The Daily Star

10 AUG 2025

US licenses Nvidia to export chips to China

REUTERS

The commerce department has started issuing licenses to Nvidia to export its H20 chips to China, a US official told Reuters on Friday, removing a significant hurdle to the AI bellwether's access to a key market.

The US last month reversed an April ban on the sale of the H20 chip to China. The company had tailored the microprocessor specially to the Chinese market to comply with the Biden-era AI chip export controls.

The curbs will slice $8 billion off sales from its July quarter, the chipmaker has warned.

Nvidia CEO Jensen Huang met with Trump on Wednesday, two sources familiar with the matter told Reuters.

A spokesperson for Nvidia declined comment. A White House spokesman did not immediately respond to a request for comment.

The company said in July it was filing applications with the US government to resume sales to China of the H20 graphics processing unit, and had been assured it would get the licenses soon.

It is unclear how many licenses may have been issued, which companies Nvidia is allowed to ship the H20s to, and the value of the shipments allowed.

Nvidia disclosed in April that it expected a $5.5 billion charge related to the restrictions. In May, Nvidia said the actual first-quarter charge due to the H20 restrictions was $1 billion less than expected because it was able to reuse some materials.

The Financial Times first reported Friday's developments.

Nvidia said last month that its products have no "backdoors" that would allow remote access or control after China raised concerns over potential security risks in the H20 chip.

Exports of Nvidia's other advanced AI chips, barring the H20, to China are still restricted. Successive US administrations have curbed exports of advanced chips to China, looking to stymie Beijing's AI and defense development.

While this has impacted US firms' ability to fully address booming demand from China, one of the world's largest semiconductor markets, it still remains an important revenue driver for American chipmakers.

Huang has said the company's leadership position could slip without sales to China, where developers were being courted by Huawei Technologies with chips produced in China.

In May, Nvidia said the H20 had brought in $4.6 billion in sales in the first quarter and that China accounted for 12.5 percent of overall revenue during the period.

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US tariff hike no big blow to non-leather footwear exports

Shoeniverse MD says buyers resume bookings

Riad Mahmud

JAGARAN CHAKMA

Emerging export item non-leather footwear remains largely unscathed after the US tariff storm, thanks to Bangladesh's limited exposure to the American market and a stronger competitive position than some peers.

The sector, which has recently entered the half-a-billion-dollar export club from $189 million a decade earlier, is seeing American buyers returning to Bangladeshi exporters, according to a leading industry figure.

"US buyers have done their calculations and seem ready to absorb the 35 percent tariff for now," Riad Mahmud, managing director of Shoeniverse Footwear, told The Daily Star in a recent interview.

Mahmud, who supplies products to top buyers like

MD said.

Just months ago, top US retailers were exploring Bangladesh as an alternative sourcing base amid shifting global trade dynamics. The sudden introduction of a 20 percent US tariff on Bangladeshi products, on top of an existing 15 percent, had initially put a damper on that optimism.

The tariff hike, Mahmud said, was "like a fog rolling over clear skies." Half his confirmed orders were frozen almost overnight. "Buyers simply said,

weaknesses, particularly the high dependence on Chinese raw materials, which stretched lead times to 90 days.

To address this, Shoeniverse is offering land and infrastructure at its Bhaluka industrial zone to Chinese suppliers willing to form joint ventures in Bangladesh. "If components like soles and uppers are produced here, we can cut lead times from three weeks to three hours. That's how you withstand external shocks—not by lobbying, but by building smarter."

to secure theirs. Without it, we can't access high-volume US orders," he said, adding that several other firms, including Pran-RFL and MAF Shoe, are also pursuing the certification.

Beyond America

Beyond the US, Mahmud sees potential in the Australian market, which is also seeking alternatives to China.

Besides, Vietnam's rising costs and capacity limits could push European and Australian buyers towards Bangladesh. "Bangladesh is well positioned to benefit, if we act fast."

child labour. These are global standards, and we accept them."

"The human and mental cost of violating these rights is too high, far beyond any financial calculation," he added.

Policy and Power

To ensure long-term competitiveness, Mahmud called for reforms in banking regulations.

"Payment cycles with US buyers can exceed 90 days, but current policies don't accommodate that. Also, occasional penalties for defective shipments are flagged as suspicious by banks, even when they're legitimate business practices," said the exporter.

Energy supply is another pressing issue. "We often face 6 to 8 power outages a day. That forces us to rely on gas or

KEY TAKEAWAY

- US tariffs: New **20%** tariff raises total on synthetic shoes to **35%**.
- Key markets: Europe is the main buyer; the US offers larger orders
- Supply chain: Sector heavily relies on Chinese materials
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to the American market and a stronger competitive position than some peers.

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"US buyers have done their calculations and seem ready to absorb the 35 percent tariff for now," Riad Mahmud, managing director of Shoeniverse Footwear, told The Daily Star in a recent interview.

Mahmud, who supplies products to top buyers like Walmart, Target, and Reebok, said, "Bangladesh can still emerge as a major player in the global synthetic footwear market despite recent tariff pressures."

Around 90 percent of Bangladesh's non-leather footwear exports currently go to Europe. But Mahmud sees greater promise across the Atlantic.

"US orders are large and consistent. When one style runs on the line for weeks, our efficiency improves. Europe's orders are smaller and fragmented. Constant style changes reduce output and raise costs," the Shoeniverse

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Faced with idle capacity, Shoeniverse pivoted to lower-margin clients to keep its factory floors busy. "We didn't earn profit, but we avoided empty lines. It was survival." Now, orders for November and December are back on the books.

Building Resilience

To compete sustainably, Mahmud argues, Bangladesh needs the scale and stability that the US market offers. The tariff shock, he says, also exposed structural

infrastructure at its Bhaluka industrial zone to Chinese suppliers willing to form joint ventures in Bangladesh. "If components like soles and uppers are produced here, we can cut lead times from three weeks to three hours. That's how you withstand external shocks—not by lobbying, but by building smarter."

Mahmud likened the current crisis to emergency surgery. "We didn't have time to prepare; we simply had to respond. But now we must plan our recovery and future growth."

He estimates Bangladesh's footwear exports could reach $1 billion in two and a half years if key hurdles are cleared. Chief among them is the Nirapon certification, which guarantees US-standard safety and compliance.

"It took Parasol 18 months

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With Bangladesh's graduation from the least developed country category approaching next year, Mahmud warns that Europe alone cannot sustain growth. "To recover our investments, we need bigger buyers from larger economies."

Mahmud was pragmatic on the US push for stronger labour unions. "As long as it's not disruptive, I believe in labour rights. We've already implemented 8-hour shifts and overtime limits. We've rejected

financial calculation," he added.

Policy and Power

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"Payment cycles with US buyers can exceed 90 days, but current policies don't accommodate that. Also, occasional penalties for defective shipments are flagged as suspicious by banks, even when they're legitimate business practices," said the exporter.

Energy supply is another pressing issue. "We often face 6 to 8 power outages a day. That forces us to rely on gas or diesel generators, raising our production costs significantly."

Despite the hurdles, Mahmud remains hopeful.

"This is our RMG moment," he said, referring to the boom of Bangladesh's readymade garment sector, the crown jewel of the country's export industry.

"If we localise supply chains, ensure compliance, and scale up, we can replicate the garment sector's success in footwear," he noted.

The tariffs, he said, have not shut the US market. "The door is still open, just with a higher threshold. The opportunity remains. Now it's on us."

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Garment exports drop 12% in Q4

US trade measures and the NBR strike weighed on shipments

STAR BUSINESS REPORT

Bangladesh's garment exports fell 11.92 percent from the previous quarter to $9.11 billion in the April–June period of the current fiscal year, according to the latest quarterly data from the central bank.

Still, the figure was 3.15 percent higher than a year earlier. Bangladesh Bank said the readymade garment sector faced multiple headwinds during the quarter.

The most significant was the United States' announcement of a 35 percent countervailing duty on Bangladeshi apparel.

Though not yet in effect, the measure created uncertainty and prompted some buyers to defer orders.

Indian restrictions on garment imports from Bangladesh via land routes also disrupted logistics, limiting access to a key regional market, the regulator noted.

Meanwhile, a two-month agitation beginning May 14 by officials of the National Board of Revenue slowed customs clearance, delayed shipments, and hampered timely deliveries.

Broader global economic headwinds, coupled with rising domestic production costs and limited diversification of export markets, added to the volatility in export trends, the report said.

The United States, Germany, the United Kingdom, Spain, France, the Netherlands, Italy, Canada, and Belgium remained the top destinations for Bangladeshi garments during the quarter, accounting for $6.55 billion, or 71.89 percent, of total earnings.

In net terms—after subtracting raw material import costs from export earnings—the sector brought in $5.18 billion, or 56.78 percent of gross garment exports, in the April–June quarter.

Despite the quarterly dip, the industry maintained its position as the backbone of Bangladesh's economy.

Total garment exports in FY25 reached $39.35 billion, up 8.9 percent from the previous fiscal year, driven by growth in both knitwear and woven shipments, the central bank said.

The Financial Express

10 AUG 2025

BTRC reinstates ban on single-band router import, production

FE REPORT

The Bangladesh Telecommunication Regulatory Commission (BTRC) has revoked its earlier decision to suspend the ban on importing, producing, and marketing single-band Wi-Fi routers, effectively reinstating the restriction.

A single-band router is a Wi-Fi router that operates only on one frequency band, usually the 2.4 gigahertz (GHz) band.

In a circular issued by its Spectrum Division, the regulator cancelled the three-month suspension announced in May, which had postponed the enforcement of the ban until August 4.

The original directive, issued in November 2024, stipulates that all ISM band Wi-Fi routers sold in Bangladesh support both the 2.4-2.483 GHz and 5.725-5.850 GHz frequency bands.

The latest circular, signed by Spectrum Division Director Dr Md Sohel Rana, clarifies that while the ban on single-band routers will now proceed, all routers must also include mandatory support for IPv6 technology.

The November decision aimed to improve broadband service quality by phasing out outdated 2.4 GHz-only devices in favour of dual-band models capable of delivering faster and more stable internet connections.

Telecom experts welcomed the move as essential for enhancing last-mile connectivity amid rising demand from smart devices and bandwidth-heavy applications.

The suspension announced in May was intended to provide industry stakeholders with a transition period due to concerns over increased device costs.

However, with the withdrawal of that suspension, the ban will take effect immediately, now including the updated IPv6 requirement.

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The Financial Express

10 AUG 2025

Export losses from trade-disruptive NBR turmoil being calculated

MONIRA MUNNI

Bangladesh's apparel apex body has sought information of the possible economic losses stemming from the trade-disruptive shutdown by customs, VAT and tax officials in massive reform protests.

BGMEA asks member-enterprises to submit accounts of damage

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) in a circular Thursday made the request to its members asking them to provide the related information, including nature of business, type of damages and amount of financial loss, by August 15.

The BGMEA move comes after an inter-ministerial committee, led by finance ministry, was formed to assess the economic losses owing to the shutdown enforced by the employees of the Customs and VAT Department and the Tax Department recently, according to the notification.

The BGMEA is also a member of the inter-ministerial committee, sources said.

When asked, BGMEA senior vice-president Inamul Haq Khan said they want to exactly quantify the economic losses from the shutdown.

"It is easy to quantify the amount of revenue that could not be collected during the period," he said, but garment factories have also incurred the financial losses as some shipments could not be made on time while buyers might have asked for discount for delayed shipments.

"We want to know which factory has incurred what types of loss and how much," he told the FE, adding that the government also wants to know the details and they would sit shortly after getting the necessary data.

National Board of Revenue (NBR) officials staged a series of protests and work stoppages, including 'pen-down' strike and complete shutdown in May and June last that significantly disrupted revenue collection and trade and business activities.

Meantime, a central bank report on April- to -June period of 2025 showed that net exports from the country's readymade -garment sector declined by 15 per cent during this quarter compared to January -to -March quarter of the fiscal year 2024-25.

Bangladesh's net RMG exports fell to US$5.17 billion or 56.78 per cent of the total apparel exports during the April-June quarter, which was US$6.09 billion or 58.90 per cent of January -March period's total apparel export earnings in 2025.

Bangladesh earned US$ 9.12 billion and US$10.34 billion in April-June and January-March quarters of last fiscal respectively, according to central bank report.

Raw material imports during the two quarters stood at US$3.93 billion and US$4.25 billion respectively.

The central bank calculated net RMG exports by subtracting the value of imported raw materials from export earnings.

The central bank considered the main head value of the components-raw cotton, synthetic/viscose fibre, synthetic/mixed yarn, cotton yarn, textile fabrics, and accessories for garments-instead of only raw materials - brought through back-to-back LCs, according to its latest quarterly report.

It attributed to external shocks and domestic inefficiencies the April-June quarter/FY25 performance.

The central bank report also warns rising geopolitical tensions, trade restrictions and infrastructure bottlenecks threaten sustained growth unless addressed proactively.

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The Financial Express

10 AUG 2025

Trump tariffs hit India's garment makers as US buyers say move production

MUMBAI/CHENNAI, Aug 09 (Reuters): Ever since Donald Trump's tariff salvo on India this week, garment maker Pearl Global - whose US client list includes Gap and Kohl's - has been receiving midnight panic calls with an ultimatum: share the tariff hit or move production out of India.

To calm US customers' nerves, Pearl Global has offered to shift production to its 17 factories in Bangladesh, Indonesia, Vietnam and Guatemala to bypass the steep US levies on Indian imports.

"All the customers are already calling me. They want us to ... shift from India to the other countries," Managing Director Pallab Banerjee told Reuters in an interview.

Trump's initial tariff proposals in April - which were lower for India than for the rival Asian garment hubs of Bangladesh, Vietnam and China - had been seen as an opportunity for India to rapidly expand in the $16 billion apparel exports market.

But the tables have turned as relations between New Delhi and Washington have soured, with India now facing a 50 per cent tariff, versus 20 per cent for Bangladesh and Vietnam, and 30 per cent for China.

Pearl gets roughly half of its business from the United States. Some clients offered to continue taking products from India if it could share the tariff burden, but that is not viable, Banerjee said, without naming the customers.

The 50 per cent US tariff - comprising 25 per cent that kicked in on Thursday and another 25 per cent due to come into force on August 28 as a penalty for buying Russian oil - has stunned US garment buyers and their Indian suppliers, who say they are considering taking their manufacturing operations beyond Indian shores, even to less-established garment hubs like Ethiopia and Nepal.

Some exporters also say they have been asked by US clients to put orders on hold.

New Delhi has called Trump tariffs "extremely unfortunate".

India's garment sector was already grappling with a labour crunch and limited production capacity. But the prospect of exporters shifting production outside India would also be a blow to Prime Minister Narendra Modi's "Make in India" policy drive.

While Pearl can use its foreign factories to meet US orders, exporters that rely on domestic factories are set to be hit much harder.

RichaCo Exports has shipped $111 million of garments to the US this year, with clients such as J. Crew Group, customs data shows. All were made in its more than two dozen factories across India. Around 95 per cent of its annual Indian revenues come from the United States, said general manager Dinesh Raheja.

"We're exploring setting up a manufacturing base in (Nepal's capital) Kathmandu," he said. "The industry is in the doldrums."

Earlier this week, India's biggest jeweller and watchmaker Titan told Reuters it was looking at shifting some manufacturing to the Middle East to maintain low-tariff access to US markets.

Amit Agarwal, finance chief of top Indian garment maker Raymond, said he was pinning hopes on the company's one factory in Ethiopia - which faces just a 10 per cent US tariff and could possibly add more production lines within three months to cater to US clients.

The tariff threat comes as India was emerging as a big alternative for US garment buyers like Walmart, as Bangladesh faces a political crisis, and companies look to diversify supply chains beyond China.

Indian garment hub Tiruppur in the south, considered the country's knitwear capital and which accounts for nearly one-third of apparel exports, was bullish about the future earlier this year when Reuters visited and talked to exporters.

Panic has now descended on the hub.