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Over 200 tariff lines set for rationalisation

Move is part of wider trade tax reform as Bangladesh prepares for LDC graduation

MOHAMMAD SUMAN *and* MD ASADUZ ZAMAN

Bangladesh is preparing another round of tariff rationalisation in the next fiscal year, cutting or easing protective duties on more than 200 imported goods, as part of a wider effort to modernise the trade system ahead of graduation from least developed country (LDC) status.

Under this plan, customs duties, regulatory duties and supplementary duties of the items are likely to be rationalised, according to finance ministry officials.

Last year, the government proposed cuts on around 350 tariff lines in the first phase of a broader reform programme. The upcoming budget for fiscal year 2026-27 is expected to continue that process.

Officials said the changes are designed to bring the trade system closer to global standards and prepare for the post-LDC era starting from November this year.

"We are continuing the process of tariff rationalisation to make the structure more competitive, transparent and compliant with international trade obligations," said a senior official involved in the process.

Preferring anonymity, he also said that despite the planned reductions, sensitive sectors would continue to receive a degree of protection to allow local industries time to adjust to increased competition from imports.

According to finance ministry officials, Bangladesh will face more pressure to reduce trade barriers after the LDC graduation, as the country will lose several preferential trade benefits under the current international arrangements.

They also said the reforms are being designed in consideration of Bangladesh's commitments under the World Trade Organization and ongoing talks on future trade agreements.

Bangladesh currently has 7,611 tariff lines. In other words, the country has 7,611 different product categories for which import taxes are set separately.

Its binding commitments at the World

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New Zealand assures post-LDC market access for Bangladesh

STAR BUSINESS REPORT

New Zealand will continue duty-free and preferential market access for Bangladeshi goods after the country graduates from the least developed country (LDC) category, David Pine, New Zealand's non-resident high commissioner in Dhaka, said yesterday.

New Zealand has been giving special importance to ensuring market access for Bangladeshi goods after the graduation, he said at a meeting with Commerce Minister Khandakar Abdul Muktadir at the secretariat in Dhaka, according to a ministry press statement.

He said that given the current global scenario, export market diversification is important, but so is diversifying import sources, adding that both countries stand to benefit from expanded bilateral trade.

New Zealand goods, he added, are known for reliability, high standards, food safety, and being free of genetically modified organisms, and the country is interested in establishing a stable, long-term trade structure.

Bangladesh exported $99.73 million worth of goods to New Zealand in fiscal year 2024-25, around 90 percent of which were garment items, according to the Export Promotion Bureau. In the July–April period of the current fiscal year, the figure stood at $78.93 million.

Both sides also expressed interest in exploring a trade deal such as a free trade agreement, to boost investment and bilateral trade, states the ministry statement.

Meanwhile, minister Muktadir said employment generation, and rapid growth of investment are important for Bangladesh's sustainable LDC graduation.

He also noted that it is important to maintain the competitiveness of garment exports and ensure preferential market access for the country's major apparel items.

The minister also asked the high commissioner to encourage entrepreneurs from his country to choose Bangladesh as an investment destination, as the Bangladesh government has taken many measures to ease doing business.

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Apart from NCT, race on for two other Ctg port terminals

UAE's DP World, Saudi RSGT and two local entities enter competition

CTG PORT'S OPERATIONAL TERMINALS

General Cargo Berth (GCB): **Mixed**

Chittagong Container Terminal (CCT): **Container**

New Mooring Container Terminal (NCT): **Container**

Patenga Container Terminal: **Container**

WHO WANTS WHAT?

DP WORLD (UAE)

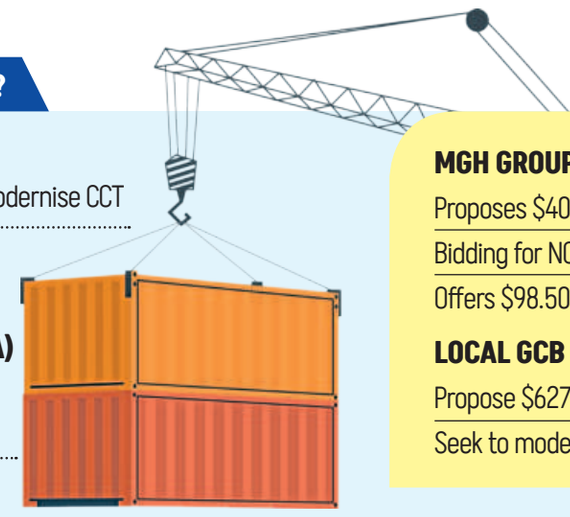
Seeks to operate and modernise CCT

Wants to integrate CCT with NCT

RSGT (SAUDI ARABIA)

Proposes $600m investment

Targets CCT and GCB



MGH GROUP (BANGLADESH)

Proposes $400m investment

Bidding for NCT and CCT

Offers $98.50 per TEU revenue share at NCT

LOCAL GCB OPERATORS (BOSTOA)

Propose $627m investment

Seek to modernise and run GCB under PPP

WHY THE RUSH

Greenfield projects require longer timelines, higher risk

Ready and operational terminals offer immediate revenue

NCT remains the biggest prize, but competition is growing

DWAIPAYAN BARUA, *Ctg*

Amid negotiations over leasing Chattogram port's New Mooring Container Terminal (NCT), attention has now turned to two other key facilities of the seaport as an increasing number of foreign and local operators are showing interest in making investments and running those terminals.

The port has four main container and cargo terminals. These are General Cargo Berth (GCB), Chittagong Container Terminal (CCT), NCT, and Patenga Container Terminal (PCT).

All of those are now operational and run by local operators, except for the PCT. Saudi Arabia's Red Sea Gateway Terminal (RSGT) is now running the Patenga terminal.

At the fourth Dubai-Bangladesh Joint Platform meeting held in Dubai on April 8, UAE-based global operator DP World expressed interest in operating CCT. Talks have been ongoing for years to lease out NCT, the largest and busiest container terminal of the seaport, to DP World.

DP World says it wants to develop the two terminals as a single integrated facility, according to meeting minutes obtained by The Daily Star.

Within weeks of DP World's latest approach, Saudi RSGT expressed interest in modernising and operating CCT and GCB.

Apart from the foreign firms, Bangladeshi conglomerate MGH Group, which earlier proposed operating CCT, has recently submitted a fresh proposal to operate both CCT and NCT.

Meanwhile, a group of 12 berth operators who are currently running the GCB has jointly proposed to modernise and operate the general cargo terminal.

A senior official of the Chittagong Port Authority (CPA) confirmed that several proposals have been received from local and foreign firms for investment and operation of different terminals.

Of the total four terminals at the seaport, three are dedicated to container handling. Only the GCB is used for both container vessels and bulk and break-bulk cargo.

The port handled 34.09 lakh TEUs (Twenty-foot Equivalent Unit) of containers in 2025. Of this, NCT handled 13.21 lakh TEUs, GCB 10.83 lakh, CCT 4.83 lakh, and PCT 1.53 lakh, according to CPA data.

Officials and port users say foreign firms have for several years shown interest in greenfield expansion projects such as the Bay Terminal. However, such projects require large investments and long construction timelines.

In contrast, operational terminals offer immediate revenue, which is why both local and foreign operators are focusing on existing facilities.

During the previous Awami League government, negotiations began with DP World for the operation of NCT.

The process continued under the interim government, which came close to finalising a deal before it was postponed following a strike by port workers ahead of the February parliamentary election.

The current government is still discussing DP World's proposal for NCT.

Shipping ministry officials said CCT has also been placed under the Bangladesh-Dubai Joint Platform for discussion and may be taken up as a separate project in future meetings.

On April 22, RSGT expressed interest in modernising and operating GCB and CCT, proposing an investment of over $600 million.

Speaking on condition of anonymity, a senior RSGT official in Chattogram said the proposal was still at an early stage. "If the government allows, we are interested in modernising and efficiently operating the GCB and CCT," he said.

In March last year, local MGH Group first proposed to upgrade and operate CCT with an investment plan of $300 million. On April 28 this year, it submitted a fresh proposal to manage and operate NCT under a public-private partnership (PPP) model.

MGH has offered the CPA $98.50 per TEU in revenue share at NCT, compared with projected earnings of $161.80 per container.

DP World earlier proposed a revenue share of $93.50 to $97.50 per container.

The group says its 15-year concession model could generate about $1.68 billion in total payments to the port authority.

Anis Ahmed, CEO of MGH Group, told The Daily Star that the company's offer provides higher revenue to CPA than competitors.

He added that MGH's lower financing and overhead costs, compared with foreign operators, help maintain margins despite the higher revenue share.

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Govt to form capital market reform commission

REJAUL KARIM BYRON

The government is planning to form a capital market reform commission to bring transparency and restore investor confidence, according to officials at the Ministry of Finance.

The decision was taken at a recent budget-related meeting. It forms part of the ruling BNP's broader commitment to reviving the capital market, which featured in the party's election manifesto.

Ministry officials said the commission will work toward overall market reform, with the government also planning to focus on building a stronger bond and equity market.

Besides, the government is also planning to take steps towards ensuring the use of blockchain technology, create an investment gateway for non-resident Bangladeshis, and attract greater foreign investment.

The meeting was informed that Dhaka Stock Exchange's (DSE) market capitalisation has dropped by Tk 33,000 crore, or 4.4 percent, between January 2024 and February 2026.

The bourse's benchmark index, the DSEX, fell from 6,153 to 5,600 points in the same period.

The move follows reform efforts under the interim government, which had formed a five-member taskforce to recommend changes to the stock market.

The taskforce, after extensive stakeholder consultation, proposed amendments to several securities rules, many of which the Bangladesh Securities and Exchange Commission (BSEC) has since adopted.

In a successor note before leaving office, former finance adviser Salehuddin

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Govts pledged renewables, but spent 90% of funds on fossil fuels

CPD says clean energy remained sidelined for years

STAR BUSINESS REPORT

For over a decade, governments have been allocating a disproportionately low share of the budget to renewable energy despite ambitious pledges, with nearly all power and energy allocations going to fossil fuel projects, a Centre for Policy Dialogue (CPD) study has found.

The study, unveiled at an event jointly organised by CPD and Dhaka Stream at Pan Pacific Sonargaon Dhaka yesterday, comes just weeks before the BNP-led government, which has signalled a push toward clean energy, is set to unveil its first full budget. The study was co-authored by Khondaker Golam Moazzem, research director of CPD.

MAJOR CONCERNS

- No new renewable energy incentives in budget
- Wind power installation remains limited
- Overdependence on fossil fuels persists
- Capacity charges continue draining public funds
- Land scarcity hinders solar expansion

Presenting the findings, Khalid Mahmud, programme associate at CPD, said the allocation trend from fiscal year 2015-16 (FY16) to FY26 shows fossil fuel projects consistently capturing over 90 percent of power and energy development spending.

The budget for the ongoing FY26 showed marginal improvement, with renewable energy receiving 4.6 percent, yet fossil fuel-based projects still dominated at over 95 percent, reflecting what he called limited structural rebalancing, he said.

Mahmud added that the FY26 budget also dropped a Tk 100 crore allocation for renewable energy that had been included the previous year, and introduced no new incentives for solar or other clean technologies.

Bangladesh's total installed renewable energy capacity stands at approximately 1,745 MW as of May 11, with solar unit accounting for over 83 percent of that. In total, renewables represent just 5.4 percent of total installed capacity, well short of a target set years ago to reach 10 percent by 2021.

The compound annual growth rate of renewables from 2016 to May 2026 is 15.78 percent. Of 42 active development projects, only three focus on renewable energy.

Despite the wind energy potential in the coastal region, wind power installation remains very low, accounting for only about 62 MW, said Mahmud, noting that renewables in Bangladesh continue to remain constrained within the national budget framework.

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