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USTR yet
to give date
for final
tariff talks

REFAYET ULLAH
MIRDHA

The United States Trade Representative (USTR), the chief trade negotiation body of the American government, is yet to provide a specific date and time to Bangladesh for the launch of the third and final round of tariff negotiations, although time is running out.

Bangladesh on Tuesday sent its position paper to the USTR and sought to engage in the negotiations on July 26 to come to an agreement on a favourable tariff rate that would be applicable to its exports.

However, as of yesterday, the USTR had not given any date to Bangladesh for the fresh round of meetings, said a senior official familiar with the negotiation process, asking not to be named.

But the USTR is expected to offer a date between July 27 and July 29 to sit for the negotiation meeting, the official also said.

The Trump administration is scheduled to apply the new tariff rates for the countries concerned from August 1. That means the tariff rate needs to be negotiated within this month.

In a last ditch effort, a group of local garment exporters is now trying to hire a lobbying firm in the US to hold

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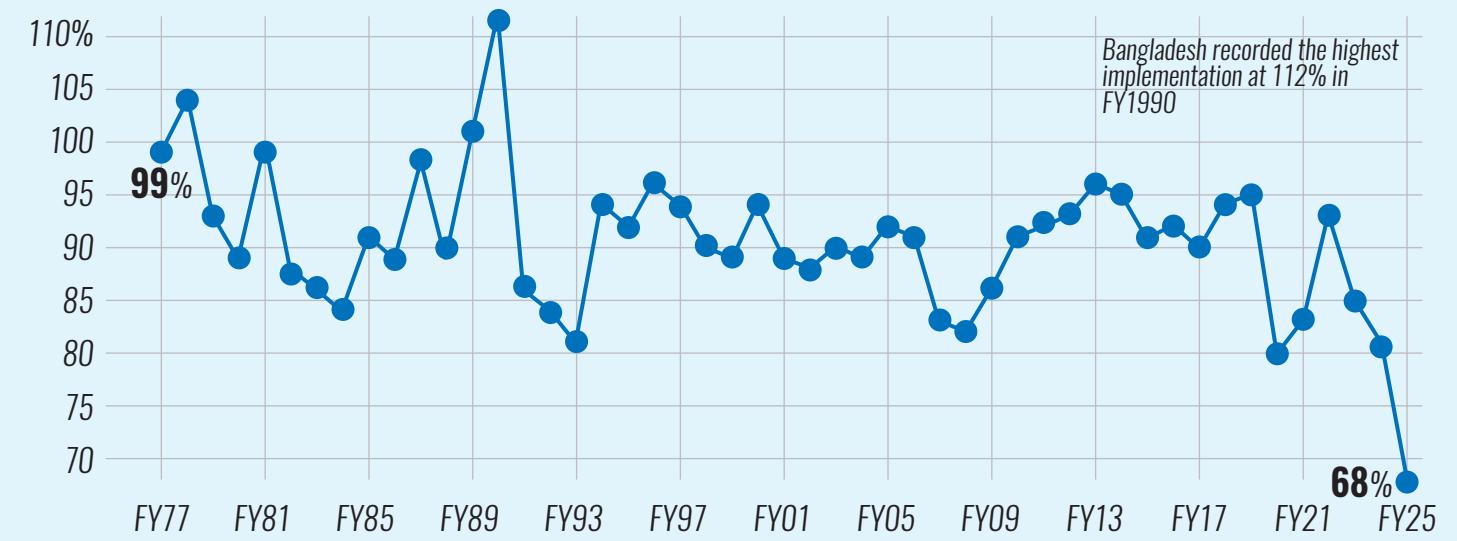
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ADP spending hits 49-year low

Implementation rate of revised ADP



SOURCE: IMED AND BANGLADESH ECONOMIC REVIEW

STAR BUSINESS REPORT

Bangladesh's development spending fell to a historic low in fiscal year 2024-25, with just 68 percent of the revised annual development programme (ADP) implemented—marking the weakest performance since FY1976-77.

According to the Implementation Monitoring and Evaluation Division (IMED)

data, ministries and divisions spent only Tk 1,53,452 crore out of the revised allocation of Tk 2,26,165 crore—a sharp drop from the original Tk 2,78,288 crore.

Officials attributed the drastic shortfall to widespread public unrest, heightened scrutiny over politically sensitive projects, and cost-cutting directives aimed at managing macroeconomic pressures.

Economists say the uneven implementation across sectors points to disparities in project planning, prioritisation, and administrative efficiency.

The 67.85 percent ADP implementation rate in FY2024-25 is not only historically low but signals a worrying shift in development priorities, said Mustafizur Rahman, distinguished fellow at the Centre for Policy Dialogue.

"This is the lowest rate in Bangladesh's post-independence history, driven by a set of extraordinary circumstances.

However, it does raise important questions about institutional capacity and the clarity of strategic direction," he added.

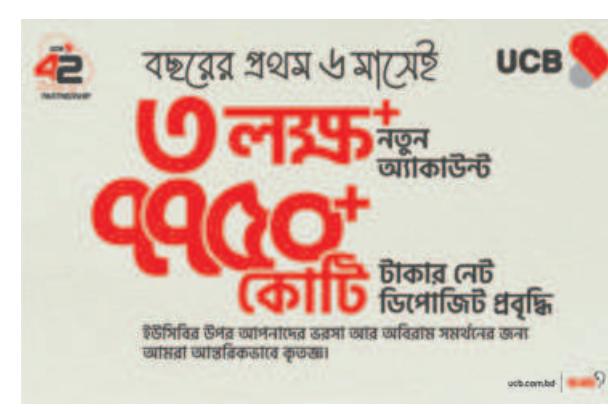
Previously, the lowest ADP implementation rate was recorded in FY2019-20 during the onset of the Covid-19 pandemic, when execution stood at 80 percent.

Despite the overall decline, the Power Division emerged as an outstanding performer, implementing 98 percent of its revised allocation. In stark contrast, the Health Division posted the weakest performance, spending only 21 percent of its allocated funds.

While the political transition and unrest in the early months contributed to delays, Rahman argued the bigger issue lies in the growing neglect of critical sectors. "Even during Covid-19, implementation stayed above 80 percent. What we see now is more structural than circumstantial."

He expressed concern over the poor performance in education and health, with implementation rates as low as 21 percent.

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Luxury car sales plunge amid political, economic uncertainty

JAGARAN CHAKMA

Sales of luxury sedans and sport utility vehicles (SUVs) have dropped significantly over the past six months, as economic and political uncertainties continue to reshape consumer behaviour, according to industry insiders.

Sales have been nearly stagnant since the political unrest and mass protests of July last year, with customers reining in spending amid the sudden change in government.

Although there is no official data specific to premium vehicles, figures from the Bangladesh Road Transport Authority (BRTA) show that around 871 SUVs were registered on average each month between January and June of this year.

Of those, roughly 10 percent fall under the luxury category, as per industry insiders.

Almost all models of Audi, BMW, and Mercedes-Benz are generally considered luxury vehicles, while Toyota's Land Cruiser, Harrier, and Prado, along with Mitsubishi's Pajero, are regarded as premium vehicles.

"From January to April last year, we sold on average 10 vehicles per month," said Asique Un Nabi, director of operations at Executive Motors Ltd, the authorised distributor of BMW vehicles in Bangladesh.

"This year, there were months when we sold at best four or none at all," he said.

According to him, the sales of luxury vehicles dropped by over 60 percent in the first six months of this year.

He attributed the downturn to the political transition, weakened investor confidence, and a reduction in discretionary spending by high-income individuals.

"Corporate executives, doctors, lawyers, and businesspeople who once regularly bought luxury cars are now holding back," he added.

Executive Motors Ltd currently offers nine models of BMW vehicles in Bangladesh, including petrol, plug in hybrid, and electric vehicles. Prices range from Tk 1,03 crore to over Tk 3.5 crore, depending on specifications.

Citing the BRTA data, Nabi said that in the first half of 2025, a total of 5,119 passenger cars—meaning those that carry fewer than 10 persons—were registered.

In 2024, it was 10,499, he said.

While the number of SUVs registered appears to have increased, most are of 1,500cc

Political and economic factors

Political instability reduced consumer confidence
Investor caution affected business-driven purchases



CONSUMER BEHAVIOUR

- High-income buyers are postponing big purchases
- Luxury SUV demand weakened after govt change
- High-end car sales dropped by over 60% in six months

Sector-specific impacts

- Garment sector slowdown hurt premium buyer base
- Carbon tax on EVs discouraged electric luxury car sales

or below—from the high-end segment, he said.

Models such as the BMW i7 and X5 continue to attract interest, but actual purchases remain sluggish. "Customers are now waiting. Confidence needs to return for the luxury market to recover," Nabi said.

Audi Bangladesh, the sole distributor of German luxury automaker Audi, reported zero sales since July last year, despite securing a usual monthly average of seven to eight vehicles earlier.

Safayet Bin Taiyab, its country lead for sales, said the company incurred a loss of around Tk 1 crore and was struggling to cover operational costs, which require selling at least six vehicles per month.

Their Tejgaon showroom in Dhaka has seen no customer footfall in recent months.

Taiyab attributed the crisis to the ongoing political instability, declining purchasing power, and economic uncertainties, which have deterred affluent buyers from investing in their luxury vehicles priced between Tk 1.69 crore and Tk 3.99 crore.

Uncertainties over garment exports—which are the country's key foreign currency-earning sector and account for their largest customer base—have further dented demand.

The sector is grappling with declining

orders, reduced income, and shrinking export volumes—factors that naturally dampen interest among entrepreneurs in car purchases, he said.

Adding to the woes, the BRTA recently imposed a carbon tax on electric vehicles (EVs), despite their zero emissions.

"We were hopeful EVs would provide a growth path amid rising fuel costs, but this policy decision has been discouraging," Taiyab said.

He also said that without policy support, especially around EV import duties and taxes, the premium automobile segment may face long-term stagnation.

Arif Khan Bipu, managing director of Motors Bay, said the slowdown in car sales was not limited to the luxury segment.

He added that the change in the political scenario has further dampened consumer sentiment.

Additionally, cash flow has significantly declined due to an economic contraction, leading to an overall sales drop of around 40 percent, he said.

"The overall market environment is simply not favourable for luxury car sales at this moment," said Shafiqul Islam, head of operations at HNS Automobiles.

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BGMEA urges ICDs not to hike container handling charges

STAFF CORRESPONDENT, Ctg

Readymade garment exporters have urged the Bangladesh Inland Container Depots Association (Bicda) to withdraw its recent decision to raise various charges for handling export containers.

In a circular issued to its members on July 15, Bicda announced raising different charges for handling export and empty containers in the range of 30 percent to 80 percent.

It cited rising operational and investment costs, currency devaluation, and inflationary pressures as the key reasons behind the decision.

In a letter to the Bicda president on July 21, Mahmud Hasan Khan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said it was not the appropriate time to increase any charges related to exports.

The country's readymade garment sector is facing many challenges both locally and globally, and exporters are struggling to run their factories, he said.

This is due to the ongoing Middle East crisis, the US reciprocal tariff, labour unrest, the energy crisis, high bank interest rates, and increased costs at every stage of production, including raw material prices and transportation costs, he said.

Facing all these adversities, exporters in this sector are trying their best to keep the trade running, he mentioned.

The BGMEA believes that it is not appropriate to hike export-related charges in this situation, as cost savings are required to maintain competitiveness, he opined.

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Govt to initially buy 2.2 lakh tonnes of wheat from US

STAR BUSINESS REPORT

The government yesterday decided to buy 220,000 tonnes of wheat from the United States, aiming to reduce the trade gap between the two countries and secure a favourable tariff deal from the Trump administration on its exports.

The purchase price will be \$302.75 per tonne, according to the meeting of the Cabinet Committee on Government Purchase at the Secretariat.

This marks the first wheat import from the US in nearly seven years.

The decision came two days after the food ministry and the US Wheat Associates signed a memorandum of understanding to import 700,000 tonnes of the grain annually over the next five years under a state-to-state contract.

The food directorate will import wheat from Agrocrop International Pte Ltd, authorised by the US Wheat Associates.

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The deal comes as the government continues negotiations with the US administration to reduce the 35 percent tariff on Bangladeshi goods, which is set to take effect from August 1 this year.

After the meeting, Finance Adviser Salehuddin Ahmed said importing wheat from the US could support Bangladesh's broader negotiations with them.

"It's a gesture of goodwill that can help in discussions on other matters," he said, adding that the purchase of wheat from the US will also diversify sources, ensure lower impurity levels, and offer better protein content.

"Previously, we primarily imported from the Russian and Ukrainian blocs. But due to uncertainties in those regions—especially around the Black Sea—there have been disruptions. There's also instability involving Yemen and Israel in that area."

He said that if the government can import from the US, it might cost slightly more, especially due to the higher protein content. "But overall, the quality is superior."

The last time, the government bought wheat at \$268.9 per tonne. The government has plans to import 600,000 tonnes of wheat this fiscal year, up from 460,000 tonnes the previous year.

Last fiscal year, private imports amounted to 57.7 lakh tonnes, meaning the government will likely need to involve the private sector to meet the increased import target.

At yesterday's meeting, the government also decided to purchase 150,000 tonnes of fertiliser and one cargo of LNG at \$12.43 per MMBTU.