

## Bangladesh seeks New Zealand's support for RCEP

STAR BUSINESS REPORT

Bangladesh has sought New Zealand's support to join the Regional Comprehensive Economic Partnership (RCEP), the world's largest trade pact.

The request was made on Sunday during a bilateral meeting between Commerce Minister Khandaker Abdul Mukhtar and New Zealand Trade and Investment Minister Todd McClay in Yaounde, on the sidelines of the World Trade Organization conference, according to a press release.

Mukhtar highlighted Bangladesh's strategic geographical position at the crossroads of South Asia and Southeast Asia, along with its growing middle class, as key factors for inclusion in the pact.

He said the newly elected government is focused on integrating into global value chains and fostering a business-friendly environment for trade-led growth.

In response, New Zealand's trade and investment minister praised Bangladesh's economic potential and described the country as a "suitable partner" for RCEP. He assured cooperation in coordinating with other member states regarding Bangladesh's inclusion.

McClay also proposed initiating negotiations for a bilateral free trade agreement to expand trade and signal a positive environment for investors.

The RCEP, which includes 15 Asia-Pacific nations such as China, Japan, and Australia, accounts for 30 percent of global GDP. It features unified rules of origin and 90 percent tariff elimination to streamline regional supply chains.

The meeting also touched upon Bangladesh's broader trade strategy following its graduation from the least developed country category.

# Japanese investors want tax, regulatory reforms

STAR BUSINESS REPORT

Unpredictable tax practices, weak enforcement, and conflicting regulatory directives continue to raise costs and delay operations for businesses, Japanese investors said yesterday.

Speaking at an event at The Westin Dhaka, marking the Japan Business Day, they argued that without policy continuity, transparent administration, and reliable dispute resolution, long-term investment decisions remain at risk. The programme was jointly organised by the Embassy of Japan, Bangladesh and Japan External Trade Organisation (Jetro).

"Clear, consistent and fairly applied rules are vital to improve Bangladesh's investment climate. Uncertainty often outweighs product competitiveness," said Manabu Sugawara, president of Japanese Commerce and Industry Association in Dhaka (JCIAD), commonly known as Shoo-Koo-Kai.

He identified tax reform as a priority, calling for simpler procedures, clearer interpretations and reduced discretionary practices, alongside faster services and reliable dispute resolution.

Sugawara highlighted poor coordination among government agencies, saying conflicting directives create delays and raise costs for investors.

He also urged a functional one-stop service with fully digital, streamlined and time-bound approvals, licensing and renewals.

Pointing to persistent visa and permit delays, he said such bottlenecks must be resolved quickly.

Hiroshi Uegaki, country representative of Mitsubishi Corporation, one of Japan's corporate giants, called for foundational reforms to strengthen Bangladesh's investment climate for Japanese firms.

He stressed improving data management, business efficiency and digitalisation aligned with international standards to reduce delays. Uegaki highlighted the importance of economic partnership agreements (EPAs) to ease import-export processes and support smoother operations.

Policy consistency, he added, remains critical to ensure long-term investor confidence and signal a stable, business-friendly environment.

Tareq Rafi Bhuiyan, president of the Japan-Bangladesh Chamber of Commerce and Industry, said the EPA would ensure continued market access to Japan and strengthen investor confidence through a rules-based framework.

The Bangladesh-Japan EPA is being seen as critical to sustaining trade and investment as Bangladesh prepares for LDC graduation, he said. "Investors value predictability and long-term trust," he noted, adding that reforms must align with EPA commitments

to attract sustained Japanese investment.

Also speaking at the event, Rashed Al Mahmud Titumir, the prime minister's adviser on finance and planning, pointed out priorities to deepen Bangladesh-Japan economic ties and shift focus from aid to investment-led growth.

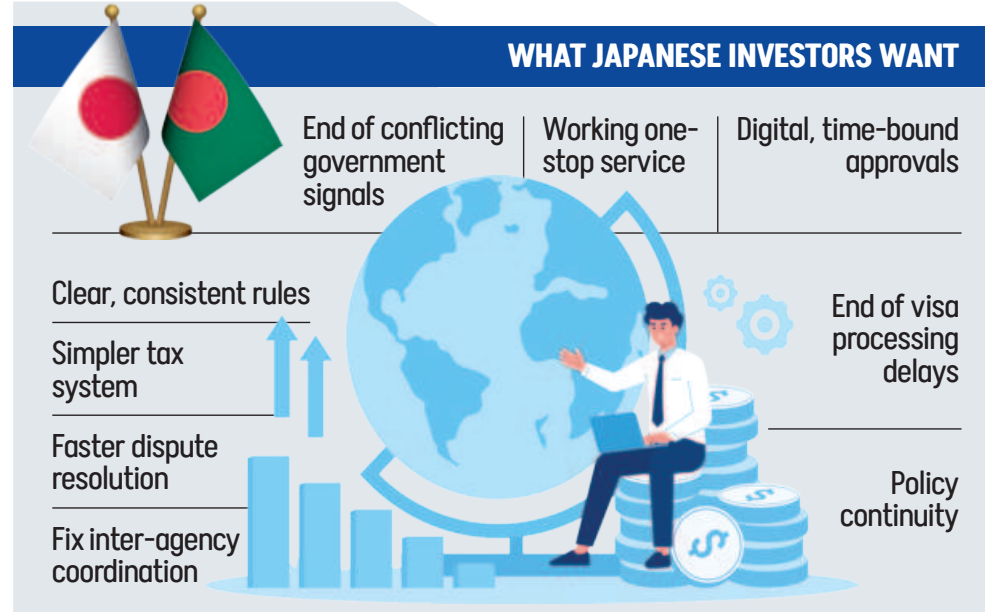
He said Bangladesh wants higher Japanese investment to match global averages, with a stronger emphasis on manufacturing to create sustainable jobs.

He also stressed the need for greater technology transfer through joint ventures, enabling long-term industrial capacity and

Shinichi Saida described the recently signed bilateral EPA as a landmark step, urging Bangladesh to view it through a long-term lens rather than immediate gains.

He said the deal offers legal certainty for investors and reinforces a rules-based trade environment at a time of global uncertainty.

Meanwhile, presenting the findings of a survey on business conditions of Japanese firms, Kazuiki Kataoka, country representative of Jetro, said Bangladesh is emerging as a promising frontier for Japanese businesses, with stronger profit expectations and growing interest in expansion.



competitiveness. Titumir added that the government is committed to policy reforms, including deregulation, stronger market-based oversight, and improved contract enforcement to build investor confidence.

Ashik Chowdhury, executive chairman of the Bangladesh Investment Development Authority (Bida), outlined a set of reforms aimed at attracting sustained foreign investment, particularly from Japanese firms.

He said improving the business climate would require making tax administration more transparent and efficient, reducing the burden of unpredictable enforcement. He also stressed the need for stronger coordination among government agencies to avoid conflicting directives that often delay operations.

Chowdhury called for a fully functional "one-stop service" to streamline licensing through digitalisation and ensure visa processing within a predictable timeframe. Policy consistency, he added, remains crucial for long-term corporate planning and boosting investor confidence.

Japanese Ambassador to Bangladesh

He noted that 56.9 percent of Japanese firms in Bangladesh plan to expand operations, driven largely by the country's rising domestic market.

He also pointed to administrative inefficiencies and policy uncertainty as major risks, stressing that improving these areas could unlock greater foreign investment.

Syed Nasim Manzur, managing director of Apex Footwear Limited, said Bangladesh should position itself as a manufacturing hub, exporting to Japan and integrating into global value chains.

Leveraging the EPA, he added, could deepen long-term partnerships and boost trade and services.

M Masrur Reaz, chairman and CEO of Policy Exchange of Bangladesh (PEB), said Bangladesh's prospects under the proposed economic partnership with Japan remain promising, but some weaknesses could blunt its gains.

He said weak inter-agency collaboration, fragmented public-private dialogue, and limited private-sector linkages undermine policy execution and investment climate reforms.

## Pharma sector needs urgent reforms

MD ABU ZAFOR SADEK

Among the knowledge-driven industries that have placed Bangladesh on the global stage, the pharmaceutical sector stands out as one of its most notable success stories. Compared with many low and middle-income countries, Bangladesh has struck a strong balance between affordability, quality and accessibility of medicines. This progress has strengthened public health security while positioning the country as a reliable global supplier of generic drugs.

From the mid-1980s to the pre-Covid period, the industry maintained annual growth of 15-25 percent. This expansion was fuelled by supportive government policies and the entrepreneurial drive of local firms. During and after the pandemic, however, the sector faced mounting challenges. Global shortages of raw materials, rising input and freight costs, depreciation of the taka against the US dollar, and higher fuel prices pushed up production and distribution expenses.

At the same time, limited flexibility in price adjustments and delays in drug registration intensified operational pressure. Maintaining profitability while ensuring an uninterrupted supply has therefore become increasingly difficult.

In this context, the new government has an opportunity to introduce timely and pragmatic reforms to protect both industry sustainability and public access to medicines. A key priority is to accelerate and modernise the drug registration process.

The introduction of new molecules is essential for sustaining growth in the generic market, often contributing 15-20 percent of overall expansion. New products also improve treatment protocols and broaden therapeutic options. Despite efforts by regulators, the approval process remains slow, as expert committee meetings are held only a few times a year.

Increasing the frequency of meetings, enabling virtual consultations, and establishing multiple committees based on therapeutic classes could improve efficiency. Full digitalisation through an online registration portal would further enhance transparency and reduce processing times.

Another area requiring reform is the pricing mechanism. Excessive price controls and complex approval procedures can disrupt supply and discourage investment. A transparent, evidence-based pricing framework involving all stakeholders would help ensure sustainability for both manufacturers and consumers.

Introducing fixed timelines for price approval decisions would improve predictability and strengthen regulatory confidence. Similarly, recently introduced production quotas for essential medicines may not be feasible for all companies. If national supply is already sufficient, such mandates risk creating inefficiencies and market distortions. Facilitating the import of raw materials and laboratory chemicals is equally important. Pharmaceutical production and quality control depend on timely imports, yet multiple approval requirements often cause delays. As many inputs have limited shelf lives, prolonged clearance reduces usability and raises costs.

The Active Pharmaceutical Ingredient Industrial (API) Park in Gazaria, Munshiganj, also requires urgent attention. Several companies have invested heavily but are still waiting for essential utilities and infrastructure. At the policy level, Bangladesh's graduation from LDC status presents both opportunity and risk. Under the TRIPS agreement of the WTO, Bangladesh currently benefits from flexibility in producing and distributing patented medicines. This has enabled access to high-cost and biologic drugs at affordable prices.

These flexibilities will expire after graduation, potentially increasing medicine costs due to patent protections and royalty obligations. As innovation capacity for new molecules remains limited, diplomatic efforts to extend the transition period or secure alternative policy space will be crucial to maintaining affordable healthcare. Finally, Bangladesh can strengthen pharmaceutical exports through strategic commercial diplomacy.

Diplomatic missions can support product registration in foreign markets, facilitate regulatory coordination, and promote government-to-government agreements. With timely reforms and strategic policy adjustments, Bangladesh can unlock a new phase of growth in its pharmaceutical sector while safeguarding access to affordable medicines for all.

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Photo: Reuters/Star

## China's neighbours get cold shoulder on energy

REUTERS, Beijing

As energy stress spreads across Southeast Asia, governments across the region are asking China to deliver on its pledges of closer energy security cooperation by freeing up now-banned exports of fertiliser and fuel.

But so far China has offered only vague statements and has yet to even publicly acknowledge the export bans reported by Reuters and others as it focuses on insulating its own economy from the war in Iran.

Analysts don't expect that to change, pointing to the tension between China's stated ambition to be a bigger player in regional affairs and the realpolitik of its commitment to keep its own economy outpacing global growth.

China is the world's second largest fertiliser exporter and also a large supplier of fuel. For many countries in Asia including Bangladesh, the Philippines and even Australia, Chinese imports are a major source of supply, now cut off by its export bans.

Dhaka earlier this month asked China to honour existing fuel contracts, while Thai diplomats will engage Chinese counterparts to keep fertiliser shipments from China flowing if needed, officials in Bangkok said.

In Malaysia, officials said last week the Chinese export ban would worsen fertiliser rationing, including in its oil palm industry, the world's second-largest, and add a further blow on top of the war in Iran.

Even the Philippines has sought assistance despite the two countries' disputes over the South China Sea.

On March 17, the Philippines minister of agriculture visited China's embassy in Manila and said China had agreed to continue fertiliser shipments. Beijing's one-sentence readout said only that they had discussed agriculture.

The same day Australia, which imported a third of its jet fuel from China last year, said it was discussing jet fuel exports with Beijing.

"China may offer some ceremonial assistance, but it's highly unlikely, if not wholly improbable, that it will share any substantive amount of its food, energy, or other reserves with other countries," said Eric Olander, co-founder of the China-Global South Project.

In addition, we're talking about the impact of the war in the Middle East.

In fact, analysts said Chinese policymakers were likely quietly congratulating themselves on the strategic foresight to begin stockpiling since the early 2000s, a policy that may have seemed excessive in peacetime but now looks decidedly practical.

People's Daily, the Communist Party's flagship newspaper, trumpeted China's relative energy security in an editorial earlier this month and said the country's foresight meant China held the "energy lifeline" in its own hands.

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## Vietnam textile firms strengthen resilience amid rising global risks

ANN/VIETNAM NEWS

Vietnamese textile and garment enterprises are steering through unpredictable global markets, rising transport costs and Middle East conflicts while securing orders, diversifying sources and eyeing domestic growth.

Unpredictable market developments and geopolitical conflicts in the Middle East have disrupted supply chains, driven up transportation and insurance costs

and affected business operations. In response, authorities have proactively implemented solutions to help textile and garment enterprises maintain stable production and business activities, sustaining growth momentum and boosting exports.

Many companies have already secured orders through July and are negotiating contracts for the rest of the year. Alongside diversifying markets and customers, businesses continue to invest in modern equipment and

develop new products to enhance competitiveness.

Hoàng Mạnh Cầm, chief of office of the board of directors at Vietnam National Textile and Garment Group (Vinatex), told Nhân Dân newspaper that as soon as the conflict in the Middle East broke out, companies quickly developed strategies such as securing raw material supplies, diversifying sourcing and customer bases and avoiding dependence on limited clients.

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# A riskier Mideast will drive Big Oil toward new frontiers

REUTERS, Houston

Oil companies will have to look further afield for new fossil fuel resources now that the Iran war has dented the investment allure of the energy-rich Middle East. Higher oil prices will give them that chance.

Major international oil companies, including Exxon Mobil, Chevron, TotalEnergies, Shell and BP, have long been drawn to the Middle East by its vast resources, stable fiscal terms and, until recently, relative political stability. The region accounts for roughly a fifth of global oil and liquefied natural gas (LNG) production.

That reputation, built painstakingly over decades even as wars raged in Iraq and Yemen, has now been shattered by the US-Israeli war with Iran.

Now in its fifth week, the conflict has put energy infrastructure squarely in the crosshairs. Dozens of facilities across the Gulf have been damaged, including Qatar's giant LNG hub and several major oil refineries.

The closure of the Strait of Hormuz - through which roughly 20 percent of the world's oil and gas normally flows - has forced producers to shut oilfields, costing the region an estimated \$1 billion a day in lost export revenues, according to Reuters calculations based on pre-war prices.

The longer-term costs will be far higher. Restarting operations and repairing damaged facilities will likely run into the tens of billions of dollars - if not far more. QatarEnergy said an Iranian missile strike on February 18 could cost it about \$20 billion a year in lost revenue and take up to five years to repair.

But no amount of money may be able to repair the region's reputational damage - at least not in the short term - and that is likely to rapidly reshape Western energy majors' upstream strategies.

The Middle East will clearly remain a major source of oil and gas for decades. It holds about half of the world's proven oil

reserves and 40 percent of gas reserves. Western companies are thus unlikely to abandon it altogether.

It currently makes up a substantial portion of many majors' portfolios, including 41 percent of Exxon's reserves, 42 percent of TotalEnergies' and a quarter of Shell's, according to consultancy Wellbeing. The region attracted around \$130 billion in oil and gas investment in 2025, roughly 15 percent of the global total, according to the International Energy Agency.

But unless the Iran war ends with a new, non-belligerent government sitting in Tehran - an outcome that currently appears remote - the conflict will leave deep scars. Uncertainty over the safety of transit through Hormuz and the higher risk of conflagration is apt to sharply boost the cost of deploying staff, equipment, insurance and capital in the Middle East, making the region a lot less attractive for exploration.

This rising risk premium in the world's largest energy-producing region is already being reflected in long-term oil prices.

Since the eve of the conflict, the average Brent crude price expected in 2030 has jumped about 10 percent to roughly \$72 a barrel. Once the full extent of the damage from the war is known, that could rise even further.

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General view of Saudi Aramco's Ras Tanura oil refinery and oil terminal in Saudi Arabia. The Middle East holds about half of the world's proven oil reserves and 40 percent of gas reserves. PHOTO: REUTERS/FILE