DHAKA MONDAY JULY 21, 2025, SRABAN 6, 1432 BS ● starbusiness@thedailystar.net

Star BUSINESS

Govt forms panel to review draft telecom policy

STAR BUSINESS REPORT

The government has formed a committee to review the draft Telecommunications Network and Licensing Policy 2025, according to a notification issued by the Cabinet Division yesterday.

Planning Adviser Prof Wahiduddin Mahmud will lead the panel, which has been tasked with reviewing the proposed policy's economic, technical and implementation aspects.

The development comes as local firms in the telecom sector expressed concern that the new policy would disfavour them.

The panel will assess the policy's possible unintended consequences, and evaluate its long-term economic impact

The committee will also analyse the policy's background, assess possible unintended consequences, and evaluate its long-term economic impact and technical viability.

It has the authority to bring in more members if needed, and may invite relevant officials, experts or stakeholders to its meetings.

Other members of the committee include Environment, Forest and Climate Change Adviser Syeda Rizwana Hasan, Commerce Adviser Sk Bashir Uddin, and Special Assistant to the Chief Adviser for the Ministry of Posts, Telecommunications and Information Technology Faiz Ahmad Taiyeb.

Frustrated, businesses move to hire lobbyist to cushion US tariffs

STAR BUSINESS REPORT

Top business leaders have expressed frustration over the government's progress in negotiations with the United States on reciprocal tariffs, saying they are now working to appoint a lobbyist on their own, though doubts remain about whether this last-ditch effort will succeed.

Speaking at a roundtable in Dhaka yesterday, Mahmud Hasan Khan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said the government had earlier assured them that discussions with the United States Trade Representative (USTR) were going in Bangladesh's favour.

But it has become somewhat clear to the authorities recently that the final decision will come from the Trump administration, not from the USTR, he commented.

"Why did it take so long for the government to understand this?" Khan raised the question at the dialogue titled "US Retaliatory Tariffs: Which Way Bangladesh Is Heading?".

The event was organised by national daily Prothom Alo at the Pan Pacific Sonargaon Dhaka and brought together leading business figures, economists, and researchers.

The BGMEA president said that if exporters had been made aware of this situation earlier, they could have begun the process of hiring a lobbyist sooner.

"Now, we are trying to appoint a lobbyist. But we are getting limited responses because most are already engaged by other countries."

Bangladeshi goods had been entering the US market with an average duty of around 15 percent until the US administration announced a 37 percent reciprocal tariff. After a 90-day pause on the new rate taking effect, President Donald Trump revised the duty to 35 percent, set to take effect from August 1 unless Dhaka can negotiate a better trade deal.

The new tariff rattles local exporters, especially the apparel-makers, as the US market is the largest single-country destination for "Made in Bangladesh" clothing.

The BGMEA president said that 1,322 of their member factories export to the US. Of them, 100 send 91 to 100 percent of their garments to the American market, while 822 ship just up to 20 percent there.

Now, with the tariff deadline just around the corner, Khan said these factories run on razor-thin profit

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Business leaders and economists attend a discussion titled "US Retaliatory Tariffs: Which Way Is Bangladesh Heading?", organised by the Bangla daily Prothom Alo at the Pan Pacific Sonargaon in Dhaka yesterday. PHOTO: COLLECTED

FACTORIES LINKED TO US MARKET

1,322 *BGMEA member factories export garments to the US*

Of these, **100** *factories send* **91-100%** *of their exports to this market*

822 *factories export only* **0-20%** *of their goods to the US*

The remaining factories export **21-90%** *of their products to the US*

POSSIBLE IMPACT OF US TARIFFS

- *US market may become uncompetitive for exporters*
- *Many factories could exit the US market*
- *EU market may become more competitive*
- *Up to 1m jobs could be lost*

RECOMMENDATIONS

- *Engage professional lobbyists*
- *Consult with all relevant stakeholders*
- *Leverage chief adviser's international connections*
- *Adopt a measured and strategic approach*

No cause for panic over US tariffs

Environment adviser Rizwana says

STAR BUSINESS REPORT

There is no reason to create unnecessary alarm over the 35 percent reciprocal tariff announced by the United States on Bangladeshi readymade garment (RMG) products, Environment, Forest and Climate Change Adviser Syeda Rizwana Hasan said yesterday.

"It is premature to draw conclusive remarks while negotiations are still ongoing. The government is prioritising national interest and engaging all stakeholders," she said at a dialogue titled "Fostering Sustainable Investment," organised by the American Chamber of Commerce in Bangladesh (AmCham) at Sheraton Dhaka.

The adviser's comment comes as business leaders have expressed concerns regarding Bangladesh's negotiation with the US administration over the tariffs, set to come into effect on August 1.

The adviser stressed that the RMG industry has survived various crises in the past, including the Rana Plaza tragedy in 2013, even though many feared those would lead to the collapse of the industry.

"Instead, due to public-private collaboration, the industry not only recovered but evolved. Today, Bangladesh has the highest number of green RMG factories globally and is advancing sustainability," she said.

However, she acknowledged that despite progress, Bangladeshi apparel still faces a 35 percent US tariff, while many competitors enjoy duty-free access.

"Even under such disadvantages, the sector remains resilient—a testament to smart policy and entrepreneurial spirit," she said.

The adviser called for "constructive, realistic dialogue" rather than panic.

Speaking on environmental sustainability, she warned that sustainable investment alone won't ensure environmental

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ICDs to raise export container charges by 60%

DWAIPAYAN BARUA, *Ctg*

Inland container depots (ICDs) have announced a sharp increase in charges for handling export cargoes and empty containers by as much as 60 percent starting September 1, triggering concerns among exporters already feeling the pinch from the impending reciprocal tariff by the United States.

The Bangladesh Inland Container Depots Association (BICDA) issued a circular on July 15 in this regard, citing rising operational and investment costs, currency devaluation, and inflationary pressures as key reasons behind the decision.

Speaking to The Daily Star on this, BICDA Secretary General Md Ruhul Amin Sikder said, "The charge hike was overdue since the ICDs did not raise charges that much for a decade or more."

"Only the transport cost on the Dhaka-Chattogram highway has increased by more than Tk 20,000 in the last few years but no one ever raised their voice against it."

THE NEW CHARGES

There are 21 privately owned ICDs located in and around the port city. Almost 93 percent of the export-laden containers are handled by 19 ICDs before shipment through Chattogram port.

The ICDs impose various charges for handling export cargoes and containers, including the export stuffing package—a bundled service covering the transport of an empty container from the depot yard to the container freight station (CFS), loading or stuffing of goods into the container, returning the loaded

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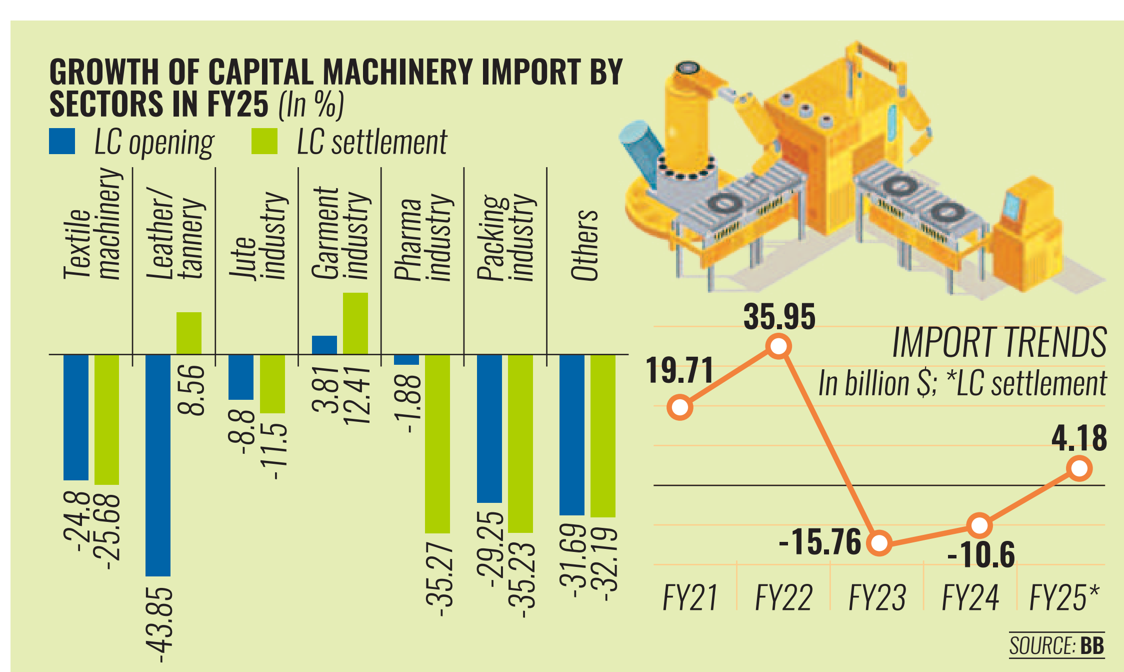
Capital machinery imports fall for third year

JAGARAN CHAKMA



Bangladesh's imports recovered in fiscal year 2024-25 after two years of downturns, but capital machinery imports fell for the third consecutive year, reflecting a low appetite for investment among entrepreneurs.

Imports of capital machinery, as reflected by the opening of letters of credit (LCs), dipped by 25 percent year-on-year to $1.74 billion last fiscal year, according to the latest data of Bangladesh Bank (BB).

During the same period, settlement of LCs dropped by 25 percent year-on-year, with analysts and businesses terming the decline a sign of weakened investor confidence and subdued industrial demand.

"This reflects a slowdown in both current and forward-looking investments," said Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue (CPD).

The BB says capital machinery imports for the leather industry fell the most, followed by those for the packing, textile, and jute sectors.

Stakeholders said a contractionary monetary policy, now in force, is another major factor discouraging investors.

Private sector credit growth stood at just 7.15 percent in May of FY25 whereas the target was 9.5 percent.

"Uncertainty over policy and ease of doing business is dampening appetite," said Rahman.

Asif Ibrahim, former chairperson of Business Initiative Leading Development (BUILD), said the sharp decline in LC openings was largely a result of mounting pressure on the country's foreign exchange reserves.

"As the trade deficit widened and remittance inflows remained volatile, Bangladesh Bank was compelled to prioritise essential imports—such as food, fuel, and medicine—while restricting non-essential and luxury items to preserve dwindling reserves," he said.

"This prompted tighter administrative measures and more rigorous scrutiny of LC approvals," he added.

Commercial banks, in response, raised LC margin requirements—often demanding 100 percent cash margins—which created major hurdles for importers, particularly small and medium-sized enterprises (SMEs), said Ibrahim.

"The steep depreciation of the taka further inflated import costs, leading many businesses to defer or abandon their import plans," he said.

"Simultaneously, rising domestic inflation and a

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