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BUSINESS



# Tax hike to weigh on compliant businesses: FICCI

STAR BUSINESS REPORT

The Foreign Investors' Chamber of Commerce and Industry (FICCI) yesterday termed reform measures in the proposed national budget "positive" but warned that implementation of certain tax measures may lead to unintended burdens on industries and individuals.

The FICCI, which represents around 210 member companies from 35 countries, expressed concern over an increase in the tax burden on compliant individuals and businesses.

The chamber said that under the revised tax slabs, salaried individuals earning between Tk 70,000 and Tk 100,000 per month may face a 50 percent–60 percent higher tax burden.

Meanwhile, those earning between Tk 120,000 and Tk 175,000 may experience an increase of 20 percent–30 percent, it said.

"This could significantly reduce disposable income for the fixed-income group, affecting consumption and quality of life," said FICCI President Zaved Akhtar at a post-budget press meet at the chamber.

Finance Adviser Salehuddin Ahmed unveiled a Tk 7,90,000 crore national budget on June 2, which is one percent lower than the proposed budget of the outgoing fiscal year 2024–25.

The FICCI said the increase in minimum tax—from 0.6 percent to 1 percent for companies and from 0.25 percent to 1 percent for individuals—would adversely impact small and medium enterprises, loss-making companies, and inflation-stricken individuals.

"For instance, a company earning no taxable income will still be liable to pay a 1 percent tax on turnover, creating further strain on struggling entities," it said.

Another point of concern is the imposition of a "discriminatory" 27.5 percent corporate tax rate on listed companies with less than 10 percent

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# Tax measures to further strain businesses

Experts say

STAR BUSINESS REPORT

The government's latest tax measures are likely to put further strain on businesses, as tax burdens have increased even though economic recovery remains sluggish, experts warned yesterday.

"When companies have to pay a 1 percent turnover tax despite making no profit, they essentially have to pay from their capital," said Snehashish Barua, managing director of SMAC Advisory Services Ltd.

At a time when businesses are already struggling, if the capital begins to shrink, the company will not survive, he said.

"If the company doesn't survive, neither will employment be generated, nor will the government receive any revenue," he warned.

The tax on individual businesspeople has increased by 300 percent—from 0.25 percent to 1 percent. Since many individuals operate through companies, some of their tax burden will inevitably shift to the company, he said.

Barua was speaking at a press conference on the proposed national budget for fiscal year 2025–26, organised by the Institute of Chartered Accountants of Bangladesh (ICAB) at its head office in Dhaka.

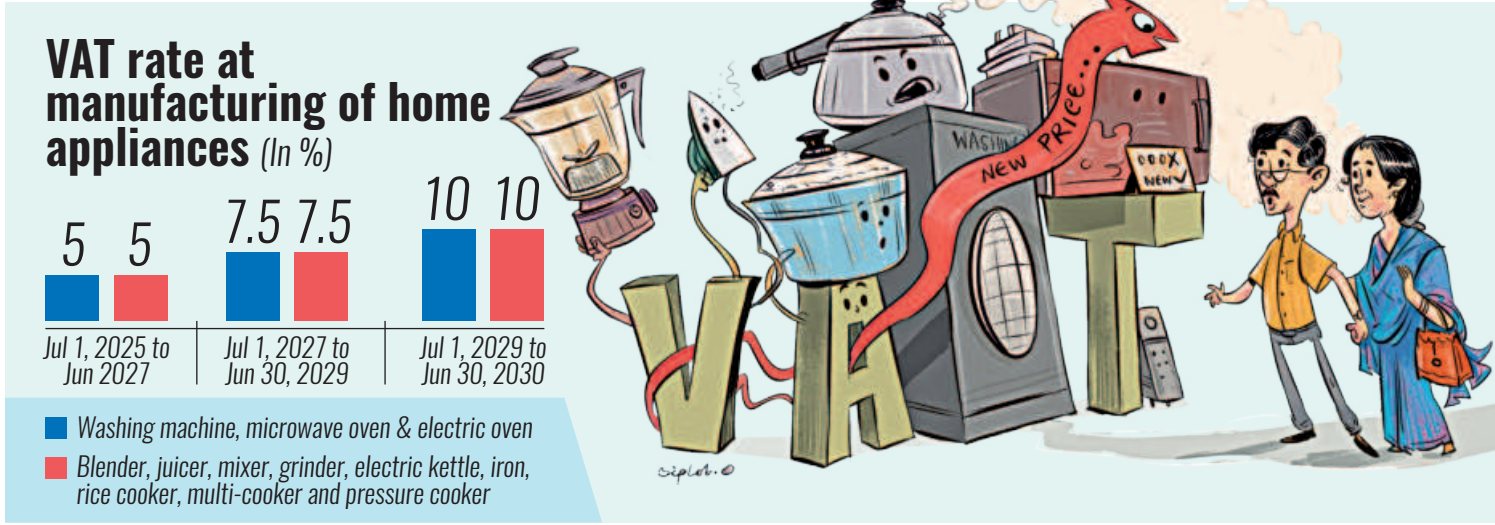
He said listed companies with less than 10 percent of their shares in the stock market would now face a corporate tax rate of 27.25 percent, up from 22.5 percent.

This poses a legal problem. The law should be amended with provisions to benefit companies that offload 10 percent of their shares through follow-on public offerings (FPOs), repeat public offerings, or rights issues, he said.

He said that although the government has taken some measures to reduce the effective tax rate, the statutory tax rate has increased, and source deductions remain unchanged. Consequently, businesses will see little benefit, said Barua.

On top of that, the increase in personal income tax has employees worried, as their take-home income will decline, he said.

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# Home appliances to cost more as VAT relief ends

Manufacturers say everyday essentials are being treated as luxury goods

JAGARAN CHAKMA

Consumers are likely to pay more for a range of home appliances, from rice cookers and clothing irons to air conditioners (ACs), as the government phases out value-added tax (VAT) exemptions on locally manufactured electronics.

The government will gradually withdraw the existing VAT exemption at the production stage for several household appliances, such as washing machines, microwave ovens, blenders, juicers, and rice and pressure cookers, starting from the fiscal year 2025–26.

A 5 percent VAT will be applied to these items until June 30, 2027. The rate will rise to 7.5 percent on July 1, 2027, and reach 10 percent from July 1, 2029, remaining in place until June 30, 2030, according to two separate notifications issued by the NBR on May 27.

However, for refrigerators, freezers, ACs, and compressors, the exemption will end altogether, with a flat 15 percent VAT to be imposed from the next fiscal year.

This may push the prices of these

appliances up, as these items currently enjoy a reduced 7.5 percent VAT, which will expire on June 30.

"We have not continued the reduced VAT rate for ACs and refrigerators because the producers enjoyed the benefits for nearly a decade," said a senior NBR official.

Explaining the phased approach for other items, he said, "We have adopted a phase-out policy so that businesses can prepare themselves."

He also mentioned that preferential treatment for home appliances will cease entirely by July 1, 2031.

Industry insiders say nearly a dozen local firms manufacture electronics to meet the local demand of the \$8 billion home appliance market. Locally made products dominate the market due to their affordable prices compared with imported goods.

"The proposed VAT on electronic home appliances will likely lead to an immediate price increase of these essential consumer durables," said Tanvir Rahman, chief business officer of Walton AC, a leading local electronics conglomerate.

In a move to take some pressure off manufacturers, Finance Adviser Salehuddin Ahmed, in his budget speech on June 2, proposed scrapping the 10 percent supplementary duty on imported raw materials, such as compressors used in cooling appliances. The waiver would remain in effect until June 30, 2028.

Still, Rahman argued that VAT at the production stage offers little comfort to local manufacturers, who are already burdened with additional cost pressures.

He pointed out that prices have been rising for the past two years due to the depreciation of the local currency against the dollar. "Manufacturers will be forced to adjust prices to absorb the added tax burden, which will inevitably increase overhead costs and pass the impact onto end users," he said.

Rahman also questioned the government's logic in treating these items as luxury goods.

"In reality, they have become essential household items for most families. The VAT will only make it harder for the average consumer to afford

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Bank branches across Dhaka witnessed a rush of customers yesterday, the last working day before Eid-ul-Azha holiday, as clients formed long queues to withdraw cash. The photo was taken at Sonali Bank's Motijheel branch.

PHOTO: MD MEHEDI HASAN

# Trade deficit narrows 2.6% in July–April

STAR BUSINESS REPORT

The country's trade deficit narrowed by 2.60 percent in the first ten months of the current fiscal year compared to the same period a year ago, thanks to a rise in export earnings coupled with subdued imports.

During the July–April period of fiscal year (FY) 2024–25, the trade gap was \$18.22 billion, down from \$18.70 billion in the corresponding period of FY24, according to the latest data from the central bank.

Export earnings increased by 8.6 percent year-on-year to \$36.56 billion in the first ten months of this fiscal year.

On the other hand, import costs rose by only 4.6 percent year-on-year to \$54.79 billion from the same period a year ago, central bank data showed.

Industry insiders said that slower import growth compared to export growth helped narrow the trade gap slightly.

They said that slow import growth is not a positive sign for the economy in the long run, as it indicates a sluggish business environment, a slowing economy, and lacklustre investments.

During the July to April period of the current fiscal year, the settlement of letters of credit (LCs) for capital machinery fell by 25.56 percent to \$1.70 billion, indicating a dull

business environment.

Another major development in the balance of payments is the country's current account balance. The deficit in the current account balance narrowed in the first ten months of this fiscal year.

From July to April of FY25, the current account balance deficit stood at \$1.39 billion, down from \$6.02 billion in the same period of the last fiscal year, BB data showed.

Bankers credited the growing remittance trend for reducing the current account balance deficit.

A significant development is that the financial account is in positive territory.

The financial account, a component of the balance of payments, records claims on or liabilities to non-residents concerning financial assets. It includes components such as direct investment, portfolio investment, and reserve assets, broken down by sector.

The financial account in the first ten months of FY25 stood at \$1.96 billion, down from \$2.25 billion in the same period of the last fiscal year, data showed.

The balance of payments (BoP) data show that foreign direct investment (FDI) dropped by 29 percent year-on-year.

The country received \$910 million in the first ten months of FY25, down from \$1.27 billion in the same period last year.

# Banks see cash withdrawal surge for Eid

STAR BUSINESS REPORT

Bank branches in Dhaka experienced a massive surge in cash withdrawals and other banking transactions yesterday, the last working day before a 10-day Eid-ul-Azha holiday.

Despite the availability of digital banking services and ATM booths, clients formed long queues in front of bank counters to withdraw cash.

Bank officials said transactions increased by 25 percent compared to regular working days.

Eid-ul-Azha, the second-biggest religious festival for Muslims in Bangladesh after Eid-ul-Fitr, will be celebrated on June 7.

Banks will remain closed during the government-declared holidays until June 14.

However, branches of scheduled banks in industrial areas will remain open on June 5, 11, and 12 to facilitate the payment of wages and bonuses to garment workers and export-import activities.

"I want to withdraw a large amount of money to buy cattle. That's why I came to the branch instead of using ATM booths," said Razibul Islam, who was standing in a queue at the Motijheel branch of state-run Sonali Bank.

"Sometimes, technical problems arise at ATM booths during the Eid holidays, so I preferred withdrawing a large amount of cash from the branch all at once," he added.

During visits to bank branches in Motijheel and Paltan in the morning, long queues were seen at cash counters.

Many people also visited banks to collect

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# Baggage rules for gold tightened

MOHAMMAD SUMAN and SUKANTA HALDER

The government has introduced stricter regulations on the import of gold bars and ornaments under newly updated baggage rules while offering some leniency in other areas.

The revised rules, issued on Tuesday, impose annual limits on the quantity of gold that passengers can import and increase applicable duties.

Under the previous rules, passengers returning from abroad could bring in one gold bar weighing up to 117 grammes or 234 grammes of silver per trip.

However, there was no limit on the number of trips.

Under the new regulations, passengers can bring in the same amount, but only once per year, subject to a duty of Tk 5,000 per bhori (11.66 grammes).

Previously, the duty was Tk 4,000 per bhori. This means a 10-bhori gold bar will now incur a duty of Tk 50,000, up from Tk 40,000 under the former system.



Imports of gold jewellery have been similarly restricted.

Passengers could previously bring in up to 100 grammes of gold ornaments or 200 grammes of silver jewellery without paying any duties, but this duty-free benefit has now been limited to once per year.

**Move will heighten dependence on informal market: BAJUS**

Anwar Hossain, spokesperson of the Bangladesh Jewellers Association, told The Daily Star yesterday that they had made several proposals during the budget discussions to further formalise the sector.

But only this one issue was picked from those suggestions. As a result, businessmen are now quite concerned, he said, adding that this single decision has increased the possibility of the industry becoming even more informal.

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# City Bank, CEAB unite to promote trade and investment

STAR BUSINESS DESK

City Bank PLC has recently signed a memorandum of understanding (MoU) with the Chinese Enterprises Association in Bangladesh (CEAB) to foster joint investment and trade cooperation across key sectors in Bangladesh.

Mashrur Arefin, managing director and chief executive officer of the bank, and Guangzhou Zhong, secretary general of CEAB, signed the MoU during a business networking event held at a hotel in Dhaka, according to a press release.

The event, titled "Chinese Investors' Night", was jointly organised by City Bank PLC and the CEAB in honour of a visiting business delegation comprising over 100 Chinese investors and entrepreneurs.

Both institutions reiterated their commitment to facilitating and strengthening the expanding footprint of Chinese enterprises in Bangladesh. Aziz Al Kaiser, chairman of the bank, Hossain Khaled, vice-chairman, and Han Kun, president of CEAB, attended the event.



Guangzhou Zhong, secretary general of the Chinese Enterprises Association in Bangladesh, and Mashrur Arefin, managing director and chief executive officer of City Bank, shake hands and exchange signed documents of the memorandum of understanding at a hotel in Dhaka recently.

PHOTO: CITY BANK

# NRBC Bank honours top-performing branches, sub-branches



Md Ali Hossain Prodhania, chairman of NRBC Bank PLC, poses for group photographs with employees of award-winning branches and sub-branches at a function at a hotel in Dhaka recently.

PHOTO: NRBC BANK

STAR BUSINESS DESK

NRBC Bank PLC has recognised its highest-performing branches and sub-branches with Performance Awards for the year 2024.

A total of nine branches and sub-branches were awarded across three categories -- Urban Branches, Rural Branches, and Sub Branches -- during the bank's "Strategic Business Conference", held recently at a hotel in Dhaka, according to a press release.

Md Ali Hossain Prodhania, chairman of the bank, attended the event as the chief guest and presented the awards.

In his address, Prodhania stated, "These awards are a testament to the consistent performance and professionalism demonstrated by our branches and sub-branches. Each has worked diligently to meet targets while upholding the highest standards of service."

Md Touhidul Alam Khan, managing director and CEO of the bank, presided over the event.

# Prime Bank signs partnership deal with Incredible

STAR BUSINESS DESK

Prime Bank PLC has entered into a strategic partnership agreement with Incredible Pvt Ltd to enhance its customer value proposition through access to specialised developmental services.

M Nazeem A Choudhury, deputy managing director of the bank, and Md Taukir Ahmed, chairman of Incredible Pvt Ltd, signed the agreement at a ceremony held at the bank's corporate head office in the capital's Gulshan, according to a press release.

Under the agreement, Prime Bank's customers will be eligible for discounts of up to 25 percent on a comprehensive range of premium services offered by Incredible Pvt Ltd.

These include speech and language therapy, occupational therapy, applied behaviour analysis (ABA) or behavioural therapy, music therapy, early intervention, group therapy, and special education -- all tailored to support children with special needs and foster inclusive child development.



Md Taukir Ahmed, chairman of Incredible Pvt Ltd, and M Nazeem A Choudhury, deputy managing director of Prime Bank PLC, pose for photographs after signing the agreement at the bank's corporate head office in the capital's Gulshan recently.

PHOTO: PRIME BANK

# NRB Bank unveils Visa signature, corporate credit cards



Iqbal Ahmed, the founder and chairman of NRB Bank PLC, poses for group photographs during the launch of the new cards at the bank's corporate head office in the capital's Gulshan on Tuesday.

PHOTO: NRB BANK

STAR BUSINESS DESK

NRB Bank PLC has launched its Visa signature and corporate commercial credit cards, expanding its portfolio of premium financial services for customers.

Iqbal Ahmed, the founder and chairman of the bank, inaugurated the new cards as the chief guest at a ceremony held at the bank's corporate head office in the capital's Gulshan on Tuesday, according to a press release issued by the bank.

Holders of NRB Bank's Visa signature card will enjoy a host of privileges, including access to both domestic and international airport lounges, airport pick-up and drop-off services, as well as year-round cashback and discount offers.

Md Quamrul Islam Chowdhury, chairman of the executive committee; AKM Mizanur Rahman, chairman of the audit committee; Shaikh Md Salim, chairman of the risk management committee; along with Ferdous Ara Begum, SK Matir Rahman, and Prof Sharif Nurul Ahkam, independent directors, attended the launch event.

# Trust Bank partners with Visa to launch 'Visa Direct for Account' service

STAR BUSINESS DESK

Trust Bank PLC has entered into a strategic partnership deal with Visa to launch the "Visa Direct for Account" service for cross-border payments.

This service enables direct payouts to bank accounts via the Visa network, leveraging automated clearing house (ACH) and real-time payments (RTP) mechanisms for seamless fulfillment.

Ahsan Zaman Chowdhury, managing director and chief executive officer of the bank, and Sabbir Ahmed, country manager for Bangladesh, Nepal and Bhutan at Visa, signed the agreement at a ceremony held in Dhaka, according to a press release. The collaboration represents a significant milestone in Trust Bank's ongoing efforts to enhance its cross-border payment capabilities.

This strategic alliance underscores the bank's commitment to offering efficient, secure, and innovative payment solutions, aligned with its broader mission to improve financial accessibility and customer convenience.



Sabbir Ahmed, country manager for Bangladesh, Nepal and Bhutan at Visa, and Ahsan Zaman Chowdhury, managing director and CEO of Trust Bank PLC, pose for photographs after signing the agreement in Dhaka recently.

PHOTO: TRUST BANK

# BRAC Bank teams up with bKash to offer 24/7 services for agents, distributors

STAR BUSINESS DESK

BRAC Bank has entered into a strategic partnership agreement with bKash Limited to provide automated cash management solutions for bKash's extensive nationwide network of agents, distributors, and merchants.

Tareq Refat Ullah Khan, managing director and CEO (current charge) of BRAC Bank, and Kamal Quadir, chief executive officer of bKash, signed the agreement at the bank's head office in Dhaka, according to a press release.

Commenting on the initiative, Quadir remarked, "Partnering with BRAC Bank strengthens our commitment to enabling digital transactions through a secure and trusted banking channel."

Syed Abdul Momen, additional managing director and head of SME banking at the bank, stated, "This partnership is a strategic move to reinforce

our digital infrastructure and facilitate a seamless transition for businesses from manual operations to automated processes."

This collaboration enhances BRAC Bank's digital transaction capabilities and aligns with its broader focus on innovation, particularly in SME banking.

It marks another step towards the bank's ambition of becoming the most preferred transaction bank in the country.

Through this partnership, bKash agents and distributors maintaining SME current accounts with BRAC Bank can now effortlessly purchase e-money for their bKash wallets and convert it into bank deposits at any time, eliminating the need for manual cash handling and significantly reducing operational risks.

Senior officials from both the bank and the mobile financing service (MFS) provider were also present.



Kamal Quadir, chief executive officer of bKash Limited, and Tareq Refat Ullah Khan, managing director and CEO (current charge) of BRAC Bank, pose for photographs after signing the agreement at the bank's head office in Dhaka recently.

PHOTO: BRAC BANK

## দরপত্র বিজ্ঞপ্তি

ঘাটাইল সেনানিবাসে নিম্নবর্ণিত কাজ সম্পাদনের নিমিত্তে ক্যান্টনমেন্ট বোর্ড/এমইএস/সশস্ত্র বাহিনীর যে কোন প্রতিষ্ঠানের তালিকাভুক্ত অথবা সরকারী ঠিকাদারগণের নিকট হতে নিজ ফার্মের প্যাডে সীলমোহরকৃত দরপত্র আহবান করা যাচ্ছে।

| ক্রমিক | কাজের বিবরণ                                                                                                                                                 | দরপত্র সিডিউলের মূল্য    | কার্য সম্পাদনের সময়সীমা               |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------------------------|
| ১।     | সদু প্রশিক্ষণ নিশ্চিতকল্পে ঘাটাইল সেনানিবাসের পেরিমিটার বরাবর পিটি (আইপিএফটি) রোড নির্মাণ, উল্লয়ন, রক্ষণাবেক্ষণ এবং এতদসংক্রান্ত বিবিধ ব্যয় নির্বাহ বাবদ। | ১,০০০.০০<br>(অফেরতযোগ্য) | কার্যাদেশ পাওয়ার ০১ (এক) মাসের মধ্যে। |

ক। দরপত্র সিডিউল ও অন্যান্য তথ্যাদি সকল কার্যদিবসে অফিস চলাকালে নির্ধারিত মূল্যে জন্ম করা যাবে।  
উল্লেখিত কাজের যাবতীয় শর্তাবলী ২ ইঞ্জিনিয়ার ব্যাটালিয়ন হতে জানা যাবে। দরপত্র আগামী ১৯ জুন ২০২৫ তারিখ ১০০০ ঘটিকা পর্যন্ত গ্রহণ করা হবে এবং একই দিনে ১২০০ ঘটিকায় দরপত্র দরদাতাদের সামনে খোলা হবে।

খ। কর্তৃপক্ষ কোন কারণ দর্শানো ব্যতিরেকে যে কোন দরপত্র গ্রহণ অথবা সমস্ত দরপত্র বাতিল করার পূর্ণ ক্ষমতা রাখেন।

গ। সরকারী বিধান মোতাবেক বিল হতে ভ্যাট ও অন্যান্য প্রদেয় কর কর্তন করা হবে।

আইএসপিআর/সেনা/৪২৯

অধিনায়ক

২ ইঞ্জিনিয়ার ব্যাটালিয়ন

GD-1379

**Health Engineering Department (HED)**  
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Memo No. 45.02.7200.481.16.02.25-208Date: 04.06.2024

**e-Tender Notice-03/2024-2025**

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

| SL. No. | Tender ID | Name of works                                                                                                                                      | Last date & time of selling tender documents | Tender closing date and time |
|---------|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------|
| 1       | 2         | 4                                                                                                                                                  | 5                                            | 6                            |
| 01      | 1124142   | Repair & maintenance works (Civil, Sanitary & Electrical) of OPD and old hospital building at Alpara Upazila Health Complex in Netrokona district. | 17-Jun-2025<br>17:00                         | 18-Jun-2025<br>12:00         |
| 02      | 1124343   | Repair & maintenance works (Civil & Sanitary) of old hospital building (Ground Floor) at Khaliajuri Upazila Health Complex in Netrokona district.  | 17-Jun-2025<br>17:00                         | 10-Jun-2025<br>12:00         |
| 03      | 1124171   | Supply & installation of IPS at Netrokona Sadar UHFPO's office in Netrokona district.                                                              | 17-Jun-2025<br>17:00                         | 18-Jun-2025<br>12:00         |

This is an online tender, where only e-Tenders 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](mailto:helpdesk@eprocure.gov.bd)).

  
**A.F.M Anisur Rehman**  
Executive Engineer  
Health Engineering Department  
Netrokona Division

GD-1382

# Power division’s budget allocation cut by 30%

Outlay doubles for energy and mineral resources division; govt aims to lower power production costs

ASIFUR RAHMAN

The allocation for the power division in the national budget for fiscal year 2025-26 is around 30 percent less than that of the previous fiscal year, while it has been nearly doubled for the energy and mineral resources division.

The government has decided to cut electricity production costs by approximately 10 percent in a bid to ease the burden of subsidies in the power sector, said Finance Adviser Dr Salehuddin Ahmed in his budget speech on Monday.

“If the plan can be implemented, it is estimated that electricity subsidy of more than Tk 11,000 crore will be saved. We are reviewing the power purchase agreements and have taken the initiative to conduct energy audits to reduce the cost,” he said.

The FY26 budget allocated Tk 37,000 crore in subsidies for the power sector, whereas it was Tk 40,000 crore last fiscal year before rising to Tk 62,000 crore in the revised budget, as the interim government paid most of the arrears.

The finance adviser said initiatives have been taken to increase oil and gas exploration to ensure energy security through domestic efforts.

At the same time, steps are being taken to develop cost-effective and sustainable infrastructure to help control energy prices.

He added that the government has decided in principle not to increase power tariffs at the moment, considering the prevailing high inflationary pressure.

The power division got Tk 20,342 crore in the new budget, down from Tk 29,177 crore last fiscal year. However, in the revised budget, the allocation was reduced to Tk 21,651 crore, according to budget documents.

The interim government did not initiate any new power plants, but allocated most of the funds to strengthening the grid network and distribution lines across six divisions.

This focus on power transmission is also aimed at starting commercial operation of the first unit of the 1,200MW Rooppur Nuclear Power Plant in December this year.

Among the companies under the

## KEY POINTS

- Power division got Tk 20,342cr, which was Tk 29,177cr in FY25
- Energy division got Tk 2,178cr, which was Tk 1,086cr in FY25
- Subsidy Tk 37,000cr, which was Tk 40,000cr in FY25
- Govt aims to save Tk 11,000cr by reducing production cost
- Major focus in grid strengthening: Rooppur power evacuation
- Energy division targets to drill 17 gas wells

power sector, Power Grid Bangladesh PLC received the highest allocation of Tk 8,122 crore, followed by Bangladesh Rural Electrification Board (BREB), which received Tk 2,744 crore.

Under the BREB, a project to modernise distribution systems in Dhaka and Mymensingh divisions received Tk 1,460 crore. An unreconstructed gas pipeline for a gas-fired power plant from Dhanua to Mymensingh was allocated Tk 101 crore.

Ongoing projects including a

1,200MW Matarbari coal-based power plant, 800MW gas-fired Rupsha plant, and 150MW HSD-based Syedpur power plant have received allocations.

A 100MW solar power plant in Madarganj, Jamalpur received Tk 673 crore. Along with this, other solar plants with a combined capacity of 210MW have received allocations under the Rural Power Company Limited and B-R Powergen Ltd.

“One of our major focuses is to increase the share of renewable

energy-based electricity generation,” said the finance adviser in the budget speech.

Around 3,400MW of electricity will be added to the national grid from clean sources by 2028, including that from the Rooppur plant, he added.

The government is updating Renewable Energy Policy 2008 to make it more relevant to current times, and the revision is now in its final stage, he said.

Meanwhile, the Energy and Mineral Resources Division received an allocation of Tk 2,178 crore in the new budget, up from Tk 1,086 crore in the previous budget. It was revised to Tk 1,053 crore in FY25.

The government plans to drill at least 17 gas wells—both exploratory and for further development—through Petrobangla in the upcoming fiscal year.

In addition, Bangladesh Petroleum Exploration and Production Company Limited (Bapex) will conduct a 90-line kilometre geological survey and a 700km 2D and a 450km 3D seismic survey during the period.

Under Petrobangla, a total of

seven exploration wells and 13 development wells were drilled over the past three years, according to the budget documents. The target for the ongoing fiscal year was 13 wells, of which only five were completed.

The government also plans to import 6.5 million tonnes of liquefied natural gas (LNG) to meet rising demand, up from 5 million tonnes in the current fiscal.

To reduce power generation costs, the government has exempted value added tax (VAT) on LNG imports and reduced the tax deduction at source during electricity purchase payments to 4 percent from 6 percent, said the finance adviser.

“To keep petroleum product prices stable, we are proposing to reduce the duty rates on the import of both crude and refined fuel, and to withdraw the tariff value on these products,” he said.

The finance adviser also said initiatives have been taken to enhance the country’s lone fuel refinery by establishing a second unit of Eastern Refinery Limited, which will have a capacity of 3 million metric tonnes.

## Baggage rules for gold

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Due to this decision, gold smuggling will now increase further, he claimed.

The reason is that gold is not produced in Bangladesh, he said. Those who could previously bring in a specific amount of gold as many times as they wanted will now no longer be able to do so.

As a result, the dependence on the informal market will only increase, he said.

### Crackdown on gold smuggling

For a long time, authorities have noted that smuggling syndicates had been exploiting leniency in baggage rules to bring large quantities of gold into the country.

In 2018, the government introduced a gold policy to curb smuggling and increase transparency.

The following year, the Bangladesh Bank authorised 18 companies and one bank to import gold, with the licences valid until March this year.

Between 2020 and 2021, the central bank approved imports totalling 306.76 kilogrammes of gold bars across 12 companies.

However, only 160 kilogrammes were actually brought in during that time — nowhere near enough to meet annual demand, which the Gold Policy 2018 estimates at 20 to 40 tonnes.

A report submitted by the NBR to the Ministry of Finance lays bare the true

scenario.

The report revealed that between 2021 and 2022, passengers brought in nearly 99,791 kilogrammes of gold under the baggage rules, generating Tk 1,714 crore in revenue.

However, a significant portion of this gold was smuggled out of the country, primarily through border routes into India, as reported by the NBR’s Customs Intelligence and Investigation Directorate.

In 2023-24 alone, approximately 45,600 kilogrammes of gold were brought into the country.

According to industry insiders, about 80 percent of this demand is still met through smuggled gold, resulting in huge revenue losses for the state.

### Passenger-friendly adjustments

Despite the tighter stance on gold imports, the government has introduced several passenger-friendly adjustments.

In contrast, the rules for mobile phones have been relaxed.

Passengers are now allowed to bring two used mobile phones and one new mobile phone per year without paying any duties.

Two phones could be brought in previously, but the distinction between new and used devices was not specified.

The baggage declaration deadline has been extended from seven to 30 days, giving passengers more time to correct any unintentional omissions.

## Home appliances

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these necessities, especially during a time of economic strain,” added the top executive.

Salim Ullah Salim, director of marketing at Jamuna Electronics, expressed concern about the decision to withdraw VAT exemption at the manufacturing stage.

“While this may appear to be a long-term industrial strategy, the immediate effect on the ground is quite worrying,” he said. “Withdrawal of VAT exemption at the production stage could lead to price hikes for all consumer durables.”

“Production costs are already soaring due to gas and fuel supply issues, dollar-based raw material imports, and rising duties. The added tax pressure will worsen this,” Salim commented.

“With inflation high and incomes falling, even essential electronics are starting to feel like

luxuries,” he added. “In a fragile market with shrinking sales and rising costs, any additional tax ultimately burdens the end consumer. The timing of this move could intensify that pressure.”

Nurul Afser, deputy managing director of Electro Mart Limited, said the decision to withdraw VAT exemptions would inevitably push up prices, placing more pressure on low- and middle-income families.

“This step will not only hurt consumers but also slow down the progress of the domestic electronics industry,” he commented.

Afser believes that rising prices could dent demand significantly. “With higher costs, many families may no longer be able to afford essential home appliances. The industry may face serious setbacks as a result.”

He urged policymakers to reconsider the move to support the sector’s growth momentum.

## Banks see

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new banknotes that have been redesigned, but due to supplies being limited, many customers were unable to obtain them.

“Many people come to collect the newly designed notes, but the supply is so limited that we are not able to provide them,” said a senior official at the corporate branch of Rupali Bank.

“People are preparing to go to their hometowns for Eid and to buy sacrificial animals, so they are withdrawing money and collecting new notes,” he said.

Bangladesh Bank released redesigned Tk 20, Tk 50, and Tk 1,000 notes into circulation from June 1.

As in previous years, the demand for fresh currency typically surges ahead of Eid, when people present crisp notes as gifts.

Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank, said overall there was no shortage of liquidity or cash in the banking sector, although some banks are experiencing cash crises due to poor financial health and other factors.

On being contacted, Arief Hossain Khan, executive director and spokesperson of the central bank, said the regulator was promoting digital transactions and discouraging the use of cash in cattle markets.

Regarding the new notes, he said, “This time, only the Tk 20, Tk 50, and Tk 1,000 notes were introduced in the market before Eid.”

He added that printing of the redesigned Tk 5, Tk 10, Tk 100, Tk 200, and Tk 500 notes is expected to begin after Eid.

## Tax hike

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of shares offloaded through initial public offerings (IPO), it said.

“Furthermore, the benefits of reduced-rate tax for companies engaging in cashless transactions have been withdrawn. This, FICCI believes, goes against the goal of deepening capital markets and attracting quality listings,” said Akhtar. The chamber also highlighted the steep increase in value-added tax (VAT) on online sales—from 5 percent to 15 percent—saying it would likely hinder the growth of Bangladesh’s emerging digital commerce sector.

Similarly, the rise in customs duty on beverage concentrates—from 10 percent to 15 percent—could negatively impact consumer prices and industry margins, it added.

These will lead to lower GDP and consequently lower private investment, be it foreign or local, said Akhtar. The FICCI reiterated its longstanding recommendation for a simplified and harmonised VAT system with a single rate and a standard input credit mechanism.

“The chamber appreciated the government’s

continued push towards digital transformation through automation in tax administration and the implementation of the National Single Window,” it said.

The FICCI welcomed initiatives to modernise the tax administration and to separate tax policy from tax collection through the establishment of separate entities.

Akhtar said the authority to offer tax exemptions was shifted to parliament from the National Board of Revenue (NBR), and a bar was placed on allowing tax exemptions retrospectively.

These are great examples of good reforms taken in the right spirit and are commendable steps taken in the budget, he said.

However, reforms required for expanding the tax net were not seen. It emphasised the need for realistic revenue targets and effective execution plans to avoid creating undue burdens on compliant taxpayers.

Naser Ezaz Bijoy, a former president of the FICCI, said the government was raising the tax rate to increase its tax collection, but it was creating pressure on existing and compliant taxpayers.

## Tax measures

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There were some positive procedural changes in VAT, which are appreciated, he added.

“However, the fundamental reforms we were hoping for were not reflected in the budget,” the audit and tax expert added.

Significant reforms have been introduced in customs duties to rationalise tariffs, and there were good steps for promoting local industry and exports, he said.

“But if we can’t reduce lead times for customers, and if we can’t release goods from the ports efficiently, we will lose competitiveness to other countries. There must be initiatives to address this,” he said.

Maria Howlader, president of the ICAB, welcomed the reduction in budget size, saying that the Tk 7,000 crore cut in the 2025-26 budget compared to that of the previous year reflects a prudent contractionary approach to tackle ongoing economic challenges.

In the face of high inflation and limited revenue space, setting a lower budget deficit is a wise move, she said.

She said several positive amendments have been made to the income tax act in the proposed budget.

“A prospective two-year tax rate has been introduced, and the tax rate for ‘cashless companies’, excluding some publicly traded ones, has been increased to 27.5 percent, though we believe it should remain within 25 percent,” said Howlader.

According to her, raising the turnover tax from 0.6 percent to 1 percent and increasing individual tax rates are concerning.

“In VAT and customs, we welcome reforms such as reduced advance tax on raw material imports and longer credit claim periods,” she said.

“But higher advance VAT on commercial goods and a 15 percent VAT on online sales commissions may need reconsideration. Regulatory duties on essential and healthcare goods also warrant review,” added Howlader.

Md Humayun Kabir, vice-president of the South Asian Federation of Accountants, moderated the question-answer session at the press conference.

Department of Public Health Engineering  
Office of the Executive Engineer  
Manikganj District, Manikganj.

Memo No- 596 (84)

Date:- 02.06.2025

Invitation for e-Tender notice

e-Tender is invited in the National e-GP System Portal ([http:// www.eprocure.gov.bd](http://www.eprocure.gov.bd)) for the procurement of

| Sl. no | e-Tender ID | Work Name                                                                                                                                                                                                          | Opening & Closing Date                |
|--------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| 1      | 1112872     | Supply & installation of Iron Removal unit with FRP single vessel ( Iron media) in different upazila at manikganj district under Project for Safe Water Supply Throughout the Country (PSWSC).                     | 23-Jun-2025 15:30 & 23-Jun-2025 15:30 |
| 2      | 1112869     | Supply & installation of Iron Removal unit with FRP single vessel ( Iron media) in different upazila at manikganj district under Project for Safe Water Supply Throughout the Country (PSWSC).                     | 23-Jun-2025 15:30 & 23-Jun-2025 15:30 |
| 3      | 1112868     | Supply & installation of Arsenic Removal unit with FRP single vessel (Arsenic media) in different upazila at manikganj district under Project for Safe Water Supply Throughout the Country (PSWSC).                | 23-Jun-2025 15:30 & 23-Jun-2025 15:30 |
| 4      | 1112866     | Supply & installation of Arsenic Removal unit with FRP single vessel (Arsenic media) in different upazila at manikganj district under Project for Safe Water Supply Throughout the Country (PSWSC).                | 23-Jun-2025 15:00 & 23-Jun-2025 15:00 |
| 5      | 1112873     | Supply & installation of Arsenic & Iron Removal unit with FRP double vessel ( Arsenic & Iron media) in different upazila at manikganj district under Project for Safe Water Supply Throughout the Country (PSWSC). | 23-Jun-2025 15:30 & 23-Jun-2025 15:30 |
| 6      | 1112874     | Supply & installation of Arsenic & Iron Removal unit with FRP double vessel ( Arsenic & Iron media) in different upazila at manikganj district under Project for Safe Water Supply Throughout the Country (PSWSC). | 23-Jun-2025 15:30 & 23-Jun-2025 15:30 |

This is online Tender, where only e-Tenders will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submitted e-Tender, registration in the national e-GP System Portal (<http:// www.eprocure.gov.bd>) required. Further information and guidelines are available in the National e-GP system Portal and form e-GP Help desk ( [helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

GD-1375

(Gazi Fatima Ferdous)

Executive Engineer

Department of Public Health Engineering

Manikganj District, Manikganj.

Government of the People’s Republic of Bangladesh  
Ministry of Health & Family Welfare, Health Service Division  
National Electro-Medical Equipment Maintenance  
Workshop & Training Center (NEMEMW&TC)  
Office of the Chief Technical Manager  
Mohakhali, Dhaka-1213.  
[www.nememw.gov.bd](http://www.nememw.gov.bd)

Memo No- 45.07.0000.004.07.015.16- 406

Date: 04/06/2025

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| Sl No | Tender ID | Package No. & Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Last Selling Date & Time | Closing and Opening Date & Time |
|-------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------------------------|
| 1.    | 1124539   | egp/repair/2025/xray-1<br>Upgradation of existing 500 mA X-Ray system into Digital Image System of 04 public hospitals (250 Bed General Hospital, Munsiganj; 250 Bed General Hospital, Kishoreganj; Shaheed Shamsuddin Ahamed Hospital, Sylhet and Shaheed Ahsanullah Master General Hospital, Tongi, Gazipur) in Bangladesh.                                                                                                                                                                   | 23-Jun-2025 12:00        | 23-Jun-2025 15:00               |
| 2.    | 1124545   | egp/repair/2025/xray-2<br>Repairing of 02 Nos C-Arm X-Ray (Model: TCA 6S, Brand: TECHNIX, SN: 54-16-033-858/54-16-034-859, Origin: Italy) with 02 years Comprehensive warranty of the whole machine in Mugda Medical College Hospital, Mugda, Dhaka.                                                                                                                                                                                                                                            | 23-Jun-2025 12:00        | 23-Jun-2025 15:00               |
| 3.    | 1124559   | egp/repair/2025/xray-3<br>Repairing of 07 Nos 500mA X-Ray (Model: PLD 3600, Brand: Perlove Medical, Origin: China) with 02 years comprehensive warranty of the whole machine in Upzilla Health Complex, Ranisoinkul, Thakurgaon; Chest Disease Clinic (Pirojpur, Satkhira, Magura, Bagerhat, Natore and Tajhat) and 03Nos Printer (Model: HQ-460DY, Brand: hu.q, Origin: China) with 02 Years comprehensive warranty of the whole machine in Chest Disease Clinic (Pirojpur, Natore, Satkhira). | 23-Jun-2025 12:00        | 23-Jun-2025 15:00               |
| 4.    | 1124577   | egp/repair/2025/EL-1<br>Repairing of Power Backup System by repairing UPS System of ESWL Machine including 02 Year Comprehensive warranty of the whole machine in Sylhet M.A.G. Osmani Medical College Hospital, Sylhet and Repairing of Power Backup System of LINAC Machine (TPS+Simulator) including 02 Year Comprehensive warranty of the battery in Shaheed Ziaur Rahman Medical College Hospital, Bogura.                                                                                 | 23-Jun-2025 12:00        | 23-Jun-2025 15:00               |

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Further information and guidelines are available in the National e-GP system portal and also from e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

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GD-1376

# Sonali Bank reports Tk 988cr profit in 2024

FEDA AL HOSSAIN

Sonali Bank saw its earnings rise in 2024, driven by higher interest income. The state-owned lender saw its consolidated net profit rise by 32 percent year-on-year to Tk 988 crore in 2024, according to its financial statement. The bank made a profit of Tk 747 crore in 2023. Its consolidated earnings per share surged to Tk 21.82 last year, up from Tk 16.50 in 2023. The bank's net interest income rose by 149 percent year-on-year to Tk 1,490.62 crore. Its net operating cash flow per share soared to Tk 412.27 from Tk 75.86 over the same period. Sonali Bank was formed soon after Bangladesh's independence through the nationalisation of the then National Bank of Pakistan, Premier Bank, and Bank of Bahawalpur. As a fully state-owned institution, it has carried out various government-assigned socio-economic schemes and money market operations across all sectors of the economy, according to its website. The bank became Sonali Bank Ltd in 2007 with full government ownership.

# Stocks rebound just before Eid holiday

STAR BUSINESS REPORT

Indices of the Dhaka Stock Exchange rose on the last day of trading yesterday before the beginning of the Eid festival, recovering from the previous day's losses. The DSEX, the benchmark index of the premier bourse, went up 44.29 points, or 0.94 percent, to close at 4,709.09. The Shariah-compliant DSES index increased by 1.13 percent to end at 1,028.89, while the DS30, which tracks blue-chip stocks, rose by 0.92 percent to 1,762.36. Turnover, a key indicator of market activity, hit Tk 224.49 crore yesterday, down from Tk 229.06 crore in the previous session. A total of 77,709 trades were executed during the session, with block transactions accounting for Tk 15.88 crore across 32 scrips. Market breadth was positive, with 277 issues advancing, 55 declining, and 64 remaining unchanged. Among A Category shares, 160 advanced, 28 declined, and 30 remained unchanged. In the B Category, 63 scrips gained, while 11 declined. The N Category shares witnessed no trading activity. Other segments had mixed trends, with 12 issues advancing and 5 declining in mutual funds, while corporate bonds saw one issue advancing and one declining. Government securities saw one scrip advancing and one declining. Sonargaon Textiles registered the highest gain of the day, surging 9 percent, while Northern Jute Manufacturing Co was the worst performer, falling 7 percent.



Agricultural output must grow by 4 percent to 5 percent annually to meet the Sustainable Development Goals (SDGs) on food and nutrition security by 2030, said an expert. PHOTO: HABIBUR RAHMAN

# Agri budget not enough to ensure food security: experts

SUKANTA HALDER

The government has proposed a 3.55 percent rise in the budget allocation for agriculture, food, livestock and fisheries in the next fiscal year, setting aside Tk 39,620 crore. But agro-economists say the increase is far from sufficient to ensure the country's long-term food security. In his budget speech on Monday, Finance Adviser Salehuddin Ahmed announced Tk 27,224 crore for the agriculture ministry for fiscal year (FY) 2025-26. This proposed allocation includes Tk 17,241 crore for subsidies on fertilisers and other farming inputs — a figure that remains nearly unchanged from the current fiscal year. Agri experts argue that the budget once again prioritises subsidies over much-needed investments in productivity. With Bangladesh set to graduate from the Least Developed Country (LDC) club in 2026, such subsidies will no longer be sustainable. "If the current interim government did some groundwork in the FY26 budget towards the graduation, whoever comes to power next will have a footmark to follow," said M Asaduzzaman, former research director at the Bangladesh Institute of Development Studies (BIDS). He suggested the budget should have outlined a one-year preparatory plan, laying the foundation for future policy shifts. "That could have then been a topic at least for discussion," he said. Citing the urgency of improving yields, Asaduzzaman said paddy productivity in Bangladesh still falls below that of neighbouring India and Pakistan, where output is at least 30 percent higher. "In Bangladesh, more attention has been paid to increasing subsidies over the years than to improving productivity," added the researcher. According to a latest report by the Bangladesh Bureau of Statistics (BBS), the agriculture sector grew by just 1.79 percent in FY 2024-25, the slowest pace in more than a decade. The sector's share of the country's gross domestic product (GDP) has also steadily declined, from over 38 percent in the early 1970s to just 11.3 percent in FY 2022-23, and further down to 10.94 percent in FY 2024-25.

**Agro-economists blame a mix of factors, including frequent floods, droughts and erratic rainfall, for the sector's declining contribution to GDP**

Agro-economists and industry insiders blame a mix of factors, including frequent floods, droughts and erratic rainfall, all made worse by climate change. Against this backdrop, the proposed budgetary allocation appears underwhelming, said agro-economist Jahangir Alam Khan. "If we want to ensure food security, reduce inflation and become self-reliant, the allocation must be increased," he said. Echoing Asaduzzaman's call for improving productivity, Khan said that agricultural output must grow by 4 percent to 5 percent annually to meet the Sustainable Development Goals (SDGs) on food and nutrition security by 2030. "With this paltry budget allocation, that's just not possible," he said. He also pointed out that a farm mechanisation project offering subsidised machinery to farmers had shown promise, and it could have been relaunched in the new budget. To ensure fair prices, Khan said the government should procure at least 20 to 25 key crops directly from farmers, which is now limited to only paddy and wheat. Mohammad Jahangir Alam, professor of agribusiness and marketing at Bangladesh Agricultural University in Mymensingh, said the interim government, unburdened by political pressures, had a unique opportunity to offer a more forward-looking budget. He was critical of the new budget for not having sufficient focus on agricultural research, which he said is key to reducing dependence on imports and achieving self-sufficiency. "In previous budgets, a separate allocation was kept for research, but it is not in the proposed one," he added. However, the budget does contain a few promising initiatives. "The use of environment-friendly technologies is being promoted to reduce water waste during irrigation, improve the use of surface water and ensure sustainable use of groundwater," Alam said. Other measures include strengthening cold storage supply chains and logistics systems, developing transport infrastructure for farm produce, creating a comprehensive database of agri supply chain actors, and establishing specialised agro-processing zones and port facilities for export. In his budget speech, the finance adviser said that they have identified 59 bottlenecks to agri exports, and steps are being taken to address them.

# The 'just energy transition' we need in RMG

MD MOHIUDDIN RUBEL

Bangladesh's readymade garment (RMG) industry is the powerhouse of the national economy, accounting for nearly 85 percent of export earnings and employing millions, particularly women from vulnerable communities. While it has significantly contributed to poverty reduction, the sector also has a substantial environmental impact, generating about 15.4 percent of the country's total emissions. The industry now faces a critical juncture. Growing pressure from international buyers, consumers, and stricter regulations, especially from the European Union, demand a shift towards greener and more ethical manufacturing practices. This necessitates a "just energy transition" — a move towards sustainability that is fair, inclusive, and ensures that the transition benefits, rather than harms, the workforce that built the industry. A "just energy transition" goes beyond simply adopting renewable energy like solar power or installing energy-efficient machinery. It fundamentally requires prioritising the wellbeing and participation of workers. Failing to manage this transition justly could lead to significant challenges: job roles may become obsolete due to new technologies, potentially leading to job losses or changes. Workers, especially women, might lack the necessary skills for emerging green jobs, and temporary income loss during factory upgrades or retraining periods is a real risk. An improperly handled transition could even exacerbate existing issues like heat stress in factories, ultimately leaving behind the very people the industry depends on. Therefore, the "just" component is crucial. Workers must be seen as partners in progress, not merely costs to be managed. Increasingly, global stakeholders value knowing that products are made sustainably and ethically. Ensuring workers are cared for, empowered, and protected becomes a competitive advantage, not a burden. Achieving a fair transition requires several interconnected actions. Primarily, investing in people through accessible training and reskilling programmes, especially for women, is crucial to prepare the workforce for new green jobs involving advanced machinery and digital tools. Simultaneously, diversifying beyond traditional garments into areas like technical textiles, recycling, renewable energy manufacturing, and circular models will create varied employment opportunities, particularly for youth and women, enhancing economic resilience. Factory upgrades must encompass both green goals — like clean energy and efficiency — and improved working conditions, ensuring safety and mitigating heat stress, because decent work is integral to the transition. Finally, clear communication about the changes, their rationale, and timelines, coupled with gradual implementation, is essential for ensuring workers understand and adapt smoothly to the evolving landscape. This transition also presents significant opportunities. Renewable energy sources like rooftop solar, coupled with net metering, can drastically reduce fuel costs and emissions, potentially saving the sector an estimated 1,159 kilotonnes of oil equivalent (KTOE) annually. Energy efficiency measures often yield quick returns on investment. Furthermore, Bangladesh is already a global leader in green garment factories, boasting the highest number of LEED-certified facilities worldwide. New job roles in clean energy installation, maintenance, and green technologies are emerging, offering potential for workforce advancement with proper training. However, substantial challenges remain. Securing adequate financing for green technologies is a major hurdle. Coordinated policy support is essential, including removing import taxes on green tech, providing financial incentives, and creating affordable credit lines. A clear national roadmap with defined timelines, targets, and collaborative frameworks involving factory owners, government bodies, development partners, and brands is needed. Crucially, this transformation cannot be shouldered by factory owners alone. International brands and buyers, who benefit significantly from the supply chain, must share the responsibility through financial contributions, technology transfer, and support for workforce development. The government's role is to lead with effective policies, worker protection frameworks, and fostering partnerships. The RMG sector is a testament to Bangladesh's resilience. Embracing a "just energy transition" allows the nation to lead once more, pioneering a future that is not only sustainable but also built on solidarity, dignity, and inclusivity, ensuring no one is left behind.



The author is a former director of the Bangladesh Garment Manufacturers and Exporters Association

# Govt to buy 200 pickups for police

Will import 1.3m tonnes of fuel

STAR BUSINESS REPORT

The government approved the purchase of 200 double-cabin pickups for the police and the import of 1.3 million tonnes of refined petroleum products to meet fuel demand in the second half of the year. The decisions were made yesterday at a meeting of the Government Procurement Advisory Committee, chaired by Finance Adviser Salehuddin Ahmed. All 200 pickups will be procured directly from Pragati Industries, a local manufacturer, at a cost of Tk 172 crore. The vehicles will be used for operational purposes by the police. The committee also approved the import of 1.275 million tonnes of refined fuel at an estimated cost of Tk 9,139 crore, or about \$749 million. PetroChina International (Singapore) Pte Ltd, Vitol Asia Pte Ltd of Singapore, and Sinochem International Oil (Singapore) Pte Ltd were recommended as the importers. Following the meeting, the finance adviser said public opinions on the proposed national budget will be sought after the Eid holidays, with discussions to continue until June 19. The advisory council is scheduled to approve the budget on June 22.

# No tax on donations to siblings

STAR BUSINESS REPORT

Alongside existing exemptions for spouses, parents, and children, the government has proposed tax exemptions on donations made to siblings as part of its latest fiscal measures. According to the budget proposal placed on June 2, cash or immovable property such as land and flats can now be transferred between siblings without incurring any tax liability. The move is expected to ease the process of intra-family asset transfers and reduce legal complexities. Until now, any donation made to individuals other than spouses, parents or children was subject to tax. The inclusion of siblings broadens the scope of familial tax relief. The new measure brings clarity by including such transfers under tax-free donations.

# Ctg port gets 15 new straddle carriers for Tk 124cr

STAFF CORRESPONDENT, Ctg

Chattogram Port has added to its fleet 15 new four-high straddle carriers, an essential type of container-handling equipment. A vessel named J Yang brought the carriers from China and berthed at a port jetty yesterday morning, said Md Nasir Uddin, acting secretary of the Chittagong Port Authority (CPA). The CPA procured the equipment from the Chinese state-owned engineering company Shanghai Zhenhua Heavy Industries Company Limited (ZPMC) at a cost of Tk 123.63 crore, he said. The four-high straddle carriers are specialised machines capable of transporting, lifting, and stacking containers up to four units high. With the latest addition, the port now has a total of 53 four-high straddle carriers, according to the CPA's Mechanical Department. It also has seven two-high straddle carriers. Nasir Uddin hoped that the new equipment would accelerate container-handling operations at the port.

# US tariffs may hamper efforts to cool inflation Fed official says

AFP, Washington

Shifts in US trade policy could hold back further progress in lowering inflation, a senior US central bank official said Tuesday, as President Donald Trump's sweeping tariffs ripple through the economy. The US economy is "still on a firm footing, but uncertainty has notably increased since the beginning of the year," Federal Reserve Governor Lisa Cook told a Council on Foreign Relations event in New York. While the ultimate level of Trump's tariffs remains unknown as policy changes are ongoing, "the effects are already noticeable," she said. In particular, Cook warned of higher inflation and a jobs market cooldown. Price increases tied to policy shifts, in turn, "may make it difficult to achieve further progress in the near term" when it comes to inflation, she added. Typically, the Fed holds interest rates at a higher level if inflation is elevated and when inflation is low, the central bank can cut rates to boost economic activity.

For now, the Fed's preferred gauge of inflation — the personal consumption expenditures price index — rose 2.1 percent from a year ago in April. This was down from a month prior, but slightly above the central bank's longer-run two percent target. In a separate address in Iowa, Chicago Fed president Austan Goolsbee cautioned that encouraging inflation figures were "old news," saying they were the last reports before the effects of Trump's tariffs. "Are the tariffs going to have a small impact?" he said. "We gotta wait and see what happens." Cook added that "the economic environment could become highly challenging for monetary policymakers." Besides changes to economic policy, the response of financial markets, businesses and consumers suggest risks to both price stability and unemployment, she noted. "The recent post-pandemic experience with high inflation could make firms more willing to raise prices and consumers more likely to expect high inflation to persist," she said.