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Star BUSINESS

Even 5% extra US tariff is too much for apparel: CPD

STAR BUSINESS REPORT

Even a 5 percent additional tariff on the Freight on Board (FOB) price will be difficult for Bangladesh's apparel industry to absorb, especially because it comes at a time of surging energy costs, rising interest rates, and global economic uncertainty, according to a study by the Centre for Policy Dialogue (CPD) published yesterday.

The impact will be especially severe for small and medium-sized enterprises (SMEs), which operate on razor-thin margins, warned CPD in the study titled "Trump Reciprocal Tariffs and Bangladesh: Implication and Response".

The study, jointly conducted by Mustafizur Rahman, distinguished fellow at the CPD, Anika Tasnim Arpita, economics researcher, and Tanbin Alam Chowdhury, programme associate, comes just days before a 35 percent reciprocal tariff is scheduled to take effect on Bangladeshi goods entering the US from August 1.

The US is Bangladesh's single largest export destination, with 19 percent of total apparel exports heading to the US. Ninety percent of these exports consist of garments and other textiles. Bangladesh maintains a hefty trade surplus with America—one that has drawn attention in Washington as the US seeks to rebalance its trade relationships.

The CPD study notes that the issue is not merely a trade concern but a geopolitical manoeuvre. It argues that the tariffs reflect Washington's broader strategic calculus, including geo-economic and geo-strategic realignments in the Indo-Pacific.

"Bangladesh will need to navigate all these complex issues by considering its trade interests with the USA and also by taking into cognisance the implications of its response for the country's bilateral relationships with other countries, its own geo-strategic priorities, and also its multilateral obligations, particularly as a member of the World Trade Organization," reads the study.

The paper criticises the government for not contesting the non-disclosure clause in the US-proposed tariff framework and for failing to mobilise a negotiation team inclusive of relevant stakeholders.

The study observes that, in spite of the softening of the stance by US President Donald Trump—indicated by a reduction of the reciprocal tariff from the initial 37 percent—businesses are already experiencing disruption, global supply chains are being adversely affected, and orders are being delayed or held back.

"These are being felt by Bangladesh as well. Brands and buyers are asking Bangladesh's producers and exporters for discounts. This is particularly pertinent for the apparel sector of the country," it says.

READ MORE ON B3

Private education sector's contribution to economy rises: BBS

But generates employment at a slow rate

BY THE NUMBERS
(In 2023)

Total private educational institutions: **98,980**
MPO: **26,184**
Non-MPO: **72,874**
Private universities: **103**
Medical and dental colleges: **98**
Colleges: **4,106**
Vocational schools and colleges: **1,030**
Primary and high schools: **24,480**
Qawmi madrasas: **13,902**
Other madrasas: **13,786**
Coaching centres: **6,587**

STUDENTS
Total: **2.93cr**
Female students: **1.53cr**
Male students: **1.40cr**

JOBS
Total jobs: **14.84 lakh**
Teachers: **11.45 lakh**
Male teachers: **7.16 lakh**
Female teachers: **4.30 lakh**

STAR BUSINESS REPORT

The private education sector has generated employment at a slow rate, yet its contribution to the economy has risen at a higher rate, according to the latest survey report of the Bangladesh Bureau of Statistics (BBS).

In 2023, the sector's gross output rose by 7.65 percent year-on-year to Tk 85,357 crore, even as employment in the sector grew by only 2.5 percent, the survey data show.

Out of the total jobs, 11.45 lakh were educators—7.16 lakh males and 4.30 lakh females. In other words, around 38 percent of the teachers were female.

Private educational institutions are significant contributors to Bangladesh's education sector. Their presence not only enriches overall prospects for the delivery of education in the country but also plays a vital role in fostering a more prosperous future, the report states.

A total of 2.93 crore students availed themselves of education from private educational institutions in 2023, which was 13 lakh higher than that in the previous year.

Of the students, 1.40 crore were males while 1.53 crore were females, the BBS data show.

In both years, the percentage of female students was slightly higher than that of male students, demonstrating an equitable gender distribution within the educational institutions.

The proportion of female students in medical, dental, nursing, and midwifery colleges was significantly higher in both years.

This higher representation of female students in medical fields could be due to the increasing societal

READ MORE ON B3

US, Bangladesh to hold next tariff talks on July 29

REFAYET ULLAH MIRDHA

The United States Trade Representative (USTR), the chief trade negotiation body for the American government, has invited Bangladesh to resume the third and final round of tariff negotiations on July 29, said Commerce Secretary Mahbubur Rahman.

Earlier, Bangladesh sent the country's position paper to the USTR on July 22 and proposed July 26 as the date for resuming the final round of negotiations at the USTR office in Washington DC.

However, the USTR finally set July 29 as the date for resuming the talks, where Commerce Adviser Sk Bashir Uddin will lead the Bangladesh team, the commerce secretary told The Daily Star over the phone.

If the meeting is held in person, the Bangladesh team will leave for the USA on July 27. However, there is also a possibility that the meeting will be held virtually, the secretary said.

This time, some exporters from the private sector may join the Bangladesh team, but they will not take part in the negotiation meetings, which will be held in a government-to-government format, he added.

The secretary expressed hope that the Trump administration will lower the tariff rate for Bangladesh at the end of the negotiations, as rates have already been lowered for some countries.

For instance, the US government has reduced tariffs to 15 percent for Japan, 19 percent for Indonesia, 20 percent for Vietnam, and 19 percent for the Philippines.

Moreover, Bangladesh has so far negotiated well with the USTR, and it is expected that the tariff rate for Bangladesh will also be significantly lower than the existing 35 percent.

Bangladesh has already offered zero-duty import of US commodities such as cotton, wheat, liquefied natural gas, aircraft, and other agricultural products.

To increase imports from the USA, Bangladesh signed a deal with American wheat suppliers on July 20 to import 0.7 million tonnes of the cereal grain, and advanced-level negotiations are underway to purchase 14 Boeing aircraft.

READ MORE ON B3

Ordinance issued to transform Moheshkhali into industrial hub

A view of Matarbari power plant in Moheshkhali upazila of Cox's Bazar. The government plans to form Moheshkhali Integrated Development Authority to oversee and coordinate the area's development.
PHOTO: FARUQ AZAM

STAR BUSINESS REPORT

The government has issued an ordinance to transform Cox's Bazar's Moheshkhali area into a major industrial and commercial centre, anchored by the establishment of the Matarbari deep-sea port, to attract both domestic and foreign investment.

Published on July 23, the ordinance mandates the formation of the Moheshkhali Integrated Development Authority (MIDA), which will be responsible for overseeing and coordinating all development efforts in the region.

The authority will prepare a comprehensive master plan to ensure the rational use of land to develop a modern industrial and commercial city with a seaport.

The master plan will divide the 34,181-acre area into four primary hubs—port and logistics, industry and manufacturing, power and energy, and a fisheries processing hub. These will be supported by residential townships and ancillary service hubs to ensure holistic development.

The move comes as the government pursues several major infrastructure projects aimed at converting the island, located in the southeastern coastal region, into an investment-ready industrial zone.

For example, the Japan International Cooperation Agency (JICA) is financing 11 projects, including the Matarbari Port Development Project, the Matarbari Ultra Super Critical Coal-Fired Power Project, and the Chattogram-Cox's Bazar Highway Improvement Project.

In April this year, the Chittagong Port Authority (CPA) signed a deal with a Japanese joint venture to construct a terminal for a deep-sea port at Matarbari, some 350 kilometres southeast of the capital Dhaka.

The 760-metre terminal will comprise a container jetty with a handling capacity of 800,000 TEUs a year and a multipurpose jetty.

The ordinance says the master plan will include completed and ongoing projects in the area.

The government will publish the draft master plan within one month in the gazette after it receives the plan, to receive opinions from stakeholders.

It will approve the finalised master plan within four months of the issuance of the gazette, according to the ordinance.

In the master plan on land use, specific areas could be selected for establishing export processing zones, areas for establishing domestic market-oriented industries, and protected areas with special privileges for foreign investors.

To attract investment, the MIDA will introduce a one-stop service linked to the Bangladesh Investment Development Authority's system. It will also prepare guidelines on incentives for local and foreign investors, facilitate environmental clearances, and ensure dedicated port and customs facilities for investors.

The authority may offer bonded warehouse benefits and other customs privileges for industries in its jurisdiction. Additionally, it will provide incentives similar to those available under the export processing zone law to promote export-oriented industries, according to the ordinance.

The governing board, which will provide policy guidance and approve activities, will be chaired by the chief adviser or the prime minister. The board will play a central role in shaping development decisions for the region.

Non-apparel subsidies wasteful

Economists call for reform

STAR BUSINESS REPORT

Bangladesh's current strategy of providing subsidies on non-readymade garment (non-RMG) exports is economically inefficient and fiscally burdensome, as these industries have failed to demonstrate significant growth despite generous incentives and high tariff protection, said economists yesterday.

"Subsidies are being provided without time limits, and if they were effective, we'd see significant growth in non-garment exports," said Zaidi Sattar, chairman of the Policy Research Institute of Bangladesh (PRI).

He was presenting Monthly Macroeconomic Insights (MMI) at the organisation's office in Dhaka.

The MMI, a new analytical initiative by the PRI's Center for Macroeconomic Analysis, has been developed with support from the Department of Foreign Affairs and Trade of the Australian government.

According to the MMI analysis, the total value of Bangladesh's merchandise exports stood at $48.36 billion in the last fiscal year (FY) of 2024-25, marking an 8.6 percent year-on-year growth.

Of this, RMG exports rose by 8.8 percent to $39.34 billion, while non-RMG exports increased by 7.4 percent to reach only $8.94 billion.

> **"Subsidies are being provided without time limits, and if they were effective, we'd see significant growth in non-garment exports," said Zaidi Sattar, chairman of PRI**

Bangladesh currently offers up to 15 percent cash subsidy on exports.

But Sattar noted that non-RMG sectors already enjoy much higher indirect subsidies given to import-substitution sectors, which effectively shield them from foreign competition, undermining the need for export incentives in the first place.

Worse still, he pointed out, nearly half of the cash subsidies are being directed toward exports and remittances, sectors already benefiting from a 40 percent exchange rate gain since the local currency began depreciating in May 2022.

The economist stated that Bangladesh's total subsidy allocation for fiscal year 2024-25 has ballooned to Tk 322.3 billion, a 43.8 percent rise from the previous year.

Agriculture received the highest allocation of Tk 170 billion.

"This amounts to 2.28 percent of the total expenditure and 0.3 percent of the country's gross domestic product, marking a significant 107 percent year-on-year increase in FY25," he added.

Besides, Tk 78.3 billion was allocated for export incentives to promote growth in export-oriented industries, reflecting a 5.8 percent year-on-year increase in export incentives.

"These subsidies, like protective tariffs, should be time-bound and performance-based," Sattar said, adding that Bangladesh must begin phasing them out in preparation for its LDC graduation.

The economist also said the recent slowdown in the economy has kept import demand low, but with improved foreign exchange reserves, the import controls imposed over the past few years should be lifted.

Going forward, exchange rates should determine import levels, in line with the current policy being pursued by the Bangladesh Bank, he added.

READ MORE ON B3

EBL hosts Women Entrepreneurship Development Summit 2025

STAR BUSINESS DESK

Eastern Bank PLC (EBL) organised the "Women Entrepreneurship Development Summit 2025" at its head office in Dhaka on July 23, bringing together women chambers, business associations and ecosystem partners from across Bangladesh to promote access to finance for women-led enterprises.

Themed "Building Bridges for Finance-Ready Women-Led Enterprises", the discussion focused on strengthening collaboration between EBL Women Banking and stakeholders to ensure inclusive financial access and institutional readiness for women entrepreneurs, according to a press release.

Rubina Husain, president of the Bangladesh Federation of Women Entrepreneurs (BFWE) and SEED Foundation, moderated the session, terming the initiative "a timely platform to unite banks, chambers and women entrepreneurs to formalise and scale women-led businesses."

At the event, EBL launched Phase II of its flagship women entrepreneurship development programme "Adbita", a three-month blended training initiative aimed at enhancing business documentation, financial literacy, e-commerce capability, product quality and market expansion.

"Our commitment goes beyond rhetoric. This program addresses the real needs of women entrepreneurs—access to finance, institutional recognition and strategic support," said Ali Reza Iftekhar, managing director of EBL.

The summit was attended by Md Mustafizur Rahman, CEO of SEED Foundation, Osman Ershad Faiz, additional managing director and COO of EBL, M Khorshed Anowar, deputy managing director and head of retail and SME banking Sarmin Atik, head of liability and, wealth management, and Tanzeri Hoque, head of priority and women banking, along with prominent women entrepreneurs and ecosystem partners.

Ali Reza Iftekhar, managing director of Eastern Bank, Osman Ershad Faiz, AMD and COO, Rubina Husain, president of Bangladesh Federation of Women Entrepreneurs, and Md Mustafizur Rahman, CEO of SEED Foundation, attend the launch of Phase II of EBL's women entrepreneurship development programme 'Adbita' at the Women Entrepreneurship Development Summit 2025 at the bank's head office in Dhaka on July 23. PHOTO: EBL

bKash introduces one-tap mobile recharge feature

STAR BUSINESS DESK

Customers can now recharge their registered mobile numbers with a single tap on the bKash app, without requiring a PIN or biometric verification, for amounts of up to Tk 1,000.

The new one-tap feature has been integrated to enhance the customer experience of bKash's widely used mobile recharge service. It enables recharges for registered numbers across all operators, according to a press release.

To activate the feature, customers need to provide consent during the first use. After selecting their own number from the saved list in the app, they will be prompted to enable one-tap mobile recharge. Once activated, users can recharge by simply selecting their number, entering the amount and tapping to confirm.

bKash

For packs or offers, users can tap on their numbers and choose options such as internet, minute or bundle offers. Any applicable coupons can also be used during the process.

Customers who wish to disable the feature can go to the Profile option on the app, select 'One-Tap Transaction' and turn it off. It can be reactivated later if needed.

The bKash app also offers auto-pay, auto-recharge, My Offers and various package options to ensure a hassle-free recharge experience.

Prime Bank partners with HATIL for payroll and digital cash management solutions

M Nazeem A Choudhury, deputy managing director of Prime Bank, and Selim H Rahman, managing director and chairman of HATIL Complex Limited, exchange documents after signing an agreement in Dhaka recently, joined by officials from both organisations. PHOTO: PRIME BANK

STAR BUSINESS DESK

Prime Bank PLC and HATIL Complex Limited have signed an agreement to enhance HATIL's financial operations through specialised payroll banking and digital cash management services.

Under the partnership, Prime Bank will provide HATIL with a seamless payroll management solution for salary disbursements along with comprehensive digital cash management services. The company will use PrimePay, the bank's omni-digital platform, to initiate domestic disbursements digitally. HATIL will also benefit from Prime Bank's nationwide branch network for sales collections and other transaction-related services.

M Nazeem A Choudhury, deputy managing director of Prime Bank, and Selim H Rahman, managing director and chairman of HATIL Complex Limited, signed the agreement on behalf of their organisations, according to a press release.

The signing ceremony was attended by Mamur Ahmed, SEVP and head of branch distribution network, Mohammad Salauddin Hazari, EVP, commercial banking division, Md Rashedul Husain, SVP, cash management; Hasina Fardous, VP and head of payroll banking, Md Abul Hasnath Rana, SAVP, commercial banking division, Fahima Nasrin, SEO, commercial banking division; Mushfiq Ahmed Fahim, business development manager, payroll banking, and Farzana Jitu, relationship manager, cash management, along with other officials of the bank.

The collaboration aims to elevate HATIL's banking experience through tailored digital solutions and dedicated support from Prime Bank.

Eurozone business activity rises for 7th month

AFP, *Brussels*

Business activity in the eurozone increased for a seventh consecutive month in July, with the pace of expansion hitting an 11-month high, a closely watched survey showed on Thursday.

The HCOB Flash Eurozone purchasing managers' index (PMI) published by S&P Global registered a figure of 51.0 this month up from 50.6 in June. Any reading above 50 indicates growth, while a figure below 50 shows contraction.

Although still modest, the pace of growth quickened for the second consecutive month and was the sharpest since August last year, the survey said. "The eurozone economy appears to be gradually regaining momentum," said Cyrus de la Rubia, chief economist at Hamburg Commercial Bank.

"The recession in the manufacturing sector is coming to an end, and growth in the services sector accelerated slightly in July."

The overall increase in output reflected growth across both manufacturing and services, with the latter posting the stronger pace of growth in four months, the report said. Germany, a key driver of Europe's economy, showed encouraging signs of recovery, recording a marginal increase in output for the second month running.

Business activity in France instead decreased again but at the slowest pace in almost a year.

"Manufacturing output has expanded cautiously for five months in a row. Germany is playing a key role here and, together with other countries, has been able to more than offset the weakness in France," said de la Rubia.

Bank Asia signs MoU with Apollo Imperial Hospitals to offer healthcare privileges

STAR BUSINESS DESK

Bank Asia PLC has signed a memorandum of understanding with Apollo Imperial Hospitals Chattogram to provide exclusive healthcare benefits for its cardholders.

Under the agreement, all Bank Asia credit cardholders will receive up to 10 percent discount on outpatient (OPD) and inpatient (IPD) services at Apollo Imperial Hospitals, according to a press release.

The signing ceremony was held on July 20, at Apollo Imperial Hospitals. Helal Uddin, acting CEO of Apollo Imperial Hospitals, and Zishan Ahammad, EVP and head of cards, ADC and internet banking of Bank Asia, signed the agreement on behalf of their respective organisations.

Senior officials from both institutions were also present at the event.

Helal Uddin, acting CEO of Apollo Imperial Hospitals, and Zishan Ahammad, EVP and head of cards, ADC and internet banking of Bank Asia, pose with signed documents at the signing ceremony at the hospital on July 20. PHOTO: BANK ASIA

Mohammad Ali, managing director and CEO of Pubali Bank, inaugurates the bank's New Market Islamic banking branch in Bogura recently, in the presence of other officials. PHOTO: PUBALI BANK

Pubali Bank opens New Market Islamic banking branch in Bogura

STAR BUSINESS DESK

Pubali Bank PLC has recently inaugurated its New Market Islamic banking branch in Bogura to provide modern Shariah-based banking services.

Mohammad Ali, managing director and CEO of the bank, attended the ceremony as chief guest, while Mohammad Esha, deputy managing director, was present as special guest, according to a press release.

The event was presided over by ASM Rayhan Shameem, regional manager and deputy general manager of the Bogura region. Md Ashraful Islam, branch manager, delivered the vote of thanks.

Local businessmen, customers, well-wishers and senior executives of Pubali Bank were also present.

Tariff talks with US

FROM PAGE B4

On Thursday, Go said that while tariffs would disappear for certain agricultural products like soy and wheat, key areas such as sugar, corn, rice, fish and pork would remain protected for Filipino farmers.

"I can guarantee to you we studied our biggest industries in the country where we are a significant market producer. We didn't include those in our arrangements with the United States," he said.

Go also touted the benefit to Filipino consumers of dropping some tariffs, particularly on pharmaceuticals.

"Medicines are expensive in the Philippines. If they are tariff-free, then that can lower the price of medicine in our country," he said.

Jesus Felipe, an economics professor at Manila's De La Salle University, told AFP the actual number of Philippine exports hit by the full tariff would likely be low.

"That's the number (19 percent) that has been flagged, but our feeling is that many products -- a substantial share of Philippine exports to the US -- will have to be exempted."

While predicting the effect on Philippine GDP would effectively be "nothing", Felipe said the "imperialist attitude" with which the United States was treating smaller countries remained worrying.

Countries with far larger US trade deficits like China, Mexico and Canada had "much more power and leverage" to fight back, he said.

"The Philippines cannot retaliate."

Trump auto tariff U-turn gives everyone whiplash

REUTERS, *Hong Kong*

President Donald Trump's auto tariff U-turn is making everyone carsick. His latest deal cuts US tariffs on Japanese vehicle imports to 15 percent from a previous total of 27.5 percent, offering respite to companies that haven't invested heavily in Stateside production. But relief could be short-lived.

Although Trump set out to support US manufacturers like General Motors, Ford Motor and Stellantis, the Detroit Three hailed the move as a "bad deal" for American workers and industry. It's perhaps most helpful for Mitsubishi Motors, which Citi estimates made nearly three quarters of its US-sold autos in Japan in 2024. Before Wednesday's deal, the $4 billion group looked to be in a dire position, as it has no major manufacturing hubs outside Asia. Meanwhile, shares in peers Mazda Motor and Subaru, which made around half their vehicles destined for American roads at home, rose by more than 15 percent on Wednesday.

The status quo is unexpected for other reasons too. Trump himself signed the US-Mexico-Canada Agreement in 2020, sanctioning the continuation of largely duty-free trade between the trio. The US is the largest single market not only for the major American marques but also for Toyota Motor, Honda Motor and Nissan Motor, and all of them have factories throughout the region to take advantage of the USMCA. Those Mexican- and Canadian-made cars still face duties of 25 percent.

Some can handle sharp turns. Toyota, for example, sold 2.3 million cars in the US in the 12 months to the end of March and produced 2.1 million cars in North America, but it doesn't depend solely on local facilities. In fact, it imported from Japan 24 percent of cars sold in the US in 2024, per Citi. The world's largest carmaker is also more profitable than Honda or Nissan – its operating margin was around 10 percent in its most recent financial year – meaning it can more easily"] absorb the extra costs from heftier duties.

There will be more twists. On Sunday, US Commerce Secretary Howard Lutnick said Trump will "absolutely" renegotiate USMCA. Japanese and US automakers are also watching closely to see whether Seoul can argue for lower levies for Hyundai and Kia . Those brands accounted for over a tenth of the American market in the first six months of this year, Cox Automotive reckons.

And the Hyundai group's local production capacity covered only 40 percent of the cars they sold there last year, per Moody's. For now, they face 25 percent rates, with tariffs already costing Hyundai Motor more than $600 million, the company said on Thursday.

Longer term, automakers might decide the simplest solution is to invest more in the US itself; Toyota, Hyundai and others have started down that route. But expanding production takes years. In the meantime, carmakers and investors will be nursing whiplash.

Alphabet earnings

FROM PAGE B4

maintain its monopoly in online search by a federal judge in Washington.

The Justice Department is now demanding remedies that could transform the digital landscape: Google's divestiture from its Chrome browser and a ban on entering exclusivity agreements with smartphone manufacturers to install the search engine by default.

District Judge Amit Mehta is considering "remedies" in a decision expected in the coming days or weeks.

In another legal battle, a different US judge ruled this year that Google wielded monopoly power in the online ad technology market, another legal blow that could rattle the tech giant's revenue engine.

District Court Judge Leonie Brinkema ruled that Google built an illegal monopoly over ad software and tools used by publishers.

Combined, the courtroom defeats have the potential to leave Google split up and its influence curbed. Google said it is appealing both rulings.

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20 items generated 37% of Ctg customs revenue in FY25

MOHAMMAD SUMAN, *Chattogram*

Chattogram Custom House's revenue collection jumped nearly 13 percent year-on-year to Tk 77,685 crore in the just-concluded fiscal year, and over one-third of the total was generated by only 20 out of the 4,800 imported products.

Around 37 percent, or Tk 28,767 crore, of the total came mostly from diesel, furnace oil, cement clinker, palm oil, crude oil, apples, hot-rolled steel, oranges, broken stone, sugar, milk powder, polypropylene, motorcycle parts, scrap, betel nuts, dates, polyvinyl chloride, and liquefied natural gas.

Some 9.39 crore tonnes of goods worth Tk 5,01,572 crore were imported through Chattogram port in FY25, up from 9.12 crore tonnes worth Tk 4,62,136 crore in the previous year, according to newly released customs data.

Customs officials gave credit to the recovery of outstanding dues from government organisations, fast clearance of pending consignments from the port, faster completion of auction procedures, stricter monitoring, and an overall increase in import volume.

"Every year, nearly one-third of our revenue comes from 20 to 25 major import items, and this year was no exception," Mohammad Saidul Islam, deputy commissioner of Chattogram Customs, told The Daily Star.

"We intensified intelligence surveillance across all types of products, which helped curb irregularities and enhance revenue collection," he said.

Among individual items, diesel generated the highest revenue of Tk 5,766 crore, followed by furnace oil at Tk 3,111 crore, cement clinker at Tk 3,089 crore, palm oil at Tk 1,849 crore, and crude oil at Tk 1,760 crore.

As per the data, about Tk 1,272 crore was collected from apples, Tk 1,110 crore from hot-rolled steel, Tk 1,070 crore from oranges, Tk 1,024 crore from crude oil, Tk 987 crore from crushed stone, Tk 808 crore from motorcycle parts, Tk 783 crore from scrap, Tk 728 crore from betel nuts, and Tk 545 crore from dates.

BRAC Bank discloses 100% of its carbon emissions across all scopes

STAR BUSINESS REPORT

BRAC Bank has disclosed 100 percent of its greenhouse gas (GHG) emissions, covering the full spectrum from internal operations to emissions generated through its financing activities.

The bank released its Sustainability and Impact Report 2024, where it reported emitting a total of 1,477,468 tonnes of carbon dioxide equivalent (tCO_2e) across direct, energy-related, and value chain activities in 2024, according to a statement.

Under Scope 1—which includes direct emissions from sources owned or controlled by the bank, such as diesel generators, refrigerants, and fleet fuel—the bank reported 1,630 tCO_2e.

For Scope 2, covering indirect emissions from purchased electricity, the figure stood at 16,671 tCO_2e.

Scope 3 emissions, which encompass indirect impacts across the value chain, amounted to 1,459,167 tCO_2e.

Of this, 1,423,479 tCO_2e came from Category 15 financed activities—emissions generated by the businesses and sectors the bank supports. These alone represent over 96 percent of BRAC Bank's total reported carbon footprint.

The remaining Scope 3 emissions, totaling 35,687 tCO_2e, were linked to business travel, waste, procurement, and employee commuting.

In the report, the bank said it had completed a full-scale carbon accounting exercise.

It considers the release of the report a significant step toward environmental transparency in the financial sector.

"This positions BRAC Bank as a national frontrunner in South Asia among financial institutions voluntarily reporting Category 15 emissions under Scope 3, as defined by the GHG Protocol," the bank said in the statement.

The GHG Protocol is considered the most complex and material aspect of a bank's climate impact, with quantification based on the globally recognized Partnership for Carbon Accounting Financials (PCAF) standard.

Additionally, 18,112 tonnes of emissions were avoided through the bank's clean energy investments and solar infrastructure, leading to a net climate impact of 1,459,356 tCO_2e for 2024.

US, Bangladesh

FROM PAGE B1

In the draft tariff agreement, Bangladesh has agreed to many of the USA's proposals to ensure smooth trade.

The private sector's initiative to hire a lobbying firm in the US did not progress much due to time constraints, said one of the persons involved in the initiative, requesting anonymity.

On July 23, Zaidi Sattar, chairman of the Policy Research Institute of Bangladesh (PRI), said he would support every effort taken by the private sector of Bangladesh to hire a lobbying firm.

If the Bangladeshi initiators succeed in hiring the lobbying firm, the PRI will share information related to Bangladesh's economy and trade issues, he said.

A frustrated initiator, also requesting anonymity, said there are doubts over whether it will be possible to hire a lobbying firm now.

Even if one is hired in the US, it may not bring any positive outcome, the person added.

Still, a group of Bangladeshi businesspeople is trying to appoint a lobbyist in the US, the single largest export destination for Bangladesh, where local garment makers shipped apparel worth $8.2 billion last year.

The garment sector may face challenges if the 35 percent tariff rate comes into effect for Bangladesh, businesses said.

According to data from the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), 1,322 garment factories in Bangladesh are directly involved in exporting garments to the US.

These production units may fail to secure work orders as before due to the high tariff, the data suggest.

Bangladesh has not hired any lobbying firm as they have little role in the negotiation process, the commerce adviser told journalists at his office in Dhaka yesterday.

"We need major structural changes, where lobbyists cannot contribute," he added.

The commerce ministry has already convened an inter-ministerial meeting to decide on the necessary reforms to facilitate the tariff talks.

Some exporters, particularly in the garment sector, had earlier pushed for hiring lobbyists in the US.

An inter-ministerial meeting held on July 20 at the commerce ministry decided to significantly reduce the import duty on American goods so that the Trump administration offers Bangladesh reduced tariff rates.

Even 5% extra US tariff

FROM PAGE B1

The brands and buyers are likely to try to split the additional tariff between themselves and producers and suppliers, the study states, adding that the relative share is not known as yet.

The paper also notes that this comes as Bangladesh is trying to pivot towards man-made fibre (MMF) garments, a growing segment in the US market. However, with buyers likely to split the cost of tariffs with suppliers, it is unclear how much of the burden will fall on Bangladeshi firms.

Adding to the challenge, Western buyers are tightening requirements in areas of compliance such as the environment, improving labour standards, and reduction of carbon emissions. Local enterprises and entrepreneurs are having to face this while dealing with the challenges associated with the upcoming LDC graduation, particularly in view of market access to the European Union.

The broader macroeconomic implications are sobering.

Like other global rating agencies, the initial assessment by Moody's indicates growing concerns regarding the possible adverse implications of Trump tariffs on the Bangladesh economy. Alongside Vietnam and Thailand, the report observes, Bangladesh is envisaged to be particularly affected due to its economy's higher reliance on exports to the US compared to other economies in the region.

The report further alerts that Bangladesh's banks are among the most exposed in the Asia-Pacific region to the US tariff increases, primarily because of the country's high reliance on garment exports.

"The tariff shock could exacerbate existing problems faced by Bangladesh's banking system, such as poor asset quality and low capital buffers, making the sector more susceptible to credit stress," CPD notes, citing observations of the global rating agencies.

The CPD study recommends setting up a strong negotiating wing to undertake the complex negotiations that Bangladesh will be required to handle as part of its LDC graduation strategy.

Private education sector's contribution

FROM PAGE B1

acceptance and encouragement of women pursuing careers in healthcare, says the report.

This could also be due to the fact that women are better equipped to handle the emotional demands of medical service, it states.

The BBS had undertaken a comprehensive nationwide survey on private educational institutions in 2007 with financial and technical assistance from the Asian Development Bank to address data deficiencies regarding the sector.

It has been over 15 years since the last survey was conducted on private educational institutions. In the meantime, the education landscape has evolved, prompting the government to run the survey.

There were 98,980 private educational institutions in the country as of 2023, while the number of coaching centres was 6,587.

A total of 23,637 private educational institutions were being operated under individual ownership, while 10,862 were being run under partnerships.

Meanwhile, the majority, or 49,618 private educational institutions, were being overseen by a board of directors or managing committee.

There were 5,782 institutions under the governance of trustee boards or foundations.

The education sector in the country contributed around 3 percent of the nation's GDP in 2023.

The BBS data show that the share of labour in the gross value added was 38.9 percent in 2022, and it decreased to 37.8 percent in 2023.

The decreasing trend in the share of labour contributing to the GDP indicates that the portion of economic benefits being allocated to workers has reduced.

Instead, a larger share of these gains is flowing towards the owners of the institutions.

This shift suggests an imbalance in the distribution of wealth, where the benefits of economic growth are increasingly favouring those who own the resources over those contributing with their efforts.

As a result, income inequality may increase, potentially leading to decreased consumer spending and a slowdown in economic growth, it notes.

Non-apparel

FROM PAGE B1

The PRI chief also warned that a large section of the population still hovers just above the poverty line despite a steady decline in poverty over the years, leaving them highly vulnerable to economic shocks.

"A 10 percent drop in income could push an additional 10 percent of people into poverty," he said, adding that the national poverty rate is projected to rise to 22.9 percent in 2025, up from 18.7 percent in 2022.

Furthermore, the proportion of people living in extreme poverty—those earning less than $2.15 a day—is expected to nearly double to 9.3 percent.

During the keynote presentation at the event, Ashikur Rahman, principal economist at the PRI, revealed that in June 2025, the National Board of Revenue (NBR) collected Tk 487.7 billion, a 24 percent increase from the previous month, but a 16.3 percent drop year-on-year.

Bangladesh has failed to reach its revenue collection target for the 13th consecutive year, he stated.

Though reforms are underway at the NBR, Rahman said, "Real reform is inherently disruptive. It challenges entrenched interests, creates winners and losers, and inevitably sparks protests—signs that the status quo is being shaken."

"Crucially, reforms require long-term political commitment and cannot be achieved within a single term," he added.

Rahman also said the present government must now learn from past governments' failures and commit to long-term, institutional reform to secure financial stability and economic resilience.

Muhammad Abdul Mazid, a former NBR chairman, said Bangladesh's limited fiscal space is a major challenge for the incoming government.

He pointed out three red flags: a low tax-to-GDP ratio, weak debt management, and rising public borrowing that crowds out private investment.

"These trends threaten sustainable growth and require urgent political commitment and reform," he said.

Abdul Moyeen Khan, a BNP standing committee member, argued that reforms must be inclusive, not politically framed.

He urged the government to restore public trust through transparency, accountability, and free elections.

"To build a strong economy, we must first build trust in our government," he said, calling democracy the foundation for lasting progress.

Vietnam's 2025 GDP growth forecast raised to 7%

ANN/VIETNAM NEWS

The Asean+3 Macroeconomic Research Office (AMRO) has revised upward its 2025 growth forecast for Vietnam's economy to 7 percent from the 6.5 percent projected in April, according to its latest quarterly update released on Wednesday.

This makes Vietnam the fastest-growing economy among the Asean+3 group, which includes the ten Asean countries along with China, Japan and South Korea.

Speaking at a press briefing the same day, AMRO Chief Economist Dong He explained that the revision reflects Vietnam's much stronger-than-expected performance in the first half of 2025.

Vietnam's GDP grew by 7.52 percent in the first six months of the year, continuing the strong momentum seen in 2024, when the country recorded a growth rate of 7.09 percent.

Despite ongoing global tariff tensions and subdued external demand, Vietnam has maintained macro-economic stability and reaffirmed its position as one of Southeast Asia's most dynamic and resilient economies.

However, Dong He warned that rising tariffs from the US could pose downside risks to the country's outlook.

He noted that Vietnam and Cambodia are among the most exposed to US tariffs, as the US remains the largest export market for both economies. While Cambodia's exports are heavily focused on garments, footwear and travel goods, Vietnam has a more diversified export portfolio. Still, shipments to the US account for around 30 percent of Vietnam's total exports.

Given this high exposure, Dong He said Vietnam could face spillover effects, where weaker external demand may affect domestic consumption and investment. Nonetheless, he highlighted that Vietnam retains policy space to cushion any potential economic shocks.

"Looking beyond the short term, I believe it's even more crucial for Vietnam to deepen its integration with regional economies. This includes attracting more foreign direct investment (FDI) and upgrading its product structure," he said.

He also pointed to the Government's ongoing reform efforts – particularly those aimed at improving the investment climate and upgrading infrastructure – as key steps towards enhancing the country's long-term growth potential.

For 2026, AMRO also revised Vietnam's growth forecast upward to 6.5 percent, from 6.2 percent previously. Inflation is projected to moderate to 3.4 percent in 2025 and 3 percent in 2026.

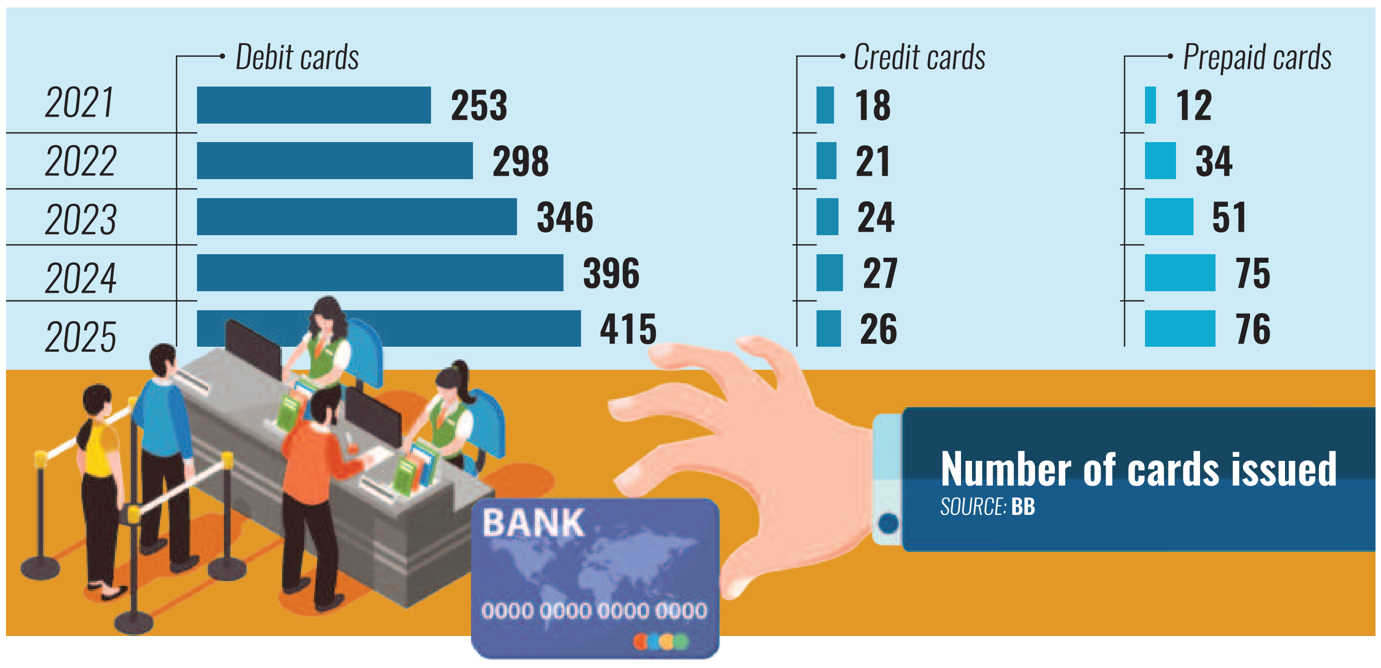
In contrast to Vietnam's upward trajectory, the broader Asean+3 region is expected to grow at a slower pace – 3.8 percent in 2025 and 3.6 percent in 2026 – due to rising external uncertainties and the continued impact of US protectionist measures. These figures are both down from AMRO's April forecasts.

If tariffs continue to rise, AMRO warned that global trade flows could be significantly disrupted. Other downside risks include tighter financial conditions and volatile commodity prices, driven by geopolitical tensions.

Card-based transactions soar 228% in five years

Driven by issuance of prepaid cards

STAR BUSINESS REPORT



Card-based transactions in Bangladesh grew by 228 percent over the last five years amid a growing shift towards the use of plastic money for convenience.

Transactions through cards surged to Tk 41,407 crore at the end of April this year from Tk 12,643 crore five years ago, according to Bangladesh Bank (BB) data.

During this period, banks issued 5.17 crore cards, which was 140 percent higher than the 2.16 crore issued as of May 2020.

"This surge highlights the significant demand for card-based transactions among both consumers and merchants," the BB said in a report released yesterday on card usage patterns within and outside Bangladesh.

The BB said cards are one of the most popular means of transactions worldwide, and most countries use cards as plastic money.

"A considerable segment of Bangladesh's population enjoys the facilities and advantages offered by cards, though many people express reluctance to use cards despite having the qualifications, due to fear and lack of knowledge about them," it said.

The central bank introduced plastic money or debit and credit cards in 2012 with the goal of establishing a cashless banking system.

It framed a law last year to provide a legal foundation for the payment and settlement system and to protect consumers' interests.

To complement this effort, the BB's Payment Systems Department has developed essential guidelines, including a legal framework.

As a result, the number of card users, as well as the volume and variety of card-based transactions, has been steadily rising across the country.

BB data showed that the highest growth was recorded in the issuance of prepaid cards, followed by debit cards.

Prepaid card issuance soared 1,283 percent in five years to 76 lakh in April 2025. Debit cards grew by 113 percent to 4.15 crore during this period, while net issuance of credit cards rose by 65 percent to 26 lakh.

In terms of transactions, credit cards were in the lead, recording a 361 percent growth to Tk 3,288 crore in April 2025 from that five years ago.

Meanwhile, cash withdrawals through debit cards jumped 220 percent to Tk 37,735 crore.

"The rising use of plastic money is playing a big role in digital transactions. So, cash transactions will go down," said Mahiul Islam, deputy managing director and head of retail banking at BRAC Bank.

Over the last couple of years, several large private and Islamic banks aggressively issued debit and prepaid cards, he said.

However, the number of unique cardholders would be lower than the number of cards in the market, especially credit cards. "Actually, a large portion of bank customers use cards from multiple banks," he said.

The BB said cash transactions have dominated Bangladesh's consumer payment ecosystem for many years, but their prevalence has been in consistent decline in recent years.

To accelerate the adoption of electronic payment methods, the government and the BB have implemented a series of targeted policy measures and regulatory reforms, it added.

"This strategic focus on digitalisation has yielded significant results, with card-based transactions experiencing exponential growth as businesses and consumers increasingly shift toward digital financial instruments," said the BB.

No degree, no worries

MAHTAB UDDIN AHMED

"My grandfather was a Chowdhury, how can I be a carpenter?"—a classic Bangladeshi mindset, where jobs involving tools, wheels, or grease are treated like social demotion. Never mind that most of our glorious ancestors were humble farmers who proudly worked with their hands. Fast-forward to 2025, and we now act like fixing a pipe or driving a bus will dishonour the entire family tree. A plumber earning more than a master's degree holder? Blasphemy! In our society, job choices are less about passion or pay, and more about imaginary judgment from long-deceased forefathers sipping tea in heaven. So, we queue up for jobless degrees while quietly looking down on the ones actually earning.

Recently, one of my companies signed a deal with an Australian government agency to bring TAFE (Technical and Further Education) to Bangladesh, yes, that "not-so-respected" vocational training we love to laugh at while sipping our coffee. During my visit, a senior manager informed me that they require 20,000 welders for their submarine plant. But there is a twist: they must know how to weld and speak English.

We thought, "Perfect! Let's reach out to English-medium schools and colleges." But alas, disaster. No student, or more importantly, no parent, would ever imagine their child becoming a welder or carpenter, even if it meant good money, a pathway to a university in Australia and a secure job. After all, these kids are being trained to be CEOs straight out of the womb, even if it takes three degrees and no actual job!

A recent 9 News Australia report highlights that top-paying jobs no longer require a university degree. Professions such as rope-access technicians, miners, construction workers, and drill rig operators earn between A\$90,000 and over A\$170,000 annually, often with just a few weeks or months of certified training. Many of these careers are accessed through TAFE programmes, which offer fast-tracked, industry-recognised skills. In fact, trade apprentices are now earning more than many university graduates, with higher employment rates six months after completing their training. The report reflects a cultural shift where vocational jobs, once considered low-status, are now celebrated for their financial rewards and job security. It sends a clear message: practical skills can often outshine academic degrees in terms of both pay and prestige.

In Australia and most developed countries, dignity and income are often linked to skill, rather than job title. But in Bangladesh, we are still stuck in a caste-like academic mindset, proudly polishing degrees while ignoring the value of hands-on work. As AI takes over routine tasks, big employers are reducing the number of entry-level hires, leaving fresh graduates jobless with impressive CVs but little practical experience. Meanwhile, there is a severe shortage of skilled workers in construction, healthcare, and other essential sectors. So, while our graduates are busy updating their LinkedIn headline for the tenth time, a trained construction worker or caregiver is already employed, earning well, and too busy to worry about hashtags.

Bangladesh has the opportunity to replicate this success for the local as well as the international market. As Industry 4.0 takes hold and automation changes everything, the demand for skilled trades, electricians, plumbers, solar panel technicians, refrigeration mechanics, and industrial cooks will only grow. The key is to respect vocational work, modernise our training institutions, and break the stigma attached to "servant". The term itself needs a makeover from "kajer lok" (servant) to "specialist".

We don't need more MBAs with PowerPoint fluency. We need master carpenters, code-welders, and solar engineers to address the current level of unemployment. Let's stop asking "do you have a degree?" and start asking "can you do the job?"

The writer is the president of the Institute of Cost and Management Accountants of Bangladesh and founder of BuildCon Consultancies Ltd

Tariff talks with US 'not finished'

Says Philippines

AFP, *Manila*

Negotiations over the Philippines' new 19 percent US tariff rate are "not finished", a key government economic adviser said Thursday, tamping down fears over the deal's potential impact on the agriculture sector.

President Ferdinand Marcos flew back to the country late Wednesday after a three-day trip to Washington that saw him emerge from a meeting with Donald Trump having shaved a single point off a 20 percent levy on Filipino goods.

What might "seem like a very small concession" was in fact a "significant achievement", Marcos told reporters who questioned if the Philippines -- a longtime US treaty ally -- was getting the short end of the stick.

The US president, meanwhile, touted "zero tariffs" on American goods headed to the archipelago nation of 115 million.

But Marcos economic adviser Frederick Go said Thursday that tariffs would not be dropped in every category.

"The negotiations are not yet finished. Our technical working groups will continue to work with their counterparts from America to finalize the details of this arrangement," he told reporters in Manila.

"There are still many things to be discussed."

Since the Trump meeting, the Marcos administration has downplayed the potential effects of the tariffs, noting just 16 percent of the country's exports go to the United States, with about two-thirds being electronic components not subject to levies.

READ MORE ON B2

Alphabet earnings shine with the help of AI

AFP, *San Francisco*

Google-parent Alphabet on Wednesday reported quarterly profits that topped expectations, saying artificial intelligence has boosted every part of its business.

Alphabet's second-quarter profit of \$28.2 billion -- on \$96.4 billion in revenue -- came with word that the tech giant will spend \$10 billion more than it previously planned this year on capital expenditures, as it invests to meet growing demand for cloud services.

"We had a standout quarter, with robust growth across the company," said Alphabet chief executive Sundar Pichai.

"AI is positively impacting every part of the business, driving strong momentum."

Revenue from search grew double digits in the quarter, with features such as AI Overviews and the recently launched AI mode "performing well," according to Pichai.

Ad revenue at YouTube continues to grow along with the video platform's subscription services, Alphabet reported.

Alphabet's cloud computing business is on pace to bring in \$50 billion over the course of the year, according to the company.

"With this strong and growing demand for our cloud products and services, we are increasing our investment in capital expenditures in 2025 to approximately \$85 billion and are excited by the opportunity ahead," Pichai said.

Alphabet shares were up nearly 2 percent in after-market trades that followed the release of the earnings figures.

Investors have been watching closely to see whether the tech giant may be pouring too much money into artificial intelligence and whether AI-generated summaries of search results will translate into fewer opportunities to serve up money-making ads.

The internet giant is dabbling with ads in its new AI Mode for online search, a strategic move to fend off competition from ChatGPT while adapting its advertising business for an AI age.

The integration of advertising has been a key question accompanying the rise of generative AI chatbots, which have largely avoided interrupting the user experience with marketing messages.

However, advertising remains Google's financial bedrock.

"Google is doing well despite tariff headwinds and rising AI competition in search," said eMarketer principal analyst Yory Wurmser.

"It's also successfully monetizing AI Overviews and AI Mode, a good sign for the future."

Google and rivals are spending billions of dollars on data centers and more for AI, while the rise of lower-cost model DeepSeek from China raises questions about how much needs to be spent.

Meanwhile the online ad business that generates the cash Google invests in its future could be neutered due to a defeat in a US antitrust case.

During the summer of 2024, Google was found guilty of illegal practices to establish and maintain

READ MORE ON B2

Trump's first five trade deals

AFP, *Paris*

Japan and the Philippines take to five the number of countries that have concluded trade deals with the United States ahead of an August 1 deadline set by President Donald Trump to avoid punitive tariff rates.

The agreed levies are often higher than the new base rate of 10 percent that the United States has applied to most countries since April, but far less than the levels the Trump administration has threatened to impose if no deal is reached.

While many details remain to be negotiated under the deals, it is clear countries made considerable concessions to reach an agreement with the United States.

JAPAN: 15%

Under the terms of the trade deal with Japan that Trump called "massive", the country's exports will be taxed at 15 percent instead of the threatened 25 percent rate.

Crucially, Tokyo managed to have an existing and painful 25 percent tariff on its automobiles, an industry accounting for eight percent of Japanese jobs, cut to 15 percent.

Moody's Analytics analyst Stefan Angrick said 15 percent was still much higher than the low single-digit rates in effect before Trump returned to the White House.

"Relative to that it's not exactly good news," he noted.

"I think 15 percent is a much, much higher tariff rate than many, many were expecting. And it's important to keep that in mind." The 50 percent tariffs on Japanese steel and aluminium will continue to apply.

The White House said that under the deal, Japan will make \$550 billion in investments in the United States.

These will be in areas including energy infrastructure, semiconductor and drug manufacturing, the mining and production of critical minerals, as well as commercial and military shipbuilding.

Washington said the United States will retain 90 percent of the profits from these investments and that Japan will buy \$8 billion worth of US goods, including farming produce, aviation fuel and 100 Boeing planes.

The White House also said Japan will lift "longstanding restrictions" on US cars and trucks -- which sell poorly in Japan -- and boost US rice imports by 75 percent.

"The magnitude of the concessions made by the Japanese government could make one fear very complicated negotiations with others like the European Union," said analyst Bastien Drut at CPR Asset Management in Paris.

PHILIPPINES: 19%

Under an accord announced by the White House, the Philippines obtained a tariff reduction of one percentage point on its goods entering the United States.

Products from the Southeast Asian country, a major exporter of high-tech items and apparel, will face a 19 percent levy.

BRITAIN: 10% ON AVERAGE

London and Washington concluded a deal in May that sees a 27.5 percent tariff rate on cars dropped to 10 percent for the first 100,000 vehicles per year, which is a big win for Jaguar Land Rover.

The deal also benefits the British aerospace sector, in particular jet engine manufacturer Rolls Royce, which won a tariff exemption.

London is still negotiating exemptions for its steel and aluminium products from the 25 percent rate in force. But Britain had to open its market further to US ethanol and beef.

The rest of its products are subject to the 10 percent base rate.

While many details remain to be negotiated under the deals signed so far, it is clear countries made considerable concessions to reach an agreement with the United States. PHOTO: AFP

VIETNAM: 20%

Vietnam reached a deal at the beginning of July with the United States, its main export market for products including clothing and shoes, that will see its shipments subject to a 20 percent tariff, instead of the threatened 46 percent rate.

But a 40 percent tariff will hit goods passing through the country to circumvent steeper trade barriers.

US goods won't face any tariffs to enter Vietnam.

INDONESIA: 19%

Under the deal reached last week, Indonesian goods entering the United States will be hit with a 19 percent tariff, lower than the threatened rate of 32 percent. Certain Indonesian goods not available in the United States could face even lower rates.

According to Washington, nearly all US goods will be able to enter Indonesia tariff free. Moreover, it said Jakarta had agreed to recognise US standards for car and pharmaceutical imports. It also agreed to drop an effort to tax data flows and ease export restrictions on critical minerals.

The deal followed Indonesia making concessions earlier in July with pledges to buy more US agricultural goods and oil.