

Economy on expansion track for 4th straight month in Jan: PMI

STAR BUSINESS REPORT

The country's economy remained on an expansion track for the fourth consecutive month in January this year, according to an unofficial estimate, as growing exports, seasonal consumption trends and a boost in the agro supply chain are being considered potential drivers of this growth.

In January, the PMI increased by four points from the previous month, reaching a record high of 65.7, according to the Bangladesh Purchasing Managers' Index (PMI) released yesterday.

However, confidence in new business investments and expansion remains sluggish, the index noted.

The PMI is a monthly publication by the Metropolitan Chamber of Commerce and Industry (MCCI) and the Policy Exchange Bangladesh (PEB), with support from the UK government and technical assistance from the Singapore Institute of Purchasing & Materials Management (SIPMM). Regarding business confidence, the PMI said that it

remains low, particularly among firms catering to the domestic market, due to sluggish demand, rising business costs and energy supply disruptions.

The index also said that the economy's future dynamism will depend on clarity regarding the timeline and roadmap for transitioning to an elected political government.

The PMI is a pioneering initiative aimed at providing timely and accurate insights into the country's economic health, helping businesses, investors and policymakers make informed decisions.

The latest PMI reflects a faster rate of expansion in the agriculture, construction, and services sectors, while the manufacturing sector posted slower growth.

The agriculture sector expanded for the fourth consecutive month at an accelerated pace, showing faster growth in business activity.

New business and order backlogs returned to expansion, but the employment index reverted to contraction and input costs rose at a slower rate.

The manufacturing

sector expanded for the fifth consecutive month in January but at a slower pace, with reduced growth in new orders, exports, factory output, input purchases, imports, input prices and supplier deliveries.

The finished goods index expanded at a faster rate, while employment returned to growth, and the order backlog index contracted at a slower rate.

The construction sector expanded for the second consecutive month at a faster pace, with increased growth in new business, construction activity, and input costs. However, the employment index returned to contraction and order backlogs contracted at a faster rate.

The services sector expanded for the fourth consecutive month at an accelerated pace, with faster growth in new business, business activity, employment, and order backlogs. The input costs index also returned to expansion.

In terms of the Future Business Index, all key sectors — agriculture, manufacturing, construction, and services — posted slower expansion rates.

Elon Musk won't acquire TikTok's US operations

AFP, Washington

Elon Musk, the world's richest person and a top advisor to US President Donald Trump, said he has no interest in acquiring social media platform TikTok's operations in the United States, in comments released Saturday.

"I've not put in a bid for TikTok and I don't have any plans for what I would do if I had TikTok," said Musk in comments made via videolink at a German forum in late January that were released on the weekend.

TikTok is facing down a US law that ordered the company broken off from its Chinese owner ByteDance or otherwise be banned in the United States over national security concerns regarding the data it gathers on users.

In one of his first acts in office, Trump ordered a pause on enforcing the law that should have seen TikTok effectively made illegal in the country a day before he took office for a second term.

Soon after, Trump said he would be open to Musk — the owner of social media platform X, Tesla and a slew of other companies — buying the platform.

IPPS calls for deferring LDC graduation by 10-12 years

STAR BUSINESS REPORT

The Intellectual Property and Policy Studies (IPPS), a non-profit organisation, yesterday urged the government to defer the country's graduation from least developed country (LDC) status by at least 10 to 12 years.

Bangladesh has yet to properly evaluate the post-LDC graduation impact on various sectors, including education, research, the environment, medicine, and intellectual property, said the platform.

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The country has also failed to take the necessary steps for bilateral, regional, and global agreements and contracts, it added.

The organisation made this call at a seminar on the challenges of Bangladesh's path to developing country status, held at the Press Institute of Bangladesh (PIB) in Dhaka.

"If Bangladesh fails to properly understand, implement, and apply the prerequisites for graduating from an LDC to a developing country, it may lead to disaster in the name of development," said Taslima Jahan, secretary of the IPPS.

As a developing country, Bangladesh will be obligated to comply with the terms of the World Trade Organization (WTO) and the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement. Additionally, it will no longer receive certain benefits or waivers that it currently enjoys as an LDC, she added.

"We have already sent applications to all relevant ministries related to LDC graduation, requesting a deferment of at least 10 to 12 years," said Mohammad Shafiqur Rahman, president of the IPPS.

"We hope the interim government will consider it," he added.

Bangladesh is scheduled to graduate from LDC status to a developing nation in November 2026, but businesses are demanding that the government take the initiative to delay the graduation.

Last month, the Bangladesh Chamber of Industries (BCI) also urged the government to defer LDC graduation by at least three years, stating, "If the graduation is not deferred, the economy will face a massive collapse."

They also blamed the ousted Awami League government for pursuing LDC graduation based on inflated economic figures to portray it as an achievement.

In December, Education and Planning Adviser Wahiduddin Mahmud said Bangladesh has no option to defer its graduation from the LDC category.

Earlier, members of a committee that prepared a white paper on the state of Bangladesh's economy also advised the government not to defer LDC graduation.

Meta prepares for layoffs

REUTERS, New York

Facebook owner Meta Platforms plans to carry out its expected company-wide layoffs next week while pushing ahead with the expedited hiring of machine learning engineers, it told staffers in internal memos seen by Reuters on Friday.

Notices will go out to employees losing their jobs starting at 5 am local time Monday in most countries,

including in the US, according to one of the posts, authored by Meta's Head of People Janelle Gale.

Employees in Germany, France, Italy and the Netherlands will be exempt from the cuts "due to local regulations," while those in more than a dozen other countries across Europe, Asia and Africa will receive their notifications between February 11 and February 18, it said.

Edible oil crisis is artificial: tariff commission

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bottles and selling the oil in bulk to maximise profits, they said.

The meeting took place at a time when retailers and wholesalers in major cities, including Dhaka, Chattogram, and Barisal, reported to The Daily Star that the oil supply had declined after the government rejected refiners' requests to raise prices in January.

According to data from the Trading Corporation of Bangladesh, the price of bottled soybean oil per litre is now Tk 175 to Tk 176, marking a 1 percent increase over the past month.

Over the past week, the price of loose soybean oil per litre rose nearly 4 percent, reaching Tk 180 to Tk 182 yesterday.

Retail prices of two litre bottles of soybean oil, as well as palm oil and rice bran oil, have also risen.

For instance, the price of a one-litre bottle of rice bran oil increased by 6.41 percent to Tk 205 to Tk 210 yesterday.

Moinul Khan, chairman of the BTTC, who chaired yesterday's meeting, told The Daily Star that the refiners assured they would not increase soybean oil prices in the coming days ahead of Ramadan.

"Imports have increased in the country, and supply in the market has also risen. There is no shortage of any kind," he said.

Additionally, around 150,000 tonnes of oil are in the pipeline and will arrive in the country before Ramadan, he added.

To reduce pressure on soybean and palm oils, the government has cut duties on the import of sunflower and canola oils.

World Bank

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through legislation, and that's what we discussed," he said.

He raised the issue at a time when the government's advisory committee for NBR reforms made the same suggestion. Earlier, the International Monetary Fund also stressed the issue.

Additionally, they discussed reforms aimed at improving governance and transparency, procurement laws, access to information, and independence of the Bangladesh Bureau of Statistics, according to Raiser.

Regarding the recent macroeconomic challenges, he said, "Obviously, there are a number of challenges, but Bangladesh remains a country with great potential, and we're here to help realise that."

During the briefing, Finance Adviser Salehuddin Ahmed said the current balance of payments situation is quite stable.

"We are not desperate for foreign loans or willing to negotiate under complex conditions," he added.

Raiser yesterday arrived in Dhaka for a four-day visit, which the global financial institution stated was aimed at reinforcing its longstanding partnership with Bangladesh.

Financial sector

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international firms to review the asset quality of banks.

At a press briefing after the meeting, Shafiqul Alam, press secretary to the CA, said the chief adviser asked the BB governor to ensure the autonomy of the central bank as soon as possible.

The BB has stopped all kinds of fresh recruitment until now, he added.

Alam said the government has been trying not to take on any unnecessary and less important projects anymore.

Citing the finance ministry

paper, he said that major economic indicators are showing positive signs.

For instance, exports grew by 10 percent year-on-year, imports were increasing, jobs were being created, and inflation had come down to single digits.

Inflation decreased because of the hike in the interest rate, and it is expected that inflation will come down to 7.5 percent by July of this year, said Alam.

Furthermore, the government has taken some measures, such as a contractionary monetary policy and a conducive revenue policy, to arrest high inflationary pressure, he added.

Policy rate may remain

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The policy rate is the interest rate at which commercial banks borrow from the central bank.

Beyond inflationary pressure, the overall economy has been facing uncertainties following the fall of the Awami League government. This has been reflected in the deceleration of private sector credit growth.

Private sector credit growth slowed to its lowest pace in at least 11 years due to uncertainty in the investment environment following the recent political changeover. In December 2024, credit flow to private firms grew by 7.28 percent, the lowest since at least 2015, according to Bangladesh Bank data. This was down from 7.66 percent in November.

The current investment climate, banks' cautious lending approach after the political changeover, persistent inflation, increasing lending rates, and poor loan recovery have all contributed to the slowdown in credit growth, industry insiders said.

The volume of defaulted loans

reached a staggering Tk 2,84,977 crore as of September 2024, with some banks struggling to provide fresh loans due to a liquidity crunch.

However, the foreign exchange market has shown some flexibility recently, thanks to an uptick in incoming remittances.

Mustafa K. Mujeri, executive director of the Institute for Inclusive Finance and Development, recently said that raising the policy rate to 10 percent had not effectively alleviated inflationary pressure.

"So, it would not be wise to raise the policy rate any further," he added.

Mujeri, a former chief economist of Bangladesh Bank, explained that the central bank's primary tool for addressing inflation is the policy rate. However, further increases would likely harm the economy rather than control inflation, as they would drive up deposit and lending rates.

He suggested that, beyond maintaining a tight monetary stance, the Bangladesh Bank must identify the root causes of inflation and take appropriate measures to reduce it.

Supply chain disruptions

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The production of Aus and Aman rice has fallen short of targets by 9.55 lakh tonnes and 3.58 lakh tonnes, respectively.

This shortfall has led to a decline in government food stock, which currently stands at around 13 lakh tonnes — 23.6 percent lower than in the same period last fiscal year.

While the government's effective storage capacity is 21.34 lakh tonnes, this gap highlights the urgency of stabilising food supply systems.

Plans are underway to import

an additional 9 lakh tonnes of food grains this fiscal year. Buffer stock capacity for urea fertiliser has also been raised to 8 lakh tonnes, which will remain accessible through March.

Additionally, fertiliser subsidies have been continued, with Tk 28,000 crore allocated in the revised budget to stabilise fertiliser prices.

The government had made a separate allocation of Tk 8,059 crore to keep up food subsidies through programmes, including Open Market Sales and other year-round food assistance efforts.

MILITARY ENGINEER SERVICES DIRECTOR OF WORKS AND CHIEF ENGINEER (AIR) INVITATION FOR TENDER						
1	Ministry Division	Ministry of Defence				
2	Agency	Military Engineer Services				
3	Procuring Entity Name	DW & CE (Air), Dhaka Cantt				
4	Tender Name	Project Works under Works Programme of Bangladesh Air Force for the financial year 2024-2025 (As per SI No. 14)				
5	Invitation for Tender No.	08 of 2024-2025/E-4 Dated: 06 February 2025				
6	Procurement Method	Open Tendering Method (OTM)				
7	Source of Funds	Govt. of Bangladesh (GOB)				
8	Tender publication date	12 February 2025				
9	Tender last Selling date	26 February 2025 (During Office hours)				
10	Last date of tender submission	27 February 2025 upto 1200 hours				
11	Tender opening date and time	27 February 2025 at 1230 hours				
12	Name & Address of the tenders selling, receiving and opening tender documents	DW & CE (Air), Dhaka Cantt, Dhaka-1206				
13	Eligibility of tenderer	a. MES Enlisted Contractors 'Class' as below. b. Contractors enlisted in other Govt departments may also participate in tenders of the work on receipt of security clearance from DGFI.				
14	Description of works	Location	Class	Price of Tender Document (Non refundable)	Amount of Tender Security (Taka) in the shape of Pay Order in favour of DW&CE (Air)	Completion Time in months
a	Provision of External Electric supply line for Construction of 1x50,000 gallon capacity over ground Water Reservoir including ancillary works at Saudi Colony area BAF Base Bashar, Tejgaon (Last Phase)	BAF Base Bashar, Tejgaon.	D & E	Tk 300/-	Tk 10,000/-	06 (six) months
b	Provision of External Electric supply line for Construction of (12 Storied foundation/150 feet height) BOQ and Officers' Mess Complex with 1xBasement including Internal/External Services at BAF Base Bashar, Tejgaon (3rd Phase)	BAF Base Bashar, Tejgaon.	C & D	Tk 2000/-	Tk 2,21,000/-	09 (Nine) months
c	Provision of External Water supply line with Deep Tube Well for Construction of (12 Storied foundation/150 feet height) BOQ and Officers' Mess Complex with 1xBasement including Internal/External Services at BAF Base Bashar, Tejgaon (3rd Phase)	BAF Base Bashar, Tejgaon.	C & D	Tk 2000/-	Tk 1,96,000/-	09 (Nine) months
d	Supply and installation of Deep Tube Well for Construction of (12 Storied foundation/150 feet height) BOQ and Officers' Mess Complex with 1xBasement including Internal/External Services at BAF Base Bashar, Tejgaon (3rd Phase)	BAF Base Bashar, Tejgaon.	C & D	Tk 2000/-	Tk 2,20,000/-	09 (Nine) months
e	Provision of Lightning Protection System for Construction of (12 Storied foundation/150 feet height) BOQ and Officers' Mess Complex with 1xBasement including Internal/External Services at BAF Base Bashar, Tejgaon (3rd Phase)	BAF Base Bashar, Tejgaon.	D & E	Tk 750/-	Tk 39,000/-	09 (Nine) months
f	Provision of Gas Supply line for Construction of (12 Storied foundation/150 feet height) BOQ and Officers' Mess Complex with 1xBasement including Internal/External Services at BAF Base Bashar, Tejgaon (3rd Phase)	BAF Base Bashar, Tejgaon.	D & E	Tk 500/-	Tk 24,000/-	06 (Six) months
g	Provision of External Water Supply line with Deep Tube Well for Construction of remaining works of Airmen Barrack (14 Storey with 14 storied foundation) including ancillary works at Saudi Colony area BAF Base Bashar, Tejgaon (Last Phase)	BAF Base Bashar, Tejgaon.	C & D	Tk 2000/-	Tk 2,36,000/-	09 (Nine) months
h	Supply and installation of Deep Tube Well for Construction of remaining works of Airmen Barrack (14 Storey with 14 storied foundation) including ancillary works at Saudi Colony area BAF Base Bashar, Tejgaon (Last Phase)	BAF Base Bashar, Tejgaon.	C & D	Tk 2000/-	Tk 2,24,000/-	09 (Nine) months
i	Provision of underground HT cable line including ancillary works for Construction of remaining works of Airmen Barrack (14 Storey with 14 storied foundation) including ancillary works at Saudi Colony area BAF Base Bashar, Tejgaon (Last Phase)	BAF Base Bashar, Tejgaon.	C & D	Tk 2000/-	Tk 2,60,000/-	09 (Nine) months
j	Supply and Installation of Transformer including ancillary works for Construction of remaining works of Airmen Barrack (14 Storey with 14 storied foundation) including ancillary works at Saudi Colony area BAF Base Bashar, Tejgaon (Last Phase)	BAF Base Bashar, Tejgaon.	C & D	Tk 2000/-	Tk 2,51,000/-	09 (Nine) months
k	Provision of Sub Station Equipment including ancillary works for Construction of remaining works of Airmen Barrack (14 Storey with 14 storied foundation) including ancillary works at Saudi Colony area BAF Base Bashar, Tejgaon (Last Phase)	BAF Base Bashar, Tejgaon.	C & D	Tk 2000/-	Tk 2,45,000/-	09 (Nine) months
l	Provision of Solar Panel system including ancillary works for construction of remaining works of Airmen Barrack (14 Storey with 14 storied foundation) including ancillary works at Saudi Colony area BAF Base Bashar, Tejgaon (Last Phase)	BAF Base Bashar, Tejgaon.	C & D	Tk 2000/-	Tk 1,55,000/-	09 (Nine) months
m	Provision of Gas Supply Line for Construction of remaining works of Airmen Barrack (14 Storey with 14 storied foundation) including ancillary works at Saudi Colony area BAF Base Bashar, Tejgaon (Last Phase)	BAF Base Bashar, Tejgaon.	D & E	Tk 500/-	Tk 18,500/-	06 (Six) months
15	Contact Details	Tel: 9836520, e-mail: dwceair@gmail.com				
16	Special Instructions	a. Tenderers shall submit copy of valid enlistment letter & security clearance with application on company letter-head when purchasing tender. b. Detailed requirements are mentioned in tender data sheet of tender documents. c. The procuring entity reserves the right to accept or reject any or all the tenders.				

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Mohammad Shah Alam
Superintending Engineer
For DW & CE (Air)

GD-391