

Garment exports to US rise 12% in Jan-Nov 2025

STAR BUSINESS REPORT

Readymade garment exports from Bangladesh to the United States grew 12.43 percent to \$7.6 billion in the first eleven months of 2025, according to the US Office of Textiles and Apparel (Otexa).

The growth came despite a sharp fall in November, when exports dropped 14.57 percent to \$526.51 million compared with the same month a year earlier.

Overall, US apparel imports declined slightly during the January-November period, falling 1.44 percent in value and 3.23 percent in volume. Average prices rose 1.85 percent, Otexa data showed.

Bangladesh was not alone in expanding its US market share last year. Vietnam's garment exports there grew 11.35 percent, India's rose 6.04 percent,

Pakistan's by 11.82 percent, Indonesia's by 9.79 percent, and Cambodia experienced a strong 26.18 percent increase. China's exports, in contrast, fell sharply by 33.90 percent.

In terms of volume, Bangladesh recorded a strong growth of 13.30 percent, Vietnam 11.99 percent, India 4.73 percent, Pakistan 18.28 percent, Indonesia 13.39 percent, and Cambodia surged 35.40 percent. China saw a sharp decline of 25.86 percent, Otexa said.

Unit prices per garment piece from January to November 2025 varied across countries. Bangladesh experienced a slight drop of 0.77 percent, Vietnam 0.57 percent, China 10.84 percent, Cambodia 6.81 percent, Pakistan 5.46 percent, and Indonesia 3.18 percent. India was the only country to see a price increase, rising 1.25 percent, Otexa added.



PHOTO: STAR/FILE

Apparel items are on display at a trade show in Dhaka. Bangladesh posted double digit growth in garment exports to the US last year despite growing competition from regional rivals.

Gold, silver plunge on selloff

REUTERS

Gold and silver prices fell sharply in a broader market selloff on Thursday, as an advance in the dollar to a near two-week high and signs of easing US-China trade tensions added further pressure on the precious metals.

Spot gold declined 2.5 percent at \$4,838.81 per ounce, as of 0535 GMT, retreating from a near one-week high hit earlier in the session.

US gold futures for April delivery dropped 1.9 percent to \$4,855.60 per ounce.

"The dollar received a new lease of life with the (Kevin) Warsh nomination (as Federal Reserve chief), and the currency has been able to keep making forward progress... traders are more circumspect now on gold in light of recent extreme volatility," Tim Waterer, KCM chief trade analyst, said.

The dollar rose to a near two-week high on Thursday, making greenback-priced gold more expensive for other currency holders.

Ethical business practice has become increasingly difficult

Experts warn, citing manual processes and unofficial payments as major threats

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A recent surge in unofficial payments across licensing, compliance, and utility services is undermining the country's push for ethical business practices, said Khondaker Golam Moazzem, research director at the Centre for Policy Dialogue (CPD).

He made this remark while presenting a keynote paper at a roundtable titled "Business Climate in Bangladesh: Issues and Challenges of Ethical Practice", jointly organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and the International Business Forum of Bangladesh (IBFB) at the chamber's auditorium in Dhaka yesterday.

"If an official can still say 'come to the office', the system remains manual – and that creates space for unofficial payments," Moazzem said, adding that partial digitalisation has failed to curb discretion and repeated physical interaction with offices.

He proposed business process reengineering to reduce delays, duplication, and informal costs, arguing that end-to-end digitalisation of documentation, verification, and payments is essential to lowering the cost of doing business.

Moazzem said the business community is facing two major transitions at once: a political transition, with new leadership expected to

take charge, and graduation from the least developed country (LDC) category, expected in November this year.

"The business community will have to engage with the new political leadership in a new way," he said, urging businesses to raise long-standing problems more firmly.

He cautioned that ethical business practice is becoming increasingly difficult as delays and discretion have intensified unofficial payments in recent months, worsening the business climate compared to earlier periods.

Nazrul Islam, secretary at the Ministry of Foreign Affairs, said institutional reform and behavioural change are critical as Bangladesh navigates a sensitive transition marked by an upcoming national election and LDC graduation.

Islam said the country stands at a "critical juncture" in its history, where reforms must deliver tangible outcomes rather than remain policy exercises on paper.

"Reform for the sake of reform is not enough," he said. "People must see real benefits. Otherwise, it cannot be called reform."

He added that Bangladesh's youth and citizens had paid a high price in past movements for a more just society, rule of law, and inclusive development, and those aspirations must now be reflected in governance and business facilitation.

He stressed that widespread manual

processes within public offices remain a major barrier and a key source of corruption.

"If services were fully online and no one needed to visit offices physically, many of these problems would disappear," he said.

Highlighting the link between domestic business conditions and foreign investment, Islam said issues such as profit repatriation, regulatory predictability, and service delivery are closely interconnected.

He added that the foreign ministry stands ready to work with the commerce ministry, business bodies, and other stakeholders to address post-LDC challenges, including trade agreements and investment promotion.

Mohammad Khaled Rahim, secretary of the Anti-Corruption Commission (ACC), said corruption often happens because of weaknesses in the system, not only because of the bad intentions of individuals.

Rahim said the ACC's preventive efforts have lacked adequate emphasis. He urged businesses to submit concrete complaints with verifiable details, assuring anonymity would be protected if requested.

"Without specific allegations, it becomes difficult for us to proceed legally," he said.

Rahim added that loan default cases often implicate bank officials acting under pressure. "Systemic coercion is a reality," he said.

MS Siddiqui, former vice president of IBFB, criticised Bangladesh's regulatory system for burdening businesses through corruption, excessive discretionary powers, and ineffective reforms. He highlighted flaws in customs automation, arbitrary penalties on HS code errors, and exploitative tax laws.

Siddiqui called for abolishing outdated practices such as trade licences and bonded warehouse abuse, and urged differentiation between wilful and non-wilful loan defaulters.

He emphasised the importance of ethical governance and urged the government to see businesses as partners in development, not enemies, and to make doing business easier through real reforms.

"Ethics lie at the heart of sustainable business," said Lutfunnisa Saudia Khan, president of the IBFB, stressing that responsible corporate conduct is essential for long-term growth and public trust.

"The challenges we face today cannot be addressed by law alone," she said, underscoring the need for collective efforts, open dialogue, and shared responsibility among stakeholders.

Moderated by Md Abdur Rahim Khan, administrator of the FBCCI, the event also featured Muhammad Abdul Mazid, chairman of the National Board of Revenue, among others.



"Sentiment (has) turned soggy across most asset classes, including precious metals, cryptocurrencies and regional equities, with losses feeding into one another and creating a self-reinforcing feedback loop amid thin market liquidity," said Christopher Wong, a strategist at OCBC. Asia stocks faltered, tracking their US peers as concerns about the exploding costs of AI investment hounded the tech sector.

Spot silver plummeted 14.9 percent to \$74.94 an ounce. Last week, the precious metal touched a record high of \$121.64.

"The industrial demand has vanished at the higher levels. Most of the industrial buyers have stopped buying silver, and even solar panel producers in China are looking for alternatives," Shah added.

On the geopolitical front, Iran and the US have agreed to hold talks in Oman on Friday, officials on both sides said. China is considering buying more US farmed soybeans, US President Donald Trump said after what he called "very positive" talks with his Chinese counterpart Xi Jinping on Wednesday.

Trump fuels EU push to cut cord with US tech

AFP, Brussels

Until President Donald Trump's return a year ago, when the EU talked about cutting economic dependency on foreign powers – it was understood to mean China. But now Brussels has US tech in its sights.

As Trump ramps up his threats – from strong arming Europe on trade to pushing to seize Greenland – concern has grown that the unpredictable leader could, should he so wish, plunge the bloc into digital darkness.

Since Trump's Greenland climbdown, top officials have stepped up warnings that the European Union is dangerously exposed to geopolitical shocks and must work towards strategic independence – in defence, energy and tech alike.

The 27-country bloc relies on foreign countries for over 80 percent of digital products, services, infrastructure and intellectual property, according to a 2023 EU report. Europe has already begun chipping away at its reliance on US tech.

The latest step came last week when France told state employees they would soon be required to use a domestic alternative to tools like Zoom or Microsoft Teams.

Brussels' wake up call came last year when Washington sanctioned judges at the International Criminal Court, cutting them off from US tech such as Amazon or Google.

The move laid bare the US stranglehold over many tools that underpin European lives.

"During the last year everybody has really realised how important it is that we are not dependent on one country or one company when it comes to some very critical technologies," EU tech tsar Henna Virkkunen said.

"Dependencies... can be

weaponised against us," she warned.

Virkkunen will in March unveil a major "tech sovereignty" package covering cloud, artificial intelligence and chips – areas where the EU hopes to build greater autonomy.

"Digital technologies are no longer neutral tools," European Digital SME Alliance's secretary general, Sebastiano Toffaletti, told AFP.

"When core infrastructures like cloud, AI or platforms are controlled from outside Europe, so are the rules, the data and ultimately the leverage."

Among EU member states, France and Germany have been leading the charge.

The northern German state of Schleswig-Holstein became a poster child for digital sovereignty last year by ditching Microsoft in favour of open-source software.

Digitalisation minister Dirk Schroedter said the move was economically-driven at first, before "political tensions" shifted the focus.

"Dominance of a few tech corporations in public infrastructure limits... our flexibility, threatens our security and inflates our software costs," Schroedter told AFP.

Over six months, the state migrated more than 40,000 mailboxes from Microsoft Exchange and Outlook to open-source solutions Open-Xchange and Thunderbird.

There were challenging areas during the transition – for example in document-sharing with other federal states and the national government – but Schroedter said the state showed "digital independence is possible".

Meanwhile, the European Parliament is reviewing its reliance on Microsoft among other tools after a cross-party group of lawmakers urged it to adopt European alternatives.

Trade bodies demand

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which will make it difficult to meet strict delivery deadlines for international buyers.

The business leaders warned that Bangladesh risks losing work orders if the crisis continues, as international buyers may shift to alternative sourcing countries.

They also noted that export and industrial production are already under pressure due to falling demand, geopolitical crises, and rising production costs.

In such a situation, port demurrage charges, port fees, and storage costs are increasing, directly affecting production costs. Consequently, export prices will rise, negatively impacting international trade.

Additional costs on imported goods may also affect the prices of essential commodities meant for Ramadan sales. Any delay in releasing imported goods could disrupt the timely supply to consumers and raise price levels if the stalemate is not resolved quickly.

An unstable situation has also been created in obtaining bank loans and opening Letters of Credit (LCs) for importing goods.

The business leaders urged the government to resolve the port crisis immediately, considering the greater interest of the country and the economy.

In the statement, the business leaders urged the union leaders to call off the strike. They also suggested that the issue of renting the NCT can be postponed, and the union leaders can have the chance to discuss it with the next elected government.

"It is our firm belief that the government will sit with the labour leaders soon and solve the crisis immediately," the statement reads.

In a separate statement, the DCCI urged the immediate restoration of normal operations at Chattogram port.

"Approximately 54,000 containers of goods have been stranded at the port so far," it said.

Due to this delay in clearance, businesspeople are incurring additional costs of Tk 10,000 to

Tk 15,000 per day. This ongoing shutdown is having a severe impact on the country's export sector in particular.

"Moreover, if the situation continues, it will adversely affect the national economy. There is also a growing concern of cancellation or diversion of purchase orders to competitor countries, as we are unable to process shipment of goods in time," it added.

In addition, this unexpected deadlock in cargo handling is likely to increase operational costs across trade and investment activities, creating an extra burden on both businesses and consumers.

The statement called for urgent government intervention to resolve the problem as soon as possible through discussions with all stakeholders concerned with Chattogram port.

The chamber also stressed the need for collective efforts involving the business community, the Chittagong Port Authority and all relevant stakeholders.

GP profit falls

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increase despite tough economic conditions. By year-end, its total subscriber base reached 8.39 crore, with 4.87 crore using the internet.

"Although the environment remains challenging, our Q4 results show we are heading in the right direction – revenue is growing, profitability is protected, and cash flow is strong, while we continue to build a more value-focused and resilient business for the long term," said CEO Azman.

Otto Magne Risbakk, chief financial officer of Grameenphone, added, "Consumer spending continues to be under pressure and purchasing power remains subdued, so we continue to focus strongly on cost discipline. Over the year, we executed a range of strategic and commercial initiatives, which proved effective as we progressed each quarter."

BTRC seeks legal advice

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Meanwhile, Robi Axiata, the second largest operator in the country, is contesting an audit claim of Tk 867 crore in unpaid revenues to the BTRC and NBR. This case, too, has dragged on for nearly six years. Robi proposed mediation, arguing it would be faster and less adversarial.

However, BTRC documents show that if mediation fails, the dispute would move to arbitration anyway.

LEGAL ROADBLOCKS

The legal opinions cited in the BTRC document paint a difficult picture for both GP's arbitration proposal and Robi's mediation.

According to Justiciars, a law firm retained by the BTRC, arbitration under Bangladesh's Arbitration Act of 2001 requires a valid and binding agreement between the parties.

Courts have already ruled that no such agreement exists between the BTRC and the operators, meaning there is no legal obligation to pursue arbitration.

The firm noted, however, that the parties could voluntarily agree to arbitration because of its advantages, namely speed and finality. Any such agreement would need to be narrowly focused on the specific dispute and must not interfere with other dispute-resolution mechanisms.

Another firm, the Capital Law Chamber took a harder line. It argued that the dues claimed by the BTRC arise from statutory obligations under the Telecommunication Act of 2001, making them non-arbitrable.

The firm cited section 89B of the Code of Civil Procedure, noting it is procedural and cannot render statutory disputes arbitrable.

The firm also pointed to Appellate Division orders from 2019 and 2020 requiring GP to deposit Tk 2,000 crore and acknowledging triable issues. This supports the case for judicial determination rather than arbitration.

Khaled Hamid Chowdhury, a panel lawyer and arbitration expert, echoed these concerns.

The disputes, he said, are public law matters and generally non-arbitrable. Any arbitral award could be vulnerable to challenge on public policy grounds.

Legal advisers offered similar views on Robi Axiata's case, cautioning against arbitration or mediation and recommending continuation of the civil court process.

BTRC Chairman Emdad ul Bari said the matter is still under review. The commission has already taken some legal opinions and has decided to seek further advice before making a final decision.

GP PAYS BIG SUM

Of the total Tk 12,579 crore audit claims, GP has paid over 86 percent of the principal amount. However, it is yet to clear Tk 6,100 crore imposed as late fees.

During the previous government's tenure, the BTRC and GP began negotiations over the unpaid late fees. Both sides were seeking an out-of-court settlement in early 2024.

However, the process collapsed after the government fell in August that year. Since then, the BTRC has stepped up efforts to resolve the matter.

In a recent interview with The Daily Star, GP CEO Yasir Azman said the company was interested in arbitration to settle the dispute.

"In our 28 years of operation, not a single annual audit dispute has been resolved," he said. The prolonged uncertainty, he argued, undermines investor confidence.

Azman said GP has Tk 12,500 crore stuck in financial disputes with the regulator, noting that such issues discourage foreign investors from continuing to invest.

As a way forward, he suggested pursuing international arbitration.

Otherwise, he warned, the disputes could remain stuck in court for another decade, increasing pressure on operators.

OTHER OPERATORS IN A SIMILAR BIND

The regulator also audited Banglalink, covering the period from 1996 to 2019.

In 2023, it asked the operator to pay more than Tk 820 crore. Of this, Tk 390 crore was for VAT, tax and other principal dues, while Tk 430 crore was claimed as late fees. Banglalink has already paid the principal amount and is seeking an out-of-court settlement.