Vietnam steel hit by US anti-dumping duties

ANN/VIETNAM NEWS

The US Department of Commerce on Tuesday delivered a heavy blow to the nation's steel exports, issuing final affirmative determinations in its anti-dumping and countervailing duty investigations into corrosion-resistant steel (CORE) imported from ten countries and territories, including Việt Nam.

"Commerce made its final determinations that imports of CORE into the US from ten trading partners were being dumped and/or subsidised," the department said.

The decision affects CORE products — vital in the manufacture of automobiles, appliances and buildings — worth US$2.9 billion imported from Australia, Brazil, Canada, Mexico, the Netherlands, South Africa, Taiwan (China), Turkey, the United Arab Emirates, and Việt Nam.

While these determinations by the Department of Commerce confirm unfair trade practices, the process is not yet over. The US International Trade Commission (ITC) must now determine whether these imports have materially injured the domestic steel industry. If the ITC issues an affirmative, trading partner-specific finding, the US will formally impose anti-dumping and countervailing duties on the affected steel imports.

For Việt Nam, the potential imposition of tariffs threatens a double shock. Firstly, the US remains a crucial export destination for Vietnamese steel, contributing significantly to the sector's overall turnover. The imposition of duties could erode Việt Nam's price competitiveness, reduce future orders, and force firms to urgently seek alternative markets.

A garment worker tailors clothes on a sewing machine at an apparel manufacturing unit in Bengaluru on August 25. PHOTO: AFP

Indian textile exporters eye Bangladesh to bypass US tariffs

OUR CORRESPONDENT, *New Delhi*

Bangladesh is among six countries that a section of Indian textile exporters is considering for shifting their final stage of manufacturing to avoid the hefty tariff imposed by the United States on imports from India.

The other countries through which Indian exporters, particularly small and medium enterprises, are mulling to route their exports are Sri Lanka, Ethiopia, Egypt, Indonesia and Jordan.

The development comes as Indian exports began to face as high as 50 percent tariff in the American market from Wednesday after US President Donald Trump slapped a 25 percent punitive tariff due to India's purchases of Russian oil on the goods from the South Asian country.

The tariff has been added to Trump's prior 25 percent tariff on many imports from India, Asia's second biggest economy after China.

It takes total duties as high as 50 percent for goods as varied as garments, gems and jewellery, footwear, sporting goods, furniture and chemicals among the highest imposed by the US and roughly on par with Brazil and China, Reuters reports earlier.

The escalated tariff threatens India's textile exporters and jobs.

Following the tariffs, some US buyers are demanding additional discounts ranging from 5 percent to 20 percent, said Mukesh Kansal, chairman of CTA Apparels Pvt Ltd in Noida, near Delhi.

Apparel exported from India is sold at three-to-six times the cost in US stores, and even a 10 percent increase in retail price is sufficient to absorb the tariff impact, Kansal was quoted as saying by the Financial Express.

However, with regard to Bangladesh, logistics issues remain after port and transit restrictions were placed by both countries.

As a result, some fabrics that Indian exporters source from China and elsewhere can be sent directly to Bangladesh for processing and re-export, according to industry insiders.

Sanjay Shukla, team leader at Triburg Consulting, which specialises in sourcing garments, said his firm provides services for the apparel, accessories and home products industries with vendors located in India, Bangladesh and Indonesia.

Some of the garment processing can be done by units set up by Indian companies in the countries mentioned, while in other cases the facilities of partners can be used, Shukla added.

Countries like Bangladesh, which face much lower tariffs than India, can emerge as alternative routes for Indian garment exports.

Bangladesh faces a 20 percent tariff, Indonesia 19 percent, and Sri Lanka 30 percent.

Govt closes three land ports, suspends one to cut costs

STAR BUSINESS REPORT

The interim government has decided to shut down three land ports and suspend operations at another along the Bangladesh-India border in a bid to save public money and reduce pressure on state expenditure.

The decision came in principle at a meeting of the Council of Advisers, chaired by Chief Adviser Prof Muhammad Yunus, at his office yesterday, according to the Chief Adviser's Press Secretary Shafiqul Alam.

The ports to be shut are Chilahati Land Port in Nilphamari, Daulatganj Land Port in Chuadanga, and Tegamukh Land Port in Rangamati, while operations at Balla Land Port in Habiganj will remain suspended.

Alam briefed reporters at the Foreign Service Academy in Dhaka after the meeting.

"You know, politicians from border areas sometimes pushed for these ports to be opened under political considerations. But no trade has actually taken place through these facilities, and they only add to the government's costs," he said.

He added that a government committee had reviewed the matter, as officials were being posted to these inactive ports at the expense of taxpayers' money.

Stocks end week with huge gains

STAR BUSINESS REPORT

Dhaka stocks closed higher yesterday, rebounding from losses in the previous two sessions, while turnover increased.

The DSEX, the benchmark index of the Dhaka Stock Exchange, soared 74.63 points, or 1.37 percent, to close at 5,517.94.

The other indices performed similarly, as the Shariah-compliant DSES increased 1.55 percent to 1,207.20, while the DS30, which tracks blue-chip shares, went up 1.92 percent to 2,156.99.

Turnover, a key indicator of market participation, stood at Tk 1,132.31 crore, up from Tk 971.52 crore in the previous session.

A total of 298,772 trades were executed, with block transactions worth Tk 20.37 crore across 37 scrips.

Market breadth was positive, with 281 issues advancing, 86 declining, and 31 remaining unchanged.

Among A-category stocks, 148 gained, 57 lost, and 14 were flat.

In the B-category, 58 rose and 18 fell, while the N-category saw no trading activity.

Segment-wise, the picture was mixed. Mutual funds had 25 gainers against two losers. Corporate bonds saw two issues advance, while the government bond market witnessed two issues decline.

On the individual front, Union Capital rose the most with a 10 percent jump, topping the gainers' list. At the other end, FAS Finance & Investment slumped 5 percent, making it the day's worst performer.

Taking over the Fed is more than a numbers game

REUTERS, *Washington*

The most enduring legacy of President Donald Trump's first term was installing a Republican-appointed majority on the Supreme Court. In his second stint in office, he aims to do the same at the Federal Reserve. Unlike with the decades-in-the-making partisan polarization of the nation's top court, though, the central bank is still wired to prize consensus and data-dependency. That goes not just for the structure of the institution, but the people serving within it, including members appointed by Trump himself. The White House faces a fierce battle for control unless they fall in line.

The attempted firing this week of Governor Lisa Cook is a necessary first step in Trump's binary theory of the Fed: namely, that his appointees will set policy in line with his wishes, while those put in place by former President Joe Biden will not. There are some holes in this logic - chiefly, that Chair Jerome Powell himself was selected by Trump, only to become the object of the president's ire for not rapidly slashing rates.

While Republican appointees Christopher Waller and Michelle Bowman now favor cuts, they only began dissenting in recent months. They joined the broader consensus to rapidly tighten monetary policy in 2022, when inflation was spiking to 9.1 percent, and through the following years, as the Fed held steady before gradually easing only as price pressures drew back.

Trump himself opposed that turn to cutting rates, in September 2024, accusing the Fed of playing politics with the move and aiding Vice President Kamala Harris's election campaign. More broadly, Waller - a possibility to replace Powell at the end of his term, Bloomberg reported - has the resume of a long-time institutionalist: for a decade he ran the research division at the St. Louis Fed, not a typical job for partisan flamethrower.

To be sure, Trump's team now seems mindful of any question of loyalty. Stephen Miran, picked for a recent vacancy on the Fed board, is well outside the mainstream, calling to subordinate the central bank to the executive and its fiscal priorities. Even if he is seated, though, gaining a majority on policy decisions depends not just on the board, but votes from a rotating cast of regional bank presidents. While Bloomberg has reported that the administration is mulling a complicated pressure campaign to influence these picks, their labyrinthine selection process runs through layers of vetting, influenced not just by Washington but also the financial industry. There are, simply put, a lot of people who have to either willingly or under coercion go along with the plan. In an extended battle, the administration might yet win. But a lightning effort to seize control requires the Fed to fight itself.

Political, energy crises stifle investment

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Industries, said, "Political uncertainty is a reason for low investment. Another reason is that the conducive environment for investment is not here, while energy supply is also not up to the mark."

"Yet, the government is not consulting with businessmen regarding the economic issues. So, how will investors decide to pour money?" he added.

"Once the elections are held, investment may rise under a political government," he hoped.

Public investment was projected to decline to 6.4 percent of GDP in fiscal year 2024-25 before recovering slightly to 7 percent in the current fiscal year, PRI said at the event citing International Monetary Fund (IMF) data.

Private investment, meanwhile, was projected to fall to 23.2 percent last fiscal year and is expected to drop further to 22.5 percent in the current FY2025-26.

Official investment data for FY25 is not yet available.

Meanwhile, business leaders reiterated calls to delay Bangladesh's graduation from least developed country (LDC) status, currently scheduled for 2026.

Parvez said the economy's overdependence on garments and lack of tax reforms left the country unprepared.

"We have only one export product, though we have potential in the leather and light engineering sector," he said.

On tariff protection after graduation, he said many sectors are saying they will be out of business if tariff protection is withdrawn. "Do you know how much local industry will be impacted after LDC graduation just for lifting import tariffs?"

Stating that this will lead to a decline in revenue, he said the government is not preparing to broaden the tax net.

Former National Board of Revenue chairman Nasiruddin Ahmed said the cost of doing business in Bangladesh is high and needs to be reduced, with regulatory reforms in tax, VAT and customs.

"However, the tax authority is imposing high taxes and duties to meet its revenue targets, which is costly for businesses and also pushes up prices," he added.

Habibullah N Karim, vice-president of the Metropolitan Chamber of Commerce and Industry, Dhaka, described poverty and unemployment as the most pressing concerns, urging incentives and policy support for labour-intensive sectors such as agro-processing and IT.

He further called for controlling the country's external debt, which has almost doubled in the last five years, mainly due to project cost overruns and weak cost-benefit analyses.

On LDC graduation, he said, "Everybody is calling for deferral, but it will not cause the sky to fall. Of course, things will change, but we will survive. The problem is the government is not addressing the ramifications of the situation."

Bangladesh Bank's Chief Economist Md Akhtar Hossain said the current and financial account balances are improving, helping to rebuild foreign exchange reserves.

The country's real exchange rate, he noted, was overvalued for many years but is now largely aligned with market conditions.

"We need to attract FDI, so we need to work on what policy support they need," he added.

M Abu Eusuf, executive director of Research and Policy Integration for Development, said, "We have missed opportunities in reform."

"Everyone knows what should be done, but action has not been taken. If VAT compliance issues are addressed, revenue collection from VAT could triple," he added, citing a multilateral agency.

UN agency asks Rooppur to improve

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Commission (BAEC) and operated by Nuclear Power Plant Company Bangladesh Limited (NPCBL), it consists of two VVER-1200 reactors with a combined capacity of 2,400 megawatts.

The IAEA, an intergovernmental organisation within the United Nations system, promotes the safe, secure, and peaceful use of nuclear technologies. It was established in 1957, in the aftermath of World War II and the early nuclear age, to ensure that nuclear energy is not only used for weapons but also for beneficial purposes such as electricity generation, medicine, agriculture, and scientific research.

While the IAEA provides oversight, it does not "approve" plants. Instead, it ensures safety practices are aligned with global standards.

The BAEC has asked relevant authorities to address the issues raised by the IAEA and submit a report to finalise the start-up schedule for Unit 1, which is expected within a week. Construction of Unit-1 began in November 2017, followed by Unit-2 in July 2018.

An earlier IAEA mission in March identified 17 areas requiring improvement, many of which have since been addressed. Unit-1 is expected to begin operation by the end of this year, although the exact date has not been finalised.

Fresh fuel loading at Unit 1 is scheduled for early November, marking the final countdown to commissioning Bangladesh's first nuclear power facility. Once fuel is loaded, it will take 45-50 days to bring the plant online, with full production expected after approximately 11 months.

Bangladesh to boost

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Regarding maize, the agency forecast imports to increase 6 percent year-on-year to 15 lakh tonnes in MY26, driven by feed mill demand. It also said there are strong opportunities for US maize sales to Bangladesh during this and the following marketing year.

"Bangladesh usually imports corn from Brazil, Argentina, and India due to price and logistical advantages," the report said, adding that buyers had shown strong interest in sourcing US maize this year owing to competitive pricing.

The report added that key importers found US maize prices attractive but wanted direct engagement with US exporters.

AC demand

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At Esquire Electronics, which represents the Japanese brand Hitachi, corporate orders are drying up.

"The heat did not last, and inflation has squeezed disposable income. People are not spending on non-essential items like ACs," said Esquire Electronics Senior General Manager Manzurul Karim.

He said project-based demand has nearly vanished. "Government development has slowed, and no major new projects have been launched. Even ongoing ones faced funding issues," he said.

Esquire's rural and peri-urban sales also fell. "We used to sell 50,000-60,000 units annually through such channels. This year it is down to around 30,000."

Karim pointed to rising competition from budget-friendly Chinese and local brands. "Consumers are shifting from premium models to cheaper alternatives due to tighter budgets."

Still, he remained cautiously optimistic. "It has been a difficult year. But with political stability and economic recovery, we expect demand to pick up gradually."

Foreign debt

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Japan, China, India, and Russia made no fresh commitments this July, except the IDA which pledged $6 million.

The remaining $77.46 million was pledged by "other" development partners.

The higher external debt payment depicts the twin pressures of declining foreign aid inflows and a growing repayment burden, underscoring the fiscal challenges facing the country amid a slowing economy and high external liabilities.

The trend continued in the pace of the last fiscal year, with Bangladesh's foreign debt servicing bill surpassing $4 billion for the first time in FY2024-25, marking a 21 percent increase from $3.37 billion the previous year.