

Star BUSINESS



India's US tariff parity: Real threat or overblown fear for Bangladesh?

REFAYET ULLAH MIRDHA

When Indian Commerce and Industry Minister Piyush Goyal announced on February 12 that India would receive the same concessional duty access on garment exports to the US as Bangladesh, alarm bells rang across Dhaka's garment districts.

The Donald Trump administration's proposal to offer zero reciprocal tariffs on garments made from US cotton and man-made fibre, previously a distinctive advantage for Bangladesh, will now extend to India as well, according to The Times of India.

Exporters fear the development might erode Bangladesh's competitive edge in apparel shipments to the US to some extent. But experts paint a different picture.

"Bangladesh may lose its competitiveness to some extent in the US markets if similar trade benefits are extended to Indian exporters," said Anwar-ul-Alam Chowdhury (Parvez), former president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Parvez pointed to a cascade of Indian advantages: lower production costs, favourable customs treatment, and robust government support for the textile and garment sectors.

"India is in an advantageous position in terms of cost of production, but equally treated by the US customs, and facilities offered by the Indian government to the textile and garment exporters," he said.



Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), echoed these concerns.

He argued that if India receives the same trade benefit, "Bangladesh's competitiveness to the USA may be affected to some extent as Indian exporters enjoy more government facilities in the production of goods."

EXPERTS SEE A DIFFERENT PICTURE

Not so fast, say industry analysts who point to a fundamental economic reality: India exports cotton, Bangladesh imports it.

"Bangladesh may not be affected too much in the US market even if the Indian exporters are given the same

READ MORE ON B2

US TRADE DEAL overshadows Bangladesh's economic freedom

TARIFF SNAPBACK RISK

US may reimpose a 37% tariff if Bangladesh is found noncompliant

DIGITAL TRADE CONDITION

Future digital trade agreements that conflict with US interests could trigger termination

RESTRICTIONS ON NUCLEAR PROCUREMENT

Bangladesh may face limits on purchasing nuclear reactors and fuel from certain countries

MANDATORY PURCHASE OBLIGATIONS

Commitments include US aircraft, LNG, and agricultural products

POLICY AUTONOMY CONCERNS

Future trade agreements with "non-market countries" may face constraints

ECONOMIC IMPACT

Bangladesh could be forced to buy higher-priced imports, increasing pressure on foreign exchange

EXIT CLAUSE DEBATE

Authorities say an exit clause exists, but questions remain over tariff consequences if the deal ends

CONCERNS OVER TRADE DEAL WITH US

REFAYET ULLAH MIRDHA and SOHEL PARVEZ

The reciprocal trade deal signed by the interim government with the United States has raised questions regarding the economic sovereignty of Bangladesh, especially in decisions on trade, energy and security.

Critics point to several binding and conditional clauses that allow Washington to terminate the agreement and restore steep tariffs if its concerns are not addressed.

For example, take the digital trade facilitation provision in the deal.

The agreement says that if Bangladesh signs a new digital trade deal with any

country that jeopardises essential US interests, Washington may terminate the pact and reimpose the 37 percent reciprocal tariff on Bangladeshi exports.

That was the tariff rate the US had proposed in April 2025.

The same condition applies if Bangladesh enters into a new bilateral free trade or preferential agreement with what the US terms "a non-market country" -- nations it does not recognise as market economies.

The agreement says that if consultations with Bangladesh fail to resolve American concerns, the United States may withdraw from the deal and reinstate the 37 percent tariff.

The rate is high enough to sharply reduce Bangladesh's exports to the US, a costly prospect given that the country earns roughly one-fifth of its export revenue from garments and other goods sold to American buyers.

The deal, signed on February 9 between the interim government and the Trump administration, also restricts Bangladesh from purchasing "any nuclear reactors, fuel rods, or enriched uranium from a country that jeopardises essential US interests".

An exception applies to "the procurement of proprietary materials for which there are no alternative suppliers or technologies, or materials contracted prior to the entry into force of this agreement required for existing reactors".

This suggests that supplies for the Rooppur Nuclear Power Plant, built with Russian technical and financial support through Russian state corporation Rosatom, may continue.

But any future nuclear project could fall under tighter scrutiny.

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Stocks see minor correction after three-day rally

STAR BUSINESS REPORT

Stocks in Bangladesh saw a slight correction yesterday after a consecutive three-day rise, mainly due to a profit-booking tendency among investors.

Correction refers to a short- to medium-term decline of 10 percent or more, but less than 20 percent, in a major index or individual stock from its recent peak.

It acts as a market reset, revaluing overvalued assets back to their long-term trend, and is often considered a healthy, temporary pullback rather than a long-term recession.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), fell 11 points, or 0.19 percent, to 5,589. The DS30, the index of blue-chip companies, dropped 9 points to 2,135, while the sharia-based DSES declined 8 points to 1,118.

With all the indices falling, DSE turnover also fell 1.4 percent, to Tk 1,257 crore. Among the traded stocks, 153 advanced, 218 declined, and 26 remained unchanged.

A top official of a leading brokerage firm said there was slight selling pressure on the well-performing stocks that had surged in the previous three trading days. Some of these companies advanced by 10 to 15 percent during that period, so it is common for investors to book profits.

READ MORE ON B2

Development spending plunges to 16-year low

Health spending hit hardest, threatening services amid rising out-of-pocket costs

MD ASADUZ ZAMAN

The government's development expenditure in the first seven months of the current fiscal year 2025-26 (FY26) has slumped to its lowest level in at least 16 years amid fiscal restraints and political disruptions.

Ministries and divisions spent just Tk 50,556 crore -- a mere 21.18 percent of the total Annual Development Programme (ADP) outlay -- during the period, shows Implementation Monitoring and Evaluation Division (IMED) data published yesterday.

During the same period in FY25, when operations were disrupted by a mass uprising and administrative instability, the ADP implementation rate stood at 21.52 percent. The rates were 27.11 percent and 28.16 percent in FY24 and FY23, respectively.

The slowdown is particularly acute in the health sector, which has recorded dismal implementation rates despite growing concerns about healthcare accessibility.

The Medical Education and Family Welfare Division has utilised only 2.98 percent of its allocation, while the Health Services Division has managed just 6.59 percent, according to the IMED.

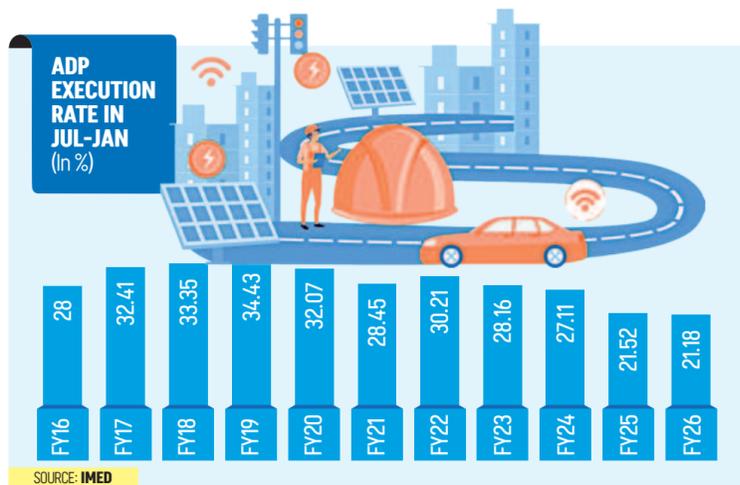
Md Deen Islam, research director at Research and Policy Integration for Development (RAPID), blamed lackings in "institutional capacity" for the slow spending.

"The underperformance in the health sector reflects deeper governance challenges. In many cases, those in charge hesitate to take bold decisions, particularly when procurement-related scrutiny creates a climate of fear. That affects implementation," he added.

The underperformance comes as Bangladesh continues to grapple with one of the world's highest rates of out-of-pocket health expenditure.

This has led to a "structural vulnerability that demands urgent policy attention," Islam said.

"A single chronic or terminal illness



can push a non-poor family into poverty," he warned, citing data from the Multiple Indicator Cluster Survey showing stagnation in key health indicators.

He emphasised that without immediate increases in health investment and execution, Bangladesh risks falling further behind on crucial development metrics.

The broader spending slump reflects multiple headwinds. For the current fiscal year, the government allocated Tk 238,695 crore for the ADP, including funds from autonomous bodies.

However, during the July-January period, utilisation of both state funds and foreign loans has declined sharply.

Foreign fund spending fell to approximately Tk 18,668 crore, while government funds amounted to Tk 28,052 crore, down from Tk 30,096 crore in FY25.

This deceleration comes as the interim

government implemented a reduced, austerity-focused ADP that slowed or postponed certain projects initiated by the previous administration.

Planning ministry officials note that several contractors fled the country before completing their work following the mid-2024 political changeover, further hampering implementation.

RAPID's Islam largely agreed, noting that smaller projects may have received less attention as larger initiatives were prioritised. Infrastructure sectors have fared considerably better than social services.

Among the top 15 recipients of allocations, the Ministry of Water Resources achieved the highest implementation rate at 41.10 percent, followed by the Energy and Mineral Resources Division with 40.66 percent, and the Local Government Division with 36.91 percent.

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BB defers primary nod for digital bank licences

STAR BUSINESS REPORT

Bangladesh Bank (BB) yesterday reviewed the progress of its digital bank licensing initiative but did not grant primary approval to any applicants, following protests from a group of BB officials.

The central bank's Banking Regulation and Supervision Department-I had placed an agenda titled "Selection of eligible applicants for establishing digital banks" before the board of directors during a meeting yesterday.

The meeting was presided over by BB Governor Ahsan H Mansur.

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HC adjourns hearing on NBR split

STAFF CORRESPONDENT

The High Court yesterday adjourned the hearing of a writ petition challenging the government's decision to separate the functions of the National Board of Revenue (NBR) and create two new divisions.

The bench of Justice Razik-Al-Jalil and Justice Md Anwarul Islam set the matter down for hearing in two weeks without issuing any rule on the government's decision.

Barrister Md Omar Farouq, representing the NBR, told The Daily Star that the court deferred the hearing as a new parliament is expected to begin functioning soon and may address the relevant ordinance concerning the separation of the NBR.

He said the government promulgated an ordinance on May 12 last year to separate the NBR's policy-making functions and establish two new entities: the Revenue Policy Division and the Revenue Management Division.

Tanvir Ahmed, a joint secretary at the Cabinet Division, filed the writ petition with the High Court on February 2 this year, challenging the legality of the ordinance.

Farouq argued that the petition lacked merit, adding that a government officer cannot file a writ petition before the High Court challenging a government decision.

Barrister Fida M Kamal appeared for the petitioner during yesterday's hearing.

Prime Bank holds seminar at Gazipur Agricultural University

STAR BUSINESS DESK

Prime Bank PLC, in collaboration with Gazipur Agricultural University (GAU) and the GAU Career Club, recently organised a seminar, titled "Empowering Youth", on the university campus in Gazipur.

Held under the initiative of its flagship platform, PrimeAcademia, the event reaffirmed the bank's commitment to nurturing future-ready young talent by integrating academic learning with real-world financial knowledge, according to a press release.

Notably, PrimeAcademia serves as a customised service platform for stakeholders in the education sector, aiming to bridge the gap between academia and industry.

Through this platform, students, faculty members and related stakeholders gain opportunities to acquire practical knowledge and real-life experience.

The initiative places special emphasis

on enhancing financial literacy, career readiness, leadership development and strengthening academia-industry collaboration.

Shaila Abedin, senior executive vice-president and head of liability at Prime Bank PLC, inaugurated the seminar, where she highlighted the importance of financial discipline, continuous self-development, ethical leadership and women's empowerment.

Addressing young students, particularly women, she encouraged informed financial decision-making and the effective use of digital financial services to achieve financial independence.

MM Mahbub Hasan, senior vice-president and head of financial inclusion and school banking at the bank, emphasised that financial inclusion goes beyond merely opening bank accounts; rather, it is a comprehensive process of expanding opportunities, reducing inequality and ensuring sustainable economic participation.



Shaila Abedin, senior executive vice-president and head of liability at Prime Bank PLC, presents a crest to Prof Mohammad Sharif Raihan, director of the Students' Welfare at Gazipur Agricultural University, on the university campus in Gazipur recently.

PHOTO: PRIME BANK

Nagad widens rural bill payment coverage

STAR BUSINESS DESK

Nagad Limited, one of the country's leading mobile financial service (MFS) providers, has brought additional 20 regional offices of the Bangladesh Rural Electrification Board (BREB) under its expanded digital electricity bill payment coverage.

With this expansion, customers of 29 Palli Bidyut Samities (PBSs) across 24 districts will be able to settle their electricity bills using the Nagad platform.

Earlier, customers of nine PBSs had already been paying their bills through the MFS provider.

Following the inclusion of the new cooperatives, more than half of the country's rural electricity customers will now have access to bill payment services via Nagad, according to a press release.

Nearly 80 percent of Bangladesh's electricity consumers are served under BREB, and the MFS provider, Nagad, has more than 80 million customers nationwide.

The two institutions have been working together since signing an agreement in 2023 to enhance customer convenience.

Customers can access the service through the Nagad app by selecting the "Bill Pay" option, choosing "Electricity", and then selecting "Palli Bidyut Postpaid" to complete the transaction.

With the latest addition, customers of the newly enlisted PBSs can now enjoy instant rural electricity bill payment services through the platform.



Aarong opens 33rd outlet in Savar



Tamara Hasan Abed, managing director of BRAC Enterprises, inaugurates Aarong's 33rd outlet in Savar, Dhaka yesterday.

PHOTO: AARONG

STAR BUSINESS DESK

Aarong, one of the country's leading fashion and lifestyle retail chains, yesterday launched a new outlet in Savar, Dhaka. This marks the company's 33rd outlet, according to a press release.

Tamara Hasan Abed, managing director of BRAC Enterprises, inaugurated the outlet as the chief guest.

"The opening of our Savar outlet has been long anticipated and reflects the remarkable growth and transformation of the region," said Tamara.

"With this new range, we want to get closer to our customers, make Aarong more accessible, and deepen our relationship with the communities we serve. Savar is a vibrant blend of tradition

and modern life, and we brought this outlet to express solidarity with that spirit," she added.

Spanning approximately 11,000 square feet across two floors, the new outlet is designed to meet the growing needs of customers in the Savar area and provide a complete retail experience.

The Savar outlet features Aarong's popular sub-brands -- Taga, Taga Man and Aarong Earth -- along with a wide collection of clothing, jewellery, home décor, accessories, and skincare products.

Crafted with a masterful blend of contemporary design and traditional craftsmanship, this thoughtfully planned space is set to become an integrated destination for fashion, lifestyle, and conscious living for customers.

Japan's GDP falls short of expectations

AFP, Tokyo

Japanese economic growth fell short of market expectations in late 2025, official data showed Monday, adding to pressure on Prime Minister Sanae Takaichi to stimulate activity after her recent election landslide.

Gross domestic product (GDP) in the world's fourth-biggest economy expanded by just 0.1 percent in the fourth quarter, undershooting market forecasts of growth of 0.4 percent.

The growth follows a contraction of 0.7 percent -- revised downwards from an earlier reading of minus 0.6 percent -- in the previous quarter.

Growth in private consumption, and private residential and corporate investments, contributed to the expansion, according to the cabinet office data.

In calendar 2025, Japan's economy grew 1.1 percent, after a 0.2 percent contraction in 2024, the data from the cabinet office showed.

On an annualised basis, GDP expanded by 0.2 percent in the three months through December, significantly weaker than the median economist estimate of 1.6 percent growth.

Al-Arafah Islami Bank, Seamax partner to aid farmers

STAR BUSINESS DESK

Al-Arafah Islami Bank PLC has signed a memorandum of understanding with Seamax Limited, a company that provides farmers, ranchers, private foresters and agricultural producers with online self-service applications and farming materials, to offer comprehensive support in the production and marketing of agricultural crops.

SM Abu Jafar, deputy managing director of Al-Arafah Islami Bank PLC, and Hiron Nahar, chairman of Seamax Limited, signed the agreement at a ceremony held at the bank's head office on Sunday, according to a press release.

Under the agreement, both organisations will jointly contribute to the country's agricultural and rural development by extending integrated support services to farmers in crop production and marketing.

Shamsul Alam, director of Seamax Limited; Monirul Islam, senior vice-president and SME business head of the bank; Mahmud Riyad, vice-president and head of the Al-Arafah Rural Development Programme; and MM Rafiqul Islam, senior assistant vice-president, along with other senior officials from both organisations, were also present at the signing ceremony.



Hiron Nahar, chairman of Seamax Limited, and SM Abu Jafar, deputy managing director of Al-Arafah Islami Bank PLC, pose for a photograph after signing the memorandum of understanding at the bank's head office in Dhaka on Sunday.

PHOTO: AI-ARAFAH ISLAMI BANK

ONE Bank organises 'Strategic Leadership Meet' in Dhaka



ASM Shahidullah Khan, chairman of ONE Bank PLC, poses for a group photograph with participants of the "Strategic Leadership Meet" at the Radisson Blu Water Garden Hotel in Dhaka recently.

PHOTO: ONE BANK

STAR BUSINESS DESK

ONE Bank PLC has outlined its strategic priorities for 2026 at a "Strategic Leadership Meet" held recently at the Radisson Blu Water Garden Hotel in Dhaka.

The daylong session brought together around 80 members of the bank's strategic leadership team to align on "Vision 2026", a roadmap for sustainable growth, innovation and excellence, according to a press release.

ASM Shahidullah Khan, chairman of ONE

Bank PLC, inaugurated the programme as the chief guest.

Muhit Rahman, managing director of the bank, emphasised the importance of a unified and purpose-led approach and said, "Vision 2026 reflects our collective commitment to building a resilient and future-ready bank that prioritises growth with strong governance, embraces digital innovation and operational excellence."

"Together as ONE, we rise to deliver exceptional value to our customers and stakeholders with clarity, stability and purpose," he added.

Joining the session as a guest speaker, Kazi Mahmood Sattar, chairman of IDLC Finance PLC, reflected on his experience in steering transformation at leading commercial banks and shared his views on the evolving future of the country's banking industry.

The bank's strategic priorities for the year will focus on accelerating growth, strengthening governance, advancing digital transformation and innovation, and expanding core businesses to deliver excellence for its customers, regulators, people and communities, the release added.

Zahur Ullah, director and chairman of the executive committee of the bank, and Admiral (ret'd) Aurangzeb Chowdhury, independent director, along with other senior officials of the bank, were also present.

India's US tariff parity

FROM PAGE B1
tariff benefit," said Showkat Aziz Russell, president of the Bangladesh Textile Mills Association (BTMA).

His reasoning is straightforward. "The Trump administration said it will give the reciprocal tariff if the garment is made from imported US cotton and man-made fibre, but India is an exporter of cotton, not an importing nation."

Russell highlighted another critical detail: India imposes a 12 percent duty on cotton imports, while Bangladesh has zero duty on cotton imports. "So Bangladesh can enjoy better benefits as Bangladesh is a major importer of cotton."

Zaidi Sattar, economist and chairman of the Policy Research Institute of Bangladesh (PRI), largely agrees.

"Primarily, it is observed that Bangladesh's garment export to the US may not be affected too much because of the same facility being given to India. India is a cotton-exporting country, and Bangladesh is an importing nation."

However, Sattar acknowledged a complication: Bangladesh's import dependence means "the cost of production in Bangladesh is higher than in India."

INDIA EXPANDS, BANGLADESH HOLDS FIRM

India has been steadily expanding its presence in the US apparel market, and the numbers are striking.

According to the US Fashion Industry Association's (USFIA) Fashion Industry Benchmarking study in 2025, cited on February 6 this year by Vogue Business,

77 percent of surveyed US fashion brands and retailers reported sourcing from India in 2025, with 60 percent planning to expand sourcing through 2027.

India captured 6.5 percent of US apparel imports by value in the first 11 months of 2025, up from 5.7 percent in 2022, according to US International Trade Commission data.

The country has become the third-largest supplier of men's cotton knit tops to the US market, behind Vietnam and Bangladesh, with strong performance in women's blouses, babywear, and home textiles.

India's apparel shipments to the US reached approximately \$5.33 billion in fiscal year 2024-2025, roughly a third of the country's total apparel exports.

A Sakthivel, chair of India's Apparel Export Promotion Council (AEP), told Vogue Business that if the proposed tariff reduction to an effective 18 percent is implemented, it could unlock as much as \$3 billion in additional annual business.

Meanwhile, Bangladesh continues to gain ground. As the third-largest exporter by value, Bangladesh supplied approximately 10.6 percent of US apparel imports in the first five months of 2025, up from 9.2 percent during the same period in 2024.

In January-November of last year, garment exports from Bangladesh to the US rose to \$7.60 billion, representing 12.43 percent growth compared to the same period in 2024.

The USFIA benchmark study showed that 53 percent of respondents expressed interest in expanding apparel

sourcing from Bangladesh over the next two years, up from 48 percent in the 2024 survey.

US fashion companies generally regard Bangladesh as a leading sourcing destination for low-cost, bulk items, particularly basic categories such as knit cotton shirts and trousers.

THE REAL VULNERABILITIES

Perhaps the more pressing concerns for Bangladesh lie elsewhere. Despite cost advantages, sourcing from Bangladesh is still perceived to carry relatively high risks in terms of social and environmental compliance, according to the USFIA study.

More worryingly, respondents expressed concern that apparel imports from Bangladesh may face future US trade restrictions, likely due to the country's growing trade surplus with the US and perceived heavy reliance on Chinese textile raw materials.

The evidence suggests the truth lies somewhere between exporter anxiety and expert reassurance. India's tariff parity does create new competitive pressure, particularly given its lower production costs and strong government support.

But the structural economics, India's role as a cotton exporter versus Bangladesh's position as an importer, may blunt the immediate impact of tariff parity.

The real test will be whether Indian manufacturers find it economically viable to import US cotton despite their domestic supply, just to access the zero-tariff benefit.

China sees strong rebound

FROM PAGE B4
"The studio represents a significant long-term investment, underscoring our confidence in the strength and future growth of China's chemicals industry," said Puay Koon Chia, president for Dow in the Asia-Pacific region.

SAFE data also showed that China posted a current account surplus of \$734.9 billion in 2025, which refers to the excess of a country's exports of goods and services, investment

income and transfers over its imports and outward payments. Surplus in trade in goods came in at \$1.0234 trillion last year.

On a renminbi basis, the current account surplus amounted to 5.24 trillion yuan (\$759 billion), roughly equivalent to 3.7 percent of the country's GDP -- which hit 140.19 trillion yuan in 2025 -- up from 2.2 percent in 2024.

While export growth propped up the surplus, Liu Chunsheng, an associate professor of

international economics at the Central University of Finance and Economics, said that China's aim is to maintain overall balance in its balance of payments, rather than run excessive surpluses, which could create pressure on both the economy and the renminbi.

Liu said that authorities have sought to ease the surplus by expanding imports, strengthening domestic demand and deepening opening-up in the services sector.

Stocks see minor correction

FROM PAGE B1
days, including yesterday, which is not a good sign for the market, he added.

By rising around 10 percent, New Line Clothing, Bangladesh Industrial Finance, and S Alam Cold Rolled Steel Mills made it to the top gainers' list. All three companies belong to the Z category.

On the other hand,

ICB Islamic Bank, Prime Textile, and Ring Shine were the top losers, dropping 10 percent, 6 percent, and 5 percent respectively.

Although all indices of the DSE fell, the major index of the Chittagong Stock Exchange (CSE), CASPI, rose. It gained 7 points to reach 15,526. Among the traded issues, 116 rose, 90 fell, and 22 remained unchanged.



Kumar Sanu Hawlader applies varnish to harmoniums made of segun wood (teak) at his workshop in Andakul village of Nesarabad (Swarupkathi) in Pirojpur recently. The harmoniums are sold to Dhaka traders at wholesale prices ranging from Tk 25,000 to Tk 1 lakh.

PHOTO: TITU DAS

India hosts AI summit

AFP, New Delhi

A global artificial intelligence summit kicked off in New Delhi on Monday with big issues on the agenda, from job disruption to child safety, although some attendees warned the broad focus could make concrete commitments from world leaders less likely.

While frenzied demand for generative AI has turbocharged profits for many tech companies, anxiety is growing over the risks that it poses to society and the environment.

The five-day AI Impact Summit aims to declare a "shared roadmap for global AI governance and collaboration".

It is the fourth annual gathering addressing the problems and opportunities posed by AI, after previous international meetings in Paris, Seoul and Britain's wartime code-breaking hub Bletchley.

Touted as the biggest edition yet, the Indian government is expecting tens of thousands of visitors from across the sector.

That includes 20 national leaders and 45 ministerial-level delegations, who will rub shoulders with tech CEOs including Sam Altman of OpenAI and Google's Sundar Pichai.

"The AI Impact Summit will enrich global discourse on diverse aspects of AI, such as innovation, collaboration, responsible use and more," Indian Prime Minister Narendra Modi wrote on X.

It is "further proof that our country is progressing rapidly in the field of science and technology," and "shows the capability of our country's youth", added Modi, who will inaugurate the event later on Monday.

At the busy conference site, panels and roundtables were held on topics ranging from how AI can make India's treacherous roads safer to how South Asian women are engaging with the technology.

But whether Modi and the likes of France's Emmanuel Macron and Brazil's Luiz Inacio Lula da Silva will take meaningful steps to hold AI giants accountable is in doubt, said Amba Kak, co-executive director of the AI Now Institute.

"Even the much-touted industry voluntary commitments made at these events have largely been narrow 'self regulatory' frameworks that position AI companies to continue to grade their own homework," she told AFP.

The Bletchley gathering in 2023 was called the AI Safety Summit, but the meetings' names have changed as they have grown in size and scope.

At last year's AI Action Summit in Paris, dozens of nations signed a statement calling for efforts to regulate AI tech to make it "open" and "ethical".

The United States did not sign, with Vice President JD Vance warning that "excessive regulation... could kill a transformative sector just as it's taking off".

The Delhi summit has the loose themes of "people, progress, planet" - dubbed three "sutras". AI safety remains a priority, including the dangers of misinformation such as deepfakes.

US trade deal overshadows

FROM PAGE B1
Citing the section on economic and national security, BRAC Executive Director Asif Saleh, in a Facebook post, said, "This is the most important and controversial part of the agreement, as it raises questions about 'sovereignty'."

The section adds, "The United States shall work with Bangladesh to streamline and enhance defence trade." On the nuclear restriction, Saleh said, "This could create risks for Bangladesh's energy security."

The deal also opens the door for US direct investment to "explore, mine, extract, refine, process, transport, distribute and export critical mineral resources".

In addition, Bangladesh is required to purchase \$3.5 billion worth of American agricultural products. This includes at least 700,000 tonnes of wheat annually for five years, at least \$1.25 billion or 2.6 million tonnes of soy and soy products, and cotton.

Bangladesh shall also need to buy 14 Boeing aircraft initially and \$15 billion worth of liquefied natural gas (LNG) over 15 years, apart from increased purchases of US military equipment and limits on defence equipment purchases from certain countries.

"It appears more like an imposed purchasing obligation than free trade," said Saleh. "Regardless of Bangladesh's actual needs or capacity, it effectively ensures profits for US companies."

Mustafizur Rahman, distinguished fellow at local think tank Centre for Policy Dialogue (CPD), said bulk commodities in Bangladesh are usually imported by private sector businesses, not the government.

If traders can source goods more cheaply elsewhere, he asked, why would they buy from the United States?

In that case, Rahman said the government may have to offer incentives to persuade private importers to purchase American products, adding to fiscal pressure.

In an interview with The Daily Star last week, Professor Selim Raihan, executive director of the South Asian Network on Economic Modeling (Sanem), said that Bangladesh could be compelled to buy more expensive goods even when cheaper alternatives are available.

"If we find a cheaper source elsewhere, we may not be able to choose it," he said. "This will put additional pressure on our foreign exchange."

"How are we going to finance aircraft purchases and energy imports? There is a risk of increased reliance on foreign loans," Raihan said.

Anwar ul Alam Chowdhury (Parvez), president of the Bangladesh Chamber of Industries, said the agreement indicates that Bangladesh should reduce its dependence on China for raw materials.

The deal also contains a provision on Rules of Origin. It says that if the benefits of the agreement accrue substantially to third countries or their nationals, either party may establish Rules of Origin to reflect the intention of the agreement.

Parvez said the third country clause should have been defined more clearly.

The agreement has not been made public, with officials citing a non-disclosure provision. Amid growing concern, the Chief Adviser's

Office said in a statement that it had inserted "an exit clause" into the deal. "There was no scope for any country to terminate the agreement," it added. The statement did not clarify whether Bangladesh exports would again face a 37 percent tariff, up from 19 percent, if the agreement were terminated.

BB defers

FROM PAGE B1
After the session, Arief Hossain Khan, executive director and spokesperson of BB, told The Daily Star that the agenda was meant only to update board members on the progress of the digital bank initiative.

"There was no issue of approval, as the matter has not yet reached that stage," he added.

Earlier in the day, officials representing the Bangladesh Bank Officers' Welfare Council raised objections against the governor, accusing him of a "hasty" move to grant digital bank licences.

The council held a press conference to protest the decision.

Its leaders said that following the 13th national election on February 12, the process of swearing in newly elected representatives and forming a new government is still underway.

"At this moment, the governor has called an emergency board meeting to issue a digital bank licence. Granting such a licence urgently during a transitional period could raise questions about the transparency and neutrality of the central bank's operations," said Golam Mostafa Sraon, general secretary of the council.

Development

FROM PAGE B1
For Islam, the health shortfall is particularly worrying given Bangladesh's demographic outlook.

He warned, "Within 15 to 20 years, Bangladesh will gradually transition into an ageing society. Without adequate investment in health infrastructure and human resources, fiscal pressure will intensify."

He urged authorities to view health spending through an economic lens, noting that Bangladesh maintains a low ratio of nurses and support staff compared to doctors.

"Expanding this workforce would improve service delivery while generating jobs. Health investment is not just social spending, it is also an economic strategy," he said. However, Islam said

ADP implementation may accelerate under the newly elected political government.

A modest uptick in January offered limited encouragement. The month recorded 3.64 percent implementation of the revised ADP, marginally up from 3.55 percent in January 2024.

"As an elected party, the BNP will have to deliver on its pledges, including job creation, expanding health services, and reducing out-of-pocket costs," Islam said.

Ashikur Rahman, principal economist at the Policy Research Institute of Bangladesh, concurred that a full-fledged political government could help strengthen ADP spending by accelerating nationwide development activities.

Government of the People's Republic of Bangladesh
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Date: 16/02/2026

e-Tender Notice (Open Tender Method)

e-Tenderer are invited on the National e-GP Portal for following procurements. Interested tenderers are requested to visit <https://www.eprocure.gov.bd> website for details.

Sl No.	Tender ID	Ref No.	Name of works	Last selling date & time	Tender closing date & time
01	1226170	RU-MATH-ATF-PIN_13186/35-2026	Procurement of laboratory Equipment	26/02/2026 11:00am	26/02/2026 04:30pm
02	1226329	RU-MATH-ATF-PIN_13186/36-2026	Procurement of Electronics Goods for Office and LAB	26/02/2026 11:00am	26/02/2026 04:00pm
03	1226382	RU-MATH-ATF-PIN_13186/41-2026	Procurement of ICT Equipment for LAB	26/02/2026 11:00am	26/02/2026 07:00pm

This is an online tender, where only e-Tenders will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. The fees for downloading the e-Tender documents from the National e-GP System Portal have to be deposited online through any registered banks tender last selling time.

Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd).

G. Paul
16.02.2026
Professor, Dr. Gour Chandra Paul
SPM
HEAT-ATF-W3a-PIN-13186
Department of Mathematics
University of Rajshahi-6205

GD-313

Government of the People's Republic of Bangladesh
Jatiyo Protibondhi Unnayan Foundation
Ministry of Social Welfare
A/4, Section- 14, Mirpur, Dhaka-1206.
website: www.jpuf.gov.bd

Memo no: 41.02.0000.006.00.009.2026.95 Date: 16.02.2026

e-GP Tender Notice

package: (a) JPUF.2025-26.130.2025-08

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the procurement of the following package:

Sl	Retender ID	Name of package	Tender Publication date and time	Last date and time for tender selling	Last date and time for tender security submission	Tender closing date and time
1	1226825	Procurement of food and food contingency of the children with disabilities (Protibondhi Shishu Nibash)	17-Feb-2026 16:15	02-March-2026 12:00	02-March-2026 12:10	02-March-2026 12:15

This is an online e-GP tender, where only e-Tender will be accepted in the National e-GP System Portal and no offline/hardcopy will be accepted.

To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required.

The fees for downloading the e-Tender documents from the National e-GP System Portal have to be deposited online through any registered banks' branches up to date and time mentioned in the notice. Further information and guidelines are available in the National e-GP System Portal and from e-GP Help Desk (helpdesk@eprocure.gov.bd). The authority reserves the right to accept any tender to annul the tender process or to reject any or all tenders at any time prior to contact award without assigning any reason thereof.

Sona Mani Chakma
16.02.2026
(Sona Mani Chakma)
(Joint Secretary)
Director(Admin & Finance)
Phone: 8035046
Email: md@jpuf.gov.bd

GD-315

Government of the People's Republic of Bangladesh
Chattogram City Corporation
Tigerpass, Chattogram
www.ccc.gov.bd

Memo No. 46.11.1600.002.31.99.26.15 Dated: 16-02-2026

e-Tender Notice-CE/2025-26/Cantonment/01

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the procurement of following works:

Sl No.	Package No.	Name of works	Tender ID	Procurement method	Tender document last selling /downloading date and time	Tender closing & opening date and time
1	CCC/Cantonment/25-26/01	Development work inside Chattogram Cantonment: (1) Development of Cantonment main road inside Chattogram Cantonment (2) Development of MR Chowdhury Firing Range Road inside Chattogram Cantonment (3) Construction of Boundary wall at Majhghona & Islampur area inside Chattogram Cantonment	1200091	Open Tendering Method (OTM)	05-Mar-2026 12:00	05-Mar-2026 14:00

This is an online tender where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender documents of following packages from the National e-GP System Portal have to be deposited online through any registered bank branches up to particular date and time specified on the tender notice. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (<http://www.helpdesk.eprocure.gov.bd>).

CCC-PRD-98/25-26 (5"x4)

Md. Anisur Rahman
Chief Engineer
Chattogram City Corporation
Tigerpass, Chattogram

GD-318

Dhaka division gets half of remittances in December

STAR BUSINESS REPORT

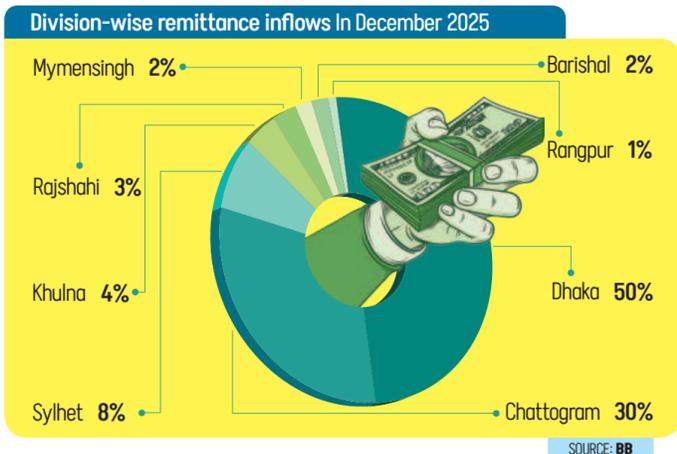
Dhaka division remained the largest recipient of remittances in December, receiving nearly half of the total inflows, as migrant earnings continued to strengthen foreign currency reserves and support millions of households, according to a report by Bangladesh Bank (BB).

In December 2025, the Dhaka division received \$1.60 billion, accounting for 49.93 percent of the country's total remittances.

Chattogram division ranked second, receiving \$958.45 million, or 29.73 percent of the total, while the Sylhet division came third with \$267.63 million, representing 8.30 percent.

"In the current political and economic situation, marked by inflation, exchange rate fluctuations, and higher import costs, remittances have provided much-needed relief by strengthening foreign currency reserves and supporting millions of households across the country," the central bank said in its monthly report.

District-level data showed that Dhaka district received the highest remittances at \$1.15 billion. Other major recipients



included Chattogram district with \$360.56 million, Cumilla district with \$181.89 million, and Sylhet district with \$146.02 million.

Among source countries, Saudi Arabia and the United Arab Emirates were the

top two, sending \$489.41 million and \$476.04 million, respectively. The United Kingdom ranked third, contributing \$404.21 million during the month.

Bangladesh Bank said remittances have been essential for maintaining economic

stability amid global uncertainty and domestic challenges. It added that overseas employment plays a key role in reducing poverty and unemployment in a densely populated country like Bangladesh.

Data from the Bureau of Manpower, Employment, and Training showed that 18.07 million people received licences for overseas employment between 1976 and December 2025.

Total remittances reached \$3,223.67 million in December 2025, marking a 22.17 percent increase compared to the same month a year earlier.

During the first half of the current fiscal year (July-December 2025-26), remittance inflows rose to \$16,261.17 million, which was 46.01 percent higher than in the same period of the previous fiscal year.

Among scheduled banks, Islami Bank Bangladesh PLC received the highest remittances, handling \$671.87 million in December. Bangladesh Krishi Bank and Janata Bank PLC ranked second and third, processing \$353.52 million and \$281.86 million, respectively.

The central bank said that remittance inflows usually increase during religious festivals and towards the end of the calendar and fiscal year.

A narrow window for US cotton gains

MD MOHIUDDIN RUBEL

After a roller coaster period since the reciprocal US tariff was announced in April last year, the cut from 20 percent to 19 percent is modest but offers some relief. Under the new deal, certain Bangladeshi RMG and textile products made with US cotton and man-made fibres can enter the US duty free, with volumes tied to Bangladesh's purchases. Turning this window into real export gains will require careful planning.

Bangladesh imported an estimated 7.82 million bales of cotton in 2025, down from 8.33 million bales in 2024. Within this, imports of US cotton rose from roughly 0.59 million bales in 2024 to about 0.77 million bales in 2025, according to NBR.

Based on prevailing prices, landed cotton costs per pound in Bangladesh are about \$0.68 to \$0.72 from the US, \$0.58 to \$0.62 from Brazil, \$0.82 to \$0.85 from India and \$0.55 to \$0.60 from West Africa. This helps explain the recent shift away from Indian cotton towards Brazil, West Africa and the US. While Brazil and West Africa appear cheaper, spinners say lower cleaning efficiency, weaker fibre uniformity and higher contamination often raise processing costs. Once the 19 percent reciprocal tariff on garments made with non-US cotton is factored in, US cotton can become more competitive overall despite its higher upfront price.

Suppose a T-shirt exported from Bangladesh to the US costs \$5.00 with Brazilian cotton and \$5.15 with US cotton. With a 16.5 percent base duty and no reciprocal tariff, the US cotton T-shirt faces total border charges of about \$0.85, for a border price near \$6.00.

The Brazilian cotton T-shirt pays the same base duty plus the 19 percent reciprocal tariff, adding about \$0.95 and pushing the border price to roughly \$6.80. That gap of about \$0.80 per piece, around 16 percent at the US border, shows how US cotton can be more competitive.

According to the Export Promotion Bureau, RMG exports to the US from February 2025 to January 2026 were about \$7.54 billion, 19.46 percent of Bangladesh's total RMG exports of \$38.78 billion. US OTEXA data show that from December 2024 to November 2025 Bangladesh exported about \$8.18 billion of apparel to the US, around 10.46 percent of total US RMG imports of \$78.21 billion.

Competition, however, is intense. China, with \$11.35 billion and a 14.5 percent share under a 34 percent tariff, remains a key supplier. Vietnam leads the US market with \$16.54 billion and a 21.2 percent share under a 20 percent tariff, driven by China plus one sourcing, higher value products and strong logistics. Indonesia, at \$4.63 billion and 5.9 percent under a 19 percent tariff, focuses on more technology-intensive garments. India, at \$4.95 billion and 6.3 percent under an 18 percent tariff, leverages vertical integration and stronger infrastructure. Cambodia, at \$4.71 billion and 6.0 percent under a 19 percent tariff, combines product specialisation with low costs to complement Vietnam in many brands' sourcing plans.

Despite price pressure and softer demand, the US will remain critical for Bangladesh's RMG exports because of its scale and ability to absorb large volumes. With a lower general reciprocal tariff and the new duty-free window for garments made with US cotton and man-made fibres, Bangladesh can consolidate its strengths in basic and mid-range products, where its scale is still hard to match, even as some African producers emerge.

To stay competitive, Bangladesh must sharpen its advantages: faster lead times, better infrastructure, fewer non-tariff barriers and a more welcoming climate for US investment, while reducing the trade gap and safeguarding political stability. It should move up the value chain into mid and high value segments, pair high quality US cotton and strong compliance with tariff advantages.

The writer is a former director of the Bangladesh Garment Manufacturers and Exporters Association

Gold drops more than 1%

REUTERS

Gold prices dropped on Monday, pressured by thin trading volumes as US and China markets remained shut due to local public holidays, while some traders booked profits after last session's 2.5 percent jump.

Spot gold fell 0.9 percent to \$4,997.59 per ounce by 0726 GMT, after losing more than 1 percent earlier in the session.

US gold futures for April delivery lost 0.6 percent to \$5,017.20 per ounce.

"Gold has given back some of Friday's post-CPI gains today due to thinner trading conditions and a lack of fresh upside catalysts," said Tim Waterer, KCM chief analyst, referring to the US consumer price inflation data.

He also pointed to profit-taking on the day.

US markets are closed for the Presidents' Day holiday, while markets in China are closed for the Lunar New Year holiday.

The US CPI rose 0.2 percent in January after an unrevised 0.3 percent gain in December, the Labor Department's Bureau of Labor Statistics said on Friday. Economists polled by Reuters had forecast the CPI to increase by 0.3 percent.

Federal Reserve Bank of Chicago President Austan Goolsbee said on Friday that interest rates could go down, but noted that services inflation remained high.

Market participants anticipate that the central bank will keep rates steady at its next meeting on March 18. However, they are still pricing in 75 basis points of rate cuts this year, with the first one expected in July, per data compiled by LSEG.

Non-yielding bullion tends to do well in low-interest-rate environments.

"It will likely require the dollar to resume its downtrend for gold to make a push in the direction of \$6,000 before year-end," Waterer said.

On the geopolitical front, the US military is preparing for the possibility of a weeks-long operation against Iran should President Donald Trump authorise an attack, two US officials told Reuters, in what could become a far more serious conflict than previously seen between the countries.

China sees strong rebound in FDI

ANN/CHINA DAILY

Net inflows of foreign direct investment to China quadrupled in 2025 according to balance-of-payments data, official figures showed on Friday, signaling a structural improvement in inbound investment and renewed confidence in China's long-term growth prospects.

Preliminary balance-of-payments data from the State Administration of Foreign Exchange showed that China recorded an increase of \$76.5 billion in direct investment liabilities in 2025, representing net FDI inflows on a balance-of-payments basis.

The figure marked a sharp increase from \$18.6 billion in 2024, indicating a notable rebound in inbound direct investment despite extreme external shocks due to the United States tariff and sanction policies.

With the rising foreign investment appetite, China's direct investment deficit — the gap between outbound and inbound direct investment — narrowed sharply on a balance-of-payments basis, shrinking to \$82 billion in 2025 from \$153.7 billion in 2024, the SAFE said.

Guan Tao, global chief economist at BOCI China, said in a note that the improvements in FDI inflows reflect China's effective policy response to external shocks, stronger-than-expected economic and financial resilience, and measures to stabilize foreign investment by expanding opening-up and improving the business environment.

The recovery in foreign investment also comes as multinationals become more adapted to China's economic transformation and pursuit of innovation-driven quality growth.

Jiang Liqin, head of clients and markets for KPMG China, said that foreign enterprises are increasingly shifting from expansion to profitable models, using local digital innovations to boost efficiency, refine pricing and strengthen competitiveness in China.

For instance, US chemical company Dow has been enhancing its local innovation and production capabilities in China, with its new Cooling Science Studio at the Shanghai Dow Center opening in November.

READ MORE ON B2

Job threats, rogue bots: five hot issues in AI

AFP, New Delhi

As artificial intelligence evolves at a blistering pace, world leaders and thousands of other delegates will discuss how to handle the technology at the AI Impact Summit, which opens Monday in New Delhi.

Here are five big issues on the agenda:

JOB LOSS FEARS
Generative AI threatens to disrupt myriad industries, from software development and factory work to music and the movies.

India — with its large customer

economic divides, it warns.

BAD ROBOTS

The Delhi summit is the fourth in a series of international AI meetings. The first in 2023 was called the AI Safety Summit, and preventing real-world harm is still a key goal.

In the United States, families of people who have taken their own lives have sued OpenAI, accusing ChatGPT of having contributed to the suicides. The company says it has made efforts to strengthen its safeguards.

Elon Musk's Grok AI tool also recently sparked global outrage and bans in several countries over its



service and tech support sectors — could be vulnerable, and shares in the country's outsourcing firms have plunged in recent days, partly due to advances in AI assistant tools.

"Automation, intelligent systems, and data-driven processes are increasingly taking over routine and repetitive tasks, reshaping traditional job structures," the summit's "human capital" working group says.

"While these developments can drive efficiency and innovation, they also risk displacing segments of the workforce," widening socio-

ability to create sexualised deepfakes depicting real people, including children, in skimpy clothing.

Other concerns range from copyright violations to scammers using AI tools to produce perfectly spelled phishing emails.

ENERGY DEMANDS

Tech giants are spending hundreds of billions of dollars on AI infrastructure, building data centres packed with cutting-edge microchips, and also, in some cases, nuclear plants to power them.

The International Energy

Agency projects that electricity consumption from data centres will double by 2030, fuelled by the AI boom. In 2024, data centres accounted for an estimated 1.5 percent of global electricity consumption, it says.

Alongside concerns over planet-warming carbon emissions are worries about water use to cool the data centre servers, which can lead to shortages on hot days.

MOVIES TO REGULATE

In South Korea, a wide-ranging law regulating artificial intelligence took effect in January, requiring companies to tell users when products use generative AI.

Many countries are planning similar moves, despite a warning from US Vice President JD Vance last year against "excessive regulation" that could stifle innovation.

The European Union's Artificial Intelligence Act allows regulators to ban AI systems deemed to pose "unacceptable risks" to society.

That could include identifying people in real time in public spaces or evaluating criminal risk based on biometric data alone.

'EVERYONE DIES'

More existential fears have also been expressed by AI insiders who believe the technology is marching towards so-called "Artificial General Intelligence", when machines' abilities match those of humans.

OpenAI and rival startup Anthropic have seen public resignations of staff members who have spoken out about the ethical implications of their technology.

Anthropic warned last week that its latest chatbot models could be nudged towards "knowingly supporting — in small ways — efforts toward chemical weapon development and other heinous crimes".

India forced to defend US trade deal as doubts mount

AFP, Mumbai

India is scrambling to defend a new trade deal with the United States that critics have branded as a surrender to Washington, as countries navigate the fallout from President Donald Trump's sweeping tariffs.

The deal announced this month has rattled India's powerful farmers' unions, who argue that cheap US imports would throttle local producers in a country where agriculture employs more than 700 million people.

Details of the deal remain sparse, limited to a joint statement and a White House factsheet, but New Delhi says an interim pact should be finalised by the end of March.

Analysts warn that other elements of the agreement could also prove volatile.

"In the Trumpian era, there is nothing called certainty," trade expert Abhijit Das told AFP.

Even if the deal is signed in a few weeks, it would only hold until Trump "decides to impose more tariffs for any perceived inconsistency," he said.

The most contentious pledge is India's stated intention to buy \$500 billion worth of US goods over five years. India's annual imports from the US last fiscal year were

around \$45 billion.

Doubling annual purchases to \$100 billion "is unrealistic", said Ajay Srivastava of the Global Trade Research Initiative, a New Delhi-based think tank.

Aircraft purchases were a major

component of this commitment but even a major expansion of Boeing aircraft orders — decisions made by private airlines — would fall far short, he said.

"Even if India were to add another 200 Boeing aircraft over the next five years,

at an estimated cost of \$300 million per aircraft, the total value would be about \$60 billion."

Some economists argue the language around purchases is non-binding, hence it protects New Delhi if it fails to meet the goal. "Framing the target as an intention, rather than a commitment, reduces the risk of the deal later breaking down," Shivaan Tandon of Capital Economics said in a note on Friday.

Trump's unpredictability also continues to loom large.

He recently threatened higher tariffs on South Korea over perceived delays by Seoul in implementing a trade agreement announced last July.

Another flashpoint is Washington's rollback of a 25 percent duty after what it described as India's "commitment" to stop buying Russian oil.

This promise finds no mention in the joint statement and has neither been confirmed nor denied by the Indian government. India says its energy policy is driven by national interests and that the country depends on multiple sources for crude oil imports.

New Delhi's Russian oil imports have dropped from a mid-2025 peak of more than two million barrels a day to about 1.1 million in January.



Workers sift wheat before filling in sacks on the outskirts of Ahmedabad, India. The US-India deal announced this month has rattled India's powerful farmers' unions, who argue that cheap US imports would throttle local producers. PHOTO: REUTERS/FILE