

10 SEP 2025

Govt restricts raw jute export, sparking debate

SOHEL PARVEZ

The government has restricted the export of raw jute, making shipments conditional, in a bid to increase the supply of the natural fibre in the domestic market and curb rising prices.

The move has drawn mixed reactions from traders with some saying it will hurt farmers and is unlikely to achieve its intended results, while others argue that it is the right decision to safeguard national interest.

In a circular issued on 8 September, the commerce ministry stated that exports of jute, a cash crop cultivated by tens of thousands of farmers, particularly in the central districts, would require prior approval.

"Exporters will have to apply to us, and they will be allowed to ship only the approved quantity of jute," said a senior commerce ministry official.

The move comes amid a 6.5 per cent year-on-year decline in production to 89.5 lakh bales, which has driven up prices of raw jute and raised concerns

among millers, even as exports have been recovering in recent months.

Currently, medium quality jute is traded at Tk 3,600-3,700 per maund, up from Tk 2,800-3,200 a year ago, according to Arzu Rahman Bhuiyan, a raw jute exporter.

The commerce ministry official said the restriction of shipments has been slapped based on recommendations from the textiles and jute ministry.

Contacted, Textiles and Jute Secretary Md Abdur Rauf said the government aims to increase the domestic supply of raw jute and boost production of jute bags.

"We want to enhance the use of jute bags as part of the implementation of the mandatory packaging law. Rice millers have agreed to use the jute bags for packaging the staple," he said, adding that rice mills require nearly 80 crore pieces of jute bags for packaging.

Stating that farmers have already harvested 90 percent of their jute crop, the secretary said, "We will revise our decision if prices fall drastically."

However, Bhuiyan, also a former senior official of the Bangladesh Jute Association (BJA), said, "This is a wrong assumption. Rice millers are unlikely to use jute bags."

He said the volume of raw jute shipments was insignificant and the measure will only hit farmers and benefit traders and millers.

"It is a suicidal decision. There is still jute in farmers' fields, and they will be deprived of fair prices amid export restriction," he said.

Raw jute exports dipped 36 percent year-on-year to 8.62 lakh bales in the fiscal year 2024-25, the lowest in three years, according to data by the Department of Jute.

Bhuiyan said exports were restricted in the past and claimed that the measure did not yield desired results.

"If millers in India can buy raw jute for \$800-900 per tonne Free on Board (FOB) from us and take the shipment through sea and sell it in the domestic and international market, why can't our millers do the same," he said, adding that the price of raw jute would be over \$700 a tonne in the domestic market.

However, Tapas Pramanik, chairman of the Bangladesh

Jute Spinners Association, said, "This is the right decision for the national interest."

"It is a luxury to export when you have a shortage in the domestic market," he said, adding that the country requires 75 lakh bales, including 55 lakh bales for use in mills and other usage.

The BJA chairman also said raw jute shipment accounts for below 10 per cent of total production. "So it is not right that jute prices will slump if exports are restricted. Hoarders are taking advantage of the shortage and exports,"

Jute and jute goods exports have been falling after shipments hit \$1.16 billion, the highest on record in the fiscal year 2020-21. Exports started falling in the subsequent years and the overall shipment value dropped to \$820 million, the lowest in six years, according to data from the Export Promotion Bureau.

However, exports have shown signs of picking up in the current fiscal year 2025-26, marking a 7 percent year-on-year increase to \$118 million in July-August. The shipment value of raw jute accounted for 15 percent of the total.



Exporters demand pause on ICD charge hike

STAFF CORRESPONDENT, Ctg

Stakeholders yesterday urged a halt to the implementation of increased charges by private inland container depots (ICDs) until the charges are fixed by a tariff committee of the shipping ministry.

They made the demand at a meeting organised by the Chittagong Port Authority (CPA) in the port city to discuss the issue following a shipping ministry directive. The meeting, chaired by CPA Chairman Rear Admiral SM Moniruzzaman, ended without any decision as the ICD owners expressed strong opposition to such a demand, according to people connected with the event.

The CPA chairman stated that he would send all the opinions presented at yesterday's meeting to the shipping ministry. ICDs have implemented an increase in charges for handling export cargoes and empty containers by as much



as 60 percent since September 1, triggering concerns among exporters, freight forwarders, and shipping lines who fear a sharp rise in the costs of the country's export trade due to the move.

Representatives of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Shipping Agents Association (BSAA), Bangladesh Freight Forwarders Association (BAFFA), Bangladesh Customs Agents Association, Bangladesh Inland Container Depots Association (BICDA), and Inter-District Goods Transport Owners Association attended the meeting.

At the gathering, former Vice President of BAFFA Khairul Alam Suzan said the increase is illogical because BICDA's decision to hike charges is in defiance of the ICD policy, according to which tariffs need to be fixed by a tariff committee of the shipping ministry comprising members of all stakeholders.



10 SEP 2025

NBR eases customs assessment for export industries

FE REPORT

The National Board of Revenue (NBR) has relaxed customs assessment procedures for the export-oriented industries on import of their raw materials.

In an order, the NBR instructed the customs officials not to obstruct the imported raw materials under bonded warehouse facility in case of variation in HS code or product description.

Exporters hailed the decision to resolve their sufferings at customs point on release of raw materials.

Shovon Islam, managing director of Sparrow Group, appreciated the NBR's effort to simplify export process and stay competitive in the international market.

He, however, demanded withdrawal of HS code provision for exporters under the bonded warehouse facility.

"I find it a barrier on smooth import of raw materials for exporters as they are bonded industry require auditing once a year," he added.

Earlier, bonded industries were allowed to import raw materials without HS code, he added.

NBR, in a press statement on Tuesday, said it has observed that, in the case of bonded warehouse license-holding enterprises, there are often variations in the HS Code or product description mentioned in the bond license, entitlement sheet, or related Utilization Declaration (UD), and the HS Code or product description determined by Customs authorities through physical examination of the imported goods declared for release.

Due to such variations, the customs assessment process becomes prolonged,

delaying the timely release of goods, it added. Consequently, export shipments are hampered and exporters fail to meet deadlines stipulated in export orders, it said. In view of the urgent necessity of facilitating bonded enterprises' goods clearance and in the greater interest of export trade, the NBR has issued the instructions to its customs stations.

"If, after submission of the import declaration according to the product description and HS Code included in the bond license, the Customs authority determines a different HS code or product description, and if the first four digits of the determined HS

Code-match the first four digits of the HS Code in the bond license, then the Customs House concerned shall allow prompt clearance of the consignment subject to submission of an undertaking to include the determined HS Code or product description in the bond license."

It also said, if the customs authority determines a different HS code after submission of the import

declaration as per the HS code and product description in the bond license, the bonded enterprise may include the newly determined HS Code in its entitlement through the Customs Bond Management System (CBMS) and obtain clearance of the goods within a maximum of two days, it added.

The NBR believes that strict compliance with this instruction will help make the export operations of bonded enterprises easier, faster, and more cost-effective, thereby contributing positively to the country's overall export growth and foreign exchange earnings.

Officials asked not to obstruct imported raw materials under bonded warehouse in case of variation in HS code or product description

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The Financial Express

10 SEP 2025

Vietnam exports to US fall in August

HANOI, Sept 9 (Reuters): Vietnam's exports to the United States fell 2 per cent in August from July to \$13.94 billion, Vietnamese customs data showed on Tuesday, as a tariff of 20 per cent on shipments to the United States took effect. Imports from China also fell 2 per cent in August from July, the Customs Department said. The Trump administration has repeatedly accused Vietnam of being used as a transshipment hub for Chinese goods directed to the United States. For the first eight months of 2025, Vietnam's shipments to the United States rose 26.4 per cent from a year earlier to \$99.05 billion, the

report showed, providing a breakdown of trade with individual countries after aggregate figures were released on the weekend.

The United States, Vietnam's biggest market, imposed the 20 per cent tariff from August 7, while transshipments from third countries through Vietnam face a levy of 40 per cent. Compared with the same month last year, exports to the US in August rose 18.33 per cent, according to the report.

The data showed Vietnam continues to heavily rely on imports of materials and equipment from China for its manufacturing industries.



BD footwear export to US in Jan-July posts exponential 74pc growth

Trump tariff hike makes Americans cut China reliance

MONIRA MUNNI

Bangladesh's footwear exports to the US market posted an exponential growth of over 74 per cent in the first seven months of 2025 as tariff spikes make Americans diversify sourcing destinations and reduce China reliance.

During the January-to-July period, the country's emerging export sector fetched US\$ 209.61 million that marks a 74.21-percent growth year on year. The receipts were US\$120.32 million in the corresponding period of 2024, according to data conflated by OTEXA, an affiliate of the US Department of Commerce.

The robust growth came after two years when the export earnings remained almost static at US\$255 million and US\$235 million in 2024 and 2023 on a

The highest amount of \$191.73m comes from leather-footwear shipments

US footwear import stood at \$15.24b in seven months under review, according to OTEXA data



US buyers looking to low-cost production hubs amid China production cost hike
—LFMEAB director

climb-down, the data showed. Bangladesh exported footwear worth US\$451.40 million in 2022 compared to \$274.78 million in 2021.

Industry-insiders say Bangladesh has huge potential to increase exports to the US and raise market share there and also attract foreign investment,

mostly from China, provided local factors like ease of doing business, reduction in long lead time, availability of affordable land, investment in backward integration and fiscal measures like tax holiday are addressed. Data analysis shows that out of US\$209.61 million footwear exports from Bangladesh to the

US, the highest amount of \$191.73 million came from leather-footwear shipments. Overall US footwear import stood at \$15.24 billion in the seven months under review -- 5.61-percent higher than \$14.43 billion in the corresponding previous period, according to the OTEXA data.

China's footwear export to the US during the period was subdued, earning \$4.15 billion in an annualised negative growth over 15 per cent. Vietnam bagged the largest slice of this trade cake, booking \$5.61 billion in an over 15-percent growth. Footwear imports by the United States from Indonesia, Cambodia and India grew over 27.81 per cent, 56.61 per cent and 15.69 per cent to \$1.70 billion, \$689.86 million and \$271.40 million respectively.

Talking to The Financial Express, Hasnat Md Abu Obida, director of Leathersgoods and Footwear Manufacturers and Exporters Association Bangladesh (LFMEAB), said sourcing and development houses from China are shifting to other destinations, including Bangladesh, to duck ramped-up US tariffs and associated uncertainty.

"US buyers are looking to low-cost production hubs as production in China has been high while cost will further increase over there due to US high tariffs," he said, explaining that Chinese traders are shifting in a scattered way.

Bangladesh needs to attract the whole set of business from China that is shifting to have investment in backward-linkage industries, too, Abu Obida, also managing director of Maf Shoes Ltd, told the FE Monday.

According to him, Chinese investment is coming to Bangladesh in their own interest and not because the country invites.

He further notes that the country has yet to attract the big facility due to high price of

land here. Mr Obida stresses investment-friendly environment, explaining that here in the country, an investor needs at least 40 licences, needs to go one to other ministries while they require 30 days to bring raw materials from China while a supplier of Adidas in another country can deliver the finished goods within 45 days. The LFMEAB leader also calls for fiscal supports like tax holidays and a dedicated export zone to attract both local and foreign investments. Insiders blame the absence of a strong supply chain for a long lead time, saying that Bangladesh has to import almost all raw materials whereas they face problems

both in importing and exporting goods due to 'outdated and complicated' customs procedures. According to Bangladesh Export Processing Zones Authority (BEPZA), at least three Chinese companies and a South Korean one signed agreements in recent months to invest to produce shoe accessories, shoe and other footwear items. BEPZA executive director (Public Relations) ASM Anwar Parvez says Chinese company YIXin Bangladesh Company Ltd will set up a shoe-accessories-manufacturing industry in BEPZA Economic Zone (BEPZA EZ), with an invest worth \$ 7.45 million, to produce annually 10 million pairs of footwear accessories.

Dunion Taiyang Sheng Shoes (BD) Co. Ltd, another Chinese company, will invest \$10.20 million in BEPZA EZ to manufacture 2.10 million pairs of footwear annually, including sandals, flats, high heels, pumps, booties, boots, and sports shoes, he said. Gold Emperor (BD) Ltd (Chinese company) will invest US\$ 10.08 million to manufacture shoes at Karnaphuli EPZ while Giant BD Synthetic Co. Ltd -- the South Korean company -- will invest US\$8.62 million in BEPZA EZ to produce PU synthetic leather. These four companies, once set up, will create employment for more than 5,000, he said.

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Exporters relieved of custom hassles over HS Code mismatch

NBR tells customs not to hold imported raw materials over HS Code issues

CUSTOMS - BANGLADESH

REYAD HOSSAIN

At port customs, a minor mismatch in eight-digit HS code costs big. Consignments can get stuck for months and zero-duty imports can face even a 200% penalty, as happened to a Narayanganj-based knit exporter recently. By the time he secured a High Court remedy, the foreign buyer had cancelled the export order.

Exporters are going to be relieved from such hassles and business loss as the National Board of Revenue (NBR) has asked customs officials to

ignore minor mismatches in HS (Harmonised System) code and release export sector's raw materials imported duty-free under bonded facility.

Business leaders welcomed the move as a step forward to much-needed ease of doing business, hoping it will prevent customs officials from holding consignments, causing unnecessary delays in delivering export goods.

In a press release issued yesterday, the NBR said that for raw material imports by bond license-holding companies, as long as the main part of the HS code or product identification number is correct, consignments cannot be detained for mismatches in subsequent digits. Any errors can be corrected within a specified period, which the customs authority must accept.

The move comes in response to long-standing demands from businessmen and is expected to significantly reduce customs harassment.

NBR officials said that around 90% of customs-related cases involve

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HS code issues, suggesting that the number of disputes will decline.

NBR Chairman Abdur Rahman Khan told TBS, "A major complaint from businesses was that disagreements between importers and customs officials over HS codes caused delays in clearing goods and increased costs. The directive has been issued to ensure that raw materials for export production are not held up under any circumstances."

He added, "If any disagreement arises regarding the HS code, the importer can clear it by providing an undertaking. Corrections must then be made within the specified time. Even if there is an error in the first four digits of the HS code, the consignment cannot be held."

The NBR chief also called on traders

ment through the Customs Bond Management System (CBMS) and clear the goods within a maximum of two days.

The NBR chairman said that the corrections or additions can be made within the given time frame, as the Customs Bond system is now fully automated.

85% of exporters to benefit directly

According to the Export Promotion Bureau (EPB) of Bangladesh, the country exported goods worth \$44.47 billion in the last 2024-25 fiscal year.

market instead of being exported.

There have been allegations that some exporters — or companies using exporter names — misuse the bond facility by importing duty-free materials and selling them in the local market. This practice causes revenue loss for the government and creates uneven competition for domestic producers of the same products.

To prevent such misuse, customs authorities impose strict regulations on bonded imports. However, exporters claim that those intending to flout rules



codes, are used to identify any product. The first four digits classify the product broadly — e.g., fabric, yarn, or buttons. The last four digits specify the product further — e.g., for fabric, the percentage mix of polyester and rayon in the yarn.

Disputes usually arise over the last four digits, causing losses for traders.

For instance, officials at the Chattogram Customs House recently blocked an import consignment worth \$98,000 that belonged to a Narayanganj-based exporter, claiming the HS code was incorrect. The fabric importer had listed it as 5408, while customs insisted it should be 5407.

BKMEA President Mohammad Hatem told TBS that both are man-made fibres, with minimal difference: one is polyester staple filament, the other

NBR DIRECTIVE EASES CUSTOMS FOR BONDED IMPORTS

• NBR instructs customs to release bonded

• Bonded enterprises can update HS codes online, clear goods within 2 days

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The NBR chief also called on traders to follow rules, saying, "This decision has been made to speed up business, reduce complexity, and facilitate imports and exports. However, anyone who misuses it will face extreme punishment under the law."

Welcoming the decision, Shovon Islam, managing director of Sparrow Group, one of Bangladesh's largest garment exporters, told TBS, "There is not a single garment exporter in the country who has not faced harassment over HS codes or does not have bitter experiences related to this issue. The NBR's directive has been our long-standing demand, and we are extremely pleased with this decision."

Key points of the NBR directive

According to the instruction, if imported goods are declared under a product description and HS Code listed in the bond license, but Customs identifies a different HS Code or description, the consignment can still be released. This applies as long as the first four digits of the Customs-assigned HS Code match those in the bond license.

In such cases, the importer must give an undertaking to update the HS Code or product description in the bond license within 30 days. Once the undertaking is submitted, Customs cannot hold the consignment.

Additionally, the bonded enterprise may update the HS Code in its entitle-

ment through the Customs Bond Management System (CBMS) and clear the goods within a maximum of two days.

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NBR DIRECTIVE EASES CUSTOMS FOR BONDED IMPORTS

- NBR instructs customs houses to release bonded raw materials for exports

Even if minor HS code or product description discrepancies exist

Corrections can be made within a specified period

TBS Insights by
IPDC
FINANCE

According to exporters and customs officials, around 85% of exports are carried out through bond license-holding companies, with the readymade garment sector being a major contributor.

Currently, there are nearly 5,000 active bond license-holding enterprises under the three Customs Bond Commissionerates in the country.

Bonded companies are allowed to import all types of raw materials and accessories duty-free, storing them in designated warehouses for manufacturing under export conditions.

Import duties on these materials typically range from 30% to 90% or more, which must be paid if the goods are sold domestically or on the open

market instead of being exported.

There have been allegations that some exporters — or companies using exporter names — misuse the bond facility by importing duty-free materials and selling them in the local market. This practice causes revenue loss for the government and creates uneven competition for domestic producers of the same products.

To prevent such misuse, customs authorities impose strict regulations on bonded imports. However, exporters claim that those intending to flout rules

- Bonded enterprises can update HS codes online, clear goods within 2 days

Why it matters

- Around 90% of customs cases previously involved HS code disputes

- The move expected to reduce

- Customs harassment
- Delays
- Port demurrage
- Extra costs
- Lead time

often collude with customs officials and face no consequences, while genuine exporters are subjected to harassment.

Exporters also report that some customs officials sometimes create difficulties over minor mistakes or when bribes or payments are not made, using their authority to intimidate legitimate exporters.

How exporters face harassment

Bond license-holding companies import the quantity of raw materials and accessories needed for their general export orders by submitting a Utility Declaration or import entitlement through their respective trade associations.

HS codes, which are eight-digit

codes, are used to identify any product: The first four digits classify the product broadly — e.g., fabric, yarn, or buttons. The last four digits specify the product further — e.g., for fabric, the percentage mix of polyester and rayon in the yarn.

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BKMEA President Mohammad Hatem told TBS that both are man-made fibres, with minimal difference: one is polyester staple filament, the other rayon staple filament. Since the goods were under a bond license for export, customs could have released the consignment, but it was held for two months.

Despite contacting the commissioner, the consignment was not cleared, and ultimately imposing a 200% fine — meaning a Tk1.10 crore consignment faced a Tk2.20 crore penalty — and instructed that the goods be cleared only with full payment.

Even after informing the NBR chairman and applying for reconsideration, the importer was not allowed to meet the Chattogram Customs commissioner, and the goods remained blocked. He ultimately had to file a petition with the High Court to get an order to clear the consignment.

"The order had already been cancelled by the buyer," Hatem added.

Sharing a similar experience from 2022, Sparrow Group's Shovon Islam said, "We produce women's linen pants for a top UK-based Bangladeshi brand eight months a year. A shipment of fabric with a small variation in the man-made fibre mix was held up. I had to spend one and a half months resolving it. Even using a bank guarantee to clear the consignment was denied."

He added, "This caused significant port demurrage costs and damaged credibility with the buyer."