

Amazon makes last-minute bid for TikTok

AFP, San Francisco

Amazon has made a last-minute bid to buy TikTok, which faces a US ban if not sold by its Chinese owner, the New York Times reported on Wednesday.

The offer arrived in a letter to officials involved in talks regarding the sale of TikTok to appease US national security concerns, according to the New York Times.

Amazon declined to comment on the report.

President Donald Trump has downplayed risks that TikTok is in danger of being banned in the United States, saying he remains confident of finding a buyer for the app's US business by a Saturday deadline.

US media reported that Trump plans to meet with top White House officials on Wednesday to discuss possible solutions.

The Times added that its sources said the parties involved in the talks did not appear to be taking Amazon's bid seriously.

According to reports, the most likely solution would see existing US investors in ByteDance roll over their stakes into a new independent global TikTok company.

Additional US investors, including Oracle and Blackstone, the private equity firm, would be brought on to reduce the proportion of Chinese investors.

Much of TikTok's US activity is already housed on Oracle servers, and the company's chairman, Larry Ellison, is a longtime Trump ally.

The hugely popular video-sharing app, which has over 170 million American users, is under threat from a law that passed overwhelmingly last year and orders TikTok to split from its Chinese owner ByteDance or face a ban in the United States.

Motivated by widespread belief in Washington that TikTok is ultimately controlled by the Chinese government, the law took effect on January 19, one day before Trump's inauguration.



PHOTO: MOKAMMEL SHUVU

Tourists began flocking to Cox's Bazar during the Eid-ul-Fitr holiday, but experts believe business will peak in the coming week. The beach town is now bustling with visitors, with more than 100,000 holidaymakers arriving daily, a trend that is likely to continue through next week.

Cox's Bazar tourism industry eyes Tk 700cr post-Eid windfall

MOKAMMEL SHUVU

After a month-long slowdown in business during Ramadan, businesses in Cox's Bazar are expecting more than Tk 700 crore in revenue in the week following Eid-ul-Fitr owing to a massive surge of tourists.

The beach town is now bustling with visitors, with more than 100,000 holidaymakers arriving daily.

Abul Kasem Sikdar, president of the Hotel, Motel, and Guest House Owners' Association in Cox's Bazar, said on Wednesday that the trend is likely to continue through next week.

"While the influx of tourists is promising, hotels have not yet reached full capacity. Before Ramadan, Cox's Bazar saw a massive influx of tourists, which is why many have opted not to visit this time. As a result, only about 70 to 80 percent of hotel and motel rooms have been booked. Additionally, the hot weather has discouraged some travelers," Sikdar said.

"However, by Friday or Saturday, we expect

hotel occupancy to reach 100 percent. Currently, over 100,000 people are visiting Cox's Bazar daily, spending an estimated Tk 10,000 per person. This would bring the total income from the tourism sector to around Tk 700 crore in a week," he added.

Sifat Saifullah, a supervisor at Sea Save Lifeguard, reported that more than 150,000 people visited Kolatoli, Sugandha, and Laboni beaches from morning till evening on Wednesday

Sharing similar projections, Abu Morshed Chowdhury, president of the Cox's Bazar Chamber of Commerce, estimated that the tourism industry would see a gross turnover of around Tk 700 crore in the week following Eid. He emphasised that this revenue includes all sectors linked to tourism.

He further noted that hoteliers have

been urged to keep accommodation rates reasonable to ensure a positive experience for visitors.

Sifat Saifullah, a supervisor at Sea Save Lifeguard, reported that more than 150,000 people visited Kolatoli, Sugandha, and Laboni beaches from morning till evening on Wednesday.

He also mentioned that 27 Sea Save lifeguards were on duty to assist visitors.

Ensuring security remains a top priority, according to Inspector Jahangir Alam of Cox's Bazar Tourist Police.

"Strict security measures have been implemented across the beach and hotel-motel zones. Uniformed officers, mobile patrols, and plainclothes detectives are actively working to ensure the safety of tourists," he said.

Sharif Hossain, a newlywed from Dhaka's Rampura, shared his experience, "Security arrangements are excellent, but due to high demand, rent and food prices are a bit expensive."

Bangladesh must push

FROM PAGE B1

He said preliminary assessments suggest home textiles, heavyweight jerseys and denim products will bear the brunt of these tariffs due to their thinner profit margins.

For these segments, Chowdhury said that a 37 percent duty could erase competitiveness entirely without prompt intervention.

He also suggested reviving a longstanding trade proposal that could serve as a centrepiece in negotiations.

"We should reinvigorate our request for duty-free access when using US cotton. This existing framework - where garments manufactured from American cotton receive preferential treatment - could be expanded to offset the new tariff burden while simultaneously benefiting US agricultural interests," he added.

Meanwhile, Faruque Hassan, a former president of the BGMEA, warned of impending market disruptions, opining that the new tariffs would trigger a brutal price war across all exporting nations.

"Every competitor will be forced to absorb costs or compromise on quality to maintain their market share. In this environment, our traditional cost advantage alone may prove insufficient."

As such, Hassan advocated moving beyond price competition.

"The solution lies in vertical integration and value addition. By bringing more production processes - from fabric to accessories - under one roof, we can achieve the efficiency gains needed to offset these tariffs while improving our positioning in the global supply chain."

Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue, highlighted Bangladesh's growing influence as a cotton importer.

He said Bangladesh's annual purchases of US cotton now surpassed \$1 billion, making the country fifth-largest global buyer. "This gives us substantial leverage that remains underutilised in trade discussions."

The economist proposed a comprehensive negotiation framework. "We should structure a package deal that ties our continued cotton imports to tariff relief for finished garments. Such an arrangement would secure stable demand for American farmers while preserving our export competitiveness - the definition of a win-win scenario."

As Bangladesh prepares for complex negotiations, trade experts unanimously stressed the need for coordinated action across government and private sectors.

The consensus is that while the challenges posed by the new tariffs are substantial, Bangladesh retains multiple avenues to protect its vital export interests through strategic diplomacy, calculated concessions, and the smart deployment of its growing economic influence.

The coming months will prove critical in determining whether Bangladesh can transform this trade policy upheaval into an opportunity to secure more favourable terms and deepen economic ties with its most important export destination.

With the right combination of negotiation strategy and domestic adaptation, industry leaders remain cautiously optimistic that the nation can not only weather this storm but emerge with a stronger, more diversified trade relationship with the United States.

Trade experts advised that Bangladesh must immediately activate all available diplomatic channels to address the sweeping US tariff measures.

This includes convening urgent meetings under the Trade and Investment Cooperation Forum Agreement (Ticfa) while accelerating negotiations for more comprehensive trade pacts like a Free Trade Agreement (FTA) or Comprehensive Economic Partnership Agreement (CEPA).

Mahfuz Kabir, research director at the Bangladesh Institute of International and Strategic Studies, cautioned against over-reliance on tariff tweaks.

He said, "The National Board of Revenue's standard measures won't suffice here. Ticfa provides a ready-made platform for swift, high-level dialogue to contain the damage."

Zahid Hussain, former lead economist of the World Bank's Dhaka office, outlined an urgent action plan for exporters.

"The entire sector must unite under BGMEA and BKMEA to establish a non-negotiable position - these tariff costs cannot fall solely on manufacturers," he said.

The economist painted a grim picture of the alternatives. "With razor-thin margins already, especially in woven garments, absorbing these duties would be catastrophic."

Hussain highlighted the particular injustice facing shipments already in transit.

"Contracts signed months ago never accounted for these tariffs. Buyers invoking force majeure would be completely inappropriate - this isn't an act of God but a policy change," he said.

Ashikur Rahman, principal economist at the Policy Research Institute of Bangladesh, contextualised the move's seismic implications.

He said, "By invoking an 'economic emergency' to bypass WTO rules, the US has potentially unravelled decades of multilateral trade consensus."

The economist noted Bangladesh's paradoxical position. "While our nominal tariffs average 26 percent, certain sectors like automotive face much higher duties. Yet we impose zero tariffs on strategic US exports like cotton - a potential bargaining chip."

Preferring anonymity, a Bangladesh Bank official drew parallels with past trade shocks.

The official said that after the Multifibre Arrangement ended in 2005, Bangladesh adapted. "Today, despite 12 percent average duties, the US remains our top market because our apparel is essential."

"Exporters must stop acting as price-takers. When fuel costs rise, we don't stop importing - we adjust. This requires the same pragmatism."

Taskeen Ahmed, president of Dhaka Chamber of Commerce and Industry, warned of cascading economic consequences from the US tariff hike.

"This isn't just an export problem - it's a macroeconomic timebomb," he cautioned.

"Shrinking export earnings will strain our foreign reserves, potentially triggering currency depreciation and imported inflation that could ripple through the entire economy."

The garment sector's crisis carries particular alarm bells. Ahmed said, "We're staring at potential mass unemployment that could undermine Bangladesh's hard-won economic stability."

Govt prepares

FROM PAGE B1

He told The Daily Star that the upcoming diplomatic engagement aims to formally communicate Bangladesh's objections.

While Rahman suggested the direct impact on Bangladesh's export volumes might prove manageable in the short term, there would be broader economic consequences.

"These measures will inevitably contribute to inflationary pressures that will reverberate through both our economies. American consumers will ultimately bear the cost through higher prices," he said.

Rahman added that President Trump himself indicated in his announcement that he remains open to bilateral negotiations with affected nations.

"We intend to pursue this opening vigorously and believe a more rational tariff adjustment can be achieved through constructive dialogue."

Commerce Adviser Sk Bashir Uddin, senior officials from the National Board of Revenue, representatives from major trade bodies, members of the Bangladesh Trade and Tariff Commission and policy specialists from various government agencies were present at the meeting.

Wall Street plunges as tariffs trigger recession fears

REUTERS

US stock indexes tumbled on Thursday, with heavyweight technology stocks suffering big losses, as President Donald Trump's sweeping tariffs on major trade partners ignited fears of an all-out trade war and heightened the risk of a global economic recession.

Apple sank 8 percent reeling from the impact of an aggregate 54 percent tariff on China, which is the base for much of the iPhone maker's manufacturing. Microsoft dropped 3 percent and Nvidia slumped 5.6 percent.

At 09:40am ET, the benchmark S&P 500 dropped 3.1 percent while the Nasdaq Composite fell 4.27 percent - with both indexes trading at a near seven-month low. The Dow Jones Industrial Average shed 2.6 percent.

Global stocks slumped, government bonds jumped and safe-haven gold touched a record high as Trump slapped a 10 percent tariff on most goods imported to the United States and much higher levies on dozens of rivals.

"This was the first bullet thrown in this trade war and it could get nasty and that is spooking investors. We're going to continue to trade on a heavy tone because of the heightened risk of either recession or stagnation," said Elias Haddad, senior markets strategist at Brown Brothers Harriman.

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"We could see the correction bottom out when we have firm evidence that we're not falling into recession." The CBOE Volatility index, known as Wall Street's fear gauge, touched a three-week high at 26.91 points.

The tariffs, poised to disrupt the global trade order and unsettle businesses, highlight a stark shift from just a few months ago when the promise of business-friendly policies under the Trump administration propelled US stocks to record highs.

The benchmark S&P 500 and the tech-heavy Nasdaq fell 10 percent from their record highs last month, marking a correction, as investors priced in the damage from tariffs on the economy and businesses.

Traders are ramping up expectations for the Federal Reserve to cut interest rates at least three times this year, with the possibility of a fourth cut by the year's end becoming less of a long shot.

That heightens the significance of Friday's payrolls data and Fed Chair Jerome Powell's speech, which could offer crucial insights into the health of the US economy and the future path of interest rates.

Data on Thursday showed the number of Americans filing new applications for unemployment benefits fell last week, pointing to continued labor market stability ahead of potential volatility from import tariffs.

Footwear exporters

FROM PAGE B1

"If the US market opens up further, some countries may face challenges due to competition from American goods. But for Bangladesh, it could actually turn out to be a strategic advantage," Khan added.

He stressed that the real determining factor will be how effectively the government handles the shifting trade landscape.

"With the right set of policies, Bangladesh can convert this challenge into an opportunity," he said, expressing confidence that the country's footwear exports would continue to perform strongly despite the changing tariff regime.

Abdul Mukhtar, president of the Bangladesh Association of Pharmaceutical Industries, said a thorough assessment is required to determine the full impact of the tariffs.

"The announcement appears general, but the real implications will only be clear after sector-wise analysis," said Mukhtar, also chairman and managing director of Incepta Pharmaceuticals Ltd.

He noted that full tariff details are yet to be published, leaving exporters

uncertain about the changes affecting individual products.

"We will need to scrutinise tariff cards and other documents to pinpoint the affected items," he said, urging businesses to stay updated with developments from the US Treasury.

"If duties on key items like electrical products decrease, we could see immediate positive effects. Fortunately, essentials such as soybean and natural gas are already duty-exempt," Mukhtar added.

The export of plastic and agro-processed products to the US will also be affected, according to Kamruzzaman Kamal, marketing director at Pran-RPL Group.

"The sudden increase in tariffs has significantly undermined our competitiveness in the US market. Our tariff rate has now risen to 37 percent while competitors like India face only around 27 percent. This disparity puts us at a serious disadvantage."

"Compared to competitor countries, we are now falling further behind," he said. "The higher tariff will restrict our access to the export market and make it increasingly difficult to sustain our business."

Will the tariff hike impact

FROM PAGE B1

However, Khan, also chairman of Edge Asset Management Ltd, added that the tariff hike may have an indirect impact on the stock market. For instance, if the government now tries to reduce tariffs on products imported from the US, it will reduce revenue earnings, he said.

"This may prompt the government to raise taxes on other sectors or borrow from the banking sector. Borrowing from banks will create extra pressure on the liquidity of the financial sector," he said. If there is a liquidity shortage and the interest rate of bonds rises further, it will impact the stock market, he explained.

Saiful Islam, president of the DSE Brokers Association of Bangladesh, said the immediate impact of the tariff hike on the stock market was low as there were many "ifs and buts".

If the government does not take

proactive measures to tackle it by reducing duties on US products, it will have an impact, he said.

The impact on the stock market could manifest in two ways - a reduction in exports and profits of export-oriented firms and a downturn in business opportunities in the financial sector, he said.

"If exports to the US decline, the financial sector's trade financing will also be affected. The government should take proactive steps to address the situation," he said. As this is a "reciprocal tariff", he expressed hope that the government would consider reducing import duties on US products.

"Most of the goods Bangladesh imports from the US are not produced locally, nor is there any possibility of producing them here. So, the tariff can be reduced, which could help avoid a high tariff on our exports," he added.