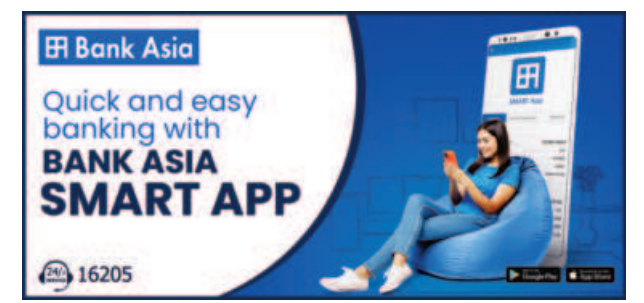


Star BUSINESS



Scrap draft ordinance on revenue Taxmen say

STAR BUSINESS REPORT

The BCS Taxation Association has called to immediately rescind the draft ordinance that proposes dissolving the National Board of Revenue (NBR) and replacing it with two separate entities – the Revenue Policy Division and the Revenue Management Division.

Under the draft "State Policy and Revenue Management Ordinance, 2025", both the NBR and the Internal Resources Division will be abolished.

Describing the ordinance as inconsistent, the association argued that it fails to address the legal challenges and administrative complexities that would emerge in revenue management after the dissolution of the NBR.

"The draft is a 'hastily prepared' document which lacks proper stakeholder engagement," the association said in a statement, circulated yesterday following a special general meeting on Saturday. **READ MORE ON B3**

Govt won't allow cattle import this Eid: adviser

STAR BUSINESS REPORT

The government will not allow cattle imports ahead of Eid-ul-Azha as there is a higher supply of animals than demand in the country, Fisheries and Livestock Adviser Farida Akhter said yesterday.

No cattle will be allowed entry, she said at a press conference on the demand and supply of animals for Eid-ul-Azha, which is scheduled to be celebrated in the second week of next month.

She said Bangladesh has 1.24 crore animals, including 56 lakh fattened bulls and buffaloes for sacrifice this year, according to a press statement.

"We expect there will be a surplus of 20.68 lakh cattle this year," Farida said. **READ MORE ON B3**

Investment at stake as gas crisis chokes textile, RMG factories

Exporters warn of severe disruptions, rising costs and waning investor confidence

REFAYET ULLAH MIRDHA

The country's flagship textiles and readymade garments (RMG) industries are reeling from a crippling gas crisis, threatening an estimated \$70 billion in investments amid mounting global trade uncertainty over new US tariffs.

Production in many textile mills has slumped to just 30 to 40 percent of capacity, as gas pressure plummets across key industrial zones, including Narayanganj, Gazipur, Bhulta, Maona, and Tongi, according to manufacturers.

For textile units, consistent gas supply is a must for uninterrupted operations. These mills use gas for generating electricity, powering spinning machines and producing steam in boilers for fabric dyeing.

The authorities have increased the gas tariff recently, with promises of improved supply.

But many mill owners say there has been no relief even after the latest price hike as production at some factories in the industrial belts has come to a grinding halt due to zero gas pressure.

For more than a week, Israq Spinning Mills Ltd in Gazipur has been running below 50 percent capacity.

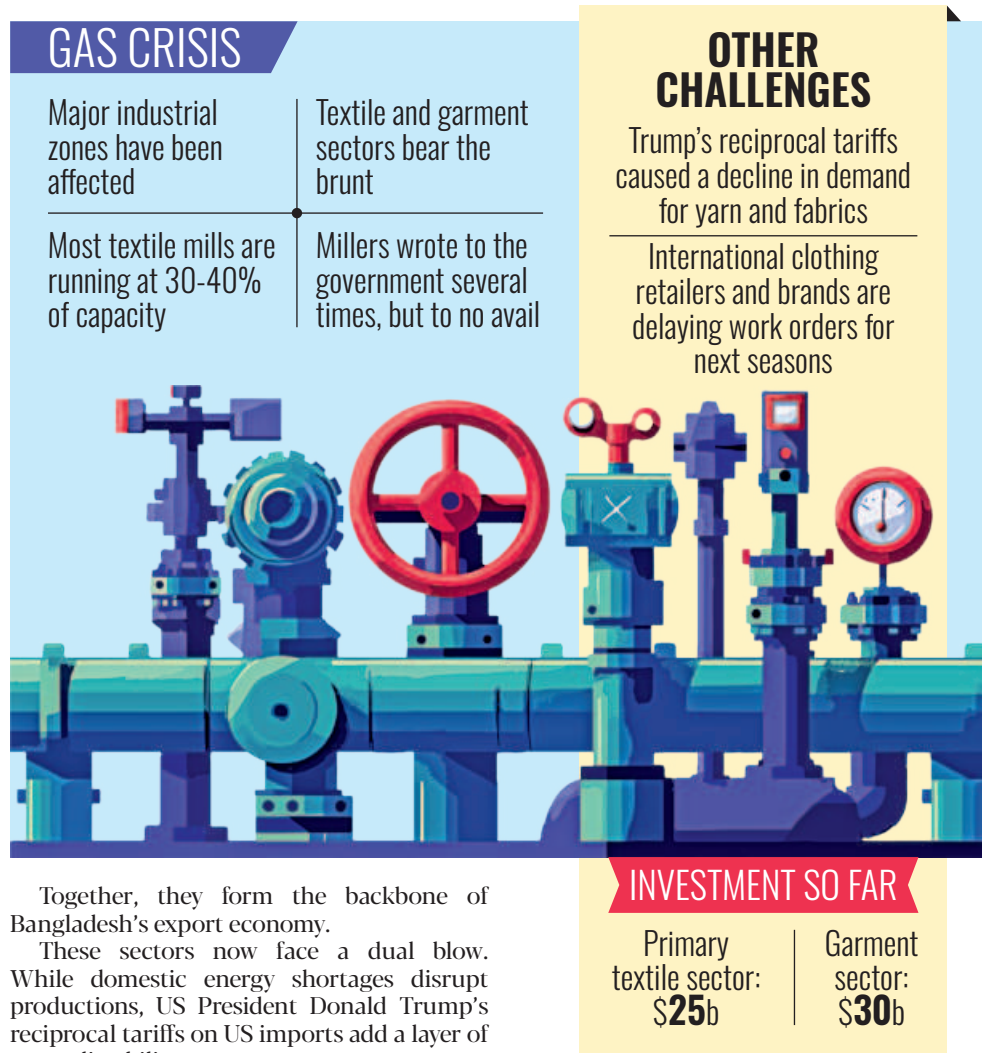
"Our daily production capacity is 170 tonnes of yarn, but due to low gas pressure, we are only managing 75 tonnes a day," said Fazlul Haque, managing director of the factory.

Another yarn spinner, Khorshed Alam said that their daily capacity is over 25,000 pounds.

"But we failed to produce even 9,300 pounds of yarn yesterday," said Alam, chairman of Little Group.

Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said that the sector needs over 2,000 million cubic feet of gas daily, while current supply stands at just 1,000 mmcfd.

Currently, the primary textile sector, which covers spinning, weaving, dyeing, finishing and printing, has investments over \$25 billion, while the garment industry accounts for over \$30 billion.



Together, they form the backbone of Bangladesh's export economy.

These sectors now face a dual blow. While domestic energy shortages disrupt productions, US President Donald Trump's reciprocal tariffs on US imports add a layer of unpredictability.

Although the new tariffs are paused for 90 days, it has left Western buyers hesitant, delaying new work orders for next summer and autumn. But brands and retailers are in a wait-and-see mode.

This has an implication on the local manufacturers.

"Demand for yarn has dropped in the local market following the US tariffs. Buyers are indecisive about placing new orders," said Israq Spinning MD Haque.

To ease the industrial gas crisis, BKMEA Executive President Hatem suggested the government import an adequate amount of liquefied natural gas (LNG) urgently.

Showkat Aziz Russell, president of the Bangladesh Textile Mills Association (BTMA), said the crisis has hit a critical level.

"Many units are unable to run. The past week has been especially severe. We have written to the government several times, but there has been no resolution," he

added.

On average, a spinning mill is losing Tk 25 lakh per day, according to BTMA estimates.

Nearly 500 spinning mills are affiliated with the association, and many fear they will be forced to shut down if the situation does not improve.

Meanwhile, industry leaders said this crisis is the latest in a series of shocks over the past couple of years.

The sector has barely recovered from the fallout of Covid-19, the Russia-Ukraine war, currency volatility, and global inflation, and now faces uncertainty from Trump-era tariff policies.

The situation is complicated by the volatile exchange rate and steep depreciation of the local currency Taka.

Two years ago, the US dollar was at Tk 85, while it now stands at Tk 122, squeezing importers of cotton and machinery and leaving many starved of working capital.

"Entrepreneurs are running out of working capital," said Russell. "These repeated blows, both at home and abroad, have left us in a fragile state."

Most banks fail to finalise annual financial reports

BB seeks govt approval to extend deadline

STAR BUSINESS REPORT

The Bangladesh Bank (BB) has applied to the finance ministry seeking a one-month extension after a majority of banks, including listed lenders, failed to finalise their annual financial statements by the April 30 deadline.

As per the Bank Company Act 1991, banks must finalise their financial statements within four months of the end of the financial year and submit them to the Bangladesh Bank.

Additionally, banks listed on the stock market are required to declare dividends within this period, according to the Bangladesh Securities and Exchange Commission (BSEC) rules.

However, a majority of banks failed to do so. Contacted, Arief Hossain Khan, executive director and spokesperson of the central bank, confirmed to The Daily Star that the banking regulator had applied to the Finance Ministry for a one-month extension to allow banks to finalise their annual statements.

However, the central bank is yet to receive approval. Of the 36 listed banks, 23 have not finalised their annual financial statements. Most of the 25 non-listed lenders are also in the same situation.

Officials of numerous commercial banks said that the situation has arisen this year due to the central bank's strict policies.

They added that banks used to receive various regulatory forbearances in previous years, including deferral facilities on maintaining provisions during the finalisation of annual statements.

However, the banking regulator has not granted any such regulatory forbearance this year.

Besides, in March this year, the central bank tightened the dividend policy for banks, causing banks that took deferral facilities from the central bank to meet provisioning requirements to be barred from paying dividends from 2024 onwards.

Among listed banks, state-run Rupali Bank, Dhaka Bank, Mercantile Bank, One Bank, Southeast Bank, UCB, Al-Arafah Islami Bank, Standard Bank, Premier Bank, EXIM Bank, IFIC Bank, AB Bank, Islami Bank Bangladesh, Social Islami Bank, First Security Islami Bank, and Global Islami Bank have not yet finalised their financial statements.

KEY POINTS

- Most banks missed the April 30 deadline to finalise annual financial statements
- Only 13 banks finalised statements, with most declaring dividends despite the crisis
- Strict BB policies and a lack of regulatory forbearance blamed for the delays

The case is the same for new-generation banks such as Union Bank, South Bangla Agriculture and Commerce Bank, NRB Commercial Bank, and NRB Bank.

A total of 13 banks have finalised their annual financial reports. Among them, ICB Islamic Bank, which has been incurring losses for a long time, did not declare any dividends this year.

Private sector banks that declared dividends include BRAC Bank, City Bank, Bank Asia, Eastern Bank, Pubali Bank, Dutch-Bangla Bank, Mutual Trust Bank, Trust Bank, Shahjalal Islami Bank, Jamuna Bank, Prime Bank, Uttara Bank, and Midland Bank.

Experts call for predictable tax policy, unified VAT

STAR BUSINESS REPORT

Business leaders and policy experts in Bangladesh have urged the interim government to adopt predictable tax policies and accelerate digitalisation of the tax system in order to foster investor confidence and drive sustainable economic growth.

They made these recommendations at a pre-budget seminar titled "Fiscal Issues for National Budget 2025-26 to Foster Economic and Business Growth" at the Sheraton Dhaka yesterday.

The event was organised by the Institute of Chartered Accountants of Bangladesh (ICAB) in collaboration with the Foreign Investors' Chamber of Commerce and Industry (FICCI) and the Japan-Bangladesh Chamber of Commerce and Industry (JBCCI).

"We must separate policy formulation from revenue administration to promote fairness and predictability," said Zaved Akhtar, president of the FICCI.

He emphasised the need for an integrated and transparent tax system to improve revenue generation while ensuring operational efficiency.

"If we want to unlock the full potential of VAT reforms, we must progressively shift to a unified VAT

EXPERTS SAY ...

- Predictable tax policy key to boosting investors' trust
- Simplified, integrated system will enhance VAT efficiency
- Digitalisation of tax, customs needed for smoother compliance
- Complexity, duplication raise business compliance costs
- Clear, consistent policies help attract foreign investment

system. It's not just a tax issue – it's a structural shift in how we operate as an economy."

Akhtar warned that the country faces looming fiscal challenges. "We've had many debates on this subject. Unfortunately, the truth is, at some point, we will run out of money. The challenge is how we manage this transition to a more modern, progressive tax regime."

He also pointed to the high effective tax burden due to complexity and duplication. "Even as we move towards greater direct

taxation, streamlining the system must be a key priority."

Maria Howlader, president of ICAB, stressed the importance of consistency in fiscal policy. "We need a predictable tax policy. Investors plan based on current policies, and sudden changes within six months are discouraging."

She also called for inflation control, sustainable investment, and discipline in revenue and public expenditure management. "Unless confidence is restored among local investors, why would foreign investors choose Bangladesh?" she questioned.

Tareq Rafi Bhuiyan (Jun), president of JBCCI, highlighted the importance of tax rationalisation and eliminating overlaps to attract foreign direct investment (FDI). "Japanese investors are conservative and prefer long-term plans. Streamlining the VAT system is essential."

He also called for the introduction of a long-term fiscal policy model to improve planning and reduce uncertainty.

Responding to business concerns, Md Abdur Rahman Khan, chairman of the National Board of Revenue (NBR), said the revenue authority would prioritise procedural simplification in income tax, VAT, and customs for the upcoming fiscal year instead of reducing tax rates.

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সর্বোত্তম এবং পূর্ণাঙ্গ ব্যাংকিং সেবার অঙ্গীকার নিয়ে
**সিটিজেন্স ব্যাংক প্রিএলসি-এর
পাঁচরুখী উপশাখার
শুভ উদ্বোধন**

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