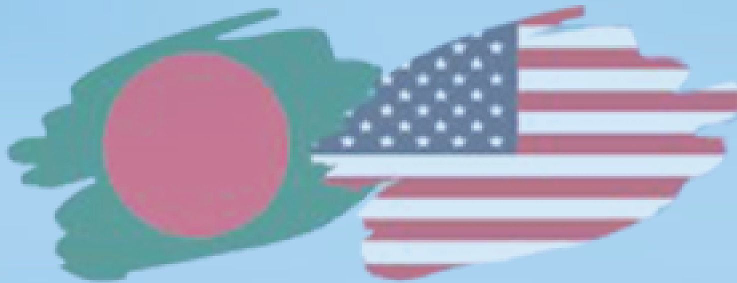

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24 September 2025

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Published by
Bangladesh Institute of International and Strategic Studies (BIISS)
1/46, Old Elephant Road (West of Ramna Police Station), Dhaka-1000,
Bangladesh.
Phone: (+88) (02) 9353808, 9336287, 8315808
Fax: 88-02-48312625
E-mail: info@biiss.org
Website: www.biiss.org

Printed by
GraphNet Limited
95 Naya Paltan, Khan Tower
1st Floor, Dhaka-1000
Phone: 02-48314842, 48314193, 01715011303
E-mail: graphnet@gmail.com

Seminar on

Bangladesh-US Tariff Deal: How to Optimise Trade Benefit

24 September 2025

Bangladesh Institute of International and Strategic Studies (BIISS) organised a Seminar on **"Bangladesh-US Tariff Deal: How to Optimise Trade Benefit"** on Wednesday, 24 September 2025, at the BIISS auditorium. **Dr Anisuzzaman Chowdhury,** Special Assistant to the Honourable Chief Adviser, Ministry of Finance, was the Chief Guest in the Seminar. **Mr Mahbubur Rahman**, Secretary, Ministry of Commerce, was present as the Special Guest. **Major General Iftekhar Anis, BSP, awc, afwc, psc, PEng,** Director General, BIISS, delivered the welcome address and concluding remarks while chairing the Session. **Dr Mohammad Jasim Uddin,** Research Director, BIISS, delivered the vote of thanks.

Three presentations were delivered in the Seminar. The presenters were **Dr Mahfuz Kabir**, Research Director, BIISS, **Professor Dr Golam Rasul,** Department of Economics**,** International University of Business Agriculture and Technology (IUBAT), and **Mr Inamul Haq Khan,** Senior Vice President, Bangladesh Garment Manufacturers and Exporters Association (BGMEA). There was an Open Discussion Session following the presentations.

Senior officials from different ministries, diplomatic missions, researchers, academicians and students from various universities, representatives from different think tanks, and business personnel participated in the Seminar.

WELCOME REMARKS

Major General Iftekhar Anis, BSP, awc, afwc, psc, PEng

Director General, BIISS

Major General Iftekhar Anis started his welcome remark by noting that the world today is facing a "tariff tsunami," a wave of protectionist measures that have unsettled the global trading system. Following the declaration of universal baseline tariffs and country-specific reciprocal tariffs by the United States earlier this year, the world has witnessed volatility in stock markets, disruptions in supply chains, and great uncertainty in trade flows. Even longstanding, strategic allies like Israel, Japan, and Australia have not been spared. He underscored that for a country like Bangladesh—heavily dependent on exports, particularly to the US—this development has profound consequences. The initial imposition of a steep 35 percent tariff on the country's exports created alarm, raising fears of order cancellations, job losses, and declining competitiveness. However, through dedicated diplomatic engagement, Bangladesh successfully negotiated a reduction of the reciprocal tariff rate to 20 percent. He commented that while this remains significantly higher than the earlier tariff exposure, the reduction in tariff rate is nevertheless a testament to the capacity of Bangladesh's diplomacy and economic leadership to secure favorable outcomes even in turbulent times.

Major General Anis cautioned that the task does not end here. The U.S. tariff war with China and other countries has created a complex environment that presents both risks and opportunities for Bangladesh. On the one hand, Bangladesh may benefit from the potential relocation of industries from China as global companies look for alternative manufacturing bases. On the other hand, competition in the European market and possible shrinking of U.S. demand pose significant challenges for the country. He further emphasises that as the country nears its Vision 2041 aspirations of becoming a developed country, trade and investment strategies will be crucial in ensuring sustainable growth. Tariff policies, though external in origin, can be turned into opportunities if they are approached with foresight, pragmatism, and unity of purpose.

He concluded by expressing his gratitude to the Chief Guest, Special Guest, distinguished speakers, and participants for taking the time to join the seminar and expressed his optimism that their insights will greatly enrich the understanding of this critical issue.

PRESENTATION I

Dr Mahfuz Kabir
Research Director, BIISS

Dr Mahfuz Kabir started his presentation with a brief review of the US tariff deal for Bangladesh. He mentioned that a few months ago, the US imposed a 37 per cent tariff on Bangladeshi products, which, after several rounds of negotiations, was reduced to 20 per cent. To him, the current rate now seems competitive when compared to tariffs on Bangladesh's competitors—India, China, Vietnam, Pakistan, and Sri Lanka. He emphasised that it is now imperative to proceed with the imposed tariff rate and to articulate the country's future strategy accordingly. He further explained that the 37 per cent tariff rate was about half of the trade deficit, according to calculations by the White House and the United States Trade Representative.

Dr Kabir then discussed the aftermath of the tariff. He noted that the high tariff rate caused significant shock and concern among businesspeople in Bangladesh, including BGMEA, BKMEA, and some exporters. Initially, some buyers delayed their orders and considered suspending those already placed. On the other hand, after the imposition of the tariff, a lengthy discussion was held at the Bangladesh Investment Development Authority (BIDA). Following this discussion, the Chief Adviser, Professor Dr Muhammad Yunus, sent a letter to US President Donald Trump, which was successful. Eventually, after long negotiations, the tariff was reduced. He further noted that though the negotiations were predominantly Government-to-Government (G2G), there was significant support from the private sector.

He then delved further into the negotiation issue. He mentioned that during the negotiation, Bangladesh offered import of several items from the US, which included semiconductors, wheat, LNG, soybeans, some technical equipment, scrap iron, cotton, etc.. He further mentioned that during the negotiation, there was a discussion and debate about purchasing Boeing. The plan was to purchase 25 Boeing aircraft over the next 10-15 years, which would not impose any immediate burden on Bangladesh's economy. He also touched upon the issue of a non-disclosure agreement, which was a part of the negotiation.

Dr Kabir emphasised that if Bangladesh aims to reduce the tariff rate to 15 per cent, , the country either needs to have very good negotiations or demonstrate that it has significantly reduced the trade gap. He informed the audience that considering the trade between the two countries, Bangladesh's export to the US in 2023-2024 was slightly lower, which contributed to a reduced tariff rate, as that year's trade was used to determine the US tariff. He then shed light on the composition of Bangladesh's export and import. He mentioned that Bangladesh's major import items include iron and steel (50 per cent), cotton (14 per cent), oil seeds (13.4 per cent), machinery, electrical equipment and surgical products. On the other hand, the country mainly exports garments items with woven garments constituting 57 per cent of its exports, followed by knitwear. The country also exports some home textiles to the US market. Altogether, the above-mentioned items constitute 91 per cent of the total exports of the country to the US. There are also some other export items, including food items, headgear, footwear and leather goods, etc.

Referring to the data of the United States Trade Representative (USTR), he said that Bangladesh has a surplus in the trade of merchandise goods, but in terms of services, the country is in deficit. He, however, noted that in the calculation of tariff rate, trade of services was not included. He went on saying that after the signing of the Trade and Investment Framework Agreement (TICFA), trade has been increasing between the two countries. He underscored that Bangladesh has some advantages and a good image to the US because of the TICFA. He further noted that the number of countries signing TICFA or similar agreements with the US is not large and Bangladesh is fortunate in that regard.

Another aspect Dr Kabir touched upon is the Foreign Direct Investment (FDI). He reminded that during 2017, 2018 and 2019 the US had great interest in investing in the energy sector of the country while the net FDI flow is negative at present. Data from the Bangladesh Bank suggests that although the US is not among the top-tier countries at present, some FDI from the US has recently been invested in sectors such as insurance, banking, non-banking financial institutions, power and textile sector.

He then focused on the apprehensions in the public spheres and commented that everything that is pondered is not related to merely economic issues; rather, there are political interpretations of the facts. The discussions can be labelled as political-economic discussions. In this connection, he mentioned the visit of the US trade delegation led by the US Assistant Trade Representative for South and Central Asia, Brendan Lynch, which created a huge hype and speculation in the media. Pointing to the fact that Bangladesh is considering signing a Free Trade Agreement (FTA) with the US, he suggested that this could be a good solution to the US tariff issue. Referring to the statement from the Chief Adviser, he also advocated for enhanced energy cooperation with the US. He noted that Bangladesh has already agreed on importing LNG from the US and it will start in 2026.

Dr Kabir then touched upon the longstanding issue of improving the environment for investments. He underscored that there is an urge from the US side to improve the environment of investment in the country, including transparency and introducing a one-stop service. Although BIDA claims that it has already started the one-stop service, however, there were lots of suggestions from the US. The most important aspect, according to Dr Kabir, is the "eleven-point labour action plan", initially introduced by the EU suggesting forming labour unions in the EPZs and other places in Bangladesh and the realisation of labour rights guided by the ILO. The plan demands implementation of all international commitments and treaties regarding labour rights. Dr Kabir also advocated for bilateral trade agreement between the two countries which would help Bangladesh to obtain a 'blue' tag from the US.

In the concluding part of his presentation, he put forward some suggestions as the future course of action. He opined that Bangladesh needs to have a trade deal with the US. However, before that, it is important to sign an FTA and the country is in the process of negotiating an FTA with countries like Japan, South Korea, the UAE, Malaysia and some other countries. Noting that Bangladesh has demonstrated its success in negotiations with the world's strongest country, he commented that now the strength of Bangladesh is widely recognised, and it can approach for negotiations with other countries. He suggested that in the next phase, the country could move forward in reducing the tariff to 15 per cent with skillful negotiations. Also, the "made with US cottons" tag can also be added, which could help reduce US tariffs on garments items Dr Kabir, however, cautioned that Bangladesh needs to continue the negotiation with limited expectations. In this connection, he emphasised meeting challenges emanating from safety standards, labour standards and human rights while expressing that Bangladesh is gradually implementing all those international legal norms. Finally, he emphasised undertaking significant policy reforms. he suggested that a new proposal for regular meetings with foreign investors could enhance the image of the country. He added that in the case of proceeding to the FTA, the service sector should also be taken into account and besides trade, the package of FTA should include investment and technical support as well. The Intellectual Property Rights issue should also be given proper attention, which is a demand not only for the US but also for many other countries.

PRESENTATION II

Professor Dr Golam Rasul
Department of Economics
International University of Business Agriculture and Technology (IUBAT)

Professor Dr Golam Rasul focused on the geopolitical and geoeconomic aspects of US tariff. He remarked that the world is now in a very uncertain phase, particularly because of shifts in US trade policy. Since the United States had been the main architect of the multilateral trading system, he intended to discuss how this system had evolved over the years and how such changes are now affecting the geoeconomic order and emerging economic security concerns. He said that he would conclude his discussion by touching briefly on Bangladesh's situation.

Professor Rasul observed that the present world has become unpredictable. For the last seventy years, the global trading system, managed by General Agreement on Tariffs and Trade (GATT) and later the World Trade Organization (WTO), has been based on multilateralism and a rule-based framework. However, he pointed out that US trade policy has recently marked a significant departure from multilateralism toward unilateralism. He emphasised that economic policy is now increasingly being securitised. While economics had traditionally focused on efficiency and mutual gain, he noted that trade tools are now being used to achieve national security and political objectives. Although tariffs were once considered purely economic instruments, they have now become strategic weapons used to control exports, imports, supply chains and to exert political pressure on adversaries. He said that this is the new reality shaping the global trading environment, and countries like Bangladesh would have to navigate carefully through this process.

He then provided a brief historical overview of how global trade had evolved. Referring to the last 200 to 300 years of world trade history, he said that it had experienced continuous ups and downs. During the mercantilist era in the 17th century, protectionism prevailed through quotas and tariffs. Wealth was measured by the accumulation of gold and silver, so nations sought to export more and import less. Later, he noted, thinkers like Adam Smith and David Ricardo argued in favor of free trade, describing it as mutually beneficial—a win-win approach. Professor Rasul stated that before World War I, world trade had been relatively liberalised, with lower tariffs and growing international exchange. However, after the war, global trade was disrupted, and protectionism once again rose sharply. Even the United States, he said, had raised tariffs multiple times under the Smoot-Hawley Tariff Act of 1930, which many economists later argued had deepened the Great Depression. The global economic downturn and mass unemployment, he said, eventually led policymakers to realise the need for a rule-based global trading system. He recalled that this realisation was reflected even before the Second World War, in the Atlantic Charter of 1941, signed between US President Roosevelt and British Prime Minister Churchill. He explained that while the Charter primarily addressed security issues, Articles 4 and 5 laid the foundation for the modern multilateral trading system. These articles emphasised that all nations, large or small, should have equal access to global trade and resources, and that international collaboration in economic affairs was essential for prosperity and peace. The Charter thus recognised that peace could not be achieved without trade.

Professor Rasul pointed out that after World War II, Europe collapsed both economically and politically, while the United States emerged as a powerful global leader. The US, he said, championed and architected a rule-based trading system. In the post-war period, the US took the lead in establishing key economic institutions such as the World Bank and the International Monetary Fund (IMF) to coordinate global economic affairs. In 1947, it also helped establish the General Agreement on Tariffs and Trade (GATT) to promote trade and reduce tariff barriers. Later, the US played a central role in expanding GATT into the World Trade Organization (WTO), incorporating trade in services and other sectors. Together, he noted, GATT and the WTO provided a framework for a predictable and stable rule-based world trading system. He continued that following the Second World War, the world entered the Cold War era, during which it became divided into two blocs—the US-led Western bloc and the Soviet-led Eastern bloc. However, after the collapse of the Soviet Union in the 1990s, the United States became the sole superpower and promoted neoliberal ideas of globalisation, trade liberalisation, and deregulation. He added that the US used institutions such as the World Bank and the IMF to advance these objectives and also promoted the WTO, which significantly expanded global trade. During this time, he observed, new trading partners also emerged at the global stage.

Professor Rasul continued by saying that during that period, multiple new trading powers had emerged. He mentioned that China became a member of the WTO in 2001. Referring to data he presented, he pointed out that in 1990, China's share of global manufacturing trade was less than 5 percent, but by 2020, it had increased to more than 30 percent, while that of other countries had declined. He explained that China had thus become the world's leading manufacturing hub and is now challenging the unipolar dominance of the United States within the WTO framework. This development, he noted, has given rise to renewed geopolitical tensions between major powers.

He then turned to the shifting trends in trade policy. He observed that the United States had historically been one of the first countries to liberalise trade. Before the Trump administration, he said, the US maintained one of the lowest average tariff rates globally and actively pushed other countries to reduce their tariffs as well. However, he highlighted that around 2025, the US average tariff rate has sharply increased—from about 3 per cent to nearly 25 per cent—signifying a dramatic return to protectionism reminiscent of the 1930s. He remarked that the US is now moving away from the multilateralism it had once pioneered and is instead adopting a unilateral approach. He noted that even the fundamental

philosophy of US trade policy has changed. Whereas earlier it was guided by a rule-based, institutional framework under the GATT, WTO, North American Free Trade Agreement (NAFTA), and Organisation for Economic Cooperation and Development (OECD), it has now shifted toward a more reciprocal and transactional approach centred on national interest and strategic leverage. Institutions like the WTO, he said, has been sidelined, while bilateral and selective arrangements have become the dominant mode of engagement. Free trade, which once symbolised open cooperation, is now increasingly based on conditional reciprocity and strategic alliances. As a result, he commented, the global trade landscape has become deeply uncertain and unpredictable.

Professor Rasul then transitioned to the concept of geoeconomics, describing it as a relatively new idea that explains how nations use economic tools and policies to achieve non-economic objectives such as strategic and security goals. He emphasised that the Trump administration has extensively employed these geoeconomic tools in its trade negotiations. He explained how the US is using technological restrictions against several countries, including China, to maintain its dominance in advanced industries—particularly in the production of semiconductors critical for both civilian and military applications. He explained that when the Trump administration introduced such measures, one of its key objectives was to rebuild domestic manufacturing capacity, including military-industrial production. This required control over essential inputs such as steel and other raw materials. Consequently, the US is attempting to ensure that such resources remain under its control. He noted that the US is also using financial sanctions and leveraging its dominance over global financial systems—especially through the Society for Worldwide Interbank Financial Telecommunication (SWIFT) network, which facilitates international transactions. Because the US exercised strong influence over SWIFT and operated within a petrodollar-dominated global economy, it could restrict access to this network for certain countries, effectively excluding them from the global trading system.

Professor Rasul added that tariffs are also being strategically used to secure access to critical minerals and clean or green energy resources. He mentioned that the US has built alliances with selected countries to ensure access to rare earth elements—resources over which China holds significant control. He pointed out that although China's share of rare earth production has slightly declined, it remains dominant in global supply, and the US is attempting to negotiate terms to prevent export restrictions by China. By controlling what he called "chokepoints"—including strategically important resources, assets, trade routes, and financial instruments—powerful nations can influence and even dominate the global trading system.

He then briefly turned to the case of Bangladesh. He stated that Bangladesh faces several key risks in the current trade environment. He noted that the country's export market remains heavily dependent on a few destinations, mainly the United States and the United Kingdom, and on one or two major products. This excessive dependence, he emphasised, has made Bangladesh highly vulnerable. He explained that after the Second World War, when globalisation and world trade expanded, economic interdependence among nations was considered a strategic asset—a sign of cooperation and mutual benefit. Increasing interdependence was viewed as a way of building partnerships and ensuring shared prosperity. However, he pointed out that this perception has now changed. In recent years, interdependence has been seen more as a vulnerability than an advantage. He cited ongoing debates in Europe and the United States, where policymakers are emphasising self-sufficiency—even in the security domain—over dependence on global supply chains. Thus, he said, what was once considered a symbol of collaboration and stability has now come to be regarded as a weakness. Bangladesh's own situation, marked by heavy dependence on a narrow export base, thus poses a serious challenge amidst this global shift.

Professor Rasul observed that with Bangladesh's forthcoming LDC graduation, the country would face additional risks such as trade diversion. He cautioned that Bangladesh could experience adverse effects if trade patterns shift due to new tariff arrangements or preferential trade deals among larger economies. He mentioned that Bangladesh's import of certain raw materials and goods from the United States might not always occur at competitive prices, potentially increasing production costs for key export sectors such as ready-made garments. This, he warned, could reduce Bangladesh's competitiveness in the global market. While some short-term gains might appear, the long-term implications—such as rising input costs—could undermine the country's export performance.

He then highlighted the geostrategic and power-related pressures Bangladesh is likely to face. One major concern, he said, is the erosion of collective bargaining power among smaller economies. Drawing on his personal experience from participating in the 1994 Uruguay Round negotiations, he recalled that developing countries, including Bangladesh, had virtually no voice at that time. The major discussions, he noted, were dominated by Europe and the United States. However, with the rise of new economies such as China, India, Brazil, and South Africa, the US had begun facing challenges within the WTO framework. Because the WTO functioned on a consensus-based system—unlike the IMF or World Bank, which operated under weighted voting—no single country could dominate. This was one of the reasons the United States had become increasingly reluctant to rely on the WTO, preferring instead to pursue bilateral or preferential trade agreements where it could exert greater influence.

Professor Rasul warned that this shift from multilateralism poses serious risks for countries like Bangladesh. Under multilateral systems, developing countries could benefit from collective bargaining and shared representation. But in bilateral negotiations, smaller economies lack leverage and are often compelled to accept terms dictated by more powerful partners. This, he said, significantly reduces Bangladesh's strategic and negotiating capacity. He also pointed to new challenges emerging from the evolving global power balance. While the world might still appear unipolar, he argued that regional powers such as China and India are increasingly shaping global dynamics, putting smaller countries like Bangladesh in difficult positions. He added that another area of concern is the growing use of trade-linked conditionalities such as labor, environmental, and governance standards. Although Bangladesh had previously managed to secure some flexibility in these areas, he warned that the requirements are becoming stricter and that compliance costs could rise significantly for Bangladeshi industries. Such costs, he noted, could undermine competitiveness and put additional pressure on export sectors.

While acknowledging these risks, Professor Rasul said that opportunities also exist. He suggested that Bangladesh's strategic geographic location could be turned into an advantage if properly leveraged. By improving connectivity and infrastructure, the country could strengthen its role in regional and global value chains. In conclusion, he emphasised that there is no easy path ahead for Bangladesh. The country must prioritise diversification—both in products and markets—to reduce vulnerability. He reiterated that improving competitiveness, logistics, port efficiency, and overall infrastructure is essential. Diplomacy, he stressed, also needs to be handled with great care, as Bangladesh is a small and vulnerable economy. He urged for serious national efforts to enhance readiness for the post-graduation phase, diversify into emerging sectors such as information technology, pharmaceuticals, agro-processing, and light engineering, and adapt swiftly to global changes. He concluded by remarking that Bangladesh is entering an extremely challenging era, which demands strategic foresight, resilience and collective effort.

PRESENTATION III

Inamul Haq Khan
Senior Vice President
Bangladesh Garment Manufacturers and Exporters Association (BGMEA)

Mr Inamul Haq Khan began his address by extending his greetings to the distinguished chair, chief guest, and other respected participants. He acknowledged the preceding contributions from Dr Mahfuz Kabir and Professor Dr Golam Rasul, both of whom offered economic perspectives of the issue under discussion. Mr Khan clarified that, unlike his predecessors, his remarks would be drawn from the standpoint of a businessman engaged directly with the realities of the Readymade Garments (RMG) export sector.

He began by situating his discussion within the shifting dynamics of global trade in 2025. According to Mr Khan, new US tariffs, this time extending beyond China, have significantly disrupted existing trade patterns. As a result, international brands and retailers are reevaluating their sourcing decisions and reconsidering the countries to which they would place their orders. He noted that the imposition of tariffs in India, linked to its ongoing oil trade with Russia, has further intensified the reshuffling of global trade networks. Within the apparel and textile industry, this shift has been particularly pronounced. Major buyers have been gradually pulling back their orders from China and India, while Bangladesh has emerged as a clear beneficiary of this reconfiguration. Citing industry data, Mr Khan stated that US apparel imports from Bangladesh has risen by approximately 20 to 25 per cent during the first half of 2025, underscoring the country's growing prominence as a preferred sourcing destination. Having set this context, Mr Khan proceeded to outline eight key strategies through which Bangladesh could consolidate its position and maximise the emerging opportunities.

His first recommendation focused on the need to act swiftly on the "China plus one" strategy. He explained that US brands are increasingly looking to diversify their sourcing bases to reduce dependence on any single country. This, he argued, presents Bangladesh with a prime opportunity to position itself not only as a competitive supplier in terms of pricing but also as a reliable and compliant partner. He underscored the importance of demonstrating strong adherence to international sourcing standards and ensuring complete transparency, particularly in relation to cotton sourcing. According to Mr Khan, traceability has become a critical issue in global supply chains, as cotton fibres can now be tested for their genetic signatures to determine their geographic origin. He cautioned that Bangladesh must therefore avoid using cotton from sources such as Xinjiang in China or Uzbekistan, which have been associated with forced labour allegations. Instead, suppliers should prioritise sourcing cotton from countries such as the US, Egypt, or India, which are recognised as compliant and transparent producers.

His second point emphasised the need to "lock in business while demand is high." Mr Khan observed that while current order volumes are increasing, this surge may not be permanent. Therefore, Bangladesh must ensure timely delivery, compliance, and relationship management to convert short-term opportunities into enduring partnerships. He advised exporters to offer flexible contracts that allow rapid adjustments to product styles, especially for basic apparel items. Moreover, he urged factories to collaborate with buyers on automation initiatives and process upgrades that could shorten production timelines by a week or more. Drawing on a historical parallel, Mr Khan recalled how Bangladesh's RMG industry gained initial traction in the early 1980s. At that time, political turmoil and civil unrest among Tamil communities in Sri Lanka had temporarily diverted orders to Bangladesh. Although the shift was initially expected to be short-lived, foreign buyers discovered comfort, reliability, and stability in Bangladesh's production environment, leading them to remain and expand their sourcing operations. He suggested that the current situation mirrors that earlier episode, and that Bangladesh must once again capitalise on the temporary window of opportunity by ensuring that buyers find sufficient advantages to stay long-term.

Mr Khan's third point addressed the need for Bangladesh to diversify into high-growth product categories. He explained that the recent US tariffs on Chinese goods have increased the costs of many materials used in China, prompting brands to seek alternative production bases for specialised apparel segments such as activewear, performance wear, and recycled products. These categories rely heavily on man-made fibres (MMF), an area where Bangladesh currently lags behind. To capture this market, Mr Khan urged investment in MMF production capacity, especially within economic zones equipped with shared infrastructure for eco-friendly processing and laboratory facilities. He pointed out a striking imbalance: globally, approximately 70 per cent of the apparel market depends on MMF, while only 30 per cent is based on cotton; yet in Bangladesh, the ratio is the reverse. With 70 per cent of its exports still reliant on cotton, Bangladesh risks falling behind global trends. He warned that failure to adapt to the growing demand for performance fabrics could render the country's

garment industry obsolete. Hence, he called for urgent efforts to modernise production and shift towards the MMF segment to secure future competitiveness.

The fourth point he highlighted concerned leveraging cotton compliance as a market advantage. Mr Khan noted that stringent US import regulations, particularly those under the Uyghur Forced Labour Prevention Act, are increasing demand for cotton with verifiable and ethical origins. He argued that Bangladesh could turn this compliance requirement into a selling point by launching product lines using certified US cotton and by partnering with laboratories to ensure quick and reliable testing and certification. He observed that many Bangladeshi manufacturers have already started importing cotton from the US following the latest tariff declarations, despite longer shipping times and slightly higher costs. While US cotton costs around seven to eight cents more per unit than the market standard, Mr Khan noted that it has a 15 per cent lower wastage rate, making it economically justifiable. Moreover, products with at least 20 per cent value addition from US cotton qualify for tariff reductions, adding a further incentive. To mitigate logistical delays, he proposed that the government establish bonded warehouses in Bangladesh to store imported US cotton. This would allow factories to access cotton immediately when required, reducing the risk of production slowdowns.

His fifth recommendation focused on improving logistics and delivery mechanisms. Mr Khan stressed that, as tariffs raise landed costs, efficient logistics systems can help offset the additional expenses. Bangladesh could distinguish itself by providing reliable shipping schedules, direct deliveries to distribution centres, and smart inventory management solutions. He recommended offering store-ready packaging and exploring data-sharing tools that would enable buyers to restock more efficiently, thereby reducing markdown risks.

His sixth point highlighted the importance of financial prudence. With tariffs squeezing profit margins, Mr Khan urged businesses to use financial tools and coordinated planning to protect profitability. By aligning payments, shipments, and production schedules, exporters could maintain competitiveness even under tariff pressure. He encouraged firms to demonstrate to buyers that their cost structures remain competitive despite tariff inclusions, achieved through more efficient operations and resource management.

The seventh point involved collaboration with policymakers. Mr Khan argued that the industry and government must act jointly to strengthen Bangladesh's status as a preferred sourcing destination. This requires reinforcing compliance systems, promoting transparency, and directing investments into strategic areas. He proposed joint promotional campaigns in the US to highlight Bangladesh's achievements in sustainable and compliant garment manufacturing. Furthermore, he recommended exploring trade deals that involve smart commodity exchanges, for example, by increasing imports of US cotton, soybeans, and steel as a way to improve Bangladesh's leverage in future tariff negotiations. He recalled recent remarks by visiting US state representatives who pointed out the trade imbalance between the two countries: Bangladesh exports goods worth approximately 8.6 billion USD to the US while importing only around 2.2 billion USD. To address this disparity, Bangladesh has already pledged to increase wheat imports by 700,000 tonnes annually over the next five years, and has also expressed interest in purchasing steel and aircraft components from the US. Although the latter ambition, including a proposal to buy up to 25 aircraft over the next 10 to 15 years may appear ambitious, Mr Khan argued that such commitments could help secure favourable tariff negotiations.

His eighth and final strategic recommendation centred on staying informed and compliant with evolving US trade regulations. Mr Khan noted that many of the new tariff measures will continue unfolding through 2026. Exporters, therefore, must remain

vigilant and fully aligned with updated trade rules, particularly regarding correct product classifications, documentation, and sourcing guidelines. He urged factories and buying houses to map their entire supply chains, maintain complete documentation, and renegotiate freight arrangements to reduce delays and uncertainty. He also recommended adopting performance-based contracts and investing in traceability systems that transform compliance obligations into competitive strengths. To facilitate smoother operations, he proposed the creation of a one-stop verification system for streamlining audits by US authorities.

Mr Khan concluded his remarks by reinforcing a key message: the current US tariff regime is not a temporary disruption but part of a broader, long-term realignment of global supply chains. For Bangladesh, this evolving trade environment presents both challenges and opportunities. The country must, therefore, focus on converting its immediate gains into sustainable, long-term growth. With the right strategy that is rooted in adaptability, compliance, and innovation, Bangladesh can secure a stronger and more permanent position within the US sourcing landscape.

Open Discussion

Brigadier General Iqbal

Brigadier General Iqbal drew attention to an important but often overlooked issue- the tariff on labor. He said that Mr Enamul might have addressed it since he had discussed the broader aspects. He reiterated that this was one of the smaller yet significant points. He explained that forming a trade union with a group of twenty people was included as one of the clauses within the tariff deal, and therefore requested the concerned authorities to look into it, as it could affect industrial planning and several related elements.

He further shared that while visiting China, he had learned that China became a WTO member only after fifteen years of deliberations. Drawing from that example, he emphasised that as Bangladesh has entered tariff negotiations, although the concerned committee is doing an excellent job, there is a need to continue close follow-up. He pointed out that businesspeople, who are the permanent actors in trade, has been left out of the negotiation process for various reasons. He urged that this issue be addressed and the negotiations be carried forward properly to ensure a favorable outcome.

M S Siddiqui

Legal Economist and CEO of Bangla Chemical

Mr M S Siddiqui pointed out that discussions on trade in Bangladesh often focus only on garments exports, which he considered a major drawback. He suggested inviting exporters from other sectors in future discussions to broaden the perspective. He referred to the trade negotiations between the United States and Bangladesh, noting that while the details of the agreement had not been disclosed, a letter from President Trump to Bangladesh's Chief Advisor revealed the US government's intentions. According to that letter, the US views the trade imbalance as justification for imposing reciprocal tariffs under WTO rules. He mentioned that Bangladesh has responded by agreeing to buy more US products, but questioned how much the country was actually gaining or losing from this arrangement.

He emphasised that beyond tariff and non-tariff barriers the US expressed concerns over issues such as corruption, regulatory hurdles, and obstacles to investment. Citing President Trump's remarks, he explained that the US wanted Bangladesh to ensure ease of doing business and free trade flow. He argued that all these demands essentially pointed toward the need for a Free Trade Agreement (FTA). The speaker observed that Bangladesh had been hesitant to enter FTAs due to internal issues and reluctance among politicians and bureaucrats to carry out necessary reforms or relinquish control. Concluding, he stated that Bangladesh was not gaining much from the current situation and urged policymakers to negotiate a genuine Free Trade Agreement with the US, assuring them of Bangladesh's readiness to remove barriers and open its market in exchange for reciprocal access.

Ambassador Shamim Ahsan (Retd.)

Ambassador Shamim Ahsan remarked wittily that the word *"tariff"* sounds close to *"terror"*, suggesting that many seemed both *terrified* and *terrifying* by its implications. Referring to Dr Mahfuz's presentation, he noted a recurring sense of fear, shock, and apprehension, implying that Bangladesh might indeed be in a state of "shock and awe" regarding the current trade situation.

He then raised a few important questions. First, he asked whether the prospective trade deal with the United States would cover not only *trade in goods* but also *trade in services*, since Bangladesh could have a comparative advantage in the latter. He also inquired whether the issue of potential trade diversion from the US market due to high tariffs had been addressed, as it could offer Bangladesh new opportunities.

Finally, he referred to the reported figure of three billion dollars in purchases over 18 months and asked whether this amount involved public or private procurement. He emphasised the need for a clear timeline and roadmap to meet the commitments made and to satisfy the conditions set by the US, and he inquired whether the government had considered such planning.

Ambassador Shahed Akhtar (Retd.)

Ambassador Shahed Akhtar expressed appreciation for the insightful presentations made by the experts but noted several concerns that had arisen in recent times. He observed that while Bangladesh has achieved satisfactory progress in the garment sector, media reports suggested that some factories are not fully compliant in their operations despite attaining "green factory" status. He questioned why such gaps persisted and whether the economic benefits of increased product prices in the US market are being fairly transmitted to Bangladeshi producers.

Ambassador Akhtar emphasised that the US market holds significant potential not only for garments but also for leather and leather-based products such as gloves, jackets, and footwear, which have remained underexplored. He stressed the need for stronger marketing strategies, remarking that marketing is not the government's task alone but requires active engagement from producers and exporters. He urged relevant authorities and trade bodies to invite more international buyers and showcase Bangladesh's industrial progress, as many foreign stakeholders lack an accurate perception of the country until they visit.

He also raised concerns regarding cost of doing business, corruption, and informal levies such as "Chandabaji," noting that these issues discouraged investors and eroded competitiveness. Concluding, he called for pragmatic reforms to reduce operational costs, ensure good governance, and fully optimise trade opportunities under the US–Bangladesh tariff framework.

Mahbub Parvez

Associate Professor, Department of Tourism and Hospitality Management, Daffodil International University

Referring to earlier remarks by Dr Mahfuz Kabir and Dr Golam Rasul, **Mahbub Parvez** highlighted the transition from a tariff-based to a trade-based relationship between Bangladesh and the US and acknowledged the need to balance relations between the US and China. He raised a key question regarding Bangladesh's future economic strategy, asking whether the country would continue to rely heavily on the secondary (manufacturing) economy or explore alternative growth avenues over the next decade. He also referred to the government's recent success in negotiating tariff reductions but questioned how Bangladesh could sustain its progress if existing support mechanisms changed. Mr Parvez concluded by seeking expert views on whether Bangladesh should remain dependent on the secondary economy or gradually open up to a more diversified economic structure.

Dr Badrul Hassan

Associate Professor, Department of Political Science, University of Dhaka

Dr Badrul Hassan referred to Mr. Inamul Haq Khan's remarks and noted that Bangladesh has decided to increase cotton imports from the United States, whereas in previous years the country had imported most of its cotton from China. Citing trade data, he pointed out that in 2023 Bangladesh imported approximately two billion dollars' worth of cotton from China but had now begun shifting its sourcing to the US. He asked whether this policy shift might negatively affect Bangladesh–China relations, given China's role as one of Bangladesh's largest trade and investment partners. He concluded by emphasising the importance of maintaining balanced diplomatic and trade relations with both countries.

Ambassador Md Mustafizur Rahman (Retd.)

Ambassador Md Mustafizur Rahman remarked that while tariff-related issues are important, trade barriers, governance, and business facilitation measures also demand attention. He emphasised that Bangladesh must anticipate similar scrutiny from the European Union, as many of the concerns raised by the US—such as labour rights, human rights, and ease of doing business—are equally relevant to EU trade partners. He asked whether the government had undertaken preparatory work to align its negotiation positions with the EU's requirements, noting that the EU market accounts for nearly 60 per cent of Bangladesh's garment exports, compared to around 40 per cent for the US market. He concluded by urging policymakers to adopt a consistent approach to safeguard Bangladesh's interests in both markets.

Mahbubur Rahman

Secretary, Ministry of Commerce

Mr Mahbubur Rahman said he felt compelled to share a few observations following the earlier discussions. He noted that although many important issues had been raised during the morning session, not all of them could be addressed in detail at that moment. He explained that, regarding trade diversification, Bangladeshis actively working to expand its export markets globally, including with Japan, South Korea, and several European countries, as part of efforts to counter the challenges arising from the US reciprocal tariff issue. He added that while negotiation skills are indeed vital, the more critical question is whether Bangladesh possess the economic strength and capacity to confront such global trade pressures effectively.

Referring to the issue of cost of trade, he acknowledged that it is a significant factor but observed that Bangladesh's export basket and market base remained limited. He pointed out that the country's exports were overly concentrated in a single product—garments—and largely dependent on Western markets. Although Bangladesh receive unilateral trade benefits from China, exports to China is still below one billion dollars, showing an underutilisation of available opportunities. He also mentioned that while many Eastern countries offered lower tariffs, Bangladesh had been unable to fully exploit those advantages due to structural and competitiveness challenges. The country, he said, had the potential to tap into new markets and diversify its exports but had failed to do so consistently.

In conclusion, he noted that these limitations- market concentration, weak product diversification, and inadequate capacity- had prevented Bangladesh from conducting a truly effective cost-benefit analysis or from offsetting its dependence on Western trade. Mr Mahbubur Rahman supplemented Mr Khan's remarks, clarifying that Bangladesh traditionally imports raw cotton mainly from the US and other sources, while imports from China are largely yarn and fabric rather than raw cotton. Addressing Ambassador Mustafizur Rahman's question, he confirmed that Bangladesh was preparing for post-2029 EU trade negotiations, after the expiry of current preferential schemes under the "Everything but Arms" (EBA) initiative.

He explained that Bangladesh had already initiated discussions toward an Economic Partnership Agreement (EPA) or Free Trade Agreement (FTA) with the European Union, with the goal of concluding negotiations within three years. Drawing on India's long negotiation timeline of 22 years, he assured participants that Bangladesh's process would be much faster. Mr Rahman reiterated the EU's critical importance to Bangladesh's export sector and expressed optimism about reaching a favourable outcome.

RESPONSES FROM PANELLISTS

Dr Mahfuz Kabir

Research Director, BIISS

In response, **Dr Mahfuz** briefly elaborated on the issue of Free Trade Agreements (FTAs). He mentioned that every FTA generally includes three key components: trade, investment, and technical support. However, he clarified that not all FTAs necessarily cover services.

Referring to the US context, he explained that the United States was mainly interested in goods trade and wanted access to Bangladesh's service market, while Bangladesh itself faced a deficit in trade in services. Therefore, he suggested that Bangladesh should carefully consider this aspect. He further noted that if Bangladesh pursued a Comprehensive Economic Partnership Agreement (CEPA), it would include services along with the other components. Yet, at the current stage, possibly a preferential or limited trade arrangement appear to be the most feasible option.

Dr Mahfuz added that under such a trade deal, any tariff reduction Bangladesh made for the US would have to apply to all countries unless it was part of a formal FTA. By signing an FTA specifically with the United States, Bangladesh could grant preferential benefits exclusively to the US rather than extending them globally. He concluded by emphasising that such agreements must be notified to the WTO, and their initiation and implementation require WTO approval, meaning that market access would be opened only for the designated partner country.

Professor Dr Golam Rasul

Department of Economics, IUBAT

Professor Dr Golam Rasul began his response by addressing the issue of labor standards, which he described as a serious concern for Bangladesh. He noted that the discussion often focuses only on labor standards, but there are also other important compliance requirements - including environmental and regulatory standards - that need attention. He stressed that during negotiations, Bangladesh must carefully assess both the benefits gained and the risks or costs incurred through such commitments.

He further observed that Bangladesh is negotiating trade matters country by country, with a heavy focus on the garment sector, especially exports to the United States. While the US was a key single-country market, he pointed out that as a bloc, the European Union (EU) remained the largest export destination, including major buyers like the UK, France, and Germany. Therefore, he cautioned that making compromises with the US that conflicted with WTO principles could create broader challenges for Bangladesh's global trade relations.

He emphasised the need for a cost-benefit analysis, warning that the country's current approach- trying to maintain market access to the US at any cost- might overlook hidden economic burdens. He questioned whether the value addition from garments exports justified the trade-offs, particularly when trade distortions or diversions could raise costs for exporters.

Finally, referring to Ambassador Shamim Ahsan's remarks on trade diversification, he agreed that it could bring opportunities but also significant risks. He mentioned that even in essential imports like cotton, Bangladesh often paid higher costs for marginal benefits. Therefore, he concluded by urging the Ministry of Commerce to undertake a comprehensive cost-benefit analysis to evaluate both the direct and indirect economic implications of such trade negotiations. Professor Dr Golam Rasul addressed the question on Bangladesh's long-term economic strategy. He acknowledged that while Bangladesh currently relies on manufacturing and industry—the so-called secondary economy—it must gradually transition toward a knowledge-based economy supported by human resource and skills development.

He explained that manufacturing would remain the engine of growth for the next several decades, given its employment potential and contribution to poverty reduction. However, sustained growth would require diversification of products and markets as well as investment in innovation, education, and technology.

Dr Rasul emphasised that countries like South Korea and Vietnam had successfully evolved from manufacturing-led to innovation-driven economies through long-term planning and capacity-building. He concluded by stating that Bangladesh should adopt a comprehensive national strategy focusing on human capital development, technological advancement, and diversification to ensure sustainable economic transformation.

Inamul Haq Khan

Senior Vice President, BGMEA

Mr Inamul Haq Khan acknowledged the questions and noted that the issue of US versus Chinese cotton sourcing was complex. He explained that Bangladesh was diversifying its cotton imports partly to secure tariff relief from the US, which offers benefits if at least 20% value addition is achieved using US inputs. He clarified that the move did not signal a break from China, which remained a vital partner, but reflected Bangladesh's strategic need to maintain trade flexibility amid shifting global supply chains. He also highlighted the operational challenges facing small and medium enterprises (SMEs), particularly power shortages in industrial zones, which were causing factory closures.

Mr Khan criticized the limited consultation with industry stakeholders during the initial negotiation rounds, noting that business representatives were only invited later when discussions had already advanced. He also referred to a recent unprecedented strike at the National Board of Revenue (NBR), which disrupted business activities, emphasising that such instability must be avoided in the future. He concluded by urging the government to engage business leaders closely in future trade talks, stressing that successful negotiations require the input of those directly involved in production and export.

SPEECH BY THE SPECIAL GUEST

Mahbubur Rahman

Secretary

Ministry of Commerce, Government of the People's Republic of Bangladesh

Mr Mahbubur Rahman began by expressing gratitude to the Chief Guest, the Chair, the presenters and all the distinguished participants for their valuable contributions. He elaborated on the Non-Disclosure Agreement (NDA) issue. He clarified that such NDAs are standard practice in trade or tariff negotiations, whether bilateral or multilateral, and they remain in force until an agreement is formally concluded. He emphasised that since no agreement has yet been signed, the NDA is still valid. Once the agreement is finalised, the NDA would no longer apply. Regarding the origin of the US tariff issue, he explained that when US President Donald Trump declared the reciprocal tariff policy under Article 21 of the GATT (WTO), Bangladesh had to strategise on how to respond. He pointed out that Trump's definition of a "national emergency" did not align with the WTO's definition and that Bangladesh preferred to operate strictly within the rules-based multilateral trading system. He explained that without invoking Article 24 of the WTO, no country could legally conduct tariff or non-tariff negotiations outside WTO norms.

Regarding trade negotiation, he noted that Bangladesh is already engaged in multiple trade discussions- FTAs, Preferential Trade Agreements (PTAs), and Economic Partnership Agreements (EPAs) - particularly with countries such as Japan, South Korea, and the European Union. He highlighted that the EU had extended trade preferences for Bangladesh for three more years beyond 2026, while the UK had granted similar preferences until 2029, although no comparable benefits existed with the US. He observed that together, the EU, the UK, and the US account for more than 90per cent of Bangladesh's global trade, and the remaining 10 per cent is being managed through new trade diversification efforts. Addressing the issue of trade with China, he noted that while total two-way trade volume was large, Bangladesh's exports to China remained low, meaning that an EPA with China might only cause revenue loss without significant benefits. Thus, the government had to carefully weigh gains and losses before entering any new agreement.

He then delved into the negotiation process highlighting some of Bangladesh's successes. He explained that in the initial negotiation rounds of the American Reciprocal Tariff (ART) discussions, Bangladesh sought to offset its trade gap with the US through enhanced exports, but later realised that a rule-based framework was essential. During the first round of talks on June 17, the Bangladeshi delegation successfully argued that, without invoking Article 24, any unilateral tariff concessions to the US would automatically extend to other trading partners like Japan under the Most Favoured Nation (MFN) principle. This, he said, was a significant negotiating success, as the US side eventually acknowledged Bangladesh's position. He also mentioned another achievement- the inclusion of a six-month exit clause in the draft agreement, allowing either country to withdraw upon notice. This, he said, demonstrated Bangladesh's diplomatic success in ensuring flexibility. Responding to earlier concerns about the exclusion of business representatives from negotiations, he said that Bangladesh had requested to include businesspeople and academics in the official negotiation team, but the US did not agree. However, the government still engaged with stakeholders through consultative meetings with organisations like BGMEA, FBCCI, and others to gather their inputs and recommendations.

He further explained that Bangladesh had tried to balance trade relations by encouraging the import of US primary commodities such as cotton, wheat, soybeans, natural gas (CNG/LPG), and agricultural products. The government had already signed a deal for 3.5 million tons of wheat, and major private importers also agreed to buy US products. To facilitate smoother trade, Bangladesh proposed to the US the establishment of free-zone warehouses, enabling US goods to be stored locally for faster access by Bangladeshi importers. He discussed the issue of non-tariff barriers, explaining that Bangladesh has already signed the WTO Trade Facilitation Agreement (TFA) and is working to remove unnecessary trade restrictions. A new Import Policy Order is being prepared to eliminate non-compliant barriers, retaining only the legitimate technical barriers to trade (TBT) allowed under WTO rules. He added that similar reforms are being undertaken in labour and intellectual property rights, in coordination with the ILO and other international bodies, to ensure compliance with global standards- a necessity for Bangladesh's post-LDC graduation trade regime. Addressing the concept of reciprocity, he admitted that the US reciprocal tariff approach was not truly reciprocal, as the US would impose tariffs while Bangladesh would mainly provide market access. This, he said, highlighted the need for Bangladesh to strengthen its economy, diversify exports, and expand market reach beyond the garment sector to ensure long-term resilience.

He concluded by reiterating that tariff negotiation is not only about skills but also about economic strength. He emphasised the importance of diversifying both markets and products so that Bangladesh could evolve into a more balanced and competitive trading nation.

SPEECH BY THE CHIEF GUEST

Dr Anisuzzaman Chowdhury
Special Assistant to the Honorable Chief Adviser, Ministry of Finance, Government of the People's Republic of Bangladesh

Dr Anisuzzaman Chowdhury began his remarks by expressing his gratitude to the organisers. He reflected on the historical and geopolitical dimensions of global trade and financial governance, emphasising that trade has long been used as a strategic and geopolitical tool. Drawing on historical examples, he referred to the post–World War II economic order and the establishment of the Bretton Woods Institutions—the International Monetary Fund (IMF) and the World Bank—along with the proposed International Trade Organization (ITO). He explained that while the IMF was intended to manage short-term balance of payments, and the World Bank was for supporting long-term reconstruction, the trade pillar failed to materialise as the United States Congress rejected the Havana Charter.

Dr Chowdhury elaborated that this historical imbalance created a structural inequity that still shapes the global financial system. He noted that the US insistence on adopting the dollar as the global reserve currency, rather than Lord Keynes's proposed neutral currency, gave the US an "exorbitant privilege." This allowed the US to print and circulate currency globally while maintaining dominance in international trade. He observed that similar colonial-era monetary dependencies persist today in parts of Africa, where former colonies must still keep reserves in French treasuries—a form of continued economic subordination.

He then traced how the collapse of the US gold standard in 1971 and the subsequent emergence of the petrodollar system further consolidated the US dominance in global trade. Linking these developments to contemporary geopolitics, he pointed out that leaders like Saddam Hussein and Muammar Gaddafi faced severe backlash when they attempted to move away from the US dollar for oil trade, exemplifying how trade continues to function as a geopolitical weapon.

Turning to Bangladesh, Dr Chowdhury highlighted the country's overdependence on the garment sector and limited diversification over the past five decades. He expressed concern that Bangladesh has yet to develop strong institutional expertise in trade negotiations and free trade agreements (FTAs), despite repeated calls for capacity-building. He underscored the urgency of strengthening technical and diplomatic negotiation capabilities to protect national interests amid shifting global trade dynamics.

Addressing the issue of LDC graduation, Dr Chowdhury clarified that the process was not fully within the government's discretion, as it required formal endorsement by both Economic and Social Council (ECOSOC) and the UN General Assembly, with majority votes. He cautioned that seeking further deferral might not be feasible, given Bangladesh's economic progress and comparative advantage over other LDCs. Instead, he advised preparing for a smooth transition by improving competitiveness, logistics, and institutional readiness.

He shared examples from his recent visit to Chattogram Port, where the installation of container scanners and the introduction of the National Single Window system had markedly improved customs efficiency. He noted that within two months, over 600,000 permits and licenses had been issued, with 90 per cent processed in less than an hour. He emphasised that these digital reforms represented significant progress in modernising logistics and reducing bureaucratic bottlenecks.

Dr Chowdhury also discussed ongoing initiatives to rationalize the tariff and tax systems, recognising that fiscal modernisation and energy policy reform are essential for economic resilience. However, he reminded participants that national development requires collective responsibility rather than relying solely on government action. Drawing on historical experience, he argued that Bangladesh's political culture often emphasised demands rather than collaboration, a legacy of colonial-era governance.

He urged the business community, civil society, and policymakers to work in partnership toward reform, citing the recent BGMEA intervention that helped resolve the NBR strike as a successful example of positive government–business cooperation. He called for a spirit of national unity and shared accountability, stating that real progress demands collaboration, not confrontation.

Illustrating lessons from other countries, Dr Chowdhury pointed to South Korea's rapid transformation from one of the poorest nations in the 1960s to an OECD member within two decades. He also referenced Vietnam's post-war economic trajectory, noting that while Bangladesh joined the LDC group in 1975, Vietnam, despite far greater challenges, pursued trade expertise, diversification, and investment-led growth to surpass Bangladesh in key development indicators. He further cited Zimbabwe's refusal to join the LDC category as an example of national self-confidence and determination, contrasting it with Zambia's continued stagnation. These cases, he argued, demonstrate that bold decision-making and a reform-oriented mindset are vital for sustained progress.

Discussing state capacity and fiscal responsibility, Dr Chowdhury emphasised the importance of tax compliance. He noted that Bangladesh's tax-to-GDP ratio remains below 8 per cent, compared to 17–18 per cent in neighboring countries like Vietnam and Nepal. He explained that development cannot be sustained through borrowing or inflationary spending, stressing that citizens must view tax payment as a civic duty and the price of citizenship. In this connection, shared his experience from Australia, where taxpayers receive transparent reports showing how their taxes are utilized—an example Bangladesh could follow to enhance public trust and accountability.

Moving toward the future, he noted that while manufacturing would remain the engine of growth, Bangladesh must also expand into new sectors such as green shipbuilding, pharmaceuticals, electronics, agro-processing, and light engineering. He acknowledged that economic transition would involve temporary disruptions, with some industries shrinking and jobs being lost. To manage this, he emphasiszed the need for targeted safety nets and retraining programs to help affected workers and businesses adapt to emerging sectors.

Concluding his address, Dr Chowdhury stressed that no nation can achieve sustainable growth without productivity, innovation, and inclusiveness. He called for fostering national consensus, investing in human capital, and embracing a forward-looking vision to ensure a dignified and successful transition beyond LDC status. He reiterated the government's commitment to facilitating this transformation and urged all stakeholders to unite in building a more resilient, self-reliant, and equitable Bangladesh.

The Editorial Team thankfully acknowledges Research Interns Abu Bakar Sakib and Farhana Khan Juthy for their assistance in preparing the proceedings.

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- **BIISS Country Lecture Series: Part- 2**

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