

Apparel makers urge NBR to retain current tax rates in FY26

STAR BUSINESS REPORT

Garment makers in Bangladesh have urged the country's revenue authority to leave the existing corporate tax rates unchanged in the upcoming national budget for fiscal year (FY) 2025-26.

Inamul Haq Khan, a member of the Bangladesh Garment Manufacturers and Exporters Association's support committee, made this request at a pre-budget meeting with the National Board of Revenue (NBR) at its headquarters in Dhaka yesterday.

Currently, the corporate tax is 12 percent for export-oriented garment factories and 10 percent for green factories. These rates will remain effective until June 30, 2028.

"Changing the corporate tax rate will erode the confidence of local and foreign entrepreneurs and go against the spirit of the recently concluded investment summit," Khan said.

He also highlighted that the price of gas has risen to Tk 40, warning that industries cannot survive under such conditions.

"This isn't the right time to raise corporate taxes," Khan added.

In response, NBR Chairman Abdur Rahman Khan reiterated the board's commitment to eliminating discriminatory tax practices and reducing exemptions.

"We want to move away from the ad hoc exemptions granted over the years," he said. "If there is consensus, we're ready to implement that."

"This is a crucial moment. People across the country are standing against all forms of discrimination," Khan added. "It's essential to make tax rates as uniform as possible so that no group is treated differently."

The Bangladesh Textile Mills Association also placed demands, including rationalising the



valuation of fabric imports and resolving complications related to HS codes and valuation.

At the meeting, the SME Foundation proposed allowing quarterly VAT return submissions for SMEs with an annual turnover of up to Tk 5 crore.

It also sought a 10-year tax holiday for leather, leather goods, garment accessories, and backward linkage industries.

Separately, the Bangladesh

perspective: Economists

Economists have called on the government to design the upcoming national budget with careful consideration of both the domestic economic landscape and prevailing global economic trends and challenges.

Professor Mahbub Ullah, convenor of the Bangladesh Economic Association's interim committee, said Trump's tariff policies are disrupting the global economic order, slowing globalisation, and triggering retaliatory trade barriers that are expected to cause significant turmoil.

"So, Bangladesh must not craft its budget in isolation -- we must look outward, read global signals, and proceed with extreme caution," he said. "It is time to tighten our belts, not expand them."

Mahbub also proposed raising the tax-free income threshold from the current Tk 3.5 lakh to Tk 6 lakh.

Yarn import curb

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Hoque added that exporters can buy yarn at lower prices from India. "Such a restriction is not right in an open market economy," he said.

Hoque, also a former president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said the NBR curbed yarn imports via land ports in 2004 on allegations of misuse, adding that the NBR had shifted the burden of its inefficiencies onto exporters.

"The question is why the NBR failed to build its capacity to check misuse of imports through land ports," he said. "The NBR should keep yarn imports open for export-oriented factories.

"The authorities should take measures to prevent any sort of irregularities, but they must keep the option for the quick import of yarn open."

Sharif Zahir, managing director of Ananta Group, a major apparel exporter, said importing through seaways would increase

the lead times of garment exporters by up to two weeks.

"This has been done to protect spinners. But the government should give priority to garments," he said.

Zahir said such measures should be temporary in view of the bilateral relationship between the two countries.

However, the Bangladesh Textile Mills Association (BTMA) said in a statement that the backward linkage industries of the textile sector would be strengthened following the curb on yarn imports through land routes.

This will save foreign currency and increase local value addition, the BTMA said. Besides, this will also prevent money laundering through informal money transfers such as hundi, it added.

The BTMA believes the NBR will have full control if yarn is brought over through seaports.

BTMA President Showkat Aziz Russell said exporters bring yarn from India's Gujarat through

seaports. So, the curb on imports through land ports will not affect exporters. Instead, it will be helpful for the local weaving sector, he added.

India last week revoked the transhipment facility offered to Bangladesh's export cargo destined for third countries via its land borders to Indian airports and seaports. However, the neighbouring country claimed that the move would not affect Dhaka's trade with Nepal and Bhutan through Indian territory.

The measure is expected to increase costs for Bangladesh's apparel exporters, many of whom ship orders to Western markets through Indian airports, particularly the Indira Gandhi International Airport in New Delhi.

Previously, exporters transported goods overland through the Benapole-Petrapole border en route to Indian airports, including those in Kolkata and Delhi, for onward air shipment to global destinations.

NBR plans

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Officials told the IMF that scrapping all exemptions by June would be impossible, given the country's current economic challenges.

Of the additional Tk 57,000 crore demanded, the NBR believes it can raise only Tk 8,000 crore -- about one-seventh -- through new policy measures in FY26.

"We are still negotiating with the IMF officials," said a senior NBR official.

Another official commented that while the board does plan to gradually eliminate reduced tax rates across the board, doing so for the garment sector remains particularly challenging amid the new Trump tariffs, which are currently on a temporary three-month pause.

"The NBR is now facing a double whammy. We need to move very carefully," the official added.

Exporters on edge

Mohammad Abdur Razzaque, chairman of the Research and Policy Integration for Development (RAPID), criticised the move.

"I don't think so. It would be a totally unwise move amid such volatility and uncertainty," he said.

He suggested the NBR should instead remove other exemptions, excluding those given to exporters.

"Our balance of payments is under pressure, and forex reserves have not improved to an expected

level," he added.

With Bangladesh set to phase out many tax concessions as part of its LDC graduation next year, Razzaque emphasised caution.

On several occasions, NBR Chairman Md Abdur Rahman Khan reiterated the board's commitment to rationalising tax incentives.

But exporters remain apprehensive, pointing to a turbulent business climate and a bleak outlook for global trade.

At a pre-budget discussion at NBR headquarters in Agargaon yesterday, Inamul Haq Khan -- a member of the support committee at the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) -- said that changing the corporate tax regime could erode business confidence.

"Changing the corporate tax rate will erode the confidence of local and foreign entrepreneurs," he said, adding that the move also contradicts the spirit of the recently concluded investment summit.

Towfiqul Islam Khan, a senior research fellow at local think tank Centre for Policy Dialogue (CPD), urged the NBR to tackle inefficiency and corruption alongside any gradual withdrawal of tax breaks.

"Exemptions must be phased out gradually. But removing them all at once would put immense pressure on the economy."

Starlink applies

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BTTC Chairman Bari said that around half a dozen global satellite providers have expressed interest in offering satellite services in Bangladesh. However, so far, only Starlink has formally applied.

Starlink has been trying to enter the Bangladeshi market since 2021.

In April last year, BTTC approved the formation of a committee comprising officials from various divisions to draft guidelines for satellite-based internet services. The draft was completed in October 2024.

In the final guideline, satellite service providers were instructed to route internet traffic through

local gateways and connect to an IIG for data transmission.

This provision allows the government to legally or technically suspend internet access if necessary.

However, the government is now taking steps to prevent internet shutdowns in the future.

Faiz Ahmad Taiyeb, special assistant to the chief adviser with executive authority to the Ministry of Posts, Telecommunications and IT, said the interim government does not intend to shut down the internet even for a moment and is working to prevent such shutdowns in the future.

Speaking at a seminar during a four-day

investment summit in Dhaka, he outlined four steps the government is taking: recognising the internet as a citizen's right in the upcoming Cyber Security Ordinance, cancelling the standard operating procedure that allowed the ministry to initiate shutdowns, excluding shutdown provisions from NGSO licence guidelines, and amending telecom laws to eliminate the scope for future internet shutdowns.

Mustafa Mahmud Hussain, a telecom policy analyst, said Starlink's entry into Bangladesh marks a major step toward next-generation connectivity.

BANGLADESH INSTITUTE OF PEACE SUPPORT OPERATION TRAINING (BIPSOT), RAJENDRAPUR CANTONMENT, GAZIPUR

Invitation for Tender

1	Name of institution	Bangladesh Institute of Peace Support Operation Training, Rajendrapur Cantonment
2	Description of work	Installation of closed circuit camera system to strengthen security measures to enhance the operational capabilities of BIPSOT
3	Price of schedule	Mentioned tender will be available for purchase at the cost of 2000.00 BD Taka.
4	Procurement method	Open Tendering Method (OTM).
5	Security	3% security money needs to be deposited during tender collection and 10% security money will be kept after reception of work order.
6	Document requirement	Quotation for unit and collective price, genuine trade license, TIN Certificate, Income Tax Certificate, Vat Registration Certificate and Bank Statement (Attested copy) etc.
7	Tender sale	From the day of advertisement in national daily news upto 24 April 2025
8	Tender submit	30 April 2025, Important to note no tender will be accepted after the mentioned date.
9	Tender submit to	To be submitted to President, Purchased Committee
10	Tender opening	04 May 2025 at 1200 hrs (in the presence of all contractor)
11	Work time	After 15 days of reception of Work Order
12	Other instruction	All aspects mentioned in the schedule to be submitted as per instructions.

Note: Authority can be changed Tender in anytime.

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Commandant

Bangladesh Institute of Peace Support Operation Training, Rajendrapur Cantonment

GD-889

Government of the People's Republic of Bangladesh
Local Government Engineering Department
Office of the Upazila Engineer
Sonaimuri, Noakhali.
www.lged.sonaimuri.gov.bd

Memo. No.46.02.7583.000.99.002.25-340

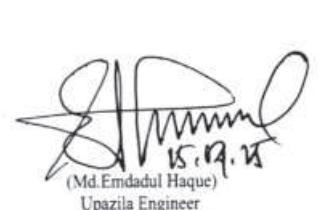
Date: 15-04-2025

e-Tender Notice No: 04/2024-2025(OTM)

e-Tender is invited the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the Procurement of following work, details are given below.

Sl no	Package No	Name of Work	Tender Last Selling (Date &Time)	Tender Security submission (Date &Time)	Tender closing (Date &Time)	Tender Opening (Date &Time)	Tender ID No
01	e-Tender/ PEDP-4/NKL/ SON/ 2024 - 25/ W20-680	Repair and Renovation work of Sonaimuri UEO under PEDP-4 at Sonaimuri, Noakhali.	30-04-25 16.00 PM	30-04-25 16.30 PM	30-04-25 17.00 PM	30-04-25 17.00 PM	1097297

This is an online Tender, where only e-Tender will be accepted in the National e-GP Portal and no Offline/Hard copies will be accepted to submit e-Tender. Registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender Documents from the National e-GP System Portal have to be deposited online through any registered Banks Branches. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd).


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Foreign investors

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"A transparent and equitable energy pricing framework is fundamental to sustaining investor confidence and industrial growth," said FICCI President Zaved Akhtar.

"While we understand the evolving demands of energy management, we urge the BERC to revisit this approach and ensure that policy changes align with the broader goals of economic development and FDI attraction."

The trade body said the provision to treat any new GSA as a new connection -- even for long-standing industrial users -- introduces ambiguity and could lead to arbitrary reclassification.

"This could inadvertently disrupt existing business continuity and create administrative and operational uncertainty," it said, adding that new GSAs with existing customers should not fall under the tariff for new connections.

FICCI said that during the public hearing held on February 26, 2025, industry stakeholders collectively expressed strong reservations about the proposed tariff structure.

It also emphasised the importance of continuing dialogue with all relevant stakeholders, including foreign and domestic investors, to ensure that energy reforms support inclusive and sustainable

industrial expansion.

"We believe a

collaborative approach to policy design can help avoid business disruptions and send a positive signal to potential investors," Lopez added.

(অসমীয়া বাংলা পিএলসি)

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