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World Bank reiterates support for reforms and growth

STAR BUSINESS REPORT

The World Bank has reaffirmed its commitment to support Bangladesh's development priorities as Johannes Zutt, World Bank vice president for South Asia, concluded his first official visit to the country yesterday.

Zutt met Chief Adviser Muhammad Yunus and praised the interim government for undertaking critical reforms to strengthen economic resilience and improve transparency in public institutions.

He also briefed the chief adviser on ongoing and planned World Bank assistance, according to a press release.

Last fiscal year, the World Bank committed over \$3 billion to Bangladesh to improve essential services such as health, water and sanitation, and social protection. The funding also aimed to boost infrastructure investment, promote environmental sustainability, and support financial and public sector reforms.

"I am delighted to return to Bangladesh, where the people—and notably the

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Govt plans to include private sector in US tariff talks

Move comes as third round of negotiations looms

REFAYET ULLAH MIRDHA

The government is considering bringing private sector representatives on board for upcoming tariff negotiations with the United States, as Bangladesh prepares to respond to the proposed tariff schedules by Sunday or Monday next week.

The US Trade Representative (USTR), which leads trade talks for Washington, has already sent Bangladesh three detailed tariff schedules.

Bangladesh is currently reviewing the proposals and will send a response within the next couple of days, Commerce Secretary Mahbubur Rahman told The Daily Star yesterday over the phone.

"As the tariff issue includes multiple ministries, the commerce ministry has called an inter-ministerial meeting on Saturday to approve the agreed tariff lines submitted by the USTR," he said.

Rahman added that Bangladesh had agreed on most of the tariff issues but declined to elaborate, citing the non-disclosure agreement (NDA) signed by both sides before the talks began.

Trade talks & govt moves

- Govt to include private sector in US tariff talks
- Inter-ministerial meeting on Saturday
- Commerce ministry may reply to US zero-duty offer by Sunday/Monday

Bangladesh-US RMG trade

US is Bangladesh's top export market
Exported \$8.2b worth of garments to US last year
Bangladesh holds 9.2% of US garment market
Bangladesh ranks 3rd after China, Vietnam in US garment imports

He also refrained from commenting on non-tariff matters that had been discussed, saying they too fall under the NDA.

However, the secretary said the ministry plans to involve private sector stakeholders in the negotiations. "We will be reaching out to business leaders from leading chambers and trade bodies," he said.

The commerce secretary did not disclose how many products the US had sought to be granted zero-duty access to the Bangladeshi market, but mentioned that the number is far lower than Bangladesh's total list of 7,446 tariff line items.

No new date has yet been set

for the third round of talks, which is scheduled to take place in Washington before August 1, when the new import duties imposed by the Trump administration are due to take effect.

The commerce secretary said he would formally request the USTR to set a fresh date for the talks after Saturday's inter-ministerial meeting finalises Bangladesh's position on the zero-duty proposals.

Earlier this week, after returning from the second round of talks in the US, Commerce Adviser Sk Bashir Uddin and Mahbubur Rahman told a press conference that Bangladesh was preparing for the third round and that a team would fly to Washington next week.

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Currency paradox: Why is BB buying dollars?

- **BB intervention**
 - BB purchased \$484m in two days
 - Interbank exchange rate rose to Tk 121.20 on July 16 after falling to Tk 120
- **Taka strengthens**
 - Local currency appreciated for the first time after years
- **Exchange rate and inflation**
 - Taka depreciated about 30% since pandemic
 - Inflation topped 9% since March 2023, eased to 8.48% in June
 - Economists say strong dollar fuelled inflation
- **BB fears a drop in dollar price may:**
 - Hurt exporters and remitters
 - Push remittance flows to informal channels



MD MEHEDI HASAN

After years of depreciation that saw the taka lose nearly 30 percent of its value against the US dollar since the Covid-19 pandemic, the local currency is finally showing signs of strength.

However, in a surprising turn of events, the Bangladesh Bank has swiftly intervened to halt the US dollar's decline, raising questions about its exchange rate management.

The relentless rise of the US dollar for years has been a primary driver of economic strain in Bangladesh.

It has been a key factor behind soaring inflation, which has remained

stubbornly above 9 percent since March 2023, causing hardship for consumers and importers.

While inflation saw a slight dip to 8.48 percent in June, the pressure on household budgets remains immense.

For months, economists and policymakers have pointed to the high exchange rate as a major culprit for the persistent inflation.

Businesses, especially those reliant on imports, have borne the brunt of the powerful US dollar, while exporters and remitters have benefited.

Now, with the taka finally gaining ground to some extent, the central bank has stepped in.

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UK keeps duty-free access for Bangladeshi goods

STAR BUSINESS REPORT

The UK government has updated its trade preference scheme—the Developing Countries Trading Scheme (DCTS)—that will enable Bangladesh to continue to benefit from zero tariffs on products like garments and electronics.

Upgrades include simplified rules of origin, enabling more goods from countries like Nigeria, Sri Lanka, and the Philippines to enter the UK tariff-free—even when using components

from across Asia and Africa, said a statement from the UK's Department for Business and Trade (DBT).

They also ensure countries such as Bangladesh and Cambodia continue to benefit from zero tariffs on products like garments and electronics, it added.

"This will open up new commercial opportunities for UK businesses to build resilient supply chains, invest in emerging markets, and tap into fast-growing economies," said the statement issued last week.

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NBR misses revenue target for 13th year

MD ASADUZ ZAMAN

The National Board of Revenue (NBR) has fallen short of its revenue collection target for the 13th consecutive year, with experts opining that the existing framework for tax collection is inadequate.

The tax authority's overall receipts were Tk 370,874 crore in fiscal year 2024-25 (FY25), falling short of its revised target by Tk 92,626 crore.

The government initially aimed to collect taxes of Tk 480,000 crore in FY25 but ultimately slashed the target by Tk 18,500 crore.

As per provisional data, the NBR failed to achieve its tax collection target despite registering a 2.23 percent growth in collections in FY25, against a growth of 15 percent in FY24. The news comes a month after the government announced the national budget for FY26, which tasked the NBR with collecting Tk 499,000 crore.

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