

# star BUSINESS



## RMG exporters oppose move to curb yarn imports

### STAR BUSINESS REPORT

Local apparel exporters have opposed the commerce ministry's recommendation to remove duty benefits on certain yarn imports under the bonded warehouse facility.

They argue that such restrictions would force them to spend more on locally produced yarn, which eventually will reduce the global competitiveness of the country's ready-made garments at a time when export growth is slowing.

The commerce ministry recently recommended the National Board of Revenue (NBR) to scrap duty benefits on imported yarn of 10 to 30-count, a medium-to-coarse range widely used in knitwear production.

The move is meant for protecting

spinners should expand capacity and modernise production rather than depending on an "artificial duty shield".

BGMEA Director Faisal Samad said they are relying more on Indian yarns because of their competitive prices. "In this case, shorter lead-time is not a major factor," he said.

Leaders at the press conference criticised the commerce ministry for not consulting with them before making the decision. They said that officials of the Bangladesh Trade and Tariff Commission (BTTC), which operates under the commerce ministry, held meetings with them.

BKMEA President Mohammad Hatem said that no decision on duty withdrawal was made during discussions with BTTC officials.

The garment makers said they

**WHY DO APPAREL EXPORTERS OPPOSE BOND FACILITY REMOVAL?**  
Costs for local yarn will rise  
Export competitiveness will erode

**YARN COST GAP**  
Imported yarn: \$2.50-\$2.60 per kg  
Local yarn: around \$3.00 per kg  
Price gap: 30-40 cents per kg  
Absorbable gap: up to 20 cents per kg

**EXPORT PERFORMANCE**  
Garments exports down 2.63% in Jul-Dec period last year  
Monthly exports down 14.23% in Dec in 2025

**EXPORTERS PROPOSE**  
5% cash incentive for local yarn use  
Reliable gas, power for spinners  
Corporate tax relief for spinners  
Low-interest loans for spinning mills

local spinners, who claim they were sitting on Tk 12,000 crore of unsold stock as of December last year amid a surge of Indian yarn.

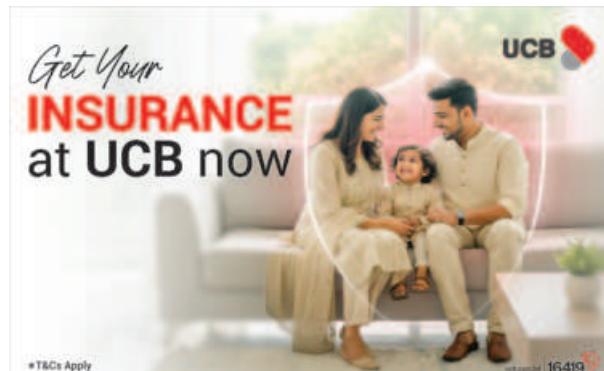
At a joint press conference at Pan Pacific Sonargaon Dhaka yesterday, leaders of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) said local

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would be willing to purchase local yarn even if it cost 20 cents more per kilogramme. Currently, the price differences range from 30 to 40 cents per kilogramme.

Acting BGMEA President Selim Rahman said the price of widely used 30 count yarn ranges from \$2.50 to \$2.60 per kilogram internationally, compared with \$3 per kilogram for locally produced yarn.

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## Govt to sell Nassa Group property to clear workers' dues

Says Adviser M Sakhawat Hussain

### STAR BUSINESS REPORT

The government has decided to sell properties owned by Nassa Group to clear outstanding wages and service benefits for its workers, Labour and Employment Adviser M Sakhawat Hussain said on Sunday.

A sale of assets will be carried out in accordance with court directives, the adviser said at an Advisory Council Committee meeting on reviewing conditions of industrial units in Beximco Industrial Park, held at the Secretariat.

Nassa Group has so far paid Tk 76 crore to workers by selling company shares through a court-appointed administrator, a ministry press release quoted him as saying.

The group has also made down payments to eight banks under instructions from the Bangladesh Bank.

Remaining payments to another 15 banks and the settlement of outstanding worker arrears will be addressed through the sale of Nassa Group assets via open and competitive processes, following court guidance.

The group, which employed more than 30,000 workers in textile and garment operations and also has stakes in banking and real estate, faced financial turmoil after its chairman, Nazrul

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## BSEC rejects Tk 2,100cr bank bonds cleared by BB

### AHSAN HABIB

The stock market regulator has rejected bond issuance proposals worth Tk 2,100 crore from several banks that had earlier received no objection certificates from the Bangladesh Bank (BB).

According to official documents from earlier this month, Southeast Bank, Al-Arafah Islami Bank, Meghna Bank, and ONE Bank are among the lenders whose bond proposals were rejected.

BB, the regulator of the banking sector, had earlier issued no objection certificates after assessing the banks' capital adequacy and leverage position, liquidity profile, asset quality, stress test outcomes, repayment capacity, and governance standards.

However, the Bangladesh Securities and Exchange Commission (BSEC) said it rejected the proposals because the banks' "financial performance, particularly liquidity and profitability, is not satisfactory".

A no objection certificate from the BB is a mandatory requirement for banks seeking to issue bonds, but it does not guarantee approval by the stock market regulator.

According to a senior merchant banker,

the central bank's NOC signals that a bond proposal complies with prudential regulations and does not pose systemic risk to the banking system.

"It means the proposal has passed the most critical checkpoint for banking stability," he said, adding that BB focuses

**"After the merger of five banks, there is growing fear that bond subscribers could lose their investments if a bank's financial condition deteriorates."**

Saiful Islam  
President of the DSE Brokers Association of Bangladesh

mainly on whether a bond could weaken a bank or create broader financial stress.

The BSEC, by contrast, assesses the proposal from the perspective of the capital market, with emphasis on investor

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## Stocks rise for second day ahead of election

### STAR BUSINESS REPORT

The country's stock market rose for the second day in a row yesterday, indicating growing investor confidence as the upcoming national election nears.

The DSEX, the main index that tracks all listed companies on the Dhaka Stock Exchange (DSE), gained 56 points, or 1.12 percent, to reach 5,091 yesterday. On Sunday, it had jumped 76 points, or 1.56 percent.

The DS30, which tracks the 30 largest and most actively traded companies (often called "blue-chip" stocks), rose 25 points, or 1.33 percent, to 1,964, according to DSE data.

The DSES, a sharia-compliant index for companies that follow Islamic finance principles, also climbed 14 points, or 1.40 percent, to 1,023.

A stock market analyst said many investors had been cautious in recent months because of uncertainty about the political situation.

"Now, they are gaining confidence that the election will happen smoothly, and a political transition will take place soon," he explained.

He added that after a political change, the country's economic outlook could improve, benefiting the profits of listed companies. "This optimism has contributed to the rising trend in the stock market."

Market activity also picked up. The total turnover, the value of all shares traded, rose 25 percent to Tk 593 crore. Out of all traded stocks, 268 went up in price, 72 went down, and 54 stayed the same.

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## Online tax, offline refund

Taxpayers struggle to recover overpaid taxes as the manual refund system leaves money inaccessible



### MD ASADUZ ZAMAN

Taxpayers, including individuals, continue to face difficulties in getting back overpaid taxes, as minimum tax provisions remain in place and the refund process is still manual and complex.

Although the National Board of Revenue (NBR) has made electronic tax return filing mandatory for individual taxpayers this assessment year, it has yet to introduce an e-refund system.

This has left many taxpayers frustrated as revenue authorities in other countries transfer refunds directly to accounts once tax liability is assessed.

Citing the NBR's online filing portal, a

tax (AIT), particularly businesses, professionals, and salaried individuals.

According to the law, any excess should be refunded if the final tax liability is lower. In practice, however, refunds are rarely paid on time, if at all, according to taxpayers and analysts.

Instead, the NBR allows taxpayers to carry forward excess payments to the following assessment year for adjustment of future tax liabilities. While this provides limited relief, it does not solve the main problem: taxpayers are effectively denied access to their own money.

Take the case of Mamun Ahmed from Sylhet. His total tax liability for the current year was Tk 7,000, yet Tk

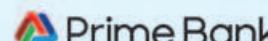
income if a depositor submits proof of submitting a tax return. Without this proof, taxpayers face a 15 percent deduction.

Analysts question the logic of deducting AIT from individuals who earn below the tax-free threshold.

Most source taxes have been classified as "minimum tax" under the Income Tax Act 2023, making refunds largely inaccessible.

Snehasish Barua, chartered accountant and director of SMAC Advisory Services Ltd, said that Bangladesh's tax refund mechanism is currently paralysed by the classification of most source taxes as "minimum tax".

Under the law, this prevents taxpayers



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banker said that when a taxpayer claims a refund, a message appears reading, "Claim bank transfer of refund?". Clicking further brings up another message, "Integration of this page under process."

"It is annoying," he said, requesting anonymity.

Under the current system, taxpayers often overpay through tax deduction at source (TDS) or advance income

12,000 had already been deducted at source from his fixed deposits and savings certificates.

This is not an isolated incident. Rather, many other taxpayers earning below the tax-exempt threshold face similar issues in bank deposits, savings certificates, and other deposit instruments.

Banks and financial institutions deduct 10 percent AIT on interest

from claiming refunds unless amended, he added.

"While provisions for future tax adjustments exist, they remain subjective and impractical in a market where consistent profit growth is not guaranteed," said Barua.

He added that despite legal requirements to issue refunds within 60 days, procedural gaps persist. "To resolve

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## Russia gifts 30,000 tonnes of fertiliser to Bangladesh

### STAR BUSINESS REPORT

Russia has handed over 30,000 tonnes of muriate of potash (MOP) fertiliser to Bangladesh as a gift under the framework of the World Food Programme (WFP).

Uralchem, a leading fertiliser manufacturer in Russia, delivered the fertiliser at a ceremony held yesterday at the Bangladesh Agricultural Research Council in Dhaka.

Agriculture Adviser Lt Gen (retd) Md Jahangir Alam Chowdhury said that ensuring a stable supply of food and fertiliser has become a major challenge in today's global context.

He added that the adverse effects of climate change, international market volatility, and other global crises are strongly affecting the agricultural sector.

"Under such circumstances, international cooperation and partnerships are more important than ever," the adviser said, calling yesterday's initiative a clear example of constructive global collaboration.

He also said that the Bangladesh Agricultural Development Corporation now holds 10.35 lakh tonnes of non-urea fertilisers, the highest since its establishment in 1961, and that significant progress has been made in agriculture during the tenure of the interim government.

Dmitry Konyaev, chief executive officer of Uralchem JSC, said mineral fertilisers are essential for food security as they ensure reliable crop yields.

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