Dhaka, NBR Chairman Abdur Rahman Khan said the national debt burden has increased over the past 50 years and those debts need to be repaid.

To do so, Bangladesh needs to collect more revenue from domestic sources, he stated.

"So, there is no scope to further reduce corporate and individual tax rates. If you look at developed countries, you will see that individual tax rates can go as high as 60 percent," he said.

"The mindset that business will happen only if tax exemptions are given should not exist."

At the same event, businesses complained of the harassment they face while seeking services from tax offices. As such, they demanded the automation of tax systems.

In response, Khan said steps are being taken to address challenges faced by businesses, adding that firms would be required to file tax returns online from next year. The NBR chairman also hinted at reducing existing tax exemptions to accelerate tax collection.

"We want a non-discriminatory tax regime. Sectors with long-standing exemptions must now pay the same rate as others," he said.

HOW DID BUSINESSES RESPOND?

Former Bangladesh Garment Manufacturers and Exporters Association director Asif Ashraf said the garment sector currently enjoys a 12 percent corporate tax rate.

"If this rate is changed midway, it will undermine investor and business confidence," he warned, adding that policy consistency was a key commitment highlighted during the recently concluded Bangladesh Investment Summit.

"We need policy support to increase production and strengthen the private sector, which is essential for boosting national output," said Abdul Awal Mintoo, former president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

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