



## China keen to set up SEZ in Mongla Bida chief says

STAR BUSINESS REPORT

China has expressed interest in establishing a Special Economic Zone (SEZ) in Mongla to expand trade relations and increase investment flows, according to the Bangladesh Investment Development Authority (Bida).

Additionally, \$1 billion in development funding from the New Development Bank (NDB), a multilateral development bank established by the BRICS states, is under discussion for 2025.

Ashik Chowdhury, executive chairman of the Bida, unveiled the plans while speaking during a press briefing on the second day of the Bangladesh Investment Summit 2025 at the Intercontinental Dhaka yesterday.

Chowdhury pointed to Mongla's location near the seaport, referring to it as a gateway for maritime and export-linked industries.

In one of the sessions, a Chinese construction firm with operations in Bangladesh indicated its intent to expand. Company representatives discussed their experience in Bangladesh over the last 45 years and highlighted the availability of labour.

Chowdhury said the company had received support from different levels of government. At the same time, he acknowledged challenges.

He cited the example of a businessman who has been waiting for more than three years for a licence to begin a project that intends to employ 10,000 people.

"He has funding and preparation, but progress remains halted due to administrative processes," Chowdhury said.

He added that similar cases have been seen over the years. "Many investors have been unable to proceed. These delays have affected the investment process. Administrative reforms are required."

The summit included sessions on planning, foreign participation, and sector-specific issues, and also saw Bangladesh sign agreements with 53 countries.

Additionally, Bida has opened a digital platform to collect feedback from private businesses.

READ MORE ON B3

## WB identifies four sectors ripe for reform

Says strategic changes can draw investments, create jobs and spur growth

### SECTOR-WISE RECOMMENDATIONS

#### RMG

- Adjust labour laws for post-LDCEU market
- Adopt EU sustainability regulations
- Include skills training in nat'l curricula
- Equalise duties on solar imports
- Implement shadow price of water

#### Housing

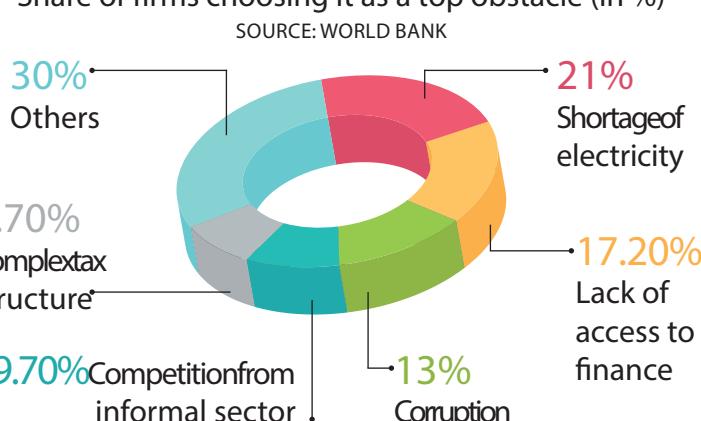
- Utilise vacant govt lands
- Improve municipal services
- Digitise land records
- Set up mortgage refinance firm
- Revise building codes for green bricks

#### Digital finance

- Enable corporate MFS wallets
- Publish fee methodologies
- Broaden CIB reporting
- License fintech firms
- Scrap transfer taxes

#### Top five business environment obstacles

Share of firms choosing it as a top obstacle (in %)



#### Paint & dyes

- Digitise customs classifications for input imports
- Accept third-party lab tests for customs clearance
- Allow non-RMG players to use bonded warehouses
- Equalise duties on raw material imports

STAR BUSINESS REPORT

Bangladesh has the potential to attract significant investment and generate millions of jobs by carrying out key reforms in four promising sectors — green readymade garments (RMG), housing for the middle class, paint and dyes, and digital financial services, according to a new report by the World Bank Group.

The Bangladesh Country Private Sector Diagnostic (CPSD), unveiled yesterday at the Bangladesh Investment Summit 2025, identifies the sectors as ripe for reform due to their relative maturity and the political feasibility of implementing change.



Although not the only drivers of growth, these industries were singled out for their capacity to stimulate investor confidence, both domestic and international, and to signal that Bangladesh is ready to do business, the report said.

It said that by improving the business climate in these areas, Bangladesh could trigger a ripple effect, encouraging reforms in interconnected sectors.

This, the report suggests, could set off a virtuous cycle of structural transformation to help address the country's pressing challenges around employment and productivity.

The World Bank estimates that targeted interventions could create up to 2.37 million jobs each year in the construction sector by supporting new housing developments for middle-income families.

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## US loses cotton market share in Bangladesh

### Bangladesh's cotton imports by sources

In % of import quantity

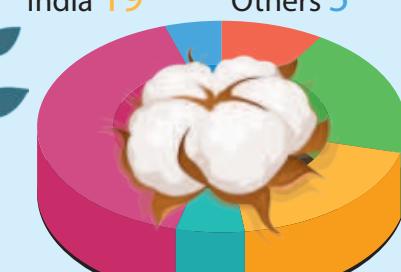
#### MARKETING YEAR 2024

Source	Share (%)
Australia	10
USA	11
Brazil	14
West Africa	35
India	22
Others	8



#### MARKETING YEAR 2025

Source	Share (%)
Australia	9
USA	6
Brazil	20
West Africa	41
India	19
Others	5



## Inflation inches up in March as non-food prices jump

MD ASADUZ ZAMAN

After declining for each of the past three months, overall inflation in Bangladesh increased slightly in March, driven by an uptick in non-food prices, government data shows.

Overall inflation stood at 9.35 percent in March, up from 9.32 percent the month prior, according to data released by the Bangladesh Bureau of Statistics (BBS) yesterday.

Non-food prices spiralled to 9.70 percent in March, up from February's 9.38 percent, indicating rising costs of goods and services such as clothing, healthcare, education, and transport.

On the other hand, food inflation decreased to 8.93 percent in March, down from 9.24 percent the month prior.

Economists expressed optimism about the slow rate of growth, saying the moving average is decreasing.

Between April 2024 and March 2025, the moving average rate of inflation reduced to 10.26 percent from 10.30 percent the month prior.

"The general trend is slightly downward overall, but it takes time for non-food inflation to follow the same pattern," said Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue, a think tank.

He added that the government's move to curb inflation by implementing a contractionary monetary policy has had some negative effects as well, particularly on investment.

In line with the contractionary policy, the Bangladesh Bank has hiked the policy rate -- the interest rate at which commercial banks borrow from the central bank -- several times, bringing it to 10 percent.

READ MORE ON B3

#### SOHEL PARVEZ

The United States is losing its market share in cotton exports to Bangladesh amid concerns about logistics and the lengthy shipment duration for American cotton, according to a recent report by the US Department of Agriculture (USDA).

Bangladesh's millers imported 7.8 million bales of cotton in the marketing year (MY) 2023-24, beginning in August.

Of that, the share of US cotton, a key raw material for the country's apparel industry, was 9 percent. A year ago, in MY23, the share of cotton imported from America was 10 percent.

During the first seven months of MY25, local importers bought 286,056 bales of cotton from the US. The amount was only 6 percent of the total import of the item, down from 11 percent during the same period a year ago.

The USDA's report came just days before the Trump administration hiked tariffs on goods from 60 countries, including Bangladesh, entering the

American market.

Bangladesh's exports will face a 37 percent higher tariff in the US market following Trump's tariff hike, which has created worries among exporters. It also prompted Chief Adviser Muhammad Yunus to write to the US President, promising to significantly increase imports of US farm products, including cotton.

The government is also finalising a dedicated bonded warehousing facility in Bangladesh, where US cotton will have duty-free access, according to the letter.

Citing its industry contacts, the USDA said the quality of US cotton is better than cotton from other sources.

"Many spinning mills in Bangladesh prefer US cotton; however, they always express concerns about the logistics and lengthy shipment duration required to obtain US cotton," it said in its Cotton and Products Annual report released on March 31.

The agency said many cotton merchandisers sell South American and West African cotton while it is afloat.

"This practice helps to reduce the

shipment duration. However, US cotton is not sold afloat. Merchandisers also store their cotton in nearby warehouses in ports in Malaysia, Singapore, and Sri Lanka. Cotton from these warehouses can be delivered to Bangladesh in just seven days."

As per the report, West African countries and Brazil gained market share in cotton exports.

The West African countries collectively supplied 1.9 million bales, 41 percent of Bangladesh's total imports during the first seven months of this marketing year, the USDA said.

The US agency said the market share of West African and South American cotton is gradually increasing based on these logistical benefits, which allow importers to take advantage of price shifts.

"As a single country, Brazil emerged as the major raw cotton supplier to Bangladesh during this period," it said. Brazil exported 970,487 bales, comprising 20 percent of the market share, followed by India with 887,600 bales and a 19 percent share.

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## Investors seek policy continuity, conducive business climate

STAR BUSINESS REPORT

Seeing robust potential in Bangladesh, foreign investors have called on the interim government to ensure policy consistency and uphold its commitment to fostering a more predictable and business-friendly environment.

Investors also stressed that the government should intensify its efforts to attract foreign investment by offering more competitive incentives and adopting investor-friendly policies.

These demands were voiced by a group of foreign investors during a visit to the Bangladesh Special Economic Zone (BSEZ) in Narayanganj on Tuesday as part of the four-day Bangladesh Investment Summit 2025.

The Bangladesh Investment Development Authority (Bida) has organised the summit to highlight investment opportunities and demonstrate the impact of economic reforms undertaken following the July mass uprising.

**Investors also stressed that the government should intensify its efforts to attract foreign investment by offering more competitive incentives**

About 36 investors and representatives from companies in China, Japan, the United States, India, and other countries visited the BSEZ -- also known as the Japanese Economic Zone.

"I see a great opportunity in Bangladesh. However, the government, Bangladesh Economic Zones Authority, and BSEZ should uphold the commitments they have made to facilitate us," said Mohammad Abdul Quyum, managing director of Nilorn Bangladesh, a Swedish company.

Yesterday, Nilorn Bangladesh signed a memorandum of understanding (MoU) with BSEZ to establish a factory in Narayanganj.

"We already have a garments factory in Bangladesh. Now, we are planning to make a larger investment to produce garment accessories in the BSEZ," Quyum said at a media briefing.

"We will gradually invest between \$11 million and \$14 million. The project will create job opportunities for nearly 300 people," he added.

When asked about the investment timeline, he said, "The timeline will depend on when the agreement is signed. As per regulations, construction work must begin within six months of signing. We will try to follow it."

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## BB extends tenure of Tk 200cr stock market fund

STAR BUSINESS REPORT

Bangladesh Bank (BB) issued a circular on Tuesday extending, till the end of 2026, the tenure of a Tk 200 crore fund that each bank was individually allowed to create in order to make investments in the stock market.

Back in February 2020, Bangladesh Bank allowed banks to form the special funds, some of them by taking low-interest loans from the central bank.

The funds were initially meant to remain valid till February 2025.

The central bank said it extended the tenure amid the prevailing volatile situation in the country's capital market.

It also said it had availed opinions of various stakeholders related to the capital market, investor banks, as well as considered its own review, in the interest of attaining stability for the overall financial sector.

The banking regulator also asked banks that have already formed the special funds and invested in the stock market to gradually reduce their investments within the extended period.

For the reduction, a specific action plan, approved by the board of directors of the respective investor bank, must be submitted to Bangladesh Bank within 30 days of the issuance of the circular.

Upon the tenure's expiration on December 31, any remaining investment will be considered part of the capital market investment fund in accordance with Section 26K of the Bank Companies Act, 1991.

In November last year, the Bangladesh Securities and Exchange Commission (BSEC) had sought a five-year extension of the funds.

Moreover, the BSEC wanted the fund amount to be increased to Tk 300 crore.

BSEC Chairman Khondoker Rashed Magsa had placed the demand in a meeting with BB Governor Ahsan H Mansur at the central bank.

# Markets' tariff carnage can get much, much worse

REUTERS, New York

The age-old warning to unsophisticated investors, hungry to buy a dip: beware catching a falling knife. US equity markets are collapsing, with the S&P 500 heading towards the 20 percent bear market decline threshold after notching its worst two consecutive trading days since March 2020. It might just be the start. As investors parse through the damage after President Donald Trump raised US tariffs to their highest level in a century, market volatility is spiking and forecasts for earnings are tumbling, promising yet more downside.

Traders have yet to fully grasp this new reality. Wall Street estimates for earnings per share of the S&P 500 Index, representing the earning power of the biggest US listed firms, still hovers a bit over \$275 for this year, up 13 percent from 2024, according to LSEG data. As analysts grapple with the details of rising costs and potential economic blowback, some banks are now lowering their projections. Goldman Sachs has reduced its guess on earnings per share growth to 3 percent, while UBS has cut all the way to zero.

Rising risks of economic catastrophe amp this up further. UBS expects two quarters of negative GDP growth this year, enough to qualify as a recession, if tariffs are fully implemented. At prediction market Kalshi, the odds of such an economic contraction have crossed 60 percent. Since World War Two, S&P 500 earnings have dropped by a median of 13 percent from peak to trough in recessions, according to Goldman Sachs. A similar drop from 2024 would result in an earnings per-share target for the S&P 500 of \$211 in 2025.



Traders work on the floor of the New York Stock Exchange in New York City on April 7. US equity markets are collapsing, with the S&P 500 heading towards the 20 percent bear market decline threshold after notching its worst two consecutive trading days since March 2020.

PHOTO: AFP

The real pain, though, comes if investors begin to ascribe less value to each dollar of profit. Buoyed by the immense growth of technology companies like \$2.8 trillion iPhone maker Apple or \$2.3 trillion semiconductor firm Nvidia, the S&P 500 has traded at a median of 20.5 times estimates of year-ahead earnings since 2020, according to LSEG data, up from 16.9 times during the five years prior. As of April 4, the ratio stood at 18.4. In a world

where US profit margins are strained by protectionist policies, any premium over the recent past looks suspect.

In its "bear case" scenario, JPMorgan anticipates no tariff relief and zero earnings per-share growth through 2026. Applying a one-year forward multiple of 16 times, the bank's researchers get an S&P 500 price target of 4,000 by year-end, nearly a fifth below Monday's open. Anyone trying to grasp hold of this freefall

may end up with a nasty gash.

Major global stock indexes fell on April 7 for the third straight session in the wake of President Donald Trump's announcement of sweeping tariffs on US trading partners. The S&P 500 is down around 12 percent from the close of trading April 2, falling into bear-market territory. The CBOE volatility index surpassed 50 points, its highest level since the onset of the Covid pandemic.

## Pubali Bank donates bus to Islamic University of Technology

STAR BUSINESS DESK

Pubali Bank PLC has donated a bus to the Islamic University of Technology (IUT) as part of its corporate social responsibility.

Mohammad Ali, managing director and CEO of the bank, handed over the dummy key to Prof Mohammad Rafiqul Islam, vice-chancellor of the university, on its campus premises in Dhaka recently, said a press release.

In his speech, Ali said, "Pubali Bank is not only a profit oriented organisation; it has some social responsibility. As part of it, Pubali Bank donated a bus to the Islamic University of Technology."

He stated that such activities would continue.

Rafiqul Islam praised Pubali Bank for

its initiatives.

Hissein Araby Nour, pro vice-chancellor of the university, and Md Shahnewaz Khan, deputy managing director of the bank, were present.

Md Faizul Hoque Sharif, general manager of the general banking and operation division of the bank; AKM Abdur Raqib, general manager and regional manager for Dhaka North; Mohammad Arifur Rahman, deputy general manager and regional manager for Gazipur; Tahmina Mayna, assistant general manager and head of Uttara Model Town branch; and Mohammad Mizanur Rahman, assistant general manager and head of the public relations division, among others, were also present.



Prof Mohammad Rafiqul Islam, vice-chancellor of the Islamic University of Technology, receives the dummy key of the bus from Mohammad Ali, managing director and CEO of Pubali Bank, at a programme on the university campus in Dhaka recently.

PHOTO: PUBALI BANK

## Gold prices rebound

REUTERS

Gold prices rebounded on Tuesday as investors bought the dip a day after the metal hit a nearly four-week low, amid increased market volatility and a widening trade war.

Spot gold gained 0.8 percent to \$3,005.38 an ounce as of 0605 GMT. On Monday, bullion hit its lowest level since March 13.

US gold futures rose 1.6 percent to \$3,019.60.

US President Donald Trump ramped up tariff threats against China on Monday, while the European Union outlined plans for retaliatory duties, deepening fears of a drawn-out trade war that could tip the global economy into recession.

"Despite slipping in the previous sessions, gold is still strong and should remain on the upward trend" because of the bullish undertone, said Reliance Securities' senior analyst Jigar Trivedi.

Gold is up about 15 percent this year, driven by robust central bank purchases and its overall appeal as a safe hedge against economic and geopolitical uncertainties.

Meanwhile, Trump doubled down on the tariffs, saying he was not considering a pause to facilitate negotiations with trading partners, but mentioned that he would engage in discussions with China, Japan and other countries over the duties.

Markets will closely monitor the minutes of the US Federal Reserve's latest policy meeting, scheduled for release on Wednesday.

Traders also await US Consumer Price Index data on Thursday and the Producer Price Index on Friday for cues into the Federal Reserve's interest rate path. Gold tends to thrive in a low-rate environment.

## Investors seek

FROM PAGE B1

Upon arrival at the BSEZ, authorities briefed the visiting delegation on the zone's infrastructure and available facilities. The group later toured the Singer factory located within the zone.

Speaking to journalists, Taro Kawachi, managing director of BSEZ, said the Singer factory is a prime example of the kind of modern industrial facilities that can be established in Bangladesh.

"Singer completed construction of the facility within just 20 months, investing \$78 million. The factory currently produces 50,000 refrigerators and 10,000 televisions per month," he said.

Kawachi added that BSEZ offers a wide range of world-class services. Notably, bonded transport facilities have been provided within the zone itself to ease the import of goods and raw materials – eliminating the need for customs clearance at the port.

"Investors will not face any difficulties here," he assured.

### WHAT INVESTORS SAY

Nicholas Qi, CEO of Chinese IT services firm Genew Bangladesh Ltd, said Bangladesh holds considerable investment potential but continues to face key challenges, with the lack of policy continuity being most notable.

"The interim government has taken some encouraging steps," he said. "We hope it will maintain a consistent policy framework moving forward."

Wu Jianbo, secretary general of the China-based Green and Smart Energy Organization, said Bangladesh can further strengthen its efforts to attract foreign investment by offering more incentives and favourable policies.

"I believe this is crucial for the country's economic development. In fact, China also started its growth by promoting exports and attracting investment in a similar way," he said.

He added that the main challenge is the issue of market demand.

"Now that I've come here, my key question is: Who will be my

customers? How can I open up the market for my products? If there was more support or connections in this area, I would feel much more confident in moving forward with investment plans."

Itikher Mahmood, a US-based non-resident Bangladeshi and founder of Hope Foundation, also hoped to invest in Bangladesh.

"I have been investing in the healthcare sector of Bangladesh for two decades by building multiple hospitals and framing health programmes for marginalised communities," he said.

"Along with other expatriate Bangladeshis living in the US, we want to build quality private hospitals and educational institutions to create a global standard workforce that will be able to serve at home and abroad," he added.

In response to a question about challenges in the country, HM Fairoz, managing director of Singer Bangladesh Limited, said, "There are various challenges everywhere in the world. However, we are witnessing positive developments in Bangladesh."

"People often say Bangladesh is a land of opportunities, with a population of nearly 180 million and low market penetration for many of our products," he said.

"We are here to grow our business, and we look forward to the support of all the relevant authorities."

After the visit, Mohammad Abul Kalam Azad Majumder, deputy press secretary to the chief adviser, told journalists that investors expressed satisfaction after visiting Bangladesh's economic zones.

"The interim government is working to remove previous obstacles to investment -- particularly by implementing one-stop service centres," he said.

He acknowledged that regulatory barriers and a lack of good governance had previously discouraged investment.

"The current administration is working to resolve these issues," he added.

"Now that I've come here, my key question is: Who will be my

## US tariffs: thorn in the side

FROM PAGE B4

But optimism must be tempered. Tariffs are just one piece of the puzzle when brands decide where to place orders. In Bangladesh's case, a curious development has emerged – the US has placed a reciprocal tariff of 74 percent on its goods.

This is despite Bangladesh charging an average import duty of only 2.2 percent on US goods in 2024. The discrepancy raises eyebrows. How was the 74 percent determined?

It includes US tariffs and adjustments for currency manipulation and non-tariff trade barriers.

The 74 percent figure is derived from the \$6.2 billion trade deficit on \$8.4 billion in Bangladeshi exports to the US. The US exported only \$2.2 billion in goods to Bangladesh, leading to the ratio of 6.2/8.4 – which equates to 74 percent.

This should ring alarm bells in Dhaka. With 85 percent of Bangladesh's exports coming from garments, the country is dangerously reliant on a single sector. It must urgently reduce the trade imbalance with the US to ensure long-term sustainability.

Non-tariff trade barriers flagged by the Office of the United States Trade Representative (USTR) as of February 2025 include customs procedures, procurement practices, IP laws, e-commerce regulations, investment hurdles, labour issues, and even corruption.

These delays may seem minor, but for entrepreneurs, they are deal-breakers.

As a businessman, time is everything. An hour's delay can mean the difference between closing a deal or missing it altogether," he said. "Bangladesh needs to make life easier for diaspora investors like us."

For Shamim, investing in Bangladesh is more than a business decision, rather it is a personal mission. "I left my parents behind when I went to Australia. My siblings are still in Bangladesh. My heart is still there."

He often dreams of replicating part

Overcoming these non-tariff barriers is crucial. Doing so could unlock the path to long-term efficiency and competitiveness – both of which Bangladesh needs, not just to survive the tariff storm, but to thrive after its LDC graduation.

Enhancing infrastructure, fixing the financial sector, and considering currency devaluation may be necessary. Buyer confidence also depends on product safety, reliable supply chains, and improved production lead times – all areas Bangladesh must prioritise.

Bangladesh's export mix – 70 percent cotton, 30 percent non-cotton – could be strategically tweaked. With rising US demand for non-cotton products and China, Cambodia, and Vietnam now costlier, Bangladesh has a real shot at gaining more orders.

Still, addressing trade deficits goes beyond just tariff cuts. Countries must improve overall competitiveness to benefit from any policy changes. Bangladesh's relatively lower trade deficit compared to others could work in its favour – but only with the right reforms.

Buyers may try to pass the burden of tariffs onto Bangladeshi suppliers. So, calm, calculated decisions are key. The US may reassess these tariffs in four years – meaning today's choices must align with long-term interests.

There are also existing shipments en route and orders in production that

buyers may try to renegotiate. Both sides must remain fair and flexible. Bangladesh's government must support affected factories so they can weather this temporary disruption.

Notably, Bangladesh is the fifth-largest importer of US cotton. This is a strategic advantage. Negotiators should leverage this fact and propose preferential treatment for products made from American cotton – a possible win-win.

Many factories in Bangladesh are deeply invested in US clients. Rash decisions under tariff pressure could jeopardise jobs and livelihoods. As Bangladesh approaches LDC graduation, with 19 percent of garment exports going to the US and 50 percent to the EU, diversification is essential.

This tariff storm is part of broader turbulence in global trade. Countries are scrambling to adapt. But Bangladesh has repeatedly proven its mettle – from surviving the Rana Plaza tragedy to the shocks of Covid-19. Its resilience is unmatched.

To maintain its hard-won position as the world's second-largest garment exporter, Bangladesh must commit to long-term, strategic reforms focused on boosting productivity, cutting lead time, and becoming a truly competitive global player.

The author is a former director of the Bangladesh Garment Manufacturers and Exporters Association

## Nurullah joins Bank Asia as AMD

STAR BUSINESS DESK

Nurullah Chaudhury has joined Bank Asia PLC as an additional managing director (AMD) and chief wholesale banking officer on Monday.

Prior to joining Bank Asia, Chaudhury was serving at City Bank PLC as a deputy managing director and head of corporate banking, concurrently, said a press release.

He has an illustrious banking career spanning more than 27 years, with expertise in wholesale banking, cash management, syndication financing, offshore banking, supply chain financing, non-performing loan management, and other key banking areas.

He embarked on his professional banking career at the Shamil Bank of Bahrain E.C.

Chaudhury previously served at Bank Al-Falah Ltd and City Bank PLC, where he worked in key roles through which he demonstrated his prudence and dynamism, playing a pivotal role in the growth of these organisations.

He obtained his bachelor's degree (science) in finance from the US and another bachelor's degree (commerce) from the University of Dhaka.

## SBAC Bank gets new AMD

STAR BUSINESS DESK

SBAC Bank PLC has appointed Md Rabiul Islam to the post of additional managing director (AMD).

A banker with 36 years of experience, Islam was working at NRBC Bank as a deputy managing director (DMD) and acting managing director concurrently, before assuming this new assignment at SBAC Bank, said a press release.

Throughout his career, he worked at Islami Bank Bangladesh PLC as a probationary officer in 1989.

Later, Islam joined Prime Bank and Al-Arafah Islami Bank, where he successfully worked in various departments, including the export and foreign remittance department at the Motijheel branch.

In 1999, he joined Mercantile Bank, where he was promoted and served as branch manager at the Mohakhali, Gulshan, and Main branches.

In 2017, he joined NCC Bank as a senior executive vice-president and worked as branch manager of the Motijheel Main branch.

From May 2024, he served as the managing director (current charge) of NRBC Bank. Islam obtained his bachelor's and master's degrees in finance from the University of Dhaka and earned an LL.M degree from the University of Derby, UK.



Md Rabiul Islam

## After Australia food success

FROM PAGE B4

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He often dreams of replicating part

local partners.

"If the right conditions are in place, I am ready to invest in Bangladesh," he said. "And it would not just benefit my businesses, it will create opportunities for many others."

He believes such ventures could generate hundreds of jobs and help position Bangladesh as a trusted global supplier in the food retail sector.

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## Stock indices fall across the board

STAR BUSINESS REPORT

The stock market in Bangladesh has further declined amid escalating concerns over tariff hikes by the US, which have adversely impacted the majority of economies worldwide to varying degrees and resulted in retaliatory duties.

Since the announcement of the new tariffs last Wednesday, the indices of the Dhaka Stock Exchange (DSE) have been declining for the past three days after the markets reopened following the Eid-ul-Fitr holidays.

However, the Chittagong Stock Exchange (CSE) declined for the first time yesterday. The DSEX, the benchmark index of the DSE, dipped by 10.87 points, or 0.21 percent, before closing at 5,185.

The other two indices of the premier bourse showcased a mixed performance.

The DSES, which tracks Shariah-compliant companies, posted a modest gain of 1.14 points, or 0.09 percent, reaching 1,167. The DS30 index, comprising blue-chip stocks, fell by 5.82 points, or 0.30 percent, to 1,924.

In Chattogram, the CSE All-Share Price Index (CASPI), the broad indicator of the port city's exchange, shed 28.15 points, or 0.19 percent, to settle at 14,533.41.

**Since the announcement of the new tariffs last Wednesday, the indices of the Dhaka Stock Exchange have been on the decline**

Out of the securities traded on the DSE, prices of 149 advanced, 194 declined, while the remaining issues remained unchanged.

The day's turnover, meaning the total value of shares that changed hands, rose by 2.92 percent to Tk 484 crore, signalling a slight uptick in investor engagement.

The pharmaceuticals sector led market activity, topping the turnover chart by contributing 19.19 percent of the total.

Within the sector, Beximco Pharmaceuticals Limited emerged as the most-traded stock, with a turnover of Tk 24 crore, accounting for 1.4 percent of the total market turnover.

According to the daily market commentary from UCB Stock Brokerage, the mutual fund, paper and printing, and jute sectors closed in the positive.

Conversely, the travel and leisure, non-bank financial institutions (NBFI), and general insurance sectors were the top three to close in the negative.

Large cap sectors, meaning those with significant market capitalisation, which is the value of their shares at present, exhibited a mixed performance, BRAC EPL Stock Brokerage stated in another market update. The fuel and power sector recorded the highest gain of 0.84 percent, followed by the food and allied sector (0.09 percent) and the engineering sector (0.02 percent).



Farmers irrigate watermelon fields in Charagachha of Khulna's Terokhada upazila. As the fruits grow, they require more and more water. Farmers work from morning till afternoon to water the plants. According to the Department of Agricultural Extension in Khulna, watermelon is being cultivated on 8,100 hectares of land in Terokhada upazila this year. The photo was taken in Banishanta recently.

PHOTO: HABIBUR RAHMAN

## Govt approves export of 25,000 tonnes of aromatic rice

STAR BUSINESS REPORT

The interim government yesterday approved the export of 25,000 tonnes of aromatic rice by 133 companies.

Among the companies, Square Food and Beverage, Pran RFL Group, Akij Essentials Ltd, and Mother Moon Enterprise received approval to export 500 tonnes each.

Meanwhile, Tanveer Food Ltd, Akij FM CG Ltd, Ispahani Foods Ltd, Unicorn Distribution Ltd, and Bangladesh Edible Oil Ltd were permitted to export 400 tonnes each.

Commenting on the development, Md Abdur Rahim Khan, additional secretary (export) to the Ministry of Commerce, told The Daily Star yesterday afternoon that approval had been given to export fragrant rice until September 30.

"Exporters will have to comply with nine conditions," he said.

"Whether the export opportunity will be extended beyond the specified period will be determined based on a decision from the higher authorities," Khan added.

Pran RFL Group congratulated the government on the initiative.

Kamruzzaman Kamal, director for marketing at Pran RFL Group, said, "We thank the government for allowing the export of aromatic rice after almost two

years of closure."

"There is a huge demand for our country's aromatic rice in various parts of the world. However, due to the prolonged suspension, this market had been captured by India and Pakistan," he said.

"Now that the government has permitted exports, we hope to reassess our position in the international aromatic rice market, as we did in the past," he said.

"Currently, the government has approved the export of 25,000 tonnes of aromatic rice," said Kamal.

"We hope this amount will gradually be increased in light of market demand," he added.

"Moreover, we urge the government not to impose another sudden halt on aromatic rice exports. If exports are abruptly stopped, exporters suffer greatly," he said.

The production of aromatic rice has nearly doubled in Bangladesh over the past seven years, with farmers showing interest in growing the grain in order to profit from its higher prices compared to traditional parboiled rice.

Farmers produced 5.79 lakh tonnes of aromatic rice in fiscal year 2017-18, while the amount produced in fiscal year 2023-24 was 10.23 lakh tonnes, according to a food ministry document.

Data from the Bangladesh Rice

Research Institute show that a total of 33 types of aromatic rice are currently being cultivated in the country. They are typically grown during the Aman season.

A food ministry official said growing demand in both domestic and international markets, coupled with attractive prices, has motivated farmers to expand cultivation in recent years.

Consequently, traditional indigenous varieties are being increasingly replaced as farmers shift to high-yielding alternatives offering greater profitability.

While local varieties generally yield between 187 and 299 kilogrammes (kgs) of rice per bigha, high-yielding aromatic varieties can produce between 448 and 821 kgs per bigha.

Naogaon, Rajshahi, Panchagarh, Rangpur, Mymensingh, Dinajpur, Sherpur, and Thakurgaon are key hubs for the commercial production of aromatic rice in the country.

Data from the Export Promotion Bureau (EPB) shows that export earnings from aromatic rice totalled \$2.88 million in fiscal year 2019-20, before falling to \$2.06 million the following year.

In fiscal year 2021-22, \$1.07 million worth of aromatic rice was exported. However, exports were banned in 2022-23.

According to the EPB data, no aromatic rice has been exported since then.

## China will struggle to deal with its overcapacity

REUTERS, Hong Kong

China's exports will be squashed by Donald Trump's tariffs, regardless of whether the US president hits them with an extra 50 percent levy as he threatened on Monday. The problem for Beijing is that consumers in the People's Republic will need a lot more government support to absorb some of the slack.

The Asian behemoth's annual exports to the US are worth \$525 billion and China produces about 30 percent of the world's manufactured goods, per the World Bank. Yet, it only accounts for 13 percent of global consumption as of 2023. The imbalance endures despite pledges by party officials to restructure the economy away from an investment-led growth model.

Now Beijing's strategic response to the US assault could add pressure: To support the positioning of itself as a defender of global trade, the People's Republic may act quickly to

## Inflation inches up in March

FROM PAGE B1

Rahman added that food prices are already coming down due to seasonal factors along with government efforts to increase supply.

"But this positive impact on non-food inflation typically has a slower response time," he said, opining that overall inflation may decrease further in the future.

However, though the rate of growth might be decreasing, food inflation levels are still quite high, he said.

"So, the social safety net and open market operations should be maintained properly. Also, with the upcoming budget, allocations should be made accordingly."

Ashikur Rahman, principal economist at the Policy Research Institute of Bangladesh, said the hike in consumption ahead of Eid ul Fitr may have contributed to higher non-food inflation.

"It may have happened mostly due to the pressure of Eid shopping as consumption spikes because people are shopping. This spike in consumption likely caused a slight increase in demand, resulting in an upward trend," he said.

However, inflation is still on a downward trend, he added.

"If you look at the 12-month or 6-month moving average, it's still on a downtrend. I think that's a good sign," he said. "If this trend continues, we may even see a reduction in the policy rate in the future."

Echoing those sentiments, Kazi Iqbal, a research director at the Bangladesh Institute of Development Studies, said, "It seems to be an 'Eid effect'. Record amounts of remittance were pumped into the economy in March -- about \$3.3 billion. This had an inflationary impact which has outweighed the measures taken by Bangladesh Bank. The inflation is partly driven by clothes and shoes, which are popular items for Eid."

On the matter of international

## WB identifies four sectors

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A further 664,000 formal jobs could be generated by expanding local production of paint and dyes. Reforms in digital financial services could yield between 96,000 and 400,000 additional jobs.

The report lays out a roadmap of actionable reforms aimed at boosting investment, generating employment and ensuring competitiveness in a post-LDC context.

However, several long-standing issues and obstacles must be worked out first. Businesses continue to grapple with unreliable electricity, limited access to finance, corruption and intense competition from the informal sector. Besides, the report calls for modernising customs procedures and rationalising tariff structures, saying that prolonged clearance times often force importers to stockpile goods at great cost.

At a panel discussion during the launch of the report, bKash CEO Kamal Quadir pointed to quick wins that could significantly boost private investment. "There are many low-hanging fruits that can be solved easily and promote private sector investment," he said. "Make sure that the challenges would not repeat." In the report, the World Bank proposed several sector-specific reforms.

For the RMG sector, it recommended upgrading production to meet EU standards, with a focus on sustainability, labour conditions and environmental impact.

In housing, it urged the government to improve the regulatory framework around digital mapping and property registration to ensure market-based property valuations, an essential step towards expanding access to mortgages.

In the paint and dyes industry, digitising customs classifications for imported raw materials would speed up clearance and help firms comply more easily with regulations, according to the report.

To encourage digital payments and financial inclusion, the report suggested allowing mobile financial service providers to offer merchant wallets with higher transaction

limits, thereby facilitating wholesale transactions and expanding business use of digital platforms.

With a growing population and changing economic landscape, the report said that Bangladesh must urgently remove bottlenecks to private investment and unlock new engines of growth.

It emphasised that the proposed reforms have wider applicability and could serve as a blueprint for improving the overall investment climate, protecting jobs and building on existing development achievements.

During the panel discussion, Chowdhury Ashik Mahmud Bin Harun, executive chairman of the Bangladesh Investment Development Authority (Bida), said that the World Bank's recommendations could help lay the foundation for private sector-led growth.

The interim government is dedicated to fostering growth by creating a more conducive business environment and supporting the expansion of emerging industries," he said. "Bida is also prioritising these sectors as the country urgently needs job creation."

He also called on the World Bank and IFC for both funding and diplomatic backing to implement the recommended reforms.

Gayle Martin, the World Bank's interim country director for Bangladesh, also advocated for reform.

"With new and emerging challenges, Bangladesh needs urgent and transformative policy and institutional reforms to help firms expand domestically, compete globally, and create millions of jobs for its youth entering the labour market each year," she said.

"This report recommends concrete policy actions to overcome barriers to private sector growth and job creation. The World Bank Group stands ready to work with the government and all stakeholders to keep Bangladesh on a strong and inclusive growth path," she added.

Martin Holtmann, country manager of the International Finance Corporation (IFC) for Bangladesh, Bhutan, and Nepal, said, "As part of the World Bank Group, IFC is

South Korean businesses keen to make significant investment Delegation says

STAR BUSINESS REPORT

South Korean businesses are set to make significant investments in Bangladesh following the interim government's efforts to create a new era of hope for foreign investors.

A delegation of Korean investors, led by Youngone Corporation Chairman Kihak Sung, made the announcement during a meeting with Chief Adviser Professor Muhammad Yunus.

The delegation included officials from LG, as well as representatives from some of Korea's largest companies in textiles, fashion, spinning, logistics, healthcare, power, and renewable energy sectors.

On Monday, the officials visited the Korean Export Processing Zone (KEPZ) in Chattogram, where several investors committed to immediate investments in the industrial park.

**On Monday, the officials visited the Korean Export Processing Zone in Chattogram, where several investors committed to immediate investments in the industrial park**

"We are delighted that you are visiting Bangladesh at a time when we are building a new Bangladesh," the chief adviser said.

"In this new Bangladesh, we have made foreign investment easy and hassle free. Our job is to make it smooth for you. I know you have undergone some tough times over the past 16 years, and we want to make up for lost time."

Kihak Sung, who first came to Bangladesh in the mid-1990s, echoed the chief adviser's remarks, praising the interim government's pro-business stance and policies that have improved the overall business climate in the country.

Professor Yunus encouraged foreign investors to positively impact the lives of the Bangladeshi people through their investments, adding, "Make Bangladesh your business destination and your source of inspiration. You have the potential to inspire tens of millions of people."

Kihak Sung also announced that his company, Youngone Corporation, would establish a textile and fashion college in Chattogram within the next few months to create a talent pool that could help transform Bangladesh into the world's leading textile hub.

He further praised the chief adviser's recent letter to US President Donald Trump regarding tariffs, noting that it addressed concerns caused by the new American administration.

"It was a well-written letter," Sung said, adding that he has advised the garment industry not to panic over potential US measures.

## US loses

FROM PAGE B1

"Spinners prefer to buy Brazilian cotton due to its competitive pricing, increased availability during the harvesting season, and supply stability. The shipment period is also shorter for Brazilian cotton as it is often sold while it is afloat."

### Cotton imports to rise

The US agency forecast an increase in cotton imports by Bangladesh to 8.2 million bales in MY26, up 1.2 percent year on year. The report, citing industry contacts, said the RMG sector has shown resilience and growth despite recent political upheavals that led to the ouster of Sheikh Hasina's government in August 2024. The unrest led to factory shutdowns and a decline in international work orders. However, the industry has rebounded.

"With law and order restored, international clothing brands have resumed placing new orders since mid-January 2025, fostering optimism among garment exporters, with an increase in work orders from early 2025 boosting the demand for cotton."

"As the RMG industry is expecting a resurgence in work orders, the demand for raw materials, including cotton, will increase," it said.

# After Australia food success, Bangladeshi expat eyes investment back home

JAGARAN CHAKMA

Eighteen years ago, a young man from Narayanganj landed in Melbourne with a suitcase full of ambition and just a few hundred dollars to his name. Today, that man – Md Shamim – owns 108 Subway outlets across Australia, ranking him among the franchise's largest global operators.

Subway, one of the biggest fast-food chains in Australia with more than 1,200 stores, is known for its made-to-order sandwiches, salads and wraps.

"I started small," Shamim told The Daily Star during a recent visit to Chattogram for the Bangladesh Investment Summit 2025. "My first job was behind the counter at a fast-food shop. I washed dishes, cleaned tables and saved every penny I could."

From those early days, Shamim opened his first Subway outlet in a quiet Melbourne suburb. What followed was a meteoric rise. His business now employs more than 2,000 people and brings in an annual turnover of 120 million Australian dollar (AUD).

Despite the success, one concern continues to trouble him – the limited number of Bangladeshis in his workforce.

"Only 3 percent of my employees are Bangladeshi, just about 60 people," he said. "I seek to hire from my country, but visa issues and a lack of training hold many back."

Now, Shamim is exploring ways to bring Bangladesh into his supply chain.

Each year, his business spends around AUD 30 million on condiments and packaging, with the majority sourced from China.



**Md Shamim owns 108 Subway outlets across Australia and brings in an annual turnover of 120 million Australian dollars.**

"Even if a small portion of that supply chain shifts to Bangladesh, it could create jobs, boost exports and help build technical capacity," he said.

"And I'm just one player. There are over 12,000 Subway outlets worldwide and thousands of other food chains with similar needs."

Shamim believes Bangladesh could become a reliable supplier of food-grade packaging, sauces, uniforms and other restaurant essentials, provided

the country improves its logistics and regulatory environment.

To explain the nation's untapped potential, he offers a simple example.

"In Bangladesh, we produce a T-shirt for five to six dollars. The same shirt sells for 30 dollars in Australia," he said. "It's not just about margins, it's about realising how undervalued our production capacity truly is."

But low costs alone would not attract international buyers.

"What we do not have are fast, transparent and efficient systems – especially in banking and logistics," he said. One of the major problems, according to Shamim, is the difficulty in transferring money.

"If I send \$10,000 through Western Union, it's in my account before I even step out of the car," he said. "But if I go through a Bangladeshi bank, it takes two days just to see if the transfer works."

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## Reckitt Benckiser declares 3,330% cash dividend

STAR BUSINESS REPORT

Reckitt Benckiser (Bangladesh) has announced its highest-ever dividend payout despite a fall in annual profit.

The board of the company has recommended a 3,330 percent final cash dividend, or Tk 333 per share, for 2024, according to a disclosure on the Dhaka Stock Exchange (DSE) news board yesterday.

Following the record dividend announcement, shares of the multinational company edged up 0.82 percent to Tk 3,980 in morning trade on the DSE.

The company posted a profit of Tk 75.20 crore in 2024, an 8 percent decrease year-on-year.

Its earnings per share dropped to Tk 159.17 from Tk 173.65 in 2023. Net operating cash flow per share fell sharply to Tk 22.55 from Tk 253.56 over the same period.

Reckitt Benckiser (Bangladesh), a prominent multinational, has had a long-standing presence in the country since its incorporation in 1961.

Renowned for household names such as Dettol, Harpic, and Lizol, the company manufactures and markets a wide array of health, hygiene, and home care products.

## Vietnam to buy more US goods as it seeks tariff delay

AFP, Hanoi

Vietnam will buy more US goods including security and defence products, the government said, as it seeks a last-minute delay to enormous tariffs imposed by Washington.

The Southeast Asian manufacturing powerhouse counted the United States as its biggest export market in the first three months of the year, but its key customer has now hit it with colossal 46 percent duties.

Hanoi has asked US President Donald Trump to delay their implementation by at least 45 days to give time for talks.

Prime Minister Pham Minh Chinh said Vietnam would "approach and negotiate with the US side to reach a bilateral agreement, moving towards a sustainable trade balance", according to a statement published on the government's news portal Monday.

It would also "continue to buy more US products that are strong and Vietnam has demand for, including products related to security and defence; promote early delivery of aircraft trade

contracts", the statement added.

The tariffs are part of a global trade blitz announced last week by Trump that has sent markets around the world into a tailspin.

Regarding Vietnam, it appears that his administration was particularly angered by what it sees as the country's role in attempts to get around tariffs imposed on China.

According to a separate statement on the news portal Tuesday, Deputy Prime Minister Bui Thanh Son has requested the ministry of industry and trade "to review and strictly control the origin of goods, to prevent unfortunate incidents from happening".

Top leader To Lam has sent a letter to Trump asking for a delay to the tariff.

According to a copy seen by AFP, Lam said he had appointed Ho Duc Phoc, another deputy prime minister, to serve as the primary contact with the US side on the issue, "with the aim of reaching an agreement as soon as possible".

He also said he hoped to meet Trump in Washington at the end of May to finalise the matter.

## Can 'bridge banks' act as a 'financial ambulance' for ailing banks?

TOUHIDUL ALAM KHAN

Bangladesh's banking sector, once celebrated for its contribution to economic growth, is currently facing a crisis. The sharp increase in non-performing loans (NPLs), severe liquidity issues, and persistent governance scandals have placed several banks on the brink of failure. This precarious situation not only threatens the stability of the financial system but also undermines public trust. In such a challenging environment, the concept of "bridge bank" emerges as a potential solution.

The crucial question is: can "bridge banks" truly rescue Bangladesh's troubled banking sector?

The challenges besetting Bangladesh's financial landscape are serious and widespread. Non-performing loans, often worsened by politically motivated lending practices and inadequate credit management, have reached concerning levels, with the NPL ratio ranking among the highest in South Asia. Many banks are also grappling with significant capital shortages, failing to meet the minimum capital requirements set by regulatory authorities. These financial troubles are aggravated by significant governance issues. Insider lending, a lack of transparency, and high-profile scams have seriously damaged public confidence in the banking system. This creates a harmful cycle: as banks struggle to manage their operations, depositor trust declines, which in turn destabilises the entire financial ecosystem.

This is where "bridge bank" comes into play. This temporary institution is designed to take over the operations of distressed banks, essentially acting as a "financial ambulance" that stabilises these failing entities until a long-term solution—whether it be restructuring, sale, or liquidation—can be achieved. Normally established by central bank or regulatory authorities, a "bridge bank" aims to protect depositors, maintain essential banking services, and reduce systemic risks.

The advantages of "bridge banks" for Bangladesh are significant. By stepping in to manage troubled banks, it can prevent sudden collapses, ensuring that customers continue to have access to their funds and banking services. This continuity helps maintain public confidence during turbulent times. Additionally, a "bridge bank" can safeguard depositors' funds during crises, reducing the risk of panic withdrawals and bank runs. It also creates necessary time and framework for restructuring distressed banks, including recapitalisation, governance improvements, and management of non-performing assets. Most importantly, by isolating failing banks from the broader financial system, a "bridge bank" can prevent the crises from spreading to healthier institutions, thereby protecting the overall banking sector.

However, the introduction of a "bridge bank" in Bangladesh presents a distinct set of challenges. A strong legal and regulatory framework is vital for ensuring successful outcomes. While the proposed "Bank Resolution Ordinance" is a positive step forward, it requires transparent execution free from political interference to be effective. Setting up and managing a "bridge bank" needs considerable financial resources, meaning they will require backing from the government, international institutions, and contributions from other banks.

Good governance and transparency in managing a "bridge bank" is also crucial. Without proper oversight, there is a risk of mismanagement or misuse of resources, which could further erode public trust. Moreover, there is the moral hazard; banks may adopt reckless behaviour, believing that they will be shielded by a "bridge bank". This highlights the necessity for stringent regulatory oversight.

Globally, the "bridge bank" model has proven effective in addressing banking crises. During the 2008 financial crisis in the United States, for instance, the Federal Deposit Insurance Corporation employed a "bridge bank" to manage failing institutions like IndyMac Bank, ensuring the continuity of services and protection for depositors. Similar results have been observed in countries like Portugal, Italy, and India, where "bridge banks" played a key role in stabilising troubled banks and restoring public confidence in the financial system.

While a "bridge bank" may not be the panacea for all the issues facing Bangladesh's banking sector, it presents a promising avenue for addressing its challenges.

*The author is a former managing director and CEO of a first-generation private bank in Bangladesh.*

## US tariffs: thorn in the side or blessing in disguise?

and India (26 percent). Tariffs vary depending on each country's trade deficit with the US.

Bangladesh's deficit stands at \$6.2 billion. For comparison, China's trade deficit with the US was \$295.4 billion as of 2024, followed by Vietnam at \$123.5 billion and Mexico at \$171.8 billion. These numbers offer a glimpse into how the US may be calculating its trade defence strategy.

Initially, the outlook appeared simple – with rivals facing higher tariffs, Bangladesh could potentially gain more orders. However, upon deeper analysis, the situation is far more nuanced and requires strategic planning to seize any real advantage.

Bangladesh has been trying to break into mid- and high-end markets. Yet, its core strength remains in low- and mid-range garments, thanks to labour intensity, economies of scale, and competitive wages, despite ongoing productivity challenges compared to its peers.

The US heavily relies on low- and mid-range imports, which Bangladesh primarily supplies.

With fewer countries capable of bulk production in these categories, Bangladesh could become an attractive alternative – especially as Chinese, Vietnamese, and Cambodian goods face higher tariffs.

To illustrate the tariff impact, let us consider a product priced at \$5 exported from both China and Bangladesh.

The tariff gap of approximately 17 percent means a price difference of \$0.85 per unit, which could significantly benefit Bangladeshi exports while harming Chinese ones.

Similarly, countries such as Vietnam, India, and Pakistan have price gaps of \$0.45, \$0.50, and \$0.40, respectively.

Such gaps, although small in unit terms, matter immensely in bulk orders – the bread and butter of RMG

exporters.

In 2024, the US imported \$80 billion worth of RMG. Of that, China, Vietnam, and Cambodia – the hardest hit by tariffs – together contributed about \$35 billion. Naturally, there's a looming question: who will benefit from this shift in sourcing?

While India and Pakistan are also potential beneficiaries, their limited production capacities may restrict how much of this shifting demand

they can absorb. India's total RMG exports stood at \$15.72 billion, with only \$4.69 billion going to the US. Pakistan exported \$8.33 billion in total, with \$2.16 billion to the US.

With tight resources and limited infrastructure, these countries may target higher-value orders redirected from China or Vietnam. For example, India could win specialised woven items, while Pakistan might pick up denim. That leaves the basic product

orders – where Bangladesh excels – up for grabs.

Shifting orders to new players like Ethiopia, Jordan, or Kenya also won't be easy. These countries still lack the production scale needed to absorb high-volume orders, despite some of them enjoying duty-free access in the past.

Honduras and Mexico, which will now face 10 and 25 percent tariffs respectively, don't pose a large threat either. Honduras exported \$3.23 billion to the US in 2023, while Mexico's figure was only \$2.6 billion – not large enough to disrupt Bangladesh's market share.

Turkey, with its 10 percent tariff and focus on high-value products, also does not directly compete with Bangladesh's low- and mid-tier offerings. With about 9 percent of the US garment market already in its pocket, Bangladesh is still a major player in the sector.

That said, US consumers may start scaling back purchases due to price hikes. Combined with the challenge of shipping goods ordered before the tariff was announced, this could temporarily impact Bangladesh's export volumes in the short term.

Indonesia, facing a 32 percent tariff and with \$7.34 billion in US-bound exports in 2024, is now considered expensive. This could give Bangladesh an opening, especially in non-cotton product categories, where the market is currently underserved.



**To maintain its hard-won position as the world's second-largest garment exporter, Bangladesh must commit to long-term, strategic reforms focused on boosting productivity and cutting lead time.**

PHOTO: STAR/FILE

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**MD MOHIUDDIN RUBEL**

Causing some trepidation in the hearts of Bangladesh's readymade garment (RMG) sector leaders is the newly imposed 37 percent tariff by the United States on Bangladeshi imports. The move comes just as the economy was finding its feet after a regime change, making it a moment of critical reflection for the industry.

Although not entirely disheartening, the tariff makes it clear that Bangladesh must act fast to reduce the bilateral trade deficit. Enhancing efficiencies could help regain momentum with its largest buyer and improve long-term sustainability in global trade.

Bangladesh is not alone in facing US trade penalties. Other affected countries include China (54 percent), Vietnam (46 percent), Cambodia (49 percent), Indonesia (32 percent), Pakistan (29 percent), Mexico (25 percent), Honduras (10 percent),