

One misstep does not justify another

Govt must discontinue retrospective promotions for retired civil servants

It is surprising that the government would seek to replicate rather than reject a controversial move that saw it award retrospective promotions to retired bureaucrats who had allegedly been deprived of promotions during the 15-year rule of Awami League. According to a report, the government is set to promote several hundred retired officials from non-admin cadres, following its move last December to award post-retirement promotions to 764 officers from the admin cadre. If this is a response to any pressure to balance out the provision of “compensations” among all cadres, it is the wrong kind of response. It should not have happened. If anything, the earlier move that created the scope for this one should have been rolled back.

Unfortunately, what we’re witnessing is the institutionalisation of a manifestly partisan practice that offers no benefit to the taxpayers, as those receiving “compensations” are no longer in service. Instead, it only puts additional strain on public funds. As reported before, the last round of retrospective promotions has added Tk 42 crore in additional expenditure, not to mention the enhanced pensions to be provided for the rest of their lives. Currently, a list of around 400 retired non-admin cadre officials is under review. If all or a significant number of them get through the selection process, how much more money will be wasted?

The logic here is simple: if promotions are meant to reward merit and service, how can they be handed out to retired officers whose performances can neither be evaluated nor used to the benefit of citizens in the present? Apparently, there is little transparency around the criteria being used for granting these promotions, making public administration experts question it. Some have pointed out that the government has taken no steps to revoke undeserved promotions granted in the past, which undermines any moral ground it might have had in awarding delayed promotions. Any solution to perceived injustices, therefore, must lie in structural reform—with an eye on the future—not ad hoc compensations. But repeating moves like this only raises questions about the sincerity of the current top brass.

We urge the government to immediately halt this process. Retrospective promotions for retired officials must not become the new norm. Instead of creating new problems, the government should focus on addressing concerns over some of its decisions regarding promotions and placements. We have, for example, seen how it enabled the persistence of supernumerary promotions—another legacy of the Awami regime—again in the name of addressing grievances for past injustices. We must fix such systemic flaws in line with the proposals of the Public Administration Reform Commission so that a truly merit-based, service-focused administration can be formed.

Prevent waterlogging in Dhaka South

DSCC needs a sustainable drainage strategy, recover occupied canals

Every year, as the monsoon arrives, many parts of both Dhaka South and Dhaka North experience waterlogging even after moderate rainfall. This year has been no exception. Numerous areas of Dhaka have already started to face waterlogging amid continuing rainfall. Dhaka South has been especially vulnerable as projects implemented by the ousted regime to address this issue have failed to produce satisfactory results. In 2023, for example, the Dhaka South City Corporation (DSCC) identified 30 areas as highly prone to waterlogging, but has since failed to undertake any effective measures to mitigate the problem. This is because, rather than adopting a sustainable long-term strategy, DSCC largely relied on temporary solutions, such as using water pumps to remove water from the affected areas.

Reportedly, during the tenure of former mayor Sheikh Fazle Noor Taposh, DSCC spent Tk 360 crore to tackle waterlogging. Of this amount, around Tk 100 crore was invested in improving the drainage system in Shantinagar and surrounding areas. Yet, severe waterlogging continues to affect these areas to this day. Several other projects initiated during the previous government's tenure are also ongoing but have had little impact. For a sustainable and permanent solution to Dhaka's waterlogging problems, the root causes must be addressed.

As a 2024 study by the River and Delta Research Centre (RDRC) suggested, excavating only 15 of the occupied canals under both city corporations could potentially solve around 80 percent of the city's waterlogging. While we have seen some initiatives from DNCC to recover the encroached canals in the past few months, such efforts are not visible in DSCC areas. Meanwhile, various development projects are also contributing to waterlogging. According to a senior DSCC official, newly built structures in the Pilkhana area have blocked drainage lines, causing waterlogging in the New Market area, while the construction of the elevated expressway—which disrupted part of the Haturheel drainage system—is responsible for waterlogging in the Green Road area. If the authorities continue to undertake such projects without considering their environmental impacts, we will never be able to solve this problem for good.

It is imperative that the authorities preserve Dhaka's natural infrastructure and recover its lost water bodies, canals, and flood-flow zones as a matter of priority if they are really serious about solving the city's perennial waterlogging problem. For that, we need a long-term master plan. Both the DNCC and DSCC authorities must show their sincerity in working towards that goal.

THIS DAY IN HISTORY

US successfully tests an atomic bomb

On this day in 1945, The United States tested the first atomic bomb near Alamogordo, New Mexico, and the following month dropped atomic bombs on Hiroshima and Nagasaki in Japan, hastening the end of World War II.

How Bangladesh must navigate the US-led trade shift

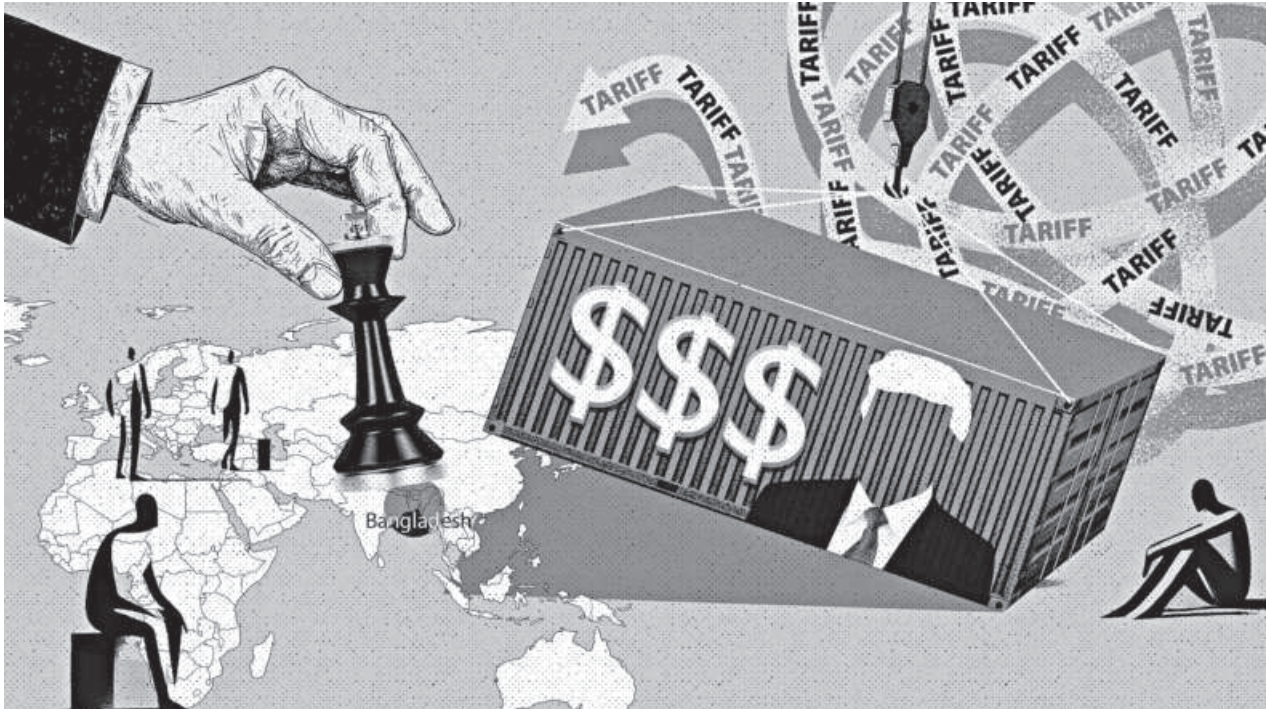


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America's trade negotiations with its major trading partners, especially the 71 countries with which it maintains a high trade deficit, have put the world on the verge of entering a new global trade order. This trade order has emerged because of the US's high ad valorem tariffs—in addition to the usual product-specific most-favoured-nation (MFN) tariffs—with its bilateral trading partners having a high trade deficit. Tariff rates for individual countries have been estimated based on a unique formula whereby the rate of tariff is inversely related to the import of US products and positively related to the export of non-US products to the US market. Such a formula has little relevance to the rate of tariffs estimated under WTO rules. Although the US claimed to impose the tariff following the WTO articles on national security, it is difficult to justify that logic.

Since the US suspended the effectiveness of bilateral ad valorem tariffs against different countries for three months, most of these countries have undergone different levels of discussion and negotiation with the US. These discussions have taken place in four categories: (a) initiated negotiation with the US and reached an agreement (e.g. UK, Vietnam, China); (b) initiated negotiation with the US and yet to reach an agreement (e.g. Bangladesh); (c) initiated negotiation with the US but withdrawn midway (e.g. Indonesia); and (d) not entered into discussion and negotiation but rather threatened to impose retaliatory tariffs if the US imposed additional tariffs (e.g. Brazil, EU). It seems that the US carried out these negotiations in order to attain four objectives: (a) ensuring higher exports of US products to



VISUAL: ANWAR SOHEL

US's trade deficit. Third, countries may find it difficult to export their products to other countries if those countries have bilateral agreements with the US covering products of interest. And fourth, countries may be artificially forced to import US products despite having cheaper alternatives available from other countries facing higher import tariffs/restrictions in the US market. Such new trade dynamics would severely undermine not only the export competitiveness of countries under trade agreements with the US but also force them to buy US products at less competitive prices or prevent them from importing from low-

Canada and Ukraine are important sources of wheat. Similarly, Qatar is a major source of Bangladesh's import of LNG. Bangladesh's promise to import important strategic products such as arms and ammunition from the US may hurt the export interests of existing sourcing countries, such as China, India and others. Though these countries have other export destinations for the aforementioned products, they may consider the issue of losing an important share of their export market in Bangladesh as a serious blow. These countries may take retaliatory measures in other areas where Bangladesh's economic

US's 5,530 products (HS code at 6-digit level), there are products that are of Bangladesh's export interest, such as plastic products, agricultural products, chemicals, parts and equipment, etc., which may face direct competition and challenges because of the preferential market access granted to US products in those markets. These challenges are likely to be faced by small-scale exporters in different non-traditional markets in Asia, Europe, Australia and Africa.

It is apprehended that the US's high tariffs on major global exporters of agricultural products, raw materials, intermediate products and finished goods, such as Brazil, Canada, China and India, would make those products available at lower prices in non-US markets. This may have both positive and negative effects. On the one hand, these cheap agricultural products and raw materials would help countries like Bangladesh import them at lower cost. However, Bangladesh may not utilise that opportunity if it commits to higher domestic value addition for reduced tariffs in the US market. On the other hand, if Bangladesh commits to importing those products from the US, the opportunity to access low-cost products from non-US markets would be lost. Such costly procurement would raise the cost of products in the domestic market.

Bangladesh's trade deficit is evident with many European as well as Asian countries. Is Bangladesh ready to offer similar preferential market access through higher imports from those countries? Perhaps this is not possible. Hence, Bangladesh's ill-considered promises on trade may place it under pressure from other countries.

Overall, Bangladesh should deal with the US under the framework of its national trade, investment and procurement policies. More importantly, negotiations should not only consider the offensive and defensive interests in the US market.

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Rather, Bangladesh needs to consider the offensive and defensive interests with other key trading partners, including China, Brazil, Canada, Qatar, Japan, Saudi Arabia and the European Union. The government needs to take into account that a single-country-centric trade deal may have various effects on Bangladesh's bilateral relationships with other important partners in the short to medium term.

MAJOR IMPORTING COUNTRIES	SHARE OF TOTAL US EXPORTS (USD2.06 trillion in 2024)	US'S AD VALOREM TARIFF	MAJOR IMPORTING COUNTRIES	SHARE OF TOTAL US EXPORTS (USD2.06 trillion in 2024)	US'S AD VALOREM TARIFF
Canada	16.9	35%	Italy	1.6	30%
Mexico	16.2	30%	Hong Kong	1.4	25%
China	7.0	54%	Malaysia	1.3	24%
Netherlands	4.3	30%	UAE	1.3	TBD
United Kingdom	3.9	10%	Switzerland	1.2	TBD
Japan	3.9	25%	Spain	1.2	30%
Germany	3.7	30%	Colombia	0.9	25%
South Korea	3.2	25%	Chile	0.9	TBD
Brazil	2.4	50%	Thailand	0.9	36%
Singapore	2.2	10%	Ireland	0.8	TBD
France	2.2	30%	Türkiye	0.7	TBD
Taipei, Chinese	2.1	32%	Israel	0.7	TBD
India	2.0	<20%	Saudi Arabia	0.6	TBD
Australia	1.7	TBD	Viet Nam	0.6	20%
Belgium	1.7	30%	Dominican R	0.6	TBD

US's ad valorem tariff on selected countries

reduce its trade deficit; (b) ensuring higher revenue through additional tariffs to reduce US budget deficit; (c) encouraging foreign companies to invest in the US to increase domestic employment; and (d) discouraging countries from trading and investing with specific countries. It appears that individual countries' trade negotiations are dependent on their capacity to increase US imports and their level of resilience to withstand the US's retaliatory tariffs.

These bilateral negotiations have been taking place under a diverse range of structures and compositions—negotiations have involved not only setting overall ad valorem tariffs but also product-specific ad valorem tariffs. On the other hand, the negotiations include preferential tariffs/market access to US products in different markets. Hence, countries will have to deal with multiple challenges under the new trade negotiations. First, countries need to ensure their market competitiveness in the US market under the new ad valorem tariff. Second, countries need to import more US products in order to help reduce the

cost sources. Bilateral relationships between non-US countries would face a new level of strain because of changing trade preferences focused on the US, which may extend further to non-economic relationships between countries.

Bangladesh needs to take lessons from the multi-dimensionality of this new trade regime. First, Bangladesh is now fully concentrating on ensuring better market access to the US market. To ensure that, Bangladesh has offered a set of promises including: (a) reducing tariffs on products which are of the US's export interest; (b) promising to import a large volume of US products, which would contribute to reducing the bilateral trade deficit; (c) expecting reduced ad valorem tariffs on Bangladeshi products; and (d) promising to increase its local value addition of export products in order to ensure reduced tariffs in the US market. At the same time, a few other issues are being discussed, though they have not yet specifically entered the public domain, such as the US's concern over rising investment from some countries in Bangladesh. However, Bangladesh

interests with them are quite high. For example, Bangladesh's manpower export to Qatar may face adverse effects. Similarly, Bangladesh's export to Canada may confront some ad valorem duties, or Bangladesh may face reduced credit support from China or China-dominated banks, such as the Asian Infrastructure Investment Bank and the Exim Bank of China.

A commitment to raising domestic value addition requirements to 40 percent may initially appear positive for domestic industries. However, these industries are not yet ready to supply the required quantities while maintaining quality and timeliness. Therefore, the import of raw materials and intermediate products needs to continue for export-oriented industries. If the value addition criteria are increased, imports of certain key raw materials from important sources (China, India, Hong Kong) would need to be significantly reduced. Losing a favourable market by these non-US partners, especially China and Hong Kong, may not be received positively. Bangladesh's bilateral relations may