The Daily Star

24 MAY 2026

ADB flags Bangladesh debt pressures before LDC graduation

STAR BUSINESS REPORT

Bangladesh's public debt rose to around 41 percent of gross domestic product (GDP) in fiscal year 2024-25, with rising domestic borrowing and weak revenue mobilisation increasing fiscal pressure ahead of the country's graduation from least developed country (LDC) status in 2026, the Asian Development Bank (ADB) said.

In a report titled Bangladesh at a Crossroads of Reforms, released earlier this month, the Manila-based lender said Bangladesh faces a moderate risk of both external and overall debt distress, with limited capacity to absorb shocks in the near term.

The ADB said the risks stem from structural weaknesses rather than a sharp deterioration in headline debt indicators.

Bangladesh's tax-to-GDP ratio remains among the lowest among lower-middle-income economies, while persistent weaknesses in fiscal governance, public expenditure management and debt administration continue to undermine economic stability, the report said.

The lender warned that Bangladesh's graduation from LDC status in November 2026 would gradually reduce access to concessional financing and trade support measures, increasing the need for stronger domestic revenue mobilisation and improved fiscal governance.

Domestic debt accounted for 55.6 percent of the country's public and publicly guaranteed debt stock in FY25, increasing rollover and debt-servicing pressures amid weak revenue collection and a bank-dominated investor base. External debt made up the remaining 44.4 percent.

The report said external debt remained largely concessional and below solvency thresholds, although risks have increased following downward revisions to export data for FY2023 and FY2024.

Rising domestic borrowing is also increasing debt service-to-revenue pressures and strengthening sovereign-bank linkages, amplifying crowding-out risks for private sector credit and contingent liabilities, the ADB said.

Stress tests showed that disaster-related shocks pose the biggest long-term threat to Bangladesh's debt sustainability.

Bangladesh's tax-to-GDP ratio stood at 7.5 percent, constrained by weak compliance systems, fragmented administration and heavy reliance on manual processes.

Although reforms such as the Income Tax Act 2023 and expanded digital tax services have been introduced, the ADB said tax administration still relies heavily on manual systems and fragmented databases. Revenue collection often falls more than 15 percent short of targets because of unrealistic projections and institutional weaknesses.

The report also highlighted weaknesses in debt management systems and warned that state-owned enterprises are creating additional fiscal risks as liabilities and government guarantees continue to rise.

The lender said these vulnerabilities are increasing Bangladesh's overall fiscal risk exposure at a critical stage of its economic transition.

The Financial Express
24 MAY 2026

Leather sector seeks urgent policy rescue

FE REPORT

Industry leaders warn Bangladesh could lose a major export opportunity without swift reforms, investment support

The leather industry is facing mounting pressure from rising financial costs, weak infrastructure and policy bottlenecks, prompting fresh calls for urgent government intervention to revive one of the country's most promising export sectors.

Experts and business leaders at a discussion on Saturday warned that the industry risks falling deeper into crisis unless long-standing structural problems are addressed quickly.

They said the leather and leather goods sector has the potential to generate annual trade worth US$25 billion to US$30 billion if supported by coordinated reforms, modern infrastructure and export-friendly policies.

They observed that Bangladesh could emerge as a major global leather sourcing hub with timely policy action and improved supply chain management.

Leather Industry Development Foundation of Bangladesh (LIDFB) organised the discussion titled "Leather Industry in Existential Crisis: Finding the Way Out" at the Economic Reporters Forum auditorium in Dhaka.

Chaired by LIDFB Convener Shadat Hossain Selim and moderated by its Secretary Muhammad Shafiqur Rahman, a 13-point proposal package was presented at the meeting, aimed at transforming the sector into a globally competitive export-oriented industry.

Key recommendations included the formation of a separate leather ministry or an autonomous leather board to accelerate policy decisions and coordination, alongside the establishment of modern leather collection centres and temporary cold storage facilities to preserve raw hides and reduce wastage, especially during Eid-ul-Azha.

For the upcoming Eid-ul-Azha, speakers proposed expanding Dhaka's leather collection zone to nearby districts such as Narayanganj, Munshiganj and Narsingdi to improve collection and supply chain management.

Industry leaders also voiced concern over heavy dependence on bank financing and high financial costs, alleging that banks take up to 15 per cent from the sector, leaving businesses with narrow profit margins.

They called for easier SME loans, special export incentives, business-friendly banking policies and rehabilitation support for affected tannery units.

The seminar further proposed establishing a specialised "Leather Footwear City" to boost domestic production, employment and exports.

Speakers also highlighted the longstanding role of madrasa institutions in the leather trade during sacrificial festivals and criticised arbitrary price fixing in the local market, saying international prices are generally determined by demand and supply.

Among others, lawmakers, professors, leaders of Hefazat-e-Islam Bangladesh and the Qawmi Madrasa Education Board, as well as representatives of tannery, manufacturing and footwear associations, attended the programme.

rezamumu@gmail.com

The Financial Express

24 MAY 2026

BD in critical reform phase ahead of LDC graduation, says ADB

FE REPORT

Bangladesh is entering a critical reform phase ahead of its scheduled graduation from the Least Developed Country (LDC) category, according to the latest report of the Asian Development Bank (ADB), which warns that weak governance, fiscal vulnerabilities and institutional fragmentation could undermine the country's long-term economic ambitions.

In a report titled "Bangladesh at a Crossroads of Reforms", the Manila-based lender said the country must implement broad

FROM PAGE 8 COL 8

institutional and macro-fiscal reforms to sustain growth momentum and manage post-LDC transition challenges.

The report comes as the newly elected government pursues an ambitious target of transforming Bangladesh into a US$1.0 trillion economy by 2034 through investment-led and employment-intensive growth, aiming to reduce reliance on a "debt-driven expansion" model, create 10 million jobs and raise foreign direct investment (FDI) inflows from 0.45 per cent to 2.5 per cent of GDP.

However, the ADB said Bangladesh's macroeconomic and governance challenges remain significant, highlighting several structural weaknesses that require urgent attention.

The ADB flagged multiple interlinked constraints across fiscal, institutional and governance fronts, including a persistently low tax-to-GDP ratio of around 7.5 per cent and weak revenue administration marked by overlapping mandates and fragmented tax structures.

Rising debt vulnerability, with public and publicly guaranteed debt reaching nearly 41 per cent of GDP in FY2025, is another key challenge, the report warned.

The report also pointed to fragmented debt management across agencies without a unified database, limiting effective fiscal oversight and risk monitoring.

Public financial management weaknesses persist, with gaps between planning and budgeting processes, while the Integrated Budget and Accounting System (iBAS++) has yet to fully capture arrears, contingent liabilities and financial commitments.

On the state-owned enterprise (SOE) front, performance has deteriorated sharply, with returns on equity falling by 88 per cent and returns on assets by 78 per cent between 2018 and 2022, reflecting declining efficiency and rising fiscal risks.

The governance framework for SOEs remains outdated and fragmented, with overlapping oversight responsibilities between the finance ministry and line ministries creating structural conflicts of interest.

Institutional accountability is also under strain, the ADB said, as the Office of the Comptroller and Auditor General (OCAG) continues to face limited financial and administrative independence, weakening audit effectiveness.

The Anti-Corruption Commission (ACC) remains vulnerable to bureaucratic influence, while public trust has weakened, reflected in a 29 per cent decline in complaints between 2019 and 2023, the report added.

The ADB outlined a comprehensive reform roadmap prioritising restructuring the National Board of Revenue (NBR) by separating tax policy and administration functions, improving domestic resource mobilisation and enhancing international tax cooperation to curb illicit financial flows.

It also called for the establishment of an integrated public debt management office supported by a unified debt database, alongside implementation of a Medium-Term Fiscal Framework (MTFF) and Medium-Term Budget Framework (MTBF) across ministries to improve fiscal discipline and predictability.

In public financial management, it recommended upgrading iBAS++ and expanding electronic government procurement (e-GP) systems to enhance transparency, accountability and expenditure control.

To strengthen oversight institutions, the ADB urged greater financial independence and capacity enhancement for the OCAG and ACC, along with improved disclosure standards and audit quality.

It also proposed simplifying CSO registration through a single-window system to facilitate civic engagement and transparency.

For state-owned enterprises, the report recommended introducing a comprehensive state ownership policy, enacting a dedicated SOE law and strengthening performance monitoring frameworks to reduce fiscal risks and improve operational efficiency.

"The success of these reforms will depend on sustained political commitment, transparency and stronger engagement with non-government stakeholders," the report observed.

jahid.rn@gmail.com

The Financial Express

24 MAY 2026

Bangladesh gets lowest prices for T-shirts in EU Market: Study

Global brands pressure suppliers into unsustainably low prices despite commitments

MONIRA MUNNI

Top global apparel brands source the highest volume of cotton T-shirts for the European Union from Bangladesh while paying the lowest prices, keeping manufacturing costs at unsustainably low levels, according to a latest study.

Taking global inflation into account, companies now buy a cotton T-shirt at nearly half the value they paid 25 years ago, the study by human rights NGOs Public Eye and Clean Clothes Campaign revealed on Thursday.

The research found that many buyers source standard cotton T-shirts at around US$2.0 to US$3.0 per piece, while prices below US$1.0 still persist in some segments of the market.

Despite making sweeping commitments on sustainability and workers' rights, many global brands continue to pressure suppliers into accepting unsustainably low prices, the report said.

Focusing on cotton T-shirts -- one of the fashion industry's most common products -- the report found that brands have consistently shifted sourcing to locations offering the lowest prices at scale.

"Today, an overwhelming 61 per cent of cotton T-shirts imported into the EU are made in Bangladesh. The average EU import price for a cotton T-shirt in 2025 was just US$2.67 (EUR 2.36). For T-shirts imported from Bangladesh, the price was even lower at US$2.06 (EUR 1.83)," the report said.

Based on trade data and interviews with suppliers and merchandisers, the report said brands enter negotiations with fixed target prices, knowing that if one factory refuses their terms, another factory will accept due to intense market competition.

This, it said, forces factories to take orders that fail to reflect the real cost of responsible production. As suppliers have little control over material or energy costs, labour conditions often suffer first, with factories cutting workplace safety expenses or pushing workers into excessive overtime for poverty wages.

- Bangladesh-made T-shirts imported into EU average just US$2.06 per piece
- Cotton T-shirt prices are nearly half of those 25 yrs ago, taking inflation into account
- Brands accused of maintaining poverty wages through aggressive pricing
- Low prices force factories into unsafe, unsustainable production practices

"Margins for basic items are razor-thin or even non-existent. Producers frequently still take such orders simply to keep production running and ensure they can pay workers' salaries," the report added.

The study closely examined the six largest buyers of cotton T-shirts from Bangladesh over the past five years, including Inditex, owner of Zara, along with Primark and H&M.

It found that none of them had increased sourcing prices in line with global inflation.

Even among relatively higher-paying brands, sourcing prices from Bangladesh rarely exceed US$18 per kilogramme -- roughly equivalent to US$3.0 per piece -- while discount retailers and business-to-business companies often source at US$10 per kilogramme or less, the report noted.

David Hachfeld of Public Eye, one of the report's authors, said relentlessly low sourcing prices remain the organising principle of today's garment industry, shaping sourcing destinations, buyer behaviour and structurally locking in poverty wages.

"A transition towards a just and sustainable fashion system based on two-dollar shirts and other dirt-cheap clothing is impossible," he said.

The report said low sourcing prices hinder the payment of living wages and called for a fundamental overhaul of the garment pricing system -- shifting from the current top-down, cost-cutting model to a bottom-up, cost-covering approach where living wages and decent working conditions are treated as non-negotiable.

It also stressed the need for policy measures, saying brands are unlikely to make such changes voluntarily.

Kalpona Akter, president of the Bangladesh Garment and Industrial Workers Federation, said fashion brands that publicly champion human rights continue to perpetuate poverty wages through aggressive downward pricing policies.

"Higher prices are needed to ensure living wages, safe workplaces and sustainable production," she said.

Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association, agreed that Bangladeshi suppliers receive the lowest prices.

He alleged that buyers often pay higher prices for the same products when sourced from countries such as Vietnam, describing it as a "double standard" by global brands.

"Buyers frequently demand a wide range of compliance measures and know the actual production costs, yet they still try to offer the lowest rates because they lack 'ethical standards'," he said.

He warned that persistently low prices create multiple problems for factories, including delayed wage payments, which may ultimately lead to factory closures.

"Many factories accept such work orders simply to survive," he added.

munni_fe@yahoo.com

The Financial Express
24 MAY 2026

A high-level delegation from the European Union visited the factory of Apex Footwear Limited in Shafipur, Gazipur, last week. Apex Footwear Limited Managing Director Syed Nasim Manzur was present.

EU diplomats visit Apex factory, laud sustainability efforts

FE REPORT

A high-level delegation from the European Union visited Apex Footwear Limited factory in Shafipur, Gazipur, to observe how global best practices are maintained in Bangladesh's footwear and leather industry.

The delegation, led by EU Ambassador Michael Miller, witnessed the facility as part of a broader EU effort to advance industry-wide sustainability. German Ambassador Rüdiger Lotz and Italian Ambassador Antonio Alessandro were among the members of the delegation.

Ambassador Miller called the visit a reflection of the strong ties between Europe and Bangladesh's industrial sector.

The European diplomats toured the Apex Tannery Unit, the first LWG Gold-rated facility in Bangladesh. Moving through the footwear production lines they saw advanced manufacturing technology, a skilled workforce, renewable energy integration, and world-class design capabilities firsthand.

The use of European technology and expertise in the manufacturing process drew particular interest from the delegation.

"We are proud to open our doors to our European partners and show them what Bangladeshi manufacturing can achieve through a strong commitment to quality and sustainability," Apex Footwear Limited Managing Director Syed Nasim Manzur said hosting the delegation. "This visit reflects the trust Europe places in us, and we intend to keep earning it."

The delegation praised Apex for its environmental stewardship, inclusive and diverse management, operational excellence, and world-class design capabilities.

OSHE Foundation Project Head Alam Hossain coordinated the visit while General Manager of International Business Department of Apex Footwear Md. Nasrullah was also present during the visit last week.

The Business Standard

24 MAY 2026

Government of the People's Republic of Bangladesh
Export Promotion Bureau
1, Kawran Bazar, Dhaka
www.epb.gov.bd

Memo No.26.02.0000.006.11.740.26.264 **Date: 23.05.2026**

Invitation for e-Tender (OTM)

e-Tenders are invited in e-GP System portal (http://www.eprocure.gov.bd) by Export Promotion Bureau (EPB), Head Office, Dhaka for selection of Outsourcing firm for supply service stuff:

Tender ID No.	Name of the Works	Ministry, Organization, PE	Type, Method	Tender Last Selling Date & Time	Publication Date & Time, Closing Date & Time
1280383	Hiring Outsourcing firm for recruitment of total 27 (twenty-seven) personnel of different categories for Export Promotion Bureau (Head Office) & Bangladesh-China Friendship Exhibition Center (Big Wave) under Outsourcing Policy-2025	Ministry of Commerce, Export Promotion Bureau, Dhaka	NCT, OTM	10 June 2026 12:00 Noon	Publication Date 24 May 2026 Closing Date & Time 11 June 2026 12:00 Noon

There are online, Tender, where only e-Tender will be accepted in e-GP Portal and no offline/hard copy will be accepted. To submit e-Tender please register on e-GP System (https://www.eprocure.gov.bd). Further information and guidelines in the National e-GP System Portal and from e-GP help desk Email: helpdesk@eprocure.gov.bd, help desk Phone No: 16576, +8809677016575.

BCup 23.05.2026
Md. Bazlur Rashid
Secretary (Deputy Secretary)
In favour of Vice-Chairman & Chief Executive
Export Promotion Bureau, Dhaka
Phone: 9119531
Email: secy@epb.gov.bd

DG-654/2026 (4x3)