Tea plants grow in a garden in the northern district of Panchagarh. Tea production in the region fell last year compared to the previous year due to erratic rainfall, poor market prices and irregularities in factory accounting.

PHOTO: QUAMRUL ISLAM RUBAIYAT

Tea output in northern plains down 20% in 2024

QUAMRUL ISLAM RUBAIYAT *and* KONGKON KARMAKER

Tea production in the northern plains dropped by nearly 20 percent in 2024, as erratic rainfall, poor market prices, and irregularities in factory accounting took a toll on the sector.

Five districts -- namely Panchagarh, Thakurgaon, Dinajpur, Nilphamari, and Lalmonirhat -- produced 14.39 million kilogrammes of processed tea last year, which accounted for 15.47 percent of the country's total output of 93 million kg, according to the Bangladesh Tea Board.

In contrast, the same region yielded 17.95 million kg in 2023, or about 17.44 percent of the national production of 102.92 million kg.

Arif Khan, a regional official of the tea board, said production had been "slightly hampered" by conditions that mirrored mid-season drought.

"At the same time, many small and marginal growers lost interest in properly caring for their plants due to a lack of fair prices," he told The Daily Star.

He lamented that some farmers, disheartened by persistently low returns, uprooted tea plants and returned to conventional crops.

Khan commented that another reason for the drop in production is that factory authorities continue to engage in short weighing -- systematically underreporting the weight of purchased tea leaves -- which conceals actual production data.

Currently, the five districts host 10 registered and 20 unregistered large tea estates alongside 2,174 registered and 6,197 unregistered small plantations.

Tea was grown on 12,132 acres in the region in 2023, but that figure shrank to 11,527 acres last year.

Yet, Panchagarh remains a key player. With nearly 9,730 acres under cultivation, the northern plains emerged as the country's third-largest tea cultivation zone after Chattogram and Sylhet last year and maintained its position as the second-highest producer for the fourth year running.

However, such prosperity may not be sustainable for much longer if small farmers, like Amraj Alam Rupom from Panchagarh's Atwary upazila, continue to turn away.

As he could not recover production costs due to the low price of raw leaves, Alam said he uprooted tea plants from one acre last year.

Samir Uddin, 45, from Nitoldoba village in Thakurgaon's Baliadangi upazila, said he was forced to sell raw leaves at just Tk 8 per kg after factory authorities cited various excuses to reduce the accepted weight of supplied leaves by 40 percent.

"The price was lower than the production cost, so I didn't make a profit last year," he said. "I will observe the market situation in the coming season. If the price trend continues, I will consider returning to cultivating traditional crops."

Some industry insiders pointed to another cause for the reported dip in output: not all tea produced in the northern districts was sold through the official auction centres in Sylhet and Chattogram, or through the new digital auction centre in Panchagarh.

ABM Akhtaruzzaman, president of the Small Tea Garden Owners Association, said a significant volume of tea from Panchagarh continues to be sold through unofficial channels.

He called for tighter monitoring of factory operations and stricter enforcement to ensure that processed tea reaches the market through proper channels.

Speaking on condition of anonymity, a factory manager admitted that some producers resort to unauthorised sales due to cash flow issues. However, he claimed such sales account for no more than 10-15 percent of total output.

Niaz Ali Chishti, general secretary of the Bought Leaf Tea Factory Owners' Association, told The Daily Star, "We have repeatedly urged factories, on behalf of our association, to refrain from selling processed tea through unofficial means."

He said that if tea continues to be sold outside the proper channels, both tea growers and well-performing factories will suffer, and the promising industry in the plains will be at risk.

Chishti urged the authorities for stronger oversight. "To completely stop this practice, the tea board, local administration, and the customs need to step up their monitoring efforts."

If necessary, stern action must be taken against offenders, he added.

Due to sales through unofficial channels, many quality companies still have unsold stock. Out of a total of 49 auctions, 46 have already taken place.

Chishti said the reason is that many buyers are sourcing tea at lower prices from outside the system, depriving revenue also for the government.

AKM Rafiqul Haque, director (project development) at the Bangladesh Tea Board, said the board had already stepped up monitoring efforts in line with instructions from its chairman.

Over the past two decades, Panchagarh's tea economy has transformed the local landscape. What was once a stretch of barren grazing land has turned into a lush, green tea belt -- now the third-largest tea-producing region in Bangladesh.

Since cultivation began in 1999, the area has witnessed rapid growth. Employment has surged -- from just 1,475 workers in 2006 to over 15,000 today. Roughly 30,000 people are now directly or indirectly involved in the industry.

Small-scale tea farmers earn around Tk 2-3 lakh per acre annually, making the region the country's second-highest earner in the tea sector.

Navigating pathways post-LDC graduation

SALEKEEN IBRAHIM

Bangladesh is on the verge of graduating from the least developed country (LDC) category in 2026, which will be a significant milestone in the history of its economic journey. This graduation reflects major progress in our economic development, but it also brings new challenges—especially in international trade. It is essential for entrepreneurs and businesses to embrace true competitiveness in the global market to sustain this new status.

The biggest challenge we are likely to face post-LDC graduation is the loss of duty-free and quota-free access to key export markets. Currently, over 70 percent of our exports (mainly readymade garments) benefit from preferential trade agreements. After the graduation, these exports will be subject to potential tariffs of 8-12 percent in the EU alone, impacting billions in revenue. If we fail to secure alternative trade deals, our products will become more expensive and less competitive in global markets.

We must actively negotiate free trade agreements (FTAs) and preferential trade agreements (PTAs) with major export destinations such as the EU, the UK, and Canada. Engaging in the Generalized Scheme of Preferences Plus (GSP+) programme of the EU could help us retain tariff advantages. Strengthening regional trade partnerships within the Association of Southeast Asian Nations (Asean) and South Asia is also critical.

Efforts to diversify our export base are ongoing, but currently, industries such as pharmaceuticals, IT, and leather still lack the scale and global reach necessary to offset any decline in RMG exports. Post-LDC, Bangladesh must push hard to elevate these sectors to avoid concentration risks and maintain stable export income. IT exports alone could reach $5 billion by 2027 if properly supported. Policies that promote innovation, skills development, and infrastructure improvement will be crucial in the coming years.

After LDC graduation, we will need to comply with stringent labour, environmental, and sustainability regulations, especially from EU and North American buyers. For example, the EU's upcoming supply chain laws will require enterprises to ensure fair wages, labour rights, superior environmental practices, and sustainability in production. Noncompliance in these areas may lead to trade restrictions and bans, directly impacting exports. Entrepreneurs must invest in green production processes, improve workplace safety, and align with global ESG (environmental, social, and governance) standards. Government incentives for sustainable businesses will help support this transition. As an LDC, Bangladesh currently enjoys concessional financing from institutions like the World Bank's International Development Association (IDA), which provides low-interest loans and allows long repayment periods. After the graduation, we will have to borrow at higher interest rates.

According to the Economic Relations Division (ERD), Bangladesh could see loan rates increase by 2-3 percent, significantly raising debt servicing costs. The loss of preferential access to grants and soft loans will also affect small and medium enterprises (SMEs). Many SMEs rely on donor-funded projects and refinancing schemes to meet their financial needs. Without such support, it will become very difficult for early-stage SMEs to scale up in the long run. As an alternative, we can consider establishing dedicated SME funds, low-cost credit facilities, and venture capital initiatives. Collaboration among banks, microfinance institutions, and the government can help ensure accessible financing options for SME entrepreneurs.

With shifting global market trends and competition for stronger financial positions, Bangladesh may face increased pressure on the exchange rate and inflation. Rising manufacturing costs, energy price hikes, and currency depreciation could hurt business profitability. Macroeconomic stability will be vital in managing inflation and exchange rate pressures. Strong policy-level support and a robust monetary plan are necessary to maintain competitiveness.

For entrepreneurs, this is the time to invest in innovation, build resilient supply chains, and embrace digital transformation. Governments and businesses must work together to create an ecosystem that fosters sustainable growth. The post-LDC era is not just about survival—it is about thriving in a new, competitive global economy. It is about redefining success on the world stage.

The writer is a senior banker.

Over 50 countries sought talks with Trump over tariffs

White House says

AFP, *Washington*

More than 50 countries have sought talks with President Donald Trump in a scramble to ease punishing tariffs on exports to the United States, the White House said Sunday, as trade partners braced for fallout.

The Republican has remained defiant since unleashing the blitz of levies on stunned countries around the world Wednesday, insisting that his policies "will never change" even as markets went into a tailspin.

But his staggered deadlines have left space for some countries to negotiate, even as he insisted he would stand firm and his administration warned against any retaliation.

"More than 50 countries have reached out to the president to begin a negotiation," Kevin Hassett, head of the White House National Economic Council, told ABC's This Week on Sunday, citing the US Trade Representative.

He said they were doing so "because they understand that they bear a lot of the tariffs," as the administration continues to insist that the duties would not lead to major price rises in the United States.

"I don't think that you're going to see a big effect on the consumer in the US," he said.

Treasury Secretary Scott Bessent also told NBC's Meet the Press that 50 countries had reached out.

But as for whether Trump will negotiate with them, "I think that's a decision for President Trump," Bessent said.

Stocks savaged as China retaliation to Trump tariffs fans trade war

AFP, *Hong Kong*

Asian and European equities collapsed on a black Monday for markets after China hammered the United States with its own hefty tariffs, ramping up a trade war many fear could spark a recession.

Trading floors were overcome by a wave of selling as investors fled to the hills, with Hong Kong's loss of 13.22 percent its worst in nearly three decades. Taipei socks suffered their worst fall on record, tanking 9.7 percent, while Frankfurt dived 10 percent and Tokyo shed almost eight percent.

Futures for Wall Street's markets were also taking another drubbing, while commodities slumped.

US President Donald Trump sparked a market meltdown last week when he unveiled sweeping tariffs against US trading partners for what he said was years of being ripped off and claimed that governments were lining up to cut deals with Washington.

But after Asian markets closed on Friday, China said it would impose retaliatory levies of 34 percent on all US goods from April 10.

Beijing also imposed export controls on seven rare earth elements, including gadolinium -- commonly used in MRIs -- and yttrium, utilised in consumer electronics. On Sunday, vice commerce minister Ling Ji told representatives of US firms that Trump's tariffs "firmly protect the legitimate rights and interests of enterprises, including American companies".

Hopes that the US president would rethink his policy in light of the turmoil were dashed Sunday when he said he would not make a deal with other countries unless trade deficits were solved.

PHOTO: AFP

Pedestrians stand in front of an electronic board showing the numbers of the Nikkei Stock Average on the Tokyo Stock Exchange along a street in Tokyo yesterday.

"Sometimes you have to take medicine to fix something," he said of the ructions that have wiped trillions of dollars off company valuations.

The savage selling in Asia was across the board, with no sector unharmed -- tech firms, car makers, banks, casinos and energy firms all felt the pain as investors abandoned riskier assets.

Among the biggest losers, Chinese ecommerce titans Alibaba tanked 18 percent and rival JD.com shed 15.5 percent, while Japanese tech investment giant SoftBank dived more than 12 percent and Sony gave up 10 percent.

Hong Kong's 13-percent drop marked its worst day since 1997 during the Asian financial crisis -- while Frankfurt plunged 10 percent at one point.

Shanghai shed more than seven percent, with China's state-backed fund Central Huijin Investment vowing to help ensure "stable operations" of the market.

Singapore plunged nearly eight percent, while Seoul gave up more than five percent, triggering a so-called sidecar mechanism -- for the first time in eight months -- that briefly halted some trading.

Sydney, Wellington, Manila and Mumbai were also deep in the red, while London and Paris both dropped around five percent.