FINANCIAL MARKET REVIEW

July 2025

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The BICM Financial Market Review provides analytical insights about the performance of the financial market in Bangladesh on a monthly basis.

Economy of Bangladesh

" Bangladesh' Forex Reserves Soar to $26.66 Billion in June 2025"

—— Imran Mahmud, Lecturer, BICM & Md. Adnan Ahmed, Lecturer, BICM

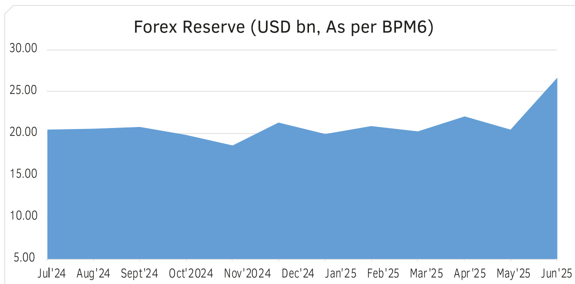

Figure-01 Forex Reserve

Bangladesh's foreign exchange reserves reached$26.66 billion for the month of June 2025, marking an increase from $20.50 billion in May-the highest ever in any fiscal year in the country's history. [Fig-01].

Though Bangladesh's foreign remittance inflow dropped by 5.39% from the previous month of May, 2025, the country's remittance inflow witnessed a remarkable year-on-year growth of 47.1 percent, reaching US$2.81 billion in June 2025. [Fig-02].

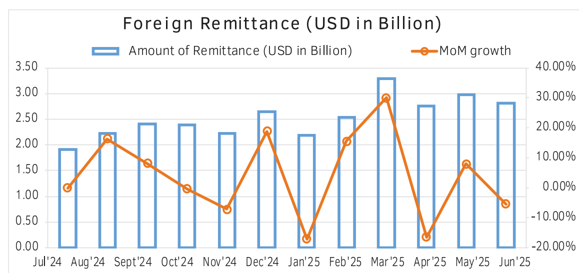

Figure-02 Foreign Remittance

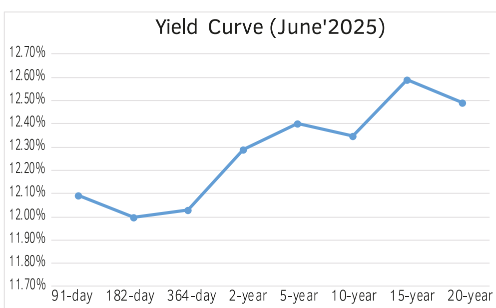

Figure-03 Yield Curve

As of June, 2025, yields of government securities stood at 12.09%, 12.00%, 12.03%, 12.29%, 12.40%, 12.35%, 12.59%, and 12.49% for the tenures of 91-day, 182-day, 364-day, 2-year, 5-year, 10-year, 15-year, and 20-year, respectively. [Fig-03].

Between May and June 2025, call money rate increased slightly from 9.99% to 10.05%. In contrast, the interbank repo rate dipped from 10.26% to 10.22%. Meanwhile, the 10-year T-bond yield rose significantly from 11.88% to 12.35%, [Fig-04].

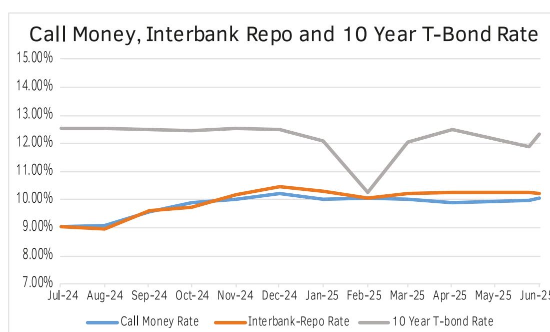

Figure-04 Call Money Rates

A Visual Tour of the Key Statistics

Private sector credit growth reached 6.95% in May, significantly trailing the central bank's target of 9.8%. [Fig-05].

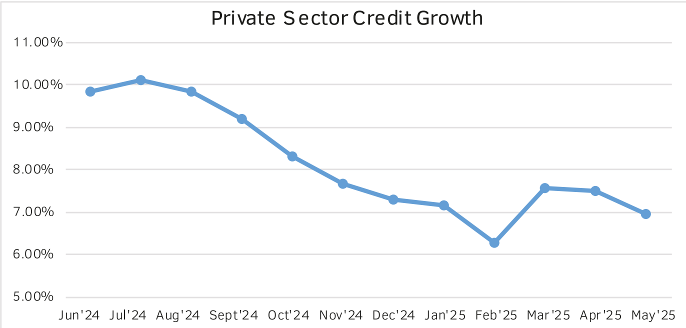

Figure-05 Private Credit Growth Rate

Between July and April of FY24 and FY25, Bangladesh's current account deficit narrowed significantly from USD -6,025 million to USD -1,390 million. The trade deficit remained relatively stable, slightly reducing from USD 18,702 million to USD 18,228 million. Meanwhile, the financial account surplus declined modestly from USD 2,250 million to USD 1,964 million. Overall, the balance of payments (BOP) deficit improved substantially, narrowing from USD -5,569 million in FY24 to USD -656 million in FY25. [Figure -06].

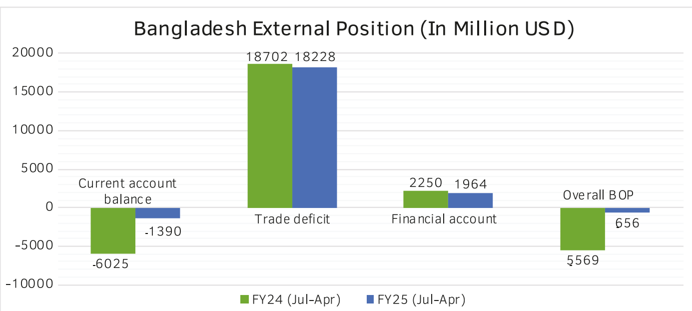

Figure-06 Bangladesh External Position

Between FY24 and FY25, the government's domestic borrowing increased significantly from BDT 40,680 crore to BDT 62,883 crore, driven by higher net borrowing from both banks (rising from BDT 26,736 crore to BDT 30,405 crore) and non-bank sources (surging from BDT 13,944 crore to BDT 32,478 crore). In contrast, net foreign loan inflows declined sharply from BDT 51,056 crore in FY24 to BDT 35,777 crore in FY25. As a result, total borrowing rose moderately from BDT 91,736 crore to BDT 98,660 crore, indicating a shift in the composition of financing, with a growing reliance on domestic sources. [Fig-07]

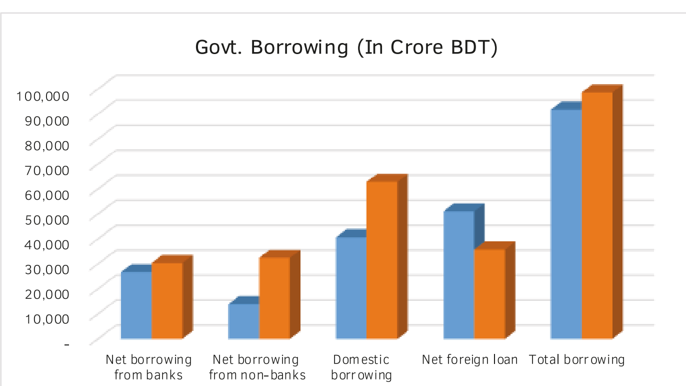

Figure-07 Govt. Borrowing

In April 2025, total deposits in scheduled banks rose by 8.21% year-on-year and total bank credit grew by 11.25%, driven mainly by a 26.72% surge in investments, despite modest growth in advances and a sharp decline in import bills and inland bills. [Table -01].

Items	Apr, 2025	Mar, 2025	Apr, 2024	Percentage Changes	
				Apr, 2025 over Mar, 2025	Apr, 2025 over Apr, 2024
Deposits held in DMBs (TK in mllions)					
Demand Deposits*	1,937,510	1,925,840	1,900,355	0.61	1.96
Time Deposits*	16,263,469	16,255,598	14,919,035	0.05	9.01
Total	18,200,979	18,181,438	16,819,390	0.11	8.21
Bank Credit (TK in mllions)					
Advances	17,120,124	17,065,858	15,864,408	0.32	7.92
Bills (Import & Inlands Bills)	291,658	303,283	353,645	-3.83	-17.53
Investments	5,170,005	5,014,662	4,079,764	3.1	26.72
Total	22,581,787	22,383,803	20,297,817	0.88	11.25

Table-01 Trend of Amount of Deposits and Credit in Banking Industry of Bangladesh

Insights from Numbers

► In FY2024-25, Bangladesh's remittance inflow reached a historic high of $30.32 billion, marking a 26.81% year-on-year increase and surpassing the previous record of $24.8 billion in FY2020-21. The surge is attributed to a narrowing exchange rate gap between official and informal markets, stricter enforcement against money laundering, and a renewed sense of patriotism among expatriates following the political changeover in August 2024. In June alone, remittance rose by 11% year-on-year to $2.81 billion. This sharp rise has also boosted gross foreign exchange reserves to $26.32 billion as IMF formula, the highest since October 2022, further supported by disbursements from the IMF and other development partners. A shift away from informal hundi channels to formal banking systems has been observed, indicating improved confidence and regulatory effectiveness in the remittance ecosystem.

► As of June 2025, short-term money market rates such as the Call Money Rate and Interbank-Repo Rate hovered around 10%, showing slight upward movement from 9.99% to 10.05% and a marginal decline from 10.26% to 10.22%, respectively, indicating relative stability in liquidity costs. Meanwhile, the 10-year Treasury bond yield increased notably from 11.88% in May to 12.35% in June, reflecting rising long-term borrowing costs amid market expectations of inflation or monetary tightening. The government securities yield curve displays a generally upward trend with longer maturities commanding higher yields, with 91-day at 12.09%, rising steadily to 12.59% at 15 years before a slight dip to 12.49% at 20 years, suggesting moderate risk premiums and a relatively steep yield curve that signals cautious investor sentiment towards medium- and long-term debt instruments.

► In May 2025, private sector credit growth in Bangladesh slowed sharply to 6.95%, well below the central bank's 9.8% target, driven by political instability, low business confidence, and rising non-performing loans (NPLs) hitting 25% of total loans. Banking liquidity is strained as defaults increase, limiting banks' lending capacity and pushing them toward safer government borrowing. Importantly, capital machinery imports, crucial for investment, have dropped significantly, further dampening credit demand. While recent improvements in law and order and trade offer some hope, persistent political uncertainty, inflation outpacing wages, and structural banking challenges threaten to constrain investment, employment, and economic growth going forward.

► The narrowing of the current account deficit from USD -6,025 million in FY24 to USD -1,390 million in FY25 reflects a substantial improvement in external balances—likely supported by stronger remittance inflows and restrained import growth. Despite the trade deficit remaining relatively high at USD 18,228 million, it showed a modest decline from USD 18,702 million, suggesting some improvement in the trade gap. However, this still indicates a significant reliance on imports compared to exports. The financial account surplus fell slightly from USD 2,250 million to USD 1,964 million, hinting at softer foreign direct investment or tighter access to external financing. Most notably, the overall balance of payments (BOP) improved from a deficit of USD -5,569 million in FY24 to just USD -656 million in FY25, which signals easing pressure on the country's foreign exchange reserves and offers a more stable macroeconomic environment going forward.

► The government borrowing data reveals a clear shift toward domestic borrowing to finance the fiscal deficit in FY25. While total borrowing increased by about 7.5% year-on-year, the composition has changed significantly—with net foreign loans decreasing by nearly 30%. This may reflect challenges in external disbursements, tighter global credit conditions, or delays in foreign aid project execution. Meanwhile, domestic borrowing grew by over 54%, fueled in part by a 133% increase in non-bank borrowing, suggesting greater dependence on national savings instruments or institutional investors. This rising domestic reliance could have implications for interest rate pressure, private sector crowding-out, and the cost of debt servicing in the near term.

► In April 2025, total bank deposits rose by 8.21% year-on-year, driven mainly by a 9.01% increase in time deposits, indicating a preference for longer-term savings. Bank credit grew by 11.25%, led by a sharp 26.72% rise in investments, while advances increased modestly by 7.92% and import/inland bills fell 17.53%, reflecting weak trade activity. This suggests that banks are redirecting funds toward safer investments, possibly government securities, amid sluggish private sector demand and import compression. The slower growth in demand deposits and decline in trade-related credit point to muted economic activity and cautious liquidity conditions.

Data Source: Bangladesh Bank, Bangladesh Bureau of Statistics.

"Rising Index Points to Market Stability"

In June 2025, all key indices of the Dhaka Stock Exchange exhibited positive growth, with DSEX increasing by 3.64%, DSES by 4.22%, DS30 by 3.91%, CDSET by 3.29%, and the SME-focused DSMEX showing the highest gain of 10.44%—reflecting strong and broad-based investor confidence across the market, including Shariah-compliant, large-cap, and SME segments.

Capital Market

Faima Akter [Lecturer, BICM] &
Gourav Roy [Lecturer, BICM]

The Dhaka Stock Exchange (DSE) experienced notable growth across all its major indices during the month of June 2025, signaling a positive shift in investor sentiment and overall market confidence. The benchmark index DSEX rose from 4,668.41 on June 1 to 4,838.39 on June 30, registering an increase of 169.98 points or 3.64%. The Shariah-compliant index DSES gained 42.98 points, moving from 1,017.78 to 1,060.76, representing a growth of 4.22%. Similarly, the DS30 index, which tracks 30 fundamentally strong and blue-chip companies, rose by 68.38 points or 3.91%, from 1,747.58 to 1,815.96. Notably, the SME index DSMEX showed the highest percentage gain, climbing by 97.89 points or 10.44%, from 937.81 to 1,035.70—indicating significant investor interest in the SME segment. The CDSET index, free-float market capitalization–weighted index of large-cap stocks on the Dhaka Stock Exchange (DSE), also increased by 31.66 points or 3.29%, reaching 993.46 from its initial value of 961.80. Overall, these consistent and widespread gains across all indices underscore a period of bullish momentum in the capital market, likely driven by favorable macroeconomic conditions, regulatory developments, or institutional participation during June 2025.

Index Name	1-Jun-25	30-Jun-25	Change	% Change
DSEX	4,668.41	4,838.39	169.9839	3.64%
DSES	1,017.78	1,060.76	42.98	4.22%
DS30	1,747.58	1,815.96	68.38057	3.91%
CDSET	961.80	993.46	31.66	3.29%
DSMEX	937.81	1,035.70	97.89	10.44%

Table-02 Performance of Capital Market Indices in June, 2025

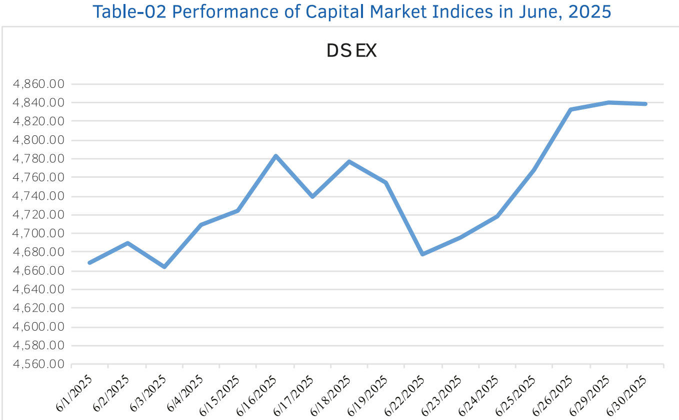

Figure-08: DSEX in June, 2025

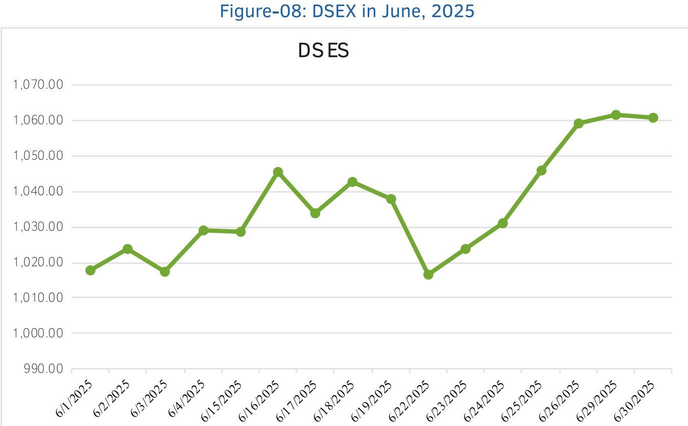

Figure-09: DSES in June, 2025

During June 2025, the Advance-Decline (AD) ratio of the Dhaka Stock Exchange exhibited significant volatility, reflecting fluctuating investor sentiment and market dynamics. The AD ratio peaked at 8.75 on june 16, driven by a strong bullish sentiment with 315 advancing stocks against only 36 decliners. However, this was immediately followed by the sharpest fall to 0.24 on June 17, indicating a drastic market reversal. Throughout the month, multiple such swings were observed, including another spike on June 25 and 26, where the ratio rose above 6.4, and again dropped to 1.26 on June 29. The "Change in AD ratio" line highlights these abrupt shifts, especially the largest positive swing of +7.94 on June 16 and the sharpest negative swing of -8.51 on June 17. On average, the AD ratio hovered around 1.63, suggesting that, overall, the number of advancing stocks slightly exceeded decliners. These erratic movements reflect an unstable market mood during June, likely influenced by external or policy-driven factors affecting short-term trading behavior.

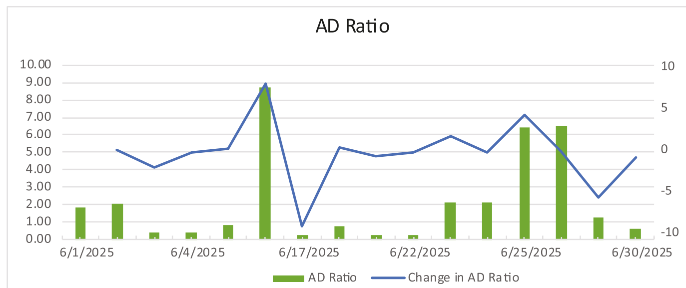

Figure-10: AD Ratio in June, 2025

The market aggregates of the Dhaka Stock Exchange (DSE) for the period ending June 30, 2025, indicate a mixed trend in investor activity and market performance. The average market capitalization rose modestly from BDT 6,505,530.9 million on May 29 to BDT 6,528,949.8 million on June 30, reflecting an increase of BDT 23,418.9 million or 0.36%, signaling a slight expansion in the overall market value of listed securities. The average daily traded value also experienced a marginal increase of BDT 9.8 million or 0.29%, reaching BDT 3,351.6 million, which implies a stable flow of liquidity in the market. However, the average number of trades slightly declined by 765.5 or 0.66%, suggesting a reduction in trading frequency. Most notably, the average trade volume dropped significantly by over 36 million shares, from 171.67 million to 135.61 million, representing a sharp decline of 21.00%. This substantial fall in trade volume may indicate reduced investor participation or shifting focus toward higher-value but lower-volume transactions. Overall, while market value indicators show resilience, the decline in volume and trade frequency suggests cautious investor behavior during this period.

Parculars	29 May 2025	30 June 2025	Change	% Change
Average Market Capital (TK Million)	6505530.9	6,528,949.8	23,418.9	0.36%
Average Traded Value (TK Million)	3341.8	3,351.6	9.8	0.29%
Average Number of Trades	115776.8	115,011.3	-765.5	-0.66%
Average Trade Volume	171665865.6	135,612,506.9	-36,053,358.7	-21.00%

Table-03 Market Aggregates in June, 2025

In June 2025, Bangladesh's capital market navigated a complex macroeconomic environment with measured resilience. While inflation eased to 8.48%, the lowest in nearly three years, and forex reserves rebounded to USD 26.7 billion, structural reforms, fiscal pressures, and global trade shifts continued to shape investor sentiment. Investors continued to adapt to the evolving conditions, supported by gradual adjustments in corporate strategies and central bank efforts to stabilize monetary policy. Although the taka's depreciation and limited foreign currency reserves led to reduced foreign participation, the market remained active, driven largely by domestic investors. Despite global and local uncertainties, investor confidence showed steady recovery throughout the month, reflecting underlying belief in the market's long-term potential.

To boost market transparency and investor confidence, the BSEC held a series of meetings in June with key stakeholders, including the DSE, CSE, and broker representatives. Proposals such as scrapping BO account fees and reducing AIT on turnover were discussed to ease investor burden. The BSEC requested 60 publicly listed companies to submit a detailed roadmap explaining how they plan to meet the Tk30 crore minimum paid-up capital requirement to stay listed on the main boards of DSE and CSE. The regulator also intensified surveillance by deploying tamper-proof back-office software across brokerages and launched an inquiry into unusual market declines, reinforcing its commitment to curbing manipulation and ensuring market stability.

Currently, there are 13 Initial Public Offerings (IPOs) in the pipeline awaiting approval from BSEC. Out of these, 5 IPOs are applying for the SME board, while the remaining 8 companies are applying for the main board.

This month, the average market P/E ratio of the Dhaka Stock Exchange Limited surged to 53.66, indicating a sharp deviation from historical norms. [Figure-11]. Such a spike may result from a significant drop in aggregate earnings or speculative price surges, raising concerns about potential overvaluation. LOVELLO and IBP emerged as the top companies with the highest turnover and return respectively, over the month. On the other hand, FIRSTFIN was the top loser [Table-04]. In terms of sector return, maximum sectors showed positive returns except for travel and leisure and miscellaneous sectors [Figure-12]. In terms of sectoral turnover, bank, pharmaceuticals, textile, and food sectors have higher contributions [Figure-13].

Turnover				Gainer			Loser		
Sl	Stock	Turn Over	Total (%)	Sl	Stock	Return (%)	Sl	Stock	Return (%)
1	LOVELLO	1197.88	4.71%	1	IBP	27.37%	1	FIRSTFIN	-17.14%
2	SQURPHARMA	634.22	-0.05%	2	RAHIMAFOOD	19.11%	2	FAREASTFIN	-14.29%
3	BRACBANK	577.01	0.40%	3	DSHGARME	18.23%	3	GLOBALINS	-10.00%
4	BEACHHATCH	485.94	-1.52%	4	SAFKOSPINN	16.30%	4	ILFSL	-9.88%
5	SEAOEARL	483.01	8.75%	5	STYLECRAFT	14.34%	5	GSPFINANCE	-9.80%

Table-04 Top Five Turnover, Gainer, and Loser

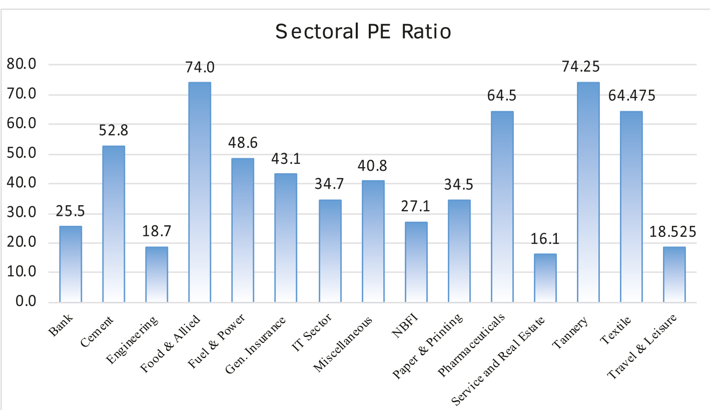

Figure-11: Sectoral PE Ratios (June, 2025)

Figure-12 Sector Return (June, 2025)

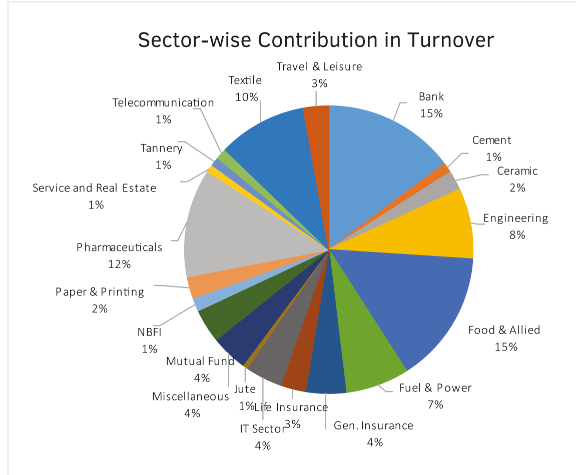

Figure-13 Sectoral Contribution in Turnover (June, 2025)

In June 2025, global stock indices exhibited mixed performances. Japan's Nikkei 225 led with a strong gain of 7.14%, followed by Pakistan's Karachi 100 at 5.68%, and India's BSESENSEX at 2.74%. Bangladesh's DSEX rose by 3.64%, reflecting moderate local market improvement, while China's A50 posted a modest increase of 0.88% [Table-05]. Among commodities, Crude Oil was the top performer with a return of 4.91%, indicating rising energy demand. In contrast, Natural Gas and Cotton experienced significant declines of -8.91% and -8.15% respectively. Other commodities such as Soybean and Gold posted smaller negative returns, while Sugar dropped the most with -6.68% [Table-06].

Performance Comparison of the World's Major Index		
Country	Index Name	Return
India	BSESENSEX	2.74%
China	China A50	0.88%
Japan	Nikkei 225	7.14%
Pakistan	Karachi 100	5.68%
Bangladesh	DSEX	3.64%

Table-05 Performance Comparison of the World's Major Index

Performance Comparison of Commodity Futures			
Commodity name	Return	Price (USD)	Parameter
SUGAR	-6.68%	16.96	Lbs
NATURAL GAS	-8.91%	3.67	MMBtu
COTTON	-8.15%	65.86	Lbs
SOYBEAN	-1.89%	1041.14	Bu
GOLD	-0.79%	3362.94	t.oz
CRUDEOIL	4.91%	63.37	Barrel

Table-06 Performance Comparison of Commodity Futures

In summary, June 2025 reflected a cautious yet slightly improved performance in Bangladesh's capital market. The Bangladesh Securities and Exchange Commission (BSEC) continued to strengthen regulatory oversight by engaging with key stakeholders and promoting transparency initiatives. These efforts aim to rebuild investor confidence and foster a more stable market environment. However, addressing broader macroeconomic challenges and ensuring effective implementation of reforms will be critical to sustaining growth and achieving long-term market resilience.

Data Source: Dhaka Stock Exchange, LangkaBangla Financial Portal

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The Ripple Effect: How Reciprocal Tariffs Could Shake Bangladesh's RMG Sector and Financial Markets

Insights

Reciprocal Tariffs

Over the past month, the global economy has seen major shifts. Countries are reassessing their trade strategies, luxury brands are watching their share values decline, and China is asserting its influence more boldly on the world stage. It all started after the United States revised its trade policy. On April 2, the U.S. introduced a tariff policy, applying a baseline 10% tariff on all imports, with significantly higher, country-specific rates. Bangladesh was hit particularly hard, facing a steep 37% tariff on its exports to the U.S. This sudden move sparked global market instability and increased tensions. The tariff was calculated controversially based on the trade gap between the countries. While a 90-day pause has been announced, the damage to market confidence has already taken its toll.

Reciprocal tariffs arrived in the 19th century when countries wanted to protect their local industries. One of the first examples was the Cobden-Chevalier Treaty between Britain and France in 1860. In 1934, the U.S. introduced the Reciprocal Tariff Act to help recover from the slowdown. After World War II, tariff agreements became central to global trade deals, like the 1947 GATT.

RMG Industry of Bangladesh

Although Bangladesh is the second-largest global exporter of ready-made garments (RMG), it holds only a 7.4% share of the worldwide market, compared to China's dominant 31.6%. This indicates that while Bangladesh is within reach, there is still significant room for growth. Moreover, in this highly competitive market, Vietnam, Turkey, and Indonesia hold 6%, 3.6%, and 1.6% of the global market share, respectively.

Importantly, the garment sector in Bangladesh employs approximately 4.5 million people, the majority of whom are women, with many more engaged in related industries. Therefore, it is necessary to maintain and upgrade this vital sector. The main playground for Bangladesh regarding exports of knitwear and woven garments is the U.S., the EU, and the UK.

Figure-14 Analysis of Total Exports and RMG Exports;

According to data from the BGMEA and the Export Promotion Bureau, RMG exports peaked in 2019–20, accounting for 83% of Bangladesh's total exports. The graph indicates that overall export performance has fluctuated, largely influenced by growth trends in RMG exports. In FY 2023–24, the contribution of the RMG sector, including both woven and knit garments, stood at 81.29% of total exports. This highlights Bangladesh's heavy dependence on the manufacturing sector. By analyzing the data of month-to-month RMG export growth from July 2022 to March 2025, a pattern can be identified: August, October, November, December, and May have consistently been the peak months for export growth over the past three years.

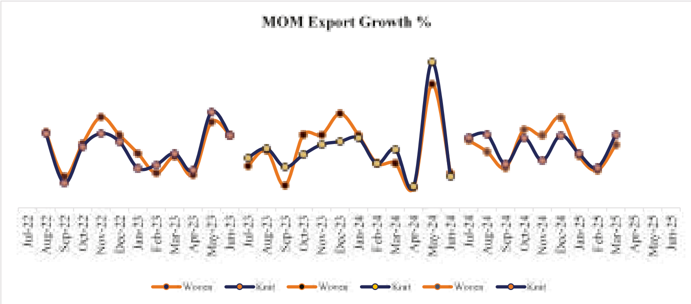

Figure-15 Monthly RMG Export Growth,

The country-wise RMG export data is provided below:

Country	FY2022-23	FY2023-24	FY2024-25
EU	49.85%	49.98%	50.15%
USA	19.30%	18.34%	18.99%
U.K.	10.89%	11.60%	10.83%
Canada	3.40%	3.21%	3.19%
Non-Traditional Market	16.56%	16.86%	16.84%

Table-07 Country-wise RMG export,

Financial Market and Economic Repercussions

The U.S. market has accounted for around 20% of Bangladesh's exports over the last three financial years. Therefore, the reciprocal tariff is expected to significantly impact Bangladesh's RMG sector, given its substantial share in the export market. This tariff will likely reduce order quantities due to higher trade barriers; importers may turn to other sources, with Vietnam, Turkey and India becoming the strongest competitors. This shift will affect Bangladesh's export ratio and decrease foreign currency reserves. Additionally, the imposition of these tariffs will influence import data, as restrictions on opening Letters of Credit (LCs) may occur due to a declining forex reserve. This situation could lead to volatility in the exchange rate. Furthermore, a significant portion of Bangladesh's banking sector depends on the manufacturing industry.

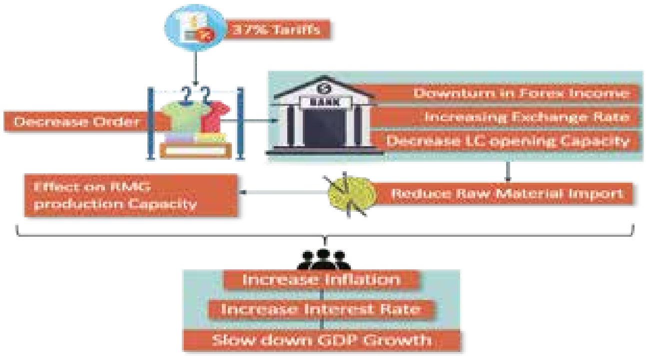

Figure-16 Effect on Banking Sector

This dependency will likely increase the percentage of non-performing loans, putting further strain on the banking system. As a result, inflation rates may rise, potentially leading to an increase in interest rates as a countermeasure. On the other hand, foreign investors may lose interest in Bangladesh, and our ability to bear external loans may be questioned. The overall economic slowdown could lower our GDP growth, while local investors may also experience losses due to instability in the capital market. Some key factors are discussed below:

Exchange Rate: A decline in exports reduces foreign exchange earnings, which weakens the foreign exchange reserves and leads to depreciation of the domestic currency, resulting in a higher exchange rate compared to normal periods. Furthermore, the imposition of reciprocal tariffs can disrupt global supply chains, further stressing trade balances and exchange rate stability, two critical components of economic health.

Inflation: Higher import costs, increasing production costs, a rising exchange rate, disrupted supply chains, and currency depreciation; these factors, as a result of reciprocal tariffs, can collectively contribute to inflation.

Interest Rate: To control rising inflation, central banks often raise interest rates. This makes borrowing more expensive, which reduces spending by people and businesses. As demand drops, inflation slows down. However, higher interest rates can also slow economic growth and increase unemployment.

GDP Growth: A developing country like Bangladesh is just one piece in the domino effect of reciprocal tariffs. These tariffs can lead to an overall economic slowdown, which in turn may slow down GDP growth. The Asian Development Bank has already revised its GDP growth forecast for the country, highlighting the potential negative impact.

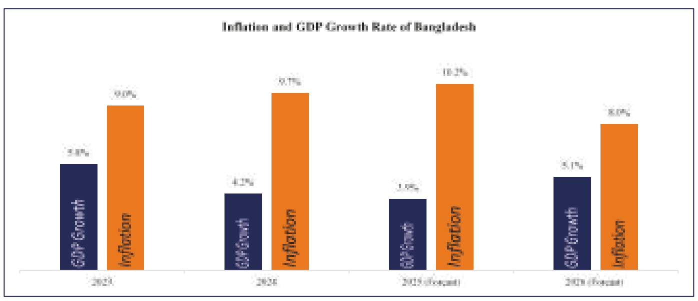

Figure-17 Inflation and GDP Growth Rate of Bangladesh

Every recession brings opportunities. Bangladesh should focus on a few key decisions now:

Exploring New Markets for RMG: Around 17% of Bangladesh's RMG products are exported to non-traditional markets. There's a significant opportunity to focus on these markets and explore their potential. Bangladesh should target markets in Japan, Korea, Australia, the Middle East, Turkey, Mexico, Russia, and Northern Africa. At the same time, it's essential to strengthen our position and expand our share in the European Union, which imports 50% of Bangladesh's RMG exports. Bangladesh needs to focus on growing markets such as Spain, the Netherlands, Poland, and Denmark, while maintaining and expanding its share in high-demand countries like Germany, France, and Italy.

Bridging the Trade Gap with the USA: Increasing imports from the U.S. can help to reduce the trade gap, which may influence the recalculation of reciprocal tariffs. The current trade volume between Bangladesh and the U.S. stands at around $8.5 billion, with Bangladesh's imports from the U.S. at $2.2 billion, resulting in a trade gap of $3.8 billion. To address this gap, Bangladesh is exploring U.S.-sourced liquefied natural gas (LNG) imports as part of its strategy to reduce the growing trade deficit with the U.S. Additionally, Bangladesh has already waived tariffs on 190 American products and plans to add another 100 items to the duty-free list. Bangladesh mainly imports raw cotton and scrap iron from the U.S.

Upgrading RMG Technology: Bangladesh's RMG industry relies heavily on cheap labor, but to stay competitive, it needs to explore new strengths. Upgrading technology is key; investing in modern machinery and automation will boost efficiency and productivity. Embracing innovations like digital tools, AI, and sustainable practices can help meet global standards, diversify products, and open up new markets.

Reducing Dependence on Imported Raw Materials: Bangladesh's RMG industry must shift toward locally produced man-made fibers (MMF). China supplies about 67% of our man-made fibers; this heavy reliance places the industry at risk. Policymakers need to act swiftly to reduce this dependence, considering factors such as lead time for yarn and fabric imports to maintain a stable supply chain.

Exploring Diversification Beyond RMG: In FY 2023, the RMG sector contributed 10.35% to GDP, while remittances added 4.76%, showing the significant role RMG plays in our economy. However, relying solely on one sector can be risky. To strengthen the economy, Bangladesh should focus on diversifying into other industries.

Geo-Political Stability: Political instability is a major threat to an emerging economy. To ensure steady growth, Bangladesh needs to strengthen its policy-making strategies and avoid constant experimentation. Stability and consistency in policies are key to building a stronger economic foundation.

Key Lessons from US and China Trade Tension

The ongoing tariff tensions between the U.S. and China, with tariffs of 145% from the U.S. and 125% from China, highlight how China has become largely self-sufficient in resources and doesn't rely heavily on external markets. China's vast domestic market supports its growth. For Bangladesh, it's crucial to focus on becoming resourceful and investing in human development, focusing on practical knowledge rather than just certifications. While the RMG sector remains vital, Bangladesh has significant potential in other industries like agriculture, shipbuilding, IT, and tourism. The country's fertile land makes it well-suited for agriculture, and exploring these industries will help diversify and strengthen the economy.

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