

Trade deficit widens to \$11.55b in first half of FY26

STAR BUSINESS REPORT

The gap between what Bangladesh buys and sells abroad, known as trade deficit, grew over 18 percent in the first half (H1) of the current fiscal year 2025-26, driven by rising imports and declining export earnings.

The country's trade deficit ballooned to \$11.55 billion in the six months through December 2025, up from \$9.76 billion in the corresponding period a year earlier.

During the period, import bills rose 5 percent year-on-year to \$33.67 billion, driven partly by pre-Ramadan purchasing, according to Balance of Payments (BoP) data released by the central bank.

Export earnings, meanwhile, slipped 0.9 percent to \$22.12 billion.

Industry insiders expect the deficit to widen further in coming months as imports continue to rise while exports show no clear upward trend.

Global commodity prices remain stable for now, but any uptick would push import costs higher.

The solution, industry representatives argue, lies in diversifying into new export markets and products.

BoP (Jul-Dec FY26)	
Trade gap	Current account deficit
» \$11.55b in FY26	\$343m in FY26
» \$9.76b in FY25	\$518m in FY25
Imports	Financial account
» Increased by 5%	\$2b in FY26
Exports	» Fell by 0.9%
	\$525m in FY25

The broader balance of payments, however, shows a more encouraging trend. The current account deficit actually narrowed to \$343 million from \$518 million a year earlier.

The current account captures the net flow of funds into and out of the country, including payments for goods and services, income earned from overseas investments, and foreign aid. When imports exceed exports, or when outgoing payments for investment and aid are higher than incoming receipts, the account moves into deficit.

Meanwhile, the surplus in the financial account – which tracks cross-border flows related to investments, loans, aid, and other financial transactions – quadrupled to \$2 billion from \$525 million.

The surge in the financial account was buoyed by stronger net foreign direct investment, which climbed to \$828 million from \$553 million.

The net result is a \$1.94 billion balance of payments surplus, reversing last year's \$467 million deficit.

Bangladesh commits to \$18.5b US farm, energy imports

Reciprocal trade deal with US will see Bangladesh import \$3.5b in farm goods, \$15b in energy

TRADE DEAL AT A GLANCE

TOTAL IMPORT COMMITMENTS FROM US

\$18.5b in farm, energy imports, plus aircraft

Agriculture

Bangladesh to buy \$3.5b of US farm products

Include wheat, cotton, soy

Energy & aircraft

Local firms to import \$15b of US LNG over 15 years

Bangladesh to buy 14 Boeing jets (option for more)

BANGLADESH OPENS MARKET TO

US industrial, farm goods

DHAKA GETS

Reciprocal tariffs lowered to 19% from 20%

Some products get zero-duty access

Those are linked to use of US cotton, man-made fibres

Bangladesh's trade with US

In billion \$; *Jan-Nov

Exports Imports



SOURCE: US CENSUS BUREAU

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Bangladesh will buy \$3.5 billion worth of US agricultural products and \$15 billion of energy under a broader reciprocal trade agreement with Washington, signed on Monday.

The energy imports will take place over 15 years. The overall value of the deal will rise further if the planned purchase of 14 Boeing aircraft by state-owned Biman is included, according to a joint statement issued by Bangladesh and the USA after the signing.

Earlier this week, the interim government said it would sign an agreement with Boeing to buy 14 aircraft valued at around Tk 30,000 to Tk 35,000 crore (\$2.46-\$2.87 billion).

"Bangladesh commits to provide significant preferential market access for US industrial and agricultural goods, including: chemicals; medical devices; machinery and motor vehicles and parts; information and communication technology (ICT) equipment; energy products; soy products; dairy products; beef; poultry; and tree nuts and fruit," the White House said in a statement issued yesterday.

Under the agreement, the US will cut reciprocal tariffs on Bangladeshi goods to 19 percent from 20 percent, with some products qualifying for zero-tariff treatment.

A separate mechanism will allow a specified volume of Bangladeshi textiles and

apparel to enter the American market duty-free, linked to the use of American cotton and man-made fibres, according to the statement.

The agreement was signed after negotiations spanning more than nine months from April last year. In that month, Washington imposed a 37 percent reciprocal tariff on Bangladeshi exports.

The US is the largest single-country export destination for Bangladeshi products.

According to the joint statement, the deal builds on a long-standing economic relationship between the two countries, including the US-Bangladesh Trade and Investment Cooperation Forum Agreement (Ticfa) signed in 2013.

As per the reciprocal tariff deal, Dhaka has also pledged to lower non-tariff barriers by recognising US vehicle safety standards and Food and Drug Administration certificates for medical devices and pharmaceuticals, and by lifting restrictions on remanufactured goods.

Besides, Bangladesh said it will digitalise its customs procedures, allow cross-border data flows, and improve regulatory practices.

"The agreement commits Bangladesh to strengthen labour protections, enforce environmental laws, and adopt robust intellectual property standards, including provisions on geographical indications to safeguard US producers of cheese and meat."

The statement said that Washington, meanwhile, will consider financing investment in critical sectors through institutions such as the Export-Import Bank and the International Development Finance Corporation.

"Bangladesh commits to a robust standard for intellectual property protection and enforcement, including ratifying or acceding to and fully implementing certain international intellectual property treaties," the statement said.

Regarding the deal, Commerce Adviser Sk Bashir Uddin and Commerce Secretary Mahbubur Rahman later briefed reporters at the commerce ministry.

Bashir Uddin said Bangladesh had little choice but to sign the deal, as the US remained its largest export market and the trade balance favoured Bangladesh by more than \$6 billion, or around Tk 1 lakh crore, each year.

Protecting national interests, therefore, required signing the agreement, as other major trading partners had already done, said the adviser.

He added that Bangladesh stood to gain significantly, as more than 86 percent of its exports were garments. The US has agreed to grant zero-duty access for apparel made using US cotton or man-made fibres.

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BB autonomy plan faces complex issues

Says Salehuddin

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Finance Adviser Salehuddin Ahmed said that there are several complex issues involved in approving the proposal aimed at strengthening Bangladesh Bank's (BB) autonomy, and that they will be handled by the elected government.

"These are difficult decisions. It is not the job of the interim government to make such decisions. The next government will decide on these matters," he said after a meeting of the Advisory Committee on Government Procurement yesterday.

Autonomy of the central bank does not mean changing the governor's status to minister status. It involves several internal issues, such as changing

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Ramadan banking hours 9:30am to 2:30pm

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Bangladesh Bank (BB) has fixed new office and transaction hours for banks across the country during the holy month of Ramadan in 2026, according to a circular issued yesterday.

Banks will remain open from 9:30am to 4:00pm, Sunday through Thursday. However, customers will be allowed to carry out banking transactions from 9:30am to 2:30pm.

There will be a 15-minute break from 1:15pm to 1:30pm for Zuhr prayers. Despite the recess, banks have been instructed to continue internal coordination to ensure uninterrupted services, similar to practices observed before Ramadan.

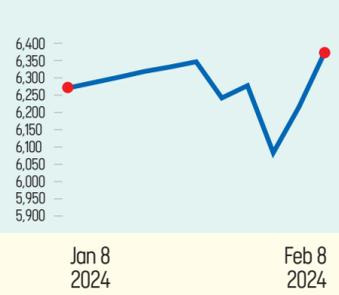
Fridays and Saturdays will remain weekly holidays.

Election stirs stock revival hopes, but history says otherwise

MARKET DURING POLLS

ELECTION DATE	RISE/FALL OF INDEX AFTER TWO MONTHS
Jan 7 '24	2% ↓
Dec 30 '18	5% ↑
Jan 5 '14	4% ↑
Dec 29 '08	7% ↓
Oct 1 '01	4% ↑
Jun 12 '96	205% ↑

UPS AND DOWNS OF DSEX AFTER ONE MONTH OF 2024 ELECTION



MOVEMENT OF DGEN AFTER ONE MONTH OF 2008 ELECTION



AHSAN HABIB