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BUSINESS



Will Bangladesh benefit from higher US tariffs on China, India?

REFAYET ULLAH MIRDHA

The Trump administration's imposition of higher reciprocal tariffs on India and China, two of Bangladesh's main competitors in the global readymade garments sector, is definitely a boon for Bangladesh, according to local exporters.

They, however, caution that it is not yet time to celebrate as there are many factors that can take away the advantage.

The United States has imposed 50 percent and 30 percent reciprocal tariffs on Indian and Chinese shipments, respectively. In comparison, the rate is 20 percent for Bangladeshi goods, which gives Bangladesh an edge in positioning itself as an alternative sourcing hub for international retailers and brands.

Speaking at an event on Saturday, Zahid Hussain, a former lead economist at the World Bank's Dhaka office, estimated that local exporters, particularly in the readymade garment sector, could secure up to \$2 billion in additional orders, largely redirected from India and China, due to the tariff boon.

Exporters, however, say it is too soon to make any specific estimate, and that Bangladesh is not ready to handle such a big shift.

"It is too early to celebrate because there are many ifs and buts. Moreover, Trump is unpredictable. Negotiations could lower tariffs for India and China at any time," said Fazlul Hoque, managing director of Plummy Fashions.

"Besides, Bangladesh's market is yet to mature to the level where it can attract \$2 billion worth of new orders, particularly shifting orders," he added.

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Union Bank agrees to merger

EXIM seeks more time

STAR BUSINESS REPORT

The scam-hit Union Bank has agreed to the central bank's plan to merge it with other lenders, while EXIM Bank has asked for more time to revive itself.

Under the Bank Resolution Ordinance 2025, the central bank must consult the five Shariah-based banks slated for consolidation before commencing formal merger procedures.

Yesterday, the Bangladesh Bank (BB) held separate meetings with Union Bank and EXIM Bank regarding the mergers. Governor Ahsan H Mansur joined virtually, citing illness.

The boards of directors and management teams of the two banks, along with the four deputy governors and officials from the Bank Resolution Department of the BB, were present at the meeting.

A day earlier, the BB met with the board of directors and management team of First Security Islami Bank.

The central bank is set to meet with the boards of directors and management teams of Global Islami Bank and Social Islami Bank today.

"Depositors are coming to withdraw their money, but we are unable to pay. The sooner a decision is made regarding these banks, the better. In this case, the banks may undergo merger, restructuring, or some other measure," Fariduddin Ahmed, independent director and chairman of Union Bank, told journalists after yesterday's meeting with the BB.

He mentioned that S

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Govt eyes 1.5 lakh jobs from Moheshkhali industrial hub

Transformation of the island projected to add \$70-75b directly to GDP

STAR BUSINESS REPORT

The government has unveiled an ambitious plan to reshape the coastal economy by turning Moheshkhali island into the country's next industrial and logistics hub.

Over the next 30 years, the project is expected to create 1.5 lakh direct jobs and add \$150 billion directly to the GDP.

The Moheshkhali-Matarbari Integrated Development Initiative (Midi), a flagship state-backed project, will lead the transformation of the island, an upazila under the southeastern district of Cox's Bazar.

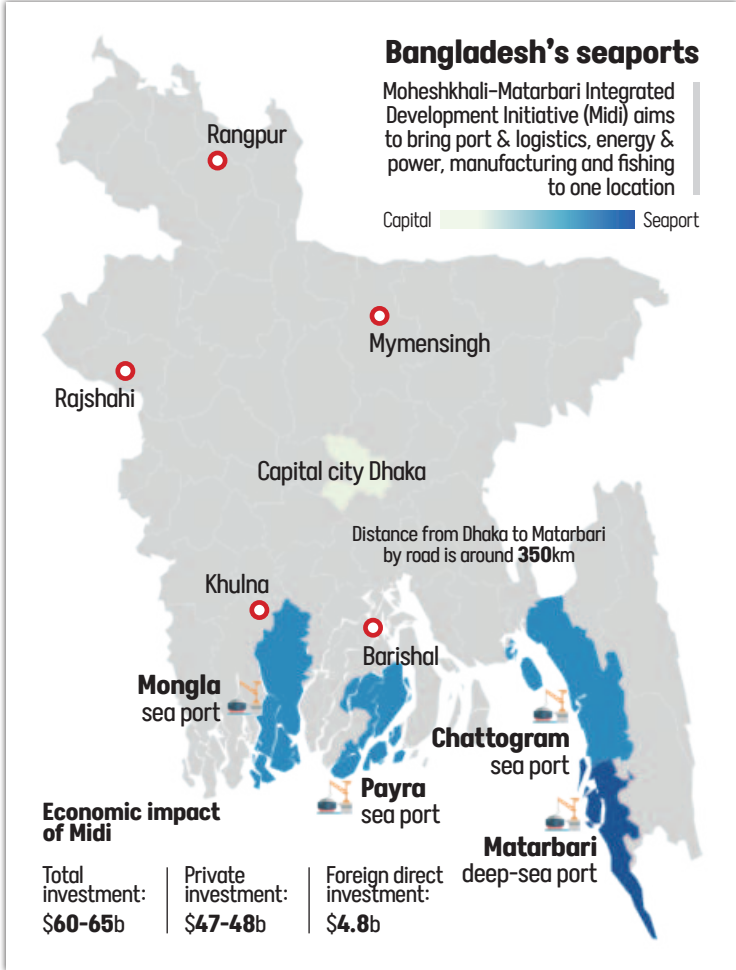
The initiative is backed by \$60 billion in projected investment, including targeted foreign direct investment.

Ashik Chowdhury, executive chairman of Maheshkhali Integrated Development Authority (Mida), yesterday presented a four-month action plan to Chief Adviser Professor Muhammad Yunus at the state guest house Jamuna. He outlined a three-phase roadmap running from 2025 to 2055.

"Mida is not just about a port or a power plant, it is a new economy being built from the coastline inward," Chowdhury told reporters.

He said, "We want to see the Matarbari-Moheshkhali as a township. The world calls Singapore one of the most successful deep-sea port townships, and another port that often comes up is Shanghai."

At the heart of the plan is



the Matarbari deep-sea port, designed with a natural depth of 18.5 metres to allow large cargo

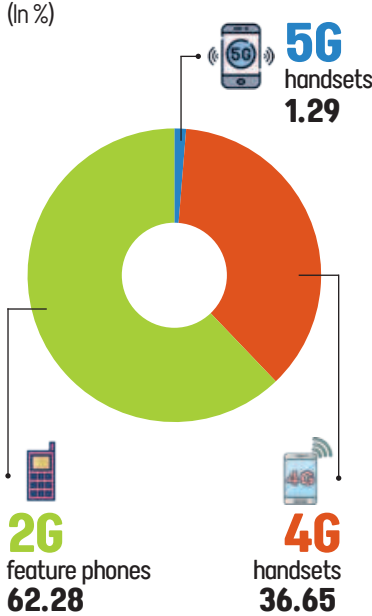
ships to dock directly without feeder vessels.

Referring to Matarbari, he said,

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5G goes live, but with few phones to connect

SHARES IN HANDSET PRODUCTION (In %)



MAHMUDUL HASAN

Bangladesh's long-awaited 5G rollout began this week, but a lack of compatible handsets means the next-generation network is unlikely to see mass adoption anytime soon.

On September 1, 2025, the country's top two operators, Robi Axiata and Grameenphone, launched 5G services on a limited scale across select metropolitan areas, marking a major milestone in the telecom sector.

Yet, industry insiders warn that the benefits of 5G will be constrained by the country's severe shortage of devices able to use it. According to Bangladesh Telecommunication Regulatory Commission (BTRC) data, local plants produced only 1.70 lakh 5G-enabled handsets in the first seven months of this year, accounting for just 1.29 percent of total handset output.

By contrast, 62.28 percent of production, or nearly 82 lakh units, were feature phones. Another 36.65 percent, or over 48 lakh units, were 4G smartphones.

The figures show the structural challenge Bangladesh faces for 5G adoption. With 2G and 4G dominating the country's handset ecosystem, 5G penetration will grow slowly, regardless of network availability.

According to the BTRC, currently, about 62

percent of devices in use across the country are smartphones, mostly 4G-enabled. Only 6.6 percent are capable of connecting to 5G networks, according to industry estimates.

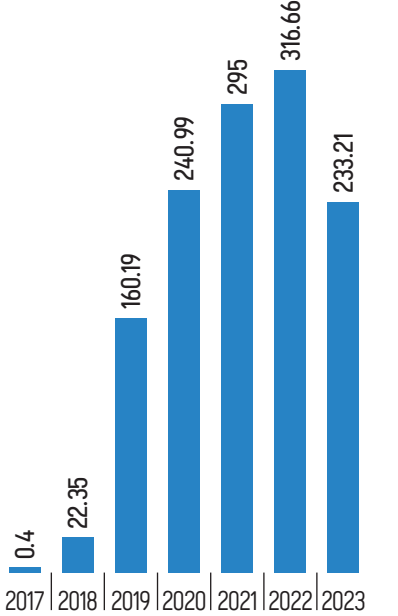
Imported and expatriate-gifted handsets make up around 40 percent of the smartphone market, many of them high-end and 5G-ready, but a substantial share is refurbished models.

"The supply chain is gradually shifting towards 5G, but the grey market is undermining local production," said Rizwanul Haque, vice-president of Mobile Phone Industry Owners' Association

Robi Axiata, the pioneer in 5G rollout and a leader in the 4G market, says adoption will be gradual.

"In 200 areas, 5G penetration among devices is already 12-15 percent, with 120 areas reaching nearly 20 percent penetration. Our initial focus will be rolling out 5G to these areas. And a positive trend is that users who currently use 4G are most likely to migrate to

Handset manufacturing (In lakh units)



SOURCE: BTRC

City Bank, bKash, TransUnion get primary nod for private credit bureaus

MD MEHEDI HASAN

In a first, the Bangladesh Bank has granted preliminary approval to private entities to establish credit bureaus, a move aimed at improving transparency in the country's lending market.

City Bank, mobile financial service (MFS) provider bKash, and the US-based credit reporting agency TransUnion are among five firms, including ventures with foreign investment, recently cleared to set up private credit bureaus.

The Bangladesh Bank received a total of 22 applications for private credit bureaus and shortlisted 13 before issuing letters of intent (LoIs) to the successful five.

The approved applicants are Credit Info BD Credit Bureau, TransUnion Credit Bureau, bKash Credit Bureau, City Credit Bureau, and First National Credit Bureau. Arief Hossain Khan, executive director of Bangladesh Bank, told The Daily Star.



Some of these applicants involve European, American, and Saudi technology firms entering through joint ventures.

Khan said the approvals followed careful scrutiny. The bureaus will work to determine credit standards by analyzing borrower data before sharing it with banks, which will help financial institutions make informed decisions, according to the central bank's guidelines on the licensing, operation, and regulation of credit bureaus.

Speaking about City Credit Bureau, Masrur Arefin, managing director and CEO of City Bank PLC, told The Daily Star, "We have just received the preliminary approval. It will take about a year to come to the market."

TransUnion, a US-based company, is one of the three largest consumer credit reporting agencies in the world, and has been primarily approved to establish credit bureaus in the country.

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