

Star BUSINESS



US officials to arrive in Dhaka Sunday for tariff talks

REFAYET ULLAH MIRDHA

A United States trade delegation will arrive in Bangladesh on Sunday for meetings with commerce ministry officials on bilateral trade, progress on trade agreements and the reciprocal tariff imposed by the White House.

Brendan Lynch, assistant US trade representative for South and Central Asia, will lead the three-member team. Dhaka hopes the discussions will pave the way for a further reduction in the revised 20 percent tariff imposed by President Donald Trump in August.

However, it is not yet clear how much the rate could be lowered, Commerce Secretary Mahbubur Rahman told The Daily Star over the phone yesterday.

Commerce Adviser Sk Bashir Uddin has said on several occasions that Bangladesh is continuing talks with the Office of the US Trade Representative (USTR) to push for a further cut in the tariff.

Rahman said the tariff issue would certainly be on the table during the talks, but any final decision would come from the Trump administration.

During the two-day visit, Dhaka and Washington will also review progress on the signing of the trade agreement, the commerce secretary added.



The US Supreme Court agreed on Tuesday to hear arguments over President Donald Trump's sweeping global tariffs, taking up a fast-moving appeal that deals with the centrepiece of the administration's economic agenda.

In the meantime, the tariffs will remain in place while the court hears the case.

President Trump is urging the justices to overturn a lower court ruling that found his administration acted unlawfully in imposing many of its import taxes.

Referring to this, Rahman said it was also not possible to give a timeline for when the two countries might sign the agreement on the 20 percent reciprocal tariff.

After months of negotiation with the USTR, the Trump administration set a 20 percent tariff on Bangladeshi goods, which came into effect on August 7 this year.

Bangladesh has been hoping that exports will grow under the new rate, which is lower than the tariffs faced by major competitors such as China and India.

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Property sales slump. High interest rates, uncertainty are to blame

Monthly apartment sales drop to 400 from nearly 1,000 three years ago

JAGARAN CHAKMA

Political and economic uncertainty, combined with stubbornly high inflation, has crippled the housing market, according to realtors, who say business has been sluggish for the past three years.

Sales of high-end and mid-range flats fell sharply after the political changeover last year, industry insiders say. The market now leans on basic and lower-priced homes, which have shown some resilience amid the turbulence.

According to real estate executives, monthly sales, once 900 to 1,000 flats, have dropped to about 360 to 400 units now. Causes of the slowdown, however, differ across segments.

Developers say wealthy buyers are holding back despite having cash, wary of abrupt anti-corruption raids. Besides, the interim government in the national budget has scrapped the scope for whitening black money by investing in property after paying charges.

At the same time, political uncertainty and economic stress have hit demand for mid and lower-tier apartments. Bank interest rates of up to 15 percent are adding to the pressure.

Only basic and lower-mid flats priced between Tk 1 crore and Tk 1.5 crore show some stability.

"Amid economic uncertainty and looming elections, demand for mid-to-high-end real estate has slowed significantly," said Arup Sarker, senior executive director at Concord Real Estate Ltd.

"Buyers have money but are hesitant. Many are waiting to see the election outcome before making large investments," he told The Daily Star.

Sarker pointed to political uncertainty and high bank rates of 14-15 percent as major deterrents, especially for lower and mid-income buyers reliant on loans.

"High EMIs are discouraging potential buyers. Even the lower-end segment is affected, as these buyers are most sensitive to interest rates," he said.

Sarker said many individual and



CHALLENGES

Sales drop to 360-400 units monthly compared to 900

High-end property demand almost stalled

Buyers wait for election outcome

Informal investment dries up amid uncertainty

Policy delays, approval problems worsen slump

Affordability

Home loan rates hit 14-15%

High EMIs deter lower, mid-income buyers

Developers' response

Developers downsize, projects suspended

Shifts in investment

Land deals rising as safer option

PATH TO RECOVERY

Mid-income segment shows resilience

Recovery hinges on DAP, stability

institutional investors have adopted a "wait-and-see" approach.

He said that demand could rebound if interest rates fall to single digits and political stability improves. "If those factors align, we expect the market to regain momentum," he added.

M Hoque Faisal, director of sales and marketing at Tropical Homes Limited, said, "Only the lower mid-income segment, particularly units priced between Tk 1-1.5 crore, has shown some resilience, currently operating at 60-70 percent of normal sales volume."

The high-end market has nearly stalled, and the lower segment continues to struggle with limited financing, Faisal added. Political uncertainty, policy delays and regulatory bottlenecks have created a climate of hesitation for developers and landowners alike.

He described the sector as being in a prolonged slump, with activity down by more than half over the past three years. Many developers have downsized or

suspended projects, held back by repeated policy revisions and unresolved technical issues such as glitches in the digital plan approval system.

"Despite underlying demand, actual transactions remain low," Faisal noted, adding that informal investment has dried up amid political uncertainty.

He believes that without a stable government and a better approval process, market confidence would remain weak.

Aysha Siddika, executive director (Brand) at real estate developer bti, said, "Across the industry, most developers have seen sales decline. For those dealing in high-end products, the drop is even steeper."

"People are hesitant to invest right now. There is money, but no one is in a rush to spend without stability," she told The Daily Star.

She noted that bti's monthly sales, usually 100-150 units, have fallen by 50 to 60 percent. "Buyers are not making decisions, especially in the premium

bracket."

"Only affordable, entry-level apartments within the Tk 1.5 crore range are still moving."

Siddika added that land acquisition has picked up, especially among clients seeking long-term value with fewer complications than large development projects. "We have signed several new land deals this year. Clients who want long-term value and less volatility are returning to land," she said.

She believes the market could recover after the national election once buyers and investors regain confidence.

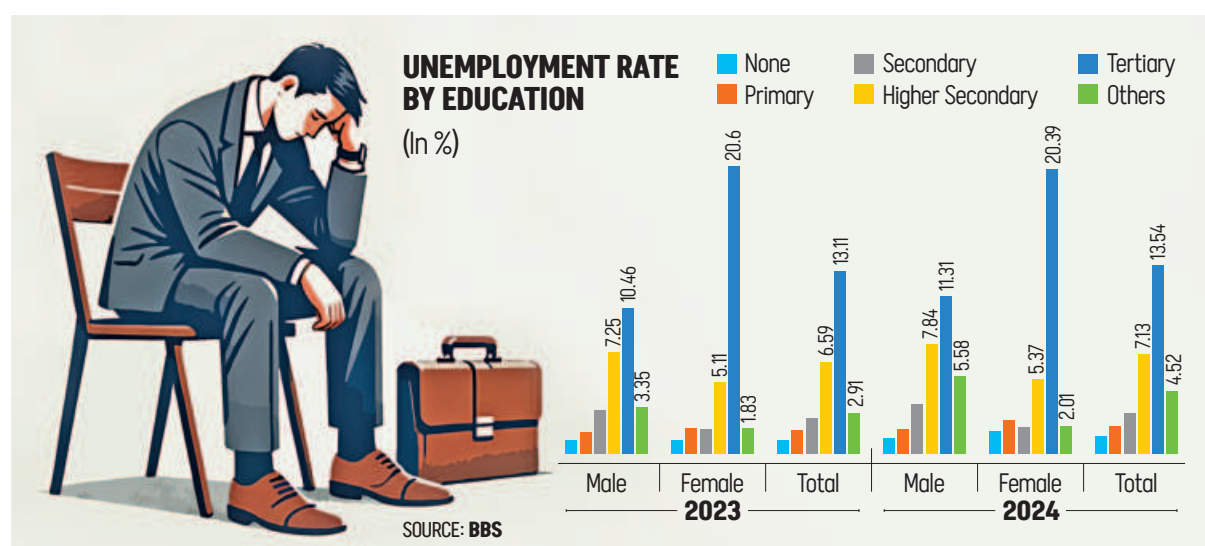
Shihab Ahmed, chief sales officer at Shanta Holdings, said property sales have declined more than expected due to political uncertainty and high loan interest rates.

"There are buyers in the market, but there is a mismatch between property sellers and buyers," he commented. "The premium and luxury segments have seen

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Bangladesh had 9 lakh unemployed graduates in 2024

Labour force survey shows



STAR BUSINESS REPORT

Bangladesh had nearly 9 lakh unemployed graduates in 2024, as the unemployment rate among tertiary-level educated individuals rose slightly, according to the final report of the Labour Force Survey (LFS) 2024 released by the Bangladesh Bureau of Statistics (BBS) yesterday.

The unemployment rate among graduates increased to 13.5 percent in 2024, up from 13.1 percent the previous year — the highest among all education levels.

However, in absolute numbers, the total number of unemployed graduates stood at 8.85 lakh, reflecting a decrease of 20,000 from the previous year.

Among unemployed graduates,

over 20 percent were women, while the overall national unemployment rate stood at 4.48 percent last year.

On the other hand, unemployment among youths with education below the secondary level increased by over 1 lakh, bringing the total to 5.07 lakh.

In percentage terms, the unemployment rate in this group rose by 0.51 percentage points.

Fahmida Khatun, executive director of the Centre for Policy Dialogue (CPD), said the situation is far from satisfactory.

She said that opportunities in both the government and private sectors have not expanded as expected, limiting overall business growth.

"The only real source of jobs is

the government, and even there the numbers are limited, and not every year do those opportunities come through. That's why, logically speaking, under these conditions, employment growth cannot realistically be expected."

In terms of the economy, the only thing that has been achieved preliminarily is preventing a complete collapse, she said.

For example, efforts to bring inflation down, pursuing contractionary monetary policy, trying to stabilise the banking sector, and then, since there's little capital, attempting to rebuild reserves.

"From the freefall, a few indicators have been stabilised, so the economy has been somewhat prevented from falling into total disaster."

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EPA with Japan may be signed in two months Secretary says

REFAYET ULLAH MIRDHA

Bangladesh and Japan may sign the Economic Partnership Agreement (EPA) within the next one to two months as the final negotiation is scheduled to end in Tokyo tomorrow.

A team from Bangladesh is now in Tokyo and engaged in the final round of negotiations for signing the EPA with Japan, Commerce Secretary Mahbubur Rahman told The Daily Star over the phone.

Rahman was supposed to be in Tokyo, but he came back from the airport because of illness.

However, he attended the negotiation virtually.

So, it is expected that both countries will sign the EPA within the next one to two months, the secretary added.

In March last year, Dhaka began talks for signing the EPA, mainly to secure preferential trade benefits from Japan after Bangladesh graduates from the least developed country (LDC) category by November next year.

As per the policy of the EPA, three meetings were held in Dhaka and four in Japan. The talks include issues such as trade, investment, export, and import between the two countries.

Previously, Bangladesh signed a preferential trade agreement with Bhutan in 2020.

But no FTA has been signed so far with any country.

Japan is a key market, being the first Asian nation where Bangladesh exported over \$1 billion in more than a decade, thanks to duty-free and quota-free access under its LDC status.

Bangladeshi garments, leather goods, and footwear are in high demand in the island nation.



PHOTO: RASHED SHUMON

The headquarters of the National Board of Revenue (NBR) in Dhaka.

Govt to split NBR into two divisions by Dec

STAR BUSINESS REPORT

The government is set to complete the split of the National Board of Revenue (NBR) into two separate divisions by December this year.

"We will implement the revised law by this time. We have to change the rules of business for implementation. We have already prepared a draft," Finance Adviser Salehuddin Ahmed told The Daily Star yesterday.

The disclosure comes after the interim government issued the amended ordinance on revenue policy and revenue management on September 2, saying the new law will be effective based on the date fixed by the government.



The government, under the much-talked-about law, which drew unprecedented protest among taxmen in May and June, plans to split the tax system into two: Revenue Policy Division and Revenue Management Division. The law also mandates dissolving the NBR, in an effort to improve the country's tax collection, which is one of the lowest in the world.

The ordinance has been framed to fulfill a condition of the International Monetary Fund (IMF) tied to a \$5.5 billion loan given to Bangladesh, approved in January 2023.

The finance adviser said the Internal Resources Division (IRD) and the NBR will be dissolved, and the two new divisions will be formed under the finance ministry as per the law.

"We have already drafted the rules of business. Besides, we need to change a couple of laws for the implementation," Ahmed said, adding, "We also have to prepare an organogram for the new divisions."

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