The Financial Express
29 AUG 2026

FY26 handicraft exports fall 15pc amid weak demand

SAIF UDDIN

Bangladesh's handicraft exports suffered a sharp contraction in the fiscal year 2025-26, with earnings falling to $32.13 million from $37.68 million in FY25, the Export Promotion Bureau (EPB) data shows.

The decline was caused by weaker global demand, rising input and freight costs, reduced cash incentives, and limited access to finance for entrepreneurs, according to insiders. Besides, limitations in design and development, stronger regional competition, and a growing scarcity of skilled workers are holding back the desired growth.

Exports since FY22 have shown a volatile trend, with earnings declining from $42.83 million in FY22 to $29.71 million in FY23.

It recovered to $34.96 million in FY24 and further rose to $37.68 million the next fiscal year.

The fluctuations reflect changes in the global demand for eco-friendly products, inconsistent policy support, and the sector's failure to modernise designs and production methods, particularly by shifting from labour-intensive weaving to a greater use of machinery to compete with low-cost producers, such as India and China.

Exporters say the combined pressures are affecting the viability of their business.

"The reduction in cash incentives, along with rising raw material costs and the lack of low-cost credit, has pushed many small producers to the brink of closure," says a Dhaka-based handicraft manufacturer.

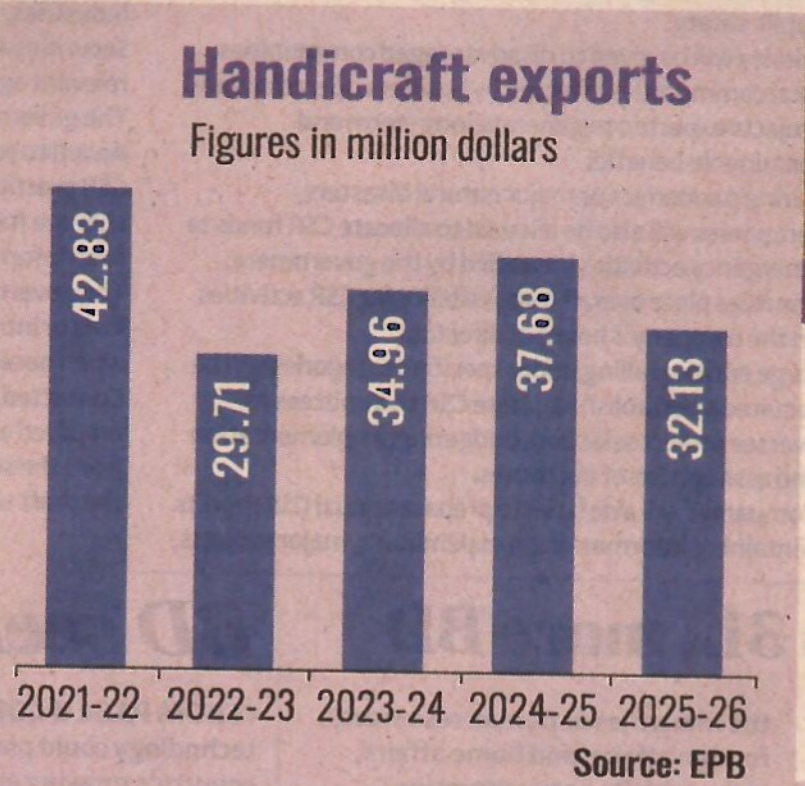
Without targeted policy support and cluster-based financing, it is becoming increasingly difficult to compete with mechanised producers in neighbouring countries, he adds.

Insiders say structural weaknesses must be addressed to expand the sector.

The Bangladesh Handicrafts Manufacturers and Exporters Association (Banglacraft) points to the shortage of technology use, as well as a lack of digitally active and well-connected entrepreneurs, among the major weaknesses, limiting direct communication with overseas buyers and restricting international marketing.

"Our entire production process is still largely manual, whereas countries such as China, Vietnam, and India use small tools alongside handwork, which increases productivity and reduces production costs," Banglacraft Senior Vice President Kazi Shahab Uddin tells the FE.

"Because we rely heavily on manual production, our production process is relatively slow, and we cannot increase our export volume significantly."



Key challenges

- Weaker global demand
- Rising raw material, freight costs
- Cash incentive cut from 20% to 6%
- Limited access to low-cost finance
- Low use of technology
- Shortage of skilled workers
- Limited design & product development
- Declining supply of cane, bamboo
- Growing competition from India, China

Referring to the limitations regarding the supply of raw materials, he says Bangladesh's handicraft sector mainly depends on naturally available raw materials, but the supply of cane and bamboo is declining.

Producers are therefore increasingly using alternatives, such as hogla leaves, water hyacinths, coconut fibres, and date palm leaves, he adds.

"Hogla has now become one of our major raw materials, while water hyacinth is another promising material. Using water hyacinths serves two purposes: it helps clean water bodies while also turning the discarded plant into useful products," he explains.

Leaders of the association further say export incentives have been slashed from 20 per cent to 6.0 per cent, with the reduced support largely absorbed by rising costs, further weakening the sector's competitiveness.

Despite the challenges, the sector has considerable export potential as the global handicraft market was estimated at around $1.1 trillion in 2024 and is projected to exceed $2.0 trillion by 2032, driven by the growing demand for eco-friendly and sustainable products.

Bangladeshi handicrafts are exported to more than 50 countries, with the United States, the European Union, and the Middle East among the major destinations.

The export basket includes jute-based carpets and other products, metal crafts, stone carvings, bamboo and cane goods, as well as lifestyle products made from natural materials, such as hogla, water hyacinths, and palm and banana fibres.

Bangladesh's share of the global handicraft market remains small, estimated at only 1.18 per cent.

saif.febd@gmail.com

The Financial Express
29 AUG 2026

Taka gets stronger, export competitiveness weakens

JASIM UDDIN HAROON

Bangladesh's export competitiveness on the global market has weakened as the taka gets stronger in exchange with peer currencies, prompting exporters to entreat the government to consider currency devaluation.

The real effective exchange rate (REER) rose to 103.93, as of July, up 1.28 points from the previous month by official count, signifying further erosion in the country's export competitiveness.

The increase in the REER suggests that the taka has become relatively stronger in real terms against a basket of trading-partner currencies after adjusting for inflation and trade weights.

A sustained rise in the index makes Bangladeshi exports relatively more expensive on the international market while making imports cheaper for the importers.

"The central bank should consider depreciating the currency as the REER has surged," a senior Bangladesh Bank official told the FE, requesting not to be named.

"The export-earning sector might face problems if the taka remains overvalued."

The central bank calculates the REER against a basket of 17 currencies, using Fiscal year 2024 as the base year with an index value of 100.

The calculation takes into account trade patterns, including exports and imports, as well as remittance inflows.

An REER reading above 100 does not, by itself, mean that the taka must be depreciated by a particular amount. Rather, it indicates that the currency's real exchange-rate position is stronger than its level in the base period.

The direction and size of any adjustment depend on a range of factors, including inflation differentials, productivity, capital flows and external-sector conditions.

Exporters entreat for currency devaluation

- REER rose to 103.93 in July, up by 1.28 points from previous month
- A stronger taka makes Bangladeshi exports more expensive and imports cheaper
- Taka depreciated only 0.35%, while the Indian rupee fell by over 1%
- Lower REER improves export competitiveness; higher REER hurts it
- The issue is especially important for RMG exporters, Bangladesh's main export sector

At the end of July, the nominal exchange rate stood at Tk123.98 to the US dollar. The rise in the REER indicates that the taka's real value has strengthened relative to the base period despite the nominal depreciation of the currency, the Bangladesh Bank said in its latest report.

The taka depreciated by about 0.35 per cent against the greenback between June and July, compared with a depreciation of more than 1.0 per cent in the Indian rupee over the same period, according to Bangladesh Bank data.

The divergence could put additional pressure on Bangladesh's exporters, particularly if competing economies experience faster currency depreciation while Bangladesh's real exchange rate remains elevated.

The REER is widely used in international economics as a gauge of a currency's external value and a country's trade competitiveness because it combines nominal exchange rates with relative price levels and trade weights.

A decline in the REER, all else being equal, would

| SEE PAGE 7 COL 3

improve the price competitiveness of Bangladeshi exports, while a further rise could make it harder for exporters to compete on the international market.

For Bangladesh, where export earnings are heavily concentrated in the ready-made garment sector or RMG, maintaining a competitive exchange rate is particularly important as exporters face competition from other low-cost manufacturing economies.

jasimharoon@yahoo.com

The Business Standard
29 AUG 2026

Eel fuels 223% surge in Bangladesh's live fish exports

EXPORT - BANGLADESH

IFTEKHAR SHIMUL

Eel fish, which grows naturally in haors, beels and other water bodies across Bangladesh, has emerged as a major live fish export product, helping drive a more than threefold increase in the country's live fish exports over the past decade.

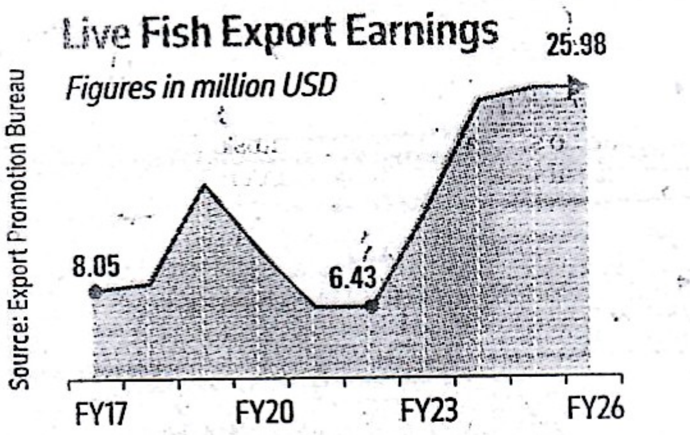
Although domestic demand for eel remains limited, exporters say strong demand in international markets has created opportunities for the fish collected from natural sources to be shipped abroad.

According to the Export Promotion Bureau (EPB), Bangladesh earned $8.05 million from live fish exports in FY2016-17. The figure rose to $25.98 million in FY2025-26, marking a 222.7% increase over the decade.

Recent trade data also indicate continued growth. Bangladesh earned $15.06 million from live fish exports during July-December of FY2025-26, up 5.98% from $14.21 million in the same period a year earlier.

Exporters say eel accounts for a significant share of live fish exports.

LIVE FISH EXPORTS SURGE



Export earnings surge 227.7% over the decade

Price range **Tk180-600/kg** (subject to season and demand)

Bangladesh exports eel to around 15 countries including Mainly China, Japan, Hong Kong, Thailand, Vietnam

MAIN CHALLENGE Mostly naturally harvested – making consistent supply and quality a challenge

FUTURE PROSPECTS Artificial breeding under research | Could reduce dependence on natural harvesting | Canned eel – researchers have experimentally developed a canning process

With relatively low domestic demand, most eel collected from natural sources can be exported.

Mahmudur Rahman, proprietor of exporter HIS Investment, told The Business Standard that the company exports almost all the eel it collects because of limited demand in the local market.

China is the largest market, while Japan, Hong Kong, Thailand and Vietnam are also important destinations, he said. The company makes an average of two shipments a week.

Mahmudur said relatively low prices make Bangladeshi eel attractive in international markets.

Before the monsoon, exporters can receive around Tk300 per kilogram, although prices sometimes fall to Tk180. During Christian festivals, stronger demand can push prices up to around Tk600 per kilogram, he added.

However, exporters face challenges in maintaining consistent quality and supply as the industry relies heavily on naturally harvested eel.

"Alongside natural harvesting, the government needs to focus on artificial breeding SEE PAGE 4 COL 5

CONTINUED FROM PAGE 3

and production to ensure a steady supply and maintain export continuity," Mahmudur said.

Bangladesh currently exports eel to around 15 countries, according to fisheries sector sources. Major markets include Japan, China, Mongolia, Thailand, Malaysia and South Korea.

Researchers warn that continued dependence on natural harvesting could create supply constraints as exports expand. They say developing eel farming and artificial breeding will be crucial to sustaining the industry.

Researchers also see scope for increasing the value of eel through processing into higher-value products such as canned food.

Dr Paresh Kumar Sharma, head of the eel fish research team at Bangladesh Agricultural University, said eel can be processed into safe, nutritious and long-shelf-life canned food. Scientific rearing after collection from natural sources can also improve its quality, he said.

Eel contains omega-3 fatty acids and has medicinal value, according to Paresh.

His research team has experimentally produced canned eel using temperature control, hygienic processing, quality packaging and preservation technologies.

However, limited access to authorised quality-testing facilities remains a challenge for the sector, he said. BSTI approval could encourage agricultural businesses to invest in commercial canned eel production and create new export opportunities, he added.

Research is also underway on artificial production of eel fry, Dr Sharma said. Successful breeding could reduce reliance on natural harvesting and help ensure a consistent supply of quality eel, creating scope for further expansion of the export-oriented industry.