Business

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Businesses should tap US trade deal opportunities

Experts say the pact needs wider discussion

STAR BUSINESS REPORT

Bangladesh should explore business opportunities under the Agreement on Reciprocal Trade (ART) with the United States, as the deal could open up new areas of trade and investment, a senior leader of the American Chamber of Commerce in Bangladesh (AmCham) said yesterday.

However, experts said the agreement needs wider discussion and greater transparency so businesses and the public can understand both its benefits and drawbacks.

"Businesses should examine the agreement to identify which products and inputs stand to benefit. The ART is already shaping business decisions, and the next opportunities lie in exports, inputs and new sectors. However, the results will depend on how the agreement is implemented and how businesses respond," said Ala Uddin Ahmad, vice-president of AmCham.

He was presenting a keynote paper on the ART and changing trade relations between the two countries at a seminar held on the sidelines of the 30th US Trade Show at the InterContinental Dhaka.

Businesspeople, diplomats, bankers, exporters and importers attended the seminar, moderated by Mahbub ur Rahman, chief executive officer of HSBC Bangladesh.

Ala Uddin also pointed to opportunities in agricultural products such as wheat and soybean, liquefied natural gas (LNG), energy security partnerships, digital technology and semiconductors.

Bangladesh and the US signed the ART on February 9 this year to expand bilateral trade.

Businesses should examine the agreement to identify which products and inputs stand to benefit, said Ala Uddin Ahmad, vice-president of AmCham

FASTER DELIVERY KEY TO WINNING BUYERS

As a panel discussant, Syed Nasim Manzur, president of FLAXA, said US buyers had been slow to source products from Bangladesh not because of tariffs but because of long delivery times.

He said Bangladesh had made significant progress in product quality, delivery and compliance. The country had also developed world-class manufacturing capabilities in sectors beyond apparel, including plastics, light engineering, food and pharmaceuticals.

However, it still takes too long to deliver products, he said.

China takes 30 to 45 days to deliver manufactured goods, compared with 45 to 72 days for Vietnam and 70 to 90 days for India.

In Bangladesh, knitwear takes around 45 to 60 days, while woven garments need 70 to 100 days. The leather goods industry takes around 100 days, he added.

"This makes us too slow. US retailers and brands want products faster," he said.

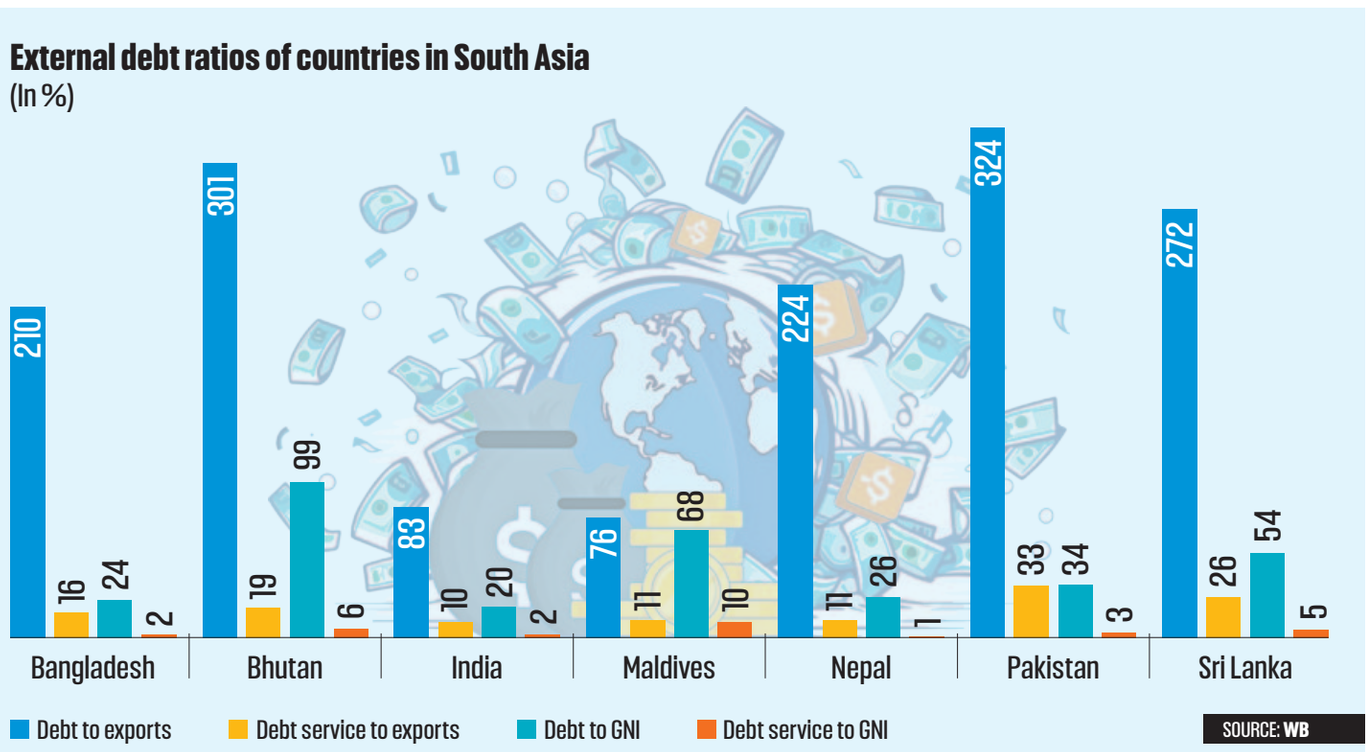
The US is a key market for Bangladesh if it wants to become a major global manufacturing hub, Nasim said.

"You cannot be a globally significant manufacturer if you do not sell to the United States of America.

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Foreign debt nearly triples in a decade

Economists say debt is manageable for now, but exports are small, borrowing costs are rising and grace periods are shortening



STAR BUSINESS REPORT

Bangladesh's foreign debt has almost tripled in 10 years, a steeper rise than in any other South Asian country except the Maldives, according to the World Bank.

Even so, the country has a lower debt burden relative to export earnings than Pakistan, Sri Lanka and Bhutan. However, its burden is higher than that of India and Nepal.

According to the World Bank's International Debt Report 2026, Bangladesh's total foreign debt stood at $113 billion at the end of 2025, up from about $38 billion in 2015. That is the third-largest stock in South Asia.

Economists say the indicators are manageable for now, but Bangladesh could face repayment trouble if borrowing keeps growing at this pace and the money is not put to proper use.

In the South Asia region, India holds the largest external debt stock at $764 billion, up 59 percent in a decade. Pakistan follows at $135 billion, almost double the level of 10 years ago.

In Sri Lanka, foreign loans rose 31 percent to $57 billion. External debt rose 186.5 percent to $11 billion in Nepal and 57 percent to $3.3 billion in Bhutan. The Maldives recorded a more than fourfold increase to $4.7 billion.

REPAYMENTS TAKE 16% OF EXPORTS

Debt servicing took 16 percent of Bangladesh's export earnings in 2025, 3.1 percentage points less than the year before. That is the share of export income spent on repaying principal and interest on foreign loans, and a falling ratio is a positive sign of repayment capacity.

Even so, it remains above India and the South Asian average of 10 percent, though below Sri Lanka at 26 percent and Bhutan at 19 percent.

Measured against gross national income (GNI), servicing costs are low. At 2 percent, Bangladesh matches India and the regional benchmark, against 5 percent in Sri Lanka and 6 percent in Bhutan.

The country's debt-to-GNI ratio, which is external debt as a percentage of the national income, stands at 24 percent. It is a manageable level but slightly above the South Asian aggregate of 21 percent. The ratio is 20 percent in India, 41 percent in Pakistan and 54 percent in Sri Lanka.

Set against what the country earns from exports, the debt looks heavier.

External debt stands at 210 percent of Bangladesh's annual exports, more than twice what the country earns each year from foreign trade and other income.

That is far above India at 83 percent and the South Asian aggregate of 95 percent, but below Pakistan at 324 percent, Bhutan at 301 percent and Sri Lanka at 272 percent.

WARNING ON BORROWING

Zahid Hussain, a former lead economist at the World Bank's Dhaka office, said Bangladesh still does better than Pakistan and Sri Lanka on these indicators but trails India.

"If foreign debt keeps growing at the current pace, it would not be surprising if Bangladesh eventually faced a situation similar to Sri Lanka's," said the economist.

"If you are not prudent about the types of debt you take and how you use the borrowed funds, becoming another Sri Lanka is only a matter of time."

He said comparing Bangladesh with Pakistan is difficult, given Pakistan's particular geopolitical and strategic situation.

Zahid said exports matter because the debt-to-GDP ratio shows very little about a country's ability to repay. A large economy is not enough; it also needs adequate liquidity, which is why the export ratio is important.

On this measure, Bangladesh is also vulnerable because its export base is small and heavily dependent on a single product category. Its exports as a share of GDP are among the lowest, he said.

"Remittances add to foreign currency earnings, but even counting them India stays far ahead because its remittance income is much higher. Sri Lanka, similarly, receives large numbers of tourists and earns substantial foreign currency from tourism," he added.

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New rules set for Ctg port operator appointments

DWAIPAYAN BARUA, *Ctg*

The government has formulated new rules governing the appointment of berth, terminal and ship-handling operators at Chattogram port, paving the way for a more structured process of engaging private operators.

The Ministry of Shipping issued the Chittagong Port Authority (Appointment of Berth, Terminal and Ship Handling Operators) Rules, 2026 through a gazette notification published on November 5.

Issued under the Chittagong Port Authority Act, 2022, the rules outline a framework for issuing and renewing operators' licences, making appointments, defining responsibilities and overseeing their activities at the country's premier seaport.

Under the rules, the Chittagong Port Authority (CPA) can issue licences to the required number of berth, terminal and ship-handling operators for cargo and container handling at its berths, jetties, terminals and outer anchorage within the port limits.

This is the first time gazetted rules have been formulated to govern the licensing and appointment of private operators.

CPA Secretary Syed Refayet Hamim said the Chittagong Port Authority Act, 2022, stipulated that regulations should be formulated for appointing berth, terminal and ship-handling operators. The new rules were framed accordingly.

The selection process must follow an open tendering procedure to ensure transparency and competition, in accordance with the Public Procurement Act, 2006, and the Public Procurement Rules, 2025.

However, applicants must obtain the relevant operator's licence from the CPA before participating in the tender process.

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Jute centre seeks free outlets at key transport hubs

Says outlets at airports and stations would help make jute goods more affordable and widely available

SUKANTA HALDER

The Jute Diversification Promotion Centre (JDPC) PLC wants to open jute product outlets at airports, metro stations and railway stations, rent-free or at nominal cost, to boost the promotion and sales of jute items.

"Airports, metro stations and similar places are gateways to Bangladesh and its capital. We are seeking small spaces at these locations at subsidised, nominal or symbolic rates, or even free of charge," Md Jahid Hossain, managing director of the JDPC, told The Daily Star over the phone.

"If we had to pay market rates for space at metro stations and airports, we would not be able to sustain our jute product outlets," he added.

He said JDPC has not been able to present finished jute products to common people. "Our core job is promotion and availability, and we are completely behind there."

Jahid described jute as a "slow item". Being a natural fibre, he said, its price is somewhat higher than competing items, especially plastic. "If we want to make it available to consumers, the government will need to give some incentive."

An official of the textiles and jute ministry, speaking on condition of anonymity, said JDPC had asked the civil aviation and tourism ministry for 100 square feet of space at airports about a year ago.

However, the official said the request was refused. "They could not assure us of the duty-free area free of cost or at a nominal price."

Earlier this year, JPDC officials approached Afroza Khanam Rita, who was the civil aviation minister before being reassigned to the food ministry in August, with the same request.

According to the jute ministry official, Afroza had assured them that she would consider space for jute goods at the third terminal of the Dhaka airport once it becomes operational.



A senior official of the jute ministry, seeking anonymity, said they have also reached out to the Prime Minister's Office regarding the matter. "The government is showing a lot of interest now, so let's see."

The JDPC, established in 2002 under the jute ministry, has 1,113 registered entrepreneurs under it, who have developed 282 varieties of diversified jute products. The centre has two sales outlets, and it sells roughly Tk 10-15 lakh worth of products per month.

Jahid said the organisation has not written to the metro or railway authorities so far, but will approach them if they can secure a space at airports through the civil aviation ministry.

"The government does not make our products. SMEs, small entrepreneurs, make them. When our products sell, it means a small entrepreneur's product has sold. However you put it, we need space in these places," he said.

Mohammad Ali, assistant director of the JDPC, said, "If we could build a multi-vendor marketplace, every entrepreneur in the country could buy and sell through it."

"If we could also use national and international payment gateways, we could first create market demand," he said.

SPOTLIGHT



GSMA pushes for cheaper spectrum renewals

MAHMUDUL HASAN

The GSMA, a global association of mobile network operators, has urged the telecom regulator to set spectrum renewal prices at the lower end of its consultant's valuation range, saying spectrum costs in Bangladesh are already much higher than regional and global averages.

In a letter to Bangladesh Telecommunication Regulatory Commission (BTRC) Chairman Maj Gen Md Emdad Ul Bari (Retd) on November 1, the association made the request ahead of the November 10 expiry of the existing spectrum licences for the 900 MHz, 1800 MHz and 2100 MHz bands held by Grameenphone, Robi and Banglalink.

The BTRC has proposed a total renewal fee of around Tk 21,250 crore for the three operators. The proposal, which would extend their licence validity by 20 years, has been sent to the government for approval.

The proposed rates are 10 to 30 percent lower than the existing spectrum allocation prices for the three bands. The regulator arrived at the rates based on a study by an independent consultant.

The GSMA welcomed the BTRC's research-based approach, the proposed 20-year renewal term and flexible payment arrangements.

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