

Diversify exports to face post-LDC challenges: experts

STAR BUSINESS REPORT

Bangladesh must urgently diversify its export base and reform trade policies to cope with challenges following its graduation from the least developed country (LDC) category in 2026, said Selim Raihan, executive director of the South Asian Network on Economic Modeling (SANEM).

"No country has achieved structural transformation with such high export concentration," he stated, cautioning that Bangladesh risks falling into an "infeasible region" of development unless it immediately diversifies into high-value sectors.

Raihan urged a shift from cash-based incentives to World Trade Organization (WTO)-compliant support, such as investments in infrastructure, technology upgrades, and logistics reforms.

He stressed comprehensive reforms to reduce high tariff rates, rationalise para-tariffs, and improve customs efficiency.

Suggesting following in the footsteps of Vietnam and Thailand, Raihan called for export-oriented industrialisation, enhanced efforts for more foreign direct investment (FDI), and institutional readiness.

"Compared to our neighbours, Bangladesh's

reliance on import taxes is disproportionately high," he added.

He recommended an integrated reform framework, dynamic tariff alignment, and stakeholder engagement, along with exploring new markets beyond the European Union and the US.

Raihan was addressing a seminar titled "Export-Import Policies in Bangladesh: Requirements and Challenges upon LDC Graduation" organised by the Dhaka Chamber of Commerce and Industry (DCCI) at its auditorium yesterday.

Prolonged inflation, US tariff retaliation, India's export curbs, energy shortages, low foreign exchange reserves, financial mismanagement, and instability in law and order are disrupting industrial operations, said DCCI President Taskeen Ahmed.

"In light of global perspectives and upcoming challenges, reassessing our import-export policies is essential," he said.

He pointed out that leather, pharmaceuticals, jute, and agro-processing sectors missed export targets over the years, while 84 percent of exports remain limited to readymade garments (RMG) and concentrated in a few markets.

Lutful Siddiqi, special envoy on international affairs to the chief adviser, called for urgent

structural reforms in government agencies, better port management, and coordinated policymaking.

He emphasised the need for a long-term industrial roadmap and encouraged rational, unified business demands. Anisuzzaman Chowdhury, special assistant to the chief adviser, echoed the urgency of reform, stating, "There is no turning back from LDC graduation."

Calling for a focus on high-value apparel, pharmaceuticals, and light engineering, he announced that a national dialogue involving the stakeholders would be held soon.

Kazi Mostafizur Rahman, member (customs), National Board of Revenue, said the revenue authority has been focusing on automation since 1993, such as deploying the Automated Systems for Customs Data (ASYCUDA), a computerised customs management system.

He proposed involving the private sector in post-LDC trade talks with different countries and announced that a central bonded warehouse featuring an electronic data exchange system would be operational by July.

"Effective policy support matters more than direct incentives," said Md Anwar Hossain, vice chairman of the Export Promotion Bureau.

London property freeze

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"A significant amount of illicit wealth linked to Bangladeshi individuals and institutions is still scattered across the UK. We hope those assets will also be identified and frozen," Mansur said at a programme in Dhaka.

Responding to questions from journalists about the timeline for repatriating the frozen assets, the governor said that seizure alone does not lead to immediate return.

"Asset seizure is not directly linked to repatriation. It comes after legal proceedings," he commented.

"However, once seized, the assets cannot be sold or transferred until the trial is concluded, which is a very significant step. Now it will be up to the court to decide whether the assets belong to the UK or Bangladesh. We will now initiate the legal process."

Asked about the high lending rates in the microcredit sector, the governor pointed out that the cost of operations in microfinance remains high, due mainly to its labour-intensive nature.

In contrast, he said, the banking

Top earners face 30% tax

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Since then, the Personal Income Tax (PIT) rates have also remained unchanged.

Finance Adviser Salehuddin Ahmed may announce the tax rate while placing the national budget for the next fiscal year on June 2.

As part of its prospective tax rate measures, the government announced the tax rates for two years – FY25 and FY26 – for the first time last fiscal year. Currently, the NBR collects individual income tax under five brackets.

Beyond the annual tax-free income threshold of Tk 3.5 lakh, rates are structured as follows: 5 percent on income up to Tk 4.5 lakh, 10 percent on income up to Tk 8.5 lakh, 15 percent on income up to Tk 13.5 lakh, 20 percent on income up to Tk 18.5 lakh, and 25 percent on income

exceeding Tk 18.5 lakh.

The government is planning to raise the tax-free income threshold to Tk 3.75 lakh, according to a finance ministry official. In addition, other rates may also be rescheduled.

Minimum tax set at Tk 5,000; New taxpayers pay only Tk 1,000

The interim government is likely to set a flat minimum income tax of Tk 5,000 for all individual taxpayers, regardless of their location.

This would mean that individuals in city corporations, municipalities, and rural areas alike may be subject to the same minimum tax rate.

Currently, the minimum tax stands at Tk 5,000 for residents of Dhaka North, Dhaka South, and Chattogram City Corporation areas; Tk 4,000 in other city corporation areas; and Tk 3,000 in municipal and rural areas outside city corporations.

Trade activities disrupted

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Advocate Khan Moniruzzaman, president of the Khulna Tax Lawyers Association, demanded the immediate withdrawal of the ordinance.

"We are open to reforms, but the NBR must remain intact. We want reforms that reduce public suffering and are informed by the voices of all stakeholders," he said.

Commenting on the reform agenda, he added: "Yes, we need a sustainable revenue policy, legal amendments, and the modernisation and automation of the tax system. But this must be done transparently and in consultation with all parties –

not in secrecy or under the cover of night."

This is the eighth day of protests by the NBR officials. It began after the interim government, on May 12, issued the Revenue Policy and Revenue Management Ordinance that seeks to form two divisions – one for tax policy and the other for revenue collection.

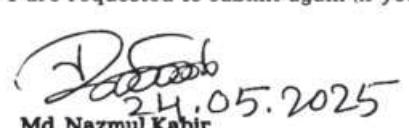
While the government argues that the structural overhaul is aimed at preventing conflicts of interest between policymaking and implementation, revenue officials claim that provisions of the ordinance are discriminatory.

Bangladesh Election Commission Election Commission Secretariat Nirbahan Bhaban, Agargaon, Dhaka www.ecs.gov.bd

Re-Tender for Goods & Services (Multiple Lots)

1	Ministry/Division	Election Commission Secretariat		
2	Agency	Election Commission Secretariat		
3	Procuring Entity Name	Senior Secretary, Election Commission Secretariat		
4	Procuring Entity District	Dhaka		
5	Invitation Ref No.	17.00.0000.016.11.502.25-206		
6	Date	24-05-2025		
7	Procurement Method	National Competitive Tender (NCT) Open Tendering Method (OTM)		
8	Budget and Source of Funds	GOB (Revenue Budget)		
9	Tender Package Name	Procurement of Goods & Services		
10	Tender Package No.	ECSPM2		
11	Tender Last Selling Date and time	03-06-2025, 4.00 PM		
12	Tender Closing Date and time	04-06-2025, 12.00 PM		
13	Tender Opening Date and time	04-06-2025, 12.30 PM		
14	Name & Address of the Office(s)			
	(a) Selling Tender Document	Senior Assistant Secretary, Personnel management-2, Election Commission Secretariat, Nirbahan Bhaban, Agargaon, Dhaka		
	(b) Receiving Tender Document	Senior Assistant Secretary, Personnel management-2, Election Commission Secretariat, Nirbahan Bhaban, Agargaon, Dhaka		
	(c) Opening Tender Document	Deputy Secretary (Personnel Management), Election Commission Secretariat, Nirbahan Bhaban, Agargaon, Dhaka		
15	Eligibility of Tenderers	Bidders that fulfill the criteria described in the Tender document		
16	Brief Description of goods and Related Services	Supply of Stationery Item, OMR form, Answer sheet for written test with lithocode OMR sheet, Evaluation of OMR Sheet & Photocopy of question paper and packaging (Lot-1) & Rent of vehicle (Lot-3)		
17	Lot No	Identification of Goods	Price of Tender Document (Tk)	Tender Security
1	Lot-1: Supply of Stationery Items, OMR form, Answer sheet for written test with lithocode OMR sheet, Evaluation of OMR Sheet & Photocopy of question paper and packaging	Tk. 2000/- (Two Thousand Taka)	Tk. 1.90.000/- (One lac & Ninety Thousand Taka)	Completion Time in weeks/months 06 (six) months
2	Lot-3: Rent of vehicles	Tk 1000/- (One Thousand Taka)	Tk. 33.000/- (Thirty Three Thousand Taka)	Location Election Commission Secretariat, Nirbahan Bhaban, Agargaon, Dhaka
18	Name of Official Inviting Tender	Md. Nazmul Kabir		
19	Designation of Official Inviting Tender	Senior Assistant Secretary		
20	Address of Official Inviting Tender	Personnel management-2, Election Commission Secretariat, Nirbahan Bhaban (5 th Floor, Room no-522), Agargaon, Dhaka		
21	Contact details of Official Inviting Tender	Phone: 02-55007563		
22	Tender Security	Tender Security must be in the form of Pay Order in favor of Secretary, Election Commission Secretariat, Dhaka.		
23	Special Instruction	None		
24	The procuring entity reserves the right to reject any or all Tenders.			

N.B: In case of Lot-1 and Lot-3 Mentioned in tender notice published on 27 April 2025 to be considered as cancelled. Tenderer's who submitted tender document against Lot-1 are requested to submit again (if you are interested).


Md. Nazmul Kabir
Senior Assistant Secretary
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Procurement law revised

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Traditionally divided into three categories—goods, works, and services—the new structure replaces "services" with two distinct, broader categories—physical services and intellectual services.

This includes outsourced services like catering and event management, which have significantly evolved over time with growing demand and will now be separately recognised.

"This expansion brings long-overdue recognition to services that were growing but not clearly classified," said Islam.

He also said the ordinance emphasised that the main goal was to align Bangladesh's procurement framework with international standards.

This has been recommended by longstanding development partners such as the World Bank, which has been supporting reform projects involving the country's procurement processes since 2001, he said.

These reforms are expected to modernise the procurement system and restore stakeholder confidence while ensuring effective implementation of government projects, he added.

Faruque Hossain, procurement policy consultant for the Ministry of Power, Energy and Mineral Resources, pointed out that separation of the service types was a fundamental structural reform.

"Earlier, the Public Procurement Rules 2008 only recognised 'services' under a single broad category, often limited to intellectual and professional services such as auditing, financial management, or software development," he said.

"Over time, it became evident that this was too narrow," he said.

Hossain elaborated that services are now distinctly classified into two categories—intellectual services, including consultancy, auditing, and software development; and physical services, such as event management,

operations and maintenance, and workshop management.

The previous framework forced procuring entities to follow procedures suited for intellectual services even when procuring physical services, creating inefficiencies.

The new law addresses this gap by explicitly recognising physical services, allowing for more appropriate procurement mechanisms.

Another critical reform is the inclusion of non-governmental organisations (NGOs) as eligible bidders.

"Previously, NGOs were excluded due to structural differences in how they operate. NGOs typically receive funds before they go for spending, whereas contractors spend first and are reimbursed later," said Hossain.

"This discrepancy barred many capable NGOs—especially in sectors like health, education, and social services—from participating in tenders," he explained.

Under the new ordinance, NGOs registered and authorised by the appropriate regulatory body can now participate in public tenders, opening up avenues for delivering grassroots services through competitive selection.

The reform also introduces flexibility in the use of standard tender documents.

"In the past, the use of the government's standard tender documents was mandatory in all cases," said Hossain.

"Now, if a procurement is of a particularly complex nature, procuring entities may use internationally recognised documents—such as those from FIDIC (International Federation of Consulting Engineers) or British standards—with prior approval from the BPPA," he said.

This shift is expected to accommodate complex infrastructure projects where local documentations may fall short.

Another significant policy change is on allowing negotiations in the procurement of physical services.