



## Bangladesh retains 2nd spot in global apparel exports

REFAYET ULLAH MIRDHA

Bangladesh maintained its position as the world's second-largest apparel exporter in 2024, behind only China, according to World Trade Organization (WTO) data.

The nation exported garments worth \$38.48 billion last year, marking a slight increase of 0.21 percent year-on-year. This export value represented 6.90 percent of the total global market, which stood at \$557.50 billion in 2024. A year earlier, Bangladesh's market share in apparel was 7.38 percent.

IPDC ডিপোজিট | ১৬৫১৯

The WTO data shows that China remained the largest apparel exporter in 2024, capturing 29.64 percent of the total market. It exported apparel items valued at \$165.24 billion, a 0.30 percent year-on-year increase. However, China's market share declined, as had happened in the case of Bangladesh. Its share in garment exports was 31.64 percent in 2023.

Vietnam registered higher export growth than both China and Bangladesh, even though it was the third-largest garment exporter in 2024. It exported garment items worth \$33.94 billion, an increase of 9.34 percent year-on-year, the data showed. Vietnam's apparel export share rose to 6.09 percent in 2024 from 5.96 percent a year earlier.

Turkey secured the fourth position, followed by India, Cambodia, and Pakistan. Indonesia was the eighth-largest garment exporter, while the US secured the ninth position, according to WTO data. [READ MORE ON B3](#)

## BB to seek new investors for Nagad

Governor says post office lacks capacity to run the MFS provider efficiently

MD MEHEDI HASAN

Bangladesh Bank (BB) Governor Ahsan H Mansur said the Directorate of Posts, which owns mobile financial service provider Nagad, does not have the capacity to run it efficiently, making it necessary to bring in new investors.

"The ownership of Nagad still lies with the Directorate of Posts. However, it is not a very functional institution anymore, and it is not really possible for the post office to run Nagad," Mansur told The Daily Star in an interview.

He said a competent institution needs to take over, suggesting the post office might retain a minority stake of 20 to 30 percent.

"The MFS should be handed over quickly to a reputed international private sector institution," he said. "A large telecom company could take it, as they have the necessary technical knowledge. Alternatively, a major financial institution could also take it over."

Discussing irregularities at Nagad, the governor said there is clear evidence that over Tk 1,600 crore, earmarked for social welfare, was embezzled at Nagad.

"Instead of distributing the money to poor and needy people, they transferred the funds to the accounts of fictitious beneficiaries and misappropriated them. This has been proven," he said.

Mansur added that Nagad had also created e-money illegally. "They generated around Tk 630 crore worth of additional e-money, meaning they did not receive the actual funds but still created the money on their system."

"Using this illegally created e-money, they paid salaries, bonuses, travel expenses, and other operational costs," said the BB governor.

**RECOVERY OF LAUNDERED ASSETS MUST CONTINUE**

On efforts to recover laundered assets, Mansur said the interim government is working to freeze those funds through government-to-government arrangements.

"We have had some success in the United Kingdom, and we are working on it in other jurisdictions as well. This is an ongoing process; it's not something that can be resolved easily or in a

### Nagad ownership & future

- Post Office lacks capacity to run Nagad efficiently
- Bangladesh Bank is inviting new investors
- Large telecom or financial institutions may be considered to take over
- The Post Office may retain 20-30% ownership



### Financial irregularities at Nagad

- Tk 1,600cr misappropriated from social welfare funds
- Tk 630cr illegal e-money was created without fiat currency backing
- The illegal e-money was used to pay salaries, bonuses, and expenses

### Asset recovery & int'l cooperation

- Efforts underway to freeze laundered assets through G2G channels
- Progress made in the UK, with ongoing efforts in other countries
- Legal process could take 3-5 years

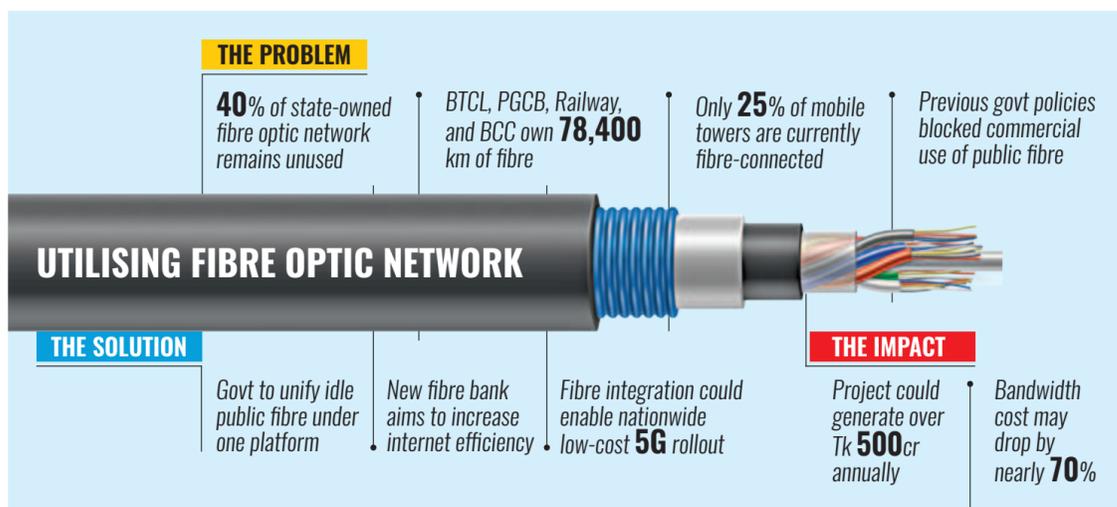
### OTHER DEVELOPMENTS MONEY LAUNDERING DEPARTMENT

A new BB department is being set up to assist BFIU

Cooperation secured from Dubai FIU; similar talks planned in Singapore

US support is resuming after previous delays due to political transition

## Govt plans 'fibre optic bank' to use idle networks



MAHMUDUL HASAN

The government has decided to establish a national "fibre optic bank", which will bring all unused fibre optic resources from state-owned entities under a single platform in a bid to accelerate digital transformation.

The telecom and ICT divisions have officially invited Bangladesh Railway and the Power Grid Company of Bangladesh (PGCB) to join this fibre-sharing consortium, alongside Bangladesh Telecommunications Company Limited (BTCL) and Bangladesh Computer Council (BCC).

Faiz Ahmad Taiyeb, special assistant to the chief adviser with executive authority over the Ministry of Posts, Telecommunications and Information Technology, recently sent a letter to Railways and Power Adviser Muhammad Fouzul Kabir Khan, outlining the government's vision for this initiative and urging participation.

**40% OF PUBLIC FIBRE NETWORKS REMAIN UNUSED**

The letter, seen by The Daily Star, states that over the past decade, different government agencies have installed thousands of kilometres of optical fibre—much of which remains underutilised or completely idle.

The letter notes that, in total, BTCL, PGCB, Railway, and BCC own 78,400 kilometres (km) of fibre network. Of this, an estimated 40 percent remains unused.

"We are wasting a vital national asset by leaving large portions of optical fibre unused. It's time we came together and built a centrally managed, transparent, and efficient fibre ecosystem for all," Taiyeb said.

He also said Chief Adviser Muhammad Yunus has verbally endorsed the plan, enabling the Posts and Telecom Division to formally invite PGCB and Bangladesh Railway to the consortium.

**In his letter to the Ministry of Railways, Taiyeb states that leasing out the idle fibre networks could generate more than Tk 500 crore annually**

"This is not just about connectivity. It's about bringing digital transformation where every union has high-speed access and every public resource is optimally used," he added.

Taiyeb's letter to Adviser Fouzul details that BTCL possesses a fibre network stretching over 39,500 km, 90 percent of which is underground.

BCC, on the other hand, has deployed 27,695 km of fibre under the InfoSarkar-3 project, which aims to expand high-speed internet access to rural areas covering 2,600 unions, with work ongoing for an additional

7,000 km expansion.

Meanwhile, PGCB has around 8,000 km of fibre along the power grid, a large portion of which remains unused. In addition, Bangladesh Railway owns 3,205 km of fibre lines, a significant part of which remains unused.

Bringing fibre from the InfoSarkar-3 project, however, may not turn out to be that smooth, as the government inked a deal in 2023 with Summit Communications and Fibre@Home for maintenance, upgradation, replacement, and operation of the project.

The two private companies receive 90 percent of the revenue under the agreement. The ICT Division has recently sought to amend the deals.

Taiyeb, in the letter, said the lack of interconnectivity among these networks, combined with restrictive policies under the previous government, prevented entities like PGCB and Railway from offering last-mile connectivity to telecom operators—causing massive underutilisation of national assets.

The proposed national fibre bank aims to fix these issues by unifying the fibre networks of all four agencies into a single, centrally coordinated platform.

**MORE REVENUE, FASTER INTERNET**

In his letter to the Ministry of Railways, Taiyeb states that leasing out the idle fibre networks could generate more than Tk 500 crore annually. [READ MORE ON B3](#)

## Reserves slip to \$24.45b

STAR BUSINESS REPORT

Bangladesh's foreign exchange reserves declined by \$2.02 billion after routine payments under the Asian Clearing Union (ACU) mechanism on Monday.

Gross reserves stood at \$29.52 billion as of July 7, 2025, according to Bangladesh Bank data.

However, calculated under the IMF's prescribed method, reserves stood at \$24.45 billion.

The ACU is an arrangement for settling payments for intraregional transactions among eight countries: Bangladesh, Bhutan, India, Iran, the Maldives, Myanmar, Nepal, Pakistan and Sri Lanka. Bangladesh clears payments to ACU members every two months.



Reserves have remained under stress over the past two years, hurt by elevated import bills, sluggish export growth, and moderate remittance inflows.

Earlier, the country's foreign exchange reserves had risen above \$31 billion after three multilateral lenders released \$925 million to Bangladesh on June 26. A surge in remittance inflows ahead of Eid-ul-Azha also contributed to the earlier uptick.

## Don't punish us for the misconduct of others

Say business leaders as they call for smarter stock regulation

STAR BUSINESS REPORT

Top business leaders called on the government not to penalise honest entrepreneurs because of a few bad actors in the stock market.

Speaking at a discussion in Dhaka yesterday, they said that rigid regulations could discourage strong companies from entering the stock market.

At the programme, footwear entrepreneur Syed Nasim Manzur cited the example of initial public offerings (IPOs), where investors are often denied fair pricing, eventually leading to a lack of incentive for quality firms to list.

"There was once a policy that ensured proper stock valuation," said Manzur, managing director of Apex Footwear. "But it was scrapped after some misused it to artificially inflate share prices."

**Rigid regulations could discourage strong companies from entering the stock market, experts say**

As a special guest at the discussion titled "Expansion of the Capital Market: A Framework for Sustainable Economic Growth", he referred to rules that restrict companies from using more than one-third of raised funds to repay loans and questioned the logic of placing such limits.

"If you don't trust a company, then don't let it go public," he said. "But if you do allow it to raise funds, then give it some flexibility."

"Say I raise funds today, and tomorrow there is a flood. My needs will change. If I have no flexibility in how I use the funds, that creates problems," said Manzur at the discussion organised by the Bangladesh Merchant Bankers Association.

He urged policymakers not to let isolated cases of fund misuse dictate regulations for everyone.

"If someone smuggles money out to buy a house in Dubai, you should not punish the whole sector for that," said the Apex Footwear MD. "Don't tie our hands for some bad guys."

Manzur also called for a wider gap in corporate tax rates between listed and non-listed firms. "If the difference remains below 15 percent, the cost of compliance is simply not worth it," he said.

He added that while the Bangladesh Securities and Exchange Commission (BSEC) should monitor whether declared dividends are properly disbursed, it should not dictate how much a company pays out.

[READ MORE ON B3](#)

# Bank Asia leads 'open loan disbursement' for small clients in Chapainawabganj

STAR BUSINESS DESK

Bank Asia PLC hosted an event, titled "Open Loan Disbursement" programme in Chapainawabganj on July 3, targeting marginalised or landless farmers, low-income professionals, school banking account holders, and small businessmen within the district.

The initiative forms part of the Bangladesh Bank's Tk 750 crore revolving refinancing scheme, which aims to enhance access to finance for holders of Tk 10, Tk 50, and Tk 100 accounts, according to a press release.

Held at the Town Club Hall, the programme brought together all scheduled banks operating in the district, with Bank Asia serving as the lead organiser.

Md Habibur Rahman, deputy governor of the Bangladesh Bank, attended the event as the chief guest.

Rup Ratan Pine, executive director of the central bank, and Md Iqbal Mohasin, director of the Financial Inclusion Department, were present as special guests.

ANM Mahfuz, managing director (current charge) of Bank Asia PLC, presided over the proceedings.

A total of Tk 2.75 crore in loans was



Md Habibur Rahman, deputy governor of the Bangladesh Bank, hands over a cheque of loan to a client at the event, titled "Open Loan Disbursement" programme, organised by Bank Asia PLC as the lead organiser, at the Town Club Hall in Chapainawabganj recently. ANM Mahfuz, managing director (current charge) of Bank Asia PLC, was present.

PHOTO: BANK ASIA

disbursed to 221 customers during the event. Of the sums, Bank Asia alone distributed Tk 6.9 million in loans to 116 customers.

These loans are anticipated to enable

marginal entrepreneurs to expand their operations and embark on new ventures, thereby fostering financial inclusion and empowering communities at the grassroots level.

Such disbursement initiatives are instrumental in cultivating a culture of financial literacy and inclusion, whilst also strengthening public trust in the formal banking system.

# HSBC named 'Bangladesh International Trade Finance Bank of the Year'

STAR BUSINESS DESK

The Hongkong and Shanghai Banking Corporation Limited (HSBC) in Bangladesh has been recognised as the "Bangladesh International Trade Finance Bank of the Year" at the Asian Banking & Finance Wholesale Banking Awards 2025.

This achievement stands as a testament to the bank's continued commitment to supporting Bangladesh's trade ambitions and delivering best-in-class solutions for its customers, according to a press release.

Ahmad Rabiul Hasan, acting head of global trade solutions at HSBC Bangladesh, received an award from Tushar Agarwal, core member of financial institutions practice at Boston Consulting Group, at the Asian Banking & Finance Wholesale Banking Awards 2025 in Singapore recently.

Through this award, Asian Banking & Finance celebrates outstanding performance, innovation, and leadership in Asia's financial services sector.

This recognition underscores HSBC's strong global connectivity, advanced

digital capabilities, and consistent focus on customer needs—empowering businesses in Bangladesh to navigate international trade with greater confidence and efficiency.

Md Mahbub ur Rahman, chief executive officer of HSBC Bangladesh, said, "This award reflects the trust of our customers and the dedication of our team. We are grateful to receive this honourable recognition and look forward to building on this success as we continue to support Bangladesh's economic growth."

"With its global network and deep local expertise, HSBC is uniquely positioned to help businesses unlock cross-border opportunities. The bank continues to invest in innovative solutions to make banking simpler, safer, and faster," he added.

Ahmad Rabiul Hasan, acting country head of global trade solutions at the multinational bank, commented, "We're truly grateful to our customers for their trust and partnership. This award is a testament to our team's relentless effort and commitment to delivering excellence."



Ahmad Rabiul Hasan, acting head of global trade solutions at HSBC Bangladesh, receives the award from Tushar Agarwal, core member of financial institutions practice at Boston Consulting Group, at the Asian Banking & Finance Wholesale Banking Awards 2025 in Singapore recently.

PHOTO: HSBC

# Japan chamber to submit EPA proposal to govt

STAR BUSINESS DESK

The Japan-Bangladesh Chamber of Commerce and Industry (JBCCI) will submit its proposal to the government regarding the Economic Partnership Agreement (EPA) with Japan, based on feedback received from its members.

The EPA/FTA Standing Committee of the chamber reached this decision at a meeting held in Dhaka, following the sixth round of negotiations on the Japan-Bangladesh Economic Partnership Agreement, which took place from 21 to 26 June this year, as part of the ongoing negotiation process, according to a press release.

Tareq Rafi Bhuiyan (Jun), president of JBCCI; Asif A Chowdhury, chairman of the EPA/FTA standing committee; Matiur Rahman, founding president of JBCCI; Maria Howlader, secretary general; Hiroaki Oura, vice-president; Mohammed Sohail, director; and Tahera Ahsan, executive director, spoke at the meeting.

Bangladesh and Japan have agreed to sign the Economic Partnership Agreement by the end of 2025 or early 2026, with the aim of deepening and expanding bilateral trade and investment between the two countries.

The agreement holds particular significance in light of Bangladesh's forthcoming graduation from Least Developed Country (LDC) status to Middle Income Country status, scheduled for November 2026.

This transition will result in the phasing out of several preferential trade and tariff arrangements currently enjoyed by Bangladesh.

JBCCI has remained actively engaged in the negotiation process from the outset and has made consistent efforts to support the initiative in the interest of both nations.

As part of these efforts, JBCCI commissioned the renowned think-tank "Policy Exchange of Bangladesh Limited" to prepare an EPA Study Report, which was formally launched at a ceremony supported by the Embassy of Japan in Bangladesh, held at the embassy's Multipurpose Hall on November 13 last year.

# Oil price eases

REUTERS, Singapore

Oil prices retreated on Tuesday after rising almost 2 percent in the previous session as investors assessed new developments on US tariffs and a higher-than-expected Opec+ output hike for August.

Brent crude futures dipped 22 cents, or 0.3 percent, at \$69.36 a barrel by 0630 GMT. US West Texas Intermediate crude fell 27 cents, or 0.4 percent, at \$67.66 a barrel.

US President Donald Trump on Monday began telling trade partners, which included major suppliers South Korea and Japan as well as smaller US exporters like Serbia, Thailand and Tunisia, that sharply higher US tariffs will start August 1, though he later said that deadline was not 100 percent firm.

Trump's tariffs have prompted uncertainty across the market and concerns they could have a negative effect on the global economy and, consequently, on oil demand.

# Citizens Bank celebrates 3rd anniversary



Chowdhury Mohammed Hanif Shoeb, chairman of Citizens Bank PLC, inaugurates the anniversary celebration alongside directors and senior officials of the bank at its head office in Dhaka recently.

PHOTO: CITIZENS BANK

STAR BUSINESS DESK

Citizens Bank PLC has recently celebrated the third anniversary of the commencement of its commercial operations.

Chowdhury Mohammed Hanif Shoeb, chairman of the bank, inaugurated the celebration as the chief guest at the bank's head office in Dhaka, according to a press release.

Masuduzzaman, chairman of the executive committee of the bank, along with directors Mukhlesur Rahman, SM Shofiqul Hoq, and AKM Shahidul Haque, attended the event.

Members of the bank's senior management and managers of different branches across the country were also present on the occasion.

# Emirates, US-Bangla Airlines honoured at ShareTrip-Monitor awards

STAR BUSINESS DESK

Emirates has been voted "Best International Airline", US-Bangla Airlines "Best Domestic Airline", and Saudia Cargo "Best Cargo Airline", based on the preferences of frequent flyers in the ShareTrip-Monitor Airline of the Year 2024 awards.

This year's online survey garnered responses from over 3,000 frequent travellers.

Airlines were presented with gold, silver and bronze trophies across a record 23 award categories.

Md Fahimul Islam, secretary to the Ministry of Railways, attended the ceremony as the chief guest and presented the awards at the Pan Pacific Sonargaon Dhaka, according to a press release.

The jury committee conferred a Lifetime Achievement Award upon Taufiq Uddin Ahmed, founder and chairman of Galaxy Bangladesh, in special recognition of his exceptional contributions to the advancement of

Bangladesh's travel industry. This year's edition introduced several new award categories, notably "Most Popular Airline Brands in Bangladesh", under which 12 airlines were recognised.

The "Best Airport Lounge" category also continued, with MTB Air Lounge receiving Gold, EBL SkyLounge Silver, and City Bank

Amex Lounge Bronze.

The winners were selected under the supervision of an 11-member jury panel comprising distinguished figures from various sectors. The panel thoroughly reviewed and validated the survey results prior to the announcement.

This year marked the 11th edition of the awards.



PHOTO: SHARETRIP

Md Fahimul Islam, secretary to the Ministry of Railways, poses for group photographs with award recipients in the "ShareTrip-Monitor Airline of the Year 2024" awards at the Pan Pacific Sonargaon Dhaka recently.



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Memo No. 46.42.1200.002.01.001.25.65 Date: 07/07/2025

### e-Tender Notice No. 03/2025-2026

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the Procurement of the below Packages.

SL. No.	Tender ID Number	Project name	Tender documents last selling date & time	Tender closing date & time
01	1130458	(02) Con. of CC Casting at Sharifpur Up Dakkhin Tarua Abdu Mia House to Chowdhury House (31) Dev. of Abdul Kadir Sha Pathagar under Ashugonj Upzila. (34) Con. of Water Passing Drain at Late Ramuz Ali Master House front to Bot Toli (47) Con. of Drain at Shazadapur Shahi Eidgah Math Road to Kari Shaheb House Via Nazu Mia House under Sarail Upzila. (10) Dev. of Nasirnagar Bhuban Islamia Hussinia Anowarul Ulum Madrasa (33) Dev. of Road at Gokama Nure Madina Madrasa Road under Nasirnagar Upzila.	27/07/2025 Time: 17:00	28/07/2025 Time: 13:00
02	1130459	(25) Dev. of Churia Amena Shufia Hafizia Madrasa and Etimkhana (32) Dev. of Abdur Rahim Smreety Pathagar (35) Dev. of Sinamashi Dakkhinpara Gaucia Jame Moszid under Nabinagar Upzila. (11) Dev. of Office and Wash Block at Gopinathpur Alhaz Sha Alam Degree College (50) Con. and Dev. of Retaining Wall at Bayek Union Shampur Graveyard under Kasba Upzila.	27/07/2025 Time: 17:00	28/07/2025 Time: 13:00
03	1130460	01. Con. of Road Tiles at Sadar Paurasava 1 No. Ward Sharifpur Graveyard Internal Road 02. Con. of Shahid Minar at Scholars School and College 08. Dev. of Habboluccha Eishanagar Graveyard under Sadar Upzila and 03. Dev. of Nabinagar Govt. College Field under Nabinagar Upzila.	27/07/2025 Time: 17:00	28/07/2025 Time: 13:00
04	1130461	04. Con. of Retaining Wall at Araishidha Talshahar Road to Bhabanipur Puraton Jame Moszid 05. Dev. of Ashugonj Up Dakkhinpara Surat Ali Bapari House Moszid Janaja Math 06. Con. of Drain at Ashugonj Char Chartola Up 4 No. Ward Bacchu Mia House to Maholam Mia House 07. Con. of Retaining Wall at Ashugonj Tarua Up Alamin Mia House to Jabber Mia House under Ashugonj Upzila and 09. Dev. of Baropaika Kifayetullah Bhuiyan Jame Moszid under Sarail Upzila.	27/07/2025 Time: 17:00	28/07/2025 Time: 13:00
05	1130462	10. Dev. of Kasba Upzila Kandrio Jame Moszid under Kasba Upzila and 12. Repair of Akhaura Port Moszid Slab and Floor 13. Con. of Retaining Wall at Akhaura Chandpur Anowar Chowdhury House to Kibria Chowdhury House Pond 14. Con. of CC Road from Radhanagar Das Para Shree Shree Durga Mondir Prosha Distribution Place 15. Repair and Painting Upzila Moszid Muzayzin Room. 16. CC Road Casting at Akhaura Dakkhin Up Annandapur Main Road to Graveyard under Akhaura Upzila.	27/07/2025 Time: 17:00	28/07/2025 Time: 13:00
06	1130442	01. Imp. of Road from Evening Bazar to T-Ghar Connecting Road. Ch.00-311m (South Side of Sarail Upzila Parishad) under Sarail Upzila.	27/07/2025 Time: 17:00	28/07/2025 Time: 13:00
07	1130413	01. Con. of Imam Ghar at top of Nasirnagar Upzila Complex Moszid 1st Floor Ojukhana 02. Dev. of Nasirnagar Shishu Karon School Directed by Upzila Proshasan 03. Dev. of Mosh Shassan at Buriswar Chanpara under Nasirnagar Upzila.	27/07/2025 Time: 17:00	28/07/2025 Time: 13:00

These are 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 (<http://www.eprocure.gov.bd>) is required. Further information and guidelines are available in the National e-GP System Portal and from help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

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GD-1543

# Women's share in agent banking remains far below requirement

**STAR BUSINESS REPORT**

The proportion of female agents in Bangladesh's agent banking sector stood at just 9.15 percent as of March this year—well below the Bangladesh Bank's (BB) mandate that women should comprise 50 percent of total agents.

The data were revealed in the central bank's latest Agent Banking report, which notes that the number of female agents increased by 3.4 percent year-on-year, reaching 1,450 by the end of March.

The report states that the growth occurred across both rural and urban areas. However, women still make up less than one-tenth of the total 15,838 agents operating through over 21,000 outlets.

Currently, agent banking services are operated by 31 banks and serve an average of 8,162 people per outlet, the report further states.

The BB data also show that female deposit and loan accounts increased significantly. During the year, female deposit accounts rose by 11.5 percent, while loan accounts decreased by 0.3 percent.

"This shows a positive trend toward greater financial inclusion for females, especially in

rural areas, while urban areas are quickly catching up. Overall, the data reflect growing financial opportunities for females in both urban and rural areas, with strong progress in rural participation," states the BB report.

**According to the BB, there are 11,362 bank branches across the country, with each branch serving an average of 15,102 people from the total population. Of them, just over 46 percent are located in rural areas and nearly 54 percent are in urban areas**

Agent banking plays a key role in facilitating financial inclusion by reaching underserved and unbanked people, especially in rural areas, providing an efficient and cost-effective alternative to traditional branch banking.

According to the BB, there are 11,362 bank branches across the country, with each branch serving an average of 15,102 people from the total population. Of them, just over 46 percent are located in rural areas and nearly 54 percent are in urban areas.

On the other hand, 86 percent of the total outlets are located in rural areas, while 14 percent are in urban areas.

The Agent Banking report states that approximately 15 percent of the total number of deposit accounts, at 16.57 lakh in the banking sector, were opened through agent banking outlets, contributing 2.22 percent to the sector's total deposit balances of Tk 19.23 lakh crore at the end of March.

Accordingly, 1.71 percent and 0.61 percent of total bank loan accounts and outstanding loans were respectively provided through agent banking.

As per the report, during the January–March quarter, remittances received from Bangladeshi nationals working abroad amounted to Tk 97,266 crore. Of that, Tk 7,961 crore was received through agent banking.

That indicates 8.19 percent of the total inward remittances during that period were received through agent banking.

The amount of remittances received via agent banking in rural areas was 10.48 times higher than in urban areas. Meanwhile, 4.74 percent of remittances during the quarter were received through mobile financial services.

# ACI develops new Boro rice varieties

**STAR BUSINESS REPORT**

In a first for the country, ACI Seed has developed a new variety of aromatic rice suitable for cultivation in the Boro season.

The seed-focused business unit of ACI PLC has also developed a short-duration, high-yielding Boro rice variety.

ACI received approval for the inbred varieties from the National Seed Board (NSB) under the agriculture ministry last month, the company said in a statement yesterday.

"This reflects our deep commitment to innovation, farmer profitability, and national food security," said FH Ansarey, president of ACI Agribusinesses Division.

ACI said the new aromatic rice variety, named ACI dhan2, is the first of its kind developed for cultivation in the Boro season. The new variety is expected to help farmers who are looking to capitalise on the rising demand for fragrant rice.

According to the company, ACI dhan2 has a yield potential of up to 7 tonnes per hectare, significantly surpassing that of its aromatic predecessor, BRR1 dhan34—an early-season Aman variety that typically yields around 3 tonnes per hectare.

As per the press statement, ACI dhan2 can be harvested 135 to 140 days after plantation. Additionally, it has reduced susceptibility to major pests and diseases, thereby reducing the need for pesticides.

"This not only helps farmers reduce input costs but also promotes safer, more sustainable agricultural practices," said the company.

Ansarey said, "ACI dhan2 opens up high-value markets and export opportunities for farmers who were previously constrained to low-yielding varieties in this segment."

Meanwhile, the short-duration, high-yielding variety named ACI dhan3 contains a blast-resistant gene.

**ACI dhan2 has a yield potential of up to 7 tonnes per hectare, significantly surpassing that of its aromatic predecessor, BRR1 dhan34**

ACI states that the growth duration of this variety is similar to BRR1 dhan28 but has a yield advantage of 1.5 to 2 tonnes per hectare.

ACI said it plans to produce over 150 tonnes of ACI dhan2 and 200 tonnes of ACI dhan3 seeds to sell to farmers in the upcoming Boro season.

ACI dhan2 will be targeted toward small grain aromatic rice markets such as Dinajpur, Rangpur, Naogaon, Jashore, Bogura, and similar regions, while ACI dhan3 will cater to broader Boro-growing areas across the country.

# Govt plans 'fibre optic bank'

**FROM PAGE B1**

Joint network maintenance under BTCL's experienced operations could reduce operating expenses by up to 30 percent.

Bandwidth cost from private NITN operators is likely to fall from Tk 18,000 per Gbps to as low as Tk 5,000—a potential 70 percent reduction.

Besides, the letter states that only 25 percent of mobile towers are currently fibre-connected.

With an integrated backbone, this can reach 100 percent, allowing a low-cost, nationwide 5G rollout.

The overlapping paths of BTCL, PGCB, and Railway fibre also provide high redundancy, essential during natural disasters.

The initiative could enable 1 Gbps or higher internet speeds in every union by integrating existing Points of Presence (POPs) from BTCL (1,200 unions), BCC (2,600 unions), PGCB, and Railway.

The proposed national fibre bank would provide reliable, scalable access to telco-grade fibre—essential for services like IoT, telemedicine,

distance education, and smart city development.

As per Taiyeb's letter, the proposed fibre bank will include a GIS-based real-time inventory system, identifying the location, core count, and status of each fibre line.

This will ensure transparency in leasing and allow selective, need-based access—for instance, during emergency government communications.

The letter also proposes an inter-ministerial meeting, involving Bangladesh Railway, PGCB, BTCL, BCC, and other stakeholders, to finalise the integration strategy and operational guidelines.

Companies that will lease fibre from the upcoming national fibre bank will be able to generate revenue from it. The earnings will be distributed among the government-owned companies, the telecom regulator, and the maintenance partners, Taiyeb said.

"For example, if Summit Communications and Fiber@Home are involved in maintenance, they will also receive a share of the revenue,"

he added.

**LEVELLING THE PLAYING FIELD**

In the letter, Taiyeb criticises the previous Awami League-led government for restricting state fibre owners from servicing telecom demand beyond their grid or track.

Such policies reportedly benefited certain politically connected private firms at the cost of public efficiency, the letter states.

The proposed fibre bank aims to level the playing field and put state-owned fibre assets to commercial and social use, within a regulatory framework that ensures transparency, competition, and affordability.

Fahim Mashroor, former president of the Bangladesh Association of Software and Information Services (BASIS), welcomed the move, saying it would benefit users by enabling faster and more affordable internet access.

"Particularly, if this initiative can ensure low-cost internet in remote areas, it will not only benefit consumers but also significantly boost Bangladesh's digital economy," he added.

# China Inc bets Beijing will keep tight grip on yuan

**REUTERS**

Chinese businesses and investors are primed for the yuan to stay steady for now and eventually depreciate as US trade tensions drag on, and a string of measures and hints from monetary authorities suggest they may be on the money.

A growing pile of foreign exchange deposits at banks and a rise in currency swaps show Chinese corporates and households are wagering they can exchange their dollars for more yuan if they wait.

That conviction, in the face of the US dollar's broad-based slide against most other currencies, is driven for the most part by central bank's efforts to keep the currency steady and even encourage more investment offshore.

It also shows the People's Bank of China (PBOC) is in a bind. A sudden yuan move in either direction could trigger a wave of selling of billions of dollars by businesses and households, either to catch better yuan levels or to stave off losses.

China's yuan has strengthened 1.5 percent against the flagging dollar since April 2, when US President Donald Trump announced punishing trade tariffs on scores of

countries, leading to market ructions that have eroded confidence in US economic policymaking and the dollar's haven appeal.

In the same period, currencies such as the Thai baht, South Korea's won and Taiwan dollar have risen between 6 percent and 14 percent.

The yuan has spent most of 2025 in a narrow range between 7.15 and 7.35 to the dollar, its weakest levels in 4-1/2-years in trade-weighted terms.

The export sector, comprising a fifth of economic growth, is grappling with higher US import tariffs of as much as 55 percent going by the latest trade framework agreed between the world's two biggest economies in early June.

China was initially singled out with tariffs exceeding 100 percent and has until August 12 to reach an agreement with the White House to keep Trump from reinstating additional import curbs imposed during tit-for-tat tariff exchanges in April and May.

"Considering the external risks from US trade policies, China needs to maintain a very competitive currency with respect to other markets outside the US," said Eugenia Victorino, head of Asia

strategy at SEB.

US stocks closed lower on Monday, with the Dow, S&P 500 and Nasdaq each shedding just under 1 percent.

The PBOC did not respond to a Reuters request for comments.

Since May, it has managed its daily yuan "guidance" settings to indicate it doesn't desire too much strength in the yuan.

It has also signalled willingness for mainland investors to shift some of their money from low-yielding onshore markets to stocks and bonds in Hong Kong, which some analysts suspect is to generate some selling pressure on the yuan.

Authorities approved a fresh \$3.08 billion quota for domestic institutions (QDII) to invest in overseas assets in June. On Tuesday, the PBOC said the southbound leg of the Bond Connect scheme, which enables institutions on the mainland to access Hong Kong's bond market, will be expanded to brokerages, insurers, mutual funds and wealth managers.

China's central bank also surveyed some financial institutions last week asking them about their views on recent US dollar weakness, sources told Reuters on Monday.

# Bangladesh retains 2nd spot

**FROM PAGE B1**

US secured the ninth position, according to WTO data.

Anwar Ul-Alam Chowdhury, former president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said export growth had been good so far. But growth may turn unsustainable for Bangladesh due to a recent hike in US tariffs from around 16 percent to 35 percent, he said.

"The country's business environment also needs significant improvements to attract new investment and enable existing factories to continue production for higher export earnings," he added.

The supply of energy, such as gas and electricity, needs to be improved so that factories can run at full capacity, which in turn boosts efficiency and enhances competitiveness in the global value chain, Chowdhury said.

"The government should provide more incentives to the garment sector so that it can become more competitive globally," he said.

"Other countries, such as China, India, and Vietnam, have been performing well as their governments support their industries," he added.

Chowdhury also said Bangladesh should appoint strong lobbyists to influence US tariff policy.

Local exporters have been investing in garments made from man-made fibres (MMF) to obtain better prices from international clothing retailers and brands, they said.

"If Bangladesh can export more value-added, high end garment items, it can obtain better prices alongside a bigger market share," they added.

They noted that the market shares of both Bangladesh and China have been shrinking gradually, while those of Vietnam and India have been increasing in recent years.

"The Indian government provides various incentives for exports, while Vietnam has attracted substantial Chinese investment in its garment sector," exporters said.

"This has led to increases in their exports to prime markets such as the

European Union and the US," they added.

"Market diversification is also needed to sustain export growth," they said.

# BB to seek

**FROM PAGE B1**

However, Washington has now shown renewed interest in cooperating with Bangladesh, the governor added.

**BB ASSURES FULL RETURN OF DEPOSITORS' FUNDS**

Amidst sweeping reforms in the banking sector and talks about the merger of several troubled lenders, Mansur said the central bank is prioritising the protection of small depositors.

"Our goal is to ensure that every single taka is recovered and returned to them," he said. "It might take some time. Those with larger deposits may need to wait a bit longer."

He urged people not to resort to protests. "We are exploring how to merge these banks, inject capital, and protect your interests. Whatever we are doing, we are doing it for the sake of the depositors."

coordination issues. "The government is trying to address these, but since there is no blueprint for reform, progress is often made through trial and error," he said.

He added that reforms tend to face resistance because they affect vested interests. "Some people lose privileges during reforms, though the broader economy gains. The problem is the losers tend to be better organised, which is what we saw during efforts to reform the National Board of Revenue."

This resistance, the CA's special assistant said, was slowing the reform process.

Mominul Islam, chairman of the Dhaka Stock Exchange, said a government taskforce had already worked on IPO valuations and that, going forward, market participants would determine prices.

He added that efforts were underway to digitise the IPO process and reduce approval time to two months.

Mazeda Khatun, president of the Bangladesh Merchant Bankers Association, presented a paper at the event.

She said stock market listings not only improved productivity and employment but also enhanced transparency and corporate governance.

"These improvements contribute to higher tax revenues," she said, citing the examples of Robi Axiata, BSRM Steels, Walton and Shasha Denims, whose value-added tax (VAT) and tax payments rose from 48 percent to 356 percent after listing. She urged authorities to modernise legal frameworks in line with international standards.

# Don't punish us for the misconduct

**FROM PAGE B1**

"That decision should be left to companies based on their financial health," he said.

He also suggested cutting down IPO processing times, introducing share buy-back options, and easing the exit process for firms leaving the market.

Uzma Chowdhury, a director at Pran-RFL Group, said companies have different funding needs, so the stock market should offer a variety of instruments to cater to entrepreneurs of all sizes.

Anisuzzaman Chowdhury, a special assistant to the chief adviser, said the interim government is prioritising the stock market and has taken several steps to develop it, though much remains to be done.

Chowdhury commented that Bangladesh suffers from policy

**গণপ্রজাতন্ত্রী বাংলাদেশ সরকার**  
অধিনায়কের কার্যালয়  
র‍্যাপিড গ্র‍্যাকশন ব্য‍্যাটালিয়ন-৭  
পতেঙ্গা, চট্টগ্রাম

**দরপত্র আহবান বিজ্ঞপ্তি**

এতদ্বারা ২০২৫-২০২৬ অর্থ ব‍্যসরে (জুলাই/২৫ হতে জুন/২৬ পর্যন্ত) চট্টগ্রামস্থ র‍্যাপিড গ্র‍্যাকশন ব্য‍্যাটালিয়ন-৭ এর ব্যবহার্য বিভিন্ন মালামাল সরবরাহ/পরিবহন ভাড়া/সেবারক লেনা-ই এর নিমিত্তে পিপিআর-২০০৮ অনুযায়ী যোগ্যতা সম্পন্ন এবং দেশের কোন আইন দ্বারা অযোগ্য নন এমন ব্যবসায়ী/প্রকৃতকারী/সরবরাহকারী/সিদ্ধান্তের নিকট হতে সীলসোহরকৃত খামে প্রতিযোগিতামূলক উন্মুক্ত দরপত্র আহবান করা যাচ্ছে :

১।	মুদ্রাশালা/বিভাগ	৪।	১০০০০০০/-
২।	সংস্থা	৫।	১০০০০০০/-
৩।	দরপত্র সম্পাদনকারী প্রধান	৬।	১০০০০০০/-
৪।	দরপত্র জামানত (ফেরত যোগ্য)	৭।	১০০০০০০/-
৫।	দরপত্রের বিষয়/কাজের নাম ও সিডিউলের মূল্য (অফেরত যোগ্য)	৮।	১০০০০০০/-
৬।	২০২৫-২০২৬ অর্থ ব‍্যসরে র‍্যাব এর বিভিন্ন কোডে বাজেট প্রাপ্ত সাপেক্ষে।	৯।	১০০০০০০/-
৭।	২০২৫-২০২৬ অর্থ ব‍্যসরে র‍্যাব এর বিভিন্ন কোডে বাজেট প্রাপ্ত সাপেক্ষে।	১০।	১০০০০০০/-
৮।	২০২৫-২০২৬ অর্থ ব‍্যসরে র‍্যাব এর বিভিন্ন কোডে বাজেট প্রাপ্ত সাপেক্ষে।	১১।	১০০০০০০/-
৯।	২০২৫-২০২৬ অর্থ ব‍্যসরে র‍্যাব এর বিভিন্ন কোডে বাজেট প্রাপ্ত সাপেক্ষে।	১২।	১০০০০০০/-
১০।	২০২৫-২০২৬ অর্থ ব‍্যসরে র‍্যাব এর বিভিন্ন কোডে বাজেট প্রাপ্ত সাপেক্ষে।	১৩।	১০০০০০০/-
১১।	২০২৫-২০২৬ অর্থ ব‍্যসরে র‍্যাব এর বিভিন্ন কোডে বাজেট প্রাপ্ত সাপেক্ষে।	১৪।	১০০০০০০/-
১২।	২০২৫-২০২৬ অর্থ ব‍্যসরে র‍্যাব এর বিভিন্ন কোডে বাজেট প্রাপ্ত সাপেক্ষে।	১৫।	১০০০০০০/-
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১৫।	২০২৫-২০২৬ অর্থ ব‍্যসরে র‍্যাব এর বিভিন্ন কোডে বাজেট প্রাপ্ত সাপেক্ষে।		

মোঃ শাহিনুর রহমান, পিপিএস  
সে. কর্মকর্তা  
পরিচালক  
র‍্যাব-৭, পতেঙ্গা, চট্টগ্রাম

GD- 1541

## EU to seek trade 'rebalancing' with China

AFP, Strasbourg

The EU will seek to rebalance economic ties with China, demanding it eases market access for European firms and loosen export controls on rare earths at a summit this month, the bloc's chief said Tuesday.

European Commission president Ursula von der Leyen said overcapacity concerns and China's support for Russia's war effort in Ukraine will also be on the table at the talks with Chinese leader Xi Jinping.

Addressing the European Parliament in Strasbourg, von der Leyen said Beijing was running the largest trade surplus "in the history of mankind" exporting vast amounts to the EU while making it harder for European companies to do business in China.

"If our partnership is to move forward, we need a genuine rebalancing, fewer market distortions, less overcapacity exported from China, and fair, reciprocal access for European business," she told lawmakers.

### Beijing has sought to improve relations with the European Union as a counterweight to superpower rival the United States

Beijing has sought to improve relations with the European Union as a counterweight to superpower rival the United States, but deep frictions remain over their economic relationship.

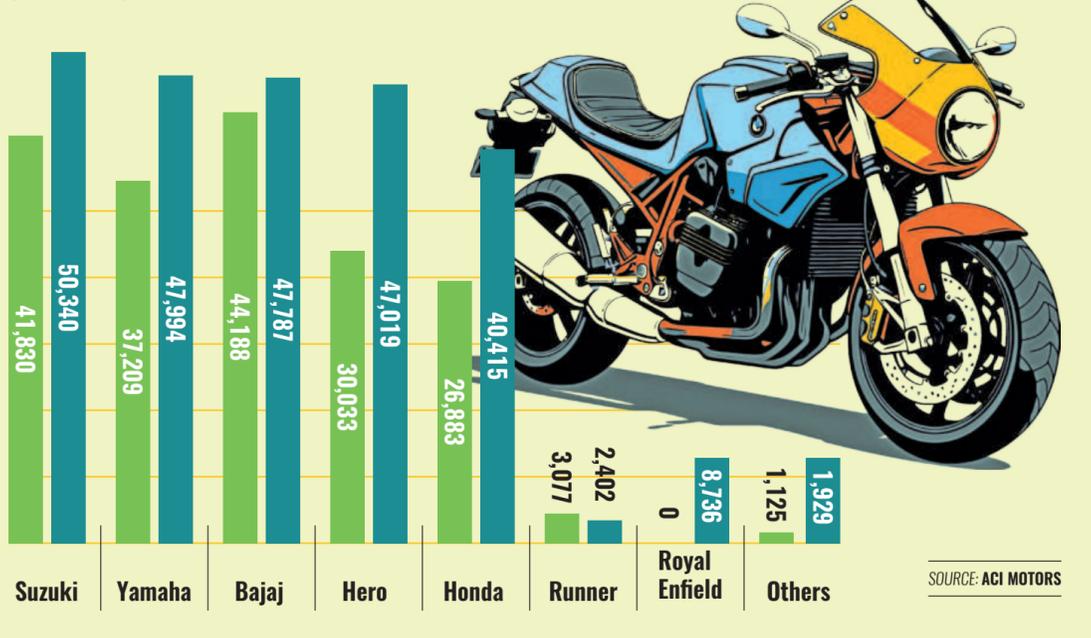
The trade deficit between China and the EU was a yawning \$357 billion in 2024.

Brussels is worried that a manufacturing glut propelled by massive state subsidies could add to it, and result in a flood of cheap Chinese goods undercutting European firms.

"China cannot rely on exports to solve its domestic economic challenges. Overcapacity must be addressed at its source, it cannot simply be offloaded onto global markets," von der Leyen said.

The commission leader, who will travel to Beijing with European Council President Antonio Costa, said the pair will seek to loosen export restrictions on rare earths – while Brussels also looks at "developing alternative supply resources".

## MOTORCYCLE SALES IN JAN-JUN (IN JAN-JUN)



# Motorcycle demand picks up speed after three-year slump

Sales jump 27% in Jan-Jun driven by pricier, higher cc models

JAGARAN CHAKMA

Motorcycle sales are showing signs of recovery after a slow patch of nearly three years, due mainly to easing consumer prices, lower registration costs, and aggressive marketing by manufacturers.

Local bike companies say their sales rose by about 27 percent in the January-June period this year. Higher-capacity models, priced between Tk 2.2 lakh and Tk 4.5 lakh, saw stronger demand than lower-cc (cubic capacity) bikes.

Industry insiders say budget-friendly motorcycles, which usually cost between Tk 1.2 lakh and Tk 2 lakh, have seen slower sales as many low- and middle-income buyers continue to feel the pinch financially.

In the first six months of 2025, total sales reached 257,632 units, up from 202,330 during the same period last year, according to industry data.

In the domestic market, Indian brand Bajaj and Japanese makers Yamaha and Suzuki remain top choices for buyers.

"Higher-capacity motorcycle sales have been strong over the past six months, driven by stable prices and customers' preference for better riding quality and long distance travel," said Subrata Ranjan Das, deputy managing director of ACI Motors, which sells Yamaha bikes.

Popular Yamaha models include the R15 series, MT-15 V3, MT-15 V1, FZ-S V3, FZ-S V4, and FZ-S. These bikes cost around Tk 2.30 lakh to Tk 4.50 lakh.

Motorcycles in Bangladesh are mainly used for short- and medium-distance travel, especially in urban and semi-urban areas. Outside the capital, poor road conditions are prompting buyers to opt for more durable and higher-capacity options.

Das said local road conditions are far from ideal, making bikes with engines over 160cc more practical than smaller ones.

Meanwhile, bikes in the 100cc to 150cc range have seen marginal growth, as high prices and a volatile exchange rate continue to make many buyers cautious.

"Many had been waiting for prices to fall, but now they realise significant drops are unlikely. Demand is gradually returning," added Das.

While Japanese brands continue to dominate, Indian Bajaj also maintains a strong position. Competition among the top three has intensified in recent years, putting pressure on profit margins, especially in the entry-level segment.

### Higher-capacity models, priced between Tk 2.2 lakh and Tk 4.5 lakh, saw stronger demand than lower-cc (cubic capacity) bikes

Industry sources said fewer new models have been launched this year, partly due to a decline in corporate orders. At the same time, many buyers are placing advance bookings due to limited availability in showrooms.

"The motorcycle market has become highly competitive as profit margins are shrinking," said Das. "While the high-end segment is performing well, the market for 100cc to 120cc bikes has slowed somewhat."

Bangladesh's overall motorcycle market expanded by nearly 20 percent in the past six months, according to Biplob Kumar Roy, chief executive officer of TVS Auto Bangladesh.

"There used to be monthly sales of around 24,025 units. Now it has increased to about

30,320 units. That means there has been nearly 20 percent growth. On a per-month basis, the numbers are rising quite well," Roy told The Daily Star.

TVS's popular higher-cc models include the Apache RTR 160 4V Fi, Apache RTR 160 4V, and Apache RTR 160 2V.

Roy said that despite the recent rebound, the lower-end segment continues to face difficulties.

He attributed the recent uptick in sales largely to pent-up demand following a long period of economic uncertainty.

"Many people had postponed buying despite needing a motorcycle. Now they are no longer looking for alternatives. They are making their decisions. You could say there is a certain extent of uncertainty still there," commented Roy.

As for TVS, the CEO said monthly sales have climbed from around 3,500 to nearly 4,000 units in recent months. "Growth has been quite good."

Shah Muhammad Ashequr Rahman, chief marketing officer of Bangladesh Honda Private Limited, said Honda's recent gains reflect its strong focus on customer satisfaction.

Popular higher-end Honda models include the XBlade, SP 160, and Hornet 2.0.

"We prioritise resolving customer issues with urgency," he said. "Our product launches are strategically aligned with customer expectations, offering competitive pricing and true value for money."

"We have introduced advanced technologies such as PGM-FI engines, digital meters, improved fuel efficiency, and low running costs. These make our motorcycles smarter and more economical," he added.

These features, he claimed, have contributed to Honda's growth in sales.

## US TARIFF SHOCK Navigating export vulnerability, strategic response

SELIM RAIHAN

As the initial three-month pause approached its end, the United States started announcing new reciprocal tariff rates, generally in accordance with the initial rates released in April. While the Donald Trump-led administration has offered a small window for countries to strike a better deal before the tariffs come into effect on August 1, the latest development is bound to introduce new uncertainty into global trade and the economy.

For Bangladesh, the readjusted 35 percent tariff rate is certainly a harsh economic blow, especially to the ready-made garment industry. With US tariffs on Bangladeshi imports more than doubling from roughly 15 percent, the sharp and dramatic hike has the potential to erode the price competitiveness of Bangladesh's garments in its biggest export market.

In 2024 alone, Bangladesh exported around \$8.5 billion to the US. The burden of this tariff hike will fall heavily on garment manufacturers and the millions of workers they employ, a majority of whom are women, raising the risks of slower growth, job losses, and a rise in poverty. These are setbacks with wide-ranging economic and social consequences.

The rationale behind these reciprocal tariffs is weak, and this has added to the concerns. Among the 14 countries targeted in the first round, Bangladesh's 35 percent rate is among the highest. If the tariff rates on its competitors eventually prove to be lower, Bangladesh would face a serious competitive disadvantage, making supply chain decision-making more difficult and eroding the confidence of buyers and investors.

The broader implications are serious. Increased costs may encourage US buyers to shift orders to countries with lower tariff burdens. The Bangladesh economy, which heavily relies on garments for over 80 percent of its annual export revenues, is especially vulnerable.

It is also disappointing that the Bangladeshi negotiators involved in bilateral tariff discussions with the US have seemingly failed to secure any favourable outcomes. The inability to reach a more balanced bilateral agreement only increases Bangladesh's vulnerability in a rapidly changing global trade environment and geopolitical shifts.

There is no denying that in an increasingly volatile and unpredictable global trading regime, countries like Bangladesh—characterised by highly concentrated export baskets, uncompetitive domestic business and investment climates, and limited diplomatic leverage—are particularly at risk. In this context, Bangladesh must adopt a strategic mix of responses to safeguard its economic future.

First, export diversification and competitiveness must be prioritised. This involves investing in productivity, upgrading technology, and developing industries beyond garments. Dependence on a narrow range of products and markets, primarily North America and Europe, makes Bangladesh highly susceptible to external shocks. Product and market diversification is no longer optional; it is essential.

Second, it is critical to accelerate negotiations on free trade agreements (FTAs) with key trading partners. Bangladesh must actively pursue FTAs with major developing economies in Asia, Africa, and Latin America and leverage South-South cooperation. Preferential access and the removal of trade barriers will help expand export markets and reduce the risk of overdependence.

Third, comprehensive domestic trade reform is urgently needed. This includes simplifying the trade regime by lowering tariffs, reducing non-tariff barriers, and streamlining import-export procedures. These reforms will not only strengthen Bangladesh's negotiating position in trade talks but also lower input costs, attract foreign investment, and support sectoral diversification.

As international trade rules continue to evolve, Bangladesh must respond promptly, strategically, and in a multifaceted manner. Failure to adapt quickly risks deepening economic vulnerabilities and undermining future prospects.

The write is executive director of the South Asian Network on Economic Modeling (Sanem)

## SE Asian nations to express 'concern' over US tariffs

AFP, Kuala Lumpur

Southeast Asian nations will express "concern" over "counterproductive" US tariffs, according to a draft statement shared with AFP on Tuesday, after Donald Trump threatened more than a dozen countries with higher levies.

The president's trade war will likely be high on the agenda as foreign ministers from the Association of Southeast Asian Nations (ASEAN) gather in Kuala Lumpur for talks this week.

"We expressed concern over rising global trade tensions and growing uncertainties in the international economic landscape, particularly the unilateral actions relating to tariffs," ASEAN foreign ministers said, according to a draft Joint Communiqué.

Without directly naming the United States, the ministers said tariffs were "counterproductive and risk exacerbating global economic fragmentation and pose complex challenges to ASEAN's economic stability and growth".

Trump sent letters to 14 countries announcing that duties he had suspended in April would snap back – even more steeply – in three weeks.

Among those targeted were top trade partners Japan and South Korea, which each face 25 percent tariffs.

Indonesia, Laos, Thailand, Malaysia and Myanmar – all members of the ASEAN – face duties ranging from 25 percent to 40 percent if they do not strike a deal with Washington by August 1.

Export-dependent Vietnam, which is also an ASEAN member, is one of only two countries to have reached a tentative agreement that spares it from Trump's measures.

REUTERS, Washington

The reward for negotiators from South Africa to Malaysia working to reach a deal with the White House: three more weeks in the pressure cooker. On Monday, President Donald Trump again extended his deadline to seal country-by-country trade agreements, this time until August 1. The announcement came posed as a threat, with letters sent to a group of world leaders declaring that their exports would be subject to levies ranging from 25 percent to 40 percent next month. Effectively a reminder of Trump's "Liberation Day" tariff threats, his whack-a-mole demands portend ill for any deals that are struck.

Japan and South Korea provide cautionary tales. Trump's April trade announcement applied levies of 24 percent and 25 percent, respectively, only to be delayed for negotiations. He has since vowed that Japan does not buy enough American rice and cars. Yet half of all the tariff-free rice Japan imports comes from the US already. Meanwhile, US rice exports to all countries account for a measly \$2 billion, less than the \$13 billion Japanese tourism contributed to the domestic economy in 2019, according to the State Department. Trump and spokesperson Karoline Leavitt nonetheless fixate on this

one issue.

South Korea shows the cost of failing to satisfy such whims. The country sealed a free trade agreement with the US that came into force in 2012. It did nothing to prevent today's broadside. Now, Trump's agenda could slow Korean industrial giants' efforts to ramp production on American shores: recent cuts to electric-vehicle subsidies may ding the likes of battery maker SK On and automaker Hyundai.

Tariff threats against smaller countries are particularly difficult to appease. Look at, say, Laos. Its goods imports from the US amounted to \$40 million, versus \$803 million in goods exports, in 2024. This is infinitesimal in the scheme of the US's overall \$1.2 trillion goods trade deficit, yet a promised 40 percent tariff on its exports would be extremely material to Laos's own \$16 billion economy.

Furthermore, what any country gets for

reaching a "deal" is still nebulous beyond lowering rates that have never been imposed. Look at Vietnam, where Trump announced a tentative agreement setting a 20 percent tariff and a levy designed to target products passing through the country from elsewhere. Monday's announcements for South Korea and Japan, where there is no deal, involve the same "trans-shipment" charge plus a 25 percent baseline rate. According to the White House, Vietnam even dropped its tariffs on US goods to zero.

Meanwhile, new bugbears – like an additional threatened 10 percent duty on the BRICS nations – creep up. Whether the tumult can ever really end is unclear. The best outcome for any country might be the framework sealed with the UK, which softened some trade barriers but little else. It's a small win now, without relying on Trump not to simply change his mind in the future.

President Donald Trump sent letters to multiple US trading partners on July 7 notifying them of new tariff rates their goods can expect to face starting on August 1. These rates are in most cases close to so-called reciprocal tariffs announced on April 2, which were subsequently paused to allow for the negotiation of trade deals. That pause was initially scheduled to conclude on July 9.



US President Donald Trump speaks to journalists as he signs executive orders in the Oval Office of the White House in Washington, DC. PHOTO: AFP/FILE