Tanners may get slight tariff relief on chemicals

JAGARAN CHAKMA and MOHAMMAD SUMAN

POLICY & TARIFFS DEVELOPMENT

*NBR may cut duty on six tanning chemicals to **1%** from **5%***

*Sulphate duty could fall, but a new **15%** VAT may apply*

Tanners seek deeper tariff cuts to ease costs

*Total tax on some chemicals now as high as **58.6%***

BOND ACCESS

*Only **27** tanneries have bonded warehouse access*

*Around **100** remain outside, face added financial strain*

COMPLIANCE ISSUES

Duty-free chemical misuse under bond hurting compliant firms

The government is considering reducing customs duty on seven imported tanning chemicals in the upcoming national budget, offering slight relief to the country's struggling tannery sector.

At present, only 27 tanners benefit from bond facilities designed to support the domestic leather industry. Around 100 others operate without such privileges and face higher and varied duties on chemical imports, according to finance ministry sources.

Industry leaders say this disparity creates an uneven playing field. The Bangladesh Tanners Association (BTA) has told the National Board of Revenue that the existing duty structure is hurting the competitiveness of the sector.

There are also reports that some traders are exploiting the bond system by importing chemicals duty-free and then

BUDGET FOR FY26

selling them on the open market — an abuse made more profitable by the high duties faced by non-bonded tanners.

In response, the government is now weighing a reduction in customs duty on seven key chemicals used in tanning, including chromium sulphate, acid dyes, and wattle extract.

Under the proposal, duties on six of these items may be cut from 5 percent to 1 percent, while the duty on sulphate could drop from 10 percent to 5 percent. However, the NBR may also impose a 15 percent value added tax (VAT) on sulphate.

Even so, tanners say the planned changes are too little to make a real difference.

In a formal submission to the NBR in March this year, the BTA called for a sharp cut in the total tax incidence, which now reaches as high as 58.6 percent on some chemicals when advance taxes are included.

The association urged the government to bring that figure down to 7.5 percent.

"The current import tax structure, ranging from 35 to nearly 40 percent on essential chemicals, is simply unsustainable," said Shaheen Ahmed, chairman of the BTA.

"Chemical imports are the lifeline of the tannery sector. Except for basic inputs like salt and lime, we rely entirely on imported chemicals. Competing with countries that enjoy cheaper raw materials becomes nearly impossible under these tax conditions," said Ahmed.

He claimed that minor reductions in duty will not solve the bigger problem.

"Even if duties are cut by a few percentage points, it doesn't resolve the bigger issues," he said.

"Large commercial importers might absorb these costs, but small and mid-sized tanneries operating under strict compliance frameworks are disproportionately burdened," added the association chairman.

Mizanur Rahman, general secretary of the association and director of Samata Leather Complex Ltd, said that earlier reductions in duty, such as those on chromium sulphate, were eventually reversed, eroding industry confidence.

"Only seven products now receive marginal benefits, while duties on many essential chemicals remain unchanged," he told The Daily Star. "A 4 percentage-point concession is too little to offset the rising compliance and administrative costs we face."

According to Rahman, lowering chemical costs allows tanners to pay higher prices for raw hides, which in turn encourages internal competition and improves market dynamics.

He said that without meaningful reforms, many small and medium-sized tanneries could be forced to shut down.

"If current conditions persist, international buyers will increasingly turn to more cost-efficient suppliers elsewhere," he said.

"If the government genuinely intends to support the leather sector, the duty structure must be redesigned to reflect practical, on-the-ground needs," he added.

Speaking at a Dhaka Chamber of Commerce & Industry (DCCI) event on Sunday, Syed Nasim Manzur, president of the Leather Goods and Footwear Manufacturers & Exporters Association of Bangladesh, said the country produces around 350 million square feet of leather annually. Of this, nearly 40 percent is collected during the Eid-ul-Azha season.

Yet only 20 percent to 25 percent is processed locally, mainly for shoes and bags. The rest is exported, with 65 percent passing through Chinese middlemen who offer lower prices than direct international buyers, said Manzur.

For the industry, Manzur cited infrastructure and compliance issues as key setbacks.

"The Central Effluent Treatment Plant (CETP) at Savar is still non-functional, and we do not have critical global certifications like Leather Working Group (LWG) approval. Without these, we cannot enter premium international markets," he said.

Why every visionary business founder needs a great COO

OSMAN ERSHAD FAIZ

Every company founder reaches a point where success invites complexity. The product is gaining traction. The team is expanding. Investors are excited. Vision feels limitless. But somewhere along the way, momentum begins to stall. Meetings multiply. Decisions get bottlenecked. Execution starts to fray.

This isn't a failure of leadership. It's the cost of scaling without structure.

At this stage, most companies don't need more ideas or energy. They need alignment. They need rhythm. They need operational clarity. In other words, they need a chief operating officer (COO).

The COOs are not sidekicks—they're the integrators. The role of the COO is often misunderstood. It's seen as secondary, reactive, or purely tactical. But a great COO is none of those things.

They are not the fixer behind the scenes or the executor of leftover strategy. They are the integrator—the person who turns vision into sustainable progress, transforming scattered motion into synchronised momentum.

They create space for leaders to lead. They build systems that scale ambition without sacrificing focus.

What do the best COOs actually do? The most impactful COOs are not always visible but they are always essential. Their work includes translating vision into execution-ready systems, safeguarding executive time and decision-making bandwidth, pre-empting roadblocks and bringing structure to chaos and clarity to complexity.

Culture is operational, not aspirational. Culture is too often treated as a separate conversation, something abstract or Human Resources-driven. In reality, culture is embedded in operations. It's how time is managed, how decisions are made and how people communicate under pressure.

A great COO sees culture as a strategy to be executed. They enforce it through process, consistency, and example, quietly reinforcing values not with slogans, but with systems.

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Hustle doesn't scale. Structure does. Companies are often powered by relentless energy. But that energy, over time, becomes unsustainable. Hustle may get a company off the ground, but what sustains growth is structure.

That's the work of a COO—to create the scaffolding for scale. To ensure that what made the company great at the beginning doesn't fall apart as it grows. To help founders not just to go further but to also not lose their way.

A final word to visionaries. The best time to bring in a COO is not when things are already breaking. It's before.

Smart founders recognise this. They understand that scaling a company is not just about building fast. It's about building right. And they know that behind every well-run, high-growth organisation, there's often a COO quietly driving alignment, execution, and integrity.

Ambition is powerful. But without architecture, it collapses under its own weight.

The writer is the additional managing director and chief operating officer of Eastern Bank PLC

Regulations approved for first commodity exchange

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has approved rules and regulations necessary to run commodity exchange markets, paving the way for the Chittagong Stock Exchange (CSE) to launch the country's first such trading entity soon.

A commodity exchange determines and enforces rules and procedures for trading standardised commodity contracts and related investment products.

According to experts, a commodity exchange would allow farmers to lock in prices using forward contracting. This reduces the risk of a drastic price drop and squeezes out uneven ups and downs in commodity prices.

The CSE took the initiative to launch a commodity exchange in 2022 with the aim of reducing the difference between prices paid by consumers and producers.

In April 2022, the CSE appointed Multi Commodity Exchange of India Ltd as a consultant to help frame the rules and regulations.

The port city bourse received the licence to operate its commodity exchange in October 2023. However, it was unable to ensure logistics in the absence of the regulations.

The stock market regulator approved the Chittagong Stock Exchange (Commodity Derivatives) Regulations, 2025 at a meeting on Tuesday.

With the legal framework now available, the listing of derivatives, issuance of licences to brokers, and appointment of authorised representatives is now possible. The regulations also feature clearing and settlement criteria.

The commodity exchange will be a public limited company with a paid-up capital of Tk 4 billion.

Starlink signing deals with local firms to expand footprint

MAHMUDUL HASAN

Starlink is steadily consolidating its presence in Bangladesh through a series of partnership agreements with local companies, with deals spanning ground station development, colocation and data centre services, core site hosting, transmission, and international internet gateway (IIG) facilities.

The Daily Star spoke to half a dozen individuals, including officials from companies involved in these partnerships. However, all requested anonymity, citing non-disclosure agreements (NDAs) signed with Starlink.

Industry sources confirmed that most of the key deals have been secured by Fibre@Home and its affiliated companies.

The initial construction of Starlink's first ground station in the country is being carried out by Fibre@Home. The station is being developed at the Hi-Tech City in Kaliakair, Gazipur.

Starlink's servers will be hosted at Felicity IDC Limited, a Tier III data centre situated within the same park.

According to industry insiders, Fibre@Home and its subsidiaries offer a diverse portfolio, ranging

Industry sources confirmed that most of the key deals have been secured by Fibre@ Home and its affiliated companies

from optical fibre infrastructure to data centres and internet services, making them a strong local partner for Starlink's operations.

Additional ground stations are expected to be set up in the Software Technology Park in Jashore and in Cox's Bazar. In Jashore, Fibre@Home is providing the primary infrastructure for the Starlink facility there.

When approached for comment, Sajal Hazra, CEO of Fibre@Home Global Limited, confirmed the collaboration with Starlink but declined to disclose further details due to the NDA.

For transmission services, Starlink has partnered with Fibre@ Home, Summit Communications, and Bahon Limited.

Both Fibre@Home and Summit Communications are in discussions with Starlink to provide international internet gateway (IIG) services.

In a separate development, multiple companies have secured authorised reseller status with Starlink, each paying nearly $2.5 million for the opportunity.

While Starlink primarily deals directly with consumers for its 'Residential' and 'Roam' plans globally, authorised B2B resellers are permitted to serve business

READ MORE ON B3

Trust Bank to issue Tk 800cr bond

STAR BUSINESS REPORT

Trust Bank PLC will issue a bond worth Tk 800 crore to bolster its capital base, the company said in a disclosure on the Dhaka Stock Exchange (DSE) website yesterday.

The decision to float the bond was approved at a board meeting held on May 27 and is subject to approval from the relevant regulatory authorities.

Trust Bank reported a profit of Tk 372.31 crore for 2024, reflecting an 11 percent decline year-on-year.

The bank has announced stock dividends to strengthen its capital and business expansion, according to its financial statements.

As of April 30, 2025, sponsor-directors held 60 percent of the bank's shares, institutional investors held 22.24 percent, foreign investors 0.02 percent, and the general public 17.74 percent, DSE data showed.

Trust Bank, in operation since 1999 and sponsored by the Army Welfare Trust, operates 119 branches and SME centres and eight sub-branches across the country, according to its website.

Historic dollar fall needed to eliminate US trade deficit

ANALYSIS

REUTERS, *Orlando*

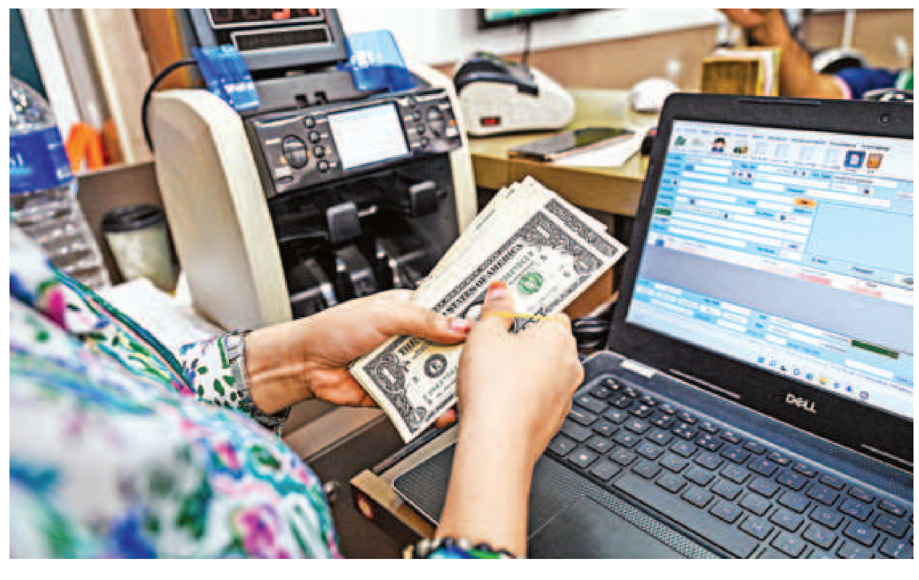
If the United States is to significantly reduce or, whisper it, eliminate its trade deficit, the dollar will probably have to weaken a lot. How much is unclear, though, as history shows large dollar declines are rare and have unpredictable consequences for trade.

Reducing the US trade deficit is the key goal of President Donald Trump's economic agenda because he believes it reflects decades of other countries "ripping off" America to the tune of hundreds of billions of dollars annually.

Stephen Miran, chair of the Council of Economic Advisers, published a paper in November titled "A User's Guide to Restructuring the Global Trading System" in which he argued that the dollar is "persistently over-valued" from a trade perspective. "Sweeping tariffs and a shift away from strong dollar policy" could fundamentally reshape the global trade and financial systems.

If a weaker exchange rate is the Trump administration's goal, it is on the right track, with the greenback down nearly 10 percent this year on the back of growing concerns over Washington's fiscal trajectory and policy credibility as well as the end of "US exceptionalism" and the "safe haven" status of Treasuries.

But it is good to remember that a 15 percent fall in the dollar during Trump's first term had no impact on the trade deficit, which remained between 2.5 percent and 3 percent of GDP until the pandemic. Making a dent in the US deficit will therefore require a much bigger move.



A staff counts US dollar currency notes at a money changer booth at Raffles Place financial business district in Singapore. PHOTO: AFP/FILE

Reducing the trade deficit will be a challenge, eliminating it without a recession, a historic feat. The United States has run a persistent deficit for the past half-century, as insatiable consumer demand has sucked in goods from around the world and voracious appetite for US assets from overseas has kept capital flowing stateside.

The only exception was in the third quarter of 1980, when the US posted a slender trade surplus of 0.2 percent of GDP, and trade with the rest of the world almost briefly balanced in 1982 and 1991-92.

But these periods all coincided with - or were the result of - sharp slowdowns in US economic activity that ultimately ended in recession. As growth shrank, import demand slumped and the trade gap narrowed.

Wall Street surged on Tuesday, with the Dow adding one-and-three-quarters percent, the S&P 500 climbing two percent and the Nasdaq rising about two-and-a-half percent.

The dollar only played a significant role in one of them. In 1987, the trade gap was a then-record 3.1 percent of GDP. But it had almost disappeared by the early 1990s, largely because of the dollar's 50 percent devaluation from 1985-87, its biggest-ever depreciation.