

# Star BUSINESS



Salehuddin Ahmed

## Govt to incentivise companies to go public

### STAR BUSINESS REPORT

The interim government of Bangladesh will give incentives for encouraging both large private and public firms to get listed in the stock market, according to Finance Adviser Salehuddin Ahmed.

"This would boost the market base," he said while speaking during a discussion on the current market condition at the Dhaka Stock Exchange (DSE) yesterday.

Ahmed said good companies are typically uninterested to enter the stock market as their owners prefer to place close relatives in senior positions

**The adviser said good companies are typically uninterested to enter the stock market as their owners prefer to place close relatives in senior positions**

such as chairman and managing director to keep most profits for themselves.

Doing so would have been otherwise impossible if the companies were listed as their shareholders would then be able to vote on who to appoint.

"So, the depth of the stock market is very low," he added.

Ahmed also said that being listed with the stock market would mean these companies have to show good corporate governance.

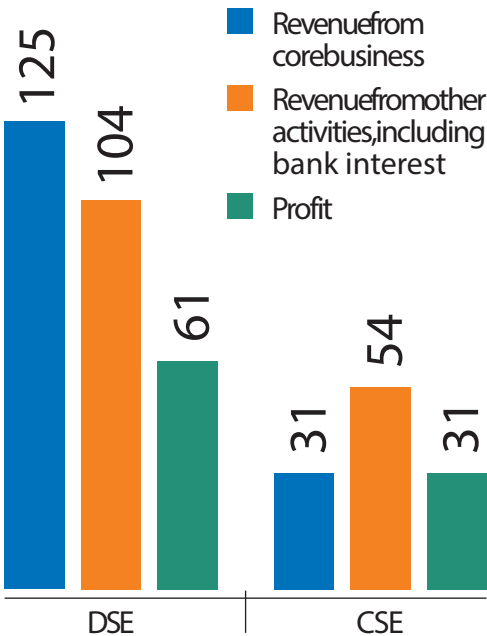
"But many of them do not want to face questions [regarding their management]. So, they are not interested to come to the market," he added.

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# As trade dries up, stock exchanges turn to FDRs for survival

## Revenue and profit of DSE, CSE in FY24

In crore taka; SOURCE: FINANCIAL REPORTS



### AHSAN HABIB

The country's two stock exchanges logged operating losses in the last fiscal year thanks to sluggish trading activities, according to official data, compelling the markets to resort to their fixed deposit income to avoid a net loss.

The Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE) mainly generate operating income from their core businesses, such as commissions on daily turnover, fees from new issuances and sales of stock data.

In fiscal year 2023-24, all income streams for both exchanges declined remarkably compared to previous years.

For example, the country's premier bourse DSE generated Tk 125 crore in revenue from core businesses. But, operating expenses and depreciation costs surpassed this amount, resulting in an operating loss of Tk 20 crore.

The DSE's other income, particularly interest from fixed deposit receipts (FDRs), rescued the bourse from incurring a net loss in FY24.

Apart from core businesses, the DSE earned Tk 104 crore from other sources that year, including Tk 77 crore interest from FDRs. So, DSE's net profit was Tk 61 crore in FY24.

In the past 15 years, the two stock exchanges have generated enough revenue to cover operating costs in only three to four fiscal years, according to industry sources.

## WHY STOCK EXCHANGES SUFFER



AGM Sattique Ahmed Shah, acting managing director of the DSE, said turnover in the last fiscal year dropped due mainly to unfavorable macroeconomic situations, which eventually reduced the DSE's transaction fees by around Tk 20 crore.

The premier bourse earlier projected an average daily turnover of Tk 1,200 crore in FY24. But the actual turnover turned out to be Tk 622 crore.

The turnover was Tk 792 crore and Tk 1,031 crore in FY23 and FY22, respectively, DSE



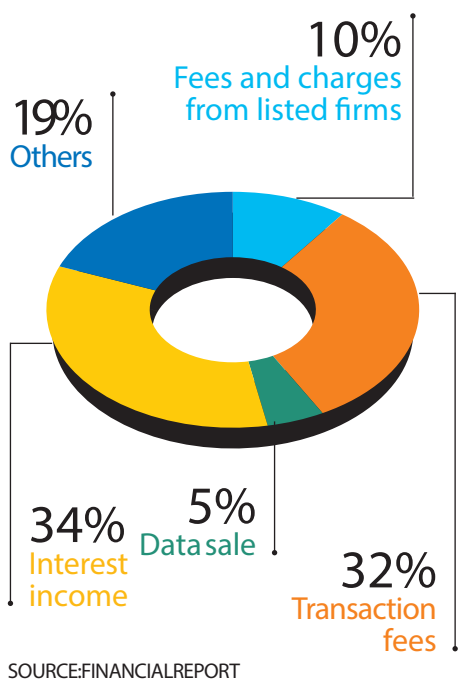
data showed.

The DSE acting managing director said the market had a floor price in the last fiscal year, which he said chained daily turnover.

The DSE also generates revenue when a company is listed on the market. However, the number of companies listed on the market was also low in FY24.

Moreover, only 18 initial public offerings

## Sources of DSE revenue in FY24



SOURCE: FINANCIAL REPORT

(IPOs, including bonds and mutual funds) were approved by the DSE in the last two fiscal years, compared to 30 in the previous two fiscal years, according to official data.

On top of it, the DSE reported depreciation of its data centre from October 2023, increasing its costs in this area and eventually raising the bourse's overall expenses, Shah added.

The Chittagong bourse also represented a similar earnings pattern in FY24.

CSE's revenue from core businesses amounted to Tk 31 crore, putting the port city bourse to face an operating loss of Tk 10 crore.

But, CSE's revenue from other sources, including bank interests, was Tk 54 crore. This eventually rescued the CSE's net operating bottom line to Tk 31 crore in positive territory.

"This is a lone product-based market, which is equity. And this market growth is not favourable, so income from the core business is not high," said M Shaifur Rahman Mazumdar, managing director of the CSE.

He said both the bourses have huge assets, which show their solvency and ensure investor confidence. "Even though the market structure is weak, no stock exchange has failed to settle transactions," Mazumdar said.

But to increase revenue from core business, he recommended ensuring reasonable market growth, favourable policies, listing of good and well-performing companies and diversifying products.

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# Beza to focus on 5 economic zones, attract \$5.5b in 2 years

### STAR BUSINESS REPORT

Bangladesh Economic Zones Authority (Beza) is focusing on making five economic zones fully functional within the next two years in order to attract \$5.5 billion in investments and create over 2 lakh job opportunities.

The economic zones are National Special Economic Zone, Sylhet Economic Zone, Jamalpur Economic Zone, Maheshkhali Economic Zone, and Japanese Economic Zone.

Chowdhury Ashik Mahmud Bin Harun, executive chairman of Beza, shared the targets at a press briefing at the Bangladesh Investment Development Authority yesterday.

The country does not need 100 economic zones right now and actually, this is not viable financially and technically to set up all of them, he said.

**The country does not need 100 economic zones right now and actually this is not viable financially and technically to set up all of them, said Chowdhury Ashik Mahmud Bin Harun, executive chairman of Beza**

"If we can fully start running 10 economic zones in the next 10 years, it is enough to fulfil the main goal of creating economic zones," he said.

"Especially, if we can start national special economic, Japanese and Jamalpur economic zone, it will make it easier to create more economic zones in the future," said Ashik.

After long consultations with stakeholders, Beza took the decision to provide necessary infrastructure and utility services at the five economic zones which have drawn the highest demand, he said.

Another five economic zones are also being assessed for development in the next phase, he said.

These five are the Chinese Industrial Economic Zone, Sabrang Tourism Park, Chandpur Economic Zone, Kurigram Economic Zone and Kushtia Economic Zone, he added.

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STOCKS	
DSEX ▼	CASPI ▲
0.15%	0.25%
5,190.78	14,502.89

COMMODITIES	
Gold ▲	Oil ▲
\$2,654.32 (per ounce)	\$76.98 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.30%	▲ 1.97%	▲ 0.17%	▲ 0.71%
78,199.11	40,083.30	3,828.17	3,229.64

# FTA with UK can boost trade, investment

## Says British parliamentarian

### STAR BUSINESS REPORT

Signing of a free trade agreement (FTA) between Bangladesh and the UK can help boost bilateral trade and investment, said Rupa Huq, a member of parliament (MP) in the UK with Bangladeshi origin, yesterday.

Now is the perfect time to sign the FTA as both countries have good business and investment potential, she said.

Exports to the UK must be expanded beyond garments as it is the dominant product in the list of shipments, she told a press conference in Hotel Sarina in Dhaka.

Huq came on a visit to Bangladesh with a trade delegation of the UK Bangladesh Catalysts of Commerce and Industry (UKBCCI), which represents British and Bangladeshi entrepreneurs in the UK and Bangladesh.

Amir Khasru Mahmud Chowdhury, a BNP standing committee member, also supported signing of the FTA, saying it was a good way to generate more business through the liberalisation of the economy.

The FTA does not mean the entry of goods would be free for all, rather it will help ease bilateral trade and investment, said Chowdhury, also a former commerce minister.

The first assignment of a bureaucrat should be to facilitate trade of the country and protectionism does not help trade anymore, he added.

Iqbal Ahmed, a British businessperson of Bangladeshi origin and chairman of the UKBCCI, READ MORE ON B3



# Mobile internet users dropped by 44 lakh in November

### MAHMUDUL HASAN

The number of mobile internet subscribers in Bangladesh witnessed a significant drop of 44 lakh in November, contributing to an overall decline in internet subscribers to 13.28 crore from

It also represents the fifth consecutive month of decline since July. Over those five months, internet subscriber numbers have decreased by a staggering 90 lakh.

Industry experts identified a VAT hike on SIM cards as the primary reason for this decline.

Larger operators like Grameenphone, with greater financial resources, have managed to absorb the tax hike.

This resulted in fewer new connections and increased competition imbalances.

The increased cost of SIM cards has also discouraged onboarding of new

of inflation is the primary reason for such scenario," said Shahed Alam, chief corporate and regulatory officer at Robi Axiata.

Besides, the increased rate of SIM tax decreasing mobile network operators' capability of providing subsidy in new customer acquisition resulted in an overall decline in the total number of subscribers, he said.

"The recent decline in mobile internet subscribers can be attributed to several factors," said Taimur Rahman, chief corporate and regulatory affairs officer of Banglalink.

"The current economic challenges have likely slowed the entry of new users and the reactivation of inactive ones," he said.

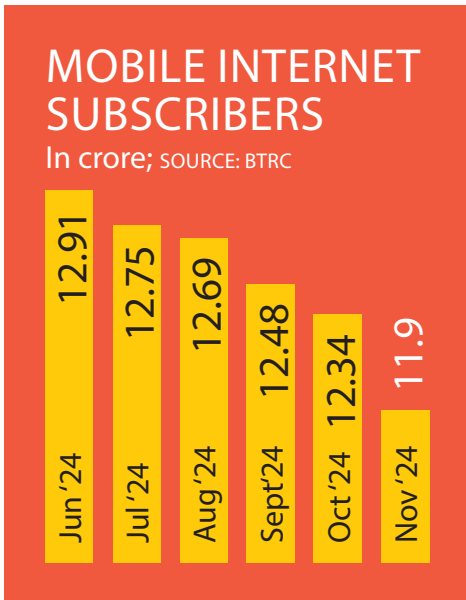
The increase in SIM tax in the last budget has made it harder for mobile operators to subsidise SIM cards – an essential driver of subscriber growth in the past, he said.

Smaller operators are particularly affected as larger ones can afford greater subsidies, which exacerbates competition imbalances in the telecom market, Rahman said.

To reverse this trend, policymakers should consider reducing the SIM tax to make connectivity more affordable, he said.

At the same time, government-led digital literacy initiatives could significantly boost mobile penetration, delivering wider socioeconomic benefits, he added.

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that in October.

This decline marks the highest drop in internet subscribers since August 2021, based on data available on the website of Bangladesh Telecommunication Regulatory Commission (BTRC).

## Keypoints

Bangladesh lost 44 lakh mobile internet customers in Nov

This is the highest monthly decline since August 2021

This marks the fifth consecutive month of drop

A total loss of 90 lakh subscribers in Jul-Nov

## REASONS BEHIND THE DROP

- A 50% increase in SIM card VAT
- High inflation
- Reduced disposable income
- Cut in subsidy in customer acquisition

In July, the VAT was raised by 50 percent, from Tk 200 to Tk 300.

This hike has made it difficult for mobile operators, particularly smaller ones like Banglalink and Robi, to continue subsidising SIM cards.

customers, especially amid ongoing economic challenges that have reduced disposable income.

"We have been observing the declining trend in a number of connections for the last couple of months. High rate



# Pubali Bank launches bancassurance service with Delta Life Insurance

STAR BUSINESS DESK

Pubali Bank PLC has launched its bancassurance service, in partnership with Delta Life Insurance Company Limited, marking a significant milestone in bringing banking and insurance under one roof.

Through this service, customers can now avail themselves of life insurance benefits directly from the branches of Pubali Bank, strengthening their financial security.

This initiative marks the beginning of a new chapter in the financial sector of Bangladesh and adds momentum to the longstanding successful collaboration between the two institutions.

Monzurur Rahman, chairman of the bank, inaugurated the service at the bank's head office in the capital's Motijheel yesterday as the chief guest, said a press release.

Speaking at the event, Rahman said: "This bancassurance service will further secure the lives of our customers and provide a new dimension to their financial protection. Pubali Bank remains committed to delivering the best services to our customers."

Hafiz Ahmed Mazumder, chairman of the life insurer, and AK Azad, chairman of Ha-Meem Group, were present as the



Monzurur Rahman, chairman of Pubali Bank, inaugurates a new bancassurance service, in partnership with Delta Life Insurance Company, at the bank's head office in the capital's Motijheel yesterday.

PHOTO: PUBALI BANK

guests of honour.

Presiding over the event, Mohammad Ali, managing director and CEO of the bank, said: "It will not only expand our financial services, but also make life insurance benefits more accessible.

We consider this initiative a ground-breaking step in the financial sector of Bangladesh."

Moniruddin Ahmed and Azizur Rahman, directors of the bank, Zeyad Rahman and Adeeba Rahman,

sponsor directors of the insurer, Uttam Kumar Sadhu, chief executive officer, Mohammad Sohrab Uddin, consulting actuary, and Safiul Alam Khan Chowdhury, consultant, among others, were also present.

## Akhtar Hossain becomes AMD of Exim Bank

STAR BUSINESS DESK



M Akhtar Hossain has recently joined Exim Bank PLC as additional managing director (AMD).

Prior to his new role, Hossain was in the same position at Shahjalal Islami Bank PLC, the bank said in a press release.

He embarked on his professional banking career as a

senior officer at Agrani Bank in 1988.

He previously worked for Mercantile Bank PLC as an assistant vice-president in 2002 and later moved to Shahjalal Islami Bank as a vice-president in 2005.

With an illustrious banking career spanning over 36 years, he has managed several key branches of Agrani Bank and Shahjalal Islami Bank and gained extensive expertise in diverse areas such as general banking, investments, foreign trade and foreign exchange, treasury, correspondent banking, marketing, financial crime compliance, offshore banking, foreign remittance operations and chief risk officer.

Hossain obtained his honours and master's degrees in accounting from the University of Dhaka and did an MBA from the University of Hull, England.

## Oil prices dip

REUTERS

Oil prices fell slightly on Tuesday as optimism over demand faded, although tighter Russian and Iranian supply driven by expanding Western sanctions checked losses.

Brent futures were down 25 cents, or 0.33 percent, to \$76.05 a barrel at 0950 GMT, while US West Texas Intermediate (WTI) crude was down 44 cents, or 0.60 percent, to \$73.12.

Both benchmarks slid on Monday, after rising for five days in a row last week to settle at their highest levels since October on Friday amid expectations of more fiscal stimulus to revitalise China's faltering economy.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JAN 7, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 70-Tk 84	4.05 ↑	14.07 ↑
Coarse rice (kg)	Tk 54-Tk 58	6.67 ↑	14.29 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-10.53 ↓
Lentil (kg)	Tk 105-Tk 110	0	0
Soybean (litre)	Tk 163-Tk 165	-1.50 ↓	4.13 ↑
Potato (kg)	Tk 50-Tk 50	-41.94 ↓	-25.00 ↓
Onion (kg)	Tk 50-Tk 70	-51.02 ↓	-29.41 ↓
Egg (4 pcs)	Tk 45-Tk 50	-3.06 ↓	9.20 ↑

SOURCE: TCB



Sheikh Abdul Bakir, deputy managing director of Dhaka Bank, and Bashirul Haque Bhuyan, chief executive officer of Dhaka South City Corporation, unveil a new service for collecting holding tax and trade licence fee online at a function at Nagar Bhaban in the capital's Gulistan on Monday.

PHOTO: DHAKA BANK

STAR BUSINESS DESK

Dhaka Bank PLC has launched a new service of the collection of holding tax and trade licence fees for Dhaka South City Corporation (DSCC).

From now on, the residents of the DSCC will be able to pay fees and taxes on a real-time basis from any branches of Dhaka Bank, said a press release.

The bank will enable the residents to pay fees and taxes online on a real-time basis from anywhere through Dhaka Bank mobile app and internet banking by the end of January 2025.

Sheikh Abdul Bakir, deputy managing director of the bank, and Bashirul Haque Bhuyan, chief executive officer of DSCC, unveiled the service by collecting tax and trade licence fees from its customers online at a function at Nagar Bhaban in the capital's Gulistan on Monday.

Air Commodore Md Mahabubur Rahman Talukder, chief waste management officer of DSCC, Md Moniruzzaman, chief revenue officer, Kizer Mohammad Farabi, chief estate officer, Mohammad Mobassher Hasan, chief social welfare and slum development officer, and Md Abu Taiyeb Rokon, chief of ICT division, were present.

Mosleh Saad Mahmud, head, liability and cash management unit of the bank, Altamas Nirjhar, head of general services division, and Md Asif Hossain, head of information technology division, along with other senior officials of both the organisations were also present.

## Midland Bank signs deals with Grameen Digital Healthcare Solutions

STAR BUSINESS DESK

Midland Bank PLC and Grameen Digital Healthcare Solutions, a provider of innovative digital healthcare services named Shukhee, recently signed a memorandum of understanding (MoU) and an agreement to improve healthcare access and delivery in underserved communities, said a press release.

Ahmed Armaan Siddiqui, chief executive officer of Grameen Digital Healthcare Solutions, and Mohd Javed Tarek Khan, head of institutional banking division of the bank, and Md Rashed Akter, head of retail distribution division, penned the MoU and the deal at the former's head office in the capital recently.

This strategic partnership is set to leverage digital technologies and financial inclusion initiatives to address the growing demand for accessible healthcare in urban areas and rural and remote areas.

The MoU outlines a joint effort to create sustainable healthcare solutions to improve health outcomes through technology-driven platforms.

Midland Bank's expertise in financial services will complement Grameen Digital Healthcare Solutions' cutting-edge healthcare technologies, focusing on the use of telemedicine, health monitoring, mobile health applications, and digital health records to provide healthcare services to individuals who are geographically distant or unable to access traditional

medical facilities.

The partnership intends to bridge the gap between financial services and healthcare by providing healthcare options to low-income and underserved communities too.

This will make healthcare more affordable and accessible for those who need it the most.

Among others, Mohammad

Solaimun Rasel, chief technology officer of Grameen Digital Healthcare Solutions, and Ahmed Raquib Malik, legal and compliance lead, Nazmul Huda Sarkar, chief technology officer of the bank, Imran Al Habib, head of agent banking division, and Mohammad Hassibur Rahman, head of cash management, were also present.



Ahmed Armaan Siddiqui, chief executive officer of Grameen Digital Healthcare Solutions, and Mohd Javed Tarek Khan, head of institutional banking division of Midland Bank, exchange signed documents of agreements at the former's head office in the capital recently.

PHOTO: MIDLAND BANK

## Dollar drops towards one-week low

REUTERS

The US dollar eased towards a one-week low versus major peers on Tuesday as traders considered whether President-elect Donald Trump's proposed tariffs would be less aggressive than promised.

On Monday, the greenback slid against the euro and sterling following a report in the Washington Post that Trump's aides were exploring plans that would apply tariffs only on sectors seen as critical to US national security.

However, the currency made up

some ground after Trump denied the report in a post on his Truth Social platform.

The US dollar index, which gauges the currency against the euro, sterling and four other rivals, eased 0.25 percent to 108.03 as of 0730 GMT, after dropping to as low as 107.74 overnight, its weakest since Dec. 30.

On Jan. 2, the index pushed to as high as 109.58 for the first time since November 2022, largely due to expectations that Trump's promised fiscal stimulus, reduced regulation and higher tariffs would boost US growth.

"His (Trump's) 10-20 percent universal tariffs were always seen as unlikely to eventuate in such stringent form - so the reporting from the Washington Post has cemented this widely held view, even if Trump has played it down," said Chris Weston, head of research at Pepperstone.

"Clearly, the last thing Trump wants at this point is to lose his leverage and credibility going into negotiations ... even if the WaPo reporting becomes the reality over time."

The focus will also be on US JOLTS job opening data and the ISM

Services index for December later in the session.

The euro zone has been a particular target of Trump's tariff threats, and the euro added 0.16 percent to \$1.0407, after jumping to a one-week high of \$1.0437 on Monday.

"While Trump's rebuttal of the original article has curtailed the euro/dollar bounce, some doubt about the potential breadth of the tariffs could see an overbought dollar hand back a little more of its recent gains," said Chris Turner global head of markets at ING.

## Who's winning the CES

FROM PAGE B4

Whereas the original machine could only perform very narrow tasks such as preparing soil for planting, this year's "second generation" model uses many additional cameras to drive faster and perform more tasks.

The system incorporates thousands of real-world experiences, reflecting "years and years of farming across these different edge cases," Pell said.

The 188-year-old agricultural equipment maker is also presenting an autonomous battery-run lawn mower for landscaping, an autonomous dump truck for construction sites and an autonomous diesel orchard tractor.

The orchard tractor can be used to spray insecticide six to eight times per year, the type of work where skilled labor is notoriously scarce.

When it comes to car autonomy on public roadways, companies are making progress but still not close to mainstream adoption.

Waymo, which now operates commercial robotaxi service in three US cities, recently faced a novel security challenge after female riders in San Francisco were harassed by another vehicle that followed the

robotaxi, according to a December Washington Post report.

Waymo, which served four million autonomous rides in 2024, plans to add its service to other US cities and Tokyo in its first international foray. The company's co-CEO Tekedra Mawakana will headline a keynote later this week at CES.

Other big autonomous players at CES include the Amazon-owned Zoox and car companies such as Mercedes-Benz and BMW, which have received approval from the German government for autonomous driving in very limited situations.

While major player Tesla is not at CES, some exhibitors are preparing for the day when today's driver is able to tune out the road.

"Consumers are looking at cars as... another environment where you want to be relaxed or enjoy yourself," said Jeff Jury, senior vice president at Xperi, which sells multimedia technology in cars.

"You're going to see a continual march towards autonomy but this idea of full autonomy (in cars) is still 10 or 15 years away," Jury said. "There's just too much that needs to be worked out."

## Top brands bought cotton

FROM PAGE B4

In its 2024 "List of Goods Produced by Child Labor or Forced Labor," the US Department of Labor identified child labour in cotton produced in India.

According to Transparentem, the investigated farms supplied their produce to three Indian companies.

They in turn sold cotton-based products to several high-profile buyers such as Adidas, H&M and The Gap.

All three companies told Transparentem that they were part of sourcing arrangements that ensured their cotton inputs are not linked to forced labour.

Transparentem said in late 2023 it contacted 60 international buyers and the three Indian suppliers they

sourced material from "to present the findings of its investigation and provide recommendations for remediation".

Several of them responded by saying that they were already participating in ethical cotton-sourcing initiatives, the advocacy group said, adding that "many started collaborating on responsive actions".

The owners of the investigated farms, the report said, also sold cotton in the open market -- therefore making it "highly likely" that many of the farms are "connected to the supply chains of several other companies" in the country.

"The investigation uncovered grave abuses that appear to be endemic to the region," Transparentem said.





Farmers plant Boro season paddy, which accounts for nearly 55 percent of Bangladesh's yearly production of rice, in Tularampur area of Narail district. Harvest of Boro paddy runs between April and June and 20,767,626 tonnes were produced around the country in fiscal year 2022-23, according to the latest data available with the Bangladesh Bureau of Statistics. The photo was taken recently.

PHOTO: HABIBUR RAHMAN

# December PMI reflects expansion of manufacturing for 4th month

## STAR BUSINESS REPORT

Bangladesh's manufacturing sector grew for the fourth consecutive month in December, indicating a "somewhat positive outlook" for the economy going into the new year, according to the latest Purchasing Managers' Index (PMI) released yesterday.

The PMI for the manufacturing sector, which measures new orders, new exports, factory output, input purchases, imports, input prices, and supplier deliveries, grew to 69.8 last month from 60.9 in November, as per a statement by the Metropolitan Chamber of Commerce and Industry (MCCI) and Policy Exchange Bangladesh (PEB).

"The finished goods index posted a slower expansion whereas the employment index reverted to a contraction. The order backlogs index posted a faster contraction rate," the statement said.

The latest PMI, which gives an idea about the direction of the economy, is developed based on data compiled from

monthly surveys of over 500 private sector enterprises.

The MCCI and PEB, in cooperation with the Singapore Institute of Purchasing and Materials Management and supported by UK International Development developed the Bangladesh PMI in 2024.

The MCCI and the PEB have been releasing the PMI since January last year.

A reading of above 50 generally indicates expansion and below that contraction.

The PMI slightly declined to 61.7 in December from 62.2 a month ago, marking a marginal drop of 0.5 points.

Despite the fall, the PMI remains well above the 50-point mark, indicating continued expansion after last July, when the economy suffered heavily amid deadly student protests centring the public job quota reforms, which eventually led to the ouster of Sheikh Hasina's government.

The July PMI was 36.9, the lowest since the index was launched.

"The latest PMI readings indicate a somewhat positive outlook for the

Bangladesh economy going into the new year. All key sectors of the economy posted expansion readings even though the headline PMI recorded a slower expansion rate."

**The PMI for the manufacturing sector, which measures new orders, new exports, factory output, input purchases and imports, grew to 69.8 last month from 60.9 in November**

"The nation continues to face numerous challenges as it struggles towards political stability and economic growth," said the MCCI and PEB.

The PMI showed that the agriculture sector posted a third month of expansion but at a slower rate.

The farm sector posted a contraction for the new business index and a slower expansion rate for the business activity

index.

"The employment index reverted to an expansion and the input costs index posted a faster expansion whereas the order backlogs index posted a slower contraction."

In case of the construction sector, it rebounded to expansion, driven by faster growth in new business and construction activity, although employment expansion was slower. Input costs rose while order backlogs contracted at a reduced rate.

Also, the services sector expanded for a third consecutive month but at a slower rate, with declines in new business activity and employment.

"The input costs index posted a first-time contraction, whereas the order backlogs index posted a faster expansion rate."

The PMI said in terms of the future business index, the key sectors of manufacturing, construction, and services posted faster expansion rates whereas the agriculture sector posted a slower one.

# Global crude exports dip as trade routes reshuffle again

REUTERS, Houston

The volume of global crude exports in 2024 declined 2 percent, the first fall since the COVID-19 pandemic, shipping data showed, due to weak demand growth and as refinery and pipeline changes reshuffled trade routes.

Global crude flows have been roiled for a second year by war in Ukraine and the Middle East, with tanker shipments rerouted and suppliers and buyers split into regions. Middle East oil exports to Europe declined and more US oil and South American oil went to Europe. Russian oil that formerly went to Europe has been redirected to India and China.

These shifts have become more pronounced as oil refineries have shut in Europe amid continued attacks on Red Sea shipping. Middle Eastern crude exports to Europe tumbled 22 percent in 2024, ship tracking data from researcher Kpler showed.

The shift in oil flows "is creating opportunistic alliances," said Adi Imsirovic, an energy consultant and former oil trader, citing closer relationships between Russia and India, China and Iran that are reshaping oil trade.

"Oil is no longer flowing along the least cost curve, and the first consequence is tight shipping, which raises freight prices and eventually cuts into refining margins," said Imsirovic.

**Global crude flows have been roiled for a second year by war in Ukraine and the Middle East, with tanker shipments rerouted and suppliers and buyers split into regions**

The US with its surging shale production has been a winner in the global oil trade. The country exports 4 million barrels per day, boosting its share of global oil trade to 9.5 percent, behind Saudi Arabia and Russia.

Trade routes have also been reshuffled by startup of the massive Dangote oil refinery in Nigeria, expansion of Canada's Trans Mountain pipeline to the country's west coast, falling oil output in Mexico, a brief halt in Libyan oil exports, and rising Guyana volumes.

In 2025, suppliers will keep grappling with falling fuel demand in major consuming centers such as China. Also, more countries will use less oil and more gas, while renewable energy will keep growing.

"This kind of uncertainty and volatility is the new normal - 2019 was the last 'normal' year," said Erik Broekhuizen, a marine research and consulting manager at ship brokering firm Poten & Partners.

Changes in oil demand forecasts have pulled the rug out from historical long-term oil market growth assumptions, Broekhuizen said.

"In the past, you could always say that there will be healthy long-term demand growth, and that solves a lot of problems over time. That can't really be taken for granted anymore," he said, citing weaker demand in China and Europe.

# Indian flour mills struggle as wheat prices surge

REUTERS, Mumbai

Indian wheat prices jumped to a record high on Monday due to dwindling supplies amid robust demand from flour mills that are struggling to secure the grain to operate at full capacity, industry officials told Reuters.

The record prices are likely to lift retail inflation, which eased in November after surging to a 14-month high in October, and could influence the central bank's decision on interest rate cuts.

"Wheat supplies are limited in the market. Even after paying record prices, flour mills are unable to secure enough to operate at full capacity," said Ajay Goyal, managing director of Shivaji Roller Flour Mills.

In December, New Delhi lowered the limit on wheat stocks that traders and millers can hold to help

boost the grain's availability and moderate prices.

But the curbs failed to bring down prices, which were trading around 33,000 rupees (\$384.66) per metric ton in New Delhi, up from 24,500 rupees in April and far above the government fixed minimum support price of 22,750 rupees for last season's crop.

The stock limit failed to improve supplies and bring down prices, indicating that private players are holding few supplies, and the government needs to sell more wheat from its reserves to bulk consumers, said Pramod Kumar, a flour miller.

The state-run Food Corporation of India (FCI) is selling 100,000 metric tons of wheat to bulk consumers every week, but this is not sufficient to meet demand, as private players' sales are falling, Kumar said.

# Govt to incentivise

FROM PAGE B1

Against this backdrop, the finance adviser suggested that time has come to deepen the market.

"For this, good companies should be brought in the market. To this end, the government will consider giving policy support, including tax benefits," he said.

"The government has taken initiatives to bring some public companies to the market," Ahmed added.

Ahmed also urged all the relevant authorities, including the DSE, to take initiatives for increasing the investments of expatriate Bangladeshis in the domestic stock market.

"The Indian stock market has a large investment from expatriates. Many of non-resident Bangladeshis also have the ability to invest. So, they should be encouraged to invest. For this, the market has to be attractive."

Regarding the current condition of the stock market, Ahmed said the

government has taken some reform activities for its betterment.

"All reforms cause some temporary pain. Therefore, the same can be expected from the share market reform programme. Still, the interim government wants to strengthen the stock market," he added.

Ahmed also said that an economy dependant on bank loans is not a sustainable one.

"Everybody becomes happy when stock indices increase but they should remain cautious in times the market goes higher," he added.

Khondoker Rashed Maqsood, chairman of the Bangladesh Securities and Exchange Commission, Mominul Islam, chairman of the DSE, Saiful Islam, president of the DBA, and representatives of the Bangladesh Bank, National Board of Revenue, Chittagong Stock Exchange, merchant bankers, asset managers, and other stakeholders were present at the event.

# As trade dries up

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The market should offer sufficient varieties of products so that all types of investors can participate, he added.

## QUESTIONS OVER BOURSE INVESTMENTS

The DSE holds investments in FDRs and bonds worth Tk 832 crore, while the CSE holds FDR and bond investments worth Tk 327 crore.

Around 13 percent of DSE investments were with three banks, which were politically affiliated and recently failed to repay funds to their depositors.

The CSE also held 15 percent of its investments in the same three banks. Besides, it held Tk 34 crore in FDRs with several non-bank financial institutions (NBFI) that are now struggling to return money to their depositors.

CSE MD Mazumdar said their FDRs with several NBFI had become risky. "But these funds were invested several years ago. We are now trying to recover the funds. The CSE has already blocked dividends by the NBFI," he added.

Saiful Islam, president of the DSE Brokers' Association, also raised

questions about the DSE's fund management.

"I proposed to the DSE that it transfer its funds in troubled banks to treasury bonds and bills, considering the higher rates and risk-free nature of these investments. But the Dhaka bourse had not transferred these funds till December 2024," he said.

If they had invested in T-bills and bonds, the interest income could have been at least Tk 25 crore higher, he said.

"When the stock exchange itself mismanages its funds with such carelessness, it shows the inefficiency of its decision-makers," he added.

The president of the DSE Brokers' Association said when the stock exchanges are facing operating losses, it is easily understandable how the stock brokerages are doing.

He said as many as 95 percent brokerage houses are now in operating losses due to dull trading activities.

"Only brokerage houses, who are subsidiaries of big companies, are running by taking funds from the parents. But individual houses are in real trouble," he added.

# Beza to focus on

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The rest of the economic zones will be utilised in other ways, for instance, for solar power generation, said Ashik.

Beza is also taking steps to open jute mills and sugar mills that have been shut down in the remaining economic zones. As utility services are available there, it will be easier to attract investors, he said.

"To make Beza truly investment-friendly, it is our commitment to implement the time-bound plans," he said.

Investors who have acquired land but have not been able to start operations are being encouraged to launch industries, said Ashik.

"If these investors are unable to start development work, they are requested to return the land to Beza," he said.

"I think if Beza can implement its plan to make five economic zones fully functional, this experience will be helpful to take good steps in future while coordinated steps are necessary from all the departments of the government," he added.

Ashik also said the Korean Export Processing Zone (KEPZ) would be brought under the jurisdiction of Beza. Afterwards, carrying out its activities will be made easier, he said, adding that some official formalities remain to be completed.

Regarding private economic zones, he said Beza would soon press the government to ensure utility services there.

Ensuring utility connections was a promise the government made when it allowed the private sector to set up the economic zones, he said.

# FTA with UK can boost

FROM PAGE B1

suggested easing business processes in Bangladesh as many investors want to invest in the country.

He said the visiting delegation wants to invest at least \$500 million in different sectors of Bangladesh such as in textile and garment, ICT, pharmaceuticals, and farming.

But the amount should have been at least \$5 billion as the UK investors are investing outside of their own country, he added.

However, the ease of doing business in Bangladesh is still complex, he said, adding that at least 12 signatures were still required at present to start a business in the country.

He also said he had started exporting vannamei shrimp from Bangladesh to the UK but on a very limited scale.

India exports vannamei worth \$10 billion to the UK in a year while Vietnam \$16 billion and the sky is the limit for exporting to the UK, he said.

Bangladesh's annual exports to the UK amounts to \$4.5 billion, whereas India sends that worth \$30 billion and China \$60 billion, he said.

Showkat Aziz Russell, regional president of the UKBCCI, highlighted the mission's emphasis on Bangladesh's robust readymade garment (RMG) sector.

"Bangladesh is globally recognised for its strong manufacturing

capabilities and is a key hub for apparel sourcing," he said.

"This mission seeks to capitalise on the country's edge in global export competitiveness while fostering innovation in design and manufacturing," he said.

The textile sector, which contributes over 13 percent to Bangladesh's GDP, is also a key focus of the delegation, he said.

With investments exceeding \$22 billion, the textile industry accounts for more than 84 percent of Bangladesh's export earnings and retains over 30 percent of foreign currency, he said.

The mission aims to leverage these strengths and encourage further investment in this critical industry, he said.

MD Hafizur Rahman, administrator to the Federation of Bangladesh Chambers of Commerce and Industry, said the UK has already committed to continuing to provide Bangladesh duty-free trade benefits like the European Union (EU).

This will come about for three more years after Bangladesh makes the country status graduation from a least developed country to a developing nation in 2026, he said.

Afterwards, the UK, like the EU, will also provide facilities under the GSP Plus arrangement, the administrator said.

# Mobile internet users

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A significant reason for the drop in active users could be economic hardship or growing reliance on fixed broadband, but the definition of active mobile internet users also requires scrutiny, Abu Nazam M Tanveer Hossain, a telecom expert.

The current report considers only Mobile Station International Subscriber Directory Numbers (MSISDNs) active in the past three months, ignoring usage patterns or

devices, he said.

"The regulator should prioritise unique user numbers, which is feasible as each MSISDN is linked to an NID. This would help determine whether changes in user numbers reflect genuine trends or a reporting strategy by operators," he added.

According to BTRC data, November's decline was solely due to the fall in mobile internet subscribers, reducing the total to 11.90 crore. The number of broadband users remained unchanged at 1.37 crore.



# Gold gains as dollar slips

REUTERS

Gold prices rose on Tuesday as the US dollar eased due to uncertainty around President-elect Donald Trump's tariff plans, with further support coming from top consumer China's central bank adding to its gold reserves for a second straight month.

Spot gold was up 0.3 percent at \$2,642.32 per ounce, as of 1005 GMT. US gold futures rose 0.2 percent to \$2,653.60.

"The main factor is the softening of the US dollar over the last two sessions, which has provided some relief for the precious metal," said Ricardo Evangelista, senior analyst at ActivTrades.

The dollar index eased towards a one-week low versus major peers as traders considered whether President-elect

The main factor is the softening of the dollar over the last two sessions, which has provided some relief for gold, said an analyst

Donald Trump's tariffs would be less aggressive than promised following a report in the Washington Post.

Trump however denied the report, deepening uncertainty about future US trade policies.

A stronger dollar makes bullion more expensive for other currency holders.

Traders are setting their sights on Friday's US jobs report for Fed policy clues, along with job openings data due later in the day, ADP employment and the minutes from the Fed's December meeting on Wednesday.

Fed Governor Lisa Cook on Monday said that the Fed can be cautious about any further rate cuts given a solid economy and inflation proving stickier than previously expected.

Bullion is considered a hedge against inflation, but high rates reduce the non-yielding asset's appeal.

Meanwhile, China's gold reserves stood at 73.29 million fine troy ounces at the end of December as the central bank kept buying gold for a second straight month, official data showed.



SETABGANJ SUGARMILLS AT A GLANCE

Established in 1933	Shutdown in 1975	Restarted in 1982 after renovation	It was operational till 2020	The mill paid Tk107cr as revenue in 2017-19	Annual production capacity is 12,500 tonnes
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# Workers happy as Setabganj Sugar Mills prepares for reopening

Authorities expect the mill to be fully operational in two years

KONGKON KARMAKER

Setabganj Sugar Mills in the northern district of Dinajpur is preparing to reopen after a four-year closure, a move that has been cheered by former factory workers and local sugarcane farmers.

Mohammad Abul Bashar, managing director of the mill, said the mill is currently waiting for repairs to production units and assessing the sugarcane supply.

He said that crushing operations may resume either this year or in the next season in fiscal year 2025-26.

"Sugarcane planting for the 2024-25 season has already begun," the MD said. "If we miss that, then the mill will resume in the 2025-26 season after repair and overhauling."

"We expect the mill to be fully operational within two years if planting and repairs proceed smoothly," he added. "Repair work will begin soon."

There are 15 public sugar mills in the country under the Bangladesh Sugar and Food Industries Corporation (BSFIC). In 2020, the previous Awami League government suspended production at six mills, including Setabganj, citing a shortage of



sugarcane supply and recurring losses.

Authorities at the time said these mills would reopen after upgrades and modernisation.

After the political changeover in August 2024, the interim government formed a taskforce to assess the mills. Subsequently, the reopening of Setabganj Sugar Mills was announced in mid-December last year.

Amjad Hossain, a former president of the Setabganj Sugar Mills Workers' Union, said, "After working here for 27 years, the abrupt decision of mill closure frustrated me. Now it is reopening and we are happy about it."

Prashanta Kumar, another

worker, said they are grateful to the government for the reopening decision. "We are looking forward to resuming crushing operations as soon as possible."

Established in 1933 on 3,783 acres of land at Bochaganj municipality area, Setabganj Sugar Mills closed in 1975 due to deteriorating financial conditions but reopened in 1982 after modernisation and upgrades.

The annual production capacity of the sugar mill was 12,500 tonnes. Apart from sugar, the mill produced organic fertilisers, molasses and bagasse as byproducts.

It continued operating until the 2019-2020 season before

being shut down again.

Local sugarcane farmers blamed politically motivated factors for the mill's closure.

Md Wali, one of the farmers, alleged, "The mill was fully operational when it was shut down. Certain groups conspired to capture its assets."

Mamun, general secretary of the Sugarcane Farmers' Association, said that sugar production was never halted due to a lack of supply from the farmers.

"Production costs were artificially inflated for showing higher losses," he claimed.

With the reopening announcement, Mamun said farmers are now preparing for the next planting season.

Industries Adviser Adilur Rahman Khan visited the sugar mill on November 16 last year.

He said his ministry would lend full support for resuming cane crushing.

Bangladesh annually requires 24 lakh tonnes of sugar and because of scanty domestic production of sugarcane, imported sweetener meets around 99 percent of the total requirement.

Five private refiners import raw sugar, mainly from Brazil, to process and market locally.

# Top brands bought cotton grown by children in India: report

AFP, New Delhi

Some of the best-known global apparel brands procured cotton grown in Indian farms that employ child and bonded labourers, a report by a US-based rights group alleged Tuesday.

An investigation by Transparentem into the working conditions on 90 cotton farms in India's Madhya Pradesh state between 2022 and 2023 revealed "widespread use of child labour and illegal adolescent labour", the New York-based non-profit said.

Transparentem said the "grave abuses" unearthed by its investigation "appear to be endemic to the region" and likely extended to other farms in the area.

Under Indian law, children under 14 are prohibited from working in most situations, while those between 14 and 18 are barred from being employed in hazardous occupations.

But a mix of lax enforcement and poverty means more than 10 million Indian children between five and 14 continue to work, most of them in the farming sector.

The investigators also found "indicators of forced labour" and "abusive working conditions".

Many are trapped by the long-outlawed practice of bonded labour, dubbed "debt slavery" by rights campaigners, in which victims are forced to work to pay back borrowed cash while interest keeps mounting.

READ MORE ON B2

# Who's winning the CES autonomy race? Not cars

AFP, Las Vegas

This week's Consumer Electronics Show (CES) unveils major new autonomous transport products for farms, boating and construction sites, highlighting a yawning gap with autos, where scalable driverless technology is further away.

The group of offerings include autonomous tractors, construction dump trucks and boats that dock themselves, as well as a robotic golf cart that doubles as an AI-enhanced super caddy.

That these products are already poised for commercialization betrays the sophistication needed for autonomous road travel even if companies like Google-backed Waymo are making some headway.

On roads, "the complexity of the problem multiplies significantly," said Barry Lunn, CEO of sensor company Provizio.

The machine learning challenge for cars amounts to "the hardest AI challenge in human history," Lunn said.

The difficulty reflects the array of unpredictable factors that can interfere with road transport, such as unexpected maneuvers by fellow drivers, pedestrians or falling branches.

These conditions, known in tech circles

as "edge cases," are present in every kind of autonomous transport, even if they seem uniquely difficult for cars.

In marine transport, edge cases can involve poor light or rainy conditions, said David Foulkes, chief executive of

Brunswick, a boat building company.

These dynamics, as well as the presence of salt and other deposits in a marine environment can interfere with key hardware.

At CES, Brunswick is showcasing the



A Kia Vay remote-drive electric vehicle cruises during a live demonstration of remote driving on city streets ahead of the Consumer Electronics Show (CES) in Las Vegas, Nevada on January 6.

PHOTO: AFP

autonomous docking system on the Boston Whaler, a 40-foot luxury boat that uses six stereo cameras that are derived from military drone technology.

Brunswick saw little upside in broad use of autonomy because recreational boaters relish the experience of driving but docking is the one area where boaters "appreciate additional help," said Foulkes.

"Just like every other autonomy system, you kind of spend 20 percent of your time on the main use cases and then all the rest on the edge cases," said Foulkes, who worked at Ford for 18 years.

In agriculture, technologists also face distinct complications.

Willy Pell, chief executive of Blue River Technology, which is owned by John Deere, said the company discovered that lights on tractors attracted insects at night, which can interfere with key sensor equipment.

"A moth weighing less than a single ounce would bring our 40,000 pound machine to a halt," Pell said at a news conference Monday. "It was a software bug in all senses of the word."

Three years ago at CES, Deere unveiled a driverless tractor that could be operated from a smart phone.

READ MORE ON B2

# One more RMG factory gets green certificate

STAR BUSINESS REPORT

The number of Bangladeshi garment factories certified by the Leadership in Energy and Environmental Design (LEED) has increased to 233, with Consist Apparels obtaining platinum certification yesterday.

Consist Apparels, which is located in Bawpara, Kauliya under Gazipur, scored 84 out of 100, earning it the platinum ranking as a green factory.

Of the 233 LEED-certified factories in the country, 93 are platinum-rated and 126 gold-rated, according to data from the Bangladesh Garment Manufacturers and Exporters Association.

LEED (Leadership in Energy and Environmental Design) is backed by the US Green Building Council, which is a non-profit organisation that promotes sustainability in building design, construction and operation, according to its website.

# Microsoft announces \$3b AI investment in India

AFP, Mumbai

Microsoft CEO Satya Nadella on Tuesday said the company plans to invest \$3 billion in India on artificial intelligence (AI) and cloud infrastructure over the next two years.

The world's most populous country has become a key AI battleground in the last few years, as US tech giants look to find new users for their services and tap into fresh pools of talent.

In recent months, top executives, including Nvidia boss Jensen Huang and Meta's chief AI scientist Yann LeCun, have visited India.

On Tuesday, Nadella said the \$3 billion investment would include the setting up of new data centres.

"India is rapidly becoming a leader in AI innovation, unlocking new opportunity across the country," Nadella said.

"The investments in infrastructure and skilling we are announcing today reaffirm our commitment to making India AI-first, and will help ensure people and organisations across the country benefit broadly." The global embrace of AI has boosted sales of Microsoft's key cloud services, which have become the core of its business under Nadella's leadership.

# Germany's EV sales go into reverse

AFP, Berlin

Sales of new electric vehicles in Germany plunged last year, official figures showed Monday, as a slow switch to battery-powered cars deepened the woes of the country's flagship auto industry.

Just 380,609 EVs were registered in 2024 in Europe's largest auto market, 27.4 percent fewer than in the previous year, the KBA federal transport authority said.

After years of growth, demand for battery-powered cars lost momentum as the German economy has struggled and key subsidies were withdrawn. The slump in EV sales amounted to a "lost year for electro-mobility", said EY analyst Constantin Gall.

The sudden end of the support programme in 2023 amid a government budget crisis had led to "massive uncertainty among potential buyers", he said. High prices for new EV models, still patchy charging infrastructure and range limitations were putting off new buyers in Germany, he said.

The drop in EV sales led an overall decline in the German car market, which has struggled to recover since the coronavirus pandemic.

Some 2.8 million new cars were sold in 2024 in Europe's top economy, one percent fewer than in the previous year.