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SECOND EDITION

DHAKA SUNDAY APRIL 6, 2025

REGD. NO. DA 781

VOL. XXXV No. 79

CHAITRA 23, 1431 BS

www.thedailystar.net

SHAWWAL 7, 1446 HIJRI

16 PAGES: Tk 15.00

Bangladesh moves to deal with US tariff shock

Yunus calls 'emergency' meeting, decides to increase imports to reduce US trade deficit

REFAYET ULLAH MIRDHA and MOHNUDDIN ALAMGIR

As new US tariffs shake global trade routes, Bangladesh is pursuing a plan to reduce its trade imbalance with the US through targeted import increases, regulatory reforms and behind-the-scenes diplomacy. Bangladesh is not panicking and may even stand to gain, officials said yesterday.

Chief Adviser Muhammad Yunus is also expected to engage with higher US authorities in Washington as part of Bangladesh's broader effort to address trade concerns and maintain favourable market access. Officials said Yunus, widely respected in international policy circles, will support diplomatic outreach at the highest levels to reinforce Bangladesh's case.

He held an emergency meeting at state guesthouse Jamuna in Dhaka yesterday to coordinate the government's response. Advisers, the central bank governor and senior officials from multiple ministries and departments joined the meeting to discuss an action plan for negotiation

with the US. Finance Adviser Salehuddin Ahmed will host a key follow-up meeting today at the secretariat in Dhaka, where the first draft of Bangladesh's negotiation proposal will be presented. BGMEA Administrator and EPB Vice-Chairman

- » Yunus to engage with US authorities in Washington
- » Dhaka to formally write to Washington
- » Govt to reform tariffs, non-tariff barriers, and IP rules

Anwar Hossain said the proposal is being prepared with input from both the public and private sectors and will be used to guide the upcoming talks.

Commerce Secretary Mahbubur Rahman has already held meetings

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Thousands of people have been returning to the capital from their hometowns as offices reopen today after the Eid holidays. The photo of people disembarking a launch was taken at Sadarghat launch terminal yesterday.

PHOTO: STAR

Tariff twist leaves exporters on edge

Many fear Bangladesh's effective tariff on garments will jump to 48.56%

REFAYET ULLAH MIRDHA

With a sweeping US tariff order set to take effect on April 9, Bangladesh's garment exporters remain in the dark about exactly how much duty their products will face -- and whether the new rate will be added to or replace existing tariffs.

President Donald Trump's April 2 executive order imposes a 37 percent ad valorem tariff on imports from Bangladesh, but the order provides no product-specific rate table or customs guidance, fuelling confusion across Bangladesh's largest export sector.

If the 37 percent is added on top of existing US duties, as many fear, Bangladesh's effective tariff on garments will jump to 48.56 percent from the current average of 11.56 percent. That would mean a \$100 shipment of T-shirts or jeans from Dhaka would face nearly \$49 in import taxes at a US port, compared to just \$11.56 now.

"We're preparing for the worst-case scenario because the order clearly refers

to this as an 'additional' tariff," said Syed M Tanvir, managing director of Pacific Jeans, one of the country's largest denim exporters. "But we won't know for sure until April 9."

» Bangladesh holds 9% share of US apparel import market

» Nearly 24% of Bangladesh's total garment exports flow into US

The White House statement says the "rates of duty established by this order are in addition to any other duties, fees, taxes, exactions, or charges applicable." But it offers no further breakdown by country or product.

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Trade chaos as Trump tariff takes effect

REUTERS, Washington

US customs agents began collecting President Donald Trump's unilateral 10 percent tariff on all imports from many countries yesterday, with higher levies on goods from 57 larger trading partners due to start next week.

The initial 10 percent "baseline" tariff to be paid by US importers took effect at US seaports, airports and customs warehouses at 12:01am ET (0401 GMT), ushering in Trump's full rejection of the post-World War Two system of mutually agreed tariff rates.

"This is the single biggest trade action of our lifetime," said Kelly Ann Shaw, a trade lawyer at Hogan Lovells and former White House trade adviser during Trump's first term.

Shaw told a Brookings Institution event on Thursday that she expected the tariffs to evolve over time as countries seek to negotiate lower rates. "But this is huge. This is a pretty seismic and significant shift in the way that we trade with every country on earth," she added.

Trump's Wednesday tariff announcement shook global stock markets, wiping out \$5 trillion in stock market value for S&P 500 .SPX companies by Friday's close, a record two-day decline. Prices for oil and commodities plunged, while investors fled to the safety of government bonds.

Among the countries first hit with the 10 percent tariff are Australia, Britain, Colombia, Argentina, Egypt and Saudi Arabia. A US Customs and Border Protection bulletin to shippers indicates no grace period for cargoes

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YUNUS-MODI MEETING First step towards easing tensions

Say foreign policy analysts

PORIMOL PALMA

The meeting between Chief Adviser Muhammad Yunus and Indian Prime Minister Narendra Modi in Bangkok on Friday is a stepping stone to easing the strained bilateral relations, say foreign policy analysts.

"The meeting is a silver lining. If the conversation continues frankly, all issues can be addressed," said Prof Niloy Ranjan Biswas, a teacher of international relations at the University of Dhaka.

Modi agreed to the meeting, which lasted for 40 minutes on the sidelines of the 6th BIMSTEC Summit in Shangri-la Hotel, at the last moment, The Daily Star has learnt from people involved with the proceedings.

"The meeting should be seen in a positive light. It is a sign of maturity that both leaders could share their concerns," Prof Sreeradha Datta at the Jindal School of International Affairs at OP Jindal Global University, India, told The Daily Star yesterday.

Anti-India sentiment grew in

The relationship is likely to normalise once there is a democratically-elected government in power in Bangladesh."

Sreeradha Datta, international affairs professor

Bangladesh for India's alleged support for Sheikh Hasina's 15-year authoritarian rule and later sheltering her after she was ousted on August 5 last year.

The interim government said Hasina has been making inflammatory statements via social media and urging her party men to engage in anti-state activities in Bangladesh.

Since the fall of the AL government,

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Sewage pollution killing city's water bodies

90% of Dhaka city outside Wasa's sewerage network; decade-old master plan for sewage treatment plants remains unimplemented

HELEMUL ALAM

Most parts of the capital remain outside the sewerage network of Dhaka Water Supply and Sewerage Authority (Wasa), which has yet to implement a master plan adopted a decade ago, resulting in rampant pollution of rivers, canals and other water bodies in and around the city.

The plan recommended setting up five sewage treatment plants across the city, but only one -- the Dasherkandi plant -- was built on 62 acres of land in the capital's Khilgaon at a cost of Tk 3,482 crore two years ago. The plant can treat five lakh tonnes of sewage per day, but it is yet to be connected to Wasa's sewerage network.

Wasa officials could not provide any data on the volume of sewage being discharged into the city's water bodies. According to an estimate by experts, around 20 lakh tonnes of sewage are generated in the city every day.

According to experts' assessment of the existing sewage treatment capacity, more than 90 percent of the megacity is not covered by Wasa's sewerage network. In the absence of proper facilities, people are often left with no choice but to connect sewer lines to stormwater drains, lakes and canals, aggravating the city's water pollution.

A recent study by the River and Delta Research Centre that carried out field surveys and used satellite imagery uncovered alarming levels of pollution in



Untreated wastewater is being channelled into the Buriganga through an outlet in Old Dhaka's Badamtoli area, aggravating river pollution.

PHOTO: ANISUR RAHMAN

the Buriganga, Turag, Shitalakkhya and Balu rivers encircling the city.

It identified 102 industrial waste outlets, 75 municipal sewer lines, and 216 small private outlets that discharge untreated waste into water bodies.

Moreover, contaminants are being channelled to the rivers through 38 sluice

gates and 62 service canals alongside 441 dumping stations and points. Industrial units, dockyards and kitchen markets further compound the pollution.

Adil Mohammad Khan, president of Bangladesh Institute of Planners, said it's difficult to implement large-scale projects in many city areas due to high population

WATER BODIES BEING POLLUTED BY

- 102 industrial waste outlets
- 75 municipal sewer lines
- 216 small private outlets
- 441 dumping stations, points
- 62 service canals, 38 sluice gates

SOURCE: RIVER AND DELTA RESEARCH CENTRE

EXPERTS' SUGGESTIONS

- Mandatory small treatment plants for big housing projects
- Treatment, disposal of sewage on same property where it's generated
- Strict enforcement of building regulations

density and narrow roads.

"It took more than 10 years and crores of taka to build Dasherkandi plant, but the facility is operating outside the sewerage network."

Terming the Wasa master plan unrealistic, he said that drawing up a plan for a new area

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BNP prepares for demos for election by December

MOHAMMAD AL-MASUM MOLLA

Frustrated as the chief adviser has yet to clearly specify when the election will be held, the BNP is making preparations to take to the streets with a demand for polls by December.

The party plans to organise rallies and other events in the cities and district towns, according to several top leaders.

The BNP leadership believes there is an ongoing effort to delay the electoral process in order to prolong the interim government's tenure under the pretext of reforms.

But before launching a mass movement, the leadership intends to hold a meeting with Chief Adviser Muhammad Yunus.

The leaders hope they will get an election timeline from the meeting.

BNP Standing Committee member Salahuddin Ahmed said, "We will discuss the election date with him, and then we will consult our partners and like-minded political parties to finalise our strategy. After that, we will take our message to the people."

In his March 25 televised address on the eve of Independence Day, Prof Yunus said the next election would be held between December this year and June next year.

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