

Are rising exports, remittance the cure?

SOHEL PARVEZ

December has brought some good news! Remittance hit a record high, taking the total for the 2024 calendar year to \$26.87 billion. Exports surged too, pushing the final annual figure to \$50 billion.

These two numbers of exports and remittances, the major pillars of Bangladesh's struggling economy, provide some respite for the time being, alleviating pressure on the country's external accounts to some extent.

This may also help contain volatility in the forex market, a key source of instability in the economy amidst a surge in imports after the relaxation of Covid restrictions and Russia's invasion of Ukraine in early 2022.

The question now is would the gain in exports and buoyancy in remittances break the cycle of sluggishness plaguing the economy?

The developments may help contain volatility in the forex market, a key source of instability in the economy amidst a surge in imports

Will this renewed vitality prevail and give a new lease of life to the hundreds of export and domestic market-oriented factories surrounding the capital Dhaka, port city Chattogram and other parts of the country?

When it comes to identifying the acceleration pedal in export growth, much of the answer lies on ensuring law and order and political stability, as the spike in shipments shows buyers' reliance on the country's capacity and competitiveness.

It will also depend largely on import payments, said Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue (CPD).

"Definitely, increased inflow of remittance and export will contribute to import payments. But overall flow is still not enough, which is why we see the devaluation of the taka against the dollar," he said.

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LC margin for car imports lowered as reserves improve

STAR BUSINESS REPORT

The Bangladesh Bank (BB) has lowered the cash margin for opening letters of credit (LCs) to import cars as the country's foreign exchange inflow and dollar stocks show improvement.

Now, banks will be able to import fully electric and hybrid cars, which generally pollute less than conventional vehicles, by keeping an LC margin based on the bank-client relationship.

However, the commercial lenders will have to maintain a 50 percent cash margin to import other autos like sedans, sport utility vehicles (SUVs), and multi-purpose vehicles (MPVs), according to a central bank circular issued on Thursday.

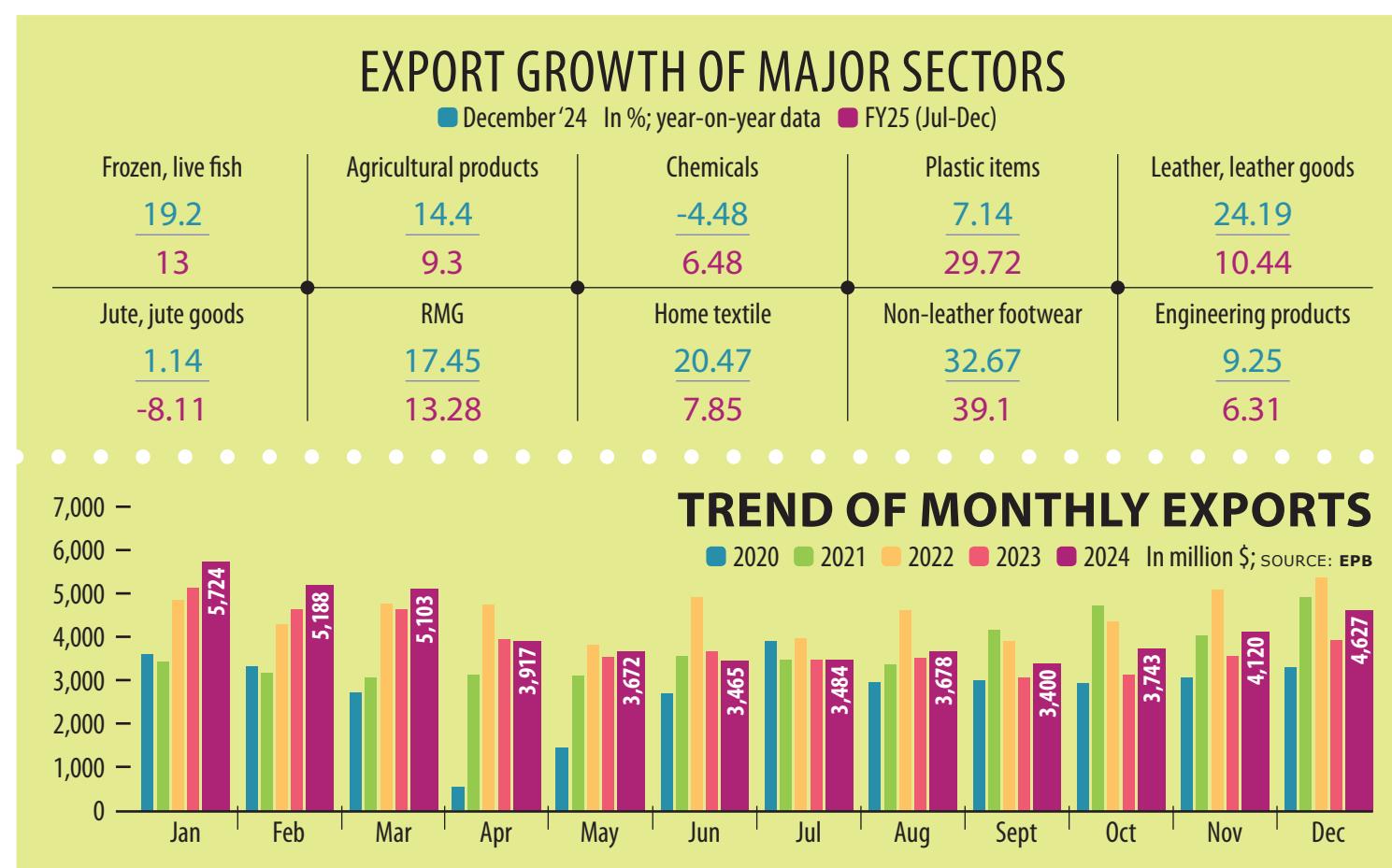
The new rules will take effect from February 1 of this year.

In the face of fast-depleting reserves, banks were instructed in July 2022 to maintain a 100 percent cash margin for importing all types of motorcars.

In yesterday's circular, the central bank said that the use of fully electric and hybrid vehicles is being prioritised worldwide, considering their fuel efficiency and environmental friendliness.

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Exports hit \$50b in 2024



STAR BUSINESS REPORT

Bangladesh's exports hit \$50 billion in 2024, buoyed by a sharp December spike, providing the much-anticipated breather for an economy facing multiple headwinds, including external account pressures.

Exports grew 8.3 percent year-on-year in the past year, according to data from the Export Promotion Bureau (EPB) released yesterday -- just a day after cheering record-high remittances of \$26.9 billion in 2024.

Of the total \$50 billion, exporters earned \$4.62 billion in December alone, an 18 percent increase compared to the same month in the previous year.

The growth is largely attributed to the strong performance of the readymade garment (RMG) industry -- the backbone of the country's economy.

December's export receipts were the highest since March 2024, when the country earned over \$5 billion.

In the first six months of the current fiscal year 2024-25, exports rose by 12.84 percent to \$24.53 billion.

During the July-December period, garment shipments, the top export earner, increased by 13.28 percent to \$19.88 billion.

Of the total garment exports in July-December, \$10.83 billion came from knitwear exports -- a 13.01 percent year-over-year increase.

Exports from the woven segment contributed \$9.05 billion -- up 13.60 percent year-over-year.

Leather and leather goods exports grew 10.44 percent to \$577.29 million in the last six months. Cotton and cotton product exports increased 16.32 percent to \$319.06 million.

According to EPB data, home textile exports increased 7.85 percent to \$410.81

million in July-December, while non-leather footwear exports surged 39.10 percent to \$273.89 million.

Frozen and live fish exports grew 13.01 percent to \$245.71 million and agricultural product shipments increased 9.31 percent to \$59.51 million, data showed.

Plastic goods shipments went up 29.72 percent to \$157.94 million in July-December.

However, some traditional export items, such as jute and jute goods, saw a decline in merchandise shipment during the July-

mid 2025," he added.

Shams Mahmud, managing director of Shasha Denims Ltd, another big exporter, said that overall garment exports have increased, driven by large factories with strong financial positions and reliable energy supplies.

However, SMEs (small and medium enterprises) are struggling. So, the export growth doesn't necessarily indicate strong performance across the industry. Smaller factories are not doing well, and this could cause problems in the long run," he said.

Faruque Hassan, a former president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), termed the rebound in exports as a very positive sign.

According to Hassan, there is a bright outlook for Bangladeshi businesses in the near future as inflationary pressures in major Western markets like Europe and the US have started to ease.

Bangladesh's garment exports are poised for growth in the near future due to increased exports to new markets and higher exports of value-added garment items such as suits, lingerie, and jackets, Hassan further said.

Besides, the unit price of Bangladeshi garments has increased over the past few years.

The former BGMEA chief said the growth, achieved even amid repeated flooding, labour unrest, inflationary pressures and nationwide movements, shows the strong confidence that international clothing retailers and brands have in Bangladesh.

The leather industry has also experienced significant growth, with exports increasing by over 30 percent in the first half of the year, according to Nasir Khan, chairman and managing director of Jennys Shoes.

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December period. Jute and jute goods exports fell 8.11 percent to \$417.39 million.

"As you've seen, our textile and apparel sectors are enjoying positive growth despite political and financial challenges," said David Hasanat, chairman of apparel exporter Viyellatex Group.

Hasanat, also the president of Bangladesh Independent Power Producers' Association, said, "Our remittance flows are increasing significantly and I believe they will continue to grow in the coming year."

"If we can ensure political stability, businesses will see great momentum from

Thailand sees growing influx of patients from Bangladesh

JAGARAN CHAKMA

Bangladeshi patients searching for better healthcare than that available at home are increasingly travelling to Thailand instead of India as the neighbouring country is limiting visa issuances for Bangladeshi nationals.

Besides, the compassionate attitudes shown by hospital staff in Thailand coupled with its easy e-visa application process are propelling the influx of patients from Bangladesh to the east Asian nation.

A study on the "healthcare quality of Bangladesh and outbound medical travel to Thailand" showed that local patients have a positive perception about medical services in Thailand, making it a preferred choice for seeking treatment.

The study was conducted by Muhammad Mahboob Ali, a professor of economics at the University of Dhaka, and Dr Anita Medhekar, a senior lecturer in economics at Central Queensland University in Australia.

They said the main driver behind peoples' preference towards Thailand for medical tourism is their belief

STATISTICALLY SPEAKING

Thailand sees 40% YoY surge in medical visa applications from Bangladeshis

WHY
India's recent medical visa restrictions

Better service & care at Thai hospitals



HOWEVER
Treatment costs in Thailand higher than in Bangladesh

TOP DESTINATIONS
Samitivej Sukhumvit Hospital, Bumrungrad International Hospital, and Bangkok Hospital



Akter said she was fully supported by Thai Medicure, an authorised referral partner for some of the top hospitals of Thailand, in obtaining a visa and scheduling a doctor's consultation.

Akter informed that she had travelled to Bangkok, the capital of Thailand, to receive treatment advice from a kidney disease specialist at Samitivej Sukhumvit Hospital.

And although treatment costs in the country were a little higher than that of even the best private hospitals in Bangladesh, Akter noted that the staff's diligence and quality of care provided are worth it.

As such, patients like Akter are discovering that medical facilities like Samitivej Sukhumvit Hospital and Bumrungrad International Hospital in Bangkok offer not only advanced treatment, but also compassion and efficiency.

The same was echoed by one Labiba, whose relative had recently travelled to Bangkok for medical care after failing to obtain a visa for India.

Based on their experience, Labiba said that although treatment costs in

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Max dollar spread Tk 1: BB

STAR BUSINESS REPORT

The Bangladesh Bank (BB) yesterday asked banks to keep a maximum of Tk 1 as a spread between the buying and selling rates of the US dollar.

This directive was issued as some commercial lenders charged higher rates when selling the greenback, taking advantage of the local forex market volatility.

The BB said that unusual spreads between buying and selling foreign currency result in discriminatory currency arrangements and multiple currency practices.

It said that each bank must apply a uniform spot rate irrespective of the transaction size for all buying transactions on a business day.

"Similarly, a uniform spot rate shall also be maintained for all selling transactions on a business day," it added.

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ADB attaches 20 conditions to another \$600m budget support

REJAUL KARIM BYRON and AM JAHID

The Asian Development Bank (ADB) has outlined 20 conditions for Bangladesh to access \$600 million in the second tranche of a loan for the implementation of its "Strengthening Economic Management and Governance Program".

This is in tune with the disbursement of the first tranche of \$600 million last month, following the fulfilment of other preconditions.

Bangladesh must meet the new conditions between December 2024 and March 2026 to secure the loan.

Japan International Cooperation Agency, and the Organization of the Petroleum Exporting Countries are expected to contribute \$350 million under the same programme, according to the ADB documents.

The conditions centre on reforms in tax administration, state-owned enterprises (SOEs), foreign investment, public-private partnerships, and Bida

Particular emphasis is placed on modernising the National Board of Revenue (NBR) to enhance efficiency and tax compliance.

Among the key requirements, the NBR's income tax and VAT wings must jointly run audits on at least 15 high-risk and high revenue generating entities.

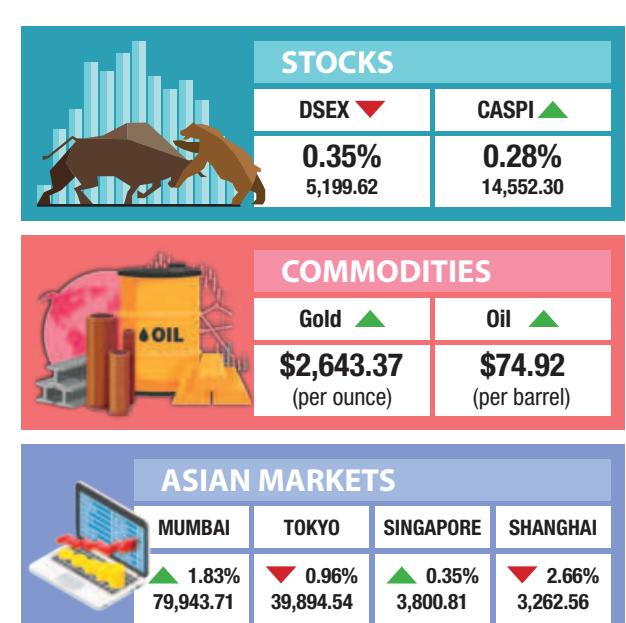
They must also run audits on at least 20 percent of income tax and VAT returns that are submitted using an automated compliance risk management system.

Additionally, the NBR must expand the effective tax net and implement a comprehensive taxpayer outreach and support strategy.

The tax regulator is also tasked with establishing a "Risk Management and Tax Intelligence Wing" and developing an integrated database and analytics platform.

This will facilitate the "whole of NBR" digital transformation initiative aimed at improving transparency and efficiency of the tax administration.

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Lovello declares 20% dividends

STAR BUSINESS DESK

Taufika Foods and Lovello Ice-Cream PLC, a listed food and allied sector company, has announced 20 percent dividends, including a 10 percent cash dividend, for the financial year 2023-24.

The announcement came at the company's 13th annual general meeting (AGM), which was held virtually recently, the company said in a press release.

Shamima Nargis Haque, chairman of the company, presided over the meeting.

At the meeting, Md Ekramul Haque, managing director of the company,

presented the meeting's report and informed the shareholders about the company's important issues and future plans.

Haque expressed hope that the company's success and progress will continue in the coming days.

Among others, Muhsinina Taufika Ekram and Muhsinina Sharika Ekram, directors of the company, Ruhul Ameen, independent director, Md Moheuddin Sander, company secretary, Mustaque Ahmed, chief finance officer, and Md Mahfuzur Rahman, head of internal audit and compliance, joined the AGM.



Shamima Nargis Haque, chairman of Taufika Foods and Lovello Ice-Cream, presides over the company's 13th annual general meeting, which was held virtually recently. The meeting announced 20 percent dividends, including a 10 percent cash dividend, for financial year 2023-24.

PHOTO: TAUFIIKA FOODS & LOVELLO ICE-CREAM

BRAC Bank opens client service unit for international trade

STAR BUSINESS DESK

BRAC Bank has opened a dedicated client service unit in a bid to facilitate international trade for its corporate and institutional customers.

Tareq Refat Ullah Khan, acting managing director and CEO of the bank, inaugurated the service unit at the bank's head office in the capital's Gulshan on Wednesday, said a press release.

Commenting on the launch of the service unit, Khan said, "Our prime objective of establishing the dedicated unit is to enhance customer experience, improve efficiency, and reduce turnaround time of trade operations."

"This serves as a stepping stone as BRAC Bank has set a strategy to become the most preferred transactional banking partner for corporate and institutional conglomerates," he added.



Farman R Chowdhury, managing director and CEO of Al-Arafah Islami Bank, inaugurates a "Retail Business Hub" at the bank's Jamalkhan branch in Chattogram yesterday.

PHOTO: AL-ARAFAH ISLAMI BANK

Tareq Refat Ullah Khan, acting managing director and CEO of BRAC Bank, inaugurates a dedicated client service unit at the bank's head office in the capital's Gulshan on Wednesday.

PHOTO: BRAC BANK

STAR BUSINESS DESK

Al-Arafah Islami Bank (AIB) PLC has opened a "retail business hub" at Jamalkhan branch in Chattogram to provide retail banking services to its clients.

Farman R Chowdhury, managing director and CEO of the bank, inaugurated the business hub as the chief guest in the

port city yesterday, the bank said in a press release. Retail clients will get various banking facilities, including home, car and personal investments, from the business hub.

Mohammad Azam, zonal head for Chattogram of the bank, presided over the event, where Mohammad Fazlur Rahman Chowdhury, deputy managing director of the bank, was present as the special guest.

ADB attaches 20 conditions to another \$600m

FROM PAGE B1

As a part of this digital shift, anonymised taxpayer data, meaning that from which identifying information has been removed, must be made accessible to independent researchers, including specialists from the ADB, development partners, civil society, and verified research organisations.

The ADB highlighted the need to modernise the VAT system by increasing the number of goods and services on which a uniform 15 percent VAT is currently imposed.

It also called to make it mandatory for entities which pay large amounts of tax to adopt e-invoicing and implement a consistent set of criteria for mandatory inclusion of taxpayers in the NBR's large taxpayers unit which deal with VAT and income tax.

In support of these initiatives, the ADB will assist the NBR in conducting ICT diagnostics, creating an integrated taxpayer database, and developing a data-sharing ecosystem.

If these measures are implemented, income tax return submissions are expected to increase by 30 percent from the 4,301,725 filed in fiscal year 2023-24.

Similarly, VAT return submissions are projected to rise by 25 percent from the FY2024 figure of 348,929.

Online income tax return submissions are anticipated to grow by 40 percent from the 526,427 recorded in FY2024, while online VAT submissions are forecasted to increase by 25 percent from the 250,795 received in the same year.

Beyond tax reforms, the Finance Division of the Ministry of Finance is tasked with enacting a comprehensive non-tax revenue (NTR) policy that integrates climate change considerations and establishes an NTR database management system.

Moreover, the Planning Division of Bangladesh Planning Commission will have to spearhead a Public Investment Management Reform Program (2024-2028).

This includes forming a National Coordination Committee to oversee public investment management reforms and introducing a digital multi-year public investment programme across at least 10 of 15 economic sectors.

To enhance project efficiency, the Planning Division will update its guidelines for preparing, approving, and revising public investment projects.

By June 2027, the average project time overrun is expected to be reduced from 24 months to 18 months, while cost overruns are to be cut by 33 percent from the current average of Tk 173.8 million per project.

The ADB will also conduct a diagnostic study on the public investment management system to improve its transparency and effectiveness.

Reforms targeting SOEs are another critical component of the ADB's conditions.

The Finance Division will issue an SOE Ownership Policy, mandating that the 50 largest commercial SOEs implement Public Service Obligations.

These SOEs must publish audited financial statements within six months of the end of the respective fiscal year.

Additionally, fiscal risk reports of the 30 largest commercial SOEs, along with an aggregate report on the top 50, will detail their performance, budgets, government support levels, and governance standards.

To strengthen SOE management, a circular will be issued requiring all listed SOEs to ensure that at least 20 percent of their board members are independent, and 25 percent are female by October 2026.



বাংলাদেশ এনার্জি রেগুলেটরী কমিশন

টিসিরি ভবন (৪ষ্ঠ তলা) ১, কারওয়ান বাজার, ঢাকা-১২১৫

ওয়েবসাইট: www.berc.org.bd

তারিখ: ১৮ পৌষ ১৪৩১ বঙ্গাব্দ
০২ জানুয়ারি ২০২৫ খ্রিস্টাব্দ

Saudi CP অন্যায়ী ভোক্সপর্মায়ে বেসরকারি এলপিজি ও অটোগ্যাসের মূল্য সম্বর্ধয় বিজ্ঞাপ্তি

জানুয়ারি ২০২৫ মাসের জন্য সৌদি আরামকে কর্তৃত প্রোপেন এবং বিউটেন এর ঘোষিত Saudi CP প্রতি মেট্রিক টন যথাক্রমে ৬২৫০০ মার্কিন ডলার এবং ৬১৫০০ মার্কিন ডলার এবং প্রোপেন ও বিউটেনের অনুপাত ৩৫:৬৫ অন্যায়ী প্রোপেন ও বিউটেনের গড় Saudi CP প্রতি মেট্রিক টন ৬১৮,৫০ মার্কিন ডলার বিচেনায় জানুয়ারি ২০২৫ মাসের জন্য বেসরকারি এলপিজি ও অটোগ্যাসের ভোক্সপর্মায়ের মূল্য নিয়ন্ত্রিতভাবে সম্বর্ধয় করা হলো:

(ক) বেসরকারি এলপিজি'র রিটেইলার পয়েন্টে ভোক্সপর্মায়ে মূল্য প্রতি কেজি ১২১,১৯ টাকায় এবং বিভিন্ন পরিমাণের বোতলজাতৃত বেসরকারি এলপিজি'র ভোক্সপর্মায়ে মূল্য প্রতি কেজি ১১১,৩৭ টাকায় এবং (ii) গ্যাসীয় অবস্থায় সরবারাহকৃত বেসরকারি এলপিজি'র ভোক্সপর্মায়ে মূল্য প্রতি কেজি ১১১,১১ টাকায় এবং বিভিন্ন পরিমাণের বোতলজাতৃত বেসরকারি এলপিজি'র ভোক্সপর্মায়ে মূল্য প্রতি কেজি ১০২,৮০ টাকায় সম্বর্ধয় করা হলো:

বিভিন্ন পরিমাণের বোতলজাতৃত বেসরকারি এলপিজি'র ভোক্সপর্মায়ে সম্বর্ধকৃত মূল্য, জানুয়ারি-২০২৫

বিবরণ	বোতলজাতৃত এলপিজি'র পরিমাণ ও মূল্য													
	বোতলজাতৃত এলপিজি'র পরিমাণ	৫.৫	১২	১২.৫	১৫	১৬	১৮	২০	২২	২৫	৩০	৩৩	৩৫	৪০
রিটেইলার পয়েন্টে	৬৬৭		১৪৫৫	১৫৫৫	১৮১৮	১৯০৯	২১১১	২৪৪৪	২৬৬৬	৩,০০	৩,৬৬	৩,৯৯	৪,৪২	৫,৮৮
ভোক্সপর্মায়ে	টাকা		টাকা											
বিক্রযুক্ত (মূল্যসহ)														

(খ) রেটিকুলেটেড প্রতিতে (i) তরল অবস্থায় সরবারাহকৃত বেসরকারি এলপিজি'র ভোক্সপর্মায়ে মূল্য প্রতি কেজি ১১১,৩৭ টাকায় এবং (ii) গ্যাসীয় অবস্থায় সরবারাহকৃত বেসরকারি এলপিজি'র ভোক্সপর্মায়ে মূল্য প্রতি কেজি ১০২,৮০ টাকায় এবং ০,২৬০৮ টাকায় বা প্রতি ঘনমিটার ২৬০,৮০ টাকায় সম্বর্ধয় করা হলো।

(গ) ভোক্সপর্মায়ে অটোগ্যাসের মূল্য প্রতি লিটার ৬৬,৭৮ টাকায় সম্বর্ধয় করা হলো।

২১ সম্বর্ধকৃত উত্ত মূল্য ১৮ পৌষ ১৪৩১ বঙ্গাব্দ/ ০২ জানুয়ারি ২০২৫ খ্রিস্টাব্দ তারিখ সকার্য ০৬:০০ ঘটিকা হতে প্রযোজ্য ও কার্যকর হবে এবং পরবর্তী আদেশ না দেয়া পর্যন্ত তা বলুব থাকবে।

৩১ ০৩ মার্চ ২০২৫ তারিখে জারীকৃত বিইআরসি আদেশ নম্বর: ২০২৪/০৩ অন্যায়ী সরবারাহ এলপিজি'র ডিলার/রিটেইলার পয়েন্টে ভোক্সপর্মায়ে মূল্যাহার প্রতি ১২,৫০ কেজি ৬৯০,০০ টাকা অপরিবর্তিত থাকবে।

৪১ প্রতেক এলপিজি মজুতকরণ ও বোতলজাতকরণ লাইসেন্সি এলপিজি মজুতকরণ ও বোতলজাতকরণ পরবর্তী মূল্যে (মৃক্ত- উত্তর/মূল্যসহ) ডিস্ট্রিবিউটরের নিকট এলপিজি বিক্রয় করবে এবং সে অন্যায়ী মূল্য চালান/ডেভিলডার অর্ডার (ডিও) প্রদান করবে।

৫১ কোনো প্রায়ে (এলপিজি মজুতকরণ ও বোতলজাতকরণ, ডিস্ট্রিবিউটর এবং ভোক্সপর্মায়ে রিটেইলার পয়েন্টে) কমিশন কর্তৃক নির্ধারিত মূল্যের চেয়ে অধিক এলপিজি (বোতলজাতকৃত এবং রেটিকুলেটেড সিস্টেমের মাধ্যমে সরবারাহকৃত) অটোগ্যাস বিক্রয় করা যাবে না।

৬১ ২৫ আশ্বিন ১৪২৪ বঙ্গাব্দ/ ১০ অক্টোবর ২০২১ খ্রিস্টাব্দ তারিখে জারীকৃত বিইআরসি আদেশ নম্বর: ২০২১/০৭ এর অন্যান্য আদেশ ও নির্দেশনা অপরিবর্তিত থাকবে।

<p

Prime Leaf
Processing to
invest \$8.84m
in Bepza EZ

STAR BUSINESS REPORT

Prime Leaf Processing Company Limited, a joint venture between entities from Singapore, the UAE, and India, will invest \$8.84 million to establish a tobacco processing factory in the Bangladesh Export Processing Zones Authority (Bepza) Economic Zone (EZ).

The company plans to produce 36,000 tonnes of cut rags and cut rolled expanded stems annually, creating employment opportunities for 100.

Meng Li, chairman of Prime Leaf Processing Company, and Md Ashraful Kabir, member (investment promotion) of Bepza, signed a lease agreement at the Bepza Complex in Dhaka yesterday, said a press release.

Maj Gen Abul Kalam Mohammad Ziaur Rahman, executive chairman of Bepza, expressed gratitude to Prime Leaf Processing for selecting Bangladesh, particularly Bepza EZ, as their investment destination.



Launch operators said the demand for their services has fallen as people are reluctant to travel at such slow speeds, especially since Padma Bridge significantly boosted road connectivity with southwestern regions.

PHOTO: TITU DAS

Gold extends
gains from
2024

REUTERS

Gold prices rose on Thursday, extending gains from 2024 as investors weighed potential shifts in the US Federal Reserve's interest rate outlook in the face of President-elect Donald Trump's proposed tariffs and their likely impact on inflation.

Spot gold rose 0.6 percent to \$2,638 an ounce by 0930 GMT, having gained 0.7 percent on the last trading day of 2024. US gold futures edged up by 0.4 percent to \$2,651.

"In my opinion, political and economic risks, non-dollar and yield sensitive demand from de-dollarising central banks and investors seeking a hedge against fiscal instability, as well as sticky inflation, will support another year of gains for gold," said Ole Hansen, head of commodity strategy at Saxo Bank.

In 2024 the Fed's rate-easing cycle, robust central bank purchases and mounting geopolitical tensions propelled bullion to multiple record highs and a 27 percent annual gain, its biggest since 2010.

"Over the next month the market will be focusing on new year flows from asset allocators and where they go, as well as Trump and more details about his policies, some of which are likely to end up being gold-friendly," Hansen said, adding that a gold price target of \$3,000 an ounce looks likely.

Donald Trump will be sworn in as president of the United States on Jan. 20. His proposed tariffs and protectionist trade policies are expected to be inflationary and could spark trade wars, adding to gold's allure as a safe-haven asset.

With inflation above its 2 percent target, traders expect the Fed to employ a cautious approach to interest rate cuts in 2025.

Investors are also awaiting a slew of US economic data next week to further gauge the interest rate outlook for 2025.

Indonesia's B40
palm oil delay causes
market uncertainty

REUTERS, Jakarta

Indonesia has yet to implement a higher mandatory blend of biodiesel planned for Jan. 1 as industry participants await technical details of the new regulation, causing confusion among palm oil traders.

The government had pledged to mandate a 40 percent mix of palm oil-based fuel in biodiesel from Jan. 1, known as B40, from a 35 percent blend currently in force.

The benchmark palm oil contract for March delivery on the Bursa Malaysia Derivatives Exchange closed 2.5 percent lower on Thursday at 4,336 ringgit (\$968.72) a metric ton amid uncertainty about B40 implementation, after rising about 1.8 percent earlier in the day when it tracked gains in Dalian vegetable oil.

The plan for higher biodiesel blend by the world's biggest palm oil producer helped drive up Malaysia's benchmark palm oil contract nearly 20 percent in 2024 on expectations of lower palm oil exports from rival producer Indonesia.

As of Thursday, Indonesian state energy firm Pertamina, which operates the country's largest petrol station network,

SUSHANTA GHOSH

Seat bookings for passenger ships that ply the inland waterways of Bangladesh, including the Barishal to Dhaka route, has decreased by at least 66 percent.

Industry people said rotating the vessels, or launches, and changing their routes were among other measures implemented for reducing their losses, but to no avail.

Now on the brink of financial ruin, launch owners are considering whether to cut losses by exiting the business altogether.

Razin ul Kabir, who owns a passenger ship named Suravi, said it costs about Tk 1.8 lakh in fuel, labour and other expenses for each trip to Barishal from Dhaka.

But the current volume of seat bookings barely covers half of this amount, he added.

For these reasons, there have been no new investments in the launch business. Kabir also informed how some launch owners that left the business cut their vessels into pieces for sale as scrap. Besides, some of these owners that invested in other businesses are seeing success.

"We launched a luxury bus service called Suravi Paribahan on the Dhaka-Barishal route. Already, 12 buses have been added to its fleet," he said.

Sources at the Launch Owners' Association said demand for launch services fell as people are reluctant

to travel at the slow speeds they offer, especially since Padma Bridge significantly boosted road connectivity with southwestern regions.

However, industry people believe that launch services could survive if the vessels are repurposed as luxury waterway passenger transport services.

Sources at the Bangladesh Inland Water Transport Authority said around 16 launch services were plying the Dhaka-Barishal route before the opening of Padma Bridge.

However, the passenger volume has dropped by about two-thirds since then, they added. A source at the Launch Owners' Association said there are calls to sell idle launches almost every month. Already, 10 to 12 launches have been sold as scrap.

Last week, the launch Adventure-1, which is running on the Dhaka-Barishal route, called for buyers on social media, he added.

Saifur Rahman Pintu, a member of the Launch Owners' Association and director of Sundarban Navigation, said they are not able to even collect enough money to cover fuel costs.

"We are defaulting on bank interest payments. The launch business has turned into a sick industry at this point," he added.

Barishal River Port Officer Abdur Razzak said passenger movement through Barishal River Port has already fallen by around 66 percent.

Earlier, eight launches would operate from Barishal River Port while there are just two launches at present.

As such, earnings from ticket sales at port counters have decreased to about Tk 26,000 from roughly Tk 90,000 previously.

Industry participants
await technical details of
a new regulation, causing
confusion among palm
oil traders

and biodiesel producers group APROBI said they were waiting for the relevant official decrees before selling the fuel.

"Once the regulation has been issued, there will be time to transition for the sale. At the moment we have prepared Plaju and Kasim refineries for processing B40," Pertamina spokesperson Fadjar Djoko Santoso said.

Members of APROBI cannot draw contracts for biodiesel distribution without a decree from the government, Secretary General Ernest Gunawan said.

Edi Wibowo, director of bioenergy at the energy ministry, said on Thursday that he was awaiting further instructions for B40, without providing more details.

Other senior officials at the energy ministry did not respond to queries about B40 implementation. Palm oil industry watchers had expected the rollout of the policy to be gradual.

REUTERS

Asia's factory powerhouses ended 2024 on a soft note as expectations for the New Year soured amid growing trade risks from a second Donald Trump presidency and China's fragile economic recovery.

A series of manufacturing purchasing managers' indexes for December from across the region published on Thursday showed factory activity slowing in China and South Korea although there were some signs of pickup in Taiwan and Southeast Asia.

US President-elect Trump has pledged to impose big tariffs on imports from three major trading partners - Mexico, Canada and China - which are expected to in turn affect other large exporting nations and broader global business activity.

The Caixin/S&P Global manufacturing PMI for China nudged down to 50.5 in December from 51.5 the previous month.

That echoed an official survey

REUTERS

released earlier this week, which showed factory activity barely growing.

Gabriel Ng, assistant economist at Capital Economics, said Beijing's increased policy support in late 2024 provided a near-term boost to growth, which is likely to be seen



Employees work on a production line at a toy factory in Lianyungang, in eastern China's Jiangsu province. The Caixin/S&P Global manufacturing PMI for China nudged down to 50.5 in December from 51.5 the previous month.

PHOTO: AFP/FILE

in other fourth quarter indicators. "And this improvement should carry over into early 2025," Ng said. "But the boost probably won't last more than a few quarters, with Trump likely to follow through on his tariff threat before long and persistent structural imbalances

still weighing on the economy."

Elsewhere in Asia, South Korea's PMI showed activity shrinking in December and the decline in output gathering pace, a stark contrast to better-than-forecast export growth figures released on Wednesday.

South Korea's central bank governor said on Thursday the pace of monetary policy easing would need to be flexible this year due to heightened political and economic uncertainty.

In addition to global trade uncertainty, South Korea is dealing with the hit to business confidence from a national political crisis after a failed bid by President Yoon Suk Yeol last month to impose martial law.

Earlier in the week, Japan's PMI showed activity shrinking, albeit at a slower pace in December.

India's manufacturing activity grew at its weakest pace for 2024, its PMI showed, although the South Asian economy's factories continued to outperform regional peers, reporting uninterrupted expansion for the past three and a half years.

Standard
Ceramic reports
Tk 4cr loss in Q1

STAR BUSINESS REPORT

Standard Ceramic Industries recorded a loss in the first quarter of the financial year 2024-25, as continued operational expenses without any revenue drove its earnings into negative territory.

During the July-September period of FY25, the ceramics manufacturer posted a loss of Tk 4.61 crore, reflecting a marginal 2 percent improvement compared to the loss recorded in the corresponding period last year.

Shares of the company declined 0.29 percent to Tk 69.9 as of mid-day trading yesterday on the Dhaka Stock Exchange (DSE).

The loss per share was Tk 7.14, slightly lower than Tk 7.34 in the corresponding period of 2023, according to a disclosure on the DSE website.

The company attributed the negative earnings per share to the temporary closure of its factory from January 26, 2024.

During the quarter, Standard Ceramic reported no revenue while it had to spend for full salary payments and other fixed costs, leading to a deviation in its net asset value (NAV) per share, as per the disclosure.

Additionally, its net operating cash flow per share (NOCFPS) improved slightly, recording Tk 0.20 in the negative compared to Tk 8.16 in the negative a year earlier.

Established in 1984, the company went into commercial production in 1993 and its factory is located near the Hazrat Shahjalal International Airport in Dhaka.

It employs 600 workers and can produce 47,000 assorted tableware pieces daily, according to its website.

HR Textile
posts Tk 8.24cr
loss in Q1

STAR BUSINESS REPORT

HR Textile Mills plunged into losses in the first quarter of financial year 2024-25.

The garments manufacturer reported a Tk 8.24 crore loss in the July-September quarter.

As a result, the loss per share was Tk 2.82 for the quarter, as compared to earnings per share of Tk 0.94 in the same period previous year, according to a disclosure on the Dhaka Stock Exchange (DSE) website.

Shares of HR Textiles declined 2.21 percent to Tk 27.8 as of yesterday afternoon at the DSE.

The company's net operating cash flow per share deteriorated, recording Tk 2.72 in the negative compared to Tk 2.83 a year earlier.

HR Textile, a subsidiary of Pride Group, specialises in export-oriented knitwear manufacturing, catering to markets in Europe, Canada, and Asia.

Pakistan's annual
inflation slows to
4.1% in Dec

REUTERS, Karachi

Pakistan's consumer inflation rate slowed to 4.1 percent year on year in December, the statistics bureau said on Wednesday, the lowest in more than 6-1/2 years.

The South Asian country is navigating a challenging economic recovery path buttressed by a \$7 billion facility from the International Monetary Fund granted in September.

Consumer prices in December rose 0.1 percent from the month before, according to the Pakistan Bureau of Statistics.

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