

star

BUSINESS



MFS transactions to top Tk 25 lakh cr this yr
Says BB governor

STAR BUSINESS REPORT

The volume of transactions through mobile financial services (MFS) is expected to exceed Tk 25 lakh crore this year, Bangladesh Bank Governor Ahsan H Mansur said yesterday.

He stated that current annual transactions through MFS amount to Tk 17 lakh crore, but this figure is likely to surpass Tk 25 lakh crore by the end of the year.

This means the transaction volume through MFS alone will be nearly three times the national budget, he added.

The governor made these remarks at an event titled "Transforming the Payment Landscape: An Era of Evolution", organised by the Bangladesh Bank at the Pan Pacific Sonargaon Dhaka.

At the event, it was announced that the central bank had launched

The transaction volume through MFS alone will be nearly three times the national budget

an updated version of the Real-Time Gross Settlement (RTGS) system, which was first introduced in 2015.

The upgraded RTGS system allows transactions seven days a week and now includes new features such as transaction notifications for both parties, multi-currency transactions, and improved record-keeping.

Mansur highlighted that former Bangladesh Bank Governor Atiur Rahman had introduced the RTGS system, but it was not given due importance at the time.

However, over the years, it has proven to be crucial for financial transactions.

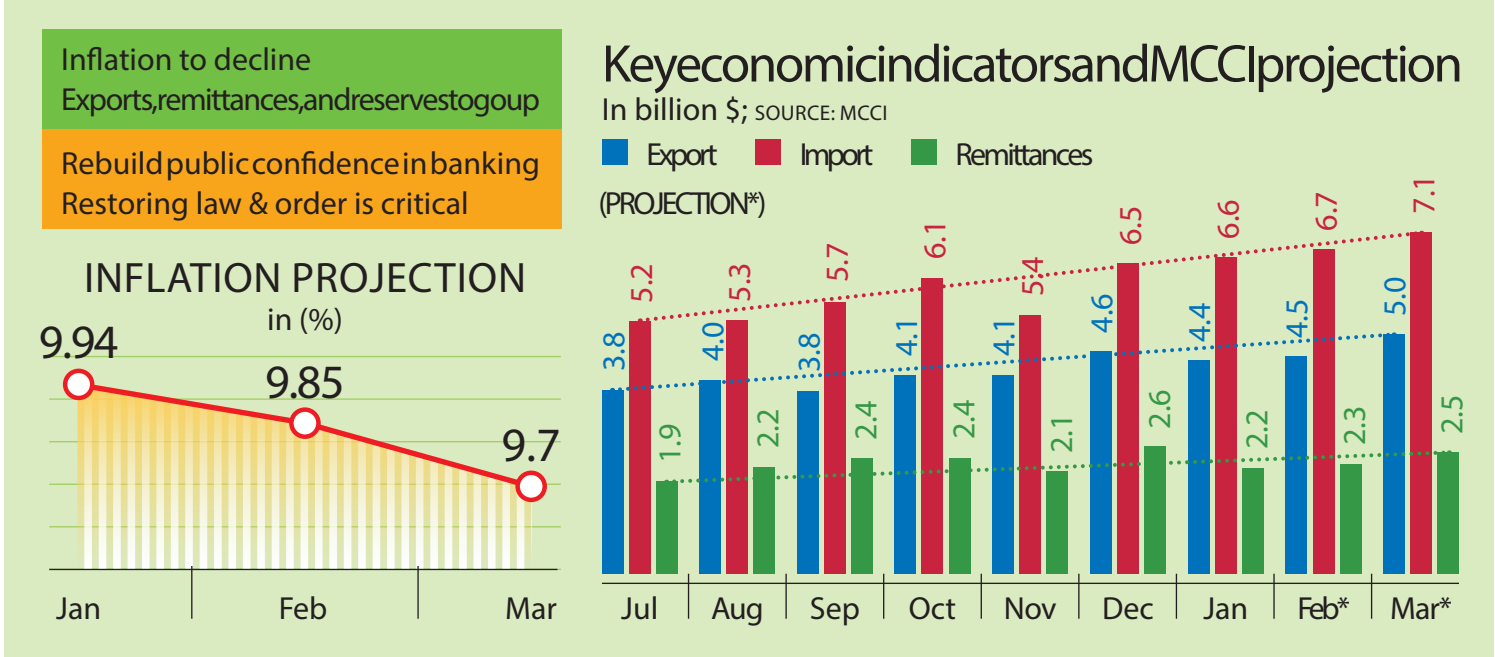
He further emphasised that digital payment systems have significantly benefited both consumers and businesses, leading to enhanced economic activities.

He noted that further improvements to the system would be required in the future, he added.

Md Khairul Anam, additional director of the Payment Systems

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Economy shows signs of recovery but faces substantial hurdles



STAR BUSINESS REPORT

Bangladesh's economy exhibited a gradual recovery in the second quarter of fiscal year 2024-25, but it faces substantial hurdles, including inflationary pressures, a shortfall in revenue collection, slow public spending, diminished job opportunities and a sluggish investment climate.

In addition, there is a need to rebuild public confidence in the banking system, the Metropolitan Chamber of Commerce and Industry (MCCI) said in its quarterly review of Bangladesh's economic situation for the October-December quarter of FY25.

"Restoring law and order is indeed a critical priority to create a stable environment for economic activities," the MCCI said in the review released yesterday.

The leading chamber said key economic indicators such as exports and remittances demonstrated positive trends.

"The economy has been recovering gradually from political instability that began in the first week of July 2024.

"The slide experienced by the foreign exchange reserves was halted, and the exchange rate of Bangladesh taka against major currencies stabilised, although some volatility in the reserve position continues to persist.

"Improved trade and current account balance, and the overall balance of payments situation, allowed for some de-restriction of import activities," the trade body added.

However, high inflation and slow revenue collection remain major concerns.

Bangladesh has been grappling with over 9 percent inflation since March of 2023. In January, the consumer price index, a measure of changes in the price of a basket

of goods and services, stood at 9.94 percent.

Despite improvements in foreign trade and remittances, inflation remains a critical concern, the MCCI said, adding that the country's central bank has maintained a tight monetary policy stance to curb inflation and stabilise the exchange rate.

The chamber projects that inflation, which eased for the second consecutive month in January, may decline to 9.85 percent this month and 9.7 percent in March.

It said the Bangladesh Bank's efforts, along with the positive trends in exports and remittances, are expected to support broader economic recovery in the coming months.



The chamber said Bangladesh's exports rose 12.8 percent year-on-year to \$24.54 billion, primarily driven by the ready-made garments sector.

It said buoyancy in exports might continue in the third quarter with shipments gradually rising. Exporters may ship products worth \$4.9 billion in March, up from a projected \$4.5 billion in February, the chamber added.

Similarly, Bangladeshi migrants working and living abroad are expected to send a good amount of remittance next month ahead of Eid-ul-Fitr, the biggest religious

festival for Muslims and a time when the overall economy gets a big boost because of a shopping bonanza to celebrate the festival.

Remittance inflows, which saw a 27.56 percent uptick in the first half of the current fiscal year, are likely to be around \$2.5 billion next month. Better remittance inflow has been attributed to improved banking governance and foreign exchange stability, boosting expatriate confidence.

Consequently, Bangladesh's foreign exchange reserves, which have been strained for nearly three years, are expected to go up. The MCCI said gross forex reserves might cross \$26 billion in March.

The chamber said the country's trade deficit narrowed and the pressure on the balance of payments, which shows a country's transactions with the rest of the world, improved in the first half of FY25.

The trade deficit narrowed year-on-year to \$9.76 billion in the July-December period of this fiscal year from \$10.88 billion.

However, the industry and services sectors showed a mixed performance. The MCCI said the industrial sector registered lower growth in the first quarter of FY25 compared to the previous quarter as it suffered due to a sharp slowdown in manufacturing growth. The services sector also witnessed weaker growth.

Foreign investment also fell amid economic uncertainties, infrastructure constraints and regulatory inconsistencies.

The MCCI said Bangladesh's economy is gradually overcoming the difficulties brought on by the present political uncertainty and conflicting world scenario.

"Therefore, the performances of the selected economic indicators are mixed."

AmCham voices concern over law and order situation

STAR BUSINESS REPORT

A group of businessmen expressed concern about the debilitating law and order situation, saying it has been affecting enterprises, and sought remedies from the government.

The businessmen highlighted the issue at a dialogue hosted by the American Chamber of Commerce in Bangladesh (AmCham), titled "Trade and Investment Growth: Business Consultation, Law & Order, and Energy Crisis Management Hold the Key" at Sheraton Dhaka.

AmCham President Syed Ershad Ahmed emphasised the need to stabilise law and order and enhance business sector consultations. He also advocated for the National Board of Revenue (NBR) to establish separate wings for policy and implementation.

He further called for customs automation, the elimination of manual signatures, and relief from double taxation.

Ahmed stressed the importance of the Export Promotion Bureau (EPB) focusing on new export markets, research and development, and training as trade shows are proving ineffective.

He raised concerns about the insufficient facilitation of cargo transportation between the inland container depot in Dhaka and Chattogram port, leading to delays in raw material shipments.

Furthermore, he underscored the significance of policy stability to attract long-term investment while strengthening the Bangladesh Competition Commission and intellectual property rights.

During the dialogue, businessmen focused on the need to improve the law and order situation to support business operations. They also circled the importance of better consultation with local and foreign investors to enhance the trade and investment climate.

Beverage industry representatives from Coca-Cola and PepsiCo raised concerns over high supplementary duty (SD), sugar tax and minimum tax, urging a reduction in SD from 30 percent to 25 percent and turnover tax from 3 percent to 0.6 percent to boost investment, create jobs, and drive business growth.

A key point raised by representatives of the financial services industry was a request for waiver of mandatory income tax return slips for credit card issuance up to Tk 5 lakh, in alignment with the Income Tax Ordinance, to

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| STOCKS | |
|----------|-----------|
| DSEX ▲ | CASPI ▲ |
| 0.63% | 0.93% |
| 5,267.88 | 14,705.68 |

| COMMODITIES | |
|-------------|--------------|
| Gold ▼ | Oil ▼ |
| \$2,925.12 | \$70.50 |
| (per ounce) | (per barrel) |

| ASIAN MARKETS | | | |
|---------------|-----------|-----------|----------|
| MUMBAI | TOKYO | SINGAPORE | SHANGHAI |
| ▲ 0.20% | ▼ 1.39% | ▼ 0.3% | ▼ 0.80% |
| 74,602.12 | 38,237.79 | 3,915.87 | 3,346.04 |

Singer becomes first to launch operations in Araihaazar SEZ

JAGARAN CHAKMA

Singer Bangladesh has started the commercial production of home appliances at its new plant, becoming the first company to operate in the Bangladesh Special Economic Zone (BSEZ) in Araihaazar of Narayanganj.

The Bangladesh Economic Zones Authority (BEZA) on Monday approved the commercial production, as reported by the company on the Dhaka Stock Exchange website.

Kazi Ashiqur Rahman, company secretary of Singer Bangladesh, said the trial run at the new factory began in June 2024. However, subsequent political turmoil delayed other production-related construction, machinery imports and installations.

The new facility, established with a \$78 million investment from Turkish multinational Arcelik -- which holds the majority of shares of Singer Bangladesh -- is designed to reduce reliance on imports by locally manufacturing over 90 percent of its components.

"We are starting with an initial workforce of 2,000 employees. Once the project is fully implemented, we anticipate expanding our team to as many as 4,000," Rahman said.

This new facility will serve as a comprehensive manufacturing centre, producing a full line of home appliances, including refrigerators, televisions, air conditioners, washing machines and more.

He added that this diverse production capability would drive the company's market



share expansion in the coming year.

According to Singer Bangladesh, the plant has the capacity to produce up to 1 million refrigerators annually.

Rahman further said that while their Savar plant does not have modern machinery, the new facility, which covers 35 acres, is equipped with the latest equipment to ensure that products meet global standards.

"By focusing on consumer needs, Singer Bangladesh is transforming its operations to offer contemporary, globally standard products to local customers," Rahman added.

As one of the largest retailers of consumer durables in Bangladesh, Singer offers brands

like Singer, Beko, and others, with 463 retail stores and over 1,000 dealer shops nationwide.

Arcelik owns 57 percent of Singer Bangladesh, with the remaining shares publicly traded. The company's stock closed at Tk 107 yesterday, marking an increase of 2.59 percent compared to the previous day.

Since its listing on the Dhaka Stock Exchange in 1983, the company's paid-up capital has reached Tk 98 crore, with its market capitalisation standing at Tk 1,465 crore.

The company reported a loss of Tk 49 crore in 2024, a significant reversal from the profit recorded in the previous year.

READ MORE ON B3

সাইদ আহমেদ
চেয়ারম্যান
গ্লোবাল ইন্স্যুরেন্স লিমিটেড

বাংলাদেশ ইন্স্যুরেন্স এসোসিয়েশন (বিআইএ)-এর
২০২৫-২০২৬ মেম্বার প্রেসিডেন্ট নির্বাচিত হওয়ায়
গ্লোবাল ইন্স্যুরেন্স লিমিটেড-এর
সকল কর্মকর্তা, কর্মচারীবৃন্দের পক্ষ থেকে
শ্রদ্ধাঞ্জলি ও অভিনন্দন

গ্লোবাল ইন্স্যুরেন্স লিমিটেড
Global Insurance Limited
Symbol of Security & Peace

CREDIT RATING AAA

ISO 9001:2015 CERTIFIED

Bank Asia partners with Sheraton, Westin Dhaka for Ramadan discounts

STAR BUSINESS DESK

Bank Asia Limited has signed a partnership agreement with Westin Dhaka and Sheraton Dhaka, offering benefits for its cardholders throughout Ramadan.

This partnership brings special privileges, including discounts and offers on Iftar and Suhoor buffets at both luxury hotels, renowned for their world-class dining and hospitality.

ANM Mahfuz, additional managing director and chief business officer of the bank, and Stephane Masse, cluster general manager of Westin Dhaka and Sheraton Dhaka, signed the agreement at the Sheraton Dhaka in the capital's Banani recently, the bank said in a press release.

This collaboration underscores Bank Asia's dedication to enhancing its customer experience, offering added value and premium services during the holy month of Ramadan.

Shakawath Hossain, chief executive officer of Unique Hotel and Resorts PLC, and Zishan Ahammad, head of cards, ADC and internet banking at the bank, along with other senior officials from both organisations, were also present.



ANM Mahfuz, additional managing director and chief business officer of Bank Asia, and Stephane Masse, cluster general manager of Westin Dhaka and Sheraton Dhaka, shake hands and exchange signed documents of an agreement at the Sheraton Dhaka in the capital's Banani recently.

PHOTO: BANK ASIA



Maj Gen (retd) Md Nayeem Ashfaq Chowdhury, chief executive officer of Prime Bank Foundation, and M Nazem A Choudhury, deputy managing director of Prime Bank, pose for photographs after signing the agreement at the bank's corporate office in Dhaka recently.

PHOTO: PRIME BANK

Prime Bank provides banking services to Grammar School

STAR BUSINESS DESK

Prime Bank PLC has signed an agreement with Prime Bank Grammar School to provide seamless banking services under its specialised segment, "primeacademia."

M Nazem A Choudhury, deputy managing director of the bank, and Maj Gen (retd) Md Nayeem Ashfaq Chowdhury, chief executive officer of Prime Bank Foundation, signed the agreement at the bank's corporate office in Dhaka recently, according to a press release.

Through this partnership, students, teachers, guardians, and

staff of Prime Bank Grammar School will gain access to a comprehensive financial services tailored to meet their academic and institutional needs.

Under Primeacademia, Prime Bank will offer a range of benefits, including fee collection, student-friendly loan facilities, payroll banking, advance salary drawing, an attractive teachers' account, student file opening, guardian accounts, pre-approved credit cards, and digital banking services.

This initiative aims to ease financial services and enhance the banking experience for institutions, teachers, students, and guardians.

India may extend import curbs on steelmaking raw materials

REUTERS, New Delhi/Beijing

India could extend restrictions on low-ash metallurgical or met coke imports to encourage local steel mills to source the steelmaking ingredient from domestic suppliers, two sources said.

In December, India, the world's second-biggest producer of crude steel, imposed quantitative curbs with country-specific quotas on imports of low-ash met coke, restricting total overseas purchases to 1.4 million metric tons from January until the end of June.

The reluctance of Indian steel producers to buy from local producers could prompt the government to extend these restrictions beyond June, said the sources, who did not wish to be named because they were not authorised to talk to the media.

Expressing his reservations about steel mills' preference for importing met coke, India's Minister of Commerce and Industry Piyush Goyal stressed the need to source the raw material locally, the sources said.

Since met coke suppliers from China are rerouting their supplies to India via Indonesia, the Indian government has also asked local steel producers to avoid purchases from Jakarta, they said.

Despite a recent thaw in relations, ties between India and China have been tense since the biggest military confrontation in decades on their disputed Himalayan border killed 20 Indian and at least four Chinese soldiers in June 2020. In response, India has increased its scrutiny of investments from Chinese companies.

India's imports of low ash met coke have more than doubled over the past four years.

Leading steel producers, such as JSW Steel and ArcelorMittal Nippon Steel India, have expressed concerns over the quality of locally produced met coke.

They argue that any extension of import curbs on the raw material could hinder their plans to increase capacity to meet India's robust domestic demand for steel.

BRAC Bank to provide fee collection service to East West University

STAR BUSINESS DESK

BRAC Bank has signed an agreement with East West University to provide student fee collection services.

Sheikh Mohammad Ashfaq, deputy managing director and head of branch distribution network at the bank, and Air Cdre (retd) Ishfaq Ilahi Choudhury, treasurer of the university, signed the agreement in Dhaka, according to a press release.

This agreement aims to ensure seamless and efficient fee collection facilities for the university and its students.

The technological integration between the two organisations will facilitate secure, smooth, and real-time fee and charge payments.

Students and their guardians will benefit from the bank's extensive distribution network, which includes 189 branches, 74 sub-branches, and over 1,100 agent outlets for fee deposits.

The bank is also set to integrate its Astha App and online payment gateway to further streamline payment processes.

BRAC Bank's ability to extend fee collection services and payment mechanisms is enhanced through the combination of its institutional payment platform, CorpNet, and small business and retail digital payment platform, Astha.

This integration simplifies administrative tasks for corporations and institutions, improving cost efficiency by optimising various finance and payment processes.



Air Commodore (retd) Ishfaq Ilahi Choudhury, treasurer of East West University, and Sheikh Mohammad Ashfaq, deputy managing director and head of branch distribution network at BRAC Bank, pose for photographs after signing the agreement in Dhaka recently.

PHOTO: BRAC BANK

| PRICES OF KEY ESSENTIALS IN DHAKA CITY | | | |
|--|----------------------|----------------------------|--------------------------|
| | PRICE (FEB 25, 2025) | % CHANGES FROM A MONTH AGO | % CHANGE FROM A YEAR AGO |
| Fine rice (kg) | Tk 72-Tk 85 | 1.29 ↑ | 16.30 ↑ |
| Coarse rice (kg) | Tk 50-Tk 55 | -6.25 ↓ | 7.14 ↑ |
| Loose flour (kg) | Tk 40-Tk 45 | 0 | -10.53 ↓ |
| Lentil (kg) | Tk 105-Tk 110 | 0 | 0 |
| Soybean (litre) | Tk 185-Tk 190 | 9.33 ↑ | -9.09 ↓ |
| Potato (kg) | Tk 20-Tk 30 | 0 | -9.09 ↓ |
| Onion (kg) | Tk 40-Tk 50 | -5.26 ↓ | -60.87 ↓ |
| Egg (4 pcs) | Tk 43-Tk 45 | -4.35 ↓ | -2.22 ↓ |

SOURCE: TCB

ACI Motors launches Yamaha's official apparel in Bangladesh



Subrata Ranjan Das, deputy managing director of ACI Motors Limited, poses for photographs after inaugurating Yamaha's official apparel and gear line at the ACI Centre in Dhaka recently.

PHOTO: ACI MOTORS

STAR BUSINESS DESK

ACI Motors Limited, the distributor of the popular motorcycle brand Yamaha in Bangladesh and a subsidiary of ACI Group, recently launched Yamaha's official apparel and gear line, including T-shirts, jerseys, jackets, caps, and safety gear.

Subrata Ranjan Das, deputy managing director of the automobile company, inaugurated the official Yamaha apparel at the ACI Centre in Dhaka, according to a press release.

Among these products, a total of five T-shirts have been unveiled, which will soon be available at all Yamaha showrooms across the country.

Under a licensing agreement with Japan's Yamaha Corporation, ACI Motors will now sell these branded products. Yamaha has also created a distinct following among the youth for its ability to introduce innovative models tailored to customer demands.

Hiroshi Setogawa, director of Yamaha Motor India Sales, along with senior officials from ACI Motors, was also present.

New US Asia pivot is better

FROM PAGE B4

A second pillar of Beijing's international economic strategy has been the internationalisation of its currency. Progress on promoting third-party use of the Chinese yuan in trade and finance has been slow. But China continued to lay the necessary foundations by pressing ahead with the liberalisation of its capital account, the establishment of its US dollar-alternative Cross-Border Interbank Payment System (CIPS), and the piloting of a digital yuan. The threat to the greenback's status as the world's primary reserve currency may yet be distant – but the new US administration, for one, is nonetheless on high alert.

This international financial arsenal adds up to some formidable economic firepower. Yet more recently some nasty-looking cracks have begun to open in China's foundations.

Since 2020, Beijing's decades-old strategy of investment-led growth has run out of steam. Its real estate sector is mired in an epic bust. Local government finances are under stress. Its falling producer price level is interacting poisonously with

high debt throughout the economy. President Xi Jinping has asked his advisers "what's so bad about deflation?", the Wall Street Journal reported citing people close to Beijing's decision-making. But the net result of these challenges has been a halving of China's growth rate, from an average of 9 percent per annum in the first two decades of the century to just over 4.5 percent since.

Combined with the sharp deterioration in relations with the United States and Europe since 2018, this gloomy outlook has transformed the international financial situation as well for the People's Republic. Between 2021 and 2023, gross capital flows into China reversed as foreign investors staged a retreat. Data on foreign direct investment released by China's State Administration of Foreign Exchange last week suggest the trend accelerated in 2024. While China has so far kept generating handsome earnings from foreign trade, despite US and European tariffs, its surpluses since 2021 have been swallowed up by funding capital flight. As a result, the country's stock of offshore assets has stopped growing.

Vietnam's highly

FROM PAGE B4

Only Mexico, which is facing explicit threats from Trump of 25 percent tariffs, has a comparable exposure. It ships more than three times more goods than Vietnam to the US, with the total value of its exports accounting for 27.6 percent of its larger GDP.

Stocks closed mostly lower Monday with the Dow eking out a slight gain, the S&P 500 dropping half of one percent, and the Nasdaq ending the session down 1.2 percent.

By comparison, China's exports to the US are worth 2.5 percent of its GDP, and Japan's 3.7 percent.

Vietnam's vulnerability is compounded by large trade imbalances that could make it stand

out as US officials study global reciprocal tariffs, which US President Donald Trump has mandated to prepare by April.

Vietnam's booming exports, combined with limited imports from the US, made it last year the US partner with the fourth-largest trade surplus, lower only than China, the 27-country EU and Mexico, according to US trade data.

The country also "satisfies (other) criteria for tariff applications set by the White House", said Sayaka Shiba, a senior analyst at research firm BMI, noting that compared to the US, it has higher tariff rates, levies VAT, has non-trade barriers and is on the US watchlist for possible currency manipulation.

Midland Bank opens relocated Noapara sub-branch in Jashore

STAR BUSINESS DESK

Midland Bank PLC recently opened a relocated Noapara sub-branch at Kalahata in the Aboynagar area of Jashore.

Md Ahsan-uz Zaman, managing director and CEO of the bank, inaugurated the sub-branch as the chief guest, according to a press release.

In his speech, Zaman thanked the audience present at the programme.

He expressed gratitude to the customers for their wholehearted cooperation in making the sub-branch successful.

He also encouraged other local people to establish a relationship with the bank by opening an account.

He instructed sub-branch officials to provide the best service to the customers.

The bank's MD also advised

customers to use 'Midland Online' – the free internet banking application of the bank – to enjoy safe, secure, and modern banking services from anywhere, at any time.

Md Rashadul Anwar, head of public relations divisions of the bank, moderated the programme.

Md Rashed Akter, head of retail distribution division of the bank,

Shirdharta Ghose, branch manager of Noapara sub-branch, along with officials from different organisations, businessmen, customers, and local businesspeople, were also present.



Md Ahsan-uz Zaman, managing director and CEO of Midland Bank, inaugurates a Noapara sub-branch at Kalahata in the Aboynagar area of Jashore recently.

PHOTO: MIDLAND BANK

BATBC to spend Tk 25cr on printers

STAR BUSINESS REPORT

British American Tobacco Bangladesh Company (BATBC) has decided to invest Tk 24.90 crore to purchase and install laser jet printers at 36 SMD packing lines in its factories in Dhaka and Savar.

The cigarette producer relayed its decision through a disclosure on the Dhaka Stock Exchange (DSE) yesterday.

The investment will be funded from internal sources and bank financing based on the cash flow of the company.

Out of Tk 24.90 crore, Tk 14.55 crore will be spent on buying printers. The remaining Tk 10.35 crore will be used for installation.

Yesterday, the company's stock price rose 0.32 percent to Tk 346.7 at the DSE.

The company's paid-up capital is Tk 540 crore and its reserve is around Tk 4,826 crore.

The company provided 300 percent cash dividend for its shareholders for 2024. Its earnings per share was Tk 32.42 at the end of 2024 compared to Tk 33.1 the previous year.

Stone import resumes through Burimari land port after 23 days

S DILIP ROY

Stone import from India and Bhutan resumed through the Burimari land port on Monday after a 23-day suspension due to pricing complexities.

Bangladeshi importers halted stone imports through the port from February 1 this year, citing difficulties in determining stone prices.

A meeting among importers and exporters from Bangladesh, India and Bhutan on Sunday afternoon led to the decision to restart stone import-export activities.

Farooq Hossain, president of the C&F Agents Association at Burimari land port, told The Daily Star that a 12-member committee comprising businessmen from the three countries has been formed to monitor market prices and submit a report.

Based on this report, stone prices will be re-evaluated, with the committee expected to present its findings within a month.

Until then, stones will be imported at the previous rates, he added.

Importers at the port said they currently purchase stones from India and Bhutan at \$12-16 per tonne, which is \$1-2 higher than before.



Customers inquire about products at Pran's stall at the 10th Bangladesh Agro-Processors' Association Foodpro International Expo 2025, which kicked off at the International Convention City Bashundhara in the capital yesterday. Over 200 leading food and beverage companies from 22 countries are showcasing their products and services at the three-day fair. PHOTO: COLLECTED

Food processors set sights on \$2b export milestone

STAR BUSINESS REPORT

The Bangladesh Agro Processors Association (BAPA) aims to double its export earnings to \$2 billion this year, up from around \$1 billion in recent years.

The announcement was made at the opening ceremony of the "10th BAPA-Foodpro International Expo 2025", a three-day event that began at the International Convention City Bashundhara (ICCB) yesterday.

With more than 200 companies from 22 countries, including prominent participants from the USA, India, China, Italy and Australia, the expo has become a vital platform for international collaboration and business partnerships.

Experts and business leaders from around the world have gathered to discuss new technologies, production trends and strategies for market expansion, positioning Bangladesh as a key player in the global food processing industry.

BAPA officials said they are at a crossroads, where innovation, technology

and international partnerships will drive the growth. They are determined to achieve the \$2 billion export target in 2025.

Export earnings from this amounted to almost \$1 billion in fiscal year 2023-24.

With more than 200 companies from 22 countries, including prominent participants from the USA, India, China, Italy and Australia, the expo has become a vital platform for international collaboration and business partnerships

Ahsan Khan Chowdhury, chairperson of the Fair Committee and CEO of PRAN-RFL Group, expressed confidence that Bangladesh's food processing sector would continue to grow and meet the demands of international markets.

The country's food processing

industry has experienced rapid growth in recent years, driven by technological advancements and rising global demand for processed foods.

Last year, BAPA members earned \$200 million from food exports, reaching 140 countries, with notable growth in markets such as the Middle East, Europe and Southeast Asia.

Md Abul Hashem, president of BAPA, emphasised the need for innovation within the sector to remain competitive.

"We are focused on ensuring that our food products meet global standards while also incorporating new technologies to improve production and packaging. Our goal is to increase exports and open new markets for Bangladeshi products," he said.

The expo not only showcases Bangladesh's agro-food products but also offers opportunities for learning and knowledge exchange.

The event features technical sessions and business networking opportunities, offering local businesses valuable exposure.

Al-Arafah Islami Bank signs payroll banking deal with Karooni Knit Composite



Md Kutubuddin Ahamed, managing director of Karooni Knit Composite Limited, and Md Fazlur Rahman Chowdhury, deputy managing director of Al-Arafah Islami Bank, shake hands and exchange signed documents of an agreement in Dhaka recently. PHOTO: AL-ARAFAH ISLAMI BANK

Gold eases on profit-taking, tariff concerns linger

REUTERS

Gold prices declined on Tuesday, as investors booked profits after bullion hit a record high on safe-haven demand amid concerns that US President Donald Trump's tariff plans could fuel inflation and trigger a major global trade war.

Spot gold fell 0.5 percent to \$2,937.03 an ounce as of 0739 GMT, after scaling its all-time high of \$2,956.15 on Monday. US gold futures declined 0.4 percent to \$2,952.

"It's just a marginal decline in prices but safe-haven demand remains strong due to tariff uncertainties," said Soni Kumari, a commodity strategist at ANZ.

Trump said on Monday tariffs on Canadian and Mexican imports were "on time and on schedule" despite efforts by the countries to

beef up border security and halt the flow of fentanyl into the US ahead of a March 4 deadline.

Market participants may be back to factor for tariff risks, as the extended deadline for Mexico and Canada tariffs approaches next week, said IG market strategist Yeap Jun Rong.

Meanwhile, research published by the San Francisco Fed showed that investors and economists expect the US Federal Reserve to respond "strongly and systematically" to changes in inflation and the labour market.

"This week's lineup of Fed policymakers may deliver some hawkish rhetoric, but with market expectations already pricing in a prolonged rate hold over the next two meetings, impact on gold prices may be more contained," Yeap said.

STAR BUSINESS DESK

Al-Arafah Islami Bank PLC recently signed an agreement with Karooni Knit Composite Limited, a garment exporter in Bangladesh, to provide payroll banking services for the employees of the organisation.

Md Fazlur Rahman Chowdhury, deputy managing director of the bank, and Md Mesbahur Rahman Khan, deputy managing director of the garment manufacturing company, signed the agreement in Dhaka, according to a press release.

Farman R Chowdhury, managing director and CEO of the bank, and Md Kutubuddin Ahamed, managing director of the garment manufacturing company, attended the signing ceremony.

Under this agreement, the

company's employees will enjoy financial propositions and privileged banking services, along with complete retail banking solutions.

Md Idris Ali, senior executive vice-president of the bank; Mohammad Rafiqul Islam, executive vice-president; Mohammad Mahfujul Islam, senior vice-president; and Gazi Mosthafizur, assistant vice-president, were present.

Md Alamagir Hossain Shikder, group chief financial officer of Karooni Knit Composite; Md Sakawat Hossain, general manager for accounts and finance; and Rabiul Islam, deputy general manager for accounts and finance, along with senior officials from both organisations, were also present.

Singer becomes first

FROM PAGE B1

As a result, its loss per share was Tk 4.91, down from earnings per share of Tk 5.24 in 2023, according to a disclosure on the Dhaka Stock Exchange website.

Chowdhury Ashik, the executive chairman of BEZA, expressed optimism about the BSEZ, highlighting its potential to become a model zone and a game-changer, particularly due to its operation by Japanese Sumitomo Corporation.

He said the strategic location and availability of a skilled workforce would enable this zone to reach full occupancy more rapidly than other government zones.

"We will commence the second phase of the zone immediately after completing the first phase," he added.

Praising Sumitomo Corporation,

Ashik elaborated on their efficiency and efforts in attracting quality investments. A senior BEZA official mentioned that they have developed 380 acres of land for industrial setup out of the 500-acre BSEZ.

He also noted that, except for Singer, six other industries from the UK, Japan, and Germany are planning to start operations soon.

He added that about a dozen foreign companies are at various stages of investment in this zone, with interest coming from Bangladesh, Japan, and the UK, including car manufacturers.

Authorities hope to attract \$1 billion in foreign direct investment within the next five years. The official also mentioned that all utility services, including power, water, and gas, are available at the BSEZ.

AmCham voices concern

FROM PAGE B1

promote greater financial inclusion, according to an AmCham statement.

Energy sector stakeholders emphasised that the ongoing energy crisis could severely impact manufacturing unless proactive measures are taken. The government must prioritise resolving the energy crunch to ensure manufacturers remain competitive in the global market.

In the textile and recycling industry, stakeholders highlighted the need to remove the value-added tax on recycled cotton, treating it similarly to virgin cotton. This adjustment would foster sustainability, support eco-friendly textile units, and encourage the adoption of circular economy practices within the industry.

British American Tobacco Bangladesh highlighted that a recent sharp and abrupt SD increase, along with VAT and health surcharge, exceeds World Health Organization (WHO) recommendations, risking the sustainability of a legal industry supporting 4.4 million livelihoods and contributing over 11 percent to the government exchequer.

Commerce Adviser Sk Bashir Uddin highlighted the government's efforts to create a more favourable environment for both local and foreign investors by simplifying

business regulations and improving infrastructure.

He urged businesses to focus on current operations rather than worrying about future uncertainties, as such concerns hamper economic growth.

He assured those present that the government is addressing key issues such as law and order challenges and inflation and stressed the importance of public-private collaboration to drive growth and attract foreign investments.

Zaved Akhtar, president of the Foreign Investors' Chamber of Commerce & Industry (Ficci) and managing director of Unilever Bangladesh, commended several government initiatives, particularly granting Authorised Economic Operator (AEO) status to 10 businesses.

However, he expressed concerns about the lack of stakeholder consultation when drafting laws impacting the economy.

He also highlighted the complexity of registration, certification, and other regulatory processes.

He proposed a government-managed portal for local and foreign investors to report issues, allowing for government review and a clear resolution timeline, ultimately boosting investor confidence and increasing investment.

MFS transactions

FROM PAGE B1

Department at the Bangladesh Bank, said 84 percent of all banking transactions in Bangladesh are now conducted digitally.

Breaking down the figures, he mentioned that 56 percent of transactions occur through various digital platforms, while 28 percent take place via MFS, he said.

Among these digital transactions, 69 percent are processed through the RTGS system, and 11.92 percent via Electronic Fund Transfer, he added.

He further noted that the RTGS system currently supports transactions in seven currencies, including taka, US dollars, and British pounds.

As of now, 11,470 online bank branches are connected to the RTGS

network, and the system processes 48,410 transactions daily, with an average daily transaction volume of Tk 22,977 crore, he added.

Arief Hossain Khan, executive director of the Bangladesh Bank, said the central bank took the initiative to upgrade the system to provide customers with the features of Next-Generation RTGS and completed the upgrade on 24 November 2024.

He said the new system enhances the user interface, enabling them to operate local and foreign currency individually, and provides a special window for government transactions and the option to operate the system round the clock and customer credit confirmation, which ensures the finality of the transaction without knocking the receiver.

Govt approves LNG import to address gas shortfall

STAR BUSINESS REPORT

The government has decided to import one cargo of liquefied natural gas (LNG) from the spot market by the first week of March through the direct purchase method to prevent a shortfall in gas supply.

The Advisory Council Committee on Purchase approved a proposal in this regard yesterday.

TotalEnergies Gas & Power Limited of Switzerland emerged as the recommended bidder, offering a unit price of \$16.43 per million British thermal units (MMBtu), with a total purchase cost of Tk 787.99 crore, including VAT and tax.

Earlier on the same day, the Advisory Committee on Economic Affairs gave its consent to proceed with the direct purchase in a meeting chaired by Finance Adviser Salehuddin Ahmed.

An energy ministry official stated that the ministry had floated tenders for LNG five times but had not received any cost-efficient proposals.

If the LNG is not imported on time, the daily supply will drop from 900 mmcf to 600 mmcf, leading to reduced electricity and fertiliser production, the official said.

If the LNG is not imported on time, the daily supply will drop from 900 mmcf to 600 mmcf, leading to reduced electricity and fertiliser production, an energy ministry official said

So, the direct purchase method was chosen to prevent electricity shortages and ensure a steady gas supply to industries.

Additionally, the committee approved the import of 50,000 tonnes of wheat, which will be supplied by Aston Agro Industrial SA of Switzerland at \$295.21 per tonne.

Two fertiliser import proposals from the industries ministry were also approved, namely the import of 30,000 tonnes of urea fertiliser from Fertiglobe Distribution Limited of the United Arab Emirates at \$436.67 per tonne and 30,000 tonnes of urea fertiliser from Karnaphuli Fertiliser Company Limited of Bangladesh at \$410.50 per tonne.

After the meeting, Salehuddin told reporters that the government is making every possible effort to ensure the availability of essential commodities during Ramadan.

"However, consumption patterns extend beyond Ramadan, and we are also preparing for that. You will see that we have taken steps to stabilise prices – for example, by ensuring the availability of lentils and sugar. The price of sugar has already decreased significantly to a more reasonable level," he said.

"Our goal is to reduce inflation gradually as it cannot be decreased overnight. Last month, it dropped by one percentage point, and I hope it will come down to a reasonable level after Ramadan."

He added that the government aims to bring inflation down to 7-8 percent by June, when it will propose the next fiscal year's budget.

Stocks rally for fourth day

STAR BUSINESS REPORT

Stock market's indices in Bangladesh rose for the fourth consecutive trading day yesterday, with turnover also increasing compared to the previous day's session.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), gained 32.94 points, or 0.62 percent, to close at 5,267.

Among the traded securities, 196 advanced, 156 declined, and 44 remained unchanged.

The day's turnover increased by 11 percent to Tk 607.2 crore compared to the previous trading session.

The DSES index for Shariah-based stocks gained 0.59 percent to 1,176 points, while the DS30 index for blue-chip stocks went up by 0.20 percent to 1,930.

Bashundhara Paper Mills topped the gainers' list, rising by 9 percent, while Khulna Printing & Packaging saw the biggest decline, falling by 8 percent. At the Chittagong Stock Exchange, the CSE All Share Price Index (CASPI), the prime index of the port city bourse, saw a similar upward trend as the index grew by 135.39 percent, or 0.93 percent, to settle the day at 14,705.

Dollar recoups losses

REUTERS, Singapore

The dollar edged up slightly on Tuesday after falling to its lowest in more than two months at the start of the week, buoyed by safe-haven flows after US President Donald Trump said tariffs on Mexico and Canada would proceed as planned.

The firmer dollar in turn left the euro off a one-month high at \$1.0476, with future gains in the single currency likely to hinge on how soon a coalition government can be formed in Germany following the election victory of the country's conservatives.

Trump on Monday said that tariffs on Canadian and Mexican imports are "on time and on schedule" despite efforts by the countries to beef up border security and halt the flow of fentanyl into the US ahead of a March 4 deadline.

Many had hoped the top two US trading partners could persuade Trump's administration to further delay tariffs that would apply to over \$918 billion worth of US imports from the two countries, from autos to energy.



MARKET OVERVIEW

Size: Tk6,250cr
Local brands: 33
Top market players: Berger Paints, Asian Paints, Nippon

PAINT INDUSTRY UNDER PRESSURE

TAXES

TOTAL TAX:

89%

RECENT HIKES:

Raw materials SD: From 20% to 30%

Product supply SD: From 5% to 10%

CHALLENGES

Real estate slowdown

LC restrictions for raw materials

Inflation above 9% since March 2023

OUTLOOK



Recovery depends on economic stability



Manufacturers seek lower taxes, industry reclassification

STRUGGLING PAINT industry looks to innovation for revival

JAGARAN CHAKMA

The local paint industry is facing challenges from high taxes, rising costs, and low demand due to the ongoing economic slowdown, but innovation and eco-friendly products offer hope for a sustainable future, according to industry insiders.

The industry, which currently has a market size of around Tk 6,250 crore, has been growing alongside the country's development, which has led to an increasing number of high-rise buildings.

However, import rules and economic headwinds appear to have turned the tide.

"The paint industry is important for buildings and their longevity. But because of new taxes and rules, companies are facing big problems," said Md Quamrul Hassan, chief business officer of ACI Consumer Brands, which markets products under the brand Dulux Paints Bangladesh.

"The total tax on paint is 89 percent, which is excessive. The government should see paint as a necessity for buildings, not a luxury," Hassan said.

This classification means paint-makers cannot easily import raw materials since there are restrictions on opening letters of credit (LCs) for luxury imports.

"Also, the real estate sector, which is the paint industry's biggest buyer, is not doing well. Last year, paint sales went down, and high prices made it worse," he said.

He believes the future of local paint-making lies in new ideas and eco-friendly products. "People want paint that is safe for the environment and companies that make such products will succeed."

Md Mohsin Habib Chowdhury, president of the Bangladesh Paint Manufacturers' Association (BPMA), said

the sector has been ailing since 2023 and witnessed negative growth in 2024 due to macroeconomic vulnerability and persistent inflation, which is above 9 percent since March of 2023.

"Local paint market completely depends on the growth of other sectors," Chowdhury said.

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

The future of the local paint industry depends on new ideas and eco-friendly products. With more people seeking environmentally safe paint, companies that focus on sustainability and innovation are likely to succeed in the long run

"The impact of these decisions was felt in the market immediately," he said.

However, he said the industry may rebound if the country's economy improves this year.

Chowdhury also urged the government to lower taxes and stop treating paint as a luxury good.

Kamruzzaman Kamal, marketing director at PRAN-RFL Group, which manufactures Rainbow Paints, said the paint industry tends to perform well when the construction sector performs well.

However, as the construction sector

is currently underperforming, the paint industry has been suffering significantly, he added.

Furthermore, he explained that when people are in a positive headspace, they are more willing to spend money to paint their homes, leading to increased sales. However, the current situation is not favourable at all.

He said that it is uncertain whether the industry will perform better than last year.

Kamal said the recent increase in SD on paints raised prices, reduced demand and could even possibly lead to slowing economic growth. There is now a 10 percent tax on raw materials and a 5 percent tax on paint.

This makes the paint more expensive, and companies cannot easily increase prices because customers cannot afford it, Kamal said.

According to the manufacturers' association, the local paint industry can meet domestic demand.

As many as 33 local brands manufacture paint items for the domestic market. The market is led by Berger Paints, with a 54 percent share. Asian Paints has 16 percent, and Nippon Paints 8 percent.

The industry contributes to government revenue by generating over Tk 1,100 crore annually in value-added tax (VAT) and taxes.

Mainly there are two types of paint: decorative paint, with a market size of Tk 5,450 crore, and industrial paint, worth Tk 80 crore.

However, people in Bangladesh use very little paint, only 1.4 kg per person. In India, per capita paint consumption is 3 kg, and in ASEAN countries, it is 710 kg. This means there is a chance the industry can grow if the economy gets better.

Bangladesh's strategic edge amid US tariff war

MD MOHIUDDIN RUBEL

The US-China trade war, along with tariffs on Mexican exports, has created a unique opportunity for Bangladesh's ready-made garment (RMG) industry. There is no doubt that the USA will pull out of China and Mexico after the imposition of tariffs, redirecting its sourcing mainly to Bangladesh and Vietnam, and to some extent, to countries such as Pakistan, India, and Indonesia. The key question remains: How much will Bangladesh truly gain? The extent of Bangladesh's benefit depends on how well it prepares to seize this opportunity.

The US has imposed an additional 10% tariff on China and 25% on Mexico, prompting apparel buyers to explore alternative sourcing destinations. Instead of hastily increasing capacity, as it did in the past, Bangladesh should learn from its past to map its current production capabilities and expand in a controlled manner. A data-driven approach will ensure factories align with high-value product categories, rather than overproducing cheap garments that yield lower margins.

Expanding without a clear strategy can lead to inefficiencies. The capacity-mapping focus should be on upgrading facilities, improving worker productivity through training, and adopting new technology. Businesses must avoid increasing capacity without securing sufficient demand or diversifying their product range to meet evolving buyer preferences.

Vietnam has become a leader in synthetic fibre-based garments. Bangladesh has already proved its mettle with cotton-based products; if it wishes to maximise the benefit from the opportunity at hand, it must diversify beyond cotton apparel to capture the growing demand for high-end, man-made fibre (MMF) clothing. Investing in advanced manufacturing capabilities will reduce dependence on volatile cotton prices and ensure higher profitability.

Currently, Bangladesh imports most synthetic fibres, increasing costs. Establishing domestic MMF production will enhance competitiveness while reducing reliance on foreign raw materials. Collaborations with research institutions can help drive innovation and quality improvements in MMF textiles. Existing factories must be encouraged to change their product categories to non-cotton, high-value apparel.

Bangladesh must strengthen its supply chain by investing in ports, energy, and transport networks. Reducing bureaucratic inefficiencies and streamlining regulations will enhance efficiency. Partnerships with logistics providers will minimise lead times, making Bangladesh a viable alternative to China and Mexico.

Ensuring a stable fuel and energy supply is also essential.

A business-friendly environment is key to attracting global investment. Bangladesh should encourage Chinese manufacturers to relocate operations and form joint ventures to bring in advanced technology, in addition to placing orders with the home industry. The current dollar scarcity the country is facing may indeed prove advantageous in this instance.

Mexico benefits from proximity to the US, while other countries dominate non-cotton apparel, often capitalising on LDP (landed duty paid) and DDP (delivery duty paid) terms—the two most preferred terms for US customers—over Bangladesh. Bangladesh can, however, compete through cost-efficient, high-quality production and strong ethical sourcing.

Branding Bangladesh as a sustainable and ethical sourcing destination will be crucial. Buyers prioritise environmental and social responsibility when selecting suppliers. Investments in waste reduction, water conservation, and labour rights will enhance Bangladesh's reputation and appeal to global brands.

It is also crucial for Bangladeshi suppliers to choose their buyers prudently. Similarly, it may be advantageous to convince buyers to send high-end products to Bangladesh by demonstrating profits from saved tariffs. This would create a win-win situation, provided that Bangladeshi suppliers can pitch themselves compellingly.

The author is a former director of the Bangladesh Garment Manufacturers and Exporters Association.

Vietnam's highly vulnerable to US tariffs

REUTERS, Hanoi

Vietnam's goods exports to the United States accounted for 30 percent of its gross domestic product last year, the highest share among US top trade partners, a Reuters review of public data shows, making the country highly vulnerable to reciprocal tariffs.

The Southeast Asian nation experienced a surge in foreign investment after the first Trump administration started a trade war with Beijing in 2018, as foreign multinationals moved factories from China to its southern neighbour to avoid US tariffs.

It hosts major operations of South Korea's Samsung Electronics and Taiwan's contract manufacturer Foxconn. Apple, chipmaker Intel and footwear and apparel giant Nike are among US corporations which bet on Vietnam as a production hub for goods often exported to the United States.

The massive inflow of manufacturing investment has turned the Communist-run nation into a major node in global supply chains and significantly boosted its economic ties with the United States. Vietnam now directs 29 percent of its exports to its former foe, according to Vietnamese customs data.

Last year, with goods exports worth \$142.4 billion, Vietnam became the sixth largest exporter to the United States after Mexico, China, Canada, Germany and Japan, United Nations commodity trade statistics show.

Shipments to the US last year represented about 30 percent of Vietnam's GDP of \$468 billion, based on IMF's estimates, the largest share for all US trading partners.

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New US Asia pivot is better timed than the last

REUTERS, London

In 2011, US President Barack Obama announced America's "pivot to Asia"—only for conflicts from Afghanistan to Ukraine to bog him down. In Brussels last week, however, newly installed Defense Secretary Pete Hegseth renewed the United States' pledge to refocus on China. It might seem that Uncle Sam has left it a bit late, given the Middle Kingdom's rise in the intervening years. Yet emerging fault lines in China's economic strategy suggest that now might be an opportune moment for the pivot after all.

US Vice President JD Vance's speech at last week's Munich Security Conference hogged the headlines. Yet Hegseth's earlier remarks at NATO's Brussels headquarters contained the more practical pointer to the future of geopolitics. His message was unambiguous: "stark strategic realities prevent the United States of America from being primarily focused on the security of Europe." Chief amongst those realities is China, which Hegseth called a "peer competitor" with the "capability and intent to threaten our homeland and core national interests in the Indo-Pacific".

It is not hard to see why Hegseth has reached this conclusion. Since the turn of the millennium, not only has China's

military strengthened prodigiously, but its domestic economy has also experienced an ascent unseen in world history. Its GDP has grown more than 10-fold to become the only global US rival. Its manufacturing sector, which is especially critical for military clout, now accounts

for nearly a third of all global capacity. With the so-called "Sputnik moment" of DeepSeek's R1 artificial intelligence model, the United States has reason to fret about its technological lead as well.

The international aspect of China's economic rise has been fundamental to its



This photo taken on February 20, 2025 shows employees working in a clothing sewing workshop in Guangzhou, China's southern Guangdong province.

PHOTO: AFP

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