

Imports from US double in Jan-Apr

Growth in export to America remains marginal

MOHAMMAD SUMAN

Imports from the US have more than doubled in the first four months of the year, as Bangladesh scrambles to shrink the bilateral trade deficit.

Bangladesh imported goods worth Tk 19,104 crore from the US during January-April, up 101 percent from Tk 9,535 crore a year earlier, according to National Board of Revenue (NBR) data.

Exports to the US in the same period grew by just 3.32 percent to Tk 35,462 crore.

State-owned oil, gas, and minerals corporation Petrobangla, the Directorate General of Food (DG Food), and national flag carrier Biman Bangladesh Airlines accounted for 38 percent of the sum.

The surge in imports reflects commitments made by the interim government to narrow the trade gap during negotiations for the Agreement on Reciprocal Trade with the Office of the United States Trade Representative, market insiders say.

Market insiders said the surge in imports reflects commitments made by the interim government to narrow the trade gap during negotiations for the Agreement on Reciprocal Trade (ART) with the Office of the United States Trade Representative (USTR).

Talks on the deal began mid-2025, and the ART was signed on February 9, only three days before the national election.

"Concerns over an agreement signed shortly before the national election are quite natural," said Muinul Islam, former economics professor at the Chittagong University.

However, doubt shrouds the future of the deal as the US Supreme Court scrapped President Donald Trump's reciprocal tariffs on February 20.

Malaysia, which had also signed an ART with the US, declared the deal "null and void" on March 16.

Following the ruling, Trump imposed a 10 percent tariff under the Trade Act of 1974, and raised it to 15 percent the next day.

But on May 7, a specialised federal court in New York ruled the law could only be applied if the US faced "large and serious" balance of payments deficits, which it said was not the case.

Under the ART, Bangladesh agreed to remove customs, supplementary, and regulatory duties on about 4,500 US products, one of its largest tariff reduction measures in recent years. Duties on another 2,210 items will be phased out gradually.

In return, the US withdrew retaliatory tariffs on 1,638 Bangladeshi products, including fibres,

Bangladeshi exports further by one percentage point to 19 percent. Initially, in April last year, the US had announced a 37 percent tariff on imports from Bangladesh, citing trade gap.

Legal formalities for ART implementation are still pending, yet the government has begun commercial commitments outlined in the deal.

Last month, Biman signed a \$3.7 billion agreement with Boeing to purchase 14 aircraft.

From what has been disclosed so far, Bangladesh's gains appear limited, while the US stands to benefit much more, Prof Muinul said.

Besides tariff cuts, the agreement included minimum annual import commitments for agricultural goods, fuel, and industrial raw materials.

"As a result, Bangladesh may have to import certain products even when domestic demand is low or

was concentrated in 10 products worth Tk 15,884 crore: liquefied natural gas (LNG), liquefied petroleum gas (LPG), soybean, wheat, cotton, iron and steel scrap, soybean oilcake and meal, aircraft engines, brewing waste, and liquefied propane.

LNG topped the list at Tk 4,913 crore, purchased by Petrobangla. LPG followed at Tk 3,105 crore, led by Omera Petroleum (Tk 684 crore), Sun Gas (Tk 507 crore) and United Aygaz LPG (Tk 442 crore).

Bangladesh had not imported any LNG or LPG from the US a year earlier.

Bangladesh also imported American wheat worth Tk 1,797 crore in the four-month period after no purchase of the grain from the US a year earlier. The DG Food accounted for Tk 1,670 crore of the wheat import.

Imports of US cotton, vital for the garment sector, increased by 44.6 percent year-on-year to Tk 1,080 crore.

from Tk 3,329 crore, while iron and steel scrap imports dropped to Tk 704 crore from Tk 1,462 crore.

Sonargaon Seeds Crushing Mills imported soybean and soybean seeds worth Tk 1,036 crore. Delta Agrofood Industries' imports stood at Tk 867 crore and Jamuna Spacetech Joint Venture Tk 811 crore.

MMasrur Reaz, chairman and CEO of a private think tank Policy Exchange, said, "The US had used higher tariffs as leverage to push countries into trade agreements aimed at increasing American exports."

"As the US is Bangladesh's largest export destination, Dhaka had to assure Washington that those commitments would be implemented, leading to higher imports by both government and private sector entities."

He noted that most imported products were essential commodities, including fuel, wheat,

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FRONT PAGE

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In return, the US withdrew retaliatory tariffs on 1,638 Bangladeshi products, including fibres, iron, steel, pharmaceuticals, chemicals, and apparel made from US cotton. However, most-favoured-nation (MFN) duties averaging 16-17 percent remain.

The USTR also reduced the reciprocal tariff on

Bangladeshi exports further by one percentage point to 19 percent. Initially, in April last year, the US had announced a 37 percent tariff on imports from Bangladesh, citing trade gap.

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From what has been disclosed so far, Bangladesh's gains appear limited, while the US stands to benefit much more, Prof Muinul said.

Besides tariff cuts, the agreement included minimum annual import commitments for agricultural goods, fuel, and industrial raw materials.

"As a result, Bangladesh may have to import certain products even when domestic demand is low or prices are higher, suggesting that Bangladesh's interests received less priority in the agreement," he added.

NBR data show 83 percent of Bangladesh's US import expenditure during January-April

was concentrated in 10 products worth Tk 15,884 crore: liquefied natural gas (LNG), liquefied petroleum gas (LPG), soybean, wheat, cotton, iron and steel scrap, soybean oilcake and meal, aircraft engines, brewing waste, and liquefied propane.

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Imports of US cotton, vital for the garment sector, increased by 44.6 percent year-on-year to Tk 1,080 crore.

Aircraft engine imports also saw one of the sharpest jumps, from Tk 137 crore to Tk 1,852 crore.

However, some major products saw declines.

Soybean oil imports from the US fell to Tk 3,240 crore

from Tk 3,329 crore, while iron and steel scrap imports dropped to Tk 704 crore from Tk 1,462 crore.

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"As the US is Bangladesh's largest export destination, Dhaka had to assure Washington that those commitments would be implemented, leading to higher imports by both government and private sector entities."

He noted that most imported products were essential commodities, including fuel, wheat, soybean, and aircraft parts. "We previously sourced many of these items from other countries but are now importing them from the US. So, there is undoubtedly an impact of the agreement," he added.

\$100b export target at risk without logistics reforms

Warns an economist as Bangladesh still faces high trade costs, long cargo waiting times

STAR BUSINESS REPORT

Bangladesh's goal of reaching \$100 billion in export earnings by 2030 may not be achievable without major improvements in trade facilitation, port efficiency and logistics capacity, economist M Masrur Reaz warned yesterday.

He said exports are currently around \$55 billion, but Bangladesh still faces high trade costs, long cargo waiting times, congestion and weak logistics infrastructure compared with regional competitors such as Vietnam and India.

"Reaching \$100 billion in exports by 2030 or even by 2033 with the current trade facilitation and logistics capacity will not be possible unless we significantly improve efficiency, reduce time and cut costs," said Reaz, chairman of Policy Exchange of Bangladesh.

He made the remarks at a roundtable titled "Integrated Port and Logistics Development for a Trade-Driven Bangladesh", organised by the Dhaka Chamber of Commerce and Industry (DCCI) in Dhaka.

Reaz said Bangladesh's export costs are about one and a half times higher than Vietnam's and, in some cases, nearly double those of India. He also noted that import processing takes significantly longer in Bangladesh.

He added that the country continues to lag in global competitiveness, logistics performance and productivity, which is weakening its ability to attract investment and integrate into global supply chains.

Comparing Bangladesh with Vietnam, he said Vietnam has increased its exports to nearly \$400 billion through sustained reforms in trade facilitation and logistics.

In contrast, Bangladesh remains at about \$55 billion, even though both countries had similar export levels in the late 1990s.

Reaz said ports will play a crucial role in shaping Bangladesh's future export competitiveness, especially as global supply chains shift and China moves away from low-value garment production worth around \$35 to \$40 billion annually.



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M Masrur Reaz
Chairman of PEB

Citing World Bank data, he noted that "cutting logistics costs by 25 percent could boost exports by 20 percent" and that "reducing port dwell time by just one day could increase exports by 7.4 percent."

However, he said, relying only on public funding for port development is no longer realistic due to limited government resources and fiscal pressure.

"Developing ports through a fully public-sector model is neither feasible nor desirable. We have to move toward public-private partnerships," he added.

Md Salim Ullah, director general of the Bangladesh Institute of Management (BIM), said Bangladesh is still far behind in managing integrated ports and logistics

efficiently, which is keeping the cost of doing business high.

Md Habibur Rahman, former member (administration and planning) of the Chittagong Port Authority, said rail connectivity is the only long-term solution for cargo transport, as there is limited scope to further expand the Dhaka-Chattogram highway.

He also suggested involving the private sector in operating at least one seaport, saying it would improve competition, service quality and efficiency.

Razeev H Chowdhury, senior vice president of DCCI, said long cargo clearance procedures, slow transport systems and the lack of modern cold-chain facilities are making Bangladesh's supply chain costly and inefficient.

He called for paperless and automated port systems, infrastructure development through public-private partnerships, and higher investment in cold-chain logistics.

Md Shamsul Hoque, professor of Civil Engineering at BUET, criticised Bangladesh's fragmented infrastructure planning and called for an integrated multimodal transport system along with institutional reforms.

He said infrastructure development has mostly focused on passenger transport, while freight transport — despite being more complex and economically important — has been largely neglected.

He also pointed out the lack of integrated transport planning, noting that roads, railways, waterways and aviation are developed separately instead of as a unified system. Even when facilities are located close to each other, such as an airport and a railway station, there is still no seamless connectivity between rail, metro, road and air transport.



BOOSTING EXPORTS, TRADE

Bangladesh moves to sign FTA with S Korea

FE REPORT

EPB to be fully digitised, says commerce minister

Commerce Minister Khandakar Abdul Muktadir on Saturday said Bangladesh is moving forward with discussions to sign a Free Trade Agreement (FTA) with South Korea to boost exports and strengthen bilateral trade ties.

"The proposed FTA would open up new opportunities for Bangladesh's export sector and help local products become more competitive in global markets," he said while addressing a discussion after visiting the country's first beet sugar mill at Ramganj Bilashi Char in Debiganj upazila of Panchagarh. Annual bilateral trade between Bangladesh and South Korea currently exceeds \$3.0 billion. Bangladesh exports goods worth more than \$600 million to South Korea, while imports from the East Asian country stand at over \$2.4 billion. Bangladesh mainly exports apparel items, including sweaters, T-shirts and non-knit men's suits, while importing refined petroleum products, pesticides and coated flat-rolled iron from South Korea.

More than 40,000 Bangladeshi students and skilled workers are currently residing in South Korea, he added.

"We are working to reduce cargo transportation and export costs so that Bangladeshi products can compete more effectively in global markets," the minister said.

He also stressed the need to fully digitise certification services of the Export Promotion Bureau (EPB) to ease complications faced by exporters.

"If necessary, branch offices may also be established in nearby areas for the convenience of entrepreneurs," he added.

The minister said the government remains committed to supporting innovative and export-oriented agro-industrial initiatives, including the country's first beet sugar project.

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Poor logistics, weak coordination dent export competitiveness

FE REPORT

Inadequate infrastructure and weak institutional coordination are undermining Bangladesh's export competitiveness, leaving the country lagging behind regional peers, experts said at a roundtable on Saturday. They pointed out that lengthy cargo clearance processes, high business costs and the absence of modern cold-chain logistics are stifling the country's trade ambitions. The Dhaka Chamber of Commerce & Industry (DCCI) organised the roundtable titled "Integrated port and logistics development for a trade-driven Bangladesh" at its auditorium in the capital. In his welcome remarks, Razeed H Chowdhury, Senior Vice President of DCCI, said infrastructural limitations and a lack of coordination among institutions are severely affecting the country's logistics efficiency. "Lengthy cargo clearance procedures at ports, slow transportation through road and rail networks, and limitations in modern cold-chain logistics are making the overall supply chain costly and inefficient," he said. As a result, Bangladesh is falling behind its competing

Experts tell DCCI roundtable



Experts at a roundtable titled "Integrated port and logistics development for a trade-driven Bangladesh" organised by the DCCI at its auditorium in the capital on Saturday.

nations, he added. He stressed the need for an efficient sustainable logistics ecosystem through paperless automated systems at ports, infrastructure development under Public-Private Partnership (PPP) initiatives and increased investment in cold-chain facilities to attract both local and foreign investment. Md. Salim Ullah, Director General of the Bangladesh Institute of Management (BIM), who attended as special guest, said the country remains significantly behind in managing integrated port

and logistics systems efficiently, driving up the cost of doing business. He underscored the importance of coordinated efforts among all stakeholders to achieve desired development in the sector. In his keynote presentation, Dr. M. Masrur Reaz, Chairman and CEO of Policy Exchange of Bangladesh, said the manufacturing sector contributes nearly 25 per cent to the country's GDP -- higher than many neighbouring economies -- but weak logistics and high

business costs hinder a trade-supportive environment. He noted that reducing logistics costs by 25 per cent could boost exports by 20 per cent, while a 1 per cent cut in transportation costs could increase exports by 7.4 per cent. Md Habibur Rahman, former member (Admin and Planning) of the Chittagong Port Authority, said expanding railway connectivity is the only viable long-term solution, as there is limited scope for further widening the Dhaka-Chattogram highway.

He proposed establishing rail links with ports to ensure faster and cheaper cargo movement. Dr. Md. Shamsul Hoque, Professor, Department of Civil Engineering, Bangladesh University of Engineering and Technology (BUET), said development planning in the country often lacks practicality, hindering expected outcomes. S.K. Masadul Alam Masud, Managing Director of Shahariar Steel Mills Ltd., said entrepreneurs remain reluctant to use Pangaon Inland Container Terminal due to the absence of adequate scanning facilities. Nusrat Nahid Babi, Senior Transport Specialist at the World Bank, observed that customs clearance procedures in Bangladesh have yet to be fully simplified and modernised. Humayun Kabir, Senior Project Officer (Transport), Transport Sector Office, Asian Development Bank, said the ADB is currently working on developing the Dhirashram Inland Container Depot and a multimodal logistics hub to improve the country's trade infrastructure.

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Weak logistics, high business costs hurt trade competitiveness: Experts

BUSINESS - BANGLADESH

TBS REPORT

Weak logistics infrastructure and high cost of doing business are undermining the country's trade competitiveness and constraining export growth, economists and business leaders warned yesterday, calling for coordinated reforms in ports, transport and supply chain management to improve efficiency and attract investment.

They also observed that reducing logistics costs by 25% could increase exports by 20%, while a 1% reduction in freight trans-

Manufacturing contributes around 40% to Bangladesh's GDP higher than many neighbouring countries, but attracting both local and foreign investment remains crucial for further expansion.

M MASRUR REAZ

CHAIRMAN AND CEO, POLICY EXCHANGE
BANGLADESH

port costs could raise exports by 7.4%.

The observations came at a roundtable titled "Developing an Integrated Port and Logistics Sector for Trade-Dependent Bangladesh," organised by the Dhaka Chamber of Commerce and Industry in Dhaka.

Speaking at the event, DCCI Senior Vice-President Rajib H Chowdhury said infrastructural limitations and lack of institutional coordination in the logistics sector are seriously hindering the country's export potential, causing Bangladesh to fall behind competing nations.

He said lengthy cargo clearance procedures at ports,

slow transportation through road and rail networks, and limited modern cold-chain logistics facilities have made the overall supply chain system costly and inefficient.

To improve the investment climate and overall economy, Rajib stressed the need for paperless automated systems at ports, public-private partnership (PPP)-based infrastructure development, and expanded investment in modern cold-chain logistics.

Presenting the keynote paper, M Masrur Reaz, chairman and chief executive officer of Policy Exchange Bangladesh, said manufacturing contributes around 40% to Bangladesh's GDP higher than many neighbouring countries, but attracting both local and foreign investment remains crucial for further expansion.

He noted that although Bangladesh's exports have undergone significant transformation over the past four decades, export earnings are still concentrated in a limited number of products and markets, making diversification essential for sustaina-

ble economic growth.

Masrur also emphasised improving trade-related capabilities, infrastructure development and policy reforms. He identified weak logistics structures and high operational costs as key barriers to creating a trade-friendly environment.

He further said effective implementation of the national logistics policy, engagement of both international standard foreign operators and domestic private firms in port management, reducing container clearance time at Chittagong Port Authority, and removing policy bottlenecks are essential for developing the logistics sector.

Bangladesh Institute of Management-Director General Md Salim Ullah, who attended as a special guest, said the country remains significantly behind in ensuring efficient management of integrated ports and logistics services, which continues to increase business costs.

He called for coordinated efforts among all stakeholders to modernise the sector.

Additional Secretary and former

member (Administration and Planning) of the Chittagong Port Authority Md Habibur Rahman said there is limited scope for expanding the Dhaka-Chattogram highway further, making rail connectivity the most viable solution for faster and cheaper cargo transportation.

He also proposed involving the private sector in operating at least one of the country's seaports, arguing that competition would improve service quality and potentially reduce existing tariffs.

Professor Md Shamsul Hoque of the Department of Civil Engineering at Bangladesh University of Engineering and Technology said unrealistic development planning has prevented Bangladesh from achieving desired outcomes, particularly in transport infrastructure.

He stressed that communication infrastructure must be integrated and coordinated to deliver positive economic impacts.

SK Masadul Alam Masud, managing director of Shahriar Steel Mills Ltd, said the absence of scanner ma-

chines at the Pangaon Inland Container Terminal discourages businesses from using the port.

He also noted that inadequate inland waterway infrastructure has increased industrial transportation costs instead of reducing them.

World Bank Senior Transport Specialist Nusrat Nahid Babi said customs clearance procedures in Bangladesh are yet to be sufficiently simplified and modernised, especially at land ports where digital systems remain absent. "As a result, delays in cargo clearance continue to raise business costs."

Asian Development Bank Senior Project Officer Humayun Kabir said the ADB is working on implementing the Dhirashram ICD container depot and a multimodal logistics hub project. He also stressed the importance of ensuring digital systems across all stages of logistics services.

Among others, Infrastructure Investment Facilitation Company Managing Director Md Moniruzzaman and representatives from logistics and business sectors also participated in the discussion.

