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No supply shortage of edible oil

Say refiners

STAR BUSINESS REPORT

The Bangladesh Vegetable Oil Refiners and Vanaspati Manufacturers Association has reassured consumers and traders that there is no supply shortage of bottled edible oil in the local market.

The association clarified that, in anticipation of increased demand for edible oil ahead of Ramadan, its member organisations have ramped up their supply to ensure smooth availability.

According to the association, the supply of edible oil is being maintained at higher-than-usual levels.

However, consumers say the availability of bottled soybean oil has not improved significantly, while several players in the local supply chain have expressed mixed reactions regarding the outlook of the edible oil market ahead of Ramadan, when demand for the cooking staple nearly doubles.

According to official data, the price of bottled soybean oil per litre is currently Tk 175 to Tk 176, reflecting a nearly 1 percent increase over the past month and a 2.33 percent rise over the past year, based on retail price data compiled by the state-run Trading Corporation of Bangladesh.

The association stated that any temporary supply crunch that may arise due to stockpiling by certain traders will be short-lived, as international crude soybean and palm oil prices remain stable, eliminating opportunities for abnormal profits.

Additionally, leading edible oil producers such as City Group, Meghna Group of Industries, TK Group, and Bangladesh Edible Oil Ltd have already imported significantly more edible oil than the projected demand.

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AT A GLANCE

Global litigation firms will be engaged to recover siphoned-off funds (Tk 200cr or above)

Ten major business groups and Sheikh Hasina's family will be excluded from the initiative

Global organisations helping govt recover money laundered by ten business groups and Hasina family

BB governor earlier said recovery process would take three to four years

Govt panel estimated that $16b was siphoned off annually over the past 15 years

Int'l firms to be hired to recover laundered money

BFIU asks 19 banks to identify suspect loans over Tk 200cr

MD MEHEDI HASAN

The Bangladesh Financial Intelligence Unit (BFIU) is set to appoint international litigation firms to recover loans worth Tk 200 crore and above that have been laundered abroad from 19 commercial banks.

A meeting between BFIU and managing directors of the banks made the decision on January 30, according to the meeting minutes.

The meeting document shows that the anti-money laundering agency will initially compile a cluster of cases involving Tk 200 crore or more each.

The litigation firms, which are law firms that handle legal disputes, will then assess the cases based on the likelihood of successful recovery.

The firms will receive a certain percentage of the recovered funds as compensation for their services.

The process will not require financial involvement from the Bangladesh Bank or any other bank, according to the minutes.

The meeting, presided over by Bangladesh Bank Governor Ahsan H Mansur, included the chief executives or managing directors of Sonali Bank, Janata Bank, Agrani Bank, Rupali Bank, BASIC Bank, Islami Bank, First Security Islami Bank, Social Islami Bank, IFIC Bank, Global Islami Bank, Bangladesh Commerce Bank, United Commercial Bank, City Bank, National Bank, One Bank, Al-Arafah Islami Bank, Bank Asia, Union Bank, and Dhaka Bank.

The BFIU will conduct meetings with other commercial banks in due course.

On February 4, the BFIU directed those 19 banks to submit a list of cases where there is suspicion of Tk 200 crore or more being siphoned off. Banks were also advised to inform the BFIU immediately if any new cases of this nature arise.

Per the meeting minutes, since cases will be filed against individuals or groups with the assistance of litigation firms, it will be essential to coordinate information from all banks.

This means banks must provide necessary documents and evidence to strengthen legal proceedings, especially as litigation firms will only accept cases after verifying all submitted documentation.

Bangladesh Bank Governor Ahsan H Mansur instructed all banks to collect and securely preserve relevant documents and evidence. He also mentioned that banks may follow their own regulations and legal procedures to recover embezzled funds within the country.

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Can Starlink's entry be another turning point?

MAHMUDUL HASAN

Two of the greatest minds in Bangladesh -- Dr Muhammad Yunus and Iqbal Quadir -- came together for an unconventional idea: providing mobile phones, then exorbitantly priced status symbols for the urban elite, to poor rural women in the mid-90s.

What they envisioned was made possible by the entry of a Norwegian telecommunications company onto the shores of the Bay of Bengal and their idea turned out to be a game-changer.

Telenor's arrival through Grameenphone was not just a means of poverty alleviation for many women, it was a pivotal moment that transformed the country's telecommunications landscape.

Its entry, along with the efforts of other mobile operators, democratised mobile connectivity, expanded rural access and played a crucial role in bolstering economic growth.

Today, a similar disruption could be on the horizon with Starlink, Elon Musk's satellite-based internet service.

With Chief Adviser Professor Yunus recently engaging in talks with Elon Musk, followed by his post on X and Musk's "looking forward to it" response, and the telecom regulator's draft guidelines for NGSO satellites being released, Starlink's entry seems on the horizon.

The pressing question now is whether its arrival will be as transformative as Telenor's. And while the answer remains uncertain, one thing is clear: it undoubtedly poses itself as a potential watershed moment.

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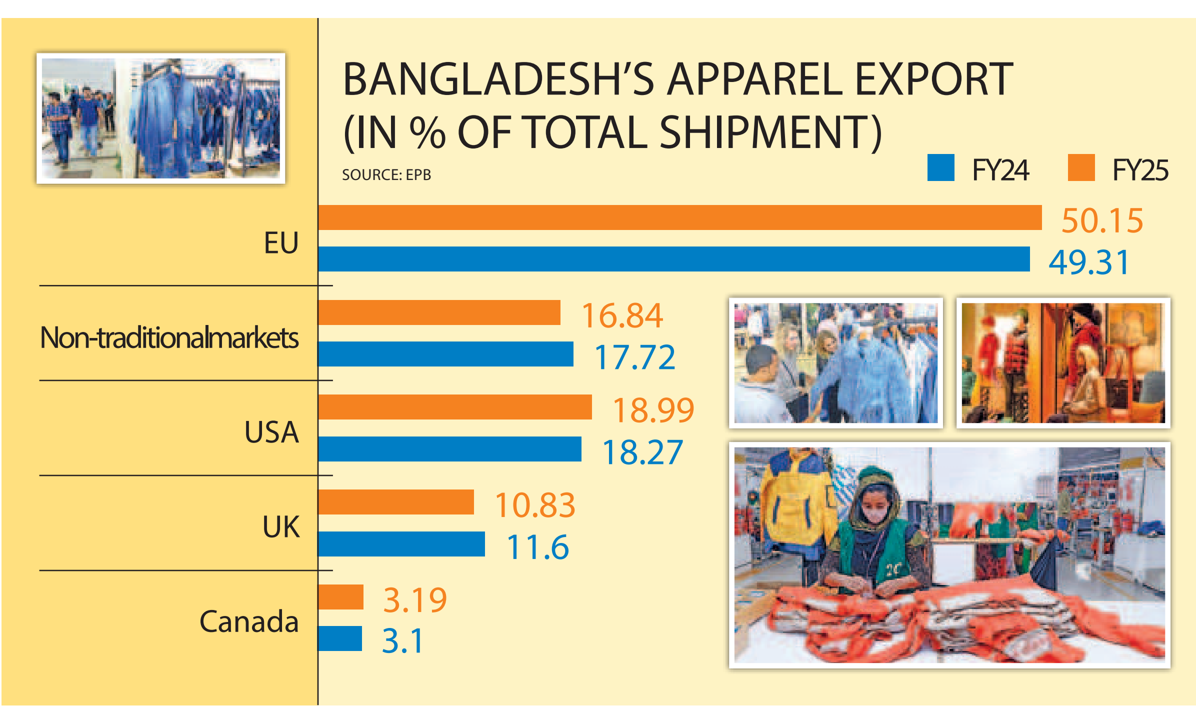

Apparel exports to Europe, US post robust growth

STAR BUSINESS REPORT

Bangladesh's apparel shipments to key export markets--Europe and the US--posted robust growth in the first seven months of the current fiscal year of 2024-25.

This ushered in hopes that work orders would continue to come in increasing quantities, as some orders had been diverted from China amid tariff wars between the world's two biggest economies.

Exports to the European Union shot up 13.91 percent year-over-year to $11.81 billion in the July-January period of fiscal year 2024-25.

In the case of the US, the single biggest market for Bangladesh's garments, clothing shipments surged 16.45 percent to $4.47 billion in the first seven months of this fiscal year.

With this growth, the share of exports to the EU increased to 50.15 percent in the July-January period of this fiscal year, up from 49.31 percent in the same period a year ago.

The share of garment exports to the US increased to 18.99 percent in the July-January period of FY25 from 18.27 percent a year ago, according to data compiled by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Mohiuddin Rubel, managing director of Bangladesh Apparel Exchange, which describes itself as an organisation promoting Bangladesh's apparel industry, said apparel consumption declined worldwide in the last fiscal year.

And imports by both the US and Europe fell, he said.

"Now these economies are doing better. Obviously, this is a reason. Buyers are placing more orders," he said.

Export data showed that within the EU, Germany emerged as a key market, with Bangladesh's exports to the biggest economy in Europe growing 13.47 percent year-on-year.

Spain, France, and the Netherlands were the other major markets in the EU, where there were substantial exports.

The growth of apparel exports to the UK, another major market accounting for 10.83 percent of total shipments, increased by 4.55 percent in the July-January period of FY25.

Shipments of garments to non-traditional markets increased by 6.42 percent during the period, thanks to higher purchases by Japan and Australia, two major markets.

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BSEC returns 10 mutual funds to RACE

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has withdrawn an order on investigating fund transfers of RACE Asset Management PLC while returning the right to manage the funds to the asset manager.

The stock market regulator issued an order last week to withdraw the investigation and lifted its previous order forbidding block transactions of assets in the portfolios of RACE.

Mohammad Rezaul Karim, spokesperson of the BSEC, said it has withdrawn the order on the investigation and returned the right to manage the funds after analysing legal aspects, as it is a sub judice matter.

A case is being heard at the High Court on the issue, so the BSEC does not want to continue the investigation, he added.

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