

Star BUSINESS



'Most difficult time in 34 years' Says former MCCI president Syed Nasim Manzur

STAR BUSINESS REPORT

Consumer confidence in Bangladesh is at a low level, while investor confidence is negative both domestically and internationally, said a former president of the Metropolitan Chamber of Commerce and Industry (MCCI) yesterday.

"The economy is under severe stress. I have been doing business for 34 years, and this is the most difficult year I have faced in my life in Bangladesh," said the former MCCI president, Syed Nasim Manzur.

He was addressing a symposium titled "White Paper and Thereafter: Economic Management, Reforms, and National Budget" at the Bangabandhu International Conference Centre (BICC).

The symposium was organised by a committee that prepared a white paper on the state of Bangladesh's economy in association with the Citizen's Platform for SDGs, Bangladesh.

"I have no other passport and no intention of going elsewhere, but our business is under stress. We feel a lack of confidence and support," said Manzur.

"We have a misconception that there is no other country apart from Bangladesh for investment. However, our foreign investors are telling us to consider investing in Indonesia due to the ease and cost of doing business there," he said.

He highlighted three key challenges—the increase in the minimum wage without a corresponding rise in productivity, the rising cost of energy, and the soaring cost of finance.

"If Bangladesh Bank keeps raising the interest rate to 25 percent to control inflation, businesses will shut down because they need affordable financing. READ MORE ON B3



Bangladesh sees window of opportunity in Trump's trade war

TAKEAWAYS	
95% of Bangladesh's exports to the US are RMG	US is Bangladesh's largest RMG export destination
Import duties to US	
Bangladesh: 15.62%	China: 25%
Now China tariff may rise to 60%	

Apparel timeline

June 2013: Obama administration suspended Bangladesh's GSP

Nov 2013: Bangladesh and US signed TICFA

2013: US issued 16-point action plan for Bangladesh to regain GSP

2016-2017: Bangladesh submitted reports, awaiting review

2023: Bangladesh stopped double fumigation of US cotton

Garment exports to US

In billions of \$; SOURCES: OTEXA AND BGMMA



REFAYET ULLAH MIRDDHA

US President-elect Donald Trump's trade policies towards China and Mexico could ultimately benefit Bangladesh, according to local apparel exporters.

In recent months, Bangladesh's garment exports to the US market have been improving gradually as more American clothing retailers and brands arrive with increased work orders, mainly shifted from China, they said.

The exporters said that punishing tariffs as high as 60 percent on Chinese goods will drive more international clothing retailers and brands to Bangladesh in the future.

Bangladesh is already a preferred destination for American buyers because of competitive prices, its capability to churn out huge export volumes, and improved workplace safety at local factories.

For these reasons, they said Bangladesh has performed strongly in US markets over the years, even with a 15.62 percent duty to the US market.

The US government allows zero duty

benefits on imports of 97 percent of products from the least developed countries (LDCs).

The US government has not included garment items in the 97 percent package, and local garment exporters have urged the government multiple times to negotiate with the US to reduce tariffs on Bangladeshi goods.

AK Azad, chairman and managing director of Ha-Meem Group, who exports the majority of his garment products to the USA, said, "The imposition of high tariffs on China and Mexico will create an opportunity for Bangladesh. A lot of apparel work orders are expected to be shifted from China and Mexico to Bangladesh, India, and Pakistan."

He added that some US-based retailers and brands that shifted work orders away from Bangladesh because of the political crisis and labour unrest last year "are now coming back with increased work orders".

FIRST, BANGLADESH SHOULD GET READY

Azad said Bangladesh should first "do some homework" so that the opportunity can be utilised.

For instance, adequate supplies of utilities such as gas and power need to be ensured for industrial units to run at full production, he added, noting that gas prices are already high for industrial use.

MA Jabbar, managing director of DBL Group, echoed Azad's views.

"The buyers are preferring Bangladesh now as Trump in his speeches said he would impose a high tariff on Chinese and Mexican goods," he said.

In recent years, some basic garment orders were shifted to Mexico but are now returning to Bangladesh, he said, calling for adequate energy supplies to industrial units to enable them to run at full capacity.

The law and order situation should be improved, and investment in man-made fibre, garment, and backward linkage industries needs to be developed soon to capture more of the American market, he said.

Faruque Hassan, former president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said, "So far, READ MORE ON B3

Motorcycle sales hit five-year low

JAGARAN CHAKMA

Motorcycle sales in Bangladesh hit a five-year low in 2024, in continuation of a downward trend emanating from economic instability, inflation and political transitions, according to industry experts.

An overall market assessment by ACI Motors states a 2 percent year-on-year decline from the 392,610 motorcycles sold in 2023. The fall exceeded the downturn experienced during the Covid-19 pandemic.

Subrata Ranjan Das, deputy managing director of ACI Motors, attributed the slump to economic challenges.

"Motorcycle prices also increased significantly due to the ongoing US dollar crunch and rising inflation," he explained.

Interestingly, the premium motorcycle segment bucked the trend, showing significant growth in 2024.

Das noted that affluent buyers remained unaffected by economic pressures, driving demand for high-end models.

However, Das warned that the broader market faces limited opportunities for growth.

"With the economy under strain, manufacturers and retailers have little scope to expand until conditions improve," he added.

According to the latest sales data, the motorcycle market in 2024 has seen a mix of surprises and setbacks.

While some brands experienced noteworthy growth, others faced a decline, reflecting shifts in consumer

MOTORCYCLE SALES IN THE LAST SIX YEARS

SOURCE: INDUSTRY DATA



preferences and market dynamics.

Among the brands, Hero Motorcycles emerged as a strong contender, recording the highest growth rate of 19 percent in 2024, according to the ACI report.

Hero's sales soared to 58,189 units, boosting its market share to 14.8 percent, it added.

This surge apparently reflects the brand's strategic focus on affordable models and fuel efficient designs, which resonated well with budget-conscious consumers.

Meanwhile, Suzuki and Yamaha also posted positive growth rates of 8 percent and 11 percent respectively, according to the ACI report.

Both brands now hold an equal market

share of 19.3 percent, closely competing in the mid-range segment, it added.

Yamaha's aggressive marketing campaigns and innovative features have played a pivotal role in driving demand while Suzuki's consistent reliability continues to win over buyers.

In stark contrast, Bajaj, once a leader in the motorcycle market, experienced a significant 10 percent decline in sales, the report said.

The company sold 85,696 units in 2024, causing its market share to fall to 21.8 percent, though it remains the dominant player, it added.

Industry insiders suggest that rising competition and limited new launches may have contributed to this slump.

Another notable trend is a slight dip in sales for Honda, which recorded a 1 percent decline year-on-year. Honda's market share now stands at 15.2 percent, a minor decrease.

Analysts believe the brand needs to revamp its lineup to cater to evolving customer expectations.

Overall, the motorcycle market reflects a dynamic landscape where brands are vying for a larger share through innovation, pricing strategies and targeted promotions.

The total market sales figures reveal that consumers are increasingly prioritising value-for-money options without compromising on style and performance. READ MORE ON B3

Over half of spices, dry fruits imported illegally

Govt report says

STAR BUSINESS REPORT

The abundance of foreign spices and dry fruits in the market suggests that illegal imports are playing a significant role, as imports through formal channels are substantially lower than the demand in Bangladesh.

A review of import data for the fiscal year 2023-24 reveals that more than 50 percent of most products are being imported illegally or through misdeclarations, according to a report by the Bangladesh Trade and Tariff Commission (BTTC).

The annual demand for cumin in the country is 60,000 tonnes. About 34,000 tonnes were imported legally in the fiscal year 2023-24, the report stated.

Since cumin is not produced domestically and there was no shortage of cumin in the country, this indicates that 26,000 tonnes were imported illegally, it said.

Like cumin, three other spices—cardamom, cinnamon, and cloves—have also been imported in quantities insufficient to meet demand for years.

The BTTC noted that the import deficit for these four spices combined is 43 percent of their total demand.

In addition to spices, the BTTC also highlighted informal trade involving five types of dry fruits.

These five dry fruits are raisins, cashew nuts, peanuts, pistachios, and prunes. These dried fruits are in demand for enhancing the flavour of food and are valued as healthy food items.

The BTTC report revealed that the combined demand for nine spices and dry fruits is 1.24 lakh tonnes, while only about 68,000 tonnes were legally imported last fiscal year. READ MORE ON B3

A Comprehensive Banking Solution for Academic Institutions, Teachers, Students and Parents for the first time in Bangladesh



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Islami Bank organises business development conference

STAR BUSINESS DESK

Islami Bank Bangladesh PLC organised the "Business Development Conference-2025" at the Pan Pacific Sonargaon Dhaka yesterday.

Obayed Ullah Al Masud, chairman of the bank, inaugurated the two-day conference as the chief guest, said a press release.

In his speech, Masud said that Islami Bank is conducting banking operations across the country through a wide network of 6,500 units. It has 25 million customers, and this vast network proves the popularity of the bank.

He mentioned that the bank is working to improve the living standards of marginal communities through its Rural Development Scheme in 34,000 villages of the country.

"We want to spread this service to all 68,000 villages of the country," he said, adding that "Since the change in the national scenario on August 5, the bank has collected about 9 lakh new customers and a fresh deposit of Tk 13,000 crore. Last year, the bank achieved a milestone by opening its 400th branch."

While presiding over the event, Mohammed Monirul Mousa, managing director of the bank, said that the contribution of Islami Bank to the country's economic development is innumerable. "In 2024, Islami Bank maintained its top position in all business indices, overcoming a number of challenges."



Obayed Ullah Al Masud, chairman of Islami Bank Bangladesh, speaks at the two-day "Business Development Conference-2025" at the Pan Pacific Sonargaon Dhaka yesterday.

PHOTO: ISLAMI BANK BANGLADESH

"It has collected the highest number of deposits in the country's banking sector. About 9 percent of the country's import-export trade is conducted through this bank."

"Remittance-sending expatriates have deposited a record amount of remittances in this bank, which is a quarter of the country's total remittances. Employment for about 1 crore people has been created through this bank," he added.

Mohammad Khurshid Wahab, chairman of the executive committee of the bank; M Masud Rahman, chairman of the risk management committee; Md Abdus Salam, chairman of the audit committee; Md Abdul Jalil, independent director; and Mohammad Abdus Samad, member secretary of the Shariah supervisory committee, were present as special guests.

Midland Bank signs MoU on cash management with Win Champion

STAR BUSINESS DESK

Midland Bank PLC recently signed a memorandum of understanding (MoU) with Win Champion (BD) Limited, a concern of Sonic Group.

Md Ahsan-uz Zaman, managing director of the bank, and Benjamin CY Wong, founder chairman of Win Champion (BD) and chairman of Sonic Group, signed the MoU at the group's headquarters located at Uttara EPZ in Nilphamari, according to a press release.

Under the MoU, Win Champion (BD) will use the robust online cash management solution of MDB's "Midland Cash Management (MCM)" application to conduct its daily business banking and cash management activities.

Mohd Javed Tarek Khan, head of the institutional banking division of the bank; Muhammad Majidul Haq Patwary, vice-president and head of unit 05; Mohammad Hassibur Rahman, senior assistant vice-president and head of cash management; Su Yongbou, director of Win Champion (BD); Md Showayeb Ahmed, assistant manager of finance; along with other executives and officers from both organisations, were also present.



Benjamin CY Wong, founder chairman of Win Champion (BD) and chairman of Sonic Group, and Md Ahsan-uz Zaman, managing director of Midland Bank, pose for photographs after signing a memorandum of understanding at the group's headquarters located in Uttara EPZ, Nilphamari recently.

PHOTO: MIDLAND BANK

British PM willing to enter trade talks with US

AFP, London

British Prime Minister Keir Starmer reiterated his willingness to strike a trade deal with the US, he told two publications Friday, ahead of Donald Trump's presidential inauguration next week.

The UK has sought a major transatlantic free trade agreement ever since formally leaving the European Union in 2021.

But negotiations have broken down, including over Britain's reluctance to open its borders to some American agricultural products.

"Our ambition is to have a deal of some sorts with the US, a trade deal. That's where our focus is," the Labour leader told the Financial Times.

Negotiations between the US and the UK made progress during Trump's first presidency, but slowed under US President Joe Biden.

The opening of new talks could allow the UK to escape Trump's pledge to impose tariffs of 10 to 20 percent on all products entering the US.

"We haven't had the inauguration yet, so let's see what the decisions are when we get to that stage," Starmer told Politico on Friday.

"I have been clear that we would like to have discussions about a trade deal with the US," he added. Stephen Moore, one of Trump's longest-serving economic advisers, told the BBC in November that the UK should align itself with the American "free enterprise" economic model.

"It would spur the Trump administration's willingness to the free trade agreement with the UK," he told the BBC's Today programme.

Since Brexit, the UK has formed trade agreements with the European Union and other European states, as well as countries further afield such as Australia, New Zealand and Singapore.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JAN 18, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 70-Tk 84	4.05 ↑	12.41 ↑
Coarse rice (kg)	Tk 52-Tk 58	4.76 ↑	7.84 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-10.53 ↓
Lentil (kg)	Tk 105-Tk 110	0	0
Soybean (litre)	Tk 165-Tk 170	2.13 ↑	6.35 ↑
Potato (kg)	Tk 30-Tk 50	-44.83 ↓	-11.11 ↓
Onion (kg)	Tk 50-Tk 70	-41.46 ↓	-20.00 ↓
Egg (4 pcs)	Tk 44-Tk 50	-1.05 ↓	5.05 ↑

SOURCE: TCB

IFIC Bank holds 'largest banking network conference' in Barishal

STAR BUSINESS DESK

IFIC Bank PLC organised the "IFIC Largest Banking Network Business Conference" at Barishal Shilpakala Academy in Barishal on Friday.

The conference brought together over 300 employees from the bank's 16 branches and 96 sub-branches operating under the Barishal and

Faridpur zones, according to a press release.

Md Mehmood Husain, chairman of the bank, attended the daylong conference as the chief guest.

Md Ebtadul Islam, director of the bank, and Syed Mansur Mustafa, managing director, were present.

The bank awarded top performing employees for their

exceptional contributions to deposit mobilisation, loan disbursement, and recovery efforts.

Md Rafiqul Islam, deputy managing director and chief of branch business of the bank; Helal Ahmed, head of operations; Dilip Kumar Mandal, chief financial officer, along with other senior officials of the bank, were also present.



Md Mehmood Husain, chairman of IFIC Bank, poses for group photographs with participants of the "Largest Banking Network Business Conference" at Barishal Shilpakala Academy on Friday.

PHOTO: IFIC BANK

Workshop on climate-related financial disclosures begins in Dhaka

STAR BUSINESS DESK

Bangladesh Bank, in collaboration with the Joint Impact Model (JIM) Foundation, organised a two-day workshop on "Sustainability and Climate-related Financial Disclosures" at the Eastern Bank's head office in Dhaka yesterday.

Eastern Bank Limited (EBL), UK International Development, and British International Investment (BII) were the strategic partners of the event. BII supported the event under the FCDO-funded IMPACT programme, said a press release.

The workshop underscored the shared vision of fostering sustainable financial practices in Bangladesh, ensuring long-term economic and environmental resilience.

Chowdhury Liakat Ali, director of the Sustainable Finance Department (SFD) at the central bank, reiterated Bangladesh Bank's unwavering commitment to sustainable development and highlighted the importance of this

workshop in equipping financial institutions with the tools to meet IFRS S1 sustainability and IFRS S2 climate-related financial disclosure requirements.

Riad Mahmud Chowdhury, deputy managing director and head of corporate banking at EBL, said, "This workshop represents another

milestone in our shared journey toward creating a sustainable financial ecosystem."

The workshop brought together approximately 200 senior executives from banks and financial institutions across Bangladesh for a comprehensive capacity-building experience.



Participants of a two-day workshop on "Sustainability and Climate-related Financial Disclosures" organised by Bangladesh Bank, in collaboration with the Joint Impact Model Foundation, pose for photographs at the Eastern Bank's head office in Dhaka yesterday.

PHOTO: TRIUNE GROUP

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Memo No. 45.02.0000.382.20.001.2025-42

Dated: 16.01.2025

Invitation for e-Tender

Invitation Reference No. 45.02.0000.009.20.11.24-24, Date: 05-01-2025

e-Tenders are invited in the National e-GP System Portal (<https://www.eprocure.gov.bd>) for the procurement of the following packages of Routine and Periodical Maintenance Works.

Sl. No.	Tender ID No.	Package No.	Name of works	Document price (BDT)	Last selling date & time	Closing date & time
1	1065387	HED/GD/GOB- Repair-HS/2024- 25/01	Repair, Renovation and Maintenance works at Old Hospital Building of Kasiani UHC in Gopalganj District.	1000.00	02-02-2025 17:00	03-02-2025 17:00
2	1065389	HED/GD/GOB- Repair-HS/2024- 24/02	Repair, Renovation and Maintenance works at Electric Sub-Station (315KVA) of Tungipara UHC in Gopalganj District.	1000.00	02-02-2025 17:00	03-02-2025 17:00
3	31065415	HED/GD/GOB- Repair-HS/2024- 24/03	Repair, Renovation and Maintenance works at Hospital Building of Moksudpur UHC in Gopalganj District.	1000.00	02-02-2025 17:00	03-02-2025 17:00
4	1065416	HED/GD/GOB- Repair-HS/2024- 24/04	Repair, Maintenance & Renovation of Tafalbari Union Health Sub-Center (RD) at Shoronkhola Upazila in Bagerhat District.	1000.00	02-02-2025 17:00	03-02-2025 17:00
5	1065417	HED/GD/GOB- Repair-HS/2024- 24/05	Repair, Maintenance & Renovation Assistant Engineer Office, Health Engineering Department (HED) in Bagerhat District.	1000.00	02-02-2025 17:00	03-02-2025 17:00
6	1065418	HED/GD/GOB- Repair-HS/2024- 24/06	Repair, Maintenance & Renovation of Civil works (R.C pad, tiles, Plaster, painting, wooden door, aluminium sliding window, grill), Sanitary, Plumbing and Electrical works of Doctors Qtr (2-Storeied 4 unit) at Morelgonj Upazila Health Complex in Bagerhat District.	1000.00	02-02-2025 17:00	03-02-2025 17:00
7	1065419	HED/GD/GOB- Repair-HS/2024- 24/07	Repair, Maintenance & Renovation of Bishnupur Union Health Sub-Center (RD) at Sadar Upazila in Bagerhat District.	1000.00	02-02-2025 17:00	03-02-2025 17:00
8	1065420	HED/GD/GOB- Repair-HS/2024- 24/08	Repair, Maintenance & Renovation of MO Quarter (2-storeied 2 unit) at Chitalmari Upazila Health Complex in Bagerhat District.	1000.00	02-02-2025 17:00	03-02-2025 17:00

These are online tenders where only e-Tenders will be accepted in the abovementioned Portal and no offline tender/hard copies will be accepted. Supplementary information with guidelines are available in the National e-GP System and from the e-GP help desk (helpdesk@eprocure.gov.bd). For submission of e-Tenders, HED enlistment updated renewal and registration in the National e-GP System will be eligible. The fees for downloading the e-Tender documents from the National e-GP System Portal have to be deposited online through any registered bank's branches up to time specified in Online Notice. The procuring entity reserves the right to accept or reject any or all Tenders without assigning any reason whatsoever.

16/01/2025

K M Hasan Uz Zaman
Executive Engineer
Health Engineering Department (HED)
Gopalganj Division, Gopalganj

GD-189

Plot allocation in Patuakhali EPZ will begin in early 2026

SOHRAB HOSSAIN, Patuakhali

Plot allocation at the Patuakhali Export Processing Zone (EPZ) will start in early 2026 as the project's construction is scheduled to be completed by June 2025, said Md Saifullah Panna, secretary to the Chief Adviser's Office.

He also highlighted the necessary initiatives, including road development, to make the EPZ more investment-friendly.

Panna made the comments during a visit to the special zone yesterday to inspect the progress of the construction work on the project approved on August 29, 2023.

The Patuakhali EPZ, which is being constructed at a cost of Tk 1,443 crore, is set to feature 306 industrial plots, said Md Ashraf Kabir, project director.

Of the project cost, the government extended Tk 1,105 crore and Bangladesh Export Processing Zones Authority (Bepza) Tk 338 crore, he said.

The EPZ, which spans 410.78 acres of land in Pachakoralia village of Auliapur union under Patuakhali sadar upazila, is expected to create employment opportunities for around one lakh people, Kabir added.

The EPZ, for which an 'Investors' Club' is being constructed on 2.25 acres of land in Kuakata under the same project, is expected to significantly improve the socio-economic condition of the local population, project officials said.

The infrastructures being developed under the Patuakhali EPZ project include 3.15 lakh metres of roads, around 30,000 metres of drainage, four six-storey factory buildings, three 10-storey office buildings, four six-storey and three 10-storey residential buildings, zone office, customs office, and security office, a helipad and 54 rehabilitation houses for landowners affected by the project.

The project will also have substations inside its boundary to ensure uninterrupted power supply, the officials said.

The proximity of the Patuakhali EPZ to Payra seaport is positioned as a key player in the region's industrial growth, said Mohammad Mosharrar Hossain, managing director of Liberty Group, one of the leading industrial firms of the country.

However, he emphasised the need to widen the connecting roads, improve connectivity and ensure a reliable gas supply to the EPZ to attract more investors, he said.

Currently, Bangladesh has eight operational EPZs.

DSE working to bring good companies to market

Its Chairman Mominul Islam says

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) is currently focusing on four key tasks, one of which is to bring reputable companies to the capital market to restore investor confidence, DSE Chairman Mominul Islam said yesterday.

Additionally, the premier bourse is working to ensure tax benefits for investors and prevent insider trading, he added.

"We have zero tolerance for insider trading," Islam said at the 'CMJF Talk,' organised by the Capital Market Journalists' Forum (CMJF).

"Everything will be futile if we cannot ensure confidence among investors. For this reason, we are working with some short-term plans," he noted.

Islam expressed hope that dynamism would return to the capital market by next June.

The chairman's remarks come at a time when the stock market is experiencing a bearish trend because of limited participation from institutional and retail investors.

The DSEX, the benchmark index of the DSE, fell by 1,026.43 points, or 16.44 percent, to 5,216.44 on December 30, the last trading day of 2024, compared to 6,242.87 on the first trading day of the same year, according to DSE data.

Islam mentioned that the government's taskforce for capital market reforms is identifying past irregularities.

"Reforms have already begun, and some measures will be completed by June. These steps will help restore investor confidence," he said.

Elected to his post in early October last year, the DSE chairman stated that the exchange has also devised long-term plans to transform the capital market into a vibrant one.



PHOTO: COLLECTED

DSE Chairman Mominul Islam speaks at CMJF Talk in Dhaka yesterday.

"However, it will take some time to see the results," he said.

Bangladesh's stock market has not advanced as much over the past 15 years under the Hasina-led Awami League government, but during the same period, global markets have made significant strides, he said.

"The stock market has failed to play its due role in the economy. We are far behind expectations. The bourses have faced numerous challenges, including undue regulatory interference," he said.

Previously, the Bangladesh Securities and Exchange Commission's (BSEC) prior approval was mandatory for the DSE to take any initiative, making it difficult to monitor listed companies effectively.

"We have resolved many of these issues," he stated.

Monitoring will be strengthened for companies with weak fundamentals, but the problem is that most of the listed companies have weak fundamentals, he said.

"It is challenging to oversee all these weak companies simultaneously," he said.

He added that steps are being taken to delist companies that should not have been allowed to float shares to the public.

Despite having an electronic trading platform that meets global standards, the DSE faces technical challenges due to process-related limitations, Islam pointed out.

"Such incidents will reduce significantly once standard protocols are established," he said.

The DSE is also engaging with multilateral lenders, including the International Monetary Fund (IMF), to develop the market, Islam said.

Additionally, the Dhaka bourse will seek cooperation from various agencies, including Bangladesh Bank.

CMJF President Golam Samdani chaired the event, which was moderated by General Secretary Abu Ali.

India's economy set for rebound

Central bank says

REUTERS, Mumbai

India's economic growth is poised to rebound as domestic demand regains strength, but "stickiness" in food inflation warrants careful monitoring, the central bank said in its monthly bulletin released on Friday.

In India, there is a "conductive quickening" of high-frequency economic activity indicators in the second half of 2024-25, signalling implicit pick up in real gross domestic product growth for this period, the Reserve Bank of India said in an article titled 'State of the Economy' in the bulletin.

Rural demand continues to gain momentum, reflecting resilience in consumption, supported by brighter agricultural prospects, the RBI said.

A revival in public capex on infrastructure is also likely to stimulate growth in key sectors, it added. The RBI's now-cast model forecasts India's economy to grow at 6.2 percent in the October-December quarter, per the bulletin.

India's economy grew by 5.4 percent in the July-September quarter from a year earlier, compared with 6.7 percent growth in the previous three months.

Growth is projected to slow to a four-year low of 6.4 percent in the financial year ending March 31.

Although headline inflation eased for the second consecutive month in December, sticky food inflation warrants careful monitoring of second-order effects, the RBI said in the bulletin.

India's annual retail inflation eased to a four-month low of 5.22 percent in December, lower than economists' estimate of 5.3 percent.

STOCKS		WEEK-ON WEEK
DSEX ▲	CASPI ▼	
1.16%	0.75%	
5,194.43	14,351.91	

COMMODITIES		AS OF FRIDAY
Gold ▼	Oil ▼	
\$2,703.2	\$77.94	
(per ounce)	(per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▼ 0.55%	▼ 0.31%	▲ 0.25%	▲ 0.18%	
76,619.33	38,451.46	3,810.78	3,241.82	

'Most difficult time in 34 years' Bangladesh sees window of opportunity

FROM PAGE B1

down because they need affordable financing. Without an optimal balance in these three areas, businesses will not survive," said Manzur.

He criticised the government for repeatedly increasing tax rates, as it is perceived as an easy way to raise revenue.

Some compliant businesses are paying higher taxes and interest to cover the gaps left by those who evade taxes and repay loans, he said.

He called for reforms to expand the tax net, emphasising the need for political will to consolidate all business promotion services under a single entity.

Consumers are under immense pressure due to high inflation, while investor confidence remains extremely low, said Zaved Akhtar, president of the Foreign Investors' Chamber of Commerce and Industry.

The government was discussing ways to boost investor confidence, but then it suddenly raised VAT without any consultation, he said. "This provides very little confidence, and the credibility of the country is now in question," he said.

He warned that without the restoration of credibility, foreign direct investment would not

come.

"Why isn't the government expanding the tax net to increase revenue? Instead, it puts pressure on existing taxpayers while nearly half of government expenditures go toward overhead costs," said Akhtar.

"I pay taxes and request the government to provide a clear roadmap on how it plans to reduce overhead costs in the next budget," he said.

He questioned the government's commitment to tackling corruption, noting that corruption increases business costs. "The country is in a very different and difficult economic situation, so the same playbook won't work anymore," he said.

Michal Krejza, head of development cooperation of the European Union delegation to Bangladesh, stressed the need to strengthen the competition commission to ensure market functionality.

"The commission should play a vital role in investigations and its core activities," he said.

He also emphasised the importance of developing the capital market to attract foreign investments.

Regarding statistics, Krejza called for the Bangladesh Bureau of Statistics to operate independently of the

Ministry of Planning to ensure timely, transparent, and accurate data publication.

Bangladesh's exports have grown tenfold over the past decade. To sustain this momentum post-LDC graduation, the country must improve labour protections, he said.

This includes aligning the Bangladesh Labour Act and the Export Processing Zones Act with international standards, he added.

Chowdhury Ashik Mahmud Bin Harun, chairman of the Bangladesh Investment Development Authority, stated that the interim government plans to focus on developing five special economic zones instead of 100.

This would be done by ensuring essential resources such as gas, electricity, water, roads, and other infrastructure, he said.

Ashik noted that the government was working to merge all facilities and services under a single platform to streamline operations.

Kazi Iqbal, research director of the Bangladesh Institute of Development Studies, suggested increasing the budget for technical and vocational training.

READ FULL STORY ONLINE

FROM PAGE B1

Trump's speeches have indicated that he will impose a higher tariff on goods from China and Mexico, which may open a new window of opportunity for Bangladesh.

"If the Trump administration imposes higher tariffs on goods from China and Mexico, either the work orders or investment will shift to Bangladesh from these two countries," he said.

LOCAL EXPORTERS BOAST BRIGHT PROSPECTS

Following the Rana Plaza garment factory collapse in 2013 and subsequent Generalized System of Preferences (GSP) withdrawal by the

Exporters said that punishing tariffs as high as 60 percent on Chinese goods will drive more international clothing retailers and brands to Bangladesh

US, Bangladesh has made remarkable improvements in workplace safety to meet international standards.

This has already somewhat satisfied American retailers and brands.

As a result, international clothing retailers and brands can no longer question the country's

compliance standards and improved variety of clothing items.

Moreover, the longstanding issue of double fumigation of US cotton in Bangladesh has been lifted at the request of the Biden administration, improving trade relations between the US and Bangladesh.

Double fumigation of US cotton had been a requirement in Bangladesh for almost 50 years. Lifting this requirement simplifies

trade and lowers the cost and time of importing US cotton.

Local exporters believe their strong performance record will help the Trump administration view Bangladesh as a reliable source of clothing items.

Masrur Reaz, chairman of Policy Exchange Bangladesh, said, "Garment export may increase as Bangladesh does not have any other competitive products to be exported to the USA."

"If Bangladesh can improve the investment climate, like improving energy supply, the country may further benefit from the shifted investment from China and Mexico due to the imposition of high tariffs and the sustained tariff war between the USA and China," Reaz added. Republican president-elect Donald Trump will be sworn in at the White House tomorrow for a four-year term.

Over half of spices

FROM PAGE B1

This leaves a deficit of 56,000 tonnes, which entered the market through informal channels. The retail value of these nine products smuggled into the country is estimated to be around Tk 4,846 crore.

Spice importers in the country have long complained that a significant portion of spices is smuggled in from India.

This is the first time the BTTC has officially highlighted the issue of illegal spice imports in a report, which was sent to the National Board of Revenue (NBR) on January 14 for further action.

Meanwhile, the Ministry of Commerce declared 17 products, including cinnamon, cloves, cardamom, and cumin, as essential goods in July 2012. However, the tax rates on these items remain high.

For example, the duty rate on the import of these four spices is 58.60 percent. This means that if the import price of spices is Tk 100, customs duty amounts to Tk 58.60.

Similarly, dry fruits like raisins, almonds, pistachios, and prunes are also subject to high tax rates, according to the tariff commission's report.

The report stated that the high customs duties and taxes on these spices and dry fruits are leading to increased prices and encouraging smuggling. As a result, the government is not receiving the amount of revenue it should.

To address this, the report proposed reducing the duty rate on four spices—cinnamon, cloves, cardamom, and cumin—as well as raisins and prunes to 27 percent. It also suggested fixing the duty rate for cashew nuts and almonds at around 46 percent.

According to the NBR, the government collected Tk 1,430 crore in revenue from these nine products, including spices, last fiscal year.

The report estimated that if the duty rates are reduced and smuggling is curtailed, the government could collect Tk 1,716 crore in revenue.

Motorcycle sales

FROM PAGE B1

Biplob Kumar Roy, chief executive officer of TVS Auto Bangladesh Limited, the local distributor and manufacturer for India's TVS Motor Company, said their sales fell by around 35 percent to 29,932 units last year.

He said inflation, political transitions, and a vulnerable economy impacted the market.

Roy said that after last year's political transition, customers who used to take advantage of their political affiliations saw their benefits decline to zero, which affected the market.

Additionally, he noted that retailers were unable

to open outlets for over a month last year due to political unrest.

Shah Muhammad Ashequr Rahman, head of finance and commercial at Bangladesh Honda Private Limited (BHL), stated that Honda's satisfactory sales performance in 2024, despite a declining market, highlights the brand's commitment to innovation and customer-centric designs.

"Our models, inspired by Honda's racing DNA, deliver thrill, precision, and reliability while continuously improving to meet customer needs," Rahman said.

He emphasised that BHL's strategy focuses

on high-performance motorcycles, which resonate with a growing segment of discerning buyers.

BHL operates as a joint venture between Japan's Honda Motor Co and the state-owned Bangladesh Steel Engineering Corporation.

Rahman expressed optimism about maintaining steady growth in the challenging market by leveraging Honda's legacy of innovation and reliability.

The brand's resilience in navigating economic challenges reflects its strong position and ability to adapt to evolving market demands in Bangladesh, he stated.

Government of the People's Republic of Bangladesh
Upazilla Health Complex,
Sadar, Mymensingh.
Email: charanchal20bed@hospi.dghs.gov.bd

Re: UHC/Sadar/Mymensingh/MSR/Tender-20bed/2024/36 Date: 13/01/2025

e-Tender Notice

Tender ID No	Package No And Description	Publishing date and time	Closing date and time
1048186	Package group-KA 2024-25 Medicine (None EDCL)	19-Jan-2025 12.00	02-Feb-2025 12.00
1048187	Package group-KHA 2024-25 Surgical Equipment	19-Jan-2025 12.00	02-Feb-2025 12.00
1048188	Package group-GA 2024-25 Gauge, Bandage, & Cotton	19-Jan-2025 12.00	02-Feb-2025 12.00
1048189	Package group-GHA 2024-25 Linen Items	19-Jan-2025 12.00	02-Feb-2025 12.00
1048190	Package group-UMO 2024-25 Chemical Re-Agent Items	19-Jan-2025 12.00	02-Feb-2025 12.00
1048191	Package group-CHA 2024-25 Furniture Items	19-Jan-2025 12.00	02-Feb-2025 12.00

This is an online tender, where only e-tenderer will be accepted in the national e-GP portal and no offline/hard copies will be accepted. To submit e-tender, registration in the national e-GP system portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-tender document from the national e-GP portal have to be deposited online through any branch of any registered banks within the date mentioned in the tender notice. Further information & guide line are available in the national e-GP system portal and e-GP help desk (<http://www.eprocure.gov.bd>)

N:B: Tender Schedule will be published on 19 January -2025 . 12.00

(Dr. Md Shahjahan Kabir)
UH&FPO
Upazilla Health Complex,
Sadar, Mymensingh

GD-187

BSTI to develop LED lamp standards

STAR BUSINESS REPORT

The Bangladesh Standards and Testing Institution (BSTI) is planning to formulate "Minimum Energy Performance Standards" (MEPS) for light-emitting diode (LED) lamps to promote energy efficiency and reduce electricity consumption.

The MEPS specify the minimum level of energy performance that appliances and equipment must meet or exceed before they can be supplied or used for commercial purposes.

The BSTI announced the plan in a workshop titled "Minimum Energy Performance Standards for LEDs and Luminaries" jointly organised by the BSTI and US-based non-profit Clasp at The Westin Dhaka last Thursday, according to a press release.

Industry experts, including representatives from LED manufacturers and BSTI technical committee members, shared insights during the technical session.

They pointed out the importance of the MEPS in ensuring high-quality, energy-efficient lighting solutions that align with the country's goals for sustainable energy use.

Maqsurah Noor, additional secretary to the Ministry of Industries, attended the event as chief guest, along with officials of the BSTI.

Gold poised for third weekly gain

REUTERS

Gold prices were pressured by an uptick in the US dollar on Friday, but remained on track for a weekly gain as uncertainties around incoming President Donald Trump's policies and renewed bets of further rate cuts lifted bullion above the key \$2,700 level.

Spot gold eased 0.4 percent to \$2,701.03 per ounce by 03:10 p.m. ET (2010 GMT), while US gold futures settled 0.1 percent lower to \$2,748.70.

"The pullback today is not significant, but more of a profit-taking move than anything else, maybe helped by the dollar being a little higher in the day, adding some light pressure," said David Meger, director of metals trading at High Ridge Futures.

Chinese firms bullish on Bangladesh's manmade fibre

KEYPOINTS

Demand for man-made fibre growing in Bangladesh

RMG producers in Bangladesh increasing focus on MMF

Non-cotton exports account for 30 percent of the total

MMF fetches higher price than cotton

Local businesses buying more MMF fabrics from China

Future bright for MMF-based collaborations



Overall RMG sector
Garment makers diversifying products for global market

Bangladesh aims for 12% of global market share by 2030



JAGARAN CHAKMA

Chinese textile companies are optimistic about increasing exports of manmade fibre (MMF) to Bangladesh as the country's garment makers have been diversifying their products in line with changing global demand over the past few years.

Apparel made from artificial fabrics, such as polyester, is in high demand abroad and offers higher export earnings than comparatively lower value-added clothing items made from traditional fibres like cotton.

As such, nearly 30 percent of all locally made garments are now MMF products, reflecting their critical role in the industry.

Non-cotton garments are particularly lucrative, fetching higher prices than traditional cottonwear for having better flexibility, durability, and functionality. For instance, the cost of an MMF T-shirt is roughly double that of a cotton T-shirt.

So, Bangladeshi garment makers have been diversifying their product base with non-cotton items, increasing production capacities, ensuring consistent supply, and improving quality over the past five decades.

Today, Bangladesh accounts for approximately 7.9 percent of global apparel sales, establishing itself as a reliable source for international retailers and brands. With 30 percent of its garment exports comprising MMF products, the country aims to expand its global market share to 12 percent by 2030.

"We are focusing on MMF as demand in Bangladesh is on the

rise, with local garment makers gradually shifting to MMF from cotton to increase their share of high-value products in the global market," said William Yan, head of sales at Guangdong Jinlong Fabric Technology Co Ltd.

She was speaking with The Daily Star at the Dhaka International Yarn and Fabric Show (DIFS), organised by CEMS-Global USA at the International Convention City Bashundhara in

Yan also mentioned that their exports to Bangladesh, particularly MMF, have been increasing gradually.

Echoing the same, Victoria, sales manager at Shishishi Yaming Dress and Weaving Co Ltd, said they have already secured 10 clients in Bangladesh for MMF.

She added that they are focusing solely on MMF at this expo to attract new clients.

importance of Bangladesh in their business strategy.

"We export a huge quantity of MMF to Bangladesh every year, and this demand continues to grow," she said.

Zhang noted that the company currently has five dedicated clients in Bangladesh who are instrumental in expanding their client base in the region.

According to Zhang, Shaoxing Anyue Textiles is keen to see Bangladeshi garment manufacturers increase their MMF usage as it would not only help their company sustain its business but also foster further development of the textile sector.

She emphasised the mutual benefits of this collaboration, stating that greater adoption of MMF could significantly contribute to the efficiency and sustainability of Bangladesh's apparel industry, paving the way for long-term growth and stronger partnerships.

Anthea, sales manager at Shaoxing Huiyi Textile Co Ltd, and May Lin, head of marketing at Shanghai Haofan Industrial Co Ltd, expressed optimism about future business prospects with Bangladesh.

Both companies see significant potential in the country's growing textile and apparel sector, which has motivated their participation in the DIFS, she said.

Anthea emphasised the importance of such fairs in fostering partnerships and showcasing innovative textile solutions, while May Lin highlighted Bangladesh's expanding role as a key market for high-quality fabrics and yarns.



People visit a stall at the Dhaka International Yarn and Fabric Show at the International Convention City Bashundhara. PHOTO: COLLECTED

the Kuril area of Dhaka yesterday.

According to Yan, they have 12 clients in Bangladesh that regularly purchase fabrics from them. Previously, these clients would import only cotton fabric, but in recent years, they have started purchasing MMF.

"Although the number of visitors is very low, those who want to do business with us came to make inquiries," she added.

Victoria also appreciated local producers, noting that they understand the future market of readymade garments and are working to increase their market share worldwide.

Against this backdrop, she said she foresees a bright future for her company in Bangladesh.

Vivien Zhang, general manager (sales) at Shaoxing Anyue Textiles Co Ltd, highlighted the growing

Can IMF prescriptions salvage our economy?

MAMUN RASHID

There seems to be much confusion among the citizenry regarding how our economy is being managed, and challenges are addressed. There is a popular belief that it is none other than the International Monetary Fund (IMF) behind raising interest rates to combat inflation, pushing for raising taxes and now especially VAT to manage the government's earnings gap, and some say this may also be applicable for continuous depreciation of the taka against the greenback. The principal reason for these tightening or regressive decisions is -- increasing the government's ability to pay for their increased local and foreign payment obligations.

The government's debt escalated by 13.3 percent in the last fiscal year, attaining a concerning Tk 18.3 lakh crore due to a consistently fragile income footing. Upon the inauguration of the preceding administration in 2009, the national debt was \$33.66 billion. By its departure in August 2024, the debt had surged to \$156 billion. Although the current debt to GDP ratio of 36.3 percent is within the IMF's acceptable threshold, this statistic becomes concerning compared to the nation's lacklustre revenue generation and diminishing dollar reserves.

The acute cash shortage is a critical issue affecting domestic and international transactions. On one hand, income collection is exceedingly low; on the other hand, interest payments are escalating significantly.

The recently released white paper on the economy forecasts that by June 2025, the debt-to-GDP ratio may escalate to 41.3 percent, heightening the dangers of fiscal instability.

Interest payments alone surged by 21 percent last year, totalling Tk 1.1 lakh crore -- representing one-sixth of the national budget. This substantial expenditure on debt payments has constricted the fiscal capacity, allowing minimal opportunity to support growth-focused initiatives. As inflation elevates interest rates on government bills and bonds, the fiscal constraint may intensify in the forthcoming years.

Bangladesh's foreign debt per capita has more than doubled in the past eight years, a worrying sign of the country's reliance on external borrowing. The government is now compelled to take out further loans to settle foreign debt and keep importing necessities like energy and fertiliser. Sustainable debt management requires fundamental adjustments, particularly in revenue yield. However, recent efforts to increase VAT and other taxes on almost 100 items and services could backfire, driving up inflation and raising prices for average people.

Addressing long-term tax evasion and greatly expanding the tax base are superior strategies. The government has been using indirect taxation, which unfairly burdens the poor more than the rich, for many years. This strategy deepens economic inequality and disadvantages the most vulnerable.

Bangladesh urgently needs a progressive taxation structure that reconciles equality with fiscal necessities. Enacting progressive revenue policies, prioritising augmentation of direct taxes, maintains adherence to regulations, and curtails tax evasion. This will allow the government to address its escalating debt without further taxing the strained middle and lower classes. A comprehensive public financial management reform is necessary to reestablish budgetary discipline, optimise expenditures, and prioritise investments that yield long-term prosperity.

The country faces a pivotal decision: adhere to short-term solutions that exacerbate inequality or adopt enduring reforms that foster stability and advancement.

We need massive readjustment within our revenue architecture or public financial management model. A proven development partner like the IMF should be helping us there with all necessary tools and capacity building and refrain our government from taking any temporary or one-off regressive path to make the already suffering common person on the street in a widening income inequality and poverty-stricken country like Bangladesh.

The writer is the chairman of Financial Excellence Ltd

Trump's economic plans could cause US inflation

IMF chief economist says

AFP, Washington

Donald Trump's economic plans risk reigniting US inflation, International Monetary Fund (IMF) chief economist Pierre-Olivier Gourinchas told AFP, a few days before the president-elect returns to the White House.

Trump's proposals to hike tariffs and curtail immigration would likely constrain the supply side of the economy and push up prices, Gourinchas said in an interview. Other proposals the president-elect has floated, such as cutting red tape and taxes, could also fuel inflation by boosting demand, he added.

"The bottom line is, when we look at the risk for the US, we see an upside risk on inflation," he said.

Gourinchas spoke to AFP at the IMF's headquarters in Washington, a day before the publication of its key World Economic Outlook (WEO) report on Friday.

In the WEO update, which did not account for Trump's proposals due to policy "uncertainty," the IMF raised its forecast for global growth and sharply hiked its outlook for the US economy.

Many economists see Trump's tariff and immigration plans as inflationary, but Trump and his advisors have pushed back, arguing that the overall package of measures he plans to enact should help keep prices in check.

Traders have pared back the number of rate cuts they expect the US Federal Reserve to make in 2025, assigning a roughly 80 percent chance that it will make no more than two quarter-point cuts this year, according to data from CME Group.

IMF raises global growth outlook

Flags rising economic divide between US and European countries

AFP, Washington

Global growth is expected to increase slightly this year while remaining stuck below its pre-pandemic average, the IMF said Friday, flagging the growing economic divide between the United States and European countries.

In an update to its flagship World Economic Outlook report, the International Monetary Fund said it expects global growth to hit 3.3 percent this year, up 0.1 percentage point from its previous forecast in October, and to remain at 3.3 percent in 2026.

"Growth is steady," IMF chief economist Pierre-Olivier Gourinchas told AFP in an interview, adding that it remained below the average global growth rate in the first two decades of the 21st century of 3.7 percent.

The IMF expects the global inflation rate to continue decelerating, reaching 4.2 percent this year and 3.5 percent in 2026, with prices cooling faster in advanced economies than in emerging markets.

"Among advanced economies, the interesting development here is the strength and resilience and growth of the US economy," Gourinchas said, pointing to the IMF's decision to hike its outlook for US growth to 2.7 percent in 2025 and to 2.1 percent in 2026.

"The labor market has been strong,

there is strong demand, private demand is robust, there is good confidence," he said.

One of the risks to the IMF's forecasts is policy uncertainty in the United States, where Donald Trump is preparing to return to the White House.

The IMF did not include the Republican president-elect's policy proposals in its forecasts and instead based its projections

on existing US policies.

"The bottom line is, when we look at the risk for the US, we see an upside risk on inflation," he said.

The economic picture in the United States stands in stark contrast to the Euro area, where a sharp downgrade for Germany has dampened expectations for a rebound in growth.

The IMF now forecasts Euro area growth to increase slightly to 1 percent this year, and 1.4 percent in 2026, below its October forecasts.

"Some of the divergence is structural," Gourinchas told reporters on Friday, noting the "persistently stronger" productivity growth in the United States than in Europe, especially in the technology sector.

This, he added, was "linked to a favorable business environment and deeper capital markets."

The Fund left its outlook for growth in Japan unchanged this year and next, and slightly increased its outlook for the United Kingdom in 2025.

In Russia, which is affected by the ongoing and costly war in Ukraine, the IMF expects growth to slow sharply from 3.8 percent in 2024 to 1.4 percent this year, and to 1.2 percent in 2026.

The IMF expects China's growth rate to continue cooling this year to 4.6 percent, up 0.1 percentage point from the October forecast, before easing to 4.5 percent next year.

The slight upgrade was due to the Chinese government's recently announced package of fiscal support to help prop up the slowing economy, which is struggling with a property market slump and uncertainty about trade policy once Donald Trump takes office next week.



People walk along Nanjing Pedestrian Road, a main shopping area in Shanghai. The IMF expects China's growth rate to continue cooling this year to 4.6 percent, up 0.1 percentage point from the October forecast. PHOTO: REUTERS/FILE