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Star BUSINESS

Imported at Tk 370, helmets sold for up to Tk 4,500

Country's fast-growing motorcycle fleet and rising fatality rates contrast with helmet imports declared at a fraction of their retail value

JAGARAN CHAKMA *and* MOHAMMAD SUMAN

A motorcycle helmet declared at just $3, or about Tk 370, during import is being sold in the local market for as much as Tk 4,500.

The wide price difference between import values and retail rates has prompted local manufacturers and large importers to accuse customs authorities of failing to properly assess imports of the essential protective headgear for riding.

They allege that the failure encourages under-invoicing, deprives the government of revenue and undermines both local production and rider safety.

Meanwhile, a senior revenue official acknowledged that under-invoicing, where importers declare goods at lower-than-actual values to reduce taxes, remains a "major challenge" in helmet imports.

According to customs data, Bangladesh imported 8.75 lakh motorcycle helmets in 2025. The total declared value stood at $2.45 million. As per this estimate, the average import value per unit helmet is less than $3, or about Tk 370 at an exchange rate of Tk 123 to the dollar.

Last year, India supplied the majority of imports, accounting for 633,384 helmets, followed by China with 223,293 units. Smaller quantities arrived from Vietnam, Taiwan, Singapore, Indonesia and Japan.

Customs records show helmets imported from India were declared at an average value of $3.02 per unit, while those from China were valued at just $1.96.

But visits to markets in Dhaka, as well as in Chattogram, found many of the same brands selling for between Tk 1,200 and Tk 6,000, depending on model and quality.

Import data show that several Indian brands, including Vega, Steelbird, Gliders, Axor, Telish and Aerostar, were declared at prices ranging from $2.50 to $3 per unit. Many of those helmets are retailing in the local market for between Tk 1,100 and Tk 4,500.

In May this year, Narayanganj-based New Nation Automobiles imported 7,236 Gliders helmets from India, declaring a unit value of $2.52. Customs assessed the shipment at $3 per unit for duty purposes.

Even after adding duties, taxes and value-added tax (VAT), which together amount to 59 percent, the estimated landed cost would remain below Tk 600 per helmet, according to import documents. But the same brand is selling in the local market for between Tk 1,200 and Tk 4,500.

Contacted, Nurul Haque, proprietor of New Nation Automobiles, said the declared import value did not reflect the total cost of bringing a product to market.

"After adding LC commissions, shipping costs, customs duties and VAT, our cost exceeds Tk 800 per helmet. We sell to wholesalers at Tk 900-Tk 950. By the time the product reaches retailers through multiple distribution layers, the price increases further," Haque told The Daily Star.

He said helmets priced between Tk 800 and Tk 1,200 account for nearly 80 percent of market demand.

Industry players, however, say the practice remains widespread and is hurting compliant businesses.

Rokon Sarkar, deputy director of ACI Motors, which imports helmet brands including SMK and Studds, said compliant importers are facing mounting pressure as some traders allegedly understate helmet values to reduce taxes.

"Some importers are declaring a helmet at only $2.5, while we declare the actual price, around $15, and pay taxes and VAT accordingly," he told The Daily Star.

He said the practice allows some importers to avoid a substantial portion of the roughly 62 percent duty and tax on helmet imports, making it increasingly difficult for compliant businesses to compete.

According to Sarkar, under-declaration is also contributing to the spread of lower-quality helmets while reducing government revenue.

ACI Motors previously imported premium Italian brands Nolan and X-Lite, which sold for between Tk 25,000 and Tk 60,000.

Motorcycles have become increasingly popular in major cities as a fast and affordable means of transport. According to Bangladesh Road Transport Authority (BRTA) data, the number of registered motorcycles stood at 45.8 lakh at the end of 2024, up from 31.25 lakh four years ago.

At the same time, motorcycle crashes have emerged as the leading cause of road fatalities. According to the Road Safety Foundation, motorcycles were involved in around 40 percent of all fatal road crashes in 2025.

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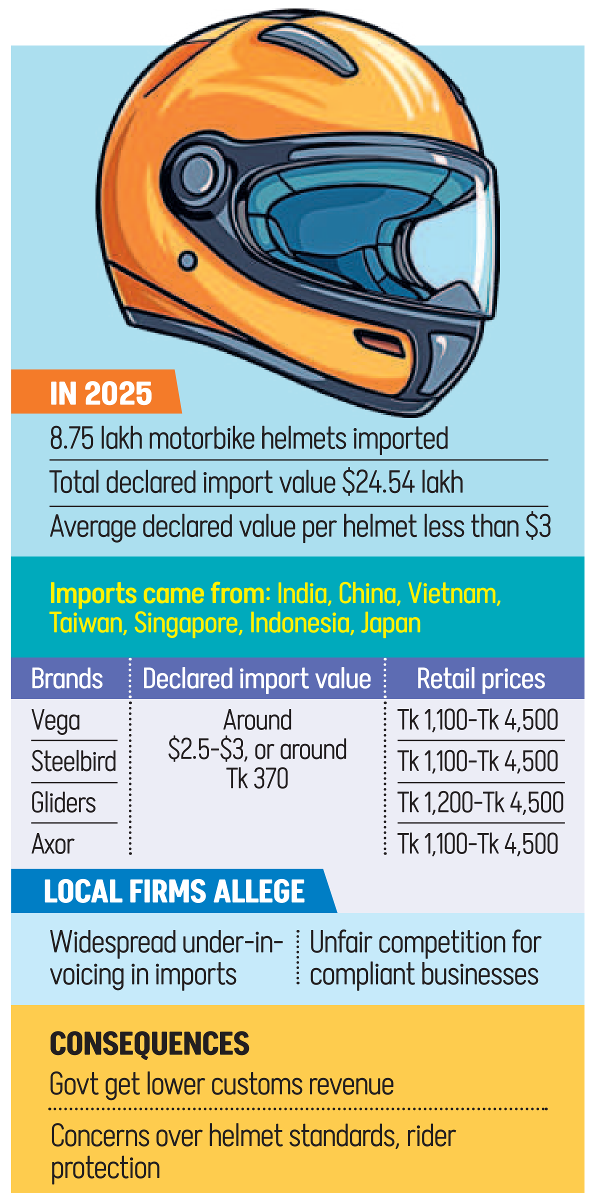

85% of default loans concentrated in just 15 banks

MD MEHEDI HASAN

Fifteen of the country's 61 banks accounted for as much as 85 percent of defaulted loans as of March, according to central bank data, highlighting how loan irregularities, fraud and financial scams have become concentrated in a small group of commercial lenders.

Combined non-performing loans (NPLs) in these banks stood at more than Tk 4.99 lakh crore, out of total classified loans of around Tk 5.88 lakh crore across the banking sector, according to Bangladesh Bank (BB) data.

The stressed lenders are Agrani Bank, Janata Bank, Rupali Bank, Sonali Bank, AB Bank, Exim Bank, First Security Islami Bank, Global Islami Bank, Social Islami Bank, Union Bank, Islami Bank Bangladesh, IFIC Bank, National Bank, Padma Bank and Bangladesh Krishi Bank.

They were selected based on both the volume and ratio of defaulted loans.

In terms of volume, Islami Bank Bangladesh has the highest NPLs at Tk 95,629 crore, equivalent to 50.88 percent of its total loans.

The bank was taken over by the S Alam Group in 2017. The controversial conglomerate later extended around 80 percent of the bank's total loans to its own companies and associated firms, violating banking rules and regulations.

After the fall of the Awami League-led government in August 2024, the bank was freed from the group's control and is now running under the supervision of BB through a board of independent directors.

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Should BB cut rates in the middle of an energy shock?

ZAHID HUSSAIN

As Bangladesh Bank prepares its next Monetary Policy Statement, expected by the end of June, one question looms over the entire exercise: should the policy rate remain at 10 percent, or is it time to begin easing?

Under normal circumstances, the answer might be straightforward. Growth has slowed, private credit expansion has weakened, and businesses are increasingly vocal about the cost of borrowing. Yet, the economy is not facing a normal slowdown. It is simultaneously dealing with elevated inflation, rising energy costs, and renewed uncertainty in global fuel markets.

The debate is therefore not simply about interest rates. It is about how policymakers should respond when a country already burdened by domestic inefficiencies is hit by a genuine external energy shock.

When electricity or fuel prices rise in Bangladesh, most people do not see an economic adjustment. They see a bill for someone else's mistakes.

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Govt charts path to $1tn economy by 2034: Titumir

STAR BUSINESS REPORT

The government is developing a new economic model aimed at transforming Bangladesh into a $1 trillion economy by 2034, while ensuring growth benefits are shared across society, Rashed Al Mahmud Titumir, prime minister's adviser on planning and economic Affairs, said yesterday.

"The ideological base of this model is the democratisation of the economy," he said at a roundtable on the upcoming budget, organised by online platform Charcha.com at the CIRDAP International Conference Centre in Dhaka.

The PM's adviser said the government's vision for addressing current economic challenges is anchored in the principle of "Bangladesh for Everyone."

"We want to ensure an economic growth model whose benefits reach people from all walks of life," he said.

Titumir emphasised reducing bureaucratic complexity, creating a level playing field for domestic and export-oriented industries, and implementing administrative reforms to improve the investment climate.

He also mentioned that a restructuring package worth around Tk 60,000 crore is being prepared to revive closed industrial enterprises.

He further outlined plans for long-term reforms in agriculture, improved water resource management, higher spending on health and education, and expanded public services at the grassroots level.

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One-third of local CEOs expect AI to cut junior jobs

Says PwC report

STAR BUSINESS REPORT

More than one-third of Bangladeshi chief executive officers expect artificial intelligence (AI) to reduce junior-level jobs over the next three years, according to a recent PwC report.

This compares with 43 percent in Southeast Asia and 49 percent globally, pointing to a relatively more cautious outlook in Bangladesh.

The findings are part of PwC's 29th CEO Survey -- Bangladesh edition, which shows that around three in ten CEOs also expect AI to reduce mid-level positions, broadly in line with global trends.

However, only a small proportion expect cuts in senior-level roles, suggesting AI is more likely to augment leadership rather than replace it.

The survey is based on PwC's global study of 4,454 CEOs across 95 countries and territories, including 45 from Bangladesh. It was conducted between September 30 and November 10, 2025.

The report says Bangladesh is still in the early stages of scaling AI across enterprises, with adoption limited across most business functions. While firms are actively experimenting, AI has not yet become deeply embedded in core operations.

"Business leaders are no longer debating whether they need to reinvent themselves, but whether they are doing so at the right pace and with the necessary expertise to remain viable in the future," said Shams Zaman, country managing partner, PwC Bangladesh.

Bangladeshi companies report relatively stronger AI use than the Southeast Asian average in selected areas such as demand generation, support services and strategic decision-making.

One in five CEOs says their organisations use AI for demand generation and direction-setting, a higher share than regional peers.

However, Bangladesh still lags behind the global average in areas like support services and in developing AI-enabled products, services and customer experiences, where global adoption is around one-fifth.

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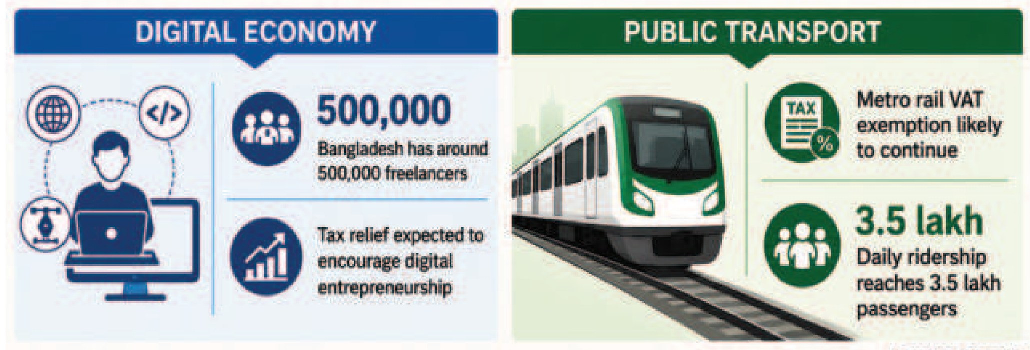
Govt plans tax relief for content creators

May extend metro rail VAT exemption



MD ASADUZ ZAMAN

The government is planning to exempt individual content creators and freelancers from the existing 7.5 percent source tax in the 2026–27 budget, in a move aimed at supporting the country's growing digital economy and encouraging online entrepreneurship.

Under the proposal, income earned through digital platforms such as YouTube, Facebook, TikTok and other online channels will no longer be subject to the source tax currently applied to remittances received from abroad, according to officials involved in budget preparations.

"A provision will be incorporated into the Finance Bill 2026 to provide this exemption under the existing source tax framework," said a finance ministry official, requesting anonymity.

The National Board of Revenue may define a "content creator" as a person who produces content independently, meaning only individuals will qualify under this category. According to an official, media houses or other institutional entities will not be included within this definition.

At present, a 7.5 percent source tax is deducted from income remitted from abroad for services, revenue-sharing arrangements and similar activities under the Income Tax Act 2023.

Finance Minister Amir Khosru Mahmud Chowdhury is expected to formally propose the measure while presenting the national budget in parliament on June 11.

Officials said the proposal has already received in-principle approval from Prime Minister Tarique Rahman at a high-level meeting.

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Hand over Savar CETP to professional operator

Experts say

STAR BUSINESS REPORT

Bangladesh's leather industry risks falling behind rising global compliance standards unless management of the troubled Central Effluent Treatment Plant (CETP) at the Savar Tannery Industrial Estate is handed over to a competent professional operator, economists and industry stakeholders said at a webinar yesterday.

The long-awaited relocation of tanneries from Hazaribagh to Savar remains incomplete because critical environmental infrastructure has failed to function properly, said Hossain Zillur Rahman, executive chairman of the Power and Participation Research Centre (PPRC),

"The relocation was never meant to be just a physical shift of factories," he noted at the webinar on the leather sector organised by PPRC.

He added that waste treatment facilities must operate effectively if the industry is to meet international standards.

Rahman argued that the CETP, crucial for environmental compliance and export competitiveness, should remain under government ownership but be managed by an independent professional operator selected through a transparent process.

He questioned whether the Bangladesh Small and Cottage Industries Corporation should continue overseeing the facility, saying compliance requirements are essential for participation in global markets regardless of trade preferences.

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