

Star BUSINESS



Clients struggle to retrieve funds from Moshihor Securities

AHSAN HABIB

Hundreds of small stock market investors are suffering for being unable to get back their money, which was embezzled by a brokerage house months back.

The embezzlement took place at Moshihor Securities last year and many investors, for example Boni Amin and Sher Ali, fell into trouble.

Ali, a retired service holder, opened a beneficiary owner's (BO) account with Moshihor Securities around 15 years back and invested around Tk 20 lakh in several stocks.

Initially, he incurred losses which eroded his capital.

Later, he decided to invest a big amount of money in the Dhaka Electric Supply Company Limited (DESCO) to avail good dividends each year. So, he bought around 14,000 shares of the company.

Last November, he went to the brokerage house to transfer his shares after hearing news reports that the Dhaka Stock Exchange (DSE) had found shortfalls in the brokerage's customer accounts.

It was then that he came to know that all of his shares had been sold off.

"I lost my savings initially by investing in several stocks. Now the brokerage house has eaten my full investment," he said while talking to The Daily Star recently.

The brokerage house gave Sher Ali a cheque worth Tk 5 lakh, although it was not clear how it arrived at the amount against the share sale proceedings.

Even then, the cheque bounced. Now, Sher Ali cannot reach anyone. "I am very upset and cursing my luck for even investing in the stock market," he said. [READ MORE ON B3](#)



Waning foreign investment a wake-up call for policymakers

KEY REASONS FOR LOW FDI IN BANGLADESH

- Bribery and corruption
- Political instability
- Inflation, currency volatility
- Bureaucratic inefficiencies
- Lack of consistency in govt policies
- Sudden changes of rules and policies

Quarterly FDI inflow to Bangladesh

In million \$; SOURCE: BB



JAGARAN CHAKMA

The inflow of foreign direct investment (FDI) into Bangladesh is facing critical challenges as a plethora of factors have caused it to stagnate to a mere 0.5 percent of the country's gross domestic product in recent years.

In the July-September quarter of FY25, the South Asian country received 71 percent less foreign investment year-on-year, down from \$360.5 million in the July-September period of FY24, according to Bangladesh Bank data.

Even more concerning is the fact that a recent report by the Bangladesh Investment Development Authority (BIDA), styled 'The FDI Heatmap', emphasised the significant lack of structured investment promotion campaigns for domestic industries.

According to the report, only 45 percent of all foreign investments in Bangladesh qualify as actual FDI. The majority consists of intercompany loans or reinvestments.

This is an alarming development, especially as economists have cited the need to increase the amount of foreign investment in order to create jobs, spur business activities and put

the economy back on track for years now.

This raises the question of why FDI has continued on a downward trend despite numerous authorities advocating measures to enhance inflows.

Experts identified several barriers, including political instability, economic uncertainty, bureaucratic inefficiencies, and inconsistent policies.

They also pointed to high inflation, currency volatility, and inter-agency misalignment, which collectively undermine investor confidence and hinder economic growth.

Bangladesh's political landscape took a tense turn in mid-2024 when monthslong protests against the then Awami League government culminated in a mass uprising that saw its ouster.

This shift disrupted the economy and

created doubts about stability and governance -- key factors in attracting FDI.

The political unrest was further compounded by a deteriorating law-and-order situation, leaving investors in a "wait-and-see" mode.

Additionally, economic problems, including rising prices, an unstable local currency, and a lack of US dollars, continue to make it harder for foreigners to invest. Policy inconsistency is another major concern.

"Bangladesh is grappling with fundamental economic issues that significantly deter investment decisions," observed M Masrur Reaz, chairman of Policy Exchange Bangladesh.

According to him, restoring macroeconomic stability is essential for meaningful improvement in FDI inflow.

Over the last 15 years, corruption extended beyond bribery, hitting new heights, including manipulation during policy formulation, Reaz observed, adding that this rise in corruption significantly discouraged FDI.

Economic experts also point to deep-

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Defer LDC graduation by 3 years: BCI

STAR BUSINESS REPORT

The government should take steps to defer Bangladesh's United Nations status graduation from a least developed country (LDC) to a developing one by at least three years, said the Bangladesh Chamber of Industries (BCI) yesterday.

"We are not ready for LDC graduation right now. Why should we consciously commit suicide?" said BCI President Anwar-ul Alam Chowdhury at a press briefing organised by the BCI in the capital.

He also shared his concerns over the country's economic challenges and business climate.

Chowdhury alleged that the previous Awami League government pursued the LDC graduation based on inflated economic figures in order to portray an achievement.

"If the graduation is not deferred, the economy will face a massive collapse," he said.

The garment and textile sector, which accounts for 40 percent of manufacturing employment and contributes roughly 85 percent of exports, will bear the brunt of the challenges, he added.

Chowdhury said Vietnam would enjoy zero-tariff access to the European Union from 2027, while European importers of Bangladeshi garments would face a 12 percent duty from 2029.

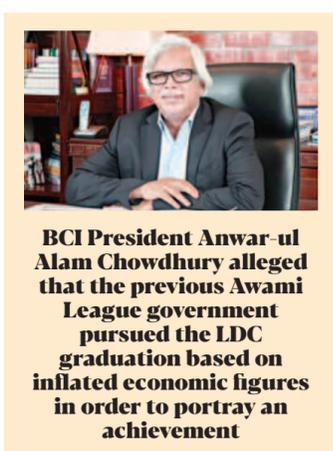
"We strongly believe that the graduation period should be deferred by at least three more years," he said.

Other business platform earlier also recommended the deferment.

But Education and Planning Adviser Wahiduddin Mahmud had pointed out that Bangladesh had no option to adopt the deferment.

Members of a committee which prepared a white paper on the state of Bangladesh's economy also advised the government not to defer the LDC graduation.

About the current economic situation, Chowdhury alleged that the incumbent government was trying to steer the country



BCI President Anwar-ul Alam Chowdhury alleged that the previous Awami League government pursued the LDC graduation based on inflated economic figures in order to portray an achievement

based on the International Monetary Fund's (IMF) prescriptions.

"It will not suit the nation's existing economic conditions," he said.

Bangladesh Bank has adopted contractionary policies, reduced liquidity, and taken "unfavourable" steps for the economy, industries, and businesses, he said.

"While partial adherence to IMF prescriptions can help meet compliance requirements, full implementation will adversely impact the economy," said Chowdhury.

The BCI president criticised the government for "not prioritising economic reforms".

"High interest rates, contractionary monetary policies, unresolved energy crises, and potential fuel price hikes clearly show the government's approach is not supportive of industrial growth," Chowdhury said.

He warned that such policies would not only deter new investments but also make survival difficult for existing industries.

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Fragrant rice production nearly doubles in seven years

BAHARAM KHAN and SUKANTA HALDER

The production of aromatic rice has nearly doubled in Bangladesh over the past seven years, with farmers showing interest in growing the grain in order to profit from its higher prices compared to traditional parboiled rice.

Farmers produced 5.79 lakh tonnes of aromatic rice in the fiscal year 2017-18, while the amount produced in the fiscal year 2023-24 was 10.23 lakh tonnes, according to a food ministry document.

Mohammad Khalequzzaman, director general of the Bangladesh Rice Research Institute (BRRI), said exports are the main reason for increased cultivation.

The government allowed exports of premium quality rice a few years ago.

As a result, many farmers focused on producing aromatic rice, which led to a significant rise in production, he added.

Khalequzzaman further stated that another reason for the expansion of aromatic rice

cultivation is that this variety of grain provides better yields and is tastier compared to local varieties.

Aromatic rice is cultivated in various districts of the country, with the same variety often being referred to by different names depending on the region. This type of rice is grown during the Aman season.

BRRI data shows that 33 types of aromatic rice are currently being cultivated in Bangladesh.

An official of the food ministry said rising demand in both local and international markets, coupled with attractive prices for aromatic rice, motivated farmers to expand cultivation in recent years.

As such, traditional indigenous varieties are being overshadowed as farmers shift to those offering double the yield and higher profitability.

While local varieties typically produce 187 to 299 kilograms (kgs) of rice per bigha, high-yielding varieties can produce between 448

and 821 kgs per bigha.

The Department of Agricultural Extension (DAE) reports that the country's climate and soil conditions are well-suited for cultivating aromatic rice.

Naogaon, Rajshahi, Panchagarh, Rangpur, Mymensingh, Dinajpur, Sherpur, and Thakurgaon are major hubs for the commercial production of aromatic rice in Bangladesh.

Another official of the food ministry said the demand for aromatic rice is rising due to improvements in the socioeconomic conditions of the country's population.

Due to this, farmers are becoming increasingly attracted to crops that offer good prices, leading to a near doubling of aromatic rice production in recent years.

Besides, even major corporate groups have entered the aromatic rice market.

But while production has grown rapidly, consumer demand has not kept pace, prompting many traders to urge the government to facilitate exports, the official added.

He also said the price difference between high-quality parboiled rice and aromatic rice is only Tk 10 per kilogramme, which is not favourable for farmers.

So, allowing limited exports could benefit farmers by providing them with higher returns, he added.

On the other hand, officials of the Food Planning and Monitoring Unit have cautioned against the potential downsides of exports.

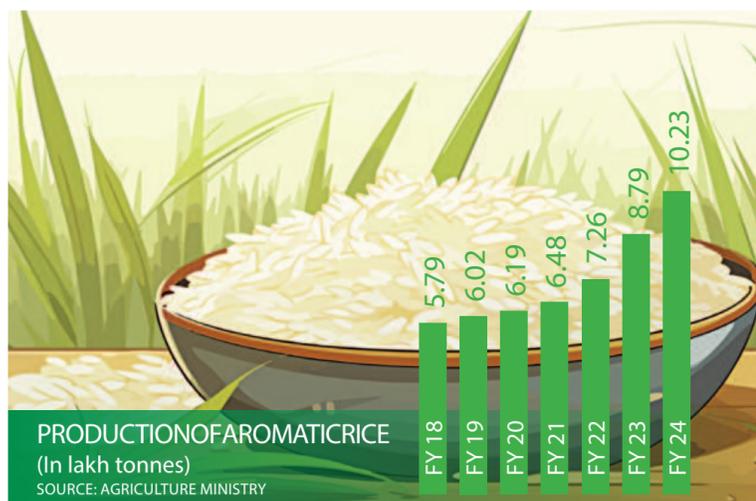
One noted that as the availability of agricultural land in the country is shrinking, an increase in aromatic rice cultivation could lead to a decline in coarse rice production, negatively impacting the primary food supply.

"Therefore, a careful balance must be maintained," he added.

Food Adviser Ali Imam Majumder said: "We are currently importing a significant amount of rice; now is not the right time to export aromatic rice."

"If allowing limited exports benefits farmers, it would require approval from the

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Midland Bank organises annual business conference

STAR BUSINESS DESK

Midland Bank PLC organised an "Annual Business Conference 2025" for the heads of branches, sub-branches, agent banking, cards, Islami banking, retail sales, institutional banking, SME, NRB, card, and treasury business divisions at the Amari Dhaka in the capital's Gulshan on Friday.

Md Ahsan-uz Zaman, managing director and CEO of the bank, inaugurated the conference as the chief guest and presided over the event, according to a press release.

Zaman urged everyone to ensure excellence in service and help clients meet their financial goals while remaining compliant with regulatory guidelines, maintaining asset quality, ensuring the recovery of non-performing loans, and delivering returns for shareholders.

Didarul Islam, chief financial officer of the bank, presented the overall business performance of the bank, while Khondokar Toufique Hossain, head of ID and NRB, and Md Javed Tarek Khan, head of institutional banking, also presented the business performance of their respective divisions.



PHOTO: MIDLAND BANK

Md Ahsan-uz Zaman, managing director and CEO of Midland Bank, poses for group photographs with participants of an "Annual Business Conference 2025" at the Amari Dhaka in the capital's Gulshan on Friday.

Bank of Japan hikes interest rate to 17-year high

AFP, Tokyo

The Bank of Japan increased interest rates on Friday to their highest in 17 years and signalled more hikes to come, sending the yen higher against the dollar.

The well-flagged 25-basis-point rise to 0.5 percent comes as data indicates the Japanese economy is developing in line with BoJ expectations and follows another bumper inflation reading.

The move, which leaves borrowing costs at the highest since 2008, was also underpinned by "steadily" rising wages and financial markets being "stable on the whole", the BoJ said in a statement.

"Japan's economic activity and prices have been developing generally in line with the Bank's outlook, and the likelihood of realising the outlook has been rising," it said.

If its outlook is met, "the bank will accordingly continue to raise the policy interest rate and adjust the degree of monetary accommodation", it added.

BoJ chief Kazuo Ueda told a news conference that the pace and timing of future hikes was yet to be determined.

"We would like to make a decision after we have studied the impact of this rate hike," he said.

The hawkish comments sent the yen up as much as 0.7 percent against the dollar to 154.84 yen. Even as other central banks have raised borrowing costs in recent years -- and started cutting again in 2024 -- the BoJ has remained an outlier.

But it concluded last March that Japan's "lost decades" of economic stagnation and static or falling prices were over, finally lifting rates above zero.

That increase was followed by another in July that caught investors off guard and sparked turmoil in global equity and currency markets.

This time Ueda prepared markets for an increase -- some 75 percent of economists expected one -- and the reaction was more muted on Friday.

"With no market turbulence after (US President Donald) Trump's inauguration," conditions for the BoJ to hike its policy rate have been met, Ko Nakayama, chief economist of Okasan Securities Research, said before the announcement.

"Raising just 25 basis points to 0.5 percent won't cool the economy."

Southeast Bank holds workshop on products and service knowledge



Nuruddin Md Sadeq Hossain, managing director of Southeast Bank, poses for photographs with participants of a workshop on "SEBPLC Products and Service Knowledge, Cross-Selling Techniques, and Effective Marketing Strategy" in Dhaka recently.

PHOTO: SOUTHEAST BANK

STAR BUSINESS DESK

Southeast Bank PLC recently held a daylong workshop on "SEBPLC Products and Service Knowledge, Cross-Selling Techniques, and Effective Marketing Strategy" in Dhaka.

A total of 60 officers from the head office and various branches of the bank participated in the workshop.

Nuruddin Md Sadeq Hossain, managing director of the bank, attended the closing ceremony of the event, said a press release.

He emphasised the importance of gaining comprehensive knowledge of banking products and services to expand the bank's business.

He also stated that practicing the highest professional conduct, strategic brand marketing, and cross-selling would not only ensure the success of the bank but also significantly enhance the quality of customer service.

The sessions were conducted by the bank's experienced and skilled executives and officers.

Omar Nasir Abdullah, senior lecturer and faculty adviser at North South University, shared valuable insights and guidance with the participants based on his experience and expertise.

Al-Arafah Islami Bank arranges business development conference

STAR BUSINESS DESK

Al-Arafah Islami Bank PLC arranged a "Business Development Conference 2025" at the Pan Pacific Sonargaon Dhaka yesterday.

Khwaja Shahriar, chairman of the bank, inaugurated the conference as the chief guest, the bank said in a press release.

Shahriar said, "We are striving to bring banking services to the doorsteps of our customers through the modernisation of the bank, increasing efficiency, branding, digital innovation, automation, and new products."

"We want to prioritise sustainable development by further strengthening good governance, accountability, and responsibility."

The bank's chairman gave special instructions to the branch managers to reduce default investments of the bank.

While presiding over the meeting, Farman R Chowdhury, managing director and CEO of the bank, said the bank's branch managers need to be more focused on achieving targets in different areas of the business.

He said there is no alternative to increasing deposits and quality investments.



Khwaja Shahriar, chairman of Al-Arafah Islami Bank, attends a "Business Development Conference 2025" at the Pan Pacific Sonargaon Dhaka yesterday.

PHOTO: AL-ARAFAH ISLAMI BANK

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JAN 25, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 70-Tk 85	4.73 ↑	13.14 ↑
Coarse rice (kg)	Tk 54-Tk 58	6.67 ↑	9.80 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-13.27 ↓
Lentil (kg)	Tk 105-Tk 110	0	0
Soybean (litre)	Tk 170-Tk 173	4.57 ↑	8.89 ↑
Potato (kg)	Tk 20-Tk 30	-60.00 ↓	-47.37 ↓
Onion (kg)	Tk 45-Tk 50	-40.63 ↓	-44.12 ↓
Egg (4 pcs)	Tk 44-Tk 48	-3.16 ↓	4.55 ↑

SOURCE: TCB

UCB holds 'Annual Business Conclave 2025'



PHOTO: UNITED COMMERCIAL BANK

Mohammad Mamdudur Rashid, managing director and CEO of United Commercial Bank, speaks at an "Annual Business Conclave 2025" for branch managers of the bank at the Rajendrapur BRAC CDM in Gazipur yesterday.

STAR BUSINESS DESK

United Commercial Bank (UCB) PLC held a three-day "Annual Business Conclave 2025" for its branch managers at the Rajendrapur BRAC CDM in Gazipur yesterday.

The event, themed "Rise Above the Rest," brought together managers from all 231 branches of the bank across the country, offering a valuable opportunity to collaborate with the bank's senior management team.

Sharif Zahir, chairman of the bank, inaugurated the event, the bank said in a press release.

In his speech, Zahir said, "Despite the country's economic challenges, our strategic steps have led to growth in both our customer base and deposits. We will continue to prioritise digital banking and the integration of cutting-edge technologies."

Mohammad Mamdudur Rashid, managing director and CEO of UCB, said, "By maintaining strong business practices and aligning with future economic trends, we are confident that we will strengthen our position in the domestic market."

The conference focused on enhancing the skills of branch managers, fostering the exchange of innovative ideas, and underscoring the significance of digital transformation and service modernisation in banking.

Throughout the conference, the bank's branch managers, alongside senior management, outlined strategic goals and initiatives for the coming year and the next five years.

IDLC Finance unveils Shariah-compliant 'IDLC Islamic'

STAR BUSINESS DESK

IDLC Finance PLC recently launched the Shariah-compliant financing window, named "IDLC Islamic," at the Pan Pacific Sonargaon Dhaka.

Md Zakir Hossain Chowdhury, deputy governor of Bangladesh Bank, inaugurated the new window as the chief guest, said a press release.

The event featured a presentation on "Succeeding Sustainability through Shariah-Compliant Financing," followed by an engaging panel discussion on the same

a significant step in our journey to create Shariah-based, ethical, and sustainable financial solutions. It reflects our commitment to addressing the diverse needs of our customers while adhering to the highest standards of governance and Shariah compliance."

IDLC Islamic embodies IDLC's commitment to fostering innovation in Shariah-compliant financing and serving the growing demand for Shariah-compliant financial products in Bangladesh.

Its offerings include mudarabah



Md Zakir Hossain Chowdhury, deputy governor of Bangladesh Bank, and Aziz Al Mahmood, chairman of IDLC Finance, attend the launch of the Shariah-compliant financing window, named "IDLC Islamic," at the Pan Pacific Sonargaon Dhaka recently.

PHOTO: IDLC FINANCE

IFIC Bank organises banking network business conference



PHOTO: IFIC BANK

Syed Mansur Mustafa, managing director of IFIC Bank, poses for photographs with participants of an "IFIC Largest Banking Network Business Conference" at Khulna Shilpakala Academy on Friday.

STAR BUSINESS DESK

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

The conference brought together over 300 employees from the bank's 15 branches and 116 sub-branches operating under the greater Khulna business zone.

Syed Mansur Mustafa, managing director of the bank, inaugurated the daylong event, according to a press release.

During the event, Sazzad Zahir, director of the bank, presented crests to outstanding employees in recognition of their exceptional contributions to deposit mobilisation, loan disbursement, and recovery efforts.

theme, highlighting IDLC Islamic's alignment with Shariah finance and sustainability.

Aziz Al Mahmood, chairman of IDLC Finance, and Prof Mohammad Gias Uddin Talukder, chairman of the Central Shariah Board for Islamic Banks of Bangladesh, attended the programme.

Speaking at the event, M Jamal Uddin, CEO and managing director of the non-bank financial institution, said, "IDLC Islamic is

deposit schemes, providing various term and recurring deposit options for individuals and institutions, as well as Shari'ah-Compliant Financing Solutions, including Ijarah Muntahia Bit Tamleek (IMBT) and Murabaha, tailored to meet the needs of MSMEs, corporates, and individuals.

Mohammad Manzur-e-Elahi, chairman of the Shariah Supervisory Committee at IDLC Finance, along with Shariah scholars and other stakeholders, was also present.



PHOTO: ANISUR RAHMAN

Visitors have been flocking to the Dhaka International Trade Fair 2025 in Purbachal to check out the offering of foreign goods, including showpieces, ornaments, chandeliers, bracelets, bangles and much more. The month-long fair is witnessing an overwhelming response from crowds as it enters its final week. The photo was taken yesterday.

Kamalapur ICD looking for fresh operator

Tender floated as previous contract with Saif Powertec ends next month

DWAIPAYAN BARUA, Ctg

The Chittagong Port Authority (CPA) intends to appoint an operator for five years to handle containers and cargo at the Kamalapur Inland Container Depot (ICD) in Dhaka.

Last week, the CPA floated a tender inviting bids from interested firms to operate the ICD using their own equipment.

The authorities of the country's largest seaport began seeking a new operator as the existing contract with Saif Powertec Ltd, which has been managing the ICD for the past 10 years, is set to expire next month.

The inland container depot, located on land belonging to Bangladesh Railway (BR), is managed by the CPA for handling containers transported to and from the Chattogram port via rail.

The previous agreement for managing the ICD on BR's land was for 10 years. However, the railway recently signed a new contract for the ICD with a shorter



tenure of five years, according to CPA Director for Traffic Enamul Karim. He declined to disclose further details.

According to the tender, the selected contractor will be responsible for loading and unloading containers from trains. The

contractor will also handle appraisement, the delivery of containerized cargo, and the transfer of empty containers to designated areas.

Additionally, the operator will be tasked with ensuring the stuffing of

export containers at the ICD.

CPA sources revealed that the government is building landing stations for Dhaka Metro Rail passengers on a portion of the Kamalapur ICD land, reducing the available area of the depot.

Given this situation, the government plans to relocate the ICD to a new location. As a result, the operator's tenure at the Kamalapur ICD has been shortened, according to a CPA official.

Approximately 70 percent of the containers handled by the CPA either originate in Dhaka or are destined for the capital city, which is surrounded by numerous export-oriented factories.

However, Bangladesh Railway can transport only a limited volume of containers due to the handling capacity constraints of the Kamalapur ICD.

In 2023, the ICD handled over 80,000 TEUs (twenty-foot equivalent units) of containers, which accounted for just 2.44 percent of the total 3.275 million TEUs handled by the Chattogram port.

Renata's sales grow 12%, but profit plunges

STAR BUSINESS REPORT

Renata PLC's sales grew in the first half of fiscal 2024-25, driven by strong revenue growth in pharmaceuticals.

However, the drugmaker's profits declined sharply due to higher wages, increased depreciation of the local currency, and rising interest costs.

The listed drugmaker's sales rose 12 percent year-on-year to Tk 2,086 crore during the July to December period of the 2024-25 fiscal year.

Its profits plunged 35 percent year-on-year to Tk 124 crore in the first half of the fiscal year, according to the company's financial statement.

The sales and profit trends remained consistent in the second quarter, as revenue grew 16 percent, fuelled by higher sales in pharmaceuticals, animal health, exports, and contributions from subsidiaries.

However, the company's quarterly profits dropped 27 percent year-on-year to Tk 64 crore.

Renata reported 18 percent export growth and 24 percent growth in the animal health segment in the second quarter.

The company attributed its profit decline to increased finance costs, driven by local currency devaluation against the US dollar, particularly in December 2024.

Its finance costs surged 39 percent year-on-year to Tk 78 crore in the first half due to higher debt, increased interest rates, and foreign exchange losses.

Renata's wage costs rose significantly following increments in January 2024, higher headcounts, and increased payments to casual and contractual workers in September 2024 after worker unrest in August.

Depreciation expenses also climbed as new capacity expansions were completed, alongside higher investment in product development and maintenance, as per the financial statement.

Renata released its financial results yesterday, and its stock price fell 1 percent to Tk 579 on Thursday at the Dhaka Stock Exchange.

STOCKS		WEEK-ON-WEEK
DSEX ▲	CASPI ▲	
0.64%	0.68%	
5,133.92	14,449.05	

COMMODITIES		AS OF FRIDAY
Gold ▲	Oil ▲	
\$2,771.73	\$74.61	
(per ounce)	(per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▼ 0.43%	▼ 0.07%	▼ 0.06%	▲ 0.70%	
76,190.46	39,931.98	3,804.26	3,252.63	

Defer LDC graduation

FROM PAGE B1

On the political front, Chowdhury expressed disappointment over a lack of focus on economic issues.

"The government and political parties have overlooked pressing economic issues and the challenges faced by businesses, diverting their attention to less critical priorities," he claimed.

He also urged the interim government to expedite the electoral process to stabilise the political climate.

Chowdhury pointed to recent statements by Bangladesh Bank Governor Ahsan H Mansur and Finance Adviser Salehuddin Ahmed downplaying the impacts of rising interest rates and VAT hikes, labelling them as "misleading".

He criticised the government's decision to increase reliance on VAT hikes instead of expanding the tax net.

"Such measures are creating confusion among industrial

entrepreneurs, who are already grappling with rising costs and operational uncertainties," he said.

Chowdhury also raised concerns about branding entrepreneurs as classified or defaulters without considering the systemic challenges they face.

"The burden of banking irregularities caused by a few individuals or groups is being unfairly placed on the shoulders of all entrepreneurs. Many defaulters are victims of rising operational costs and adverse conditions," he said.

Calling for the introduction of bankruptcy laws, Chowdhury added, "If the government fails to provide protection, entrepreneurs will be forced to shut down their businesses. This gap in legal infrastructure must be urgently addressed."

BCI Senior Vice-President Priti Chakraborty and directors Shahidul Islam, Delwar Hossain, S M Shah Alam, and Zia Hayder were present.

Clients struggle to retrieve funds

FROM PAGE B1

However, this is not just a one-off case.

There are a lot of investors who have seen their shares sold off and had their funds embezzled by the brokerage house. Many of them are preparing to stage demonstrations in front of the DSE, seeking the return of their funds.

Boni Amin, a lawyer, opened a BO account four to five years back. His account contained some shares along with Tk 223,000 in funds.

Upon reading news reports about the brokerage house's embezzlement, Amin transferred his shares to another brokerage. However, the brokerage has not been returning his funds for months.

Last year, the DSE identified a Tk 68.58 crore shortfall in Moshihor

Securities' consolidated customers' account.

After detecting the deficit, the Bangladesh Securities and Exchange Commission (BSEC) imposed travel bans on the managing director, directors, and CEO of the securities house.

Along with this, it was barred from trading shares.

This issue should be resolved soon and investors' funds will be returned in order to bring back their confidence, said Saiful Islam, president of the DSE Brokers Association of Bangladesh.

An investigation is necessary to identify when the shortfall started to arise and how it deteriorated to such an extent, he added.

"This brokerage house needed at least 10 years to generate a such a big shortfall. What was the role of the

stock exchange?" he asked.

He said he had heard that there was a shortfall of Tk 68 crore. However, share prices were higher earlier and anything sold in the past must have yielded higher proceeds. So, the shortfall could be much higher, he said.

The DSE and the BSEC should have filed criminal cases over several such incidents. However, no such initiative has been seen, he said.

A mid-level official of the DSE informed that the brokerage house had sought time to refund investor.

But so far, few have been reimbursed.

If it fails to reimburse investors, the DSE has only one option, which is to sell the brokerage's membership and distribute the proceeds among investors, he added.

BSEC Spokesperson Mohammad Rezaul Karim told The Daily Star that there were many investors impacted by the embezzlement and the regulator was receiving associated complaints almost every day.

The stock market regulator has already directed its law department to provide a report outlining the legal steps that the BSEC can take regarding this issue, he said.

The brokerage house does not have enough assets to reimburse all the investors. So, the BSEC is searching for personal properties that can be seized legally, he added.

Moshihor Rahman, managing director of the brokerage, told The Daily Star that he was ill and had not gone to the office for the past year, so he did not know anything about the embezzlement.

Fragrant rice

FROM PAGE B1

highest levels of government. However, there has been no indication of such a decision so far," he added.

EXPORT OF AROMATIC RICE

As per data from the Export Promotion Bureau (EPB), export earnings from aromatic rice amounted to \$2.88 million in the fiscal year 2019-20 before decreasing to \$2.06 million in the next year.

In the fiscal year 2021-22, \$1.07 million worth of aromatic rice was exported, but exports were halted in the following fiscal year, 2022-23, amid a ban.

In the fiscal year 2023-24, exports amounted to just \$0.06 million.

The EPB reports also showed that no aromatic rice has been exported as of December in the fiscal year 2024-25.

AROMATIC RICE IMPORT HALTED FOR TWO YEARS

No aromatic rice was imported by Bangladesh in the fiscals 2023-24 and 2024-25, according to a document of the food ministry.

However, imports totalled 2.61 tonnes in the fiscal year 2022-23, 37.76 tonnes in the fiscal year 2021-22, and 54.14 tonnes in the fiscal year 2020-21, the document showed.

IMPORTS OF LONG-GRAIN BASMATI RICE DECLINE

The food ministry document also showed that in the fiscal year 2020-21, imports of long grain basmati rice totalled 1,891 tonnes before rising to 6,334 tonnes in the fiscal year that followed.

The figure increased to 7,712 tonnes in the fiscal year 2022-23.

However, imports decreased to 4,615 tonnes in the fiscal year 2023-24 before dropping to just 799 tonnes in the fiscal year 2024-25.

US dollar posts biggest weekly loss since November 2023

REUTERS, New York

The US dollar slid on Friday and was set for its biggest weekly loss in over a year after President Donald Trump suggested a softer stance on tariffs against China, adding to uncertainty about the trade policy that kept equity markets on edge.

"We have one very big power over China, and that's tariffs, and they don't want them, and I'd rather not have to use it, but it's a tremendous power over China," he said.

The US dollar dropped as much as 0.8 percent against a basket of currencies on Friday, before narrowing losses at the end of the day to be down 0.65 percent.

But it still had its biggest weekly loss since November 2023, having lost 1.8 percent since Monday.

Waning foreign investment

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rooted problems such as structural inefficiencies, external shocks and policy gaps, which come about as there is a lack of coordination between regulatory bodies such as Bangladesh Bank, the National Board of Revenue, and ministries.

"Policy inconsistencies and bureaucratic hurdles significantly amplify investment risks," noted Rupali Chowdhury, a former FICCI president. She urged the government to ensure alignment among institutional policies to regain investor trust.

Professor Selim Raihan, executive director of the South Asian Network on Economic Modelling, characterised the current investment climate as hostile to FDI due to policy uncertainty.

He noted that frequent ad-hoc changes to policies, particularly those related to import duties and taxes, deter both existing and potential investors.

"There are lucrative policies on paper, but a lack of implementation undermines their effectiveness," Raihan added. He emphasised that macroeconomic stability and consistent policies are essential for any significant improvement in FDI inflow.

Raihan also highlighted that FDI inflows are often seen as an indicator of economic health.

Al Mamun Mridha, joint secretary general of the Bangladesh China Chamber of Commerce and Industry, said the prevailing unstable political situation is the primary reason for the decline in FDI.

He added that rising interest rates and the shortage of gas supplies to industries was another deterrent. "Investors monitor everything before making an investment. So, in this moment of crisis, no one will feel interested in investing here."

He also pointed out that the cost of doing business in Bangladesh is higher than in many other countries,

despite relatively low labor costs, discouraging FDI.

Zaved Akhtar, president of the Foreign Investors' Chamber of Commerce and Industry, said earlier that political stability is paramount for any form of investment, adding that a lack thereof had created a palpable sense of hesitation among foreign investors.

Without stability, foreign investors hesitate due to risks like currency depreciation, sudden regulatory shifts, and an unstable business environment.

Ultimately, if political and economic uncertainties are not addressed quickly, Bangladesh may lose its competitive advantage in attracting global investment. This could harm the country's long-term economic goals and growth.

However, the recent decline in FDI should not be swept under the cloud of political uncertainty. It should serve as a wake-up call for policymakers.

SMC: bettering lives in Bangladesh for 50yrs

SOHEL PARVEZ

Anyone of over 30 years of age might recall radio advertisements aired during their childhood and adolescence on contraceptives—Raja and Maya.

The benefits of the two birth control items were aired frequently during breaks of programmes. The relentless campaign on the necessity of the use of contraceptives to control population growth paid off.

Over time, Raja and Maya became well-known brands of contraceptives at the grassroots, though they were not welcomed initially.

Raja and Maya faced social stigma and resistance in many places, but eventually became synonymous with Bangladesh's population growth control journey.

And this is just one of the triumphs of Social Marketing Company (SMC).

Beginning its journey in 1975 to encourage family planning and improve women's health and wellbeing, the not-for-profit venture worked in parallel with the government to address rapid population growth in Bangladesh.

This was unique as it was carried out through engaging private sector health service providers.

However, it was not easy in the early days. Only 10 percent of the population used contraceptives when the country was initially registering rapid population growth.

Moreover, the war-ravaged country was yet to recover from the associated economic crisis.



Toslim Uddin Khan

INTERVIEW

SMC started its journey in 1975

- It is a major contributor to Bangladesh's health and family planning initiatives
- SMC's micronutrient powder reduces iron deficiency, anemia
- Multiple micronutrient supplements help improve nutrition of pregnant women
- SMC accounts for major market share of contraceptives:

54% of pills	73% of condoms	50% of injectables	Overall, 49% of modern contraceptive use nationally
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MANUFACTURING UNITS

- Bhaluka, Mymensingh
ORS, MNP and capsule manufacturing facility
- Food manufacturing facility
- Cumilla
Health & hygiene factory
- Bhabanipur, Gazipur
Electrolyte drink manufacturing plant

How do we manage twin deficit?

MAMUN RASHID

Bangladesh is trying to cope with a challenging economic situation. It is dealing with both a current account and a budget deficit, which means, we import more products and services than we export, and the government spends more than it earns. These deficits are more than simply statistics; they are vital indicators that require an immediate response to ensure economic stability and long-term development.

A new reappraisal of Bangladesh's GDP numbers has sparked widespread surprise. According to investment analysts, the country's GDP is predicted to be about \$300 billion in fiscal year (FY) 2023-24. This represents a significant drop from the previously stated \$459 billion. This recalibration, which was based on electricity use patterns in connection to regional economies, revealed disparities in the country's declared economic performance.

A big change like this has far-reaching consequences. Bangladesh's debt-to-GDP ratio is predicted to climb from 36% to a staggering 55% under the latest GDP projection. This shows that the country's debt is significantly more than previously anticipated. Accurate data are the foundation of appropriate policy formulation and effective government policy implementation. Therefore, these figures necessitate a rethinking of debt management and economic planning strategies.

To lower the fiscal deficit, the government needs to act decisively. Bangladesh has long struggled with a low tax base, extensive tax evasion and various tax exemptions without much economic logic. Comprehensive tax reforms that streamline compliance procedures are crucial. At the same time, a thorough examination of public expenditures is required. During high inflation, only essential expenditures should be carried out. While the government needs to pursue austerity for unproductive expenditures, it has to continue public investment which is critical for job creation so people have money to spend which will help boost the economy. Streamlining spending can free up resources for job-creating industries, physical infrastructure and social sectors such as healthcare and education.

Conversely, resolving the current account deficit requires a comprehensive approach. Diversification of the export basket is essential in several aspects. Though the readymade garments (RMG) sector has been the most important

source of foreign exchange earnings of Bangladesh the over-dependence on one sector for foreign reserves and employment generation for decades has increased the vulnerability of Bangladesh's economy to several threats, both internal and external. Within the RMG sector, product and market diversification is essential. Parallely, the country needs to enter new export markets with new products and services such as information technology services, pharmaceuticals, leather and agribusiness, which could add to its export income streams.

Another strategy is to advocate for foreign direct investment (FDI) which is currently less than 1% of Bangladesh's GDP. The Asian Development Bank predicts that Bangladesh's gross capital formation will account for 31% of its GDP in 2024, highlighting the growing importance of investment in the country's economic growth. Increasing the ease of doing business and ensuring regulatory uniformity are critical for attracting new investors.

Additionally, monetary policy has a significant role in addressing the current challenges. Bangladesh Bank must strike a delicate balance between preserving currency stability and reducing inflation. A falling taka value can increase export competitiveness, but also boost import costs, fuelling inflation. Although the central bank's monetary policy review for FY 2023-24 identified steps to ensure price stability, additional work is needed to increase the resilience of the economy to external shocks.

Structural reforms are essential and cannot be compromised. The enhancement of infrastructure, the fortification of institutions, and the establishment of a transparent regulatory framework can collectively augment national competitiveness. Investors underscore the importance of reliability and efficiency, and Bangladesh demonstrates the potential for progress in these domains. These measures can alleviate long-term deficits while simultaneously promoting productivity and fostering sustainable development.

Addressing the twin deficits in Bangladesh constitutes both an economic challenge and a critical assessment of leadership and vision. The recent adjustment to GDP highlights the need for immediate action, appropriate monetary policy, strategic export enhancement, and reinforced fiscal discipline. Bangladesh's capacity to confront these challenges with prudent and practical measures will help the economy be resilient in the short, medium and long term.

The author is the chairman of Financial Excellence Ltd



Another problem that the SMC wants to tackle involves underweight newborns. Khan said 16 out of 100 deliveries are underweight. If a baby is underweight, then there is a likelihood of the child suffering from diabetes and hypertension when he or she becomes an adult, he said.

"Family planning was a very difficult issue at that time," said Toslim Uddin Khan, managing director and CEO of SMC, which celebrated its 50th anniversary on January 25.

"There was no television channel and communication was really difficult. In some areas, there was also resistance. In fact, many pharmacies were reluctant to keep contraceptives," he said.

The SMC, which initially started as Family Planning Social Marketing Project (FPSMP) funded by USAID, started with innovative ways of reaching out to people.

It depended on the radio, which could reach the grassroots, for campaigns and raise awareness among

people. It also relied on mobile film programmes, which were audiovisual shows on automobiles, to reach remote rural communities. These raised awareness on health issues and advertised SMC's products.

However, film screenings through automobiles faced resistance in some places.

SMC sold the contraceptives at subsidised prices, using funds from USAID.

"After 10 years, we found that we made progress. We were getting a response. This was basically for our innovative way of marketing, promotional campaigns, increase in literacy and financial capacity of people," said Khan.

"We have made the products available across the country and ensured quality. We have never compromised on quality," he said.

"If you now pop into any pharmacy, you will see five to six or even more contraceptives and other products displayed on the shelves. But this was not the situation at that time," he said.

Building on the success of Raja and Maya, SMC afterwards began battling diarrhoea in 1985 to address a high number of deaths due to dehydration.

It started offering oral rehydration salts (ORS) even though it did not have a manufacturing facility.

"We depended on other sources," said Khan.

The non-profit established an ORS manufacturing facility in Bhaluka, Mymensingh, and it started operations in 2004.

And over the past four decades, SMC's ORS has become a household

name in Bangladesh, helping the nation fight the diarrhoea and curbing mortality, especially of children under the age of five.

"We found the result. Within 25 years, diarrhoea, which was the number one killer, has become the seventh or eighth (in terms of claiming lives)," said Khan.

"We make 1.5 billion sachets (of ORS) annually," said the official of the SMC, which holds an ORS market share of around 90 percent.

The SMC did not stop. It took on another mission. In its mission to improve health and hygiene of women during menstruation, the SMC launched a sanitary napkin named Joya in 2013.

Khan said it was a major health issue. "So, we made our product available in rural areas particularly among rural women of reproductive age and made the napkin accessible," he said.

"Now, our brand Joya is the number one popular brand in the rural community," he said, adding that 60 percent of rural women and adolescent girls use SMC's sanitary napkin.

"But still, we need to go far. I mean, we need to eliminate by 100 percent the risk of infection and associated complications for the use of dirty and unhygienic items during menstruation," he added.

The SMC also expanded its portfolio to address deficiency of micronutrients, particularly among children and women, and set up a subsidiary called SMC Enterprise, a for-profit entity, to separate profitable activities from non-profitable ones.

It established a pharma division in 2017.

Khan, who joined the SMC in 2002,

said the company implements its programmes through a "Star" network, namely Blue Star, Green Star, Pink and Rose Star by involving private sellers, pharmacies, obstetricians, gynaecologist, and paediatricians and female entrepreneurs.

With such efforts, the SMC accounts for a large share of the different contraceptives now in use. It accounts for 54 percent of pills, 73 percent of condoms and half of injectables.

In total, the SMC accounts for 49 percent of the modern contraceptive methods used nationally, according to the Bangladesh Demographic and Health Survey 2022.

Going forward, Khan said it aims to ensure affordable products to contribute to family planning, maternal and child health and nutrition and address the unmet needs of the country.

"You know the country has 3,500 to 4,000 deaths every year due to maternal complications. We want to change the situation," said Khan.

Another problem that the SMC wants to tackle involves underweight newborns.

Khan said 16 out of 100 deliveries are underweight. If a baby is underweight, then there is a likelihood of the child suffering from diabetes and hypertension when he or she becomes an adult, he said.

Early marriage is another challenge. "You think a child is coming with another child. Maternal mortality is very high in Bangladesh," said Khan.

"We don't want any single death. We want to change the situation of underweight babies. So, we are not yet halfway (through the journey)...Public interest is our first priority," he said.

Trade wars sparked by Trump tariffs would be 'catastrophic', WTO chief says

REUTERS, Geneva Davos

The World Trade Organization chief said on Thursday that any tit-for-tat trade wars prompted by US President Donald Trump's tariff threats would have catastrophic consequences for global growth, urging states to refrain from retaliation.

WTO Director-General Ngozi Okonjo-Iweala, a former Nigerian finance minister, starts her second term as head of the global trade watchdog this year at a time when Trump's tariff threats have raised the spectre of trade wars.

"If we have tit-for-tat retaliation, whether it's 25 percent tariff (or) 60 percent and we go to where we were in the 1930s we're going to see double-digit global GDP losses. That's catastrophic. Everyone will pay," Okonjo-Iweala said at the World Economic Forum annual meeting in the Swiss resort of Davos.

She was drawing a parallel with the period between the two World Wars when countries adopted trade restrictions in response to a US tariff act in 1930.

"We've seen this movie, as I said, elsewhere in the 1930s with the Smoot-Hawley Act. It made it worse," she said.

"We're very much saying to our members at the WTO, you have other avenues, even if a tariff is levied, please keep calm," she added, asking states to study their options and use the WTO's system for resolving disputes.

That system has been only partly operational since the end of 2019 when Trump's repeated vetoes of judge appointments incapacitated its top appeals court.

AFP, Davos

US President Donald Trump issued a blunt warning to global elites in a video appearance at the World Economic Forum in Davos on Thursday: Make your products in the United States or pay tariffs.

Beamed on giant screens in the Swiss Alpine village, Trump received a loud round of applause from political and business A-listers who had eagerly awaited his appearance all week.

Speaking from the White House, the recently-inaugurated president touted his plans to cut taxes, deregulate industries and crack down on illegal immigration.

But he also had a tough message. "Come make your product in America and we will give you among the lowest taxes of any nation on earth," Trump said.

"But if you don't make your product in America, which is your prerogative, then very simply you will have to pay a tariff."

In his wide-ranging speech, Trump made a link between the war in Ukraine and oil prices.

Trump said he would ask Saudi Arabia and the Organization of the Petroleum Exporting Countries to bring down crude prices. "If the price came down, the Russia-Ukraine war would end

immediately," he said.

He also had a message for central banks, saying he would "demand that interest rates drop immediately" - in a signal that he might pressure the independent US Federal Reserve on the matter.

The US leader then fielded questions from four top banking and energy executives.

"Well, Mr. president, I'm sure the crown prince of Saudi Arabia will be really glad you gave this speech today," quipped

Stephen Schwarzman, the chief executive of Blackstone investment firm, who had the first question. Trump answered the group one by one with a mix of praise, promises and reprimand.

"If we make a deal, we make a deal. You'll get it," Trump said after the head of French energy giant TotalEnergies Patrick Pouyanné asked if he would agree to guarantee supplies of liquefied natural gas to Europe.

He showered the head of Spanish banking group Banco Santander, Ana Botin, with praise.

"I know very much about your bank, and you've done a fantastic job. Congratulations," he said.

Trump had harsher words for Bank of America chief executive Brian Moynihan, accusing the firm and others of refusing to do business with conservatives.

"You've done a fantastic job," Trump said, before adding: "I hope you're going to open your banks to conservatives because what you're doing is wrong."

Trump is always a top draw in Davos, making waves at two previous in-person appearances during his first term in 2018 and 2020. But showing up this year was tougher as the forum happened to start on the day of his inauguration in Washington on Monday.

Trump tells elites: produce in US or pay tariffs



US President Donald Trump is seen on a giant screen during his address by video conference at the World Economic Forum (WEF) annual meeting in Davos on January 23, 2025. PHOTO: AFP