

Dhaka division gets half of remittances in December

STAR BUSINESS REPORT

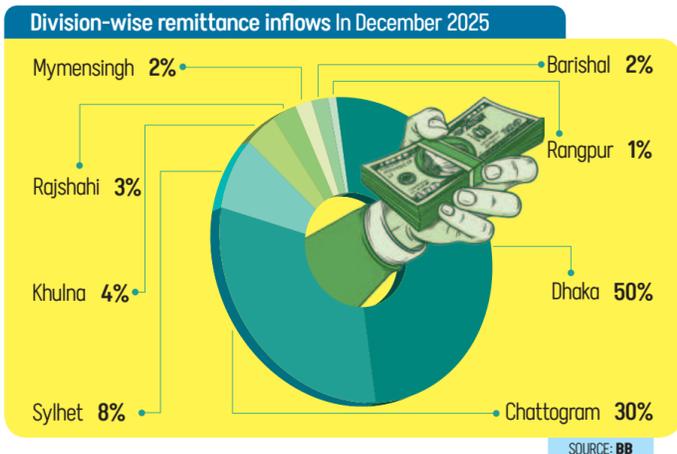
Dhaka division remained the largest recipient of remittances in December, receiving nearly half of the total inflows, as migrant earnings continued to strengthen foreign currency reserves and support millions of households, according to a report by Bangladesh Bank (BB).

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.

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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

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".



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

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