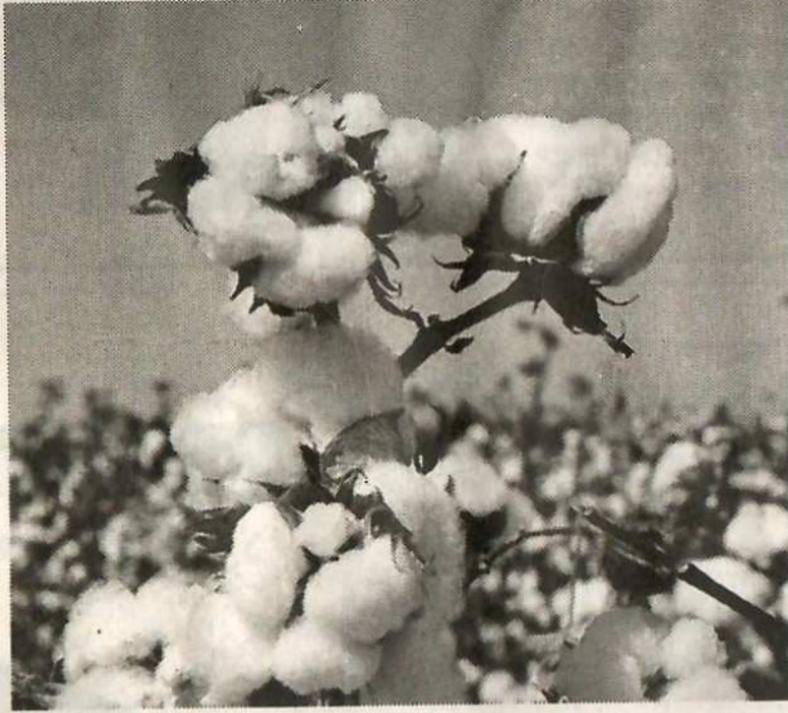
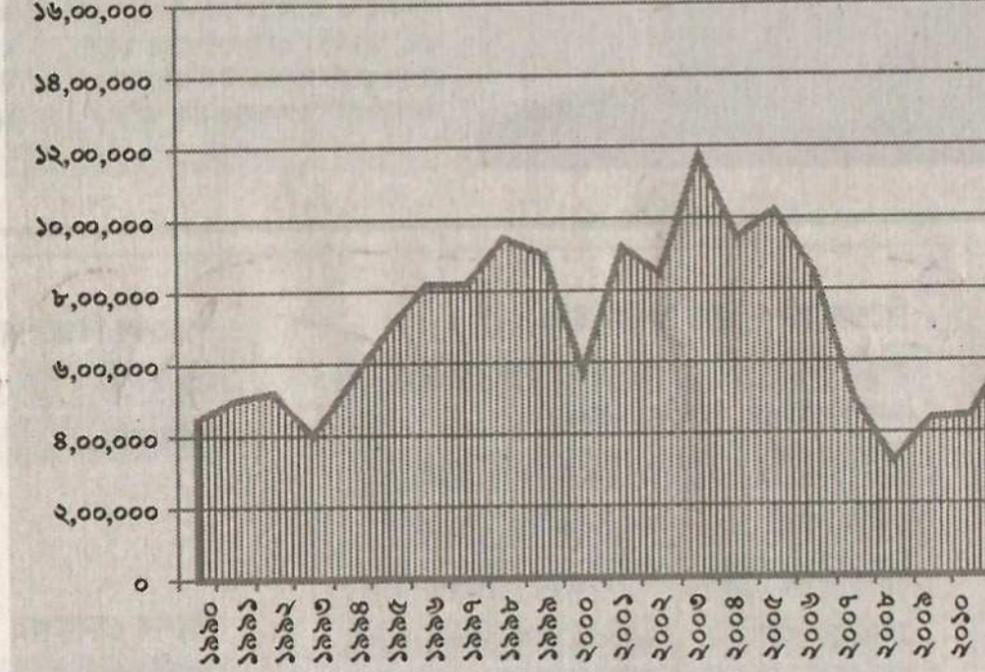


তুলা রফতানিতে মালি



বিশ্ববাজারে তুলার একটি উল্লেখযোগ্য সরবরাহকারী হিসেবে পরিচিতি পেয়েছে পশ্চিম আফ্রিকার দেশ মালি। কৃষিনির্ভর এ দেশের বৈদেশিক মুদ্রা আয়ের অন্যতম প্রধান উৎস হলো তুলা। সরকারি হিসাবে মালির মোট কৃষিজ রফতানির প্রায় অর্ধেকই আসে এ খাত থেকে। বাংলাদেশ, চীন ও ভিয়েতনামের মতো গার্মেন্টস শিল্পনির্ভর দেশগুলো মালির তুলার প্রধান ক্রেতা। তবে রাজনৈতিক অস্থিতিশীলতা, অবকাঠামোগত সীমাবদ্ধতা এবং বৈশ্বিক বাজারে মূল্য ওঠানামা মালির তুলা শিল্পের জন্য বড় চ্যালেঞ্জ। গত বছর দেশটি থেকে কৃষিপণ্যটির রফতানি কমেছে ১০ দশমিক ৬৪ শতাংশ। এ সময় মোট রফতানির পরিমাণ ছিল সাড়ে ১০ লাখ টন।



রফতানি (টন)

সাল	রফতানি (টন)	বৃদ্ধির হার (%)
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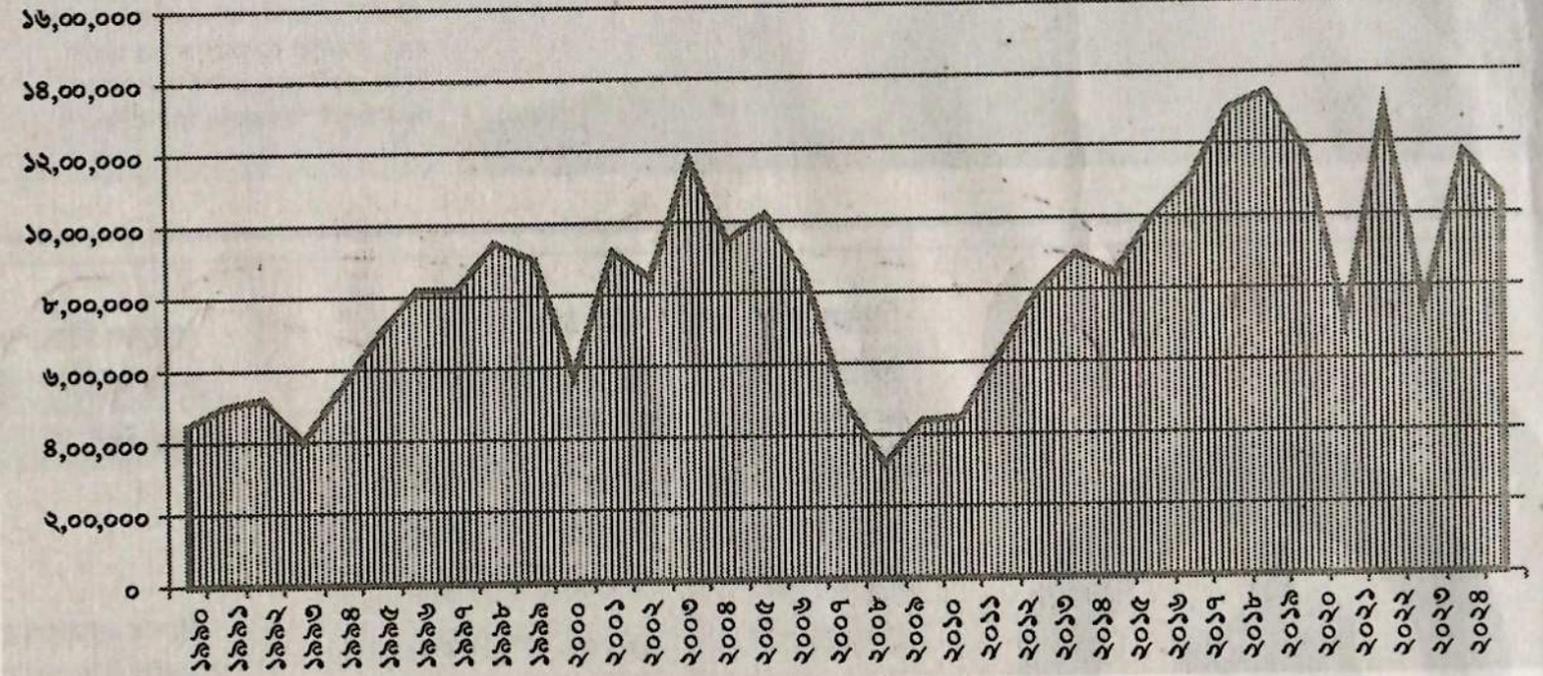
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তুলা রফতানিতে মালি

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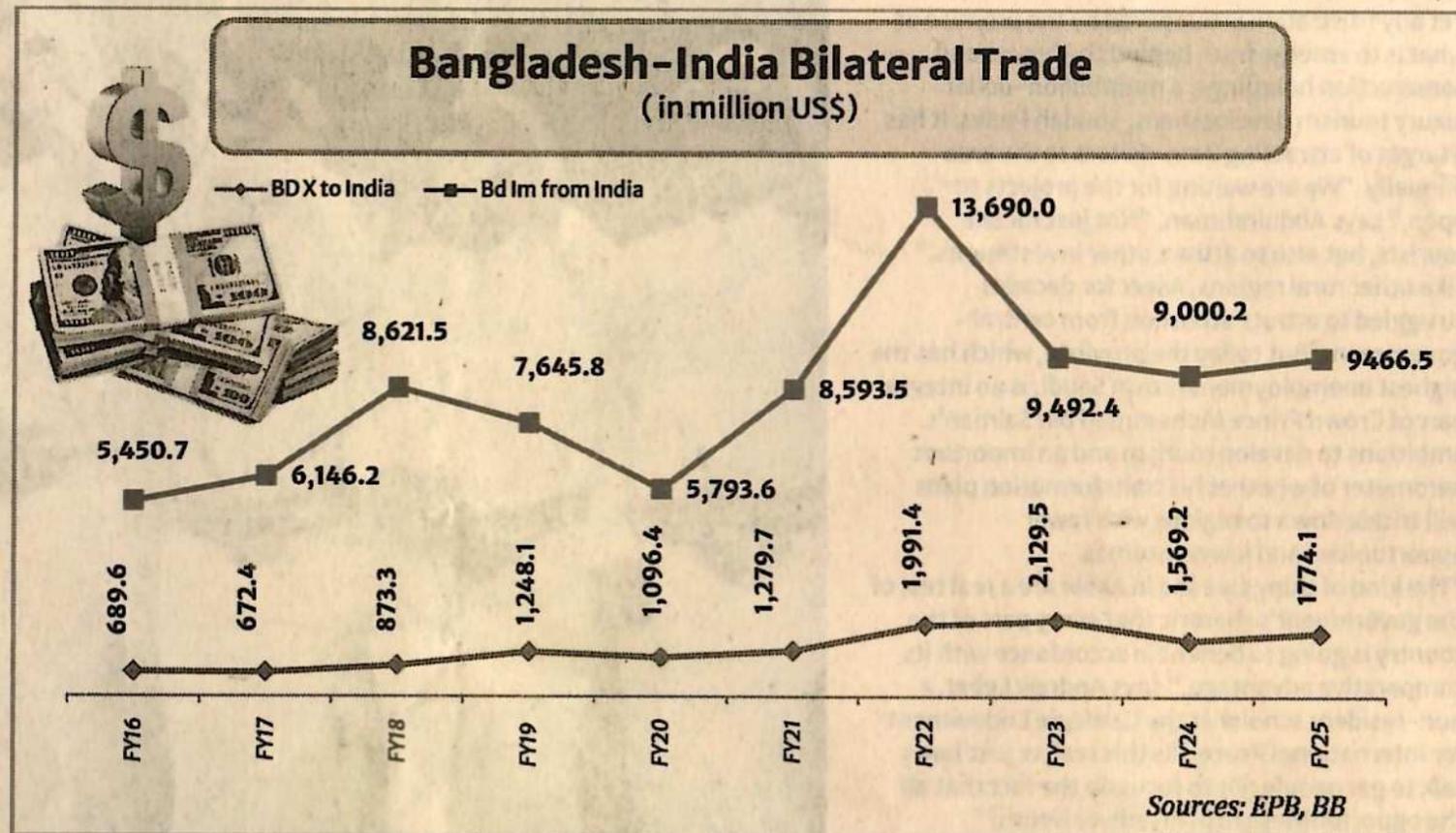
সূত্র : ইনডেক্স মুভি

Bangla-Indo trade sees modest rise despite restrictions

Notwithstanding a significant strain in relations, bilateral trade between Bangladesh and India witnessed a modest rise in the last fiscal year, reflecting the reciprocal reliance on each other for sourcing various goods for domestic consumption. It also indicates that long-term trading partners cannot abruptly end their partnership, despite deterioration in the bilateral relationship and an increase in the frequency of disputes. Indo-Bangla bilateral trade increased by 6 per cent to US\$11.24 billion in FY25 from \$10.57 billion in FY24. The bilateral trade reached its highest level at \$15.68 billion in FY22, mainly due to a big surge in imports from India, and it declined to \$11.26 billion in FY23. Both exports to and imports from India increased in the last fiscal year, which also widened the trade gap with India. Export increased to \$1.77 billion in FY25 from \$1.57 billion in FY24, whereas imports from India stood at \$9.44 billion and \$9.0 billion, respectively. After the fall of the autocratic regime of Hasina in August last year in the face of student-led mass uprising, Bangladesh and India's bilateral diplomatic relations deteriorated significantly for obvious reasons. During her 15-year regime, Hasina in exchange for securing full backing to stay in power had offered all possible concessions to India. The July uprising, however, changed the calculation, although to curb the movement, the Hasina regime resorted to the use of brutal force, killing 1,400 people in less than three weeks. More than 20,000 people were also

New Delhi may continue to put various trade restrictions on a limited scale to increase the cost of trade for Dhaka. The move might be driven more by resentment than economic considerations

writes
Asjadul Kibria

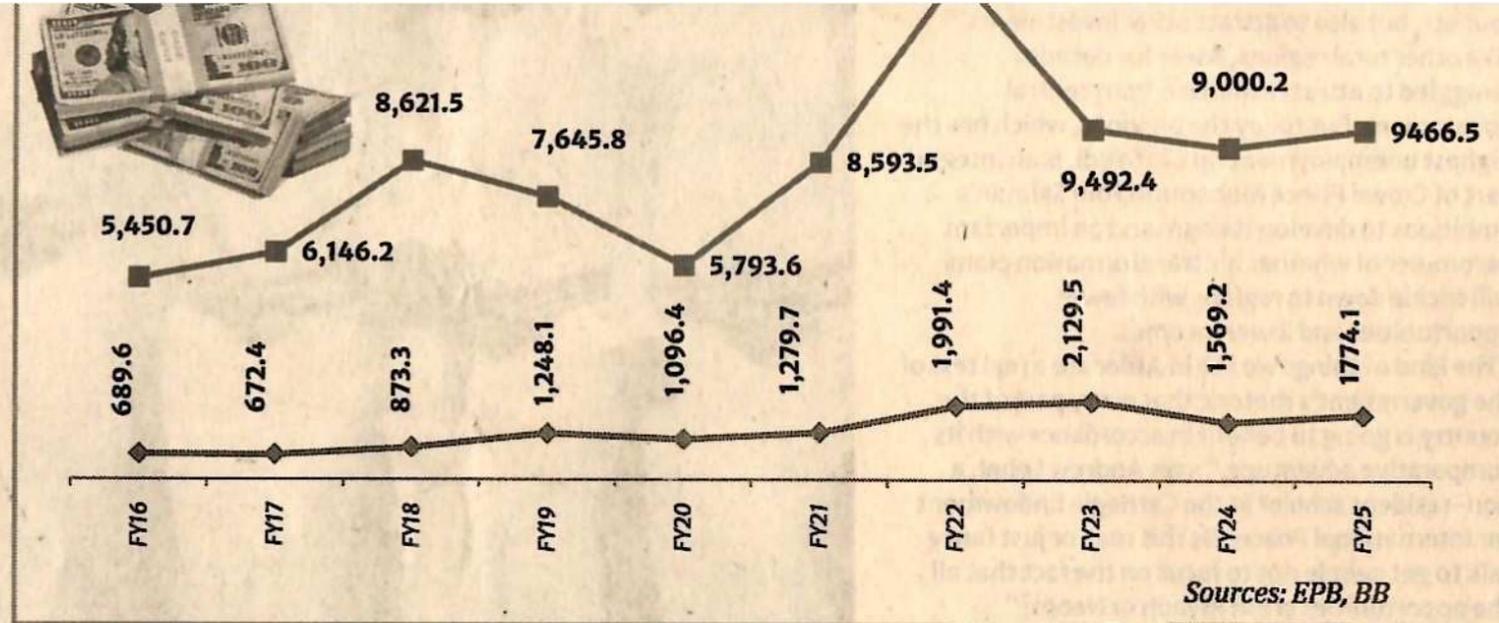


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last fiscal year, which also widened the trade gap with India. Export increased to \$1.77 billion in FY25 from \$1.57 billion in FY24, whereas imports from India stood at \$9.44 billion and \$9.0 billion, respectively. After the fall of the autocratic regime of Hasina in August last year in the face of student-led mass uprising, Bangladesh and India's bilateral diplomatic relations deteriorated significantly for obvious reasons. During her 15-year regime, Hasina in exchange for securing full backing to stay in power had offered all possible concessions to India. The July uprising, however, changed the calculation, although to curb the movement, the Hasina regime resorted to the use of brutal force, killing 1,400 people in less than three weeks. More than 20,000 people were also injured. Nevertheless, she was forced to resign on August 5 last year and flee to New Delhi for shelter. Besides providing shelter to Hasina for her loyalty in advancing Indian interests for more than a decade, the Modi-led Indian government has initiated several steps to exert pressure on the Yunus-led interim government in Bangladesh. Restricting exports to India by making it costlier is a key tool in this connection. For instance, India cancelled the transshipment facility granted to Bangladesh for third-country exports using Indian sea routes and airports. The country also imposed restrictions on imports of certain products, including ready-made garments (RMG), from Bangladesh, primarily to the north-eastern states of India via land routes. Through these measures, New Delhi expressed its dissatisfaction with the political changeover in Bangladesh and has yet to accept the new reality. New Delhi is also unresponsive to Dhaka's repeated requests to discuss trade-restrictive measures. Instead, there is a hint from India that it is likely to impose more trade restric-



tions in the near future to mount pressure on Bangladesh. So, what drives the modest increase in bilateral trade, especially the rise in exports to India from Bangladesh, in the last fiscal year? At least three major factors are behind the increase in exports to India from Bangladesh. Firstly, most of the trade restrictions have been imposed by India in the last quarter of FY25. So, the negative impacts of the restrictions are yet to be visible at the macro level. Secondly, most exporters want to maintain their market share in India. Therefore, they shifted to sea routes after India restricted exports through land routes for RMG and other products. By exporting products through the Nhava Sheva port in Mumbai (western India) and the Kolkata port in West Bengal (eastern India), they incur an additional 10 per cent cost. Nevertheless, Indian importers are still able to obtain the product at a competitive price. Thirdly, during the last fiscal year, the Bangladesh taka against the US dollar depreciated by around 3.90 per cent. At the same time, the Indian rupee appreciated by around 0.90 per cent against the greenback. These currency fluctuations, which are often overlooked, also played a

role in the modest increase in export earnings. However, it's important to note that jute and jute goods have been severely affected by India's imposition of restrictions and non-tariff barriers (NTBs). Previously, jute could be exported through both land and sea ports. But in the last month, India banned imports of jute products from Bangladesh through land ports, allowing only the Nhava Sheva port in Mumbai. This has led to a significant drop in jute exports to India, almost to zero. Other products, such as food items, plastics, and wooden furniture, have also been subject to restrictions. Indian importers are now only allowed to import these products through a limited number of land ports. For instance, land ports and customs stations near the borders of north-eastern Indian states like Assam, Meghalaya, Tripura, and Mizoram are no longer permitted to ship these Bangladeshi products. Imports from India posted a modest growth of five per cent in the last fiscal year, when there were almost no restrictions on imports from India, except for rice, onions, and a few food items. The Indian government withdrew the export suspen-

sions on onions in the last month. Bangladesh also allowed duty-free imports of rice from India in the last month. In the last week, India, however, imposed a new condition on exporting non-basmati rice from India. For Bangladesh, it is not easy to import many raw materials and intermediate goods from a third country other than India due to the high cost. Geographical proximity makes the imports from India faster and competitive. Only some of the products may be possible to import from China if India also imposes restrictions. Already, China is the largest source of imports for Bangladesh, and in the last fiscal year, imports from China jumped by 9 per cent after a decline of 6 per cent in FY24. It is also unlikely that India will impose stringent conditions for exporting a large number of products to Bangladesh in the near future, as this would also hamper its export earnings. New Delhi may, however, continue to put various trade restrictions on a limited scale to increase the cost of trade for Dhaka. The move might be driven more by resentment than economic considerations.

asjadulk@gmail.com



Services export earnings belie vast potential

FHM HUMAYAN KABIR

Bangladesh's export earnings from services have been on a decline over the last three years after a pickup even in the post-pandemic fiscal year, officials say, largely for ignoring a vast potential.

Notwithstanding an impressive income in the fiscal year (FY) 2021-22, just after the pandemic Covid-19 attack, the highest job-absorbing sector failed to see a liftoff in its foreign income, they said Friday.

Over the last three years between FY2023 and FY2025, the export earnings from the services sector were far lower than that in the post-Covid year FY2022.

Bangladesh earned US\$8.89 billion by exporting different services in FY2022 to overseas markets but its income remained on a downturn in the following three years, official statistics showed.

According to the Export Promotion Bureau (EPB), the earnings from the export of services were \$7.50 billion in the subsequent FY2023 which declined further to \$6.64 billion in FY2024.

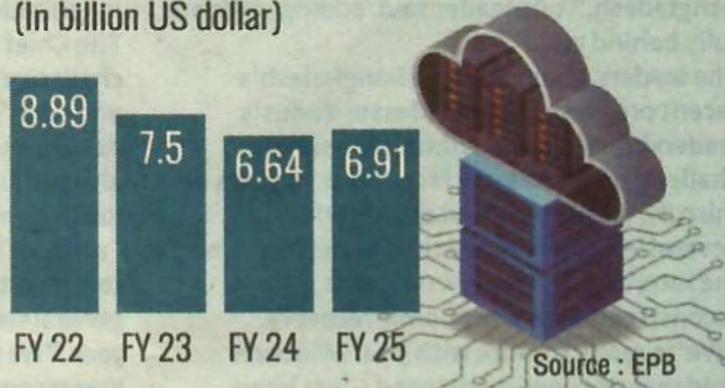
In the last fiscal year (FY2025), although the earnings curved up a little bit to \$6.91 billion, the receipt was still nearly \$2.0-billion lower than the FY2022 figure.

The EPB statistics show that the foreign-exchange earnings from services rose by only 3.96 per cent to \$6.91 billion in FY2025 from \$6.64 billion in the previous year.

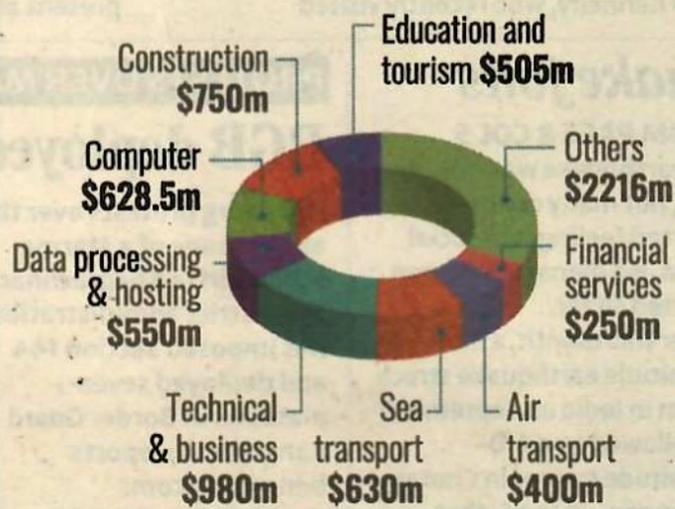
Experts say the government is usually busy with some merchandise exports, especially apparel, leather, pharmaceutical, light-engineering and agricultural products,

RECEIPTS ON SLIDE FROM PEAK IN POST-COVID FY

SERVICES EXPORT TREND
(In billion US dollar)



SUBSECTOR-WISE EXPORTS (FY25)



“ Governments ignore rapidly expanding global services demand, especially in digital economy - Dr Masrur Reaz

Economist Dr Masrur Reaz notes that the governments over the last three decades had been busy boosting only the readymade garments while the services sector was almost out of sight.

but neglects taking prompt actions for boosting the services exports on an expanding worldwide market. The country's services sector has the potential for the earning of handsome foreign exchange as the IT, tourism, travel, construction, computer and software, and financial services are the next promising items, they point out. Computer services (software), data processing and hosting, telecommunications, sea and air transports, education and tourism, technical and trade-related services, and construction services are the key services that earned higher amounts of foreign exchange for Bangladesh. Among the key sectors, foreign-exchange earnings from education and tourism were worth \$505 million in FY2025, while \$750 million came from construction services, \$628.50 million from computer services (Software, data processing, and consultancy etc), \$550 million from computer-data processing and hosting services (IT-enabled services).

Besides, technical, trade-related and other business services fetched \$980 million while \$630 million came from sea transport, \$400 million from air transport, and \$250 million from financial services, save insurance, in the last FY, the EPB data showed.

Services export

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"When the countries like India, China and the Philippines are grabbing the global market of services, Bangladesh is still depending on the single product--RMG. It has no better export policy on services," Dr Masrur, Chairman and CEO of the Policy Exchange, Bangladesh, told The Financial Express.

"Although the government is working on a new export policy where services sector will get preference, but it may be on paper. Our previous experience is showing us that," he added. The demand for services, especially in the field of digital economy, is expanding rapidly on a global scale where Bangladesh has potential to grab a portion of the pie, Dr Masrur notes.

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Costs of trade with India rise 20% amid non-tariff measures

REFAYET ULLAH MIRDHA

Bangladeshi businesses are paying higher costs when sending goods to India and bringing in industrial inputs from the neighbouring country amid retaliatory non-tariff measures imposed by Dhaka and New Delhi.

Annual trade between the two countries crosses \$15 billion. India, after China, is the second largest source of commodities and raw materials for Bangladesh.

Businessmen say costs have soared by as much as 20 percent, mainly because goods are now being rerouted through Chattogram port, as non-tariff restrictions have choked movement through nearly a dozen land ports.

The commerce ministry said it has urged New Delhi to hold talks on the barriers, which are measures other than customs tariffs regulating imports or exports, but it is yet to receive a reply.

The current trade strain began in early April this year when India suspended transshipment facilities for Bangladeshi exports to third countries.

A week later, Dhaka suspended yarn imports from India through 11 land ports. New Delhi then introduced fresh restrictions on Bangladeshi exports, including garments, processed food, plastics, yarn, furniture and, more recently, raw jute and jute products.

Still, sea routes remain open for the businesses, but they are slower and cost more.

Humayun Rashid, chairman of Energypac Fashions Ltd, said his company sends \$7 million worth of garments to India annually, mainly through land ports. Rerouting through Chattogram has pushed up

transport costs by up to 20 percent.

He said Indian importers often complain about long lead times and rising transport charges. "So, my Indian importer met the Bangladeshi high commissioner in New Delhi for a solution through discussion. However, any meeting is yet to take place," he said.

Despite the extra costs, Rashid told The Daily Star that his company's trade volume with India has held steady.

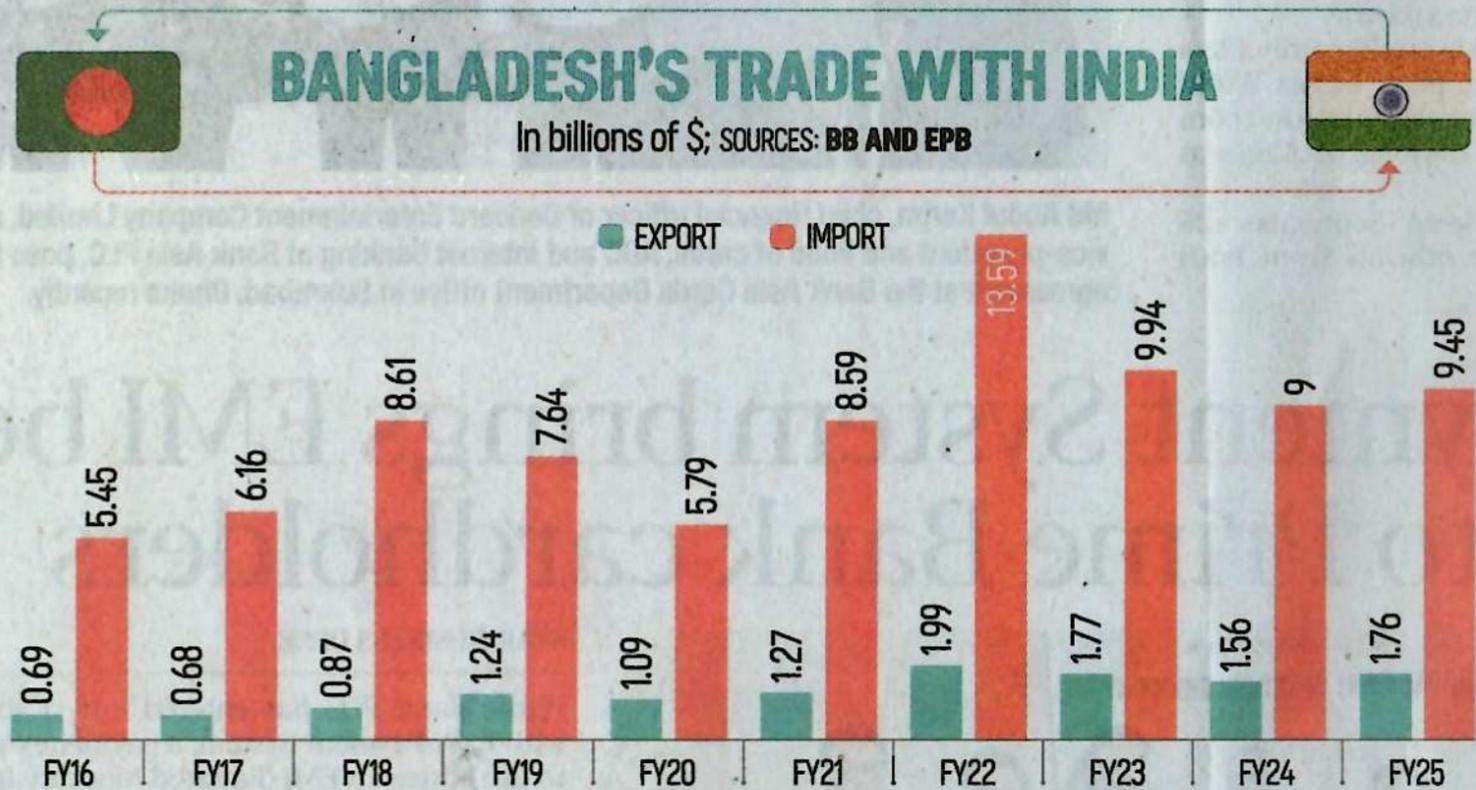
Bangladeshi Commerce Secretary Mahbubur

Rahman said he has written to his Indian counterpart three times seeking meetings to discuss rising non-tariff barriers and strained bilateral ties, but has received no response.

The commerce adviser also wrote to the Indian commerce minister requesting talks, Rahman told The Daily Star over the phone.

"The Indian side is also not saying why they are not interested in the meetings for removing the trade barriers," he added. "Because of the non-tariff barriers, the cost of business operations rose by 20 percent."

According to Rahman, no secretary-level meeting



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Humayun Rashid, chairman of Energypac Fashions Ltd, said his company sends \$7 million worth of garments to India annually, mainly through land ports. Rerouting through Chattogram has pushed up

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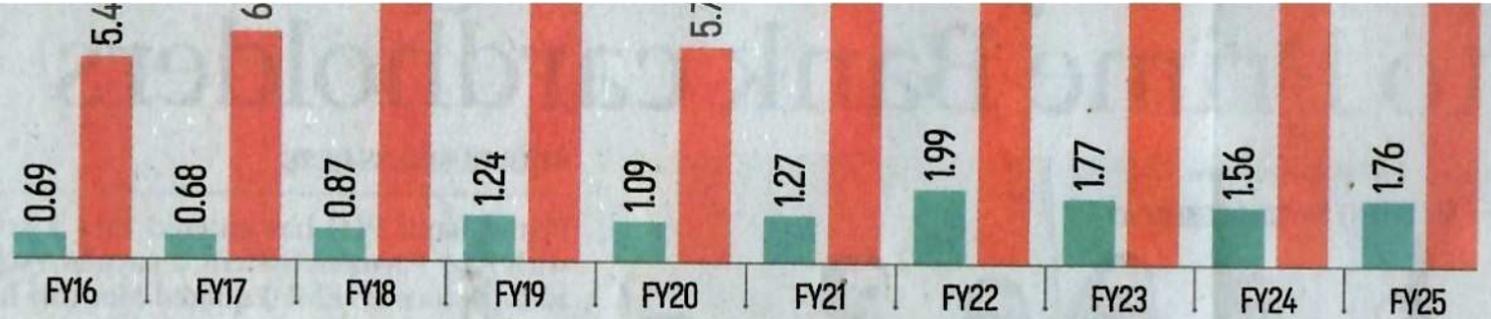
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transport costs by up to 20 percent.

He said Indian importers often complain about long lead times and rising transport charges. "So, my Indian importer met the Bangladeshi high commissioner in New Delhi for a solution through discussion. However, any meeting is yet to take place," he said.

Despite the extra costs, Rashid told The Daily Star that his company's trade volume with India has held steady.

Bangladeshi Commerce Secretary Mahbubur

Rahman said he has written to his Indian counterpart three times seeking meetings to discuss rising non-tariff barriers and strained bilateral ties, but has received no response.

The commerce adviser also wrote to the Indian commerce minister requesting talks, Rahman told The Daily Star over the phone.

"The Indian side is also not saying why they are not interested in the meetings for removing the trade barriers," he added. "Because of the non-tariff barriers, the cost of business operations rose by 20 percent."

According to Rahman, no secretary-level meeting has been held between the two countries for one and a half years, although major trade issues are normally discussed at such forums each year.

Similar to Energypac Fashions, another local garment exporter, who asked not to be named, complained about the non-tariff measures.

He said disruptions at land ports had prompted his Indian partner to stop importing \$2 million worth of garments from his company and instead source from Indian suppliers for its markets in Thailand and Malaysia.

READ MORE ON B1



Costs of trade with India

FROM PAGE B1

Md Abdul Wahed, honorary joint secretary general of the India-Bangladesh Chamber of Commerce and Industry (IBCCI), said imports from India at some land ports have fallen by more than 50 percent in terms of volume since the retaliatory measures began in April.

"For instance, in some land ports, nearly 400 goods-laden trucks used to arrive from India in a day, but now the number has fallen to 150 a day," he said.

"The trade relations between Bangladesh and India are not normal now, and the governments of both countries need to solve the trade barriers. In many cases of bilateral trade, the cost has risen to Tk 10 in place of the previous Tk 1."

Before the latest non-tariff measures, long-standing non-tariff barriers had already hampered trade between the two neighbours.

The timeline of the latest retaliatory measures dates back to early April, when India revoked transshipment for Bangladesh export cargo to third countries via its land

borders and ports.

In mid-April, Bangladesh suspended yarn imports from India through all land ports, including Benapole, Bhomra, Sonamasjid, Banglabandha and Burimari, though imports through Chattogram were allowed.

In May, India restricted the import of garments, agro-processed foods, furniture and other goods from Bangladesh through land ports.

India Directorate General of Foreign Trade (DGFT) said garments, the single largest Bangladeshi export to India, would only be allowed entry through Kolkata port and Mumbai's Nhava Sheva port.

While Chattogram has so far absorbed much of the redirected flow, shipments to India through the 11 land ports as well as Mongla and Pangaon have fallen by nearly 15 percent in value and 19 percent in volume, according to official data.

Exports to India via Chattogram port rose 139 percent year-on-year in the first eight months of this year to \$338.2 million, up from \$141.4 million a year earlier, according to National Board of Revenue (NBR) data.

US buyers push Bangladeshi exporters to partly absorb tariff costs

SHARING TARIFF COST

- ◆ Exporters expected competitive edge from lower US tariff
- ◆ Some US buyers now pressure suppliers to share extra cost
- ◆ Some buyers pass 5-7% of 20% tariff, others push full burden

IMPACT ON EXPORTERS

► Unconfirmed orders



Profits minimal, sometimes break-even

► Some planning to reduce factory size

► BGMEA says weak negotiation gives buyers leverage

► BKMEA instructs calculating new tariff, negotiate



TARIFF AND EXPORTS

US initially announced 35% tariff in April	Later temporary 10% tariff for all countries	Imposes 20% reciprocal tariff on Bangladesh	Previous US duty 16.5%, new total rises to 36.5%
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Bangladesh exports \$4.92b to US in Jan-Jul

Bangladesh up 22%, China down 21%

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TARIFF - BANGLADESH

REYAD HOSSAIN

Exporters in Bangladesh had hoped for a competitive boost when the United States set its reciprocal tariff on Bangladeshi goods slightly below rates imposed on some rivals. But that edge appears to be slipping away, as US buyers increasingly pressure suppliers to absorb part of the higher duty.

Since August, when the US imposed a 20% reciprocal tariff on Bangladeshi apparel, some buyers have sought to transfer between 5% and 7% of the added cost onto suppliers, while others want them to carry the full burden.

Those who comply can secure orders, while those who resist are left with contracts hanging in limbo,

particularly for spring, summer, and fall collections.

"Out of necessity, we confirmed those orders," he said. "Buyers have made it clear they will now set prices themselves."

Sparrow, which produces around three million garments annually, half for the US, is absorbing about 5 percentage points of the tariff. A garment that previously sold for \$100 now costs \$120 in the US, but the factory captures only part of that increase.

Rakibul Alam Chowdhury, managing director of Chattogram-based HKC Apparels, said he has refused to shoulder the added cost, leaving many orders unconfirmed.

"Our profits are minimal, sometimes at break-even," said Rakibul, whose factory employs 6,500 workers and ships more than 90% of its products to the US. "We cannot take

▶ Unconfirmed orders



Profits minimal, sometimes break-even

▶ Some planning to reduce factory size

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Those who comply can secure orders, while those who resist are left with contracts hanging in limbo, several industry representatives told The Business Standard.

Shovon Islam, managing director of Sparrow Group, said US buyers have asked his company to bear one-quarter of the new tariff, par-

ticularly for spring, summer, and fall collections.

"Out of necessity, we confirmed those orders," he said. "Buyers have made it clear they will now set prices themselves."

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"Our profits are minimal, sometimes at break-even," said Rakibul, whose factory employs 6,500 workers and ships more than 90% of its products to the US. "We cannot take loss-making orders. If necessary, we may reduce factory size, but further losses are unsustainable."

"They expect us to manage it. I can't take on

SEE PAGE-2 COL 5



US buyers push Bangladeshi

CONTINUED FROM PAGE 1

this pressure, so orders are not being confirmed," he added.

Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), confirmed that some buyers have pressed suppliers to share the burden, while others have stood firm.

"One company in the association negotiated and agreed to cover a portion," he said.

Abdullah Hil Nakib of Team Group, for instance, said his company's buyers are accepting the higher prices without pushing for discounts.

Buyers admit shifting part of cost

Some buyer representatives acknowledge asking for partial cost-sharing. A country director of a major US brand said, "Many retailers are bearing more than half of the increased tariff, but margins are very slim.

Suppliers are being asked to bear between 1% and 3%. The rest will eventually fall on US consumers."

A senior officer at a Dhaka buying house told TBS that nearly all their buyers are from the US. "They have agreed to bear half of the new tariff and asked us to manage the other half. We ourselves are absorbing some pressure, while requesting other suppliers, such as fabric, yarn, and accessories providers, to take on some of the price pressure. Otherwise, securing orders would be difficult," he said.

Major buyers including Walmart and two Gap Inc subsidiaries did not respond to requests for comment.

... negotiations push back

producing garments at very low profit or break-even. Under these conditions, price negotiation should adjust for the new tariff.

He added that weak negotiation capacity among some factory owners gives buyers an advantage, and offering discounts risks misleading buyers about garment owners' profits.

Mohammad Hatem of BKMEA added, "We have instructed our members to calculate the new tariff and conduct price negotiations accordingly."

Tariff dynamics

The US first announced a 35% additional tariff on Bangladeshi goods in April to address its trade deficit, before temporarily applying a 10% duty on all countries during talks. Following negotiations, Bangladesh's final reciprocal tariff was set at 20% in August, compared to 25% on India (later raised to 50%), 20% on Vietnam, 19% on Pakistan, and higher rates on China.

The rate is lower than some competitors, but exporters say the expected surge in orders from countries facing steeper tariffs has yet to materialise.

Bangladeshi garments previously entered the US market at around 16.5% duty. With the new 20% reciprocal tariff, the effective rate now stands at 36.5%.

According to US Department of Commerce data, apparel imports reached \$45.8 billion between January and July, up 5% year-on-year. Imports from China dropped 21%, while Bangladesh's shipments rose 22% to \$4.92 billion.

Bangladesh ranks among the US's top apparel suppliers alongside Vietnam, China, India, Indonesia, and Cambodia. Leading buyers include Walmart, VF Cor-