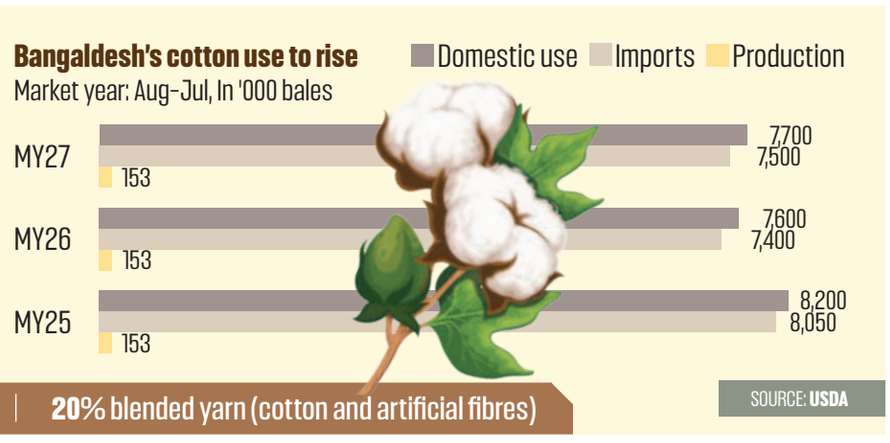
# Brazil widens lead as Bangladesh's top cotton supplier

**Key points**

- Bangladesh's cotton imports to rise in MY27
- Country utilises 7-8m bales of cotton annually
- With full capacity, local spinners can use 15-20m bales of cotton




**Spinners produce:** **80**% cotton yarn | **20**% blended yarn (cotton and artificial fibres)

STAR BUSINESS REPORT

Brazil has consolidated its position as Bangladesh's leading raw cotton supplier in marketing year (MY) 2025-26, expanding its market share.

The South American country supplied around 24 lakh bales, accounting for 33 percent of Bangladesh's cotton imports in MY26.

In the previous year, it exported 19 lakh bales, representing a 25 percent market share, according to a report by the US Department of Agriculture (USDA) published earlier this month.

In its latest report, the USDA said Bangladesh was the world's third-largest cotton-importing country, behind Vietnam and China, and the fourth-largest cotton consumer.

Bangladesh consumed 76 lakh bales of cotton in MY26, meeting 97 percent of its requirements through imports due to negligible domestic production.

India was the second-largest supplier, shipping 10 lakh bales and retaining a 15 percent market share in MY26.

Benin and the United States followed, with market shares of 12 percent each. They supplied 8.7 lakh bales and 8.6 lakh bales, respectively, the USDA said.

Australia, Burkina Faso, Mali and Cameroon were among the other major cotton suppliers to Bangladesh, the world's second-largest apparel exporter.

The USDA said many Bangladeshi spinners preferred US cotton for its high quality and contamination-free fibre. However, suppliers in South America and West Africa had expanded their market shares by capitalising on logistical advantages, lower freight costs and shorter lead times.

The agency lowered its forecast for Bangladesh's cotton imports in MY26, citing higher global prices, elevated shipping costs, and domestic business and investment challenges.

For MY27, the USDA projects that Bangladesh's cotton imports will rise 1.35 percent to 75 lakh bales, from 74 lakh bales in the previous year.

It also forecast that domestic cotton consumption would increase slightly to 77 lakh bales in MY27, from an estimated 76 lakh bales in MY26, driven by growing domestic yarn demand following government policy support.

"These reforms aim to boost local value addition and reduce reliance on imported raw materials, particularly within the textile and apparel sector," the report said.

Bangladesh has 530 yarn manufacturing mills under the Bangladesh Textile Mills Association (BTMA), with a combined annual cotton utilisation capacity of more than 2 crore bales, according to the report.

However, local spinning mills are operating at only half of their installed capacity as the energy crisis has disrupted their operations.

To encourage the use of domestically produced yarn, the government raised the cash incentive for ready-made garment exports using locally produced yarn and fabric to 5 percent for one year, effective from July 1, 2026. The previous rate was 1.5 percent.

The policy aims to narrow the price gap between domestic and imported materials, directly targeting imports of foreign yarn, according to the USDA.

Furthermore, Bangladesh Bank is implementing a Tk 20,000 crore pre-refinancing scheme to provide loans for raw material purchases.

The National Board of Revenue also tightened zero-duty import benefits for 10–30 count cotton yarn under bonded warehouse rules from early September this year, requiring a 100 percent bank guarantee to protect local spinners.

# NRBC Bank to invest Tk 100cr in securities subsidiary

STAR BUSINESS REPORT

NRBC Bank will invest Tk 100 crore in its subsidiary, NRBC Bank Securities Limited, within the next 30 days.

The private bank will subscribe to 10 crore ordinary shares at Tk 10 each, according to a disclosure posted on the Dhaka Stock Exchange (DSE) website yesterday.

NRBC Bank Securities, a subsidiary of NRBC Bank, was launched in 2016. It provides brokerage services, with a focus on non-resident Bangladeshis, according to its website.

Shares of the bank rose 1.08 percent to Tk 9.40 yesterday on the DSE. NRBC Bank's profit grew nearly sixfold in the first nine months of 2026 compared with the same period a year earlier.

Earnings per share (EPS), which measures profit attributable to each share, stood at Tk 0.58 for January-September 2026, against Tk 0.10 for the same period in 2025, according to a recently published price-sensitive information (PSI) disclosure.

The bank attributed the increase in earnings to higher income from investments and lower provisions for taxation.

Sponsor-directors held 58.71 percent of NRBC Bank's shares as of October 31, 2026, while institutional and public shareholders held the remainder, according to DSE data.

# Partnerships should create opportunities, not dependencies

SYED ERSHAD AHMED

The world's economic map is being reshaped by geopolitical competition, shifting supply chains and the growing use of trade as an instrument of influence. For Asian economies, the challenge is to build partnerships without excessive dependence. A commentary in The Japan Times on November 3, 2026 by Stephen R Nagy examines Japan's response and offers lessons for Bangladesh.

Japan's dilemma is familiar across the region. China is a major market, manufacturing centre and trading partner. Decades of integration have benefited Japanese businesses and consumers. Yet interdependence can become a vulnerability when market access, customs procedures, critical resources or regulatory decisions are used to exert political pressure. The lesson is not to disengage from China, but to ensure economic cooperation rests on mutual benefit, predictability and respect for national autonomy.

The article shows how geopolitical tensions can extend beyond diplomacy. Even cultural products and commercial partnerships may become caught in political disputes. Such episodes remind businesses that market concentration carries commercial and political risks.



**By combining constructive engagement with diversified partnerships, Bangladesh can turn the extended LDC preparatory period into a launchpad for sustainable growth**

Japan's response rests on three pillars. First, engagement. Tokyo continues diplomatic, educational, cultural and institutional exchanges with China. Dialogue remains essential, and the Chinese people should not be equated with every position taken by their government. Cooperation helps preserve regional stability.

Second, economic resilience. Japanese companies are reviewing their exposure to China and diversifying supply chains towards Southeast Asia, India and North America. This does not mean abandoning the Chinese market. It is a practical effort to ensure disruption in one country cannot paralyse an entire business. Diversified sourcing, alternative markets and reliable logistics give companies flexibility during shocks.

Third, credible deterrence. Japan is strengthening its defence capabilities and partnerships to protect its territory, maritime interests and regional stability. Diplomacy is more effective when backed by capable institutions, trusted partnerships and the ability to safeguard national interests.

These lessons are especially relevant as Bangladesh prepares for a major economic transition. On October 29, 2026, the United Nations General Assembly approved an extension of Bangladesh's LDC graduation preparatory period until November 24, 2029. This provides valuable time, but should not encourage complacency or delay. Bangladesh has made significant development achievements; nevertheless, the reforms needed for a smooth transition are substantial. Three years is not a long time.

The country must accelerate efforts to diversify export products and destinations, secure new markets, attract foreign investment and strengthen competitiveness. This requires efficient ports and customs, better infrastructure, predictable regulation, a skilled workforce and an investor-friendly business environment. It also requires purposeful economic diplomacy.

Bangladesh's diplomatic missions should identify export opportunities, connect local businesses with overseas buyers, promote investment projects and support trade and investment arrangements. Economic diplomacy must go beyond protocol and official meetings; it should turn international relationships into measurable commercial opportunities and sustained business confidence.

China will remain an important partner, just as Japan, India, ASEAN, Europe, the United States and other economies offer opportunities. Bangladesh need not choose one relationship at the expense of another. It needs a balanced approach that widens its options and strengthens its negotiating position.

The central message is simple: openness is an advantage, but overdependence is a risk. By combining constructive engagement with diversified partnerships and stronger domestic capabilities, Bangladesh can turn the extended LDC preparatory period into a launchpad for sustainable growth. Strategic autonomy is not achieved by distancing itself from the world; it is built by becoming competitive enough to engage with it on better terms.

*The writer is former president of FICCI and AmCham Bangladesh*

# Auditor doubts Central Pharma's viability

STAR BUSINESS REPORT

Central Pharmaceuticals Ltd, a listed drugmaker, has received an adverse audit opinion on its financial statements for the year ended June 30, 2026, with the auditor raising serious concerns about the company's ability to continue its operations. The auditor cited mounting financial losses, failure to repay bank loans, substantial tax claims by the National Board of Revenue (NBR), inadequate cash flows and the non-renewal of the company's drug licence as major reasons for the adverse opinion.

The Dhaka Stock Exchange (DSE) disclosed the auditor's opinion yesterday. An adverse audit opinion is a formal statement that a company's financial statements contain material misstatements and do not present a true and fair view of its financial position.

Although the company assumed it had adequate resources to continue operating in the foreseeable future, the auditor said the circumstances indicated material uncertainty that could cast significant doubt on its ability to continue as a going concern.

The financial statements also failed to adequately disclose this uncertainty, according to the auditor.

In his audit report, Mohammad Shibbir Hossain, partner at chartered accountancy firm Ashraf Uddin & Co, said the company had negative retained earnings almost equal to its paid-up capital. It had also failed to raise fresh funds to generate sufficient operating cash flows to meet its current obligations and working capital requirements.

The report identified several weaknesses in the company's financial reporting, including difficulties in verifying fixed assets, questions over inventory valuation, unsupported tax balances, unverified receivables and inadequate documentation of sales and expenses.

The company reported property, plant and equipment worth Tk 103 crore. However, the auditor could not

READ MORE ON B2

