

# Star BUSINESS

Limitless convenience with Bank Asia Credit Cards!

## Tax increase may threaten economic stability: FICCI

### STAR BUSINESS REPORT

The Foreign Investors' Chamber of Commerce & Industry (FICCI) has expressed serious concerns over the government's recent hike in value added tax (VAT) and supplementary duty (SD) without prior consultation with stakeholders, warning of potential adverse effects on business sustainability, consumer costs, and overall economic stability.

FICCI, which represents 90 percent of Bangladesh's total foreign direct investment (FDI) across key sectors like tobacco, telecom, energy, and finance, highlighted the risks of these tax revisions, according to a press release.

The chamber stated that the increased costs of doing business could weaken operational capacity and reduce crucial tax contributions, which currently account for nearly 30 percent of internal revenue.

The VAT increase to 15 percent for services such as procurement, maintenance, transport, and restaurants—paired with restrictions on input VAT recovery—will further burden businesses.

Additionally, a 2.5 percent hike in retail VAT is likely to raise consumer prices and dampen demand, ultimately reducing government revenue, FICCI warned.

The chamber also noted that policies devised without stakeholder engagement could deter future FDI by eroding investor confidence in Bangladesh's business environment.

## PAINT MAKERS DECRY tax hikes as demand slumps

### LOCAL PAINT MARKET

- Size Tk 6,000cr
- Brands 33
- Meets 85% of demand
- Employment (direct & indirect): 10 lakh

### EXISTING HURDLES

High inflation, weakening taka, stalled public constructions

### TAXES RAISED BY

- 10 percentage points on raw materials
- 5 percentage points on product supply

**JAGARAN CHAKMA**

The local paint industry is reeling from increased supplementary duties (SD), which threaten both revenue and the survival of manufacturers amid rising production costs and shrinking consumer demand, according to industry insiders.

The National Board of Revenue (NBR) last week raised the SD on the import of paint and varnish-related raw materials to 30 percent from 20 percent. Moreover, the SD on product supply was increased to 10 percent from the previous 5 percent.

The Bangladesh Paint Manufacturers' Association (BPMA), a platform for local manufacturers, expressed concern over the tax increases and wrote to the revenue board on Sunday seeking a rate reduction.

The association argued that these duties, usually reserved for luxury goods, are unjustified for essential construction materials such as paints and primers, which are used to protect infrastructure from corrosion and erosion.

"Paint products are not luxury items," said Md Mohsin Habib Chowdhury, president of the paint makers' association. "They are essential for the structural integrity of assets, from homes to large-scale infrastructure," he said, adding, "The increased taxes are compounding the financial hurdles manufacturers already face."

The sector's existing challenges include high inflation, a weakening Taka against the US dollar, and stalled public constructions last year. The size of the local paint manufacturing industry is around Tk 6,000 crore, and it can meet the domestic demand, according to the association. As many as 33 local brands manufacture paint items for the domestic market. It contributes to government revenue by generating over Tk 1,100 crore annually in VAT and taxes, according to the association.

The industry also employs around 10 lakh people directly and indirectly.

According to an assessment by Berger Paints Bangladesh, per capita paint consumption in the country is 1.4 kg, lower than India's 3 kg. The annual consumption is 7-10 kg in ASEAN countries and 12 kg in China.

The assessment notes that about 85 percent of paints used in Bangladesh are manufactured locally, with the remainder relying on imports for specialised needs.

READ MORE ON B3

STOCKS	
DSEX ▼	CASPI ▼
0.08%	0.27%
5,151.88	14,401.78

COMMODITIES	
Gold ▼	Oil ▲
\$2,680.7	\$77.9
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 1.36%	▼ 1.05%	▼ 0.26%	▼ 0.25%
76,330.01	39,190.40	3,791.70	3,160.76

UCB SME

ucb.com.bd | 16419

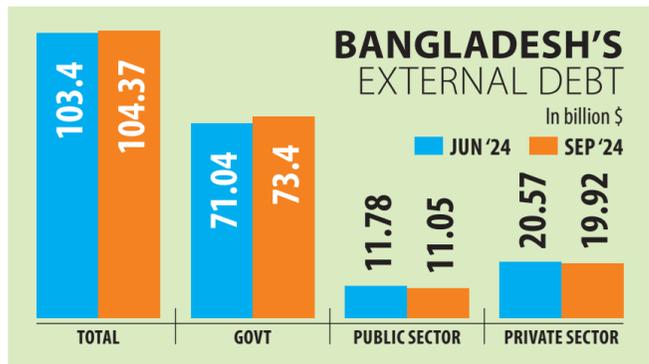
Eastern Bank PLC.

Your journey starts with ultimate luxury at EBL Skylounge

SKYLOUNGE

16230

## External debt rises slightly



### STAR BUSINESS REPORT

Although Bangladesh's foreign debt slightly increased in the first quarter of the current fiscal year 2024-25, the debt of private sector and public sector corporations decreased due to a lack of confidence in the banking sector and payment delays.

The country's gross external debt grew by 0.93 percent to \$104.36 billion in September, compared to \$103.40 billion in June 2024, according to Bangladesh Bank data released yesterday.

In the same period, the debt of public sector corporations fell by 6.23 percent to \$11.05 billion, while private sector loans decreased by 3.18 percent to \$19.92 billion.

However, government loans rose by 3.31 percent to \$73.4 billion, the data showed. The government usually takes these loans from development partners, including the World Bank and the Asian Development Bank.

Development partners commit to providing these types of loans and disburse them as the projects are

implemented. All these debts are long-term loans.

Public sector corporations, however, usually take both short-term and long-term loans. Over the past year, short-term loans fell, while long-term loans rose slightly.

Private sector credit dropped as short-term trade-related debt could not be rolled over amid a lack of confidence, said Zahid Hussain, former lead economist of the World Bank's Dhaka office.

The lack of confidence stemmed from problems in the banking sector, payment delays, letter of credit (LC) settlement delays, and deferrals. It was difficult to secure new loans, he said.

As a result, private sector loan growth had been declining even before the political turmoil began, he added, mentioning that repayments were higher than the new loans they received.

Due to lower creditworthiness, they could not secure loans. Specifically, loan rollovers were almost halted, leading government corporations to experience the same trend.

READ MORE ON B3

## Bangladesh, Pakistan to form joint business council

### STAR BUSINESS REPORT

The apex trade bodies of Bangladesh and Pakistan signed a memorandum of understanding (MoU) yesterday to form a joint business council to strengthen trade between the two countries.

Hafizur Rahman, administrator of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), and Atif Ikram Sheikh, president of the Pakistan Federation of Chambers of Commerce and Industry (FPCCI), penned the deal.

Syed Ahmed Maroof, Pakistan's high commissioner to Bangladesh, was present at the signing ceremony, titled "Bangladesh-Pakistan Business Forum", at Pan Pacific Sonargaon Dhaka.

The FBCCI organised the event, where business leaders stressed taking joint initiatives to avail untapped potentials of trade and investment between Bangladesh and Pakistan.

The Pakistan High Commission in Dhaka, in a statement, said the joint business council would serve as a platform for the exchange of trade and investment information and the formation of business delegations.

READ MORE ON B3

mastercard. SAIL BEYOND

The Ocean is Calling!

Use your Mastercard® debit, credit or prepaid card and win a luxurious cruise experience and more exciting prizes

Mastercard.

For Details Scan Here

\* T&C Apply  
\* Campaign duration: January 01, 2025–February 09, 2025

Prime Bank

SAIL BEYOND

Use your Prime Bank Mastercard Debit or Credit Card and win a luxurious cruise experience and more exciting prizes

mastercard.

16218

## Bank Asia signs deal with Rancon Motorbikes

STAR BUSINESS DESK

Bank Asia PLC has signed an agreement with Rancon Motorbikes Limited, the local manufacturer and distributor of Suzuki motorcycles and scooters in Bangladesh.

Md Shaminoor Rahman, senior executive vice-president of the bank, and Shoeb Ahmed, divisional director of Rancon Motorbikes, signed the deal at the Bank Asia Tower in the capital's Karwan Bazar yesterday, the bank said in a press release.

Under the agreement, distributors of Rancon Motorbikes Limited will be able to receive SME financing from Bank Asia.

Other senior officials from both organisations were also present.



Md Shaminoor Rahman, senior executive vice-president of Bank Asia, and Shoeb Ahmed, divisional director of Rancon Motorbikes, pose for photographs after signing an agreement at the Bank Asia Tower in the capital's Karwan Bazar yesterday. PHOTO: BANK ASIA

## China vehicle export growth to slow in 2025

Association data shows

REUTERS, Beijing

China's vehicle exports are expected to grow 5.8 percent to 6.2 million units this year, cooling from a 19.3 percent increase in 2024, data from the China Association of Automobile Manufacturers (CAAM) showed on Monday.

A slowdown in estimated exports contrasts with a slight uptick forecast for vehicle sales in China this year, as extended policy incentives are expected to bolster sales in the world's largest auto market.

The association did not give a breakdown of export estimates by engine types, but said exports of electric vehicles fell 10.4 percent last year while plug-in hybrid exports were up 190 percent.

**A slowdown in estimated exports contrasts with a slight uptick forecast for vehicle sales in China this year, as extended policy incentives are expected to bolster sales**

That compares with an 80.9 percent rise in EV exports in 2023 at a time when plug-in hybrid exports grew 47.8 percent and points to the impact of additional tariffs on China-made EVs introduced by the European Union in late October.

China has told its automakers to halt big investment in European countries that support extra tariffs on Chinese-built EVs, Reuters reported in October. Meanwhile, automakers in China are pivoting to hybrid exports for Europe to counter additional EV tariffs.

Vehicle sales in China are forecast to rise 4.7 percent to 32.9 million units this year, following a 4.5 percent rise in 2024, according to CAAM.

The association expects a slowdown in sales growth for new energy vehicles (NEVs) that include EVs and plug-in hybrids to 24.4 percent in 2025 from 35.5 percent last year.

An extension of auto trade in subsidies into 2025 is viewed as one of the biggest boons for growth, while weak domestic demand, fierce competition and mounting external pressure are poised to have jarring effects on the auto market, CAAM official Xu Haidong said.

## Islami Bank gets 'Branding Award 2025'

STAR BUSINESS DESK

Islami Bank Bangladesh PLC has been honoured with the "Branding Award 2025" at the "World Conference Series 2025" organised by non-profit research organisation the Center for NRB for its significant role in branding Bangladesh globally.

Md Touhid Hossain, adviser to the Ministry of Foreign Affairs, handed over the award to Mohammed Monirul Moula, managing director of Islami Bank Bangladesh, at the Pan Pacific Sonargaon Dhaka in the capital recently, according to a press release.

Ahsan H Mansur, governor of the Bangladesh Bank, and Saif Uddin Khaled, a Bangladeshi-British citizen and speaker of Tower Hamlets in the United Kingdom, were present as special guests.

MS Shekil Chowdhury, chairperson of the Center for NRB, presided over the function. Local dignitaries and expatriates from various countries, along with officials from different organisations, were also present.



Mohammed Monirul Moula, managing director of Islami Bank Bangladesh, receives an award from Md Touhid Hossain, adviser to the Ministry of Foreign Affairs, at a ceremony at the Pan Pacific Sonargaon Dhaka in the capital recently. PHOTO: ISLAMI BANK BANGLADESH

## Social Islami Bank wins remittance award

STAR BUSINESS DESK

Social Islami Bank PLC has been awarded the "Top Ten Remittance Award 2025" at the "World Conference Series 2025" organised by non-profit research organisation the Centre for NRB over its remittance collections.

Ahsan H Mansur, governor of the Bangladesh Bank, handed over the award to Nazmus Saadat, managing director (acting) of Social Islami Bank, at a ceremony held at the Pan Pacific Sonargaon Dhaka in the capital recently, according to a press release.

Md Touhid Hossain, adviser to the Ministry of Foreign Affairs, attended the programme as the chief guest.

MS Shekil Chowdhury, chairperson of the Center for NRB, presided over the event.

Saifuddin Khaled, a Bangladeshi-British citizen and speaker of Tower Hamlets in the United Kingdom, along with dignitaries and officials from various organisations, was also present.



Nazmus Saadat, managing director (acting) of Social Islami Bank, receives an award from Ahsan H Mansur, governor of the Bangladesh Bank, at a ceremony at the Pan Pacific Sonargaon in the capital recently. PHOTO: SOCIAL ISLAMI BANK

## ONE Bank opens Shahapur sub-branch in Chatkhil

STAR BUSINESS DESK

ONE Bank PLC recently opened Shahapur sub-branch under the Chatkhil branch at Shahapur Bazar in Chatkhil upazila of Noakhali.

Md Zahidul Islam, executive vice-president and in-charge of the operations division of the bank, and Mohammad Shahid Ul Haque, executive vice-president and head of the retail banking division, inaugurated the new sub-branch, according to a press release.

ONE Bank has all the capabilities to fulfil the needs of its valued clients, which they expect from a modern, technology-driven, and progressive bank.

The people of the area can now fully rely on the skilled and experienced employees of ONE Bank for conducting all types of financial transactions, the press release added.

Kazi Md Forkan, vice-president and in-charge of the establishment and central support division of the bank, along with other senior executives of the bank, local businessmen, and clients of the bank, were also present.



Md Zahidul Islam, executive vice-president and in-charge of the operations division of ONE Bank, and Mohammad Shahid Ul Haque, executive vice-president and head of the retail banking division, inaugurate the Shahapur sub-branch in Chatkhil upazila of Noakhali recently. PHOTO: ONE BANK

## Eastern Bank opens relocated Banani branch

STAR BUSINESS DESK

Eastern Bank PLC (EBL) opened its relocated Banani branch on Bir Uttam Khademul Bashar Sarak in the capital's Banani yesterday.

Osman Ershad Faiz, additional managing director of EBL, inaugurated the relocated branch as the chief guest, according to a press release.

The branch is designed with modern facilities to provide enhanced banking services and an improved customer experience.

EBL remains committed to delivering innovative and customer-centric banking solutions, reinforcing its position as a trusted financial partner.



Osman Ershad Faiz, additional managing director of Eastern Bank PLC, inaugurates the relocated Banani branch on Bir Uttam Khademul Bashar Sarak in the capital's Banani yesterday. PHOTO: EASTERN BANK

## Rising dollar pressures peers

REUTERS, London

The dollar rose on Monday, driving its peers to multi-year lows, after Friday's blowout US jobs report underscored the strength of the economy and muddled the outlook for further Federal Reserve rate cuts this year.

The greenback surged to its highest in more than two years on Monday against a basket of currencies to peak at 110.08, extending last week's rally.

Friday's data showed US job growth unexpectedly accelerated in December and the unemployment rate fell to 4.1 percent, leaving traders heavily scaling back bets of Federal Reserve rate cuts this year.

Markets were now no longer fully pricing in even one rate cut from the Fed this year, down from roughly two quarter-point cuts priced at the start of the year.

With Wednesday's reading on US inflation up next, any upside surprise could threaten to close the door on easing altogether. A slew of Fed officials are also due to speak this week.

"If you look back at the last year there were worries and signs that there were cracks in the labour market emerging, but they seem to have been fully plastered, not just papered over," said Dominic Bunning, head of GIO FX strategy at Nomura.

"The US economy is resilient enough to justify a strong dollar and justify relatively higher rates."

Adding to expectations of a less aggressive easing cycle is the view that President-elect Donald Trump's plans for hefty import tariffs, tax cuts and immigration restrictions could stoke inflation. He returns to the White House in a week.

## China saw booming

FROM PAGE B4

The steps have included the cancellation of certain restrictions on homebuying, subsidies for the purchasing of household items and key interest rate cuts.

Exports have historically represented a key driver of activity for the world's number two economy, which officials say is likely to have grown five percent last year.

"With the help of strong exports and macro policy easing, the economic momentum likely stabilised," wrote Zhiwei Zhang, chief economist at Pinpoint Asset Management, in a note Monday following the publication of the trade figures.

The government is due to release 2024 economic growth data later this week. President Xi Jinping has recently expressed confidence that the country achieved an official target of around five percent.

Many economists say more policy support targeted at incentivising domestic consumption is needed to restore China's economic health.

The country narrowly avoided a slip into deflation in December, official figures showed last week, suggesting that recent measures have not yet produced a robust rebound in domestic spending.

Low inflation may lead to an increase of real interest rates, said Yue Su, principal economist at the Economist Intelligence Unit.

"So monetary easing policy needs to be more proactive to really reduce the borrowing cost of enterprises, which is important for a broad recovery of the economy," she told AFP.

The International Monetary Fund has previously predicted China's economy would grow 4.8 percent in 2024 before slowing to 4.5 percent this year.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JAN 13, 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 ↑	12.00 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-10.53 ↓
Lentil (kg)	Tk 105-Tk 110	0	0
Soybean (litre)	Tk 163-Tk 165	0	4.13 ↑
Potato (kg)	Tk 30-Tk 50	-44.83 ↓	-27.27 ↓
Onion (kg)	Tk 50-Tk 70	-46.67 ↓	-33.33 ↓
Egg (4 pcs)	Tk 45-Tk 50	-2.06 ↓	9.20 ↑

SOURCE: TCB

# US top remittance source in Nov, Dhaka top recipient

STAR BUSINESS REPORT

The biggest source of all the remittance received by Bangladesh last November was the US, according to the latest report of Bangladesh Bank (BB).

Moreover, Dhaka secured the lion's share of the foreign currencies.

Bangladeshi migrants sent home \$2,199.99 million in November. Of it, \$511.96 million came from the US and \$684.58 million was sent to Dhaka district.

Chattogram and Sylhet divisions followed suit, receiving \$603.9 million and \$199.6 million respectively.

The BB report stated that remittance inflows in that month witnessed a year-on-year growth of 14 percent.

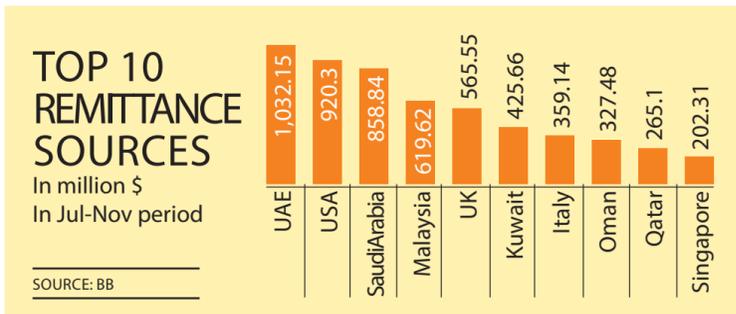
"In the current political and economic landscape, marked by inflationary pressures, exchange rate fluctuations, and rising import costs, remittances have provided much-needed relief," said the BB in its monthly report on remittance inflows.

The foreign currencies bolstered foreign currency reserves and supported millions of households across the country, it said.

Remittance inflow surged 23 percent year-on-year to nearly \$27 billion in 2024, the highest on record.

"The steady flow of remittances has been a stabilising factor, contributing to poverty reduction, improved living standards, and regional development," said the report.

"In the context of the ongoing economic recovery post-pandemic, coupled with political transitions, remittances are even



more critical in sustaining economic growth, ensuring liquidity in the banking sector, and reducing reliance on external borrowing," it added.

The BB reported that during the first five months of fiscal year 2024-25, which began last July, remittance inflows grew 26.44 percent year-on-year to \$11,137 million.

The United Arab Emirates (UAE) was the largest source of remittance during this period, followed by the US.

Saudi Arabia, which employs over 2 million Bangladeshi migrant workers, was the third-largest source of remittance. Other notable contributors included Malaysia, the United Kingdom, Kuwait, and Italy.

Among the banks, Islami Bank Bangladesh collected the highest amount of remittance in November 2024.

Agrani Bank and Janata Bank also

performed well, reflecting their extensive networks and efficient remittance services.

The BB emphasised that workers' remittance plays a pivotal role in Bangladesh's economy, serving as one of the largest sources of foreign exchange.

Approximately 13 million Bangladeshi nationals are working in various parts of the world.

"Inward remittances from Bangladeshi expatriates are very significant for the nation... Expatriates' remittances are one of the largest sources of foreign currency," the BB noted.

The BB suggested targeted strategies to support the migrant workforce, enhance the economic benefits of remittances, improve the financial inclusion of recipients, and address the needs of migrant workers abroad.

# Bangladesh has huge potential to attract foreign investment

South Korean ambassador says

STAR BUSINESS DESK

Bangladesh has significant potential for foreign investment due to its large pool of human resources, strategically advantageous location, and sizable consumer market, said PARK Young Sik, the South Korean ambassador to Bangladesh.

He made the remarks during a courtesy meeting with Taskeen Ahmed, president of the Dhaka Chamber of Commerce & Industry (DCCI), in the capital yesterday, according to a press release.

The South Korean ambassador offered several suggestions to simplify bilateral trade between Bangladesh and South Korea and attract more foreign investment.

PARK Young Sik emphasised the need to simplify visa issuance and renewal processes, speed up customs clearance procedures, improve services provided by the Bangladesh Investment Development Authority, maintain a competitive corporate tax rate, and reduce logistics costs to make the investment climate more appealing.

He also highlighted significant opportunities for foreign investment in sectors such as electronics, mobile phones, automobiles, information technology, and readymade garments (RMG) in Bangladesh.

Taskeen Ahmed, president of the DCCI, noted that bilateral trade between the two countries in the fiscal year 2023-24 reached \$1.39 billion, with imports amounting to

\$902.90 million and exports totalling \$491.73 million. He also underscored that South Korea is Bangladesh's third-largest investor, with investments totalling \$1.56 billion.

In addition, sectors such as RMG, shipbuilding, leather and leather products, active pharmaceutical ingredients (APIs), automobiles, electronics, semiconductors, and information technology hold significant potential to attract South Korean foreign direct investment (FDI).

Taskeen urged South Korea to hire more skilled human resources from Bangladesh, highlighting that the country's educated young freelancers have recently excelled in semiconductor industry design.

He expressed hope for increased cooperation from South Korea to help advance Bangladesh's technological capabilities.

The ambassador noted that South Korea has been supporting Bangladesh through various technical training centres aimed at capacity development and creating skilled human resources.

He also pointed out that Bangladesh is set to graduate from least developed country (LDC) status to middle-income country status by 2026.

"If South Korean industries can collaborate or form joint ventures with Bangladeshi companies, it will create opportunities for local entrepreneurs to access high-end technology, which will help Bangladesh face post-LDC challenges," he added.

# US SANCTIONS ON RUSSIAN SUPPLY

## China, India refiners scour the world for oil

REUTERS, Singapore/New Delhi

Chinese and Indian refiners are scouring the globe for supplies of crude as fresh US sanctions on Russian producers and tankers curb shipments to Moscow's top customers, traders said.

The US Treasury on Friday imposed sanctions on Russian oil producers Gazprom Neft and Surgutneftegas, as well as 183 vessels that have shipped Russian oil, as it targets the revenues Moscow has used to fund its war with Ukraine.

Many of the tankers have been used to ship oil to India and China as Western sanctions and a price cap imposed by the Group of Seven countries in 2022 shifted trade in Russian oil from Europe to Asia. Some tankers have also shipped oil from Iran, which is also under sanctions.

On Monday, China reiterated its opposition to unilateral US sanctions.

The measures have disrupted the trade in sanctioned oil, pushing Chinese and Indian

refiners back to sellers of non-sanctioned oil, tightening supply and driving up spot premiums for crude produced in the Middle East to Africa and Brazil, traders said.

Over the weekend, new Chinese refiner Yulong Petrochemical bought 4 million barrels of Abu Dhabi's Upper Zakum crude loading in February and March from Totsa, the trading arm of French energy major TotalEnergies, traders said.

The cargoes are for its 400,000 barrel per day refining complex in Yantai, eastern Shandong province, which started trial runs in September.

Yulong, which has previously bought Russian ESPO Blend crude, has purchased Angolan and Brazilian crude in recent weeks, traders said, and is now in talks to buy more oil from West Africa as well as Canada.

The refiner purchased 2 million barrels of Angolan Girassol and Namba crude and also 2 million barrels of Brazilian Buzios and Tupi crude, they said.

The sources declined to

be named as they were not authorised to speak to media. Yulong and Totsa typically do not comment on commercial deals.

Indian refiners which bought spot Middle East crude last week before the sanctions were announced, are still looking for more cargoes, more traders said.

India's Bharat Petroleum Corp Ltd bought 2 million barrels of February-loading Oman crude from Totsa via a tender last week, two people familiar with the matter said. The strength of the demand is helping Totsa offload an overhang of Middle East crude supplies after it amassed cargoes via S&P Global Platts' trading platform in the past four months, traders said.

Global Brent crude futures rose above \$81 a barrel to their highest since August during Monday's trade.

Spot premiums for Middle East benchmark grades jumped more than 70 percent to about \$3 a barrel on Monday, traders said, reaching their highest since October 2023.

# Bangladesh, Pakistan to form joint business

FROM PAGE B1

It will also enable the participation of businesses in trade exhibitions in both countries and oversee other initiatives aimed at promoting economic cooperation and unlocking the potential for mutual growth, it said.

The Pakistani high commissioner termed the initiative as a step forward towards facilitating businesses on both sides, encouraging collaboration, and enhancing bilateral trade ties.

The FBCCI administrator said although there had been continuous growth in trade and commerce between Bangladesh and Pakistan in the past years, many potential sectors, including agriculture, textiles, medicine, and ICT, remain unexplored.

"It is possible to increase trade and commerce between the two countries manifold through joint initiatives," he said.

He stressed utilising the South Asian Association for Regional Cooperation (Saarc) and the Organization of Islamic Cooperation (OIC) to strengthen the bilateral trade relations.

The FPCCI president said there was ample opportunity for the two countries to work together, especially in the agriculture, pharmaceutical, leather, machinery, chemical, and ICT sectors.

# Paint makers decry

FROM PAGE B1

Kamruzzaman Kamal, marketing director at Pran-RFL Group, which makes Rainbow Paints, said that while there is room for growth, higher taxes will discourage both consumers and businesses.

According to him, the recent increase in SD on paints impacts the paint and construction industries by raising prices, reducing consumer demand, and possibly slowing down economic growth.

Md Jahidul Hasan, manager (purchasing and logistics) at Nippon Paint Bangladesh, said higher taxes on paints come at a time when the paint industry is already reeling from global and domestic economic shocks.

The devaluation of the local currency Taka against the US dollar has increased import costs for raw materials, while supply chain disruptions due to geopolitical tensions have further strained resources, he said.

According to him, the real estate sector, a major consumer of paint products, is also experiencing a downturn, further reducing demand.

Meanwhile, inflation has eroded consumer purchasing power, making it difficult for manufacturers to adjust prices to offset rising costs, said Hasan.

For adjustment, he said manufacturers would have to increase product prices by at least 8 percent.

"We have tried to delay price hikes as much as possible, but the rising cost of production is unsustainable," said Chowdhury, president of the paint makers' association.

"Even with slight price increases, we are absorbing a portion of the cost, leading to shrinking profit

margins," he said, claiming that many companies are now operating at a loss and some have already shut down.

But the increased SD has complicated the situation, adding to the financial burden faced by manufacturers, according to Chowdhury.

With production costs rising due to higher transportation, packaging, and distribution spending, the additional duty further erodes profitability, according to the paint manufacturers' association.

The association said it has requested the revenue board to remove the SD on locally manufactured paints.

The association warned that if local companies are forced to pay higher taxes, the consequences could include factory closures and job losses.

"The current scenario is unsustainable for local manufacturers," said Chowdhury. "If the government fails to resolve the issues, the industry risks losing its ability to compete, both domestically and internationally," he added.

# External debt

FROM PAGE B1

On the other hand, government loans rose due to an increase in project loans, he added.

At the end of September, short-term loans fell to \$1.9 billion, compared to \$2.8 billion in June of the previous year. However, long-term loans rose to \$9.2 billion, up from \$8.99 billion three months earlier.

At the same time, private sector short-term loans decreased to \$10.73 billion from \$11.4 billion in June. However, long-term private sector loans remained almost unchanged at \$9.19 billion in September.

# Gold prices down

REUTERS

Gold prices eased on Monday as strong US jobs data reinforced the Federal Reserve's cautious stance on interest rate cuts and boosted the dollar, though underlying safe-haven demand amid uncertainty around President-elect Donald Trump's policies curbed losses.

Spot gold was down 0.1 percent at \$2,686.33 per ounce as of 0911 GMT, off almost one-month highs reached on Friday. US gold futures were 0.2 percent lower at \$2,710.60.

The dollar index hit an over

two-year high after the US jobs report reinforced the Fed's cautious approach towards policy easing this year amid concerns of inflation from potential import tariffs under Trump.

A higher dollar makes the greenback-priced bullion more expensive for foreign buyers.

"Stronger dollar and higher US rates remain a headwind for gold, but at the same time elevated market uncertainty coming from higher energy prices, potential tariffs and ongoing inflation concerns, supports safe-haven demand for the yellow metal," UBS analyst Giovanni

Stauvovo said.

Trump will take office on Jan. 20 and some economists say his proposed tariffs could potentially ignite trade wars and inflation. In such a scenario, gold, considered a hedge against inflation and economic uncertainty, is likely to perform well.

US consumer price index (CPI), producer price index (PPI), weekly jobless claims and retail sales are the major data due for release this week. A slew of Fed officials are also scheduled to speak and give further insights on the interest rate path.



**Government of the people's Republic of Bangladesh**  
**Bangladesh Police**  
**Rajshahi Metropolitan Police Headquarters**  
**Kazihata, Rajshahi-6000**  
[www.rmp.gov.bd](http://www.rmp.gov.bd)

**Request for Expression of Interest (EOI) for selecting Research firm (National)**

1.	Ministry/Division	Ministry of Homes Affairs
2.	Agency	Bangladesh Police
3.	Head of Procuring Entity	Police Commissioner, Rajshahi Metropolitan Police Headquarters, Rajshahi
4.	Request for Expression of Interest (EOI)	Conduct Research and Publication of Report
5.	EOI Reference No.	Memo no. 44.01.0000.988.07.012.24.257 Date : 13 January 2025
6.	Date	13 January 2025
<b>Key Information</b>		
7.	Procurement Method	Quality and Cost Based Selection (QCBS)
8.	The period of Assignment	16 Months
9.	Source of Fund	Revenue Budget, GoB
10.	Title of Research	Safe Cyber Spaces for Women and Children: Challenges of Existing Technological and Legal Perspectives
11.	EOI Publication date	15 January 2025
12.	Time and Date of pre-proposal meeting	15:30 hrs on 29 January 2025
13.	Closing time & date of EOI Submission	12:00 hrs on 05 February 2025
14.	Time & Date EOI Opening	12:30 hrs on 05 February 2025
15.	Brief Description of the Assignment	i) Assessing the Safe Cyber Spaces for Women and Children: Challenges of Existing Technological and Legal Perspectives ii) find out the reasons of Cyber Victim In case of Women and Children iii) Find out the Challenges of Existing Technological and Legal Perspectives in this case iv) Set Recommendations
16.	Qualifications of Research firm	i) Research firm(s) is/are requested to send a write-up not exceeding 2000 words in consistency with the topic as above (in prescribed form stated in Bangladesh Police Gobeshona Nitimala 2018 providing (a) Trade License (b) Research Experience of the firm(s) (c) Research Experience of the Chief Executive of the Firm (d) Educational Qualifications of the Chief Executive of the Firm (e) Publications of the Firm (Books, Articles/Research Articles) (g) Capacity of the Firm (Infrastructure/Logistic-Transport, Photocopier Scanner etc.), number of researchers and personnel Attested copies of relevant papers mentioned above must be submitted along with the EOI. ii) Research firm(s) will be preferred with Research experience in global context.
<b>Procuring entity details</b>		
17.	The place where the application will be received	Deputy Police Commissioner (Headquarters), Rajshahi Metropolitan Police Headquarters, Room no. 112, Kazihata, Rajshahi.
18.	Name of Official inviting EOI	Md. Shaifuddin Shaheen
19.	Designation of Official Inviting EOI	Deputy Police Commissioner (Headquarters)
20.	Address of Official inviting EOI	Rajshahi Metropolitan Police Headquarters, Kazihata, Rajshahi.
21.	Contact details of Official inviting EOI	Phone- 02 588801305, Fax- 02 588801302 E-mail : dchqrmpp@police.gov.bd
22.	The procuring entity reserves the right to reject all EOIs	



**Md. Shaifuddin Shaheen**  
BP-7805003526  
Deputy Police Commissioner (Headquarters)  
For/Police Commissioner  
Rajshahi Metropolitan Police, Rajshahi  
Phone-02 588801305, Fax- 02 588801302

GD- 138



Customers complain that retailers are now charging Tk 20 to Tk 30 more for each kilogramme of apple, orange, grape, sweet orange and watermelon, forcing them to reduce purchases amid persistently high inflation for nearly two years.

PHOTO: ANISUR RAHMAN

## Imported fruits become costlier for duty hike

SUKANTA HALDER

Recent supplementary duty (SD) hikes on the import of fruits have dealt a fresh blow to people who were already cutting back on these delicacies since the imposition of regulatory duties in mid-2022.

On January 9, the National Board of Revenue (NBR) increased the supplementary duty on the import of certain dry and fresh fruits, such as nuts and betel nuts, to 45 percent from the previous 30 percent.

The duty on some fresh fruits, such as grapes, apples, and watermelons, as well as on juices, was raised to 30 percent from 20 percent.

This mid-fiscal year move by the government is widely interpreted as an attempt to increase revenue collection and meet conditions set by the International Monetary Fund (IMF) for its ongoing \$4.7 billion loan programme for Bangladesh.

**On January 9, the National Board of Revenue increased the supplementary duty on the import of certain dry and fresh fruits to 45 percent from the previous 30 percent**

Economists and businesses have criticised the timing of the NBR's decision, as people have been struggling with inflation above 9 percent for nearly two years.

Customers report that retailers are now charging Tk 20 to Tk 30 more for each kilogram (kg) of apples, oranges, grapes, sweet oranges, and watermelons, forcing them to reduce purchases amid



persistently high inflation for nearly two years.

Naznin Akhter, a shopper at Karwan Bazar, one of Dhaka's largest kitchen markets, expressed her concern, stating that she could no longer afford foreign fruits in the volumes she used to purchase a year ago.

"Ten days ago, I bought medium-sized oranges at Tk 260 per kg, but the price has now risen to Tk 290. Similarly, apples that were Tk 290 per kg are now Tk 320," she said.

"I had planned to buy 2 kg of oranges and 2 kg of apples. However, due to the price hike, I ended up purchasing only 1.5 kg of each," she added.

Naznin urged the government to reconsider the duty hikes to ease the burden on consumers.

Fruit traders say the previous duty hikes

reduced imports by roughly 30 percent, whereas the latest SD hikes have slashed wholesale sales by 20 to 25 percent.

Mohammad Sagar Mia, a shop owner at Karwan Bazar, said prices have risen by Tk 15 to Tk 20 per kg at the retail level.

"In some cases, the price of certain fruits has increased by Tk 25 per kg," he said.

Prior to January 9, he used to buy black grapes for Tk 500 per kg at wholesale, and now it costs Tk 530. Similarly, the price of small-sized pomegranates has risen from Tk 450 to Tk 480.

The price of oranges was Tk 200 to Tk 230 but has now increased to Tk 240 to Tk 260. Apples, which were Tk 280 earlier, are now Tk 300, he added.

Sagar also noted that pears, previously priced at Tk 270 to Tk 280, are now Tk 288.

Serazul Islam, president of the Bangladesh Fresh Fruits Importers Association, told The Daily Star that they sent a letter to the relevant government office a month ago requesting an exemption from regulatory duties and a reduction in advance income tax.

This request was particularly important with Ramadan, the month of fasting, due to begin in March, when believers typically incorporate different fruits into their daily diet, he said.

Islam also claimed that March was a time when the variety of local fruits available in markets was limited, although this could not be independently verified.

However, the opposite occurred, he said.

"With high inflation persisting, people have already been buying less fruit over the past two years," he added.

"The recent tax increases will further force many middle-income and lower-middle-income consumers to cut back on their fruit consumption," he said.

As a result of rising prices, wholesale fruit sales have already dropped by 20 to 25 percent over the past two to three days, Islam said.

Bangladesh's fruit imports, as reflected in the opening of letters of credit (LCs), fell by 8.5 percent year-on-year to \$107 million in the July-November period of fiscal year 2024-25.

The settlement of the LCs also declined during the period, according to Bangladesh Bank data.

The Consumers Association of Bangladesh last Sunday urged the government to refrain from implementing the SD hikes until the end of Ramadan, warning that otherwise, it would worsen the financial struggles of low- and middle-income families.

## India lets heavier Nepali vehicles to transit Bangladesh

STAR BUSINESS REPORT

India has approved higher axle weight limits for Nepali cargo vehicles transiting the Kakarbhitta-Phulbari-Banglabandha route, facilitating trade with Bangladesh, the Indian commerce ministry announced on Sunday.

Under Indian road transport regulations, the limits are set at 18.5 tonnes for two-axle vehicles and 28 tonnes for three-axle vehicles.

The decision followed Nepal's request during an India-Nepal Inter-Governmental Committee (IGC) meeting on trade and transit held in Kathmandu on January 10-11.

The meeting was co-chaired by Indian Commerce Secretary Sunil Barthwal and Gobinda Bahadur Karkee, secretary, Ministry of Industry, Commerce, and Supplies of Nepal.

Banglabandha, a key inland port in northern Bangladesh, provides a trade corridor between Nepal and Bangladesh via India's Siliguri corridor, a 52 kilometre stretch of land known as the "chicken's neck".

This route, operational since August 31 of 1997, has bolstered regional trade ties.

## UK to 'unleash' AI to turbocharge economy

AFP, London

Prime Minister Keir Starmer is due Monday to outline an "action plan" to make the UK "the world leader" in artificial intelligence and spark Britain's flagging economy.

His Labour administration said AI would be "unleashed" across the whole of the country, with the "full weight" of its half a million strong civil service getting behind the endeavour.

"Artificial Intelligence will drive incredible change in our country," Starmer said in a statement late Sunday.



PHOTO: AFP

**Britain's Prime Minister Keir Starmer's Labour administration said AI would be "unleashed" with the "full weight" of its half a million strong civil service getting behind the endeavour.**

"From teachers personalising lessons, to supporting small businesses with their record-keeping, to speeding up planning applications, it has the potential to transform the lives of working people."

Starmer was due to lay out fuller details of Britain's approach to AI technology, which is raising complex questions for governments around the world, during a speech later on Monday.

In Sunday's press release ahead of the address, the premier said the AI industry "needs a government that is on their side, one that won't sit back and let opportunities slip through its fingers".

"In a world of fierce competition, we cannot stand by. We must move fast and take action to win the global race."

"Our plan will make Britain the world leader," he insisted.

The government's 50 proposals include creating what it calls "dedicated AI growth zones" designed to speed up planning proposals for data centres and other AI infrastructure.

## US announces new restrictions on AI chip exports

AFP, San Francisco

The United States on Monday unveiled new export rules on advanced computing chips used for artificial intelligence, aiming to facilitate sales to allied nations and further curb access to countries like China.

The restrictions, which also include rules on weights for closed AI models, build on curbs announced in 2023 on exporting certain AI chips to China, which the United States sees as a strategic competitor in the field of advanced semiconductors.

"The US leads the world in AI now -- both AI development and AI chip design -- and it's critical that we keep it that way," Commerce Secretary Gina Raimondo told reporters.

The new rules update controls on chips, requiring authorizations for exports, re-exports and in-country transfers -- while also including a series of exceptions for countries considered friendly to the United States.

AI data centers meanwhile will need to comply with enhanced security parameters in order to be able to import chips.

The rules make it "hard for our strategic competitors to use smuggling and remote access to evade our export control," White House National Security Advisor Jake Sullivan said, while creating "incentives for our friends and partners around the world to use trusted vendors for advanced AI."

The new rules will go into effect in 120 days, Raimondo said, giving the incoming administration of President-elect Donald Trump time to potentially make changes.

## China saw booming exports in 2024 as Trump tariffs loom

AFP, Beijing

China's exports surged to a record high in 2024, providing a much-needed boost for the economy as the prospect of biting tariffs imposed by US president-elect Donald Trump looms.

Overseas shipments represented a rare bright spot for Beijing last year as sluggish domestic consumption and a prolonged crisis in the property sector dragged on growth.

But Trump, who imposed sweeping tariffs on China during his first term in office, has threatened even fiercer levies when he returns to the White House next week. Observers said that a recent surge in China's exports has likely been boosted by companies ramping up stockpiles ahead of Trump's second term amid fears of a painful trade war.

"In 2024, China's total exports exceeded 25 trillion yuan for the first time, reaching 25.45 trillion yuan (\$3.47 trillion), an increase of 7.1 percent year-on-year," Lu Daliang, spokesman for the General Administration of Customs, said at a news conference.

Total imports, meanwhile, rose 2.3 percent to 18.39 trillion yuan, Lu said. Combined trade swelled five percent

to reach a record 43.85 trillion yuan, said Wang Lingjun, vice minister of the customs administration.

"China's position as the world's largest goods trading nation has become even more secure," Wang added.

Official customs data showed Monday

that exports in December jumped 10.7 percent year-on-year, comfortably outperforming a forecast of 7.5 percent in a Bloomberg survey of economists.

"We expect shipments to remain strong in the coming months, as US importers continue to stockpile Chinese goods



This photo taken on January 11 shows containers waiting to be transported at Guoyuan Port in Chongqing.

PHOTO: AFP

ahead of tariff hikes," Zichun Huang, China economist at Capital Economics, wrote in a note.

"But exports are likely to weaken later this year as President Trump puts his tariff threats into action," she added.

Imports last month grew one percent year-on-year, customs data showed, compared with a Bloomberg forecast of a one percent decline.

Exports have historically represented a key driver of activity for the world's number two economy, which officials say is likely to have grown five percent last year.

During the most recent US presidential campaign, Trump threatened to slap a 60 percent tariff on all Chinese goods. China's exports "are likely to stay resilient in the near-term," wrote Huang.

"But outbound shipments will weaken later this year if Trump follows through," she wrote, adding that the new US tariffs "could reduce export volumes by about three percent and shave roughly 0.5 percent off China's GDP."

Since September, Beijing has announced some of its most aggressive policy measures in years as officials try to kickstart the economy, which has so far failed to achieve a full post-pandemic recovery.

READ MORE ON B2