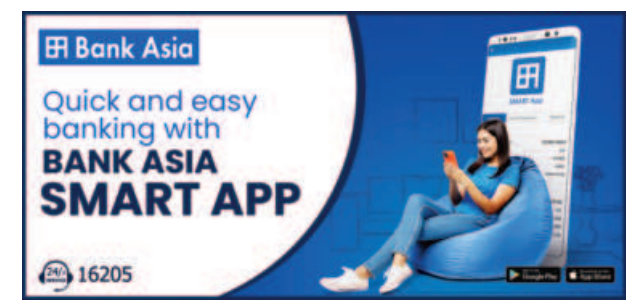


# Star BUSINESS



## USTR flags persistent trade barriers in Bangladesh

SOHEL PARVEZ

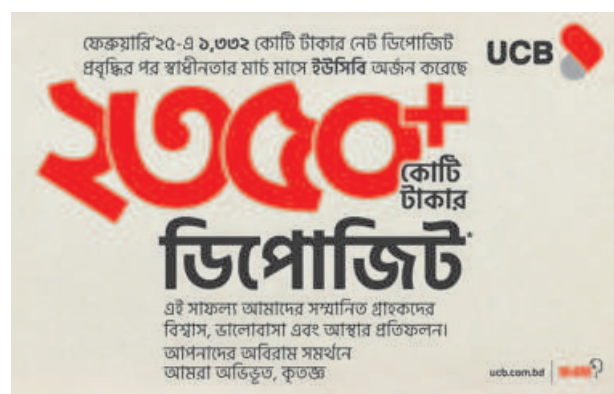
High tariffs, investment hurdles and entrenched corruption continue to undermine American businesses operating in Bangladesh, according to the latest report by the Office of the United States Trade Representative (USTR).

The 2025 report on foreign trade barriers, released last month, also raised concerns about Bangladesh's data localisation efforts and restrictive digital laws, warning that such policies could stifle cross-border digital trade.

The annual report, which highlights significant foreign barriers to US exports, foreign direct investment, and e-commerce, was published shortly before the Trump administration imposed new tariffs on imports from 60 countries, including Bangladesh, in an effort to reduce the US trade deficit.

Bangladeshi goods entering the US market are now subject to a 37 percent tariff, a development that has raised alarm among garment and other exporters, as the US remains Bangladesh's largest export destination.

In 2024, US exports to Bangladesh were valued at \$2.2 billion, while imports from Bangladesh stood at \$8.3 billion -- showing a trade relationship that strongly favours Dhaka.



The report said that Bangladesh's Most-Favoured-Nation (MFN) average tariff rate stood at 14.1 percent in 2023. The average applied tariff was 17.7 percent for agricultural products and 13.5 percent for non-agricultural goods.

Besides, only 17.6 percent of Bangladesh's tariff lines are bound under World Trade Organization (WTO) commitments, with an average bound rate of 155.1 percent.

Apart from this, the USTR flagged non-tariff barriers related to customs procedures and trade facilitation.

Although Bangladesh ratified the WTO's Trade Facilitation Agreement in 2016, it has yet to submit key transparency notifications on import, export, and transit regulations, which were due by 31 December 2023.

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## Starlink gets nod to launch in Bangladesh

STAR BUSINESS REPORT

Starlink, a US-based satellite internet provider owned by billionaire Elon Musk, has received formal approval from the Bangladesh Investment Development Authority (Bida) to begin operations in Bangladesh -- a move hailed as a step forward in bridging the digital divide.

The go-ahead was given to the SpaceX subsidiary on March 29, said Ashik Chowdhury, executive chairman of Bida and the Bangladesh Economic Zones Authority (Beza).

"This is a significant milestone. Starlink's entry will not only enhance internet connectivity across hard-to-reach areas but also showcase Bangladesh as an emerging tech-forward economy," he said.

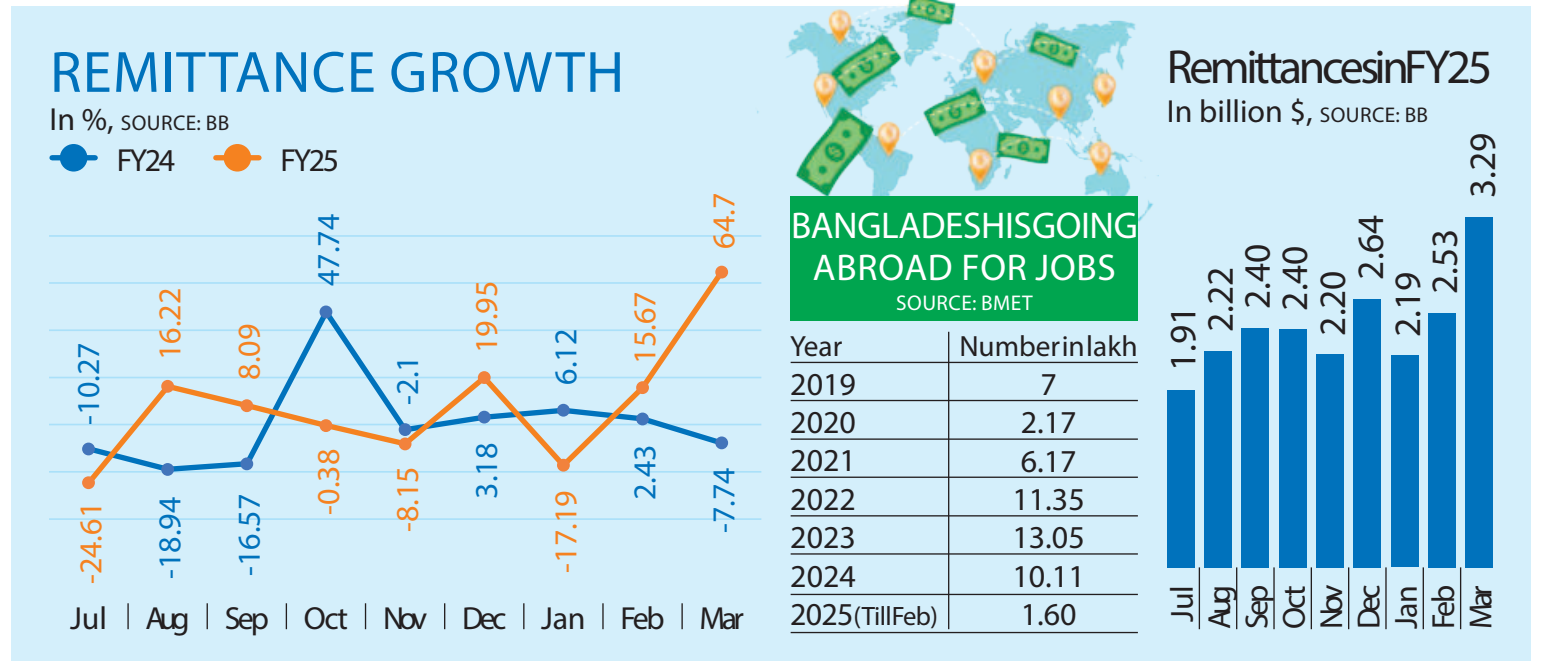
Chowdhury shared the information at a press briefing at the Foreign Service Academy in Dhaka yesterday. The event was organised to announce the schedule of the four-day Bangladesh Investment Summit 2025, which begins in the capital today.

Using a constellation of low-Earth orbit satellites, Starlink aims to deliver high-speed internet to rural and remote regions where traditional fibre-based infrastructure is not feasible.

The initiative is expected to particularly benefit communities

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## Remittances ride formal channels to hit record \$3.29b in March



REJAU KARIM BYRON and AHSAN HABIB

Bangladesh received a record \$3.29 billion in remittances in March -- the highest monthly figure to date -- marking a 65 percent year-on-year surge.

The rise is largely attributed to stronger inflows through formal channels, an uptick in overseas employment and expatriates sending more money home for Eid-related expenses.

This influx has offered a much-anticipated tonic to an economy under strain, with foreign exchange reserves under pressure and the interim government navigating macroeconomic challenges.

Remittance earnings have been climbing steadily since August last year, providing some much-needed breathing space.

According to the Bangladesh Bank, the previous monthly record was set in December 2024, when remittances reached \$2.64 billion. The latest figure crossed that, setting a new benchmark for Bangladesh.

Between July and March of the current fiscal year (FY) 2024-25, total remittances amounted to \$21.77 billion -- up from \$16.69

billion during the same period the previous year.

Zahid Hussain, former lead economist at the World Bank's Dhaka office, said a shift towards formal remittance channels has most likely caused the spike.

The change, he said, followed a decline in demand for informal hundi networks after politically linked money launderers went into hiding with the political changeover in August last year.

Quoting the White Paper on the State of the Bangladesh Economy, the economist said illicit outflows -- historically equivalent to 35-75 percent of official remittance flows -- were estimated at around \$16 billion annually.

"As hundi-driven outflows declined, formal channels absorbed significant volumes," he added.

While the US dollar's depreciation played a role, Hussain said its impact was marginal.

Remittances are usually sent in dollars, so when currencies like the Malaysian ringgit gain strength, the dollar value of remittances increases. However, this factor alone doesn't account for the recent surge, he said.

"Religious occasions such as Ramadan and Eid, or the shifting timing of Ramadan, also fail to fully explain the increase, as historical patterns have shown mixed trends," he added.

Following the Covid-19 pandemic, the number of Bangladeshi migrants sending money home rose by 2.9 million. Although political turmoil disrupted flows temporarily, formal channels capitalised on the larger migrant base and the reduced reliance on hundi networks.

Their speed, security, and expanding range of services also contributed to their growing popularity among expatriates, according to Hussain.

Figures from the Bureau of Manpower, Employment and Training (BMET) show that manpower exports crossed 1 million in 2017 before falling to between 200,000 and 700,000 annually over the next four years.

The number rebounded in 2022, crossing 1.1 million, and surged further in 2023 and 2024, reaching 2.3 million.

Although manpower exports rose, remittance growth remained subdued during

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## Islami Bank MD sent on forced leave

STAR BUSINESS REPORT

Islami Bank Bangladesh has decided to send its managing director, Mohammed Monirul Moulana, on leave for three months.

The decision was taken by the bank's board of directors yesterday.

Md Omar Faruk Khan, additional managing director of the bank, confirmed The Daily Star.

Meanwhile, the bank also appointed Khan as its acting managing director.

Officials of the bank said the decision to send Moulana on forced leave was made after the bank's external audit revealed his involvement in various irregularities and fraud.

Moulana was appointed as the managing director of Islami Bank in January 2021, when controversial S Alam Group was dominating the bank's board. He began his career with the Shariah-based bank in March 1986.

Moulana came under pressure after the S Alam Group lost control of Islami Bank following the ouster of the previous Awami League government in August 2024.

The BB subsequently dissolved the former board, which had been heavily dominated by individuals linked to S Alam Group.

By the end of last year, the Anti-Corruption Commission had filed a case against 58 people, including Ahsanul Alam, former chairman of Islami Bank and son of S Alam Group owner Mohammed Saiful Alam, and Mohammed Monirul Moulana, on allegations of embezzling Tk 109.2 crore from Islami Bank through loan fraud.

## Rice prices may fall from May, rise again in Aug: USDA

STAR BUSINESS REPORT

Rice prices in Bangladesh are expected to fall from May for two to three months due to increased market supply but may climb again in August, according to a report by the US Department of Agriculture (USDA).

The forecast comes at a time when the cost of the food staple remains stubbornly high, placing further strain on fixed- and low-income households amid persistently high inflation.

In its latest Grain and Feed Annual report on Bangladesh released last week, the USDA said that rice prices reached record levels in 2025.

Quoting data from the

Trading Corporation of Bangladesh (TCB), the agency said the average retail price of coarse rice in Dhaka was Tk 52.9 per kilogramme in February -- up 6.3 percent compared to the same month last year.

"Since October 2023, the coarse rice price has risen slightly every month, primarily due to inflation, higher milling costs, higher paddy production costs, and an inefficient supply chain," the report said.

The USDA said that the rice supply chain involves numerous market actors, which ultimately drive up consumer prices. A major factor behind the surge was the flooding in around 200,000 hectares of Aman-season rice and reduced yields.

In response, the government slashed import tariffs for private traders and initiated international procurement of rice through both open tenders and government-to-government deals.

"Despite these efforts, rice prices continue to rise in the local market," the USDA said.

The agency projected that Bangladesh -- the world's third-largest rice producer -- could harvest 2.05 crore tonnes of milled rice during this Boro season, with harvesting already under way in the northeastern region.

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The USDA said that the cost of Boro rice cultivation continues to rise each year due to higher irrigation charges, pricier fertilisers, and increased labour wages. The photo was taken from Ishwardi upazila of Pabna on Saturday.

PHOTO: AHMED HUMAYUN KABIR TOPU

## Raise tax collection, cut budget size

### IMF focuses on four priorities for releasing two loan instalments

STAR BUSINESS REPORT

The visiting mission of the International Monetary Fund (IMF) is prioritising four conditions for releasing two instalments of an ongoing \$4.7 billion loan programme, according to Finance Adviser Salehuddin Ahmed.

The conditions comprise raising overall tax collection, reducing the national budget for the next fiscal year of 2025-26, shifting to a more market-based exchange rate regime, and reducing budget deficits.

Ahmed informed journalists about these focus areas after meeting with the IMF delegation at his office in Dhaka yesterday.

Led by Mission Chief Chris Papadakis, the IMF delegation is reviewing Bangladesh's progress in qualifying for two instalments together, as the fourth tranche was deferred due to the country's failure to complete some prior actions.

As such, officials of the multilateral lender sat with the top brass of the Bangladesh Bank after meeting the finance adviser earlier in the day.

Ahmed said the IMF is focused on increasing the tax-GDP ratio by boosting revenue collection. They also stressed streamlining the country's tax system, particularly with regard to separating policymaking and administration into separate bodies.

"We discussed how the tax-GDP ratio will be raised and from which sector revenue earnings will be increased," he added.

Ahmed also said the IMF's main concerns are how the revenue will be generated, how large the budget will be, and how much of it will be in deficit.

Furthermore, the multilateral lender is focused on fostering discipline in banking and recovering default loans. "But from the government's side, it has already made sure to prepare a new law to this end," he said.

Asked about the main areas of focus, Ahmed said the IMF is stressing increasing the tax-GDP ratio, strengthening the exchange rate regime, and reducing



### IMF prioritises ...

- Tax reform
- Lowering budget size
- Market-driven exchange rate
- Reducing budget deficit
- Raising tax-GDP ratio
- Curbing revenue leakages

budget expenditure and the budget deficit. "These are major priorities for the IMF," Ahmed said.

"Subsidy structures were not included in the discussion, but when budget expenditure is reduced, it will automatically affect subsidies," said the finance adviser.

Asked if a single VAT rate will be implemented to increase the tax-GDP ratio, he said they will not hike the charge in one go, but instead do it gradually.

Asked how Bangladesh will get two instalments together, Ahmed said he would discuss the issue again in Washington after the visiting delegation completes its review.

"So, the decision will be taken in May/June on the basis of the current mission's review," the finance adviser said.

Regarding the required prior actions, Ahmed said: "I told them straight that we are trying our very best considering the

READ MORE ON B3

# Automakers shift gears after Trump tariffs

AFP, Paris  
Automakers have started to adapt to the 25 percent tariff imposed on car imports by US President Donald Trump, from pausing production to raising prices or halting certain models.

The additional levy came into effect on Thursday and applies to all cars that are not manufactured in the United States.

Bank of America estimates that around 7.3 million vehicles, or eight percent of global auto sales, will get hit by the tariff.

Ford CEO Jim Farley said in February that the tariffs would expose automakers to a "lot of cost and a lot of chaos".

Similar tariffs on car parts will also gradually come into effect.

The tariffs raise two fundamental questions for the US auto market: by how much will prices rise, and to what extent will consumers buy fewer vehicles?

Volkswagen has already informed its US dealers that it will add an "import fee" to cars it ships into the country from Europe and Mexico, according to trade publication Automotive News.

**Bank of America estimates that around 7.3 million vehicles, or eight percent of global auto sales, will get hit by the tariff**

Bank of America estimates that US vehicle prices would rise by about \$10,000 if manufacturers fully pass on the cost of tariffs to maintain their profit margins.

"However, we don't expect consumers would absorb the price increase in full," said analysts at the bank.

Carmakers "are more likely to sell vehicles at breakeven until they rebalance the production footprint", it said, estimating that US consumers would see price hikes of around \$4,500.

US consumers rushed to dealerships to purchase or order vehicles before the tariffs entered into force.

Mid-range imported vehicles, such as the Chevrolet Silverado pick-up and the Toyota Rav4 SUV, are most likely to feel the pinch from higher tariffs.

But even luxury manufacturers like Porsche could have trouble absorbing the cost of tariffs on their low-end models, such as the German automaker's Macan SUV, said Cigdem Cerit, an auto industry expert at Fitch Ratings.

Ferrari was the first carmaker to announce a hike in prices – as much as 10 percent – on vehicles sold in the United

States, its top market.

Ford, one of the companies that manufactures most in the United States, has seized the moment to launch an advertising campaign with the tag line "From America, For America".

US automakers – Ford, GM and Jeep-maker Stellantis – have all called on Trump to ease the tariffs. That is because they developed supply chains and factories in Canada and Mexico that have for decades enjoyed free trade arrangements with the United States.

But now the free trade deal between the three countries, the USMCA, applies only to US-made parts.

Stellantis, which also makes Chrysler, Dodge and RAM Truck vehicles, has announced it will pause production at some plants in Canada and Mexico. It will also slow work at four US parts factories to take into account the pause in the assembly lines.

Its Chrysler plant in the Canadian city of Windsor, which employs 4,000 people and sits across a river from US auto capital Detroit, will pause production from April 7 to 21.

Nissan plans to stop selling in the United States the QX50 SUV and QX55 crossover coupe SUV, which are both made in its Mexican factory in Aguascalientes.

Trump has stated that the goal of the tariffs is to encourage manufacturing jobs to return to the United States, but it is unclear whether that will be achieved.

Deloitte auto analyst Guillaume Crunelle said carmakers would have to ask themselves: "Is it more competitive to manufacture in the United States, with a weaker market, or to pay customs duties?"

South Korea's Hyundai and Stellantis plan to open or reopen factories, but the entry into force of the tariffs on Thursday has sped up announcements.

Nissan, which had planned to halt production of its Rogue SUV in Tennessee as part of cost-cutting measures, said it would in the end keep production there to avoid tariffs.

Volvo indicated that it would boost production at its factory in South Carolina and look at producing a new model there.

Mercedes is also looking at boosting output at its US factory and add another model to its production lines.

But such changes can take time – several years to build a new production line in an existing facility. Carmakers must then persuade their suppliers, which have also been weakened by the transition to electric vehicles, to follow.



A farmer drives a team of horses through a field during the corn harvest in Pennsylvania's Lancaster County. With talk of retaliation, farmers, a key support base in Trump's 2024 re-election campaign, are again in the crossfire and bracing for losses.

PHOTO: AFP/FILE

# US farmers see tariffs threaten earnings

AFP, Washington

As President Donald Trump's sweeping global tariffs took effect this weekend, US farmers hoping for a profit this year instead found themselves facing lower crop prices – and the prospect of ceding more ground in foreign markets.

"We're already getting below break-even at the current time," said Jim Martin, a fifth-generation Illinois farmer who grows soybeans and corn.

"We knew it was coming," he told AFP of Trump's tariffs. "I guess we're anxious to see how things are going to eventually be resolved."

The president's 10-percent "baseline" rate on goods from most US trading partners except Mexico and Canada took effect Saturday.

And dozens of economies, including the European Union, China and India, are set to face even higher levels – tailored to each party – starting Wednesday.

With talk of retaliation, farmers, a key support base in Trump's 2024 re-election campaign, are again in the crossfire and bracing for losses.

Prices for many US agricultural products fell alongside the stock market on Friday, following Trump's tariff announcement and China's pushback.

China, the third-biggest importer of American farm goods behind Canada and Mexico, is set to be hard hit, with a 34-percent US duty on its products piling on an earlier 20-percent levy.

In response, Beijing said it would place its own 34-percent tariff on American goods,

stacking on previous rates of up to 15 percent on US agricultural products.

The tariffs mean businesses pay more to import US products, hurting American farmers' competitiveness.

"There is less incentive for them to purchase US soybeans. It is cheaper to get them out of Brazil by far," said Michael Slattery, who grows corn, soybeans and wheat in the Midwest state of Wisconsin.

At least half of US soybean exports and even more of its sorghum go to China, which spent \$24.7 billion on US agriculture last year, including on chicken, beef and other crops.

**Prices for many US agricultural products fell alongside the stock market on Friday, following Trump's tariff announcement**

But the US Department of Agriculture (USDA) said China's purchases last year dropped 15 percent from 2023 "as soybean and corn sales fell amid rising competition from South America."

Slattery expects Chinese buyers will dial back further.

"The loss of this market is a very big deal, because it's expensive to find other buyers," said Christopher Barrett, a Cornell University professor whose expertise includes agricultural economics.

During Trump's escalating tariff war in his first presidency, China was the "only target, and therefore the only country retaliating," Barrett said.

With all trading partners now targeted, farmers will likely have a harder time finding new markets, he said.

"More than 20 percent of farm income comes from exports, and farmers rely on imports for crucial supplies like fertilizer and specialized tools," the American Farm Bureau Federation warned this week.

"Tariffs will drive up the cost of critical supplies, and retaliatory tariffs will make American-grown products more expensive globally," it added.

The International Dairy Foods Association cautioned Wednesday that "broad and prolonged tariffs" on top trading partners and growing markets risk undermining billions in investments to meet global demand.

Retaliatory tariffs on the United States triggered over \$27 billion in agricultural export losses from mid-2018 to late-2019, the USDA found.

While the department provided \$23 billion to help farmers hit by trade disputes in 2018 and 2019, Martin in Illinois likened the bailouts to "a band-aid, a temporary fix on a long-term problem."

"The president says it's going to be better in the long term so we need to decide how patient we need to be, I guess," he added.

Martin, like other producers, hopes for more trade deals with countries beyond China. Slattery called Trump's policies "a major restructuring of the international order."

He is bracing for losses this year and next. "I've attempted to sell as much as I can of the soybeans and corn in advance, before Trump began to indicate the amount of tariffs he was going to charge," he said.



PHOTO: AFP

Vehicles are seen on the lot of a Ford auto dealership in Montebello, California on April 1.

# Bracing for a tariff storm

FROM PAGE B4  
BGMEA and BKMEA to collaborate intensely. These bodies may also reach out to US counterparts, such as the American Apparel and Footwear Association, to build a case against the tariff. We've overcome crises before – from Rana Plaza to the pandemic – and we can do so again.

**WHAT THE GOVERNMENT SHOULD DO**

While businesses adjust, strong government action is crucial. Bangladesh must open formal talks with US counterparts to seek relief or exemptions. Trade officials should make the case that this tariff hurts a key ally and a developing country that imports US goods like cotton duty-free.

Bangladesh can also coordinate

with countries like Vietnam and Sri Lanka to raise concerns at the WTO. A united front adds weight.

Longer term, we should seek trade agreements – such as a Free Trade Agreement or inclusion in a revived GSP. To support this, Bangladesh must address US concerns, especially around labour rights and factory conditions.

Some suggest retaliatory tariffs, but this carries risks. We depend on US imports like cotton and machinery. Such leverage should be used only as a last resort.

Domestically, the government should provide relief – tax breaks, credit support, or temporary financial aid – to help factories weather the shock.

Finally, we must reduce over-dependence on garments. Within

RMG, incentives for higher-value products and local textile production are vital. Beyond that, boosting sectors like pharmaceuticals, IT, leather, and agro-products will help cushion future shocks.

**MOVING FORWARD**

As I write this, both as a banker and a concerned Bangladeshi, I feel the weight of the 37 percent US tariff – a jarring reminder of how exposed we are to global forces. Our best insurance now is to be prepared. Like what we do in banking, we must spread our risk – finding new buyers, moving up the value chain, and future-proofing our economy. This tariff is a setback, but not the end of our story.

*The author is the managing director and CEO of City Bank.*

# Rubber producers hit

FROM PAGE B4  
However, Uddin remains optimistic about the industry's future. He believes that overall demand for natural rubber will rise as the economy grows.

Additionally, he expects Gazi Tyre to resume purchasing at previous levels once a new factory is operational. He mentioned that the other big player in the market, Meghna Group, which produces

bicycles, was unaffected.

"Currently, there are only two major consumers of rubber in Bangladesh, making the industry highly dependent on their operations. Once both are back in full production, we will see positive changes," he added.


Mustafizur Rahman, assistant general manager (commercial marketing) of Gazi Tyre, said they were currently processing

rubber on a limited scale for future use.

He added that they were aiming to resume production by August.

"We are currently preserving processed rubber and will start production once our financiers approve refinancing," he said.

If banks approve loans to reestablish the tyre factory, it will take a maximum of four months to restart operations, Rahman said.



**Dhaka South City Corporation**  
Zone-5, (Sayedabad)  
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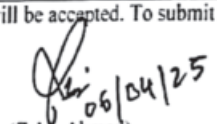
Ref. No. 46.207.000.21.16.0003.2025 Date: 06/04/2025

### Corrigendum

e-Tenders are invited in e-GP portal (<http://www.eprocure.gov.bd>) by Executive Engineer, Zone-5 Dhaka South City Corporation for the procurement of following package, which will be available at e-GP website form 09/03/2025 at 22.00 This is notify for all concern that the e-tender Notice Which was circulated vide this office Memo No : 46.207.000.21.16.0002.2025 Date: 09/03/2025 Due to unavoidable circumstances the following tender selling and Closing date has been shifted as below.

Sl No.	Tender ID, Ref No & package No	Name of works	As in Notice		Amendments (1 <sup>st</sup> )	
			Last Selling date and Time	Tender Closing Date & Time	Last Selling date and Time	Tender Closing Date & Time
1.	Tender ID- 1077061 egp/dscc/z-05/24-25/P-16	Development works of lane and bylane road adjacent to Noakhali Patti and Muradpur High School (Road ID- 0552L-5687,5688, 5689, 5691, 5692, 5714, 5729, 5730) including drain under ward-52.	03-Apr-2025 13:30	03-Apr-2025 15:30	10-Apr-2025 13:30	10-Apr-2025 15:30
2.	Tender ID- 1081801 egp/dscc/z-05/24-25/P-17	Repairing works of road cutting done by different organizations all wards Under Zone-5 at Dhaka South City Corporation.	03-Apr-2025 13:30	03-Apr-2025 15:30	10-Apr-2025 13:30	10-Apr-2025 15:30

This is an online Tender, where only e-Tenders will be accepted in e-GP portal and no offline/hard copies will be accepted. To submit e-Tender, please register on e-GP system portal (<http://www.eprocure.gov.bd>).



(Zahid Ahmed)  
Executive Engineer  
Zone-5 (Sayedabad)  
Dhaka South City Corporation

ডিএসসি/পিআরডি/২৭২/২০২৪-২০২৫

## US, Vietnamese businesses ask Trump to delay tariffs

REUTERS, Hanoi

US and Vietnamese businesses have asked the Trump administration to delay its planned 46 percent tariff on Vietnamese goods, saying the levy will hurt them and bilateral commercial relations.

The Vietnam Chamber of Commerce and Industry and the American Chamber of Commerce in Hanoi expressed concern to Commerce Secretary Howard Lutnick in a letter dated Saturday, saying the tariff, to take effect on Wednesday, was "shockingly high".

"Lower tariffs for products coming into Vietnam, and for products reaching the American consumer is what will help US companies, the economy, and consumers," AmCham and VCCI said in a statement. "Higher tariffs will not."

The Southeast Asian country, a major regional manufacturing base for many Western companies, posted a trade surplus of over \$123 billion with the US, its largest export destination, last year.

President Donald Trump and Vietnamese leader To Lam agreed on Friday to discuss a deal to remove tariffs, both said after a phone call that Trump called "very productive".

Even before Trump's Wednesday announcement of sweeping global tariffs, Vietnam cut several duties as part of a series of concessions to the US, which also included pledges to buy more American goods, such as planes and agriculture products.

# Stocks dip amid tariff shock

STAR BUSINESS REPORT

The stock market in Bangladesh reopened yesterday after a nine-day extended Eid holiday, showing a mixed performance as investor sentiment was dampened following the US administration's imposition of a 37 percent tariff on Bangladeshi products entering the American market.

The Dhaka Stock Exchange saw a decline, while the Chittagong Stock Exchange experienced a modest rise.

The DSEX, the benchmark index of the country's premier bourse, lost 13.96 points, or 0.26 percent, to close at 5,205.19.

Among the other two indices, the DSES, which tracks Shariah-compliant firms, slipped 0.28 points to 1,167.83, while the DS30, comprising blue-chip stocks, rose by 14.65 points to 1,929.34.

Out of the traded securities, 101 saw their prices rise, 262

closed lower, and 30 remained unchanged.

The day's turnover increased by 31.87 percent to Tk 415 crore compared to the last trading session. The pharmaceuticals sector dominated the turnover chart, accounting for 21.05 percent of the total.

Beximco Pharmaceuticals Limited emerged as the most traded share, with a turnover of Tk 30.7 crore.

The decline mirrors Wall Street's reaction, where the market lost over \$5 trillion in capitalisation after President Donald Trump's tariff announcement.

Washington last week claimed that Bangladesh imposes an effective 74 percent tariff on American goods and responded with a 37 percent reciprocal tariff on Bangladeshi exports.

Sector-wise, mutual funds, ceramics, and pharmaceuticals were the top three sectors that

closed in positive territory, while textiles, jute, and non-bank financial institutions (NBFIs) were the top three sectors that closed in negative territory, according to the day's market update by UCB Stock Brokerage.

BRAC EPL Stock Broker, in its market update, noted that most large-cap sectors posted negative performances yesterday.

NBFIs experienced the highest loss of 1.73 percent, followed by food and allied (1.05 percent), engineering (0.86 percent), banking (0.51 percent), and telecommunications (0.27 percent).

However, the fuel and power sector logged a gain of 0.06 percent, and the pharmaceuticals sector posted a 1.26 percent rise.

At the Chittagong Stock Exchange, the CSE All-Share Price Index (CASPI), the key index of the port city bourse, edged up by 19.42 points, or 0.13 percent, to close the day at 14,560.77.

## US tariffs could cost France 0.5% of GDP: PM

AFP, Paris

French Prime Minister Francois Bayrou said US President Donald Trump's global trade tariffs could cost France more than 0.5 percent of its GDP, in an interview released Saturday.

Trump's tariffs against numerous countries raised fears of a general trade war and recession, sending stock markets plunging after they were unleashed on Wednesday.

In the case of France, the duties could shave off a whole half-point of output, the centrist premier was quoted as saying in Sunday's edition of the newspaper Le Parisien.

"The risk of job losses is absolutely major, as is that of an economic slowdown, or a halt in investment," he said.

A 10 percent "baseline" tariff came into force on Saturday and on April 9 around 60 trading partners, including the European Union, are set to face even higher rates.

"The destabilisation he has caused will weaken the global economy for a long time to come," Bayrou said, adding that such economic uncertainty could threaten France's efforts to lower its deficit.

Bayrou said he will share on April 15 the "general framework" of the choices to be made for the 2026 budget.

"The French must be involved in two necessities: finding the means for our independence, our security, our defence, and first of all our production capacity," he said.

## USTR flags persistent trade barriers

FROM PAGE B1

The report also said Bangladesh had not notified the WTO of its customs valuation laws.

INVESTMENT BARRIERS PERSIST

The report said that Bangladesh allows 100 percent foreign ownership in most sectors. However, equity caps remain in place for petroleum, gas, and telecommunications.

Moreover, investors in 22 sectors must obtain no-objection certificates from the relevant ministries.

While profit repatriation is legally permitted, American investors frequently report lengthy delays and opaque procedures — in some cases, taking over a year, according to the report.

The USTR noted that the interim government had agreed to formal repayment arrangements with US firms and pledged improvements to repatriation processes.

GOVT PROCUREMENT LACKS TRANSPARENCY

On public procurement, the report criticised widespread corruption

and a lack of transparency, despite Bangladesh's support for international competitive bidding.

"Bangladesh has launched a national electronic government procurement portal, but US stakeholders have raised concerns about the use of outdated technical specifications, the structuring of specifications to favour preferred bidders, and a lack of overall transparency in public tenders."

The report said several American companies alleged that foreign competitors have used local partners to influence the procurement process, blocking otherwise competitive US bids.

The report also cited claims of bid rigging, bribery, anticompetitive practices and chronic delays, putting US firms seeking government contracts at a disadvantage.

CORRUPTION 'PERVASIVE AND LONG-STANDING'

Bribery and corruption remain systemic problems, the USTR said, adding that

anti-corruption laws are poorly enforced.

While Bangladeshi legislation criminalises extortion, bribery (both active and passive), and abuse of public resources, these practices remain widespread in commercial dealings.

"There have also been efforts to water down anti-corruption safeguards of government procurement rules," the report said. US companies continue to report lengthy delays in securing licences and contract approvals, often linked to demands for bribes.

INTELLECTUAL PROPERTY PROTECTION LACKING

On intellectual property (IP) rights, the USTR said enforcement remains weak due to limited government capacity.

US stakeholders reported rising violations across sectors including consumer goods, apparel, pharmaceuticals and software.

The report also flagged Bangladesh's growing role as a source country for counterfeit goods entering

global markets. Weak investigations and doubts over judicial impartiality further impede enforcement efforts.

Though recent legislative reforms have been introduced, the absence of implementing rules casts doubt on their effectiveness.

DIGITAL TRADE RESTRICTED BY REGULATIONS

The report expressed concerns over Bangladesh's digital and data governance framework. The ICT Act of 2006, amended in 2013, allows government access to computer systems and communication networks.

Regulations issued in 2021 on digital, social media, and over-the-top (OTT) platforms were criticised for enabling government control over online content and exposing users to criminal liability.

The draft Personal Data Protection Act includes data localisation requirements and law enforcement access clauses, with minimal stakeholder input.

FROM PAGE B1

areas like the Chattogram Hill Tracts, char areas, and border regions that have long faced connectivity challenges, experts said.

The Bida executive chairman noted that Starlink would provide satellite-powered internet during the four-day investment summit, giving both local and international participants a chance to experience the service firsthand.

"This is more than just internet connectivity — it's a symbol of the modern, connected Bangladesh we are building," he added.

## Raise tax

FROM PAGE B1

country's condition. From their [the IMF's] side, they have shown good intentions."

Ahmed further said that he is hopeful the IMF will consider what the interim government has accomplished so far in following certain instructions from the multilateral lender.

"But regardless of whether the IMF decides to provide the loan or not, the prescribed reforms are helpful for the country," he said.

The tax-GDP ratio in Bangladesh currently stands at 7.5 percent, while it is 12-13 percent in Nepal and 18-19 percent in India, Ahmed added.

Regarding the issue of adopting more market-based exchange rate practices, the finance adviser said the matter will be discussed with officials of the Bangladesh Bank.

As for the IMF's observations on the country's economic condition since the interim government came to power, Ahmed said things are stable and moving in the right direction.

In the face of mounting pressure on its foreign reserves, Bangladesh sought the IMF's assistance at the end of 2022. Then in January 2023, the multilateral lender approved a \$4.7 billion loan, of which the country has received \$2.3 billion in three tranches so far.

## Starlink gets nod

Industry insiders and digital economy experts have welcomed the move,

**Starlink aims to deliver high-speed internet to rural and remote regions where traditional infrastructure is not feasible**

saying Starlink's presence could open the door for further investments in smart infrastructure,

digital governance, and rural entrepreneurship.

Bangladesh has witnessed a surge in digital adoption over the past decade, but last-mile connectivity has remained a significant barrier to inclusive growth.

With nearly 50 million people still lacking reliable access to the internet, Starlink's entry could help close that gap.

The Bangladesh Investment Summit 2025 will host over 700 delegates from more than 40 countries, including global investors, venture capital firms, development

partners, and non-resident Bangladeshis.

The event is being viewed as a platform to reshape Bangladesh's investment narrative and showcase sectors ranging from pharmaceuticals and agro-processing to renewable energy and ICT.

Further details about Starlink's commercial rollout and service pricing in Bangladesh are expected to be announced during the summit.

"This is just the beginning," Chowdhury said. "Bangladesh is open for business — and now, more connected than ever."

## Remittances ride formal channels

FROM PAGE B1

2022 and 2023. The turning point came in late 2024, after Sheikh Hasina's fall in a popular uprising in August last year.

The upward trend began in September 2024, when remittances soared 80.3 percent year-on-year to \$2.4 billion. The momentum continued: \$2.39 billion in October, \$2.19 billion in November, \$2.63 billion in December, \$2.18 billion in January and \$2.52 billion in February.

This sustained growth has eased pressure on the country's foreign exchange reserve. Improved liquidity in banks' net open positions has helped clear foreign currency payment backlogs, support the rebound in imports, and strengthen reserves.

According to central bank data, the country's forex reserves reached a record high of \$48 billion in

August 2021 but declined to \$25 billion by July 2024. Due to a plunge in reserves, local currency Taka weakened by 42 percent over the three years leading up to August 2024.

As of April 6 this year, the country's foreign exchange reserves rose to \$25.63 billion. However, under the BPM6 calculation method of the International Monetary Fund (IMF), reserves increased to \$20.46 billion, a BB official said.

"The surge in remittance has significantly stabilised the forex market," Hussain said. "It has enabled the country to meet external obligations on time, helping restore confidence in the economy."

Remittance inflows are rising largely due to growing public confidence in the current government, said Prof Rashed Al Mahmud Titumir, chairperson of Unnayan

Onneshan.

"When people can put trust in a government, they feel happy to send their hard-earned money through the formal channels. So, the remittance will increase if the government stabilises," he said.

Prof Titumir, a former chair of the Department of Development Studies at Dhaka University, added that banks are also playing a more active role in attracting remittances through official channels, contributing further to the steady rise in formal inflows.

Remittance inflows surged ahead of Eid-ul-Fitr, driven largely by increased transfers during the festive period, said Ashikur Rahman, principal economist at the Policy Research Institute (PRI).

He noted that reduced pressure from money laundering has weakened

demand for informal hundi transactions, prompting more expatriates to turn to formal banking channels.

"Besides, the narrowing exchange rate gap between formal and informal channels — now just Tk 1.5 to Tk 2 — has further incentivised remitters to utilise official banking routes," Rahman added.

The rise in remittance has helped ease the country's foreign debt burden. At the same time, the smaller gap between open market and bank exchange rates has boosted confidence in formal channels, contributing to greater stability in the dollar market.

Reflecting this trend, the current account deficit fell sharply to \$552 million during the July-January period of FY25, an 87 percent drop compared to the \$4.28 billion deficit recorded over the same period in FY24.

## Rice prices may fall from May

FROM PAGE B1

The production figure matches last year's output. The USDA added that farmers were anticipating a good harvest of Boro rice as of March 2025.

"No natural disasters, such as droughts, heatwaves, cyclones, or pest outbreaks, have been reported yet," the report said.

Referring to the Boro harvest, it said prices are likely to drop from May as fresh supply enters the market. However, given the persistently high cost of production, the agency said that prices could start rising again in August this

year. Boro rice — accounting for more than half of Bangladesh's annual rice production — is usually transplanted between December and January and harvested from April to May. The crop is heavily reliant on irrigation.

Rising production costs The USDA said that the cost of Boro rice cultivation continues to rise each year due to higher irrigation charges, pricier fertilisers, and increased labour wages.

Bangladesh's rice farming still depends heavily on manual labour owing to limited

mechanisation.

"Farmers in the northern part of the country reported that labour wages were particularly high this year, especially during the peak transplantation period. They also anticipate even higher wages during the Boro rice harvest due to a labour shortage," the report said.

Quoting officials from the agriculture ministry, it added that wages for agricultural labourers in the north had increased by 15-20 percent this season.

Farmers primarily draw groundwater for irrigation during Boro cultivation. Amid soaring

temperatures, many have had to water their fields more frequently — further inflating production costs, said the report.

Heatwave raises concern over blast disease

Despite favourable acreage and weather conditions until March, the current heatwave has sparked fears of a potential blast disease outbreak in Boro fields.

In a special bulletin last week, the Bangladesh Rice Research Institute (BRRI) said that 18 districts were highly vulnerable to the heatwave. Farmers were urged to keep water in their fields throughout the

heatwave to protect the crop.

To curb the threat of blast disease, BRRI recommended immediate fungicide application upon detecting symptoms.

"The current weather is favourable to blast. So, we have recommended the use of fungicide as soon as farmers observe symptoms of blast," said Mohammad Khalequzzaman, director general (routine charge) of BRRI.

He added that the crop appeared healthy so far. "There is sound growth. I think Boro production will be good this season, if the weather remains favourable," he said.

বাংলাদেশ সরকারী কর্ম কমিশন

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(প্রশান্ত বৈদ্য)  
উপপরিচালক(প্রশাসন-৩)  
টেলিফোন নম্বর-৫৫০০৬৬৩৯

GD-823

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Memo No. 35.01.6700.451.07.000.25-1083  
Dated: 06.04.2025

**e-Tender Notice**

e-Tenders are invited in e-GP System Portal (<http://www.eprocure.gov.bd>) by the Executive Engineer, RHD, Road Division, Narayanganj for the procurement of below mentioned works:

Sl. No.	Tender ID, Package No. & publication date	Name of work	Last selling date & time	Closing & opening date and time
1	ID: 1095253 (OTM) 41/e- GP/EE/NRD/2024-2025 06 April 2025	Supplying, fitting, fixing & installation of Cable & Street Light at 3rd Shtalakkhya Bridge at 12th(p) km of Madanpur-Madanganj-Sayedpur Road (R-113) under Narayanganj Road Division during the FY 2024-2025.	21/04/2025 14:15	22/04/2025 12:15
2	ID: 1095254 (OTM) 39/e- GP/EE/NRD/2024-2025 06 April 2025	Construction of Rigid Pavement work at 9th km (P) (Under Kanchpur Bridge, U-Loop, Dhaka end) of Dhaka (Jatrabari)-Cumilla (Maynamati)-Chattogram-Teknaf (N-1) Road under Road Division Narayanganj during the year 2024-2025.	21/04/2025 14:15	22/04/2025 14:00
3	ID: 1095258 (LTM) 22/e- GP/EE/NRD/2024-2025 06 April 2025	Emergency provision of Semi-Skilled labour and un-skilled labour for Clearing & Grubbing of both side at 17th km(p), 18th km(p), 23rd km(p), 25th km(p), 33rd km(p), 35th km(p) of Dhaka (Jatrabari)-Cumilla (Mainamati)-Chattogram-Teknaf Road (N-1) under Narayanganj Road Division during the year 2024-2025.	21/04/2025 14:00	22/04/2025 14:00

These are online tenders, where only e-Tender will be accepted in e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, please register on e-GP System Portal (<http://www.eprocure.gov.bd>). Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

Abdur Rahim  
ID No. 602227  
Executive Engineer, RHD  
Road Division, Narayanganj

GD-825



Rubber saplings grow in a nursery at Lama upazila in Bandarban, with rolling hillocks in the background. Bangladesh has 1,304 private and 28 state-run rubber plantations, mostly in the Chattogram region. PHOTO: COLLECTED

# Rubber producers hit by price slump, security strains

JAGARAN CHAKMA

Bangladesh's natural rubber industry, once a bright spot in the economy, is losing its lustre as slumping demand and volatile law and order in the greater Chittagong Hill Tracts (CHT) send prices tumbling.

Over the past six months, domestic rubber prices have dropped sharply – from Tk 280 per kilogramme to below Tk 220 – leaving growers and investors grappling with mounting losses.

Most plantations are concentrated in the CHT, where security risks and political instability have further dented confidence in a sector that supports thousands of jobs, according to Syed Moazzam Hossain, chairman of Lama Rubber Industry Ltd.

He said, "Producers are struggling to survive. Without immediate government intervention, the industry could suffer long-term damage."

Thanks to reduced local consumption, rubber exports increased year-on-year to \$34.93 million from \$25.93 million during the July-February period of the current fiscal year.

Hossain said that Gazi Tyre, a major buyer of natural rubber, reduced its purchases significantly after its factory was set ablaze following the political changeover in August last year.

The factory, owned by former Awami League minister Golam Dastagir Gazi, was

targeted after the previous regime was ousted by a mass uprising.

Gazi Tyre consumed 60 to 65 percent of the natural rubber produced in the country, Hossain said, adding that the company would buy around 25 tonnes of natural rubber daily before its factory was burnt down.

According to the Bangladesh Rubber Board (BRB), around 140,000 acres of land are currently dedicated to rubber plantations, with annual natural rubber production standing at 67,939 tonnes. Private operators run 1,304 gardens while state agencies run 28 gardens. Most of these are located in the greater Chattogram region.

Hossain added that local sales of raw rubber amount to around Tk 1,200 crore annually.

Although no accurate data is available, it is estimated that at least Tk 2,500 crore has been invested to establish the gardens, creating around 150,000 jobs.

According to Hossain, weak law and order and security concerns in the Chittagong Hill Tracts (CHT) have become a major deterrent for plantation maintenance and expansion.

He alleged that extortion by different political parties in the CHT region has increased at an alarming rate following the political changeover last year.

Due to instability and recurring conflicts, plantation owners face



difficulties in ensuring the safety of their workers and protecting their estates from illegal encroachment, he said.

"Security issues have discouraged many from proper maintenance, affecting both yield and quality. If this continues, the supply chain will be disrupted, causing further economic setbacks."

Moreover, Hossain said they have informed the authorities about the problems but have yet to find a solution.

"We would like to urge the government to take immediate action to protect the industry, stabilise rubber prices, and create a secure environment for plantation owners and workers," he said. "Otherwise, Bangladesh risks losing valuable revenue."

Samir Datta Chakma, president of the Indigenous Rubber Garden Owners Association in Khagrachhari, said rubber producers in the district never receive fair prices.

Before the political changeover in August last year, plantations used to sell natural rubber for Tk 180 per kg, but now the price has plummeted to Tk 120.

Middlemen make more profit than producers, leaving small farmers struggling, he added.

Chakma claimed that a syndicate controls the prices, with the presence of a limited number of processing firms failing to bring about fair competition.

He also said rubber plantations are more profitable than fruit gardens due to low maintenance costs, providing sustainable income for around 100 rubber garden owners in the district.

Mohammad Kamal Uddin, president of the Bangladesh Rubber Garden Owners' Association, pointed out that one of the primary reasons for the price decline was Gazi Tyre significantly reducing its purchases.

READ MORE ON B2

## Saif Powertec in talks with UCB to resolve Tk 518cr loan issue

STAR BUSINESS REPORT

Saif Powertec said yesterday that it is in discussions with United Commercial Bank (UCB) to resolve a loan-related issue, following a recent notice by the bank regarding the planned auction of Saif's assets.

"We are going to settle the matter with UCB, Mohakhali Branch, Dhaka, for which our management is in discussions with the bank authorities to resolve it as early as possible," the company said in a disclosure to the Dhaka Stock Exchange (DSE).

Shares of Saif Powertec declined 0.86 percent to Tk 11.5 in mid-day trading at the DSE.

The company expressed hope that the matter would not have any adverse effect on its operations.

Earlier, UCB announced that it would auction the assets of Saif Powertec to recover a loan worth Tk 517.74 crore. The private bank published the notice on its website on 20 March, inviting interested parties to submit bids by 24 April.

Saif Powertec, a leading container handler at Chittagong Port, has been operating for 27 years.

## Aramit Cement trims losses in Q2

STAR BUSINESS REPORT

Aramit Cement reduced its losses in the second quarter of the current fiscal year, although it still remained in the red.

The company incurred a loss of Tk 6.03 crore during the October-December period of FY25, down 53 percent year-on-year. Shares of Aramit rose 4.76 percent to Tk 15.4 as of mid-day trading yesterday at the Dhaka Stock Exchange (DSE).

Loss per share stood at Tk 1.78 in the quarter, an improvement from Tk 3.86 in the same period a year ago, according to a disclosure on the DSE.

For the July-December half, loss per share declined to Tk 4.01 from Tk 7.88 in FY24.

Net operating cash flow per share turned positive at Tk 1.75 for the July-December period, compared to a negative Tk 1.22 a year earlier.

Aramit Cement, a sister concern of Aramit Group, operates from the Kalurghat Heavy Industrial Estate in Chattogram.

The company, listed as a public limited firm in 1995, has a capital base exceeding Tk 50 crore and a production capacity of 6.12 lakh tonnes annually, according to its website.

## Gold prices fall over 3%

REUTERS

Gold fell more than 3 percent on Friday, erasing gains from earlier in the week, as investors sold off bullion to cover their losses from a wider market meltdown as an intensifying trade war sparked concerns of a global recession.

Spot gold was down 2.9 percent at \$3,024.2 an ounce as of 1:44 p.m. EDT (1744 GMT), after hitting a session low of \$3,015.29 earlier in the session. It hit a record high of \$3,167.57 on Thursday. For the week, gold was down 1.9 percent. US gold futures settled 2.8 percent lower at \$3,035.40.

On the technical front, spot gold price managed to hold above its 21-day moving average of \$3,023.

"We tend to see gold as a liquid asset being used to meet margin calls elsewhere, so it's not unusual for gold to sell off after a risk event given the role that it can play in a portfolio," said Suki Cooper, an analyst at Standard Chartered.

# Bracing for a tariff storm



MASHUR AREFIN

There are mornings when the news feels like a personal blow. As I sat at my desk, the headline about the United States imposing a 37 percent tariff on Bangladesh exports – particularly garments – struck me with a strange mix of disbelief and dread. Not just as a banker who supports businesses involved in international trade, but as a Bangladeshi who has watched our country rise from the margins of global commerce to become the second-largest exporter of RMG in the world.

I thought of the thousands of women working under fluorescent lights in Narayanganj and Gazipur, of exporters who've built empires stitch by stitch, and of factory owners who have staked their futures on long-term US orders. In trade, as in life, one decision from far away can unravel years of careful effort. Seneca said: "A gem cannot be polished without friction, nor a man perfected without trials." We are being tested here.

Now let us try to understand what this tariff truly means for us.

### UNDERSTANDING TARIFFS

A tariff is a tax imposed on

goods entering a country. When the US levies a 37 percent tariff on Bangladeshi garments, American importers must pay that extra amount, often passing the cost along the chain. In simple terms, tariffs make foreign products more expensive, protecting domestic industries but hurting foreign sellers.

The move is part of a broader strategy by the Trump administration to target countries it believes impose higher duties on US products. While the logic may appear sound, its implementation risks disrupting economies like ours that are heavily export-dependent.

### WHY BANGLADESH IS PARTICULARLY VULNERABLE

Bangladesh's economy is uniquely exposed to such a shock. The RMG sector accounts for over 80 percent of export earnings, contributes around 10 percent of GDP, and employs more than four million workers – most of them women.

In 2024, Bangladesh exported over \$8.4 billion to the US, with \$7.3 billion from garments. Some factories depend almost entirely on American orders.

With a 37 percent tariff, many US retailers may shift to sourcing from countries like India or Mexico, which face lower duties. Even a 10 percent cost difference can sway buyers in a price-sensitive industry.

### RIPPLE EFFECTS ON THE ECONOMY

A drop in US orders would hit export revenue and reduce dollar inflows, potentially leading to a foreign exchange crunch. Our

economy relies on these dollars to pay for essential imports and maintain currency reserves. A sustained decline in exports could weaken the taka and widen the trade deficit.

Job losses are another concern. Just last year, over half a million, mostly female garment workers, lost jobs during global disruptions. A shock like this could worsen that

trend.

The garment industry supports a wide network: textile mills, suppliers, packaging firms, and transport providers. Shrinking orders will hurt them too. The investment climate is also at risk. Investors may pause or redirect funds to "safer" countries.

### WHY THIS TARIFF HITS US SO HARD

While China, Vietnam, Cambodia, and Sri Lanka face even higher rates, Bangladesh's 37 percent tariff is among the steepest in South Asia. What makes it especially damaging is our reliance on garment exports. Losing a large share of this trade would be a major economic blow.

India faces a lower US tariff of 27 percent, making it more attractive

to buyers. In this industry, small cost differences shift major orders.

There's also a diplomatic dimension. The US removed Bangladesh from the GSP in 2013 over labor concerns. Apparel was never part of GSP, but its loss still hurt. Now, instead of progress, we face a "super-tariff". Bangladesh is not an industrial giant like China. We are still navigating political and economic transformation. Punishing a country that employs millions of low-income workers – especially women – risks harming the very communities global development efforts aim to empower.

### WHAT BANGLADESHI EXPORTERS CAN DO

Exporters are working on ways to adapt. One step is renegotiating contracts with US buyers to share the cost burden. This is a time for win-win compromises.

Another strategy is accelerating market diversification. Over-reliance on the US has long been a vulnerability. Europe, Canada, Japan, and emerging markets like China and Latin America offer potential. Diversifying doesn't mean abandoning the US.

Upgrading the value chain is also key. Competing solely on low cost is no longer enough. Some firms are using advanced technology and producing complex items like sportswear. Sustainable production can attract buyers who value more than just price.

Industry unity is critical. As a banker working closely with exporters, I expect groups like



Bangladesh exported goods worth more than \$8.4 billion to the US in 2024, with \$7.3 billion coming from garment shipments. Some factories depend almost entirely on American orders. PHOTO: STAR/FILE

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