

# Star BUSINESS



Imported items drove price rise in March

BB report says

STAR BUSINESS REPORT

The contribution of services and import-dependent items to Bangladesh's headline inflation increased slightly in March 2025, while the influence of non-perishable goods and domestically sourced items declined, according to a Bangladesh Bank report titled "Inflation Dynamics in Bangladesh: January-March 2025".

In March, the contribution of perishable goods to headline inflation held steady at 33 percent — the same as in December 2024. However, the contribution of non-perishable goods dipped to 40 percent from 43 percent, while that of services edged up to 27 percent from 24 percent during the same period.

The central bank attributed the change partly to shifts in import dependence. The contribution of import-concentrated items rose to 21 percent in March from 16 percent last December. In contrast, domestic items saw their share fall to 78 percent from 84 percent.

The report also highlighted trends in retail and wholesale prices, saying that prices of most selected commodities remained stable or declined during the January-March quarter, except for Sonali chicken.

While Sonali chicken saw a drop in price and margin — which reflects the difference between retail and wholesale prices — in February, both rebounded in March. The margins for lentils, onions, READ MORE ON B3

## BB to adopt more flexible exchange rate to meet IMF conditions

Bangladesh may get fourth & fifth tranches of loans in June

MD MEHEDI HASAN

After a months-long stalemate, the Bangladesh Bank (BB) is finally set to adopt a more flexible exchange rate regime to fulfil conditions tied to a \$4.7 billion International Monetary Fund (IMF) loan programme, which will likely enable Bangladesh to receive \$1.3 billion in the fourth and fifth tranches.

The central bank is likely to issue a circular in this regard today.

Currently, banks in Bangladesh are following a crawling peg rate system for spot purchases and sales of US dollars, where the mid-rate is set at Tk 119 with a 2.5 percent corridor per greenback.

The banking regulator may increase the corridor to 4 or 5 percent as part of its initiative to bring more flexibility to the foreign exchange market, The Daily Star learned from central bank officials.

As a result, banks will be able to quote 4 to 5 percent higher or lower than the mid-rate for spot purchases and sales of US dollars.

Central bank Governor Ahsan H Mansur is expected to address the issue during a virtual press briefing from Dubai at 2pm today, where he may share further details about the flexible exchange rate and IMF loan programme.

He is also likely to discuss the Exchange Stabilisation Fund (ESF), an emergency reserve account that can be used to mitigate instability in various financial sectors, including foreign exchange markets, which will be formed by the central bank.

A senior central bank official, seeking anonymity, told The Daily Star that the IMF agreed to release the expected funds in recent meetings as Bangladesh is going to bring greater flexibility to the forex market.

"After declaring the flexible exchange rate on Wednesday, the IMF will inform us about the staff-level agreement, and then they will place the loan issue in its board meeting in June and they are likely to approve it," the official said.

The \$4.7 billion loan programme was agreed upon in early 2023. So far, Bangladesh has received \$2.3 billion in three instalments under the Extended Fund Facility, Extended Credit Facility, and Resilience and Sustainability Facility.

KEY POINTS

BB may issue a circular today regarding exchange rate policy

Crawling peg corridor may be widened to 4-5% from existing 2.5%

IMF may release 4th and 5th tranches of loan in June

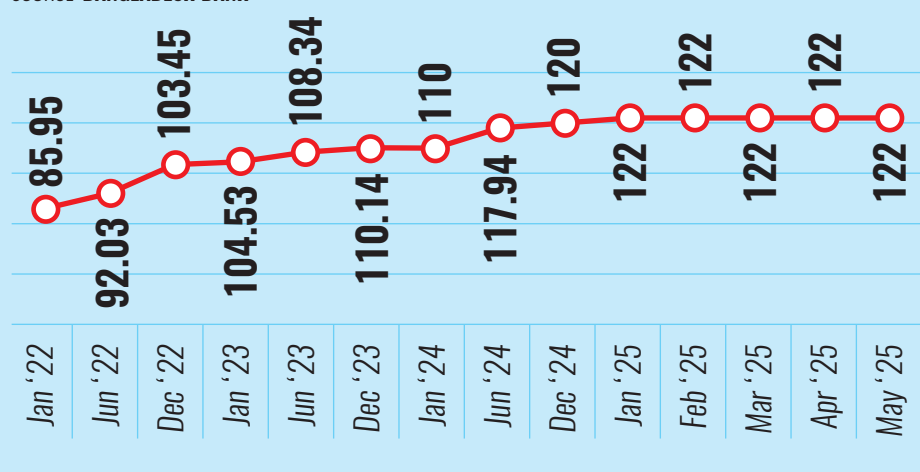
4th tranche was delayed for failure to meet the exchange rate condition

BB also plans to establish an Exchange Stabilisation Fund

### Exchange rate of dollar against taka

In recent years

SOURCE: BANGLADESH BANK



The fourth tranche, originally slated for March, was delayed over concerns that the central bank had not moved decisively enough to unify the multiple exchange rates used across different transactions.

The IMF has long pressed for the country to abandon its tightly managed currency regime in favour of greater flexibility, a shift seen as crucial to easing pressure on dwindling foreign exchange reserves and restoring investor confidence.

In February of this year, the BB governor said the central bank was not moving away from the crawling peg mechanism to a free-floating exchange rate regime to "avoid any speculative role" by foreign currency market

aggregators.

The central bank also fears that a free-floating exchange rate may fuel inflationary pressure, especially as inflation in Bangladesh has remained above 9 percent for the past 26 months.

However, businesspeople, especially exporters, have consistently urged the central bank to let the market determine the exchange rate.

The foreign exchange market in Bangladesh has been volatile for more than three years, but it has stabilised in recent months due to high foreign currency inflows created by export earnings and remittance inflows.

READ MORE ON B3



## Govt's bank borrowing target may shrink in next budget

REJAUL KARIM BYRON and MAHMUDUL HASAN

The government is planning to significantly reduce its bank borrowing target in the upcoming fiscal year as it aims to narrow the budget deficit by scaling down the overall budget size.

The target is set to be slashed by nearly 25 percent in the budget for FY26, dropping to Tk 104,000 crore.

The budget deficit for the outgoing fiscal year is also likely to shrink by around Tk 30,000 crore to Tk 226,000 crore, according to a finance ministry official.

To manage the deficit in the upcoming budget, the government is expected to rely more on foreign borrowing rather than domestic sources, especially banks, as interest rates on foreign loans are comparatively lower.

**To manage the deficit in the upcoming budget, the government is expected to rely more on foreign borrowing rather than domestic sources**

The slow implementation of the Annual Development Programme (ADP) in the current fiscal year and efforts to curb inflation are also expected to contribute to a reduced bank borrowing target.

As a result, the national budget for FY26 is projected at Tk 790,000 crore — Tk 7,000 crore less than the original budget for the current year, which would mark the first time in recent memory that the overall budget would see a contraction.

Zahid Hussain, a former lead economist at the World Bank's Dhaka office, said the government's move to reduce bank borrowing is linked to its lower deficit target.

"Bank borrowing should be reduced because if the government takes a large portion of available credit, the private sector won't have enough access to loans," he added.

The interest rate on treasury bonds and bills is currently very high. If banks have a greater opportunity to lend money to the government, they will be less inclined to invest in the private sector, he said. READ MORE ON B3

## Construction of Chinese economic zone gains momentum

JAGARAN CHAKMA

The construction of the Chinese Economic and Industrial Zone in Chattogram has gained momentum nearly a decade after its initiation, as Dhaka and Beijing look to strengthen bilateral ties and punishing Trump tariffs prompt Chinese manufacturers to consider relocating factories.

Of the 784 acres designated for the economic zone in Anwara upazila of the port city, around 60 acres have been prepared for investors.

Utility services are also being put in place. The Chattogram Water Supply and Sewerage Authority has installed a pipeline for limited water supply, and Karnaphuli Gas Distribution Company Limited has set up a gas station nearby.

The Bangladesh Economic Zones Authority (Beza) has also constructed the zone's administrative building and two approach roads.

Some Chinese manufacturers have already visited the site, and officials expect around 200 potential Chinese investors to tour the zone soon.

"A major foreign investment worth over \$1 billion is expected from China," said Ashik Chowdhury, executive chairman of the Bangladesh Investment Development Authority (Bida) and Beza, referring to the recent visit by Chinese investors.

Initiated in 2016 following former prime minister Sheikh Hasina's 2014 visit to China, the project's progress remained sluggish during the previous Awami League government.

However, after the political changeover in August last year, the new interim government showed renewed interest in strengthening trade ties with China — Bangladesh's largest import market.

"We are seeing growing interest from Chinese investors," said a Beza official. The official said that the expected investor visits could open up significant opportunities in apparel and auto manufacturing, electronics, and logistics.

READ MORE ON B3

## Value for taxpayers' money: Why it matters



SOHEL PARVEZ

If you visit the Dhaka Medical College and Hospital (DMCH), you will find it difficult to make your way through the crowded corridors between the wards. Patients lie on narrow, makeshift beds along both sides, while doctors, hospital staff, visitors, and treatment seekers shuffle through the chaos.

A glance into any of the wards would reveal a packed space with no vacant seats, and many patients forced to lie on the floors.

This overcrowding is not unique to DMCH. Public hospitals across the country are filled to capacity, despite persistent complaints of poor services, bribe-seeking by hospital staff, and inadequate essential medicines and diagnostic services.

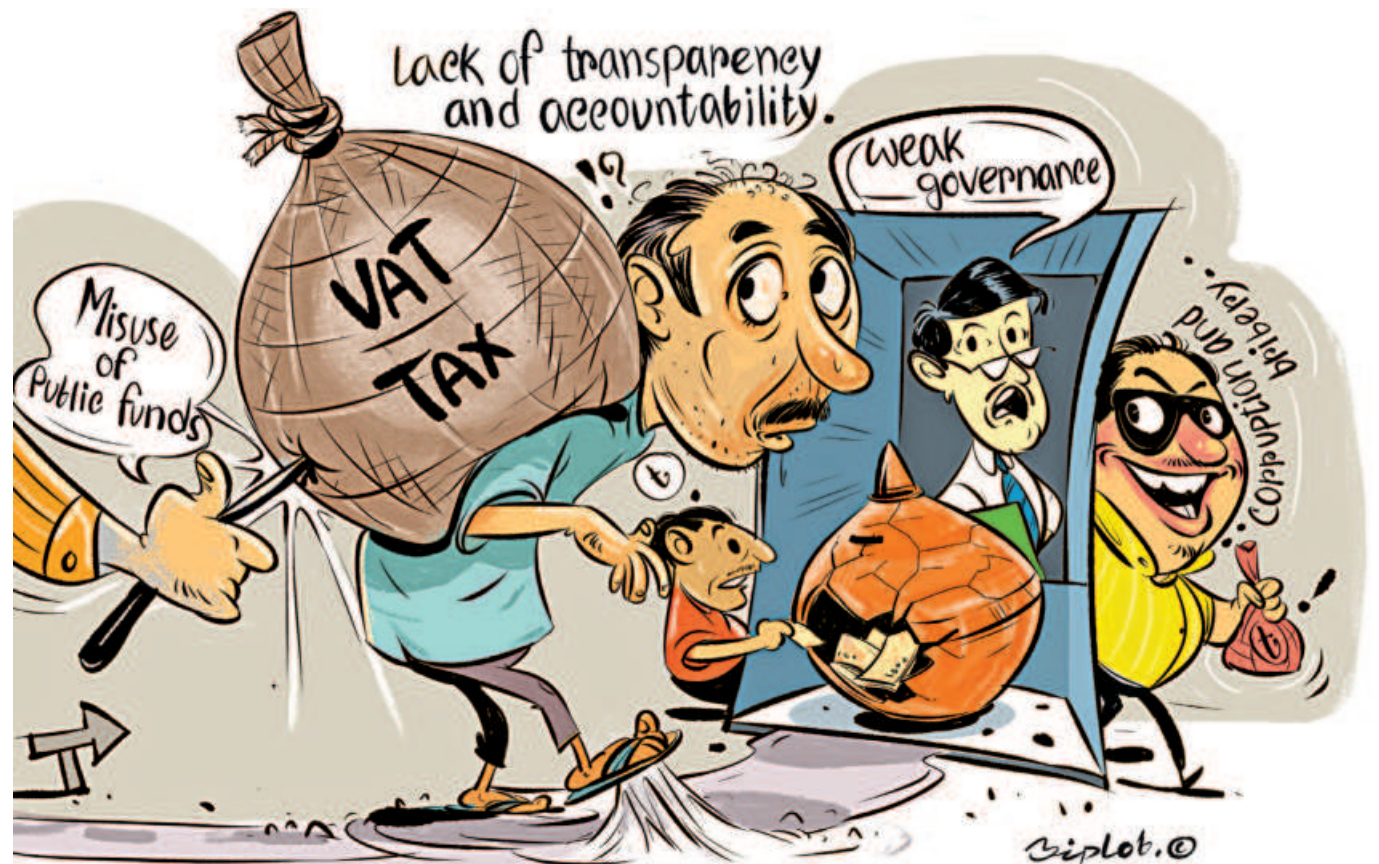
The situation is not confined to hospitals alone. Public services in other areas such as footpaths and education also fall short, with corruption and inefficiency frustrating taxpayers. Many wonder why they should pay taxes when people do not get adequate services, bribes are commonplace, and public funds are wasted due to corruption and lack of accountability.

According to the "White Paper on the State of the Bangladesh Economy" prepared by the interim government, nearly 40 percent of all government expenditures are believed to be misappropriated.

"People do not want to see their hard-earned money misused," said Professor AK Enamul Haque, director general of the Bangladesh Institute of Development Studies (BIDS).

He said that taxpayers do not directly benefit from the payment of taxes.

Tax is used to create public goods and services, but transparency and accountability are important in spending public money, said Haque. "For this, spending must be based on a proper



analysis of costs and benefits."

The issue is compounded by projects undertaken without adequate cost-benefit analysis, often biased by political reasons.

The white paper, prepared by a team of economists and policy analysts and led by Centre for Policy Dialogue (CPD) Distinguished Fellow Debapriya Bhattacharya, cited numerous examples of previous projects initiated simply as part of election campaigns.

Ceremonies such as laying foundation stones or ribbon-cutting were used to declare projects open, even when they were far from ready for public use.

"A stark example of this is Terminal-3 at Dhaka airport," the paper said, adding that many projects proceed without adequate analysis, ultimately becoming

unviable and placing a significant burden on the budget.

A lack of public input in project planning is another factor, according to the paper.

For instance, the Karnaphuli Tunnel in Chattogram is technically advanced, but its location has not been well received by residents who remain unaware of the project's full scope.

"To the community, it appears to serve no purpose for either side of the Karnaphuli river, resulting in perceptions of it as a waste of public funds," the paper said.

"Similarly, Hi-Tech Parks in Sylhet and Rajshahi offer no tangible benefits to local residents yet. Such public sentiment can be detrimental to project proponents, as communities struggle to appreciate

initiatives that could potentially benefit them."

To address this issue, many countries have established mandatory public consultation processes during project feasibility studies, and this practice should be adopted for all development projects, said the white paper.

Mohammad Muslim Chowdhury, former comptroller and auditor general (CAG) of Bangladesh, said the job of a state is to ensure services to its citizens through the executive branch.

Over the past 53 years since independence, Bangladesh has suffered from democratic deficits as well as governance issues.

"This has created a trust deficit among taxpayers," he said.

READ MORE ON B3

# Eastern Bank, Grameen Digital join hands to support hajj pilgrims

STAR BUSINESS DESK

Eastern Bank PLC (EBL) has entered into a partnership agreement with Grameen Digital Healthcare Solutions to provide round-the-clock healthcare services to its customers undertaking the hajj pilgrimage this year, via the "Shukhee" mobile application.

An agreement to this effect was signed at EBL's head office in the capital on Monday, the bank announced in a press release. Developed by Grameen Digital Healthcare Solutions, the digital healthcare services will be accessible through the Shukhee app.

EBL will fully sponsor the subscription, enabling its customers to receive essential medical support throughout their pilgrimage.

According to EBL, this represents a pioneering initiative in Bangladesh's

banking sector, aimed at delivering healthcare assistance during one of the most spiritually profound journeys in a Muslim's life.

"This partnership reflects EBL's ongoing commitment to enhancing customer experience and contributing meaningfully to the broader healthcare ecosystem in Bangladesh," said Ali Reza Iftekhar, managing director and CEO of EBL.

Ahmed Armaan Siddiqui, chief executive officer of Grameen Digital Healthcare Solutions, and Mohammad Solaimun Rasel, chief technology officer and chief business officer, joined the event.

Among others, Ahmed Shaheen, additional managing director of the bank, Riad Mahmud Chowdhury, deputy managing director and head of corporate banking, and Md Jabelul Alam, head of transaction banking, corporate banking, were also present.



Ahmed Armaan Siddiqui, chief executive officer of Grameen Digital Healthcare Solutions, and Ali Reza Iftekhar, managing director and CEO of Eastern Bank PLC, pose for photographs after signing an agreement on healthcare support for hajj pilgrims at the bank's head office in Dhaka on Monday.

PHOTO: EASTERN BANK

# Dollar holds gains

REUTERS

The dollar retreated slightly on Tuesday but held on to most of the previous session's gains on lingering optimism over a tariff deal between the United States and China, which tapped the brakes on a trade war between the world's two largest economies.

Washington and Beijing on Monday announced an agreement to slash the massive tariffs they had imposed on each other for 90 days, sparking a relief rally across markets that swept up global stocks and sent the dollar surging.

The situation is still very dollar-centric according to Kit Juckes, chief FX strategist at Societe Generale, who said the dollar's rally on positive sentiment from US-China talks was helped by the short-term positioning in the currency being squeezed out a little bit.

"Looking at it today, we're bouncing back. It's a little bit quieter."

versus the Japanese yen, the dollar was down 0.45 percent at 147.82 yen, having rallied more than 2 percent on Monday. The euro rose 0.18 percent to \$1.107, after sliding 1.4% overnight.

The dollar fell 0.56 percent against the Swiss franc to 0.8405, reversing some of Monday's 1.6 percent jump. Sterling ticked up 0.22 percent to \$1.3207.



Md Ahsan-uz Zaman, managing director and CEO of Midland Bank PLC, inaugurates the new sub-branch at Ishak Tower on Tin Potti Road in Karatia upazila of Tangail recently.

PHOTO: MIDLAND BANK

# Midland Bank launches sub-branch in Karatia

STAR BUSINESS DESK

Midland Bank PLC has recently launched a new sub-branch at Ishak Tower on Tin Potti Road in Karatia upazila of Tangail.

Md Ahsan-uz Zaman, managing director and CEO of the bank, inaugurated the sub-branch as the chief guest, the bank stated in a press release.

In his speech, Zaman expressed his gratitude to the audience present at the programme and encouraged them to establish a relationship with the bank by opening an account.

He instructed branch officials to provide the best service to customers and urged them to use 'midland online'—the bank's free internet banking application—to enjoy safe, secure, and modern banking services from anywhere, at any time.

Md Rashadul Anwar, head of public relations division of the bank, moderated the inaugural ceremony.

Md Rashed Akter, head of retail distribution division of the bank, and Mushfiqur Rahman, branch manager of Karatia sub-branch, together with head of general services division, public relations division, area head, cluster heads of the bank, customers, and local businessmen, were also present.

# Sonali Bank opens 1,234th branch in Ranirbandar



Md Shawkat Ali Khan, managing director and CEO of Sonali Bank PLC, inaugurates the new branch of the bank at Ranirbandar in Chirirbandar upazila of Dinajpur recently.

PHOTO: SONALI BANK

STAR BUSINESS DESK

Sonali Bank PLC has recently inaugurated a new branch at Ranirbandar in Chirirbandar upazila of Dinajpur.

This is the 1,234th branch of the bank, according to a press release.

Md Shawkat Ali Khan, managing director and CEO of the bank,

inaugurated the branch as the chief guest.

Md Mizanur Rahman Mazumder, general manager of the bank in Dinajpur, presided over the inaugural ceremony.

Md Nurun Nabi, deputy managing director of the bank, along with local businesspeople and clients, were also present.

# Pragati Life gets ISO certification for information security

STAR BUSINESS DESK

Pragati Life Insurance PLC has been awarded certification by the International Organization for Standardization (ISO), recognising its excellence in information security management systems.

The certification was issued by Intertek, a globally recognised audit and certification body accredited by the United Kingdom Accreditation Service.

Md Jalalul Azim, managing director and CEO of the life insurer, received the certificate from Nurul Islam Chowdhury, head of information technology at Intertek, during a ceremony held recently at the insurer's head office in Dhaka, said

a press release.

This certification underscores Pragati Life's steadfast commitment to data security, customer trust, and adherence to international standards.

The company reaffirmed its pledge to uphold and continuously enhance these standards in the future.

Speaking on the occasion, Azim stated, "Achieving the ISO 27001:2022 certification is a significant milestone in our journey towards digital transformation and operational excellence."

"It reflects our unwavering dedication to safeguarding customer data and implementing global best practices in information security."



Md Jalalul Azim, managing director and CEO of Pragati Life Insurance PLC, receives the ISO certificate from Nurul Islam Chowdhury, head of information technology at Intertek, at the insurer's head office in Dhaka recently.

PHOTO: PRAGATI LIFE INSURANCE

# Uttara Bank declares 35% dividends

STAR BUSINESS DESK

Uttara Bank PLC has announced a 35 percent dividend, including a 17.50 percent cash dividend, for the financial year 2024.

The announcement was made during the bank's 42nd annual general meeting (AGM), which was held virtually on Monday, according to a press release issued by the bank. Azharul Islam, chairman of the bank, presided over the meeting.

Shareholders from across the country joined the event online and expressed their satisfaction with the bank's overall development.

During the AGM, the Annual Report 2024, along with the profit and loss account, was duly approved.

Iftekharul Islam, vice-chairman of the bank, and Maksudul Hasan, managing director and CEO (acting), along with other directors, were also present.



Azharul Islam, chairman of Uttara Bank PLC, presides over the bank's 42nd annual general meeting held virtually on Monday. The meeting approved a 35 percent dividend, including a 17.50 percent cash dividend, for 2024.

PHOTO: UTTARA BANK

**Government of the People's Republic of Bangladesh**  
Office of the Executive Engineer  
Education Engineering Department  
Faridpur.  
Web : [eed.faridpur.gov.bd](http://eed.faridpur.gov.bd)

Meme No.EE/EED/FAR/e-GP/2024-25/21 Date : 13/05/2025

**e-Tender Notice No: 21/2024-2025**

e-Tender is invited in the National e-GP System portal (<http://www.eprocure.gov.bd>) for the procurement of the following Goods under EED Faridpur District as mentioned below:

Sl. No	Tender ID	Package No	Description of Works Open Tendering Method (OTM)	Tender Security Submission (Date & Time)	Tender Opening (Date & Time)
01	1110819	FAR/SG/GD-01	Supply, Installation, Testing and Commissioning of 60 KVA Diesel Generator & Construction Of Generator Room at Boalmari Govt. Girls High School at Faridpur District.	29-05-2025 at 12:00	29-05-2025 at 13:00
02	1110820	FAR/SG/GD-02	Supply, Installation, Testing and Commissioning of 60 KVA Diesel Generator & Construction Of Generator Room at Rokonuddin Govt. Girls High School at Faridpur District.	29-05-2025 at 12:00	29-05-2025 at 13:00
03	1110821	FAR/SG/GD-03	Supply, Installation, Testing and Commissioning of 60 KVA Diesel Generator & Construction Of Generator Room at Kamarkhali Govt. Girls High School at Faridpur District.	29-05-2025 at 12:00	29-05-2025 at 13:00
	1110822	FAR/SG/GD-04	Supply, Installation, Testing and Commissioning of 60 KVA Diesel Generator & Construction Of Generator Room at Bishwa Zaker Monjil Govt. High School at Faridpur District.	29-05-2025 at 12:00	29-05-2025 at 13:00

This is an online Tender where only e-Tender will be acceptable in the National e-GP system portal and No offline/hard copies will be accepted. To submit e-Tender A1 renewed upto FY. enlistment Category Contractor of Education Engineering Department All District who are registered in the National e-GP system portal (<http://www.eprocure.gov.bd>) will be eligible. The fees for downloading the e-Tender Document from the National e-GP system portal have to be deposited online through any registered Bank's branches up to 16:00 on 28-05-2025. 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)) The procuring entity reserves the right to accept or reject any or all tender(s) without assigning any reason what so ever.

(Afzal Hossain)  
Executive Engineer  
Phone -0631-6459  
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GD-1145

**Government of the People's Republic of Bangladesh**  
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[www.pwd.gov.bd](http://www.pwd.gov.bd)

Memo No. 25.36.4100.210.00.000.00/4063 Date: 13-05-2025

**Invitation for Tender (Works, NCT)**  
**Tender Notice (OTM)**

e-Tender is invited in the National e-GP Portal (<https://www.eprocure.gov.bd>) for the procurement of the following work.

Tender ID No.	Name of work/ package description	Last selling date and time	Closing date and time
1099738	Establishment of 500 Bedded Hospital and Ancillary Buildings in Jashore, Cox's Bazar, Pabna & Abdul Malek Ukil (AMUMC) & Jononeta Nurul Hoque Adhunik Hospital, Noakhali (S.H: Construction of Academic Building of Nursing College, Construction of Mosque at Jashore) (Josh, MCH/WD-8)	17-Jun-2025 16:00	18-Jun-2025 15:00

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/ hard copies will be accepted. To submit e-Tender registration in the National e-GP System Portal (<https://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender documents from the National e-GP System Portal have to be deposited online through any registered banks branches within the above stated time limit. 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)).

(Md. Zahidul Islam)  
Executive Engineer  
PWD Division, Jashore

GD-1148

## Bepza secures \$480m investment so far this fiscal year

STAR BUSINESS REPORT

The Bangladesh Export Processing Zones Authority (Bepza) has secured investments totalling \$480 million from 32 local and foreign companies across all export processing zones in the country as of May 13 this fiscal year.

The information was shared at a lease agreement signing ceremony between Bepza and Qingdao Dongfang Packaging Technology Limited, a Chinese company, to establish a packaging and accessories manufacturing factory in Ishwardi EPZ.

The signing ceremony took place at the Bepza Complex in Dhaka, in the presence of Bepza Executive Chairman Major General Abul Kalam Mohammad Ziaur Rahman and Song Shiliang, chairman of Qingdao Dongfang Packaging Technology Limited, Bepza said in a statement yesterday.

Qingdao Dongfang Packaging Technology will invest \$4.5 million to produce 5.25 million dozen poly bags, hang tags, and paper tags annually, creating employment opportunities for 240 Bangladeshi nationals, it mentioned.

The Bepza executive chairman expressed gratitude to Qingdao Dongfang for choosing Ishwardi EPZ as its investment destination.

He emphasised Bepza's commitment to providing a secure and supportive environment for investors, encouraging the company and other Chinese investors to explore further investment opportunities across diverse sectors.

## Stocks fall after two-day gains

STAR BUSINESS REPORT

Indices of the Dhaka Stock Exchange (DSE) fell yesterday, ending a two-day gaining streak.

The DSEX, the benchmark index of the DSE, dropped 46.97 points, or 0.95 percent, to settle at 4,874.58.

The DSES index, which represents Shariah-compliant stocks, lost 1.12 percent to close at 1,063.79. The DS30, comprising blue-chip stocks, declined 0.92 percent to 1,798.74.

On Monday, the market had closed higher following directives from Chief Adviser Prof Muhammad Yunus

on Sunday regarding the development of the capital market.

One of the measures included offloading government stakes in state-run and multinational companies to increase the supply of quality shares.

Turnover—a key indicator of market activity—fell 6 percent to Tk 343.93 crore yesterday compared to the previous session.

Of the 395 issues traded, 54 advanced, 309 declined, and 32 remained unchanged.

First Bangladesh Fixed Income Fund was the day's top gainer, surging 8 percent, while MIDAS Financing dropped 16 percent to become the worst performer.

## Gold regains some ground

REUTERS

Gold prices rose on Tuesday as the dollar crept lower and initial optimism over a trade truce between the United States and China ebbed, while investors looked forward to US inflation data due later in the day.

Spot gold was up 0.6 percent at \$3,254.39 an ounce, as of 0639 GMT. US gold futures were up 1 percent at \$3,258.70.

The dollar index slipped 0.2 percent after a sharp rise in the previous session. A weaker greenback makes gold less expensive for those holding other currencies.

"The uncertainty around the trade tariffs still remain in the marketplace... the stock market is taking a breather after massive rally and we are seeing a bit of decline of the dollar," said Carlo Alberto De Casa, external analyst at Swissquote.

## Construction

FROM PAGE B1

During Sheikh Hasina's visit to China, Beza signed a memorandum of understanding (MoU) with China's Ministry of Commerce. The Bangladesh government later allocated Tk 420 crore for the first phase, partly funded by Chinese loans.

As per the deal, China Harbour Engineering Company Limited was appointed as the developer, but progress stalled due to unresolved lease and development agreements, prompting Beza to terminate the partnership in April 2022.

In July 2022, China Road and Bridge Corporation was picked as the new developer, and Beza signed a cooperation agreement to restart the project.

Located about 270 kilometres south of Dhaka, the zone could attract \$1.5 billion in investment and create more than 200,000 jobs, according to Beza. A "special purpose company" will be formed to manage and oversee operations in the economic zone.

To improve connectivity, the Roads and Highways Department is preparing to float a tender for a connecting road linking the zone with the Korean Export Processing Zone via the Karnaphuli tunnel.

A detailed project proposal has been submitted to the Chief Adviser's Office for preliminary review and is expected to be placed before the Executive Committee of the National Economic Council (Ecnc) later this month.

Bida Executive Chairman Ashik Chowdhury said some Chinese investors are planning to start with a factory in Phase 1 of the economic zone.

"We're working on finalising the developer agreement. Once signed, construction will commence," he said, adding that the process may take up to two years.

He added that some investors could begin industrial construction early in the development phase. Regular dialogue with investors will continue to ensure smooth progress.

Meanwhile, another China-backed project, Chandpur Economic Zone-1, is also making headway under a government-to-government framework.

## Govt's bank

FROM PAGE B1

"We will not implement the budget by borrowing from banks or printing money. This budget will be implementable," Finance Adviser Salehuddin Ahmed told journalists yesterday after a meeting of the advisory committee on public procurement.

He also said the upcoming budget would not have a large deficit, adding that the government would refrain from borrowing to finance mega projects.

Aided by bank borrowing, budget sizes have ballooned in recent years despite low revenue collection.

Total outstanding domestic borrowing stood at Tk 942,507 crore as of January 2025, up from Tk 722,591 crore in June 2021.

The government is set to borrow Tk 125,000 crore from domestic sources, including both banks and non-bank institutions in FY26. Of this, Tk 21,000 crore is expected to come from non-bank sources, such as savings instruments and treasury bond sales to corporates and individuals.

Even in the current fiscal year, the borrowing target was revised to Tk 117,000 crore from Tk 160,900 crore in the original budget due

to low ADP implementation and the adoption of a tight fiscal policy.

Of this, bank borrowing was revised down to Tk 99,000 crore from the original Tk 137,500 crore.

However, bank borrowing stood at Tk 15,531 crore in the first seven months of the current fiscal year, falling far behind the revised target due to low ADP implementation.

Contrary to recent years, the government has not borrowed from the central bank during this period. Instead, it repaid Tk 59,486 crore.

"This is called quantitative tightening, which supports the implementation of a contractionary monetary policy and helps reduce inflation," Hussain said.

However, the government's borrowing from commercial banks reached Tk 75,018 crore as of January this year.

The government also repaid more than it borrowed from savings instruments during the same period. Sales of savings instruments stood at Tk 36,463 crore, while repayments against the principal amounted to Tk 43,476 crore. Hussain said this was due to a decline in people's savings, driven by high inflation.

## Value for taxpayers' money

FROM PAGE B1

He said the CAG alone cannot ensure accountability in the use of public money if overall governance remains weak, and unless the elected representatives in parliament hold the executive branch to account to ensure proper use of taxpayers' money.

Central planning is another reason. Chowdhury pointed out that budgetary decisions are often made centrally, with little consideration for grassroots needs.

"In many cases, we see culverts built where there is no need for them," he said. The centralised decision-making process results in funds being misallocated and public money wasted.

The disbursement of public funds is further undermined by intermediaries, Chowdhury said. "Funds are siphoned off by middlemen, with the intended beneficiaries receiving little to no benefit."

Chowdhury, also a former finance secretary, recommended greater use of technology to modernise services and prevent such leakages.

"The upcoming budget offers a chance for the government to reallocate resources. Stop spending on

physical infrastructure and focus on social sectors and social protection to benefit more people," he said.

"We have enough roads and buildings. So we do not need new ones. All we need is quality teachers to ensure quality education and more public healthcare facilities," said Chowdhury.

Ashraf Ahmed, former president of the Dhaka Chamber of Commerce & Industry (DCCI), said taxes are the price for civilisation.

"No taxes mean no roads, schools, emergency services, or legal frameworks — all of which exist because we fund them collectively," he said.

"Imagine a world without fire brigades or roads, where your house burns with none to put out the blaze. That is the reality we risk if taxes vanish." However, he acknowledged that government services often fall short, frequently because insufficient tax revenues limit investment in capacity building.

"The state — and the taxes that fund it — are the very systems shielding us from disorder. As citizens, we must demand efficiency, transparency, and accountability. We do not want to pay intermediaries for what we have already

funded collectively," he said.

Dr Iftekharuzzaman, executive director of Transparency International Bangladesh (TIB), said that harassment and corruption discourage many taxpayers from paying their dues.

Citing a TIB study, he said, "Some 77 percent of people believe they have to pay extra to receive services."

The complexity of tax compliance and corruption further dissuade potential taxpayers.

"Tax authorities appear like a type of hell for those wanting to comply legally, but for tax evaders, it is a sort of heaven," he said.

According to Iftekharuzzaman, taxes are evaded in collusion with taxmen. And to attain revenue goals, he said indirect tax is collected from all, regardless of income group.

To encourage taxpayers to pay, the government must reduce corruption and irregularities, he added.

"The tax system should be brought under automation. And corrupt officials must be brought to trial to curb corruption and irregularities."

"Otherwise, there will be no benefit in only increasing the tax net."

## Imported items

FROM PAGE B1

and green chilies widened towards the end of the quarter, although the prices of potatoes, onions, and green chilies stabilised after notable declines in the previous quarter.

Momentum and base effects also played a role in recent inflation movements.

Headline inflation was largely influenced by favourable base effects at the beginning of the quarter, but a rise in momentum effects — particularly in March — pushed inflation higher. Core inflation, in particular, saw significant increases due to consistent upward momentum.

Food inflation

experienced negative momentum in January and February but rose in March. Energy inflation fell slightly, aided by a favourable base. The report projects that base effects will remain positive across all four inflation categories — headline, food, core, and energy — over the next year, though some exceptions may occur.

## BB to adopt

FROM PAGE B1

Economic experts have said that the central bank should meet the IMF conditions to release the remaining instalments of its \$4.7 billion loan programme.

Mohammad Abdur Razzaque, economist and chairman of local think tank Research and Policy Integration for Development, recently said that IMF loans are necessary now because failure to secure IMF funds might raise questions about the government's policy credibility.

## Unemployment in UK hits highest level since 2021

AFP, London

Britain's unemployment rate has reached the highest level since August 2021, official data showed Tuesday, with businesses facing a UK tax hike and US tariffs.

The rate climbed to 4.5 percent in the first quarter, the Office for National Statistics said in a statement.

That compared with 4.4 percent for the three months to the end of February, the ONS added.

Tuesday's data covers the period before April's introduction of a hike to a business tax laid out in the Labour government's maiden budget in October.

It also precedes a baseline 10 percent tariff imposed on the UK and other countries by US President Donald Trump last month.

**Bangladesh Satellite Company Limited**  
"Connecting Worlds for Enriching Lives"  
116 Kazi Nazrul Islam Avenue, Dhaka-1000  
www.bscl.gov.bd

**Invitation for Tenders**  
GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

1	Ministry/Division	Ministry of Posts, Telecommunications and Information Technology											
2	Agency	Bangladesh Satellite Company Limited											
3	Procuring Entity Name	Bangladesh Satellite Company Limited represented by Md. Golam Sarwar, General Manager (Admin & Procurement)											
4	Procuring Entity Code	Not used at present											
5	Procuring Entity District	Dhaka											
6	Invitation for	Procurement of Link Budget Software with Training											
7	Invitation Ref No	14-39.0000.000.012.07.0004.2.2.64(T)											
8	Date	13/05/2025											
<b>KEY INFORMATION</b>													
9	Procurement Method	Open Tendering Method (OTM)											
<b>FUNDING INFORMATION</b>													
10	Budget and Source of Funds	Company's Own Fund											
11	Development Partners (if applicable)	Not Applicable											
<b>PARTICULAR INFORMATION</b>													
12	Project / Program Code (if applicable)	Not Applicable											
13	Project Name (if applicable)	Not Applicable											
14	Tender Package No.	BSCL/2024-25/PG-18											
15	Tender Package Name	Procurement of Link Budget Software with Training											
<b>NO CONDITIONS APPLY FOR SALE, PURCHASE OR DISTRIBUTION OF TENDER DOCUMENTS</b>													
<b>INFORMATION FOR TENDERER</b>													
21	Brief Eligibility and Qualification of Tenderer	<ul style="list-style-type: none"> <li>Tenderers shall have the legal capacity to enter into the Contract under the Applicable Law.</li> <li>The minimum number of years of general experience of the Tenderer in the supply of Goods as Supplier shall be 03 (three) years.</li> <li>The minimum specific experience as Supplier in supply of similar Goods of at least 03 (Three) contract successfully completed within the last 03 (Three) years, with a value of at least Tk. 3,00,000/- (In words: Three Lakhs Taka only)</li> </ul>											
22	Brief Description of Goods	Link Budget Software with Client Computer											
23	Brief Description of Related Services	Necessary Training of the Link Budget Software											
24	Price of Tender Document (Tk)	500/-											
<table border="1"> <thead> <tr> <th>Lot</th> <th>Identification of Package</th> <th>Location</th> <th>Tender Security Amount (Tk)</th> <th>Completion Time in Weeks / Months</th> </tr> </thead> <tbody> <tr> <td>25</td> <td>Lot-1 Procurement of Link Budget Software with Training</td> <td>Dhaka</td> <td>Tk 15,000/- (Fifteen Thousand Taka Only)</td> <td>As Per the Tender Document</td> </tr> </tbody> </table>				Lot	Identification of Package	Location	Tender Security Amount (Tk)	Completion Time in Weeks / Months	25	Lot-1 Procurement of Link Budget Software with Training	Dhaka	Tk 15,000/- (Fifteen Thousand Taka Only)	As Per the Tender Document
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25	Lot-1 Procurement of Link Budget Software with Training	Dhaka	Tk 15,000/- (Fifteen Thousand Taka Only)	As Per the Tender Document									
<b>PROCURING ENTITY DETAILS</b>													
26	Name of Official Inviting Tender	Md. Golam Sarwar											
27	Designation of Official Inviting Tender	General Manager (Admin & Procurement)											
28	Address of Official Inviting Tender	Bangladesh Satellite Company Limited SEL, Rose-N-Dale, Level-07, 116 Kazi Nazrul Islam Avenue, Dhaka-1000											
29	Contact details of Official Inviting Tender	0241030091-93, procurement@bscl.com.bd											
30	The Procuring Entity reserves the right to reject all the Tenders or annul the Tender proceedings												

(Signed)  
Md. Golam Sarwar  
General Manager (Admin & Procurement)  
Bangladesh Satellite Company Limited.

GD-1152

**বাংলাদেশ এনার্জি রেগুলেটরী কমিশন**  
টিসিবি ভবন (৪র্থ তলা) ১, কারওয়ান বাজার, ঢাকা-১২১৫  
ওয়েবসাইট: www.berc.org.bd

নং-২৮.০১.০০০০.০১২.২৩.০০২.২৫.২৪০২ তারিখ: ৩০ বৈশাখ ১৪৩২ বঙ্গাব্দ  
১৩ মে ২০২৫ খ্রিষ্টাব্দ

**বাংলাদেশ এনার্জি রেগুলেটরী কমিশন (বিইআরসি) কর্তৃক জেট এ-১ (এভিএসএন ফুয়েল) এর ভোক্তাপর্যায় মূল্যহার পুনর্নির্ধারণ সংক্রান্ত বিজ্ঞপ্তি।**

বাংলাদেশ এনার্জি রেগুলেটরী কমিশন আইন, ২০০৩ এর ধারা ২২(খ) ও ৩৪ এ প্রদত্ত দায়িত্ব ও ক্ষমতাবলে বাংলাদেশ পেট্রোলিয়াম কর্পোরেশন (বিপিসি) এবং পদ্মা অয়েল কোম্পানী লিমিটেড (পিওসিএল) এর প্রস্তাবের বিষয়ে আগ্রহী পক্ষগণকে গণশুনানি প্রদানপূর্বক সকল তথ্যাদি পর্যালোচনা ও বিশ্লেষণান্তে অভ্যন্তরীণ এবং আন্তর্জাতিক ফ্লাইটের জন্য ভোক্তাপর্যায় জেট এ-১ এর যথাক্রমে শুষ্ক ও মসকসহ এবং শুষ্ক ও মসকসমুক্ত মূল্যহার নিম্নলিখিতভাবে পুনর্নির্ধারণ করা হলো:

ক্রমিক নং	গ্রাহকশ্রেণি	মূল্যহার
১	(১) অভ্যন্তরীণ ফ্লাইটে বাংলাদেশী ক্রেতাঃ	৯৩.৫৭ টাকা/লিটার
	(ক) হযরত শাহ আমানত আন্তর্জাতিক বিমানবন্দর, চট্টগ্রাম	
	(খ) হযরত শাহজালাল আন্তর্জাতিক বিমানবন্দর, ঢাকা	
	(গ) যশোর বিমানবন্দর, যশোর	
	(ঘ) ওসমানী আন্তর্জাতিক বিমানবন্দর, সিলেট	
২	(১) আন্তর্জাতিক ফ্লাইটে দেশি/বিদেশি ক্রেতাঃ	০.৬০৬৬ মার্কিন ডলার/লিটার
	(ক) হযরত শাহ আমানত আন্তর্জাতিক বিমানবন্দর, চট্টগ্রাম	
	(খ) হযরত শাহজালাল আন্তর্জাতিক বিমানবন্দর, ঢাকা	
	(গ) ওসমানী আন্তর্জাতিক বিমানবন্দর, সিলেট	
	(ঘ) কক্সবাজার বিমানবন্দর, কক্সবাজার	
(ঙ) ভবিষ্যতে চালুতব্য বিমানবন্দর		

২। এ আদেশ ১৩ মে ২০২৫ তারিখ রাত ১২:০০ টা হতে কার্যকর হবে এবং পরবর্তী আদেশ না দেয়া পর্যন্ত বলবৎ থাকবে।

কমিশনের আদেশক্রমে,  
৩০-০৫-২০২৫  
মোঃ আবুল কালাম আজাদ  
সচিব (অতি: দায়িত্ব), বিইআরসি।  
ফোন: ০২-৫৫০১৪০০৭

GD-1149

## BRAC Bank's net profit jumps 47% in Q1

STAR BUSINESS REPORT

BRAC Bank PLC, one of the leading private commercial banks in the country, posted higher profits in the first quarter of its financial year 2025, driven by increased investment and interest income.

The private lender's net profit rose 47 percent year-on-year to Tk 486.33 crore in the January-March quarter, according to its financial statements.

The private lender earlier reported a 73 percent surge in consolidated profit to Tk 1,431.84 crore in 2024.

Its consolidated earnings per share (EPS) stood at Tk 2.27 for the January-March quarter of 2025, up from Tk 1.54 (restated) in the same period of 2024.

The bank said the increase in EPS was primarily due to higher profits generated in the quarter under review.

Its net operating cash flow per share rose to Tk 54.40 in the first quarter of 2025 from Tk 30.84 (restated) a year ago.

The bank attributed the growth to increased deposit mobilisation and bank borrowings, while loan portfolio expansion was comparatively lower.

## EBL to issue Tk 800cr bond

Q1 profit rises 6%

STAR BUSINESS REPORT

Eastern Bank PLC (EBL) is set to issue a Tk 800 crore bond to strengthen its capital.

The unsecured, non-convertible, fully redeemable, floating rate bond will have a tenure of seven years, according to a disclosure posted by the bank on the Dhaka Stock Exchange (DSE) website.

On May 12, the bank's board, in a meeting, approved the bond, which is subject to approval from the relevant regulatory authorities.

In a separate disclosure, the private commercial bank reported a profit of Tk 181.92 crore in the first quarter of 2025, whereas the profit figure stood at Tk 659.9 crore for the whole of 2024. The bank's consolidated earnings per share rose 6 percent year-on-year to Tk 1.14 for the January-March quarter.

The consolidated net operating cash flow per share surged to Tk 12.18 for January-March 2025, from Tk 2.14 (restated) in the corresponding period a year ago.



Amid the scorching summer heat, labourers unload sacks of onions brought on handcarts from local warehouses to be shipped to different parts of the country via trawlers. Exhausted from the hard work, they toil from 6 in the morning until night, earning between Tk 1,000 and Tk 1,500 per day. The photo was taken on Sunday from the Balurghat area of Barishal city.

PHOTO: TITU DAS

# Political parties call for policy reforms to restore investor confidence

STAR BUSINESS REPORT

A diverse group of political parties yesterday called upon the interim government to bring about sweeping reforms to investment policies and procedures to restore investor confidence and pave the way for sustainable economic growth in Bangladesh.

Raising concerns over issues ranging from infrastructure planning to institutional inefficiencies, they emphasised the urgent need for transparency, accountability, and sustainable strategies.

The 17 political parties made the call while taking part in a discussion with the Bangladesh Investment Development Authority (Bida) on the latter's premises.

They include the Communist Party of Bangladesh (CPB), the Socialist Party of Bangladesh (Marxist), Bangladesh Jamaat-e-Islami, National Citizen Party (NCP), and Liberal Democratic Party (LDP).

Bangladesh Nationalist Party, one of the country's major political parties, did not take part in the discussion.

"The country needs to carefully examine its investment policies to make sure that foreign direct investment (FDI) truly benefits the nation," said MM Akash, an economist and a CPB member.

"Every investment must answer four questions—who will invest, why, where, and how will it benefit the nation," he said.

Akash advocated against overlooking inequality and competitiveness and emphasised that past mistakes in investment policies must help reshape current decisions.

"Even though the national FDI strategy has merit, we must guard against policy bias that favours certain investors," he said.

"Foreign capital must not compromise national interest," he said, raising questions over the rationale behind prioritising foreign operators over capable local firms at the Chattogram port.

"Political continuity is now crucial for the business environment. Investors need certainty more than incentives," said Akash.

Zonayed Saki, chief coordinator of Ganosamhati Andolon, urged the government to focus on promoting local investment, noting that environmental degradation and systemic harassment continue to deter capital inflows.

"The push for FDI must go hand in hand with laying a foundation for sustainable domestic growth. Energy supply, port infrastructure, and LNG capacity need urgent upgrades," he said.

**"The country needs to carefully examine its investment policies to make sure that foreign direct investment truly benefits the nation," said MM Akash, an economist**

He also called for a revamp of the One Stop Service (OSS) of Bida and highlighted the disparity in access to bank credit, where large defaulters often enjoy greater privileges than small borrowers.

Tania Rob, senior vice president of Jatiya Samajtantrik Dal, suggested giving priority to local investors alongside foreign investors to ensure an inclusive investment environment.

Without ensuring a smooth business environment for local investors, foreign investors will not be encouraged to come to Bangladesh, she said.

Hamidur Rahman Azad, assistant secretary general of Jamaat-e-Islami Bangladesh, said development projects must undergo thorough evaluation before being undertaken, with environmental impact receiving the highest priority.

"Infrastructure such as roads has caused significant environmental harm. Projects like

the Payra port, initiated on a river unsuitable for a major port, reflect a lack of proper assessment," Azad said.

He also criticised high interest rates, which he argued discourage investment, and pointed to pervasive corruption and extortion—often backed by political actors—as a major barrier to business.

While welcoming recent reforms, Azad underscored that much more needs to be done to ensure transparency and accountability.

Nasiruddin Patwari, chief coordinator of the NCP, stressed the need to prioritise the youth and address environmental concerns more proactively.

"The dream of turning Bangladesh into a manufacturing hub will not materialise without a skilled workforce. Technical education must be emphasised to match industrial needs," he said.

Abul Khayer, assistant secretary general of Islami Andolon Bangladesh, identified the challenges of investment and employment generation.

He alleged that starting a local business can involve navigating up to 18 different agencies, often requiring bribes.

If this is the experience for locals, the situation is even worse for foreign investors, Khayer said.

Ashik Chowdhury, executive chairman of Bida, said all investment agreements were being pursued with national interest and security in mind.

"Chattogram is not just a regional asset—it is the country's primary port. We are addressing longstanding port delays and upgrading infrastructure in line with national priorities," he said.

Chowdhury announced that 10 economic zones would be allocated with consistent commitments for the next five to seven years to ensure a stable investment environment.

He emphasised the need to extend benefits to existing investors to maintain confidence.

## Dealing with financial corruption with zero tolerance

AF NESARUDDIN

It is a matter of great concern that Bangladesh has been experiencing widespread corruption for many years at almost all levels, impacting the growth of the economy and the country as a whole. Unbelievable cost overruns for national projects, siphoning off of funds mercilessly, severe noncompliance with rules and regulations, the exercise of excessive powers and undue influence, lack of disciplinary action against wrongdoers, political patronisation, etc., have contributed to this frustrating situation. When vested interests, greed, and unhealthy competition for making money are involved, it is very difficult to curb corruption because the habit of corruption has already flowed into the veins. In a society where people's status is measured in terms of money rather than looking at the background of how that money was earned, it is again difficult to bring society back on the right track.

No doubt, large scale and high level corruption takes place in connivance with other associates, producing fake and unauthentic documents and records. Surprisingly, corrupt people tend to shift the blame to others under some pretext or otherwise. In this regard, a few basic questions are to be answered from the right perspective. Who violated rules and regulations? Who accorded the approval? What were the process lapses? Were any unauthorised powers exercised? And who were the ultimate beneficiaries of the transaction, directly or indirectly?

Universally, power and money have a close link. High levels of integrity, ethical standards, morality, accountability, freedom from greed, in some cases religious fear, enviable personal reputation, and so on help in reducing corruption. Prompt legal actions and bringing the culprits to task play an important role in minimising the level of corruption to a large extent, if not entirely.

Experience says the most common areas of corruption, among others, are procurement, public services, taxation, management of public properties, and financial fraud.

It is a common phenomenon that corruption is taking place in a visible manner, especially unearthed in

media reports, but no actions are initiated instantly. Actions are usually taken and experts involved at a later stage when the damage is already done. In many cases, due to delayed initiatives for investigations and fraud examinations, vital evidence and records are destroyed or removed, putting the investigations in a challenging situation. Even because of the lengthy legal process, culprits get away from penalties, and in many cases, recovery outcomes become insignificant. Furthermore, the lack of competent and independent experts is also another important factor. The nature of crime and corruption has changed due to digitalisation and the use of technology. Hence, investigation processes, their tools and mechanisms, and approaches have to be changed as well.

Committing corruption and helping to commit corruption are the same. Whistleblowing is important and has to be built into the system. Whistleblowers must be protected by law as well. The role and knowledge of law enforcement authorities, especially the persons involved in fraud investigation, are very important.

Many times, the government has initiated measures to curb corruption without any visible success. Basic reasons for the repeated failures are attributable to delayed investigation, lack of sufficient and competent experts, political patronisation, corrupt instigation personnel, and so on. Political will and sincere efforts of the country's leadership are prerequisites in curbing corruption. When the top leadership in the country and his/her family members are free from corruption, more than 50 percent of corruption is gone. Then, if legal actions are initiated and culprits are brought to task, corruption is further reduced to a large extent.

There is no evidence in the world that a corrupt country has developed. Temporary or short-term economic development may be seen in a few cases as exceptions. Developed countries, among others, possess a corruption-free society, good governance, and penal actions against corruption, and in fact, this has a direct link with a low corruption index. We should continue to strengthen our efforts to adopt a policy of zero tolerance without any delay. Otherwise, all initiatives taken will not produce any favourable results, and ultimately the country's economic growth will remain at a low level.

The writer is a senior partner of Hoda Vasi Chowdhury & Co and past president of The Institute of Chartered Accountants of Bangladesh



## China lifts Boeing ban after US trade talks

AFP, Beijing

China has lifted a ban on domestic airlines accepting new Boeing aircraft, a report said Tuesday, after Beijing and Washington agreed to temporarily lower tariffs in a major de-escalation of their trade war.

Last month the American aircraft maker confirmed that Chinese airlines had stopped accepting delivery of new planes due to huge tit-for-tat levies imposed by both sides.

But Bloomberg News reported Tuesday that Chinese officials have begun to tell domestic carriers they can resume orders of US-made aircraft, quoting people familiar with the matter.

Boeing did not immediately respond to a request for comment.

The news comes after the two countries announced Monday they would drastically reduce tariffs for 90 days, as well as continue negotiations.

Washington's fresh duties on many imports from China had come to 145 percent, while Beijing had hit back with duties of 125 percent on US goods.

Monday's announcement after talks in Geneva saw the United States lower tariffs to 30 percent, and China reduce its own to 10 percent.

US President Donald Trump dubbed the outcome a "total reset" and said talks with counterpart Xi Jinping could soon follow.

The company had planned to deliver around 50 aircraft to China in 2025, its chief executive Kelly Ortberg said last month.

## US tariff pause on Beijing puts pressure on 'China-plus-one' countries

REUTERS

A new US-China agreement to pause sky-high tariffs on each other is pressuring manufacturing hubs such as Vietnam and Mexico to make their own, better deals with the US to continue benefiting from a "China-plus-one" strategy by global producers.

In the new world order dictated by President Donald Trump's shifting announcements of tariffs, countries measure their success not by the terms of their trade deals with the US but by how they compare to other countries.

For the last five weeks, many nations facing significant duties under Trump's now-paused "reciprocal" global tariff regime announced on April 2 took solace from having better rates than China, which saw US tariffs on Chinese imports ratchet up from 20 percent to an embargo-like 145 percent from March to May.

Vietnam, for example, was better off than China with a 46 percent rate, while Thailand was at 36 percent and Malaysia at 24 percent.

Given their comparative advantage, manufacturing hubs anticipated further moves by multinational corporations to set up shop in their countries and decrease their dependency on China,

potentially adding to a years-long trend known as "China-plus-one".

Now, everything is up in the air again following a breakthrough in US-China trade talks that resulted in a 90-day reprieve from the astoundingly high

tariffs on China, leaving a base 30 percent import tax rate for made-in-China products.

Tariffs on China still remain higher than competing industrial hubs paying 10 percent under Trump's 90-day pause

on the reciprocal duties, but some experts said the deal could halt some of the momentum pushing multinationals to further shift supply chains outside of China.

"The rules of the game are still uncertain," said Diego Marroquin Bitar, an expert on North American trade who also works as a consultant. "I think companies are just going to delay their investments as much as they can."

Starting in his first term, Trump sought to leverage tariffs on China to force companies to relocate manufacturing to the US.

The "reshoring" to the US largely did not materialise, but over the past decade companies such as Apple did start looking for alternatives to China, with a focus on countries that offered relatively low labour costs and smaller tariffs.

Southeast Asian nations were among the biggest beneficiaries, along with Mexico, but if the US-China tariff pause is extended, those countries could see their comparative advantage dissipate.

Vietnam, Thailand and Malaysia are currently negotiating their own tariff deals with the United States. Mexico, which avoided reciprocal tariffs, is also seeking to reduce separate import duties on specific products such as automobiles.



Vietnamese garment factory workers folding apparel at a factory in Ho Chi Minh City on April 3. For countries like Vietnam, the unexpected US rapprochement with Beijing ratchets up pressure to reach their own sweeter deals.

PHOTO: AFP