



## Final round of FTA talks with Japan begins Sep 3

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Bangladesh is set to begin the final round of negotiations for a free trade agreement (FTA) with Japan next week as part of its push to ensure such deals ahead of its graduation from the least developed country club next year.

Besides, the first round of talks regarding a Comprehensive Economic Partnership Agreement (CEPA) with South Korea is set to conclude today, Commerce Secretary Mahbubur Rahman said.

"I am going to Japan to attend the final round of negotiations for signing the Economic Partnership Agreement (EPA) with Japan," he told The Daily Star over the phone yesterday.

"The final round of negotiation will begin on September 3 and continue until

### First round of CEPA talks with S Korea concludes today

September 13 in Tokyo," said Rahman.

Regarding the CEPA negotiation with Korea, Rahman said, "A team from Bangladesh is already in South Korea to participate in the first round of negotiation with Seoul. The meeting began on August 25 and will continue until August 27."

#### EPA WITH JAPAN EXPECTED BY YEAR-END

Speaking about the EPA talks with Japan, the secretary said as per the policy of the EPA, three meetings were held in Dhaka and four will be held in Japan.

The talks include issues such as trade,

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## Tax corruption key barrier to business growth: CPD survey

### Key tax related challenges (as per surveyed businesses)

CATEGORY	IN % OF SURVEYED RESPONDENT
Corruption among tax officials	72.4
Manual processes in tax filing	69.9
Lack of accountability among tax officials	78.9
Trust issues between companies and tax officials regarding tax estimation	65
Unfair imposition of corporate tax rates	82.1

### KEY POINTS

Tax-GDP ratio slips to 6.6% this year from 7.4% last year, NBR chairman says

Tax evasion was Tk 226,236cr in 2023

### Reasons behind tax evasion

- High tax rates
- Complex laws
- Weak enforcement
- Widespread corruption

### STAR BUSINESS REPORT

Corruption among tax officials has emerged as the single biggest barrier to business growth, according to a survey by local think tank Centre for Policy Dialogue (CPD).

More than 72 percent of firms, or three out of four, said bribery and harassment from taxmen were major obstacles to expansion. Another 82 percent said current tax rates were unfair.

The findings were presented at a dialogue on corporate tax and VAT reform at a hotel in Dhaka yesterday. In partnership with Christian Aid, the think tank surveyed 123 companies in Dhaka and Chattogram earlier this year.

Tamim Ahmed, senior research associate at CPD, presented the findings.

He said 65 percent of businesses were locked in disputes with officials over tax claims. Many of the executives interviewed complained that taxes were imposed

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arbitrarily, without explanation or notice. They argued such practices created an invisible cost greater than the tax itself, making the system deeply unfair.

On value-added tax (VAT), firms pointed to multiple rates and confusing rules.

Around 73.5 percent of respondents said the complexity of VAT laws was one of their biggest hurdles. Other concerns included limited cooperation from tax officers, inadequate training, difficulties classifying goods and services, and high compliance costs.

This part of the study, based on the World Bank Enterprise Survey model, covered 389 firms in Dhaka and the surrounding districts.

The CPD also estimated that tax evasion reached Tk 226,236 crore in 2023, due mainly

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Bangladesh gets \$1b in investment proposals in Jan-May

### STAR BUSINESS REPORT

The country has received investment proposals amounting to nearly \$1 billion in the first five months of this year, pointing to renewed confidence in the country's economy, according to the Bangladesh Investment Development Authority (BIDA).

Of the total, foreign investors accounted for \$550 million, while local investors proposed \$450 million.

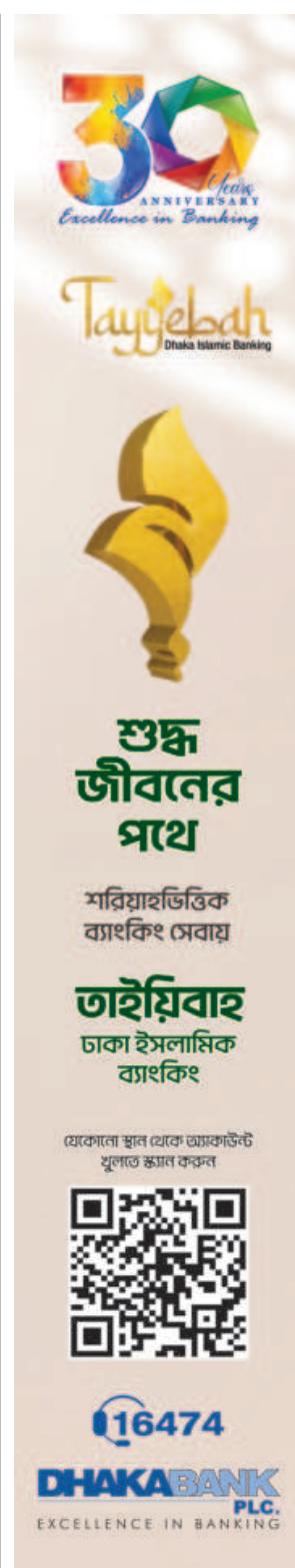
Nahian Rahman Rochi, head of business development at BIDA, said around 20 percent of the proposals have reached an advanced stage, which includes signed agreements, land lease approvals and allotment letters.

He shared the information yesterday while exchanging views with journalists at the BIDA auditorium in Dhaka.

"The figures indicate rising investor interest in Bangladesh's special economic zones (SEZs), which continue to be a core pillar of the government's industrialisation drive," Rochi said.

"Our focus is not just on the volume but also on the quality and sustainability of investments. If this momentum continues and facilitation becomes more streamlined, the next five months could yield even

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