The Financial Express
23 AUG 2026

From trade protection to trade preparedness

For an economy so heavily dependent on preferential trade, the prospect of LDC graduation has understandably been a source of anxiety in Bangladesh. The latest assurance from the United Kingdom removes much of that uncertainty on at least one critical front. British authorities have confirmed that local exporters will retain their existing market access for three years after graduation and will then move into the Enhanced Preferences tier of the Developing Countries Trading Scheme under which 92 per cent of goods will continue to receive duty-free treatment. More importantly, garments covered by chapters 61 and 62 will retain their existing access while revised rules of origin will allow exporters greater flexibility in sourcing inputs. This is undoubtedly welcome news, particularly since the British market remains a primary destination for Bangladeshi exports. What the decision provides above all is something Bangladesh badly needs as graduation approaches, which is time. Still, this relief is temporary and partial. Preferential access can shield existing exports only for a while, and it certainly cannot make an uncompetitive economy competitive.

The European Union obviously presents a far bigger and more difficult challenge. It accounts for 21.5 per cent of Bangladesh's total goods trade, and nearly 94 per cent of exports to the bloc consist of apparel and textiles. Bangladeshi exporters currently enjoy duty-free, quota-free access under the Everything But Arms arrangement, a preference expected to continue for three years after graduation until 2029. The government is therefore right to pursue a free trade agreement, with formal negotiations expected to begin in September. Complacency, however, has no place in this process. Vietnam already has an FTA with the EU and India is moving towards similar preferential access of its own. European buyers will not continue sourcing from Bangladesh out of habit once competitors can offer comparable products at lower tariffs. The proposed agreement could therefore prove vital to keeping Bangladesh competitive in its largest export market. EU has already made clear what it expects in return including the removal of non-tariff barriers and tangible improvement in the investment climate.

> ***Graduation will only be worth celebrating once those changes produce exporters capable of holding their own in major markets without needing special treatment to survive***

Willingness to meet those conditions on the part of Bangladesh will matter as much as its eagerness to sign. The government is already talking about a national single window and other reforms, but these should not be undertaken merely because European negotiators have asked for them. They are necessary because Bangladesh's own exporters have to contend with these obstacles every day. Complicated customs procedures, regulatory delays, weak logistics and uncertain investment environment increase costs long before Bangladeshi products reach European shops. The autonomous concession granted by the UK operates on an entirely different premise than the conditional and arduous negotiations awaiting Bangladesh in Brussels. Time has been granted on one front. On the other, it has to be earned and earned from a position already behind competitors who hold what Bangladesh is still negotiating for. The exit from LDC status was always meant to be a testament to economic maturation. If Bangladesh is to gain true economic resilience, its productivity has to rise, new products have to find their way into export markets and businesses have to learn to use the more relaxed sourcing rules. None of that can be achieved when trade policy remains an exercise conducted by the Commerce Ministry alone, disconnected from the industrial planning, infrastructure investment and regulatory reform that determine whether Bangladesh can actually compete. Graduation will only be worth celebrating once those changes produce exporters capable of holding their own in major markets without needing special treatment to survive.

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Bangladesh-India trade needs a boost

Two countries are strongly linked economically with one another. Disruption of the link by imposing various trade restrictions will not work

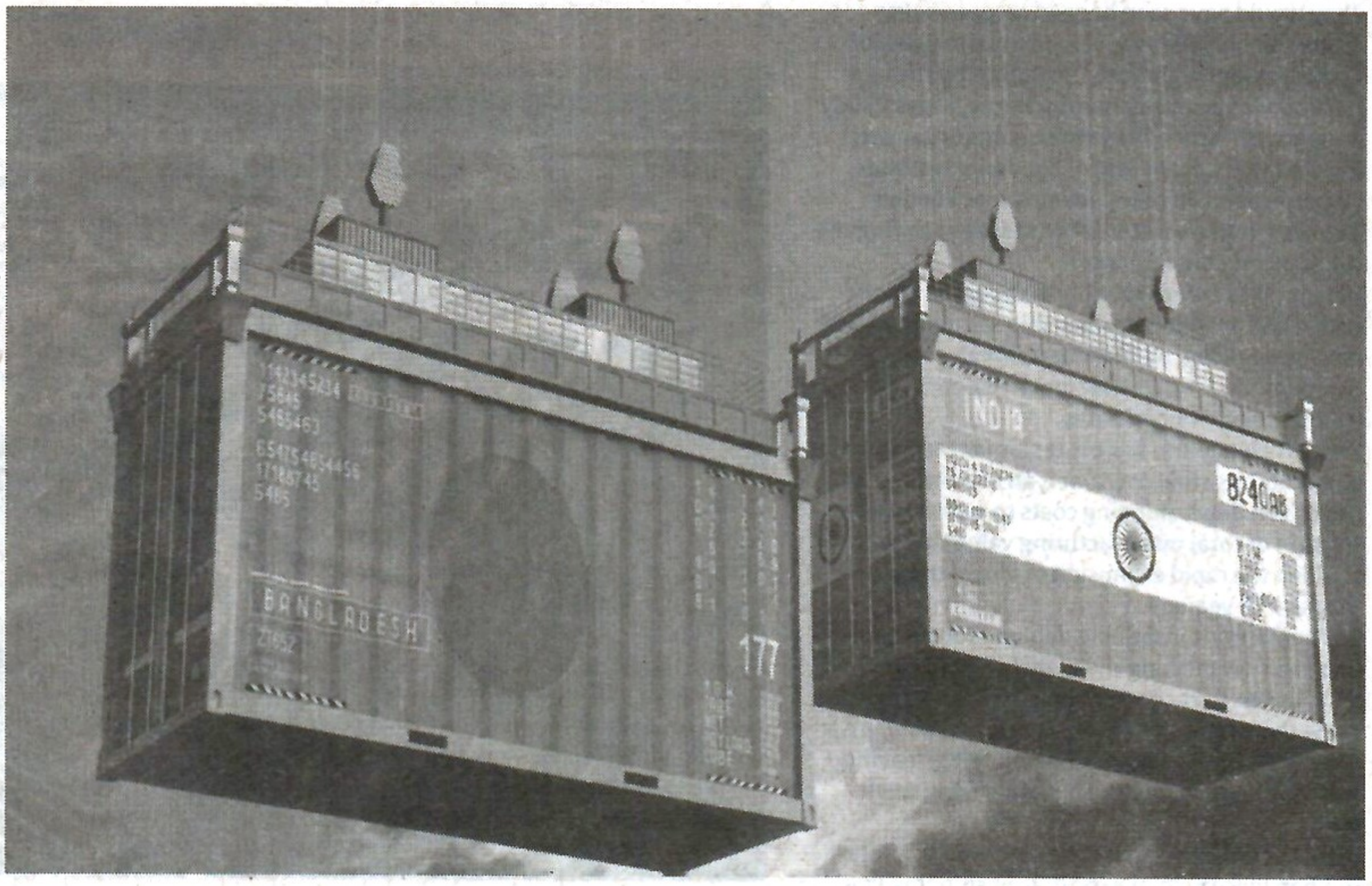
writes
Asjadul Kibria

Despite strained relations for more than the last two years, bilateral trade between Bangladesh and India is very much on, if not growing. The visit of a delegation from the Confederation of Indian Industry (CII) last week signalled that businesses in both countries want to move ahead as far as trade is concerned. Business leaders of both countries have agreed to form business-to-business (B2B) task forces to address trade and investment barriers and strengthen bilateral economic ties. It is for the first time since the fall of Hasina's autocratic regime on August 5 2024, a high-level Indian business delegation visited Bangladesh.

CII is one of the premier apex trade bodies in India. Established in 1895 as the Engineering and Iron Trades Association (EITA) by five firms, it became CII in 1992. The CII delegation met senior ministers and policymakers of Bangladesh, as well as counterparts. To some observers, it is an effort to break the ice so that businesses of both countries can resume reciprocal exchanges and work together to remove trade barriers.

Since the ouster of Hasina regime in a student-led mass uprising two years ago, bilateral relations deteriorated significantly. New Delhi imposed several trade barriers during the Yunus-led interim regime. Dhaka also retaliated on a limited scale. India was reluctant to accept the changed reality in Bangladesh and began exerting various forms of pressure on the interim government. For example, India cancelled the transhipment facility granted to Bangladesh for third-country exports using Indian sea routes and airports. It also imposed restrictions on imports of certain products, including ready-made garments (RMG) from Bangladesh, primarily to India's north-eastern states via land routes. India has also moved to impose anti-dumping duties on more Bangladeshi products.

All the Indian moves to impose non-tariff barriers (NTBs) are mostly linked to the ouster of the Hasina regime, New Delhi's closest ally for more than 15 years. During that period, she gradually turned Bangladesh into a subservient country by compromising foreign and trade policies in favour of New Delhi. At the same time, anti-Indian sentiment intensified, which was a critical factor in the July mass uprising. To suppress the movement, the autocratic regime used brutal force, killing 1,400 people in three weeks. More than 20,000 were



developments, bilateral trade in goods increased modestly in the last fiscal year (FY26) by 13 per cent after a small growth of 6.35 per cent in FY25. Official statistics showed bilateral trade reached its highest level of $15.68 billion in FY22, then dropped sharply by 26 per cent to $11.62 billion in FY23. It declined by a further 9 per cent to $10.60 billion in FY24. Thus, the decline in bilateral trade was evident before the July mass uprising.

Exports to India were almost stagnant at $1.76 billion in the last fiscal year, down from $1.77 billion in FY25. Imports from India jumped 15 per cent to $10.96 billion in FY26 from $9.47 billion in FY25, widening the trade gap with India to $9.20 billion from $7.70 billion.

The bilateral trade gap is nothing new, as Bangladesh imports more products from India as raw materials, intermediate goods, and consumer products. As the next-door neighbour with extensive road, rail, and water networks, sourcing from India is generally less expensive. For Indian exporters, Bangladesh is a lucrative

FY23 from $72.34 million in FY22, then declined to $105.81 million in FY24. During the first nine months of FY26, net FDI from India stood at $87.60 million. Bangladesh's internal condition was also not adequately supportive of foreign investment as the country had to allow the dust of July 2024 uprising to settle. In the context of CII delegation's visit, a few trade analysts [www.fashionunited.uk] pointed out that for Bangladesh the challenge is less about becoming cheaper than about remaining attractive enough to clothing manufacturers who will be willing to continue investing there. For India, it is about deciding whether its neighbour should remain primarily a deficit market or become more of an extension of its own textile industrial base.

As India stopped issuing tourist visas for almost two years, tourist arrivals from Bangladesh to India declined sharply. According to the Indian Tourism Ministry, about 2.12 million Bangladeshi tourists visited India in 2023. It declined by 17 per cent to 1.75 million in 2024 and dropped further

economically. Disruption of this link by imposing trade restrictions will not work. Instead, it is better to accept the changed reality and enhance trade cooperation. India needs to respect the verdict of the people of Bangladesh and should not interfere in the latter's internal affairs. It must clearly acknowledge that no 'vassal state' type bilateral relationship is possible. Despite having strong leverage to put Bangladesh in geo-political trouble, it is not a good option for New Delhi to ignore the ground reality. There should be a win-win bilateral trade relationship.

India Brand Equity Foundation (IBEF), an entity established by the Indian commerce and industry ministry, noted recently that bilateral ties 'today reflect a more mature and diversified partnership that goes well beyond conventional areas of engagement.' It added that though tourism, healthcare, and education continue to anchor people-centric cooperation, with Bangladesh remaining a key source of inbound tourists for India, bilateral collaboration is increasingly shaped another. Disruption of the link by imposing various trade restrictions will not work

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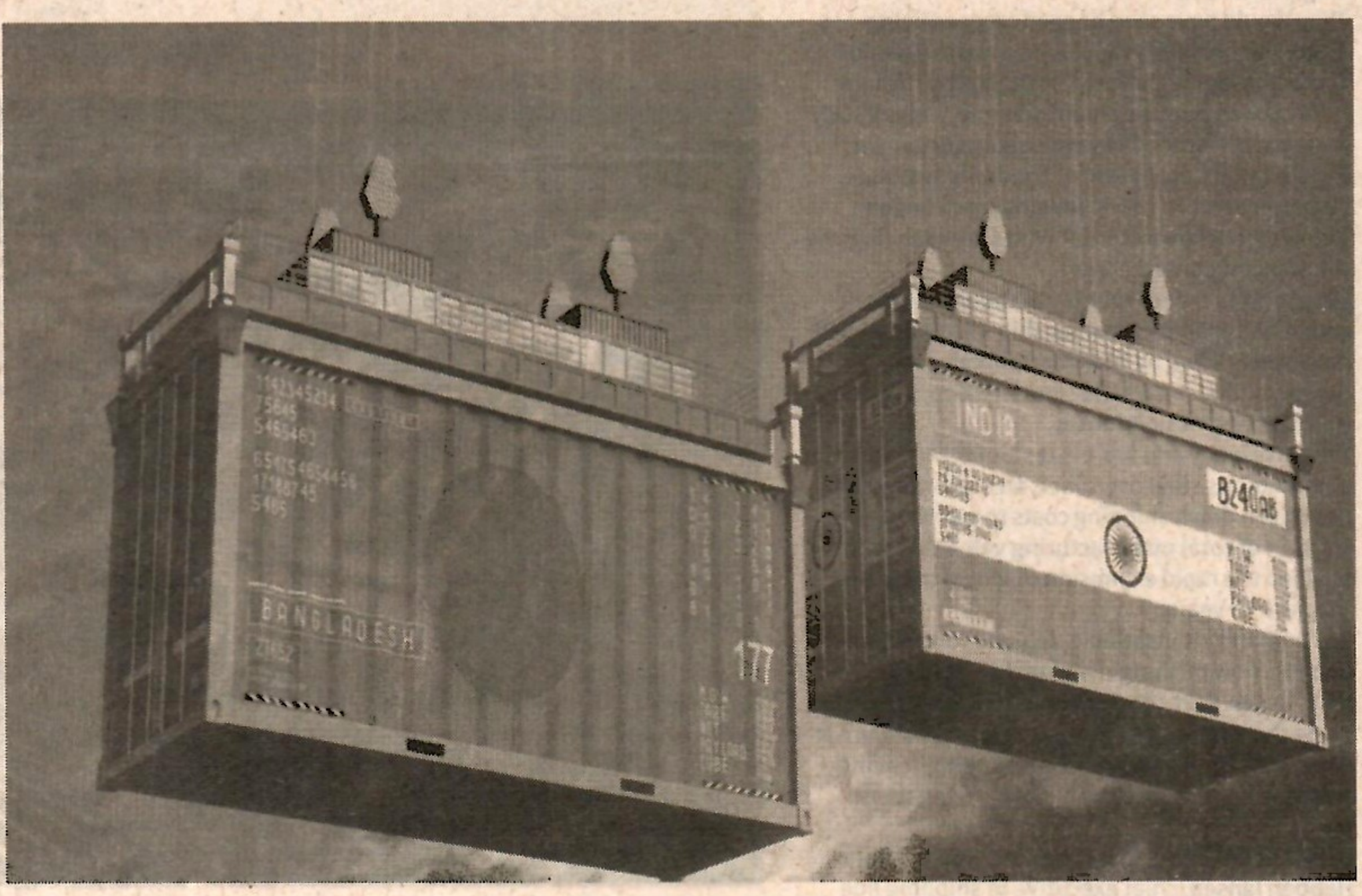

much on, if not growing. The visit of a delegation from the Confederation of Indian Industry (CII) last week signalled that businesses in both countries want to move ahead as far as trade is concerned. Business leaders of both countries have agreed to form business-to-business (B2B) task forces to address trade and investment barriers and strengthen bilateral economic ties. It is for the first time since the fall of Hasina's autocratic regime on August 5 2024, a high-level Indian business delegation visited Bangladesh.

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Since the ouster of Hasina regime in a student-led mass uprising two years ago, bilateral relations deteriorated significantly. New Delhi imposed several trade barriers during the Yunus-led interim regime. Dhaka also retaliated on a limited scale. India was reluctant to accept the changed reality in Bangladesh and began exerting various forms of pressure on the interim government. For example, India cancelled the transhipment facility granted to Bangladesh for third-country exports using Indian sea routes and airports. It also imposed restrictions on imports of certain products, including ready-made garments (RMG) from Bangladesh, primarily to India's north-eastern states via land routes. India has also moved to impose anti-dumping duties on more Bangladeshi products.

All the Indian moves to impose non-tariff barriers (NTBs) are mostly linked to the ouster of the Hasina regime, New Delhi's closest ally for more than 15 years. During that period, she gradually turned Bangladesh into a subservient country by compromising foreign and trade policies in favour of New Delhi. At the same time, anti-Indian sentiment intensified, which was a critical factor in the July mass uprising. To suppress the movement, the autocratic regime used brutal force, killing 1,400 people in three weeks. More than 20,000 were injured. Nevertheless, Hasina was forced to resign on August 5 2024 and flee to New Delhi for shelter. Since then, the two countries have passed through a series of diplomatic and trade rows.

Despite all these negative developments, bilateral trade in goods increased modestly in the last fiscal year (FY26) by 13 per cent after a small growth of 6.35 per cent in FY25. Official statistics showed bilateral trade reached its highest level of $15.68 billion in FY22, then dropped sharply by 26 per cent to $11.62 billion in FY23. It declined by a further 9 per cent to $10.60 billion in FY24. Thus, the decline in bilateral trade was evident before the July mass uprising.

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The bilateral trade gap is nothing new, as Bangladesh imports more products from India as raw materials, intermediate goods, and consumer products. As the next-door neighbour with extensive road, rail, and water networks, sourcing from India is generally less expensive. For Indian exporters, Bangladesh is a lucrative market with increasing consumer demand, and it is the seventh-largest export destination for India.

Investment from India declined significantly, reflecting the strained bilateral relations. Net inflow of Indian FDI increased to $132.83 million in FY23 from $72.34 million in FY22, then declined to $105.81 million in FY24. During the first nine months of FY26, net FDI from India stood at $87.60 million. Bangladesh's internal condition was also not adequately supportive of foreign investment as the country had to allow the dust of July 2024 uprising to settle. In the context of CII delegation's visit, a few trade analysts [www.fashionunited.uk] pointed out that for Bangladesh the challenge is less about becoming cheaper than about remaining attractive enough to clothing manufacturers who will be willing to continue investing there. For India, it is about deciding whether its neighbour should remain primarily a deficit market or become more of an extension of its own textile industrial base.

As India stopped issuing tourist visas for almost two years, tourist arrivals from Bangladesh to India declined sharply. According to the Indian Tourism Ministry, about 2.12 million Bangladeshi tourists visited India in 2023. It declined by 17 per cent to 1.75 million in 2024 and dropped further by 73 per cent to 0.43 million in 2025, causing a significant loss of revenue for the Indian tourism industry. The tourist visa is finally opened two months back.

All these statistics show that the two countries are strongly linked economically. Disruption of this link by imposing trade restrictions will not work. Instead, it is better to accept the changed reality and enhance trade cooperation. India needs to respect the verdict of the people of Bangladesh and should not interfere in the latter's internal affairs. It must clearly acknowledge that no 'vassal state' type bilateral relationship is possible. Despite having strong leverage to put Bangladesh in geo-political trouble, it is not a good option for New Delhi to ignore the ground reality. There should be a win-win bilateral trade relationship. India Brand Equity Foundation (IBEF), an entity established by the Indian commerce and industry ministry, noted recently that bilateral ties 'today reflect a more mature and diversified partnership that goes well beyond conventional areas of engagement.' It added that though tourism, healthcare, and education continue to anchor people-centric cooperation, with Bangladesh remaining a key source of inbound tourists for India, bilateral collaboration is increasingly shaped by technology and sustainability-led priorities. To what extent this cooperation will be extended in the near future largely depends on New Delhi's goodwill.

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EU packaging rules test Vietnam's exporters

ANN/VIETNAM NEWS

As Europe tightens its packaging rules, Vietnamese exporters are facing a new reality: what wraps a product may matter almost as much as what is inside. The European Union's new requirements are forcing businesses to rethink packaging while opening the door to a more circular industry.

The EU's Packaging and Packaging Waste Regulation (PPWR) entered its general application phase on August 12, covering packaging placed on the EU market regardless of its material or country of origin.

For Vietnamese exporters, the rules mean that packaging can no longer simply be a protective layer around a product. Its design, recyclability, recycled content and chemical safety are increasingly becoming part of the conditions for selling products in the bloc.

The impact could extend across Vietnam's major export sectors, including food, seafood, coffee, cashew, textiles, footwear, electronics, cosmetics, wood and other consumer goods.

"The new regulation affects the entire production and export chain, from design for recycling and the use of recycled materials to traceability and the control of substances of concern," said Nguyễn Thi, a lecturer at the Hà Nội University of Natural Resources and Environment.

The challenge comes as trade with the EU continues to expand. According to the Ministry of Industry and Trade, Vietnamese exports to the bloc exceeded US$56 billion in 2025, up 8.6 percent from a year earlier, while exports reached $25.78 billion in the first five months of 2026, up 13.3 percent year on year.

The PPWR introduces requirements covering food-contact packaging, sales packaging, grouped packaging and transport packaging.

From August 12, all packaging must comply with new limits on substances of concern, with particular attention to per- and polyfluoroalkyl substances in food-contact packaging.

This is particularly relevant to Vietnamese seafood exporters, which use food-contact packaging such as plastic trays, wrapping films and plastic bags. Companies will need to ensure that information on such content is available in the technical documentation for their packaging.

The PPWR establishes a phased transition, with technical requirements for recyclability and recycled content becoming progressively stricter over the coming years. From 2030, all packaging placed on the EU market will have to be designed to be recyclable.

Food-contact plastic packaging will have to contain at least 30 percent recycled plastic where PET is the main component and 10 percent for packaging made from other plastics such as polypropylene and polyethylene. The requirements will rise to 65 percent and 25 percent by 2040, respectively.

Employees prepare Lego packages on a production-line during the inauguration of the Lego factory in Binh Duong province. PHOTO: AFP/FILE

The PPWR also seeks to reduce unnecessary packaging. By 2030, manufacturers and importers will have to ensure that the weight and volume of packaging are reduced to the minimum necessary to perform its intended function. For grouped, transport and e-commerce packaging, the proportion of empty space will be limited to 50 percent.

Labelling requirements will also be introduced according to the PPWR's implementation timetable, with harmonised information on packaging materials intended to help consumers sort waste.

The PPWR highlights a growing trend: to enter the EU market, goods will increasingly be judged not only by the product itself but by its entire life cycle, according to Thi.

The EU-Vietnam Free Trade Agreement has given many Vietnamese products tariff advantages, but as tariffs fall, the bloc is steadily raising standards on environmental protection, emissions, traceability, the circular economy and supply chain responsibility.

The Ministry of Industry and Trade has also said these green requirements are increasingly becoming an important condition for Vietnamese goods to maintain their foothold in the EU market as well as global markets.

Yet experts say the PPWR should not be viewed simply as another trade barrier but a wider shift in global trade in which environmental requirements are increasingly becoming conditions for market access.

Experts say that Vietnamese companies that invest early in recyclable packaging, recycled materials, traceability and circular production could gain an advantage not only in Europe but also in other developed markets with similar environmental requirements.

Meeting these standards could create opportunities for businesses to expand into other markets, said Sita Zimpel, a project director at GIZ Vietnam, adding that this could turn compliance spending into longer-term investment in production efficiency and product differentiation.

The changes could also reshape Vietnam's packaging industry, forcing it to move towards a more circular model. Instead of producing packaging, using it and sending it to waste streams, companies would need to build stronger links among packaging manufacturers, waste collectors, recyclers and users of recycled materials.

কালবেলা
23 AUG 2026

বাংলাদেশে বিনিয়োগে আগ্রহী ভারতীয় ব্যবসায়ীরা

সিলেটে বাণিজ্যমন্ত্রী

সিলেট ব্যুরো

বাণিজ্য, শিল্প এবং বস্ত্র ও পাটমন্ত্রী খন্দকার আব্দুল মুক্তাদির বলেছেন, যুক্তরাষ্ট্রের আরোপ করা রেসিপ্রোকাল ট্যারিফ (পারস্পরিক শুল্ক) শুধু বাংলাদেশের জন্য নয়, বিভিন্ন দেশের ওপরই আরোপ করা হয়েছে। বাংলাদেশের ওপর সাধারণ শুল্কের বাইরে বর্তমানে ১০ শতাংশ ট্যারিফ প্রয়োগ করা হয়েছে, যা সর্বনিম্ন হারের মধ্যে একটি।

গতকাল শনিবার দুপুরে সিলেট মেট্রোপলিটন পুলিশ (এসএমপি) কমিশনারের কার্যালয়ে পুলিশ কমিশনার ও কর্মকর্তাদের সঙ্গে মতবিনিময় সভা শেষে সাংবাদিকদের তিনি এসব কথা বলেন।

ভারতীয় ব্যবসায়ীদের বাংলাদেশে বিনিয়োগের আগ্রহের কথা জানিয়ে তিনি বলেন, ভারতের যেসব ব্যবসায়ী বাংলাদেশে এসেছেন, তাদের কেউ কেউ ইতোমধ্যে দেশে বিনিয়োগ করেছেন। তারা বাংলাদেশ ও ভারতের স্থলবন্দরগুলো পুরোপুরি কার্যকর করার আগ্রহ প্রকাশ করেছেন।

তিনি বলেন, স্থলবন্দরগুলো বন্ধ থাকার কারণে ভারতীয় ব্যবসায়ীদের কাঁচামালের মূল্য বেড়ে যায় বলে তারা জানিয়েছেন। এ ছাড়া বাংলাদেশের ব্যবসায়ীদের সঙ্গে অবকাঠামো খাতে বিনিয়োগের জন্য একটি টাস্কফোর্স গঠন এবং ডিজিটাল অবকাঠামো তৈরির জন্য বাংলাদেশের ব্যবসায়ীদের সঙ্গে একটি ট্রাস্ট গঠনের প্রস্তাব ভারতীয় ব্যবসায়ীরা এফবিসিসিআইয়ের নেতাদের কাছে দিয়েছেন। আমি এসব প্রস্তাবকে স্বাগত জানিয়েছি।

মার্কিন বাণিজ্য প্রতিনিধিদলও বাংলাদেশে বিনিয়োগে আগ্রহ দেখিয়েছে জানিয়ে বাণিজ্যমন্ত্রী বলেন, বিনিয়োগের সহায়ক পরিবেশ তৈরির বিষয়ে তাদের কিছু প্রস্তাব ও পরামর্শ রয়েছে। সরকার সেগুলো বিবেচনায় নিয়েছে।

বাংলাদেশের বাণিজ্য ঘাটতি বর্তমানে ২৭ বিলিয়ন ডলারের বেশি সাংবাদিকদের প্রশ্নের জবাবে তিনি বলেন, স্বাধীনতার পর থেকেই বাংলাদেশের আমদানি রপ্তানির তুলনায় বেশি। পৃথিবীর অনেক দেশেই আমদানি বেশি এবং রপ্তানি তুলনামূলকভাবে কম।

এটি অস্বাভাবিক কোনো বিষয় নয়। দেশের রপ্তানি বাড়ানোর ওপর গুরুত্ব দিয়ে তিনি বলেন, রপ্তানি বাড়লে আমদানির পরিমাণও বাড়বে। রপ্তানি ও আমদানি মিলিয়ে দেশের মোট বাণিজ্যের পরিমাণ আরও বহুগুণ বাড়ানো প্রয়োজন। দেশের অর্থনীতির আকারের সঙ্গে বাণিজ্যের পরিমাণের সামঞ্জস্য থাকা দরকার। এ প্রসঙ্গে ভিয়েতনামের উদাহরণ দিয়ে খন্দকার আব্দুল মুক্তাদির বলেন, দেশটির আমদানি-রপ্তানি মিলিয়ে বাণিজ্যের পরিমাণ বর্তমানে প্রায় ৮০০ বিলিয়ন ডলার। সেখানে বাংলাদেশের বাণিজ্যের পরিমাণ প্রায় ৬০০ বিলিয়ন ডলার। বাংলাদেশের অর্থনীতির আকারের সঙ্গে এই বাণিজ্যের পরিমাণ পুরোপুরি সামঞ্জস্যপূর্ণ নয়।

বৈঠকে উপস্থিত ছিলেন সিলেট সিটি করপোরেশনের প্রশাসক আব্দুল কাইয়ুম চৌধুরী, সিলেট উন্নয়ন কর্তৃপক্ষের চেয়ারম্যান রেজাউল হাসান কয়েস লোদী, সিলেটের জেলা প্রশাসক আব্দুল্লাহ আল মামুন, জেলা পরিষদের প্রশাসক আবুল কাহের চৌধুরী, মহানগর বিএনপির সভাপতি নাসিম হোসাইন, সাধারণ সম্পাদক এমদাদ হোসেন চৌধুরী এবং সিলেট-৬ আসনের সংসদ সদস্য এমরান আহমেদ চৌধুরী।

এছাড়া, গতকাল বিকেলে সিলেটের দক্ষিণ সুরমার শাহপরাণ (রহ.) বাইপাস সংলগ্ন এলাকায় প্রস্তাবিত ১৮৮ একর জমির নতুন বিসিক শিল্পনগরীর স্থান পরিদর্শন করেন বাণিজ্যমন্ত্রী। তিনি বলেন, সাধারণ স্পেস ও অন্যান্য সুবিধা বাদ দিয়ে প্রস্তাবিত এই বিসিক শিল্পনগরীতে প্রায় ১১০ একর জমিতে নিট প্লট বরাদ্দ দেওয়া সম্ভব হবে। শিল্পের আকারের ওপর ভিত্তি করে প্লটের সংখ্যা নির্ধারিত হবে।