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Bangladesh at risk of slipping to third in global RMG export

Youngone chairman says

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Kihak Sung

Bangladesh's position as the world's second-largest apparel exporter could be at risk as Vietnam is quickly catching up with better logistics, more diverse products, and smoother trade processes, a top exporter warned yesterday.

"Bangladesh is very close to Vietnam. But if we don't jump into our businesses, we may lose the glory of holding the second spot," said Kihak Sung, chairman of Youngone Corporation, a pioneer in Bangladesh's readymade garments and textile sectors.

Sung made the remarks while speaking at an event during the Bangladesh Investment Summit 2025 at the InterContinental Dhaka in the capital.

The Bangladesh Investment Development Authority (Bida) organised the four-day summit, with Sung speaking at a session titled "Bangladesh Moving Forward: Through an Investor's Lens."

Sung said Vietnam exported $44 billion of clothing and textiles last year.

"Bangladesh truly aspires to become the number one apparel-exporting country in the world. That is our dream. So, I urge government agencies to take the necessary steps to make it happen."

The founder of the Korean Export Processing Zone also criticised Bangladesh's port bottlenecks and long lead times.

He noted that Vietnam can export apparel to the US market at least three weeks sooner than Bangladesh.

"A three-week gap is very critical in the fast-paced fashion industry," he said, adding that buyers naturally want to place their orders where they can be fulfilled quicker.

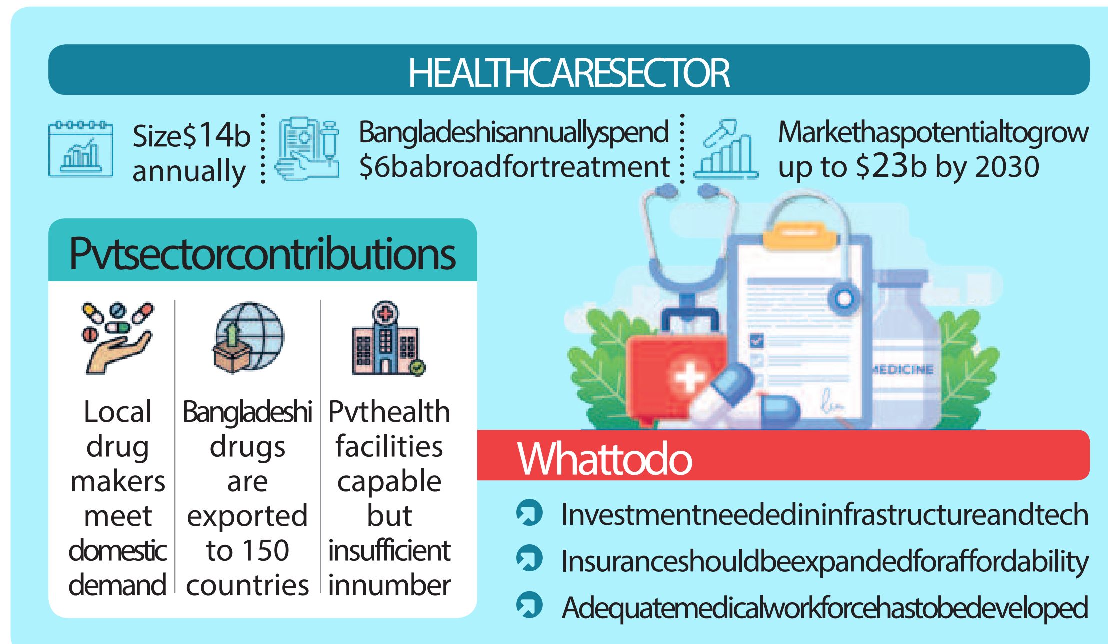
Bangladesh produces more commodities than Vietnam, but product quality is worse than Vietnam's, he said.

He added that buyers are paying higher prices when garments are made in Vietnam. As a result, although labour costs in Vietnam are about 40 percent to 50 percent higher than in Bangladesh, it is a more lucrative destination.

"Currently, we make more profit in Vietnam, which means Bangladesh is not winning this competition in the global market." READ MORE ON B3

Govt courts healthcare FDI as market heads towards $23b by 2030

JAGARAN CHAKMA



Bangladesh's healthcare sector has the potential to reach $23 billion by 2030, positioning the country as a major destination for foreign direct investment (FDI), according to a presentation shared at the Bangladesh Investment Summit.

The growth of the local healthcare market, according to the presentation, is being fuelled by rising domestic demand, a burgeoning middle class and mounting pressure on the public health system.

The figures were presented during a session titled "Healthcare Breakout" on the final day of the four-day summit in Dhaka yesterday.

As of January this year, Bangladesh's healthcare market stands at $14 billion. This includes hospitals, clinics, diagnostic centres, laboratories, pharmaceutical production -- both drugs and active pharmaceutical ingredients (APIs) -- as well as medical equipment.

"It is not possible for the government alone to ensure healthcare services for the country's 17 crore people," said Md Saidur Rahman, secretary of the Health Services Division, urging greater involvement from private players and foreign investors.

He acknowledged the limitations of public healthcare and advocated for collaborative solutions.

At the seminar, Sylvana Quader Sinha, founder and CEO of Praava Health, also called for both local and international stakeholders to step up.

"This is an incredibly promising time for Bangladesh," she said. "As we aim to become the world's 25th largest economy, investing in healthcare is not just a social imperative -- it's a smart economic strategy."

Sinha referred to a report by Inspira Advisory and Consulting Limited, titled "Bangladesh's Healthcare Sector Coming of Age," which found that the local healthcare market has grown at an average rate of 10.3 percent annually since 2010.

Yet, despite this progress, an estimated $6 billion is spent each year by well-off Bangladeshis seeking treatment abroad -- showing major deficiencies and immense opportunities in the domestic system.

Sinha said that just 37 percent of the population now relies on private hospitals for care.

Bangladesh has only 255 public hospitals, compared with 5,054 private clinics and 9,529 private diagnostic centres. This is clear evidence of the private sector's growing footprint.

Recalling her personal journey, Sinha shared a turning point. In 2011, her mother underwent emergency surgery in Dhaka, which required further treatment abroad.

"That experience made me realise no one should have to leave their country for quality care," she said.

She laid out three key priorities to transform the local healthcare system.

Those are increased investment in pharmaceuticals, biotechnology and digital health; wider adoption of health insurance, which currently covers less than 1 percent of the population; and significant investment in workforce development to tackle the growing burden of non-communicable diseases (NCDs).

With over 11 crore internet users in the country, she also highlighted the rapid expansion of digital health services, such as telemedicine and remote monitoring.

"Healthcare is at the heart of productivity," said Sinha. "To build a prosperous Bangladesh, we must build a strong healthcare system."

AM Shamim, founder and managing director of Labaid Group, said that despite the perception of poor services, many local hospitals are fully capable of providing high-quality treatment.

"Only 10 percent of critically ill patients go abroad for treatment, often citing poor and inefficient services," he said. "But our hospitals are capable. The issue is that there are still not enough high-quality facilities."

The pharmaceutical sector, meanwhile, has made significant headway.

Syed Omor Kabir, general manager of Renata Pharmaceuticals PLC, said, "Bangladesh now meets 98 percent of its domestic medicine needs and exports high-quality generic drugs to over 150 countries, including the United States, Australia and members of the European Union."

Martin Holtmann, country manager for the International Finance Corporation (IFC), praised the pharma sector's achievements but said it remains underrepresented in investment portfolios.

"Today, the country has made notable strides in life expectancy and access to primary care," he said. "But from IFC's perspective, healthcare is still a nascent sector. Out of $9 billion invested across more than 120 projects, only $100 million has gone into healthcare."

Holtmann believes the market is vastly underdeveloped. "Based on demographics and economic growth, we estimate the market could be at least four times larger, reaching between $40 and $50 billion annually."

He highlighted secondary and tertiary care, READ MORE ON B3

Bangladesh has potential to become digital powerhouse

Experts say at Bangladesh Investment Summit 2025

DIGITAL ECONOMY & GLOBAL POSITIONING

- Bangladesh aims to become a digital powerhouse
- Experts highlight Bangladesh's growing appeal to global investors
- With a youthful population and competitive costs, Bangladesh is set for digital growth, experts say

INDUSTRY INSIGHTS & INNOVATION

- Global companies call for a balanced regulatory environment that fosters innovation and protects data privacy
- They highlight digital inclusion stories that showcase transformative power of technology

GOVT'S DIGITAL STRATEGY & POLICY

- Govt prioritises digital public infrastructure
- Revised cyber safety ordinance and new data protection act set to enhance digital governance
- Emphasis on AI, cloud-first policies, and fibre liberalisation to boost digital growth
- Policy reforms to support innovation, investment, and employment

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Bangladesh has all the potential to position itself as a rising digital powerhouse through the development of one of the top-tier e-governments and by increasing ICT exports and cultivating a tech-savvy workforce, said experts yesterday.

They said backed by a youthful population, competitive costs, and ongoing progressive policy reforms, the country is drawing increased attention from global investors in sectors ranging from fintech and semiconductors to digital services.

The remarks came at a session on "Digital Economy" on the sidelines of Bangladesh Investment Summit 2025 organised by Citi in partnership with Bangladesh Investment Development Authority (Bida) and United Nations Development Programme (UNDP) in Dhaka.

Faiz Ahmad Taiyeb, special assistant to the chief adviser with executive authority of posts, telecom and ICT, said the government was prioritising "Digital Public Infrastructure" (DPI) by first establishing a strong legal and regulatory foundation.

He said a revised "Cyber Safety Ordinance"—focused on protecting democratic values and human rights—was set to be published soon, alongside a new "Personal Data Protection Act" under a data governance authority.

Emphasis is being placed on AI and cloud-first policies, fibre liberalisation, internet cost reduction, and flexible licensing to remove barriers to digital growth. The government also plans to introduce a national electronic ID system for authentication, he said.

He said committed to supporting innovation and investment, the government seeks employment creation from businesses in return. All policy support—electricity, internet, land, and tax reforms—will be provided to foster a thriving digital economy, he said.

Ruzan Sarwar, head of public policy for Bangladesh and Nepal at Meta, emphasised the importance of creating a balanced regulatory environment that encourages innovation while safeguarding data privacy.

She underscored Meta's support for smart regulation, urging governments to engage with tech industry experts when drafting legislation.

Highlighting the drawbacks of Bangladesh's past punitive "stick" approach, she called for a more attractive, incentive-based "carrot" model to draw in global companies.

Grameenphone CEO Yasir Azman, reflecting on the mobile company's 28-year journey, emphasised how Telenor's first Asian investment has grown into Bangladesh's leading telecom company.

The company has contributed over Tk 1.3 trillion to the national exchequer in direct and indirect taxes since inception and empowered millions, he said.

He highlighted real-life stories—from a young girl in a tea garden continuing her education with shared digital access, to a rural designer using YouTube to run a micro-business, and a mango farmer now exporting to Germany. READ MORE ON B3

Reduce bad loans to boost economy

Experts say at banking conference

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The uptrend of non-performing loans (NPLs) is creating challenges for Bangladesh's banking sector and overall economy, that too at a time when ongoing trade disputes are severely disrupting the global economy, according to various experts.

Speaking on the concluding day of the 10th Annual Banking Conference 2025, they recommended reducing bad loans and ensuring good governance at banks to boost the country's economic vibrancy.

The two-day event, organised by the Bangladesh Institute of Bank Management (BIBM), came to a close at the BIBM auditorium in Dhaka yesterday.

Defaulted loans, or bad loans, in the country's banking sector reached a record Tk 345,765 crore at the end of last year as toxic loans increased sharply following the political changeover in August last year.

However, distressed assets -- which include written-off loans, rescheduled loans and loans tied up in the Money Loan Court -- stood at Tk 668,598 crore.

Defaulted loans in the country's banking sector reached a record Tk 345,765 crore at the end of last year as toxic loans increased sharply following the political changeover in August last year

Professor Barkat A Khoda delivered the keynote of the inaugural session on the second day. He said that bad loans have reached their highest level till date, which is alarming for the country's economy.

Several sessions, including ones dedicated to fintech, the financial sector, Islamic banking, governance, risk management and bank performance issues were held on the second day.

The conference sessions covered contemporary issues and sustainability concerns in banking, finance, and the economy, both in national and international contexts.

Speaking at the event, Shah Ahsan Habib, senior professor of BIBM, said the global economic and financial landscape is undergoing unprecedented transformation.

"We are witnessing a paradigm shift -- a new wave of economic nationalism, protectionism, and currency uncertainty -- that is challenging the foundation of the international monetary order," he added.

Habib further said that the economy in today's context reminds of a long-gone, READ MORE ON B3

ICB Islamic Bank's board dissolved

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The Bangladesh Bank yesterday dissolved the board of directors of ICB Islamic Bank considering the interests of depositors, according to an official letter.

The board was dissolved to protect the interests of depositors and the institution itself as well as to ensure good governance, according to a directive issued by the banking regulator.

In the letter, the central bank cited weaknesses in the bank's management and board of directors as the main reason for the move.

ICB Islamic Bank is currently facing a severe capital and provisioning shortfall, a large volume of classified investments, significant accumulated losses, extreme instability in management, a liquidity crisis, and an overall deteriorating financial condition, the BB letter said.

It also highlighted the board's policy-level failures which disrupted financial discipline and governance, ultimately harming the interests of both the bank and its depositors.

Invoking powers under the Bank Company Act, the central bank dissolved the existing board, the letter added.

In a separate letter, READ MORE ON B2