

Export corporate tax to be cut from 30% to 12%

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The non-RMG export sectors may enjoy a corporate tax of 12%, the same rate the readymade garment (RMG) industry is now enjoying, sources from the Finance Ministry said.

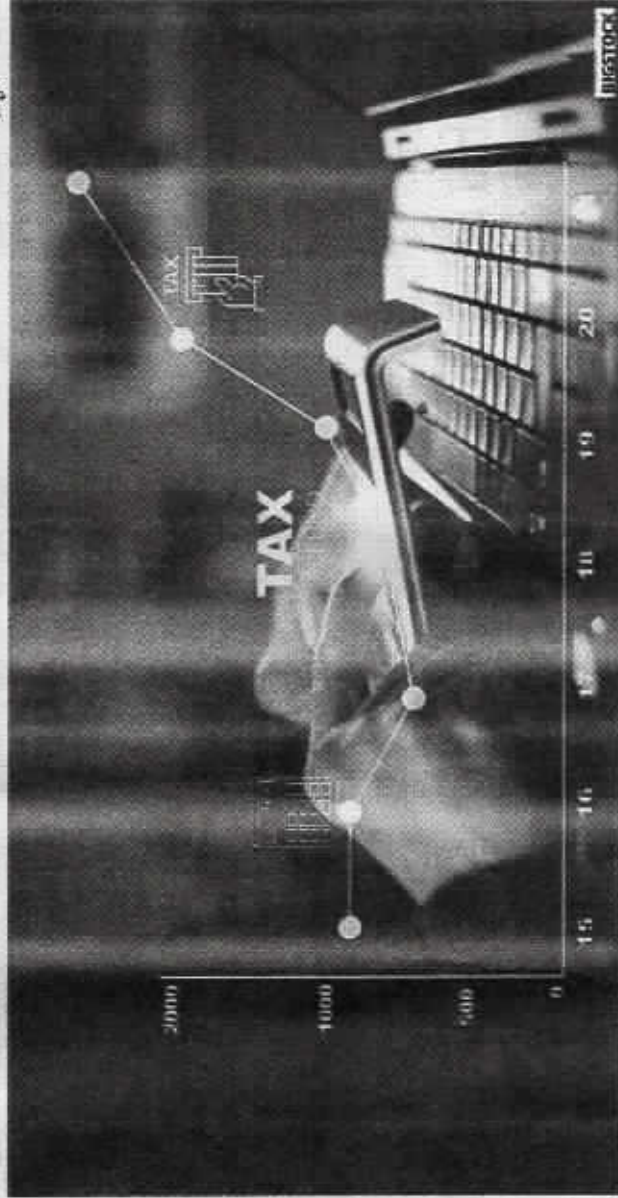
According to sources, the government is going to introduce a new corporate tax rate to encourage export diversification.

The prevailing tax rate for export-oriented RMG factories stands at 12% and it is 10% for green ones.

However, almost all industrial sectors of the country except the RMG have to pay a corporate tax of 30% for exports of their goods and services.

The entrepreneurs of the non-RMG sectors have welcomed the decision of a massive cut in corporate tax saying they have been urging this smart move for a long time.

Talking to Dhaka Tribune, Moazzem Hossain Moti, president of the Bangladesh Garment Accessories and Packaging Manufacturers and Exporters Association (BGAPMEA),



is a smart move of the government and we warm-heartedly welcome it," he added.

He also said that the packaging and accessories sector of the country meets the major portion of the demand of the RMG sector and exports.

"Due to the pandemic, external issues like inflation, war, hike in raw material prices and transporta-

he added.

He also said that if a level-playing field is ensured for the non-RMG sector, it will also help the sectors go for more diversification.

Moreover, the non-RMG industry insiders also said that this massive cut in the corporate tax will ensure a level-playing field for all other sectors of the country by lowering the trade deficit with other countries.

ance of payment in foreign currency.

Talking to Dhaka Tribune, Zahedy Hassan Chowdhury, executive secretary of the Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA), said that it is a welcome decision by the government.

"While the sector will benefit with this tax cut, what would really help is removing the existing 15% supplementary duty (SD) on tiles

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He also said that they sent their proposals to the NBR in this regard.

However, the reduced corporate tax rates will not be applicable for transport services, mobile telecommunication services and internet and internet-based services, according to the sources.

Welcoming this move, a senior official of the Leather Goods and Footwear Manufacturers and Exporters Association of Bangladesh (LFMEAB) told Dhaka Tribune that it is undoubtedly a smart move of the government and this will play a pivotal role in boosting the investments, both local and foreign.

He also said that LFMEAB, jointly with the Bangladesh Tanners Association (BTA), submitted their proposals to the NBR demanding similar corporate tax for the export-oriented leather goods and shoe sector like that of the RMG sector.

"Moreover, we also sought a cut in the corporate tax to 10% for the export-oriented leather goods and shoe companies having green building certification," he added.

Entrepreneurs also said that it is a very important decision to promote other industries and maintain equality with the export-oriented garment sector.

They also hoped this move will also be helpful in reducing the trade