

Govt to consider NBR officials' concerns

STAR BUSINESS REPORT

The government will duly consider demands from protesting officials of the National Board of Revenue (NBR), who have been observing a pen-down strike since the interim government passed an ordinance aimed at dissolving the revenue board on May 12.

The assurance came following a meeting at the Secretariat between NBR officials and three government advisers, after which the finance ministry issued a statement.

The dialogue took place in the wake of five days of pen-down strikes observed by NBR officials across the country under the banner of the "NBR Reform Unity Council" to stop the government from splitting the NBR into two separate entities: the Revenue Policy Division and the Revenue Administration Division.

Speaking to reporters after the meeting, Finance Adviser Salehuddin Ahmed said the separation of functions within the NBR would remain unchanged.

However, he noted that the concerns raised by officials would be taken into account when the government issues the notification under the new ordinance.

He also announced there would be no further formal meetings with NBR officials on this issue. "NBR officials can raise their concerns through the advisory committee, which has been formed earlier to reform the NBR," he said.

However, the NBR officials were 'unhappy',

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To appease US, NBR to offer zero-duty for 100 more goods

Highlights

Bangladesh's goods face a 16% tariff in US market
Additional 37% tariff to be slapped without a deal
Bangladesh's weighted avg tariff on US products 6.10%

Timeline: US tariff hike and Bangladesh's response

Apr 2: Trump announces reciprocal tariff
Apr 7: CA requests Trump to postpone new tariff for three months
Apr 9: Trump announces a 90-day tariff pause
Apr 23: US seeks precise proposal from Bangladesh
May 7: US asks Bangladesh for written proposals

BANGLADESH OFFERS

Dedicated duty-free bonded warehouses for US cotton
Zero duty on 100 more US items

Major items considered for duty-free entry

Textile raw materials
Machinery
Defence equipment
Agriculture items
Zero-duty benefit to 100 US-linked goods likely in FY26
Tariff exemption not country-specific
NBR gets Tk 600cr import revenue from 100 US items in FY25
Presently 190 US goods get duty-free entry

MOHAMMAD SUMAN, *Chittagong*

The National Board of Revenue (NBR) is set to propose zero import duties on an additional 100 goods in the upcoming national budget, aiming to boost bilateral trade with the United States and cushion higher tariffs on Bangladeshi products entering the American market.

The move received policy-level approval from Chief Adviser Professor Muhammad Yunus during a meeting with National Board of Revenue (NBR) officials on Monday, where Finance Adviser Salehuddin Ahmed was also present.

According to NBR sources, while tariff exemptions cannot legally be granted based on the country of origin, the curated list that was proposed features 161 items that are predominantly imported from the US.

Officials say the selection was made carefully to minimise any significant impact on government revenue.

The items on the list include raw materials and capital machinery used in the textile and garments sector, such as garnetted stock of cotton, cotton waste, raw or retted

flax, textured polyester yarn, synthetic yarn, artificial filament tow, synthetic staple fibres, and textile machinery.

The list also covers military and law enforcement equipment, including turbojets, turbo propellers, weapons such as guns, howitzers, mortars, rocket launchers, grenade launchers, standard-issue military arms, muzzle-loading firearms and target shooting shotguns and rifles, as well as other firearms imported by or on behalf of the government of Bangladesh.

Additionally, various machinery for the energy, medical, agriculture, and poultry sectors have been included.

The initiative comes in response to the Donald Trump administration's decision to impose a 37 percent tariff on imports from Bangladesh, announced on April 2, under his sweeping "reciprocal tariffs" policy.

The announcement triggered a global market crash and sparked widespread diplomatic and economic uncertainty.

However, a 90-day pause was declared within a week.

Bangladeshi exports to the US already face a 15 percent tariff, meaning the imposition of

an additional 37 percent supplementary duty would raise the effective tariff to 52 percent – posing a serious threat to the country's access to the US market.

In light of these developments, Chief Adviser Yunus formally requested a three-month deferral of the new US tariffs on Bangladeshi exports to allow time for bilateral engagement and review.

To help address the emerging trade imbalance and mitigate the impact of the new US tariff regime, Bangladesh decided to expand its list of zero-duty items for US-origin imports.

A letter from Commerce Adviser Sheikh Bashir Uddin to US Trade Representative Jameson Greer confirmed that 100 more products would be added to the existing list of 190 items that already enjoy duty-free access.

As per the NBR data, until April of FY25, Bangladesh imported 4.5 lakh tonnes of goods from the United States, valued at Tk 27,245 crore, under the product categories proposed for duty exemptions.

The government collected Tk 595 crore in duties from these imports, which currently

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Trump's remittance tax plan poses threat to Bangladesh

AHSAN HABIB

The US House Budget Committee voted late on Sunday to move forward with President Donald Trump's "One Big Beautiful Bill Act", a proposal that could make sending money back home more expensive for three lakh Bangladeshis currently living in the United States.

The bill proposes a 5 percent tax on all international money transfers made by non-US citizens, including holders of non-immigrant visas such as the H-1B and green card holders.

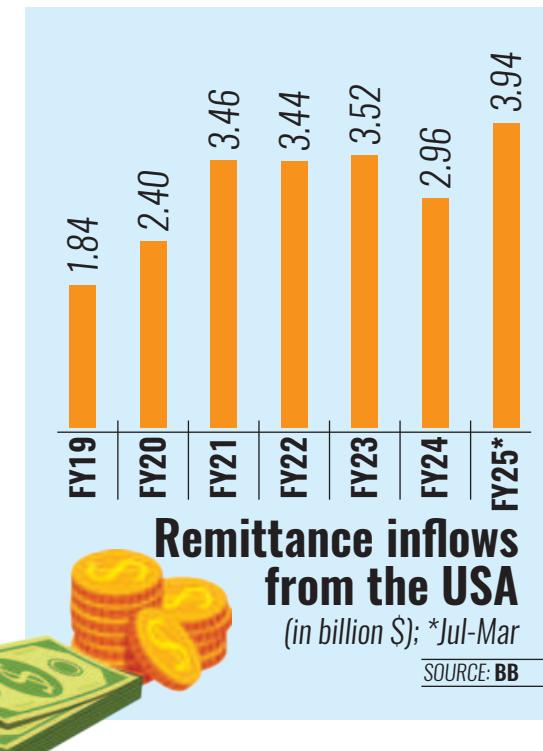
During the January-March quarter of this year, Bangladesh received the highest amount of remittances from the US – which was more than 18 percent of the total inflow.

"This is a matter of concern for Bangladesh. It would deal a massive blow to our increasing remittance inflow," said Birupaksha Paul, a professor of economics at the State University of New York in Cortland.

In the first nine months of the 2024-25 fiscal year, Bangladesh received \$3.94 billion in remittances from the US, according to the Bangladesh Bank.

If enacted, the US law would deduct 5 percent from the transferred amount at the point of transfer. No minimum exemption has been proposed, meaning even

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Farmers are the main risk-takers in value chain

BB study finds

STAR BUSINESS REPORT

Shortfalls in supply are the primary cause of price increases of major essential commodities such as rice, potatoes, onions, and eggs, while farmers are the main risk-takers, a central bank study found.

The study, titled "A Study on Value Chain Efficiency of the Agricultural Products in Bangladesh", was released by the banking regulator on Tuesday.

It found that supply shortages typically occur during off peak seasons and are also associated with decreased cultivation areas replaced by other profitable products, production being hampered by floods, and increased pest attacks.

The findings indicate that farmers or producers are the main risk-takers as they might earn a reasonable profit or face losses depending on supply, demand, competition, and production costs.

Other players, such as intermediaries, typically add cost and profit margins before selling products to the next actor, as per the findings.

"During our survey, we saw that farmers and producers are the main risk-takers. They make profits sometimes, but sometimes they face losses," Md Salim Al Mamun, director (research) of the chief economist's unit at the central bank, told The Daily Star.

The study also said imports can help stabilise prices of the select agricultural products during the off-peak months, when supply is naturally low.

To ensure price stability without hurting local producers, the government can lower or eliminate import duties before certain months when there are shortages in the supply of respective commodities, it added.

The survey was conducted jointly by the Chief Economist's Unit and the Governor's Office of the central bank. The team surveyed 14 districts on five essential agricultural products: rice, potatoes, onions, eggs, and broiler chicken.

The study found that a significant amount of profit is earned by the farmers while intermediaries and wholesalers gain small margins in the case of rice and paddy production during the survey period.

Rice millers in the supply chain play a crucial role, setting prices based on milling costs and market demand and supply conditions for paddy and rice, and making profits both from rice sales and byproduct income, as per the study.

The study finds that big wholesalers, colloquially known as aratdars, and retail sellers for rice, both in local and urban markets, set prices

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Only 5 of 28 locally developed tea varieties popular

SUKANTA HALDER

Out of the 28 varieties of tea plants developed by state-run Bangladesh Tea Research Institute (BTRI), only five are widely cultivated in the country, based on their high yield, quality, and climate resilience.

These varieties are also called tea clones – plants produced through vegetative propagation like cuttings or grafting from a single, selected parent plant, rather than from seeds.

This method allows for the creation of genetically identical plants with specific desirable traits, like high yield or disease resistance.

The five clones, named BT-1 (developed in 1966), BT-2 (1975), BT-4 (1981), BT-5 (1985), and TV-1 (1949), yield around 3,000 to 4,000 kilogrammes (kg) of tea per hectare on average, said BTRI Director Md Ismail Hossain.

BT-2 is the most popular due to its drought tolerance and flavour resembling Darjeeling tea, which is appreciated for its delicate taste, floral aroma, and wine-like notes reminiscent of muscat grapes, he added.

Speaking to The Daily Star yesterday, Hossain said BT-2 can be used to produce premium-quality black tea and green tea.

However, he added that, given the size of the country's tea industry, the number of clones developed so far is not sufficient and research is ongoing for new ones.

Traditionally, people tend to trust what is old and proven – and the same holds true in the tea sector, he said. Tea garden owners

prefer cultivating older, tried-and-tested clones, while adoption of newer ones remains limited, the researcher also added.

As such, garden owners usually cultivate three to five select clones to ensure that their operations are not commercially affected in any way, he added.

He informed that developing a high-quality clone takes around 13 years and its economic lifespan is around 50 years.

They garden owners said the BTRI needs to develop more clones focusing on climate resilience and high quality to boost tea production and sales.

Bangladesh's tea industry dates back 184 years. There are currently 170 tea gardens, mostly in the northeast.

In 2024, 93.04 million kg of tea was

produced in the country against an annual demand of 85-90 million kg, according to industry sources.

What tea garden owners and officials say

An official of one of the leading tea manufacturers, requesting anonymity, said they were cultivating BT-2 on nearly 50 percent of their plantation area given its high yield, quality, low susceptibility to pest attacks, drought tolerance, and low mortality rate.

They also planted TV-1, said the official, opining that more clones, focused on climate resilience for product diversification, were required.

Kamran Tanvirul Rahman, chairman of the Bangladesh Tea Association (BTA), a platform of tea garden owners, said there was a shortage of high-yield varieties and the BTRI needs to focus on this.

More drought-tolerant clones must also be developed as the country experiences little to no rainfall for five to six months of the year. Irrigation is not feasible everywhere, as it would increase production costs, he added.

Luthful Kabir Shaheen, director of business development at City Group, a leading conglomerate which owns the Bengal Tea brand and eight tea gardens, said their plants include the popular BT-1, BT-2 and TV-1 varieties.

"These clones have been prioritised due to their climate resilience, superior aroma, and sweetness, which make them more desirable in the market," he said.

Walton expands to Singapore

STAR BUSINESS REPORT

Walton Hi-Tech Industries PLC entered into a global distributorship agreement with Singapore-based Flair M&E Pte Ltd, appointing the company as its authorised distributor in Singapore for the next five years.

According to a disclosure posted on the Dhaka Stock Exchange (DSE) website yesterday, Flair M&E – a private company incorporated in Singapore – will be responsible for selling, distributing, and marketing Walton products in the country.

An agreement was signed between Walton Hi-Tech Industries PLC and Flair M&E Pte Ltd in this regard on Monday. The agreement came into effect on the date of signing, according to the disclosure.

Following the announcement, Walton's share prices rose 0.47 percent, closing at Tk 407.

Abdur Rouf, head of global business at Walton, said the partnership is part of the company's broader strategy to strengthen its global presence.

Walton currently exports electronics and appliances to 67 countries, including the US, UK, Australia, Germany, India, and Nigeria.

The company sells products under its own brand in 41 markets such as India, Mexico, Nigeria, Sri Lanka, and Vietnam, offering a full range that includes refrigerators, televisions, air conditioners, and home appliances.

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