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US cuts reciprocal tariff on Bangladesh to 20pc

- A Monitor Desk Report



Dhaka: The United States has cut the reciprocal tariff rate on products imported from Bangladesh to 20 percent from the previously declared 35 percent, following a series of negotiations over the past month.

The announcement was made by the White House on July 31 (Washington, DC time), after the final round of the talks were held between a Bangladesh delegation and US officials in the US capital.

The top-level delegation included Commerce Adviser SK Bashir Uddin, National Security Adviser Khalilur Rahman, Commerce Secretary Mahbubur Rahman, and WTO Wing Director General Nazneen Kaiser Chowdhury.

Earlier, Washington had informed Dhaka through an official letter that the counter-tariff would be 35 percent, meaning the newly declared rate has been reduced by 15 percentage points.

On April 2, US President Donald Trump announced higher tariffs on several countries, citing trade deficit concerns. At that time, Bangladesh was subject to a 37 percent tariff.

Later, on April 9, Washington suspended the tariffs for three months, giving countries an opportunity to negotiate with the US on the matter.

The three-month deadline ended on July 9.

The day before, President Trump wrote to Bangladesh's interim government chief adviser, Professor Muhammad Yunus, informing him that the tariff for Bangladesh had been reduced to 35 percent from 37 percent. However, the tariffs were not enforced immediately after July 9.

Countries were given until July 31 to reach trade agreements with the US to lower the tariff rates.

With that deadline now passed, the new tariffs came into on August 1. Meaning, Bangladeshi exporters will now pay an average of 15 percent regular tariff plus an additional 20 percent countervailing tariff, totaling 35 percent, to access the US market.

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