

# India plans to bolster key export scheme

REUTERS

India is planning to raise spending on its key scheme designed to refund local taxes paid on export goods and extend the programme's tenure by five years, two government officials said, as the Middle East war clouds the country's trade outlook.

The scheme, currently valid until September 30 with a budget of a little over \$1 billion, reimburses exporters for taxes and levies paid to federal, state and local authorities that are not refunded under other programmes, to make export goods more competitive.

But India's annual budget released in February nearly halved financial allocation for the scheme for the fiscal year 2026/27.

Talks to bolster the scheme follow a series of challenges faced by exporters in the Asian nation which are facing cash-flow strains due to prohibitively high freight rates around risk-fraught Gulf routes, after braving US President Donald Trump's steep tariffs for months.

The Middle East conflict weakened trade in March, with India's merchandise exports falling 7.4 percent year-on-year and 24 of 30 major export categories declining. Shipments to key trading partners in the region, including United Arab Emirates and Saudi Arabia, fell sharply.

The share of exports in India's GDP has been increasingly steadily to nearly a fifth.

The nation's finance ministry and commerce ministry are discussing reinforcing the Remission of Duties and Taxes on Export Products (RoDTEP) scheme, the officials said.



# Complex rules erode competitiveness, Mukhtadir says

## STAR BUSINESS REPORT

Commerce Minister Khandakar Abdul Mukhtadir yesterday said the government will implement sweeping reforms to ease Bangladesh's complicated business environment, as high logistics costs, low operational efficiency at ports and lengthy licensing procedures are undermining the country's industrial competitiveness and export potential.

Speaking at the inaugural ceremony of the International Industrial Packaging Expo 2026, he said investors currently need as many as 27 different licences and approvals to start a business in Bangladesh, making the

Flexible Packaging Industries Association (BFPIA) at the Bangladesh-China Friendship Conference Centre in Sher-e-Bangla Nagar in the capital yesterday.

Mukhtadir said Bangladesh's logistics cost-to-GDP ratio currently stands at around 16 percent, compared to the global average of approximately 10 percent. He also pointed out that the lack of operational efficiency at ports ultimately increases business costs.

The government plans to bring more internationally reputed operators into port management and container terminal operations in a bid to improve efficiency and



process excessively lengthy and complex. "We do not have the luxury of stopgap measures," he said, stressing the urgency of improving competitiveness ahead of Bangladesh's graduation from the least developed country (LDC) category.

The expo was jointly organised by Exponet Exhibition Private Limited and the Bangladesh

reduce turnaround time, he said. A Danish company has already begun operating at one of the container terminals, he noted, adding that similar partnerships would be expanded further.

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operating at one of the container terminals, he noted, adding that similar partnerships would be expanded further.

Muktadir also highlighted the heavy fiscal burden created by loss-making state-owned enterprises, many of which occupy vast tracts of underutilised land.

The government intends to bring these industrial assets under private-sector investment within the next two years, he said, so they can generate employment, investment and revenue.

Referring to state-owned sugar mills and factories under the industries, jute and textile ministries, he said many of the facilities were established decades ago under a different economic reality and now require modernisation or repurposing.

The minister argued that idle industrial land could be transformed into hubs for diversified manufacturing activities, creating large-scale employment opportunities.

Turning specifically to the packaging sector, he said the industry's global market size offers enormous opportunities for Bangladesh.

"The global packaging industry is worth more than a trillion dollars. Bangladesh should not limit its ambitions to a tiny

share of the market," he said.

He urged entrepreneurs to think bigger and expand their global footprint, assuring them of policy support from the government.

Speaking at the event, BFPIA President Safius Sami Alamgir said the sector has evolved from an import-dependent industry into a Tk 18,000 crore market that now meets around 80 percent of domestic demand.

He said the global packaging market is currently worth \$1.3 trillion and could reach \$1.8 trillion by 2035, presenting a significant opportunity for Bangladesh.

"If Bangladesh can capture even 1 percent of the market, it could generate \$13 billion in exports," he said.

Alamgir described packaging manufacturers as the "invisible backbone" behind major consumer brands and said the sector could replicate the success of the ready-made garment industry through competitive manufacturing.

However, he called for policy reforms, citing double taxation, difficulties in obtaining tax refunds and uneven competition in special economic zones as major obstacles to growth.

Export Promotion Bureau (EPB) Vice

Chairman Mohammad Hasan Arif highlighted the packaging industry's growing role in Bangladesh's export diversification efforts, pledging institutional support to expand the sector's global footprint.

Arif said the government had already recognised the industry's potential by declaring paper and packaging products as the "Product of the Year" for 2026.

He noted that the EPB had earlier organised discussions on the sector's challenges and opportunities during the Dhaka International Trade Fair, where several policy recommendations emerged.

The EPB now plans to support local exporters in participating in at least one or two international packaging exhibitions in fiscal year 2026-27, he said, assuring exporters of continued institutional backing to strengthen global market access.

Rashedul Haque, managing director of Exponet Exhibition Private Limited, said a total of 140 companies from home and abroad are displaying their products and technologies through 360 stalls at the expo. Of them, 25 companies from China are taking part in the event. The fair will continue until May 9.



# Minister stresses faster business approvals to attract investment

Commerce, Industries and Textiles and Jute Minister Khandakar Abdul Muktadir stressed on Thursday the need to cut bureaucratic red tape, reduce logistics costs, improve port efficiency and unlock idle state-owned assets to make Bangladesh competitive in tomorrow's global economy, reports UNB.

"We cannot move forward by dwelling on old problems. The time has come for pragmatic reforms and swift implementation of commitments," Muktadir said while addressing the inauguration of the 'Dhaka Industrial Packaging Expo 2026' at the Bangladesh-China Friendship Convention Centre in the capital.

The minister said entrepreneurs currently need 25 to 26 separate approvals and licences to start a business in Bangladesh, making the investment environment unnecessarily cumbersome. "To address this, the government is working to streamline the business registration process." He said that in future, any enterprise completing registration through BIDA or the relevant authority will receive a 'provisional clearance' at the outset, allowing entrepreneurs to begin operations without delay. Muktadir highlighted that Bangladesh's logistics cost stands at around 16 per cent of GDP, well above the global average of approximately 10 per cent. "Inefficiencies in port management are inflating cargo transportation costs and eroding the country's international competitiveness. To reverse this, internationally recognised foreign



Commerce, Industries and Textiles and Jute Minister Khandakar Abdul Muktadir addressing the inauguration of the 'Dhaka Industrial Packaging Expo 2026' at the Bangladesh-China Friendship Convention Centre in the capital on Thursday.

operators are being brought in to manage port operations." He said a Danish company has already begun operating a container terminal, with more international-standard firms to be engaged in port activities going forward.

The minister said Bangladesh is on its path from Least Developed Country (LDC) to developing country status, leaving no room for stop-gap measures.

"Sustainable reform must be implemented consistently; there is no shortcut."

On state-owned enterprises, Muktadir said dozens of large industrial units have been lying idle or running at a loss for years, creating a massive subsidy burden on the exchequer. "Around 40

enterprises fall under the Ministry of Industries and another 50 under the textiles and jute sector. The government is gradually opening these units to private investment to bring their vast landholdings and assets into productive use."

"Our goal is to turn these dormant industrial units into hubs of investment and employment within the next one to two years: some will be modernised, some will host new industries, and others will be developed into export-oriented production centres," he said.

He noted that each sugar mill in the country sits on an average of 1,000 bighas of land or more. Developing modern industrial parks or multi-purpose industrial

facilities on these sites, he said, could generate substantial investment, employment, and government revenue.

Turning to the packaging sector, the minister urged entrepreneurs to think big. "You cannot reach a big destination with a small vision. The government will provide policy and institutional support, but it is the entrepreneurs who must drive industrial growth."

Muktadir reiterated the government's commitment to expanding domestic industry, creating new jobs, strengthening Bangladesh's presence in international markets, and injecting new momentum into the economy through higher exports.

