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### **Bangladesh secures reduced 19% US tariff, exemption for some apparel made with US material**

Feb 9 (Reuters) - Bangladesh has secured a reduced 19% [U.S.](#) tariff under a trade agreement signed between the two countries on Monday, granting exemptions for some textiles and garments manufactured with U.S. material.

Muhammad Yunus, chief advisor heading Bangladesh's interim government, said Washington had "committed to establishing a mechanism for certain textile and apparel goods from Bangladesh using U.S.-produced cotton and man-made fiber to receive zero reciprocal tariff in (the) U.S. market."

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The White House said Bangladesh had agreed to provide significant preferential market access for U.S. industrial and agricultural goods, including chemicals, medical devices, machinery and motor vehicles and parts, soy products and dairy goods, beef, poultry, tree nuts and fruit.

Bangladesh will also ease non-tariff barriers by accepting U.S. vehicle safety and emissions standards, recognising U.S. Food and Drug Administration certifications and removing import restrictions on remanufactured goods, the White House added.

### **BANGLADESH TO BOOST U.S. PURCHASES**

The nations also noted recent and upcoming commercial deals including aircraft procurement, around \$3.5 billion in purchases of U.S. agricultural products, and an estimated \$15 billion in U.S. energy product purchases over 15 years.

According to the U.S.-Bangladesh agreement's [32-page text, opens new tab](#) released by the U.S. Trade Representative's office, Biman Bangladesh Airlines intends to purchase 14 Boeing aircraft, with options for additional purchases. The airline [first announced a Boeing order](#) last July as negotiations were underway.

Bangladesh also will purchase an unspecified amount of U.S. military equipment and limit purchases from certain countries.

The South Asian low-wage country also pledged to uphold internationally recognized labour rights and strengthen environmental protections.

Yunus said the agreement followed nine months of negotiations that began in April last year.

The South Asian nation in August had [secured](#) a reduction in U.S. [tariffs](#) on its exports to 20%, down from 37% initially proposed by Washington, offering much-needed relief to the nation's apparel exporters.

### **INDIA STILL NEGOTIATING**

Bangladesh's tariff rate is slightly above the 18% rate for imports from India agreed last week by the Trump administration, but that deal requires more negotiations to be finalized.

U.S. Trade Representative Jamieson Greer said that Bangladesh was the first country in South Asia to complete a reciprocal trade deal with the U.S., and "marks a meaningful step forward in opening markets, addressing trade barriers, and creating new opportunities for American exporters."

The readymade garments sector is the backbone of Bangladesh's economy, accounting for more than 80% of total export earnings, employing about 4 million workers and contributing about 10% to gross domestic product.

Bangladesh goes to the polls on Thursday to elect new leadership after being governed by an interim government since August 2024, when former Prime Minister Sheikh Hasina fled to India, where she remains.

According to [tariff schedules, opens new tab](#) released by USTR, Bangladesh will cut high tariffs to zero on many farm and food products, such as poultry, pork, seafood, rice, corn and cereal grains when the agreement enters into force.

Other tariffs fall by 50% at the start and are gradually reduced to zero over five or 10 years, depending on the import. It will take a decade for the current 53.6% duty on almonds to fall to zero and five years for the 53.6% duty on 4-stroke auto rickshaw engines to be eliminated completely.

Most U.S. tariffs are a flat 19%, but Bangladeshi-made ingredients for pharmaceuticals and parts for aircraft are allowed in duty-free, consistent with treatment for other countries that have inked tariff-reducing trade deals with President Donald Trump's administration.