

# Star BUSINESS



## Amir Khosru seeks expanded ADB support as energy bill jumps by \$3b

Finance minister makes the plea at ADB annual meeting

SOHEL PARVEZ, from Samarkand

Bangladesh has sought expanded support from the Asian Development Bank (ADB) as geopolitical tensions, inflation, and supply chain disruptions have increased the country's energy-related expenditures by an estimated \$3 billion.

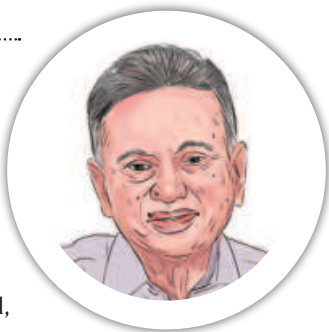
Finance Minister Amir Khosru Mahmud Chowdhury made the plea at a session of the Board of Governors at the 59th annual meeting of ADB in Samarkand, Uzbekistan.

Some 47 countries, including Bangladesh, made their presentations at the session.

The finance minister reminded participants that they are meeting at a time of heightened global uncertainty.

"Geopolitical tensions, inflation, tighter financial conditions, and supply chain disruptions are reshaping development trajectories," he said.

For Bangladesh, a highly energy-deficient country that relies on imports, the conflict in the Middle East has further intensified energy and trade pressures.



## Apparel makers to seek clarity on US cotton tariff deal

USTR officials arrive for talks on reciprocal tariff deal implementation and ongoing investigations into overcapacity and forced labour issues

**GARMENT MAKERS SEEK CLARITY ON ZERO DUTY**

Zero reciprocal duty tied to use of US cotton, fibre inputs

Local exporters say mechanism still not operational

The topic to feature BGMEA-USTR meeting in Dhaka today

**WHY CLARITY MATTERS**

Specific definition could

- Increase use of US cotton
- Improve price competitiveness in US market
- Offset revenue risks from reciprocal tariff concessions

Without clear rules, exporters remain in policy limbo

**TRADE NUMBERS AT A GLANCE**

Total goods trade	US imports from Bangladesh	US exports to Bangladesh	US deficit with Bangladesh	Garments account for
\$11.8b in 2025	\$9.5b	\$2.3b	\$7.1b	86% of US-bound exports

REFAYET ULLAH MIRDHA

Bangladeshi garment exporters will today ask visiting US trade officials in Dhaka to clarify how a promised zero reciprocal tariff will apply to apparel made with American cotton and other US textile inputs.

The provision is included in the US-Bangladesh Agreement on Reciprocal Trade signed in February this year, but exporters say they have yet to benefit from it.

"We will raise this issue with the USTR high-ups in the meeting tomorrow [Tuesday]," said Mahmud Hasan Khan, president of the Bangladesh

Garment Manufacturers and Exporters Association (BGMEA).

A delegation from the Office of the United States Trade Representative (USTR), led by Assistant US Trade Representative for South and Central Asia Brendan Lynch, will visit Dhaka from May 5 to May 7.

In a statement issued ahead of the visit, the US Embassy in Dhaka said the United States looks forward to partnering on the implementation of the reciprocal trade agreement. The delegation is expected to discuss ways to strengthen trade and investment ties.

Under Article 5.3 of the reciprocal trade

agreement, the United States commits to establishing a mechanism allowing certain textile and apparel goods from Bangladesh to enter the American market at a zero reciprocal tariff rate.

The deal says that a to be specified volume of apparel and textile imports from Bangladesh may qualify for the reduced rate. That volume will be determined in relation to the quantity of US-produced cotton and man-made fibre textile inputs exported to Bangladesh.

However, BGMEA President Khan said Bangladesh is not currently enjoying the benefits in the US market.

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Chowdhury said this has resulted in an estimated additional \$3 billion in energy-related expenditures, raising external financing needs for the South Asian country.

"We appreciate ADB's timely budget support for macroeconomic stability and request that countercyclical financing instruments remain available should global risks escalate," he said.

He noted Bangladesh's high vulnerability to climate change and urged the ADB to expand concessional climate financing as floods, cyclones, salinity intrusion, and sea-level rise continue to threaten livelihoods and infrastructure.

"We seek expanded concessional climate finance for adaptation and mitigation, including resilient infrastructure, climate-smart agriculture, disaster risk reduction, and nature-based solutions."

As Bangladesh aims to generate 20 percent of its energy from renewable sources by 2030, he also requested ADB's leadership in the Bangladesh Climate Development Partnership to advance renewable energy, ecosystem restoration, and river and canal rehabilitation.

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## Govt's debt burden crosses Tk 22 lakh crore

Tk 3 lakh crore borrowed during the interim government

REJAUL KARIM BYRON and AHSAN HABIB

Bangladesh's total public debt burden has crossed Tk 22 lakh crore by December 2025 with a growing reliance on domestic sources as the government looks to "insulate the economy from foreign currency risks".

Of the total debt, Tk 3 lakh crore was borrowed during the interim government period, according to the finance ministry's latest quarterly bulletin.

The bulletin states the public debt stood at Tk 18.9 lakh crore at the end of June 2024, just a month before the interim administration assumed power. The figure was Tk 13.44 lakh crore at the end of June 2022.

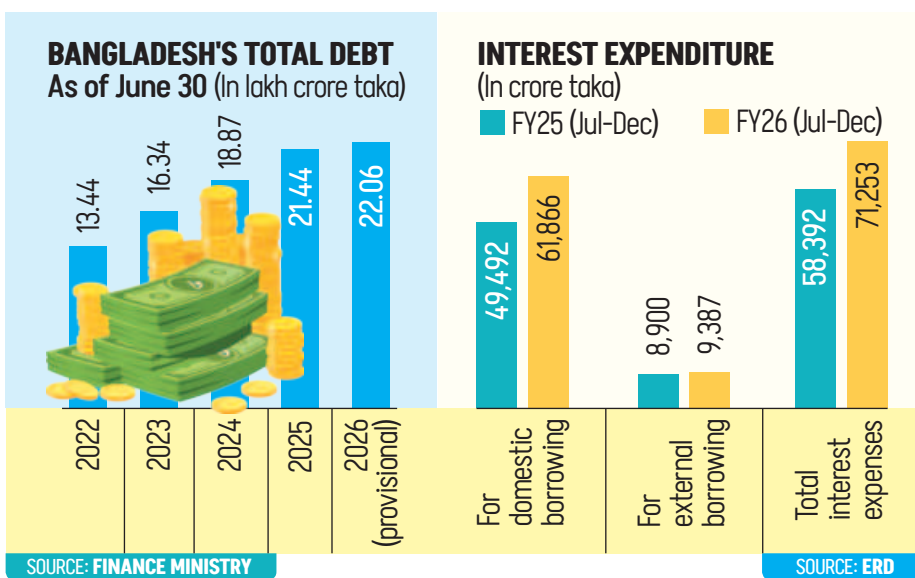
During the interim period, domestic debt rose by Tk 1.70 lakh crore, reaching Tk 12.5 lakh crore by December. Foreign loans increased by Tk 1.47 lakh crore to Tk 9.59 lakh crore in the same period.

Domestic borrowing dominates the government's overall debt portfolio. As of December 31, 2025, the domestic and external liabilities constituted 57 percent and 43 percent of the total government debt stock, respectively.

"By focusing on the local market, the government is deepening domestic liquidity while reducing its exposure to exchange rate fluctuations," said the bulletin.

During the July-December period of the current fiscal year, the government's total borrowing rose by Tk 62,428 crore, or 13 percent, compared to the same period a year earlier.

During the period, loans from the foreign sector dropped by 59 percent to



Tk 10,130 crore, while domestic borrowing surged 70 percent to Tk 52,298 crore.

Of the domestic borrowing, Tk 19,470 crore was borrowed from the central bank alone.

Most of the domestic loans were raised through government securities. "A key feature of the government's approach was a clear shift toward long-term debt," the finance ministry said.

Meanwhile, total interest payment during the July-December period rose by 22 percent to Tk 71,253 crore. Of these, interest payment for domestic borrowing stood at Tk 61,866 crore, a 25 percent surge from the same period a year ago.

While increased domestic borrowing often raises concerns about "crowding out," the current landscape suggests a unique window of opportunity, said the ministry.

It argued that ample liquidity in stronger banks, falling yields on government securities, and subdued private-sector credit demand create conditions for sustainable domestic financing without crowding out private borrowers.

By leveraging this internal liquidity, the state is building a more resilient and self-reliant fiscal framework that maintains stability without straining the private credit market, it added.

## Asia-Pacific must act together for shared development

ADB president says

SOHEL PARVEZ, from Samarkand

The 59th annual meeting of the Board of Governors of the Asian Development Bank (ADB) opened yesterday, with its President Masato Kanda urging countries in Asia and the Pacific to "act together to develop together" through stronger cross-border connections to secure the next generation's future.

"The decisions we make at this new crossroads will secure the future for the next generation," he told the opening session in Samarkand, Uzbekistan.

"In this fragmented world, traditional and isolated development responses will fail. To survive and thrive in this new era, we must build deeply connected and resilient systems," he said.

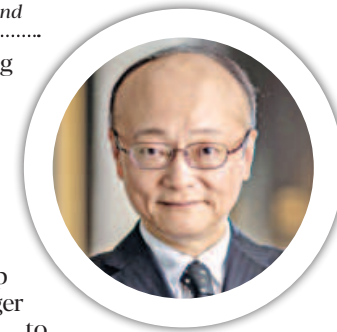
More than 4,000 participants, including policymakers, private sector leaders, development partners, and innovators from over 100 countries, are attending the meeting under the theme "Crossroads of Progress: Advancing the Region's Connected Future."

From Bangladesh, Finance Minister Amir Khosru Mahmud Chowdhury, Economic Relations Division Secretary Md Shahrir Kader Siddiky, and senior officials are participating in the event.

Kanda highlighted how shocks now travel rapidly across borders – through energy markets, supply chains, and digital networks – hitting communities least able to absorb them. Addressing these challenges requires coordinated regional solutions that go beyond national boundaries, he said.

The ADB is responding by scaling up investments

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## Telcos seek VAT removal on spectrum fees

MAHMUDUL HASAN

Mobile operators have called on the National Board of Revenue (NBR) to withdraw value-added tax (VAT) on spectrum and spectrum-related fees, arguing the levy contradicts global norms and undermines investment in the sector.

In a recent letter sent to the NBR chairman, the Association of Mobile Telecom Operators of Bangladesh (AMTOB) described the proposed withdrawal as a vital step to rectify a fundamental misalignment in Bangladesh's VAT regime.

The association said radio spectrum, the finite range of frequencies over which all wireless communication travels, is an intangible national resource administered by the Bangladesh Telecommunication Regulatory Commission (BTRC).

"Its [radio spectrum] assignment, renewal, and usage confer a sovereign regulatory right – not a commercial supply of goods or services under any legal interpretation," wrote Mohammad Zulfikar, the association's secretary general.

Hence, imposing VAT on spectrum and spectrum fees, AMTOB argued, effectively turns a regulatory charge into a taxable transaction.

"Imposing VAT here transforms a non-commercial regulatory grant into an artificial taxable event," it added.

According to the letter, telecom companies are

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