

# Star BUSINESS



Bangladesh can attract big investments in renewables  
Experts tell CA

STAR BUSINESS REPORT

A delegation of development and renewable energy experts, led by a former Norwegian minister, called on Professor Muhammad Yunus, chief adviser to the interim government in Bangladesh, at a state guest house in Dhaka yesterday.

The team expressed their keen interest in investing in small-scale solar plants, the carbon market, and agroforestry in the country, as Bangladesh focuses more on moving away from fossil fuels in the coming years.

Professor Yunus welcomed the move, saying the interim government was now ready to attract foreign direct investment in these rapidly evolving sectors.

"All these are very serious issues for us. Bangladesh wants big investments in renewable energy and the carbon market," the chief adviser said.

Professor Yunus said Dhaka had already initiated talks to import hydroelectricity from Nepal and Bhutan, and his government was eager to explore opportunities to set up a South Asian grid to bring the power to Bangladesh via a narrow corridor in India.

"This (hydroelectricity in Nepal) is a treasure waiting to be explored."

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## Record February: remittances climb 25% to \$2.52b

AHSAN HABIB

Remittances have become a much-anticipated relief for the economy reeling under macroeconomic stress, growing steadily since August last year and providing the interim government with a breather amid a rapid erosion of foreign exchange reserves.

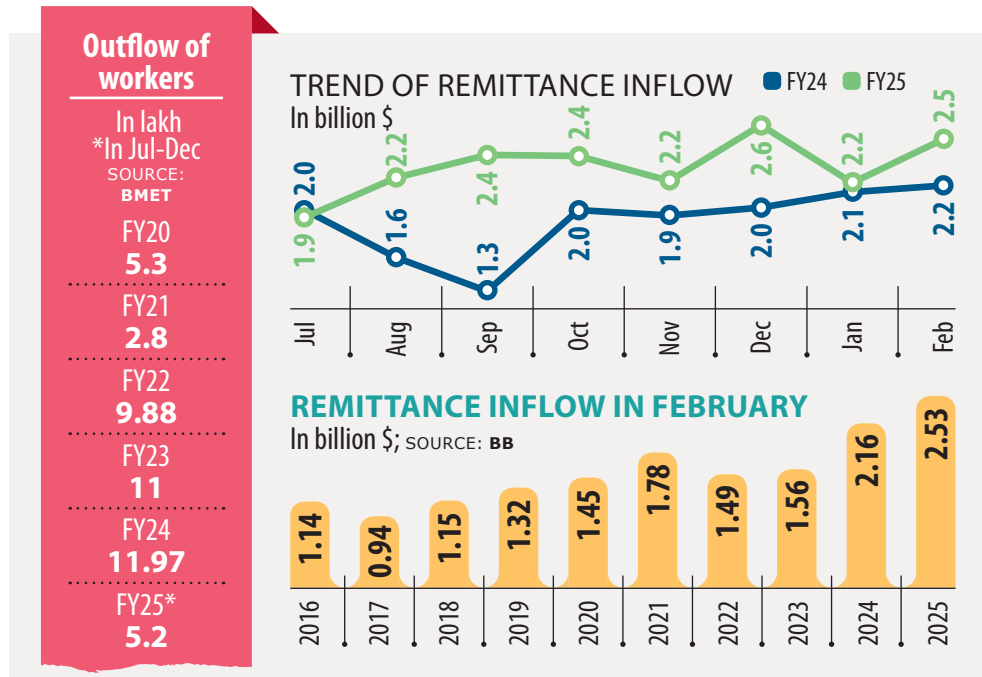
Last month, remittance inflows to Bangladesh rose by 25 percent year-on-year to \$2.52 billion, as migrant Bangladeshi workers sent larger-than-expected amounts to their families back home for Ramadan related purchases and Eid shopping.

"This is the highest-ever remittance inflow in February in Bangladesh's history," said Arief Hossain Khan, spokesperson for the central bank.

In the eight months to February this year, inward remittances recorded a 23.8 percent year-on-year growth, according to Bangladesh Bank (BB) data.

Bangladesh received a total of \$18.49 billion in remittances in the eight months, up from \$14.93 billion in the same period the previous year.

"The surge in remittances is positive news, as it strengthens foreign exchange reserves and helps stabilise the exchange



rate," said Professor Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue (CPD), a leading civil society think tank in Bangladesh.

He said higher remittance inflows are also a relief for the government, as they ease the country's debt servicing burden.

When the interim government took office in early August last year, gross foreign exchange reserves were falling rapidly.

According to BB data, the country's forex reserves reached a record high of \$48 billion in August 2021 but declined to \$25.92 billion by July 2024.

Over the three years leading up to August 2024, local currency Taka weakened by 42 percent.

Foreign exchange reserves were so depleted that many banks struggled to open letters of credit (LCs). However, the situation has improved somewhat and the erosion of reserves has slowed, due mainly to strong remittance inflows and export growth.

As of 27 February 2025, foreign exchange reserves rose by 1.5 percent year-on-year to \$26.13 billion. Under the BPM6 calculation method, reserves increased by 1.8 percent to \$20.90 billion, according to BB data.

"Remittance inflows may rise next month as well," said Rahman, adding that remittances usually remain strong

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## Govt borrowing from non-bank sources surges

REJAUL KARIM BYRON and JAGARAN CHAKMA

The government's borrowing from domestic sources surged in the first half of FY25, primarily driven by a substantial increase in the issuance of special bonds, particularly those issued to clear arrears to electricity and fertiliser producers, as well as treasury bills (T-bills) and bonds targeting institutional and individual investors.

Net borrowing from domestic sources in the first six months of the current fiscal year stood at around Tk 31,432 crore, about 69 times higher than the Tk 456 crore recorded in the same period of the preceding year, according to a Bangladesh Bank report released yesterday.

**Borrowing from non-banking sources saw a sharp rise in the first half of FY25, contributing Tk 24,688.2 crore to overall domestic borrowing, compared to Tk 7,089 crore in the same period of FY24**

This is about 27 percent of the government's total revised borrowing target of Tk 117,000 crore from domestic sources.

"Despite higher repayments of previous debts, government borrowing from the domestic banking system in the six months showed positive growth compared to the same period of the preceding year, owing to increased financing through government securities," the BB report stated.

"Net non-bank borrowing also showed a significant year-on-year rise during the same period, primarily due to substantial holdings of government securities by various institutions and individuals outside the banking sector."

The government's net borrowing from the banking system reached Tk 6,744 crore, approximately 6.8 percent of the revised borrowing target for FY25, which stands at Tk 99,000 crore.

However, the government did not borrow from the Bangladesh Bank. Instead, it repaid Tk 58,116 crore to the central bank during the first half of the fiscal year.

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## Budget spending jumps amid rising interest payments

STAR BUSINESS REPORT

Overall budget expenditure jumped nearly 25 percent year-on-year in the first five months of the current fiscal year, driven by soaring interest payments and subsidies despite lower development spending.

Between July and November, the government spent Tk 194,793 crore out of the Tk 788,422 crore annual budget, according to the latest report from the finance ministry.

Of this amount, operating expenditure rose to Tk 170,491 crore, marking a 40 percent increase compared to the same period in the preceding year.

is attributed to several factors, including the fact that some mega projects are nearing completion, which has increased interest payment obligations.

Rising interest rates in both domestic and international markets have further strained government finances.

Interest rates in the local banking sector have surged by approximately 500 basis points over the past five years, escalating the government's interest payment obligations to unsustainable levels.

An analysis of interest payment trends reveals a significant shift in the government's debt-servicing burden. Between FY10 and FY20, interest

## Pran to invest Tk 200cr to boost plastic output, exports

STAR BUSINESS REPORT

In a step towards expanding Bangladesh's export market, Pran-RFL Group, one of Bangladesh's leading conglomerates, signed an agreement with China's Haitian Group to enhance its production capacity and boost exports of household plastic goods through a Tk 200 crore project.

The agreement was signed by RN Paul, managing director of RFL Group, and Xiang Linfa, vice-president of Haitian Group, at Six Seasons Hotel in the capital yesterday, aiming to import advanced machinery from China.

The event was attended by Toukirul Islam, deputy managing director of Durable Plastic Limited, Prodip Kumar Poddar, deputy managing director of Rangpur Metal Industries Limited, and Li Hufeng, general manager (sales) of Haitian Group.

Speaking at the event, RN Paul highlighted the current challenges in Bangladesh's investment climate, citing a slowdown in private sector investments due to economic uncertainties.

However, he emphasised that RFL's decision to expand production and enter new markets would send a positive signal for the country's industrial growth.

"This project will be implemented swiftly, and we are confident that it will make a substantial contribution to Bangladesh's export sector," Paul said.

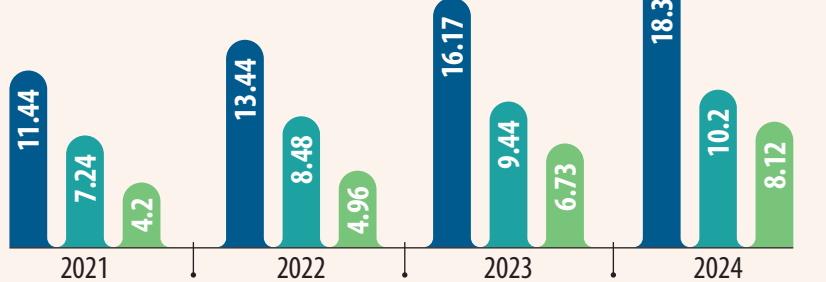
"We expect to start production by May this year, creating employment opportunities for around 2,500 people. Additionally, this initiative is projected to increase our annual export revenue by approximately 30 percent," he added.

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## GOVERNMENT'S DEBT STOCK

In lakh crore taka

SOURCE: FINANCE DIVISION



However, development expenditure, including the Annual Development Programme (ADP), declined by 28 percent to Tk 24,302 crore during the same period.

As the country faces mounting debt from both domestic and foreign sources, interest payments have been the primary cause of the increase in operating expenditure.

In the first five months of FY25, the government's interest payments surged by 76 percent year-on-year.

From July to November this fiscal year, interest payments amounted to Tk 71,213 crore, up from Tk 40,445 crore in the same period of the preceding year.

Of this amount, Tk 63,624 crore—accounting for 89 percent of the total—was paid on domestic borrowing, while the remainder covered foreign loans.

The sharp rise in interest expenses

payments consistently remained below 20 percent of the total revenue budget.

In fiscal year 2010, it stood at 18.65 percent, rising to 21 percent in FY21.

The situation worsened following the pandemic, as the government rushed to secure substantial budgetary support from foreign sources, leading to a growing debt burden.

As of June 2024, government debt had risen to a record Tk 1,832,282 crore, up from Tk 1,144,296 crore in June 2021.

Apart from interest payments, subsidy costs have also surged significantly.

Due to the recent spike in global prices, the government had to allocate a substantial amount for subsidies as well as to clear arrears.

During the July-November period, the government spent Tk 27,979 crore on subsidies—nearly twice as much as the previous year.

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## Brac, EU launch SHIKHA Project to combat gender-based violence

STAR BUSINESS DESK

Brac, an international development organisation in Bangladesh, and the European Union recently launched an initiative, titled the "SHIKHA Project," at a function held at the Renaissance Hotel in Dhaka.

The initiative aims to create safer public and private spaces by strengthening prevention and response mechanisms against gender-based violence, bullying, and sexual harassment.

Michael Miller, ambassador and head of delegation of the European Union to Bangladesh, attended the programme as the chief guest, according to a press release.

In his address, Miller emphasised that building a new Bangladesh requires the active participation of women across all sectors, from education to the workforce, with a focus on shared ownership and decision-making.

He highlighted that the European Union views gender-based violence not merely as a women's issue but as a broader human rights, development, and societal challenge.



Michael Miller, ambassador and head of delegation of the European Union to Bangladesh, and Asif Saleh, executive director of Brac, deliver their speeches at the launch of an initiative titled the "SHIKHA Project" at the Renaissance Hotel in Dhaka recently.

PHOTO: BRAC

Addressing this issue, he stressed, requires collective action from all.

Asif Saleh, executive director of Brac, stressed the urgent need to prevent the regression of women's progress in Bangladesh, calling for collective action beyond feminist organisations.

He urged policymakers, private sector

leaders, academics, students, and activists to take ownership of the issue and work together to drive change.

Highlighting the role of leadership, he emphasised that true cultural shifts happen only when those at the top personally recognise the importance of gender equality.

Implemented by Brac, in partnership with the Bangladesh Legal Aid and Services Trust, and Young Power in Social Action, the SHIKHA project will work to foster safer environments across workplaces, educational institutions, public spaces, and digital platforms.

The initiative will advocate for legislative reforms, enhance enforcement mechanisms, and raise awareness to challenge harmful social norms and gender stereotypes.

Over the next four years, the project will be implemented across key urban districts, including Dhaka, Gazipur, Chattogram, Barishal, Narayanganj, and Rajshahi, with a focus on achieving sustainable and systemic change.

Omar Md Imrul Mohsin, inspector general (additional secretary) of the Department of Inspection for Factories and Establishments; Shams Mahmud and Inamul Haq Khan, members of the support committee at the Bangladesh Garments Manufacturers and Exporters Association; and Iqbal Hossain Raju, vice-president of the Bangladesh Road Transport Owners Association, were also present.



Romo Rouf Chowdhury, chairman of Bank Asia PLC, poses for photographs with participants of the "Annual Business Meet 2025" at the Palace Luxury Resorts in Sylhet recently.

PHOTO: BANK ASIA

## Bank Asia holds Annual Business Meet-2025

STAR BUSINESS DESK

Bank Asia PLC recently organised its "Annual Business Meet 2025" at the Palace Luxury Resorts in Sylhet.

Around 230 officials from the Sylhet region of the bank attended the event. Romo Rouf Chowdhury, chairman of the bank, attended the programme as the chief guest, the bank said in a press release.

Rume A Hossain, chairman of the board executive committee of the bank, Sabeth Nayeem Choudhury, director, and Sohail RK Hussain, managing director, were also present.

The business performance of the bank for the year 2024 was reviewed, along with an in-depth discussion on the opportunities, prospects, and business strategies for 2025.

ANM Mahfuz, additional managing director of the bank, along with the deputy managing directors, departmental heads, and branch heads, were also present.

## Mercantile Bank holds Town Hall Meeting in Sylhet

STAR BUSINESS DESK

Mercantile Bank PLC recently held a "Town Hall Meeting" at the Grand Sylhet Hotel and Resort in Sylhet.

Mati Ul Hasan, managing director of the bank, attended the event as the chief guest, according to a press release.

Hasan delivered a speech highlighting non-performing loans, future planning, Islamic banking

operations, deposits, and the importance of ensuring modern, tech-savvy customer services.

Md Zakir Hossain and Ashim Kumar Saha, deputy managing directors of the bank, and Debojyoti Mojumder, head of the Sylhet region, were present.

All heads of branches and sub-branches, executives, and officers from the 8 branches and sub-branches in the Sylhet region were also present.



Mati Ul Hasan, managing director of Mercantile Bank, poses for photographs with participants of the "Town Hall Meeting" at the Grand Sylhet Hotel and Resort in Sylhet recently.

PHOTO: MERCANTILE BANK

## UCB earns over Tk 1,300cr in deposits in 20 days of February

STAR BUSINESS DESK

United Commercial Bank (UCB) PLC has recorded a remarkable net deposit growth exceeding Tk 1,332 crore in February 2025.

This achievement, realised in just 20 working days, underscores the renewed confidence and trust that customers have placed in the bank, as stated in a press release.

Commenting on this accomplishment, Mohammed Mamdudur Rashid, managing director and CEO of UCB, remarked, "Despite the current challenging economic landscape, this milestone reflects the unwavering trust and support of our customers, shareholders, and employees."

"We consistently place the needs and trust of our customers at the forefront. This success is not merely an achievement for UCB; it sends a positive signal for the entire banking



sector."

"We firmly believe that with integrity, transparency, and innovative thinking, any crisis can be surmounted," he added.

UCB's success is not only evident in its financial performance but also in the profound trust its customers continue to place in the institution as it progresses towards sustainable growth.

Despite the ongoing turmoil within the banking sector, UCB has steadfastly maintained both the quality of its services and its financial robustness.

## Gold set to record

FROM PAGE B4

profit-taking in week-long liquidation (and) the strong US dollar index," said Jim Wyckoff, a senior market analyst at Kitco Metals.

Wall Street's main indexes had a subdued start as investors remain cautious over potential price pressures from President Trump's policies.

"Stock market losses have stoked deleveraging pressure in gold perpetuating the sell-off from Monday's record high," said Peter Grant, vice president and senior metals strategist at Zaner Metals.

The Personal Consumption Expenditures (PCE) price index increased 0.3 percent in January, in line with expectations, after advancing by an unrevised 0.3

percent in December.

"The pricing for Fed expectations overall didn't really materially move. Ultimately it wasn't all that much of a driver for gold prices," Daniel Ghali, commodity strategist at TD Securities, said in reference to the data.

Traders of futures contracts that settle to the Federal Reserve's policy rate maintained bets on Friday that the US central bank will resume cuts to short-term borrowing rates in June.

Higher interest rates dampen non-yielding bullion's appeal.

However, safe-haven gold is set for a second consecutive monthly gain, boosted broadly by concerns over Trump's tariff plans.

## Social Islami Bank organises agent banking conference

STAR BUSINESS DESK

Social Islami Bank PLC organised its "Agent Banking Conference 2025" at the bank's head office in Dhaka recently.

Representatives from 377 agent outlets of the bank across the country joined the conference virtually.

Md Nazmus Saadat, acting managing director of the bank, attended the conference as the chief guest, the bank said in a press release. AAM Habibur Rahman, deputy managing director, presided over the meeting.

Moshiur Rahman, head of the agent banking division, along with other senior officials, was also present.



Md Nazmus Saadat, acting managing director of Social Islami Bank PLC, attends the "Agent Banking Conference 2025" at the bank's head office in Dhaka recently.

PHOTO: SOCIAL ISLAMI BANK

## Crypto prices tumble as Trump-fuelled euphoria fades

REUTERS, London/New York

Cryptocurrency prices are down sharply in recent weeks and not expected to rebound soon, with some of the biggest digital currencies erasing nearly all of the gains they made after Donald Trump's election win triggered a wave of excitement across the industry.

Some analysts said the market is likely to remain subdued while waiting for a bullish signal, such as indications that the US Federal Reserve plans to cut interest rates or a clear pro-crypto regulatory framework from the Trump administration.

Bitcoin, the biggest cryptocurrency, has fallen 21 percent from a January 20 peak and is back to levels seen shortly after Trump's US presidential election victory in November, as hopes for a strategic bitcoin reserve fade and tariff threats weigh on demand for speculative assets.

Other cryptocurrencies have

fallen faster, with ether down more than 40 percent since December.

Trump's own so-called meme coin, which he launched days before his inauguration in a move that sparked conflict-of-interest concerns, is down 80 percent from a January peak, according to CoinMarketCap data.

The US president promised a wave of pro-crypto moves during his campaign, vowing to be a "crypto president."

He pledged to set up a national bitcoin stockpile while overhauling crypto regulations, and named crypto proponents Howard Lutnick and David Sacks to prominent posts within his administration.

Under Trump, the Securities and Exchange Commission has withdrawn investigations into several crypto companies and dropped a lawsuit against Coinbase, the largest crypto exchange in the US. But those moves have had little impact on crypto prices and some industry analysts say expectations

about Trump may have been too lofty.

In an executive order during his first week in office, Trump ordered the creation of a cryptocurrency working group tasked with proposing new digital asset regulations and looking into creating a national crypto stockpile, to the dismay of some investors who had hoped he would instruct the US to start buying bitcoin.

"The market is disappointed with that," said James Butterfill, head of research at asset manager CoinShares.

Crypto prices are also facing headwinds from more hawkish monetary policy and Trump's threat of tariffs, he added.

"That's increasing all this market uncertainty, which is absolutely not helping bitcoin at all. Until we get (clarity on a bitcoin reserve), I can't see prices recovering significantly," said Butterfill.

Since a December peak, almost \$1 trillion has been wiped in nominal

value from the global crypto market, with total market capitalisation now around \$2.76 trillion, according to CoinMarketCap.

Some investors have had to reset expectations, with preliminary reports from Trump's new crypto working group not due for at least another month.

"The initial excitement surrounding the Trump administration's perceived pro-crypto stance appears to be in a phase of recalibration," said Gabe Selby, Head of Research at CF Benchmarks, a digital asset index provider.

"For sentiment to shift more decisively, a clearer regulatory framework or a major catalyst - such as additional ETF (exchange traded fund) approvals or policy shifts - seems to be necessary."

The SEC approved the first ETFs tied to the spot price of bitcoin last year, which catapulted the cryptocurrency to a new record high.

Still, some market watchers are as bullish as ever.

## BRAC Bank expands global remittance network with new partners

STAR BUSINESS DESK

BRAC Bank has bolstered its international remittance network through strategic partnerships with six prominent exchange houses in the UK, Canada, Italy, the UAE, Oman, and Qatar.

This significant development enhances the bank's ability to provide superior financial services to Bangladeshi expatriates, ensuring secure, efficient, and seamless money transfers, the bank said in a press release.

Expatriates can now transfer funds back home with greater ease via BRAC Bank's trusted digital remittance channels.



Several of the partners offer app-based, cashless transactions, facilitating a fully digital experience. Moreover, migrants can instantly remit funds to BRAC Bank accounts and access comprehensive online banking services through the bank's innovative digital banking app, "Asta".

The continued expansion of BRAC Bank's network improves connectivity for remittance recipients, facilitating financial interactions with expatriates across the Middle East, Southeast Asia, the Far East, the US, the UK, and Africa.

Selim RF Hussain, managing director and CEO of the bank, stated: "We are not merely facilitating remittance; we are transforming the experience. Our strategic partnerships make the process faster, more efficient, and economically accessible."

"Remittance is merely the beginning." "We are providing a holistic financial ecosystem—from savings to investments—empowering migrants and their families to achieve financial inclusion and contribute meaningfully to national development," he added.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (MAR 2, 2025)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 72-Tk 85	1.29 ↑	14.60 ↑
Coarse rice (kg)	Tk 50-Tk 55	-4.55 ↓	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	7.14 ↑	22.15 ↑
Potato (kg)	Tk 20-Tk 30	0	-9.09 ↓
Onion (kg)	Tk 40-Tk 50	-10.00 ↓	-60.87 ↓
Egg (4 pcs)	Tk 40-Tk 45	-7.61 ↓	-5.56 ↓

SOURCE: TCB

# BSCIC calls for tighter monitoring of imported salt use

STAR BUSINESS REPORT

The Bangladesh Small and Cottage Industries Corporation (BSCIC) has called for stricter monitoring to ensure the proper utilisation of imported industrial salt in order to protect the interests of local salt producers.

The import has increased as the price of imported industrial salt is lower than that of locally produced salt, according to the corporation.

As a result, many industries are shifting from locally produced to imported salt, leading to locally produced salt remaining unsold and significant financial losses for local farmers, it said.

Moreover, the availability of bonded warehouse facilities for importing salt has contributed to a lower price, making it more attractive compared to locally produced salt, it said.

In this regard, the BSCIC, under the industries ministry, has recently requested the National Board of Revenue (NBR) to increase monitoring of salt imported under bonded warehouse facilities.

According to the BSCIC, which is responsible for overseeing the salt industry, domestic salt production reached a record 24.37 lakh tonnes in fiscal year 2023-24. This marks the highest production level in the past 63



Salt import has increased as the price of imported industrial salt is lower than that of the locally produced one. PHOTO: STAR/FILE

years.

After meeting the national demand for edible salt, a significant portion of domestically produced salt is utilised across various industries, including detergent, glass, textiles, leather, cosmetics, pharmaceuticals, ice plants,

and hatcheries, said the BSCIC.

However, the importers are bringing in salt from abroad, which is discouraging local farmers from continuing production due to the fall in prices.

"The lack of fair pricing has discouraged farmers from continuing production,"

said Md Saiful Islam, chairman of the BSCIC.

"To address this, the NBR should tighten monitoring of imported salt under bonded warehouse facilities to discourage imports and safeguard the domestic salt industry," he added.

# Intraco to focus on supplying CNG from Bhola unit

STAR BUSINESS REPORT

Intraco Refuelling Station PLC (IRSL) yesterday announced plans to discontinue a compressed natural gas (CNG) station in Chattogram and transfer all investment to its Bhola non-pipe gas line unit (IRSPCL) starting this week.

The company said that one of its subsidiaries, Intraco Automobiles Ltd, had completed its lease tenure with the station's landowner.

As a result, the board of Intraco has decided not to continue operating the CNG station and instead divert investment to the non-pipe gas line unit.

Intraco currently supplies around 3 million cubic feet of CNG daily from Bhola to industrial units, despite having the capacity to supply 5 million cubic feet, said GM Salahuddin, company secretary of IRSL.

Previously, the company reported that it supplies CNG to Dhaka, Gazipur, Mymensingh, and adjacent factories under the Titas Gas Transmission and Distribution Ltd's area.

The official added that Intraco is delivering CNG to factories using 38 trucks, whereas 70-80 trucks are required to transport the full capacity of compressed gas.

"We are increasing our capacity gradually," he said. Shares of Intraco rose 7.4 percent to Tk 22.8 at the Dhaka Stock Exchange yesterday.

The company posted a 65 percent year-on-year growth in profit, reaching Tk 3.17 crore in the first half of FY25.

# Pran to invest Tk 200cr

FROM PAGE B1

"Our company has undertaken a new investment project, which is a 100 percent export-oriented unit," said Kamruzzaman Kamal, marketing director of Pran-RFL Group.

"Under this project, we will produce plastic products on a large scale in Bangladesh and export them entirely to international markets," he said.

According to him, the current economic situation of the country is somewhat unstable, with the impact of the recession being observed in both domestic and international markets.

"In this scenario, we believe that a strong export-based initiative can make a significant contribution to the economy," Kamal said.

"We are investing approximately Tk 200 crore in this project. To implement the project, we are partnering with a renowned Chinese technology company that will supply advanced machinery," he added.

He said the investment would cover the procurement of high-end manufacturing equipment and

the construction of a sophisticated facility. He also stated that the funding for the project would be sourced from both RFL's own capital and bank loans.

The industrial park is located in Kaliganj, Gazipur, where the new production unit is being established. The factory will manufacture various plastic products that meet international standards, primarily targeting markets in North America and Europe.

"Our initial target is to produce plastic goods worth approximately \$43 million, with plans to increase this amount in the coming years," Kamal said.

He further stated that they aim to commence production by April or May this year. According to Kamal, export revenue is projected to increase by 30 percent, further solidifying RFL's position in the global market.

He also mentioned that despite the factory not being fully completed yet, the first set of export orders had already arrived, with an estimated value of \$6 million.

# Bangladesh can attract

FROM PAGE B1

But delivery is a problem," the chief adviser said.

The Norwegian minister for development and environment, Erik Solheim, also a former UN under-secretary-general, said Bangladesh lacks enough unused space for the construction of large-scale solar plants like those in China and other Asian countries.

However, he said the country could be a perfect place to set up small-scale solar plants.

Professor Yunus said his government has put special emphasis on solar plants and has already invited Chinese investors to relocate solar panel manufacturing plants to Bangladesh.

Representatives of several Chinese solar manufacturing firms have since visited Bangladesh to explore opportunities to set up factories here, with a view to using them to export much of their products to Western nations.

Kavin Kumar Kandasamy, chief executive officer of ProClima, a carbon trade and climate investment firm, said Bangladesh could easily earn tens of millions of dollars through carbon trading, as South Asian nations like Sri Lanka have done.

Professor Yunus said Bangladesh was very interested in exploring the carbon market, as it would help the country earn millions while also supporting efforts to protect the Sundarbans, the world's largest mangrove forest.

During the talks, the chief adviser and the Solheim-led delegation also discussed the Rohingya crisis and recent developments in the western Myanmar state of Rakhine, where a rebel group now controls most of the territory.

# Budget spending

FROM PAGE B1

At the same time, rising government expenditures have not been matched by local revenue collection, with Bangladesh's tax-to-gross domestic product (GDP) ratio remaining alarmingly low.

Currently, Bangladesh's tax-to-GDP ratio stands at around 8 percent—far behind India's 12 percent and Nepal's 17 percent. The country's ratio is also significantly lower than the Asia-Pacific average of 19 percent and the 25 percent average for developing nations.

Government spending under the ADP stood at Tk 24,058 crore in the first five months of the fiscal year, down from Tk 32,773 crore in the same period last year, according to finance ministry data.

However, the Implementation Monitoring and Evaluation Division (IMED) reported Tk 30,818 crore in ADP spending for the July-December period, revealing a mismatch of Tk 6,760 crore.

Usually, IMED compiles data from ministries and divisions, while the finance ministry reports actual disbursements through its iBAS++ system.

Meanwhile, development spending under the revenue budget stood at Tk 571 crore, up from Tk 192 crore a year earlier.

# US consumer spending posts first drop in two years

REUTERS, Washington

US consumer spending fell for the first time in nearly two years in January and the goods trade deficit widened to a record high as businesses front-loaded imports to avoid tariffs, setting up the economy for weak growth or even a contraction this quarter.

While the data from the Commerce Department on Friday also showed a moderation in annual inflation last month, prices showed some stickiness,

with fairly solid monthly gains. In addition, President Donald Trump's administration is ratcheting up tariffs, which economists said would raise prices as businesses pass on the higher costs of imported goods to consumers.

Consumers' inflation expectations soared in February. The Atlanta Federal Reserve slashed its gross domestic product estimate for the first quarter to show the economy contracting at a 1.5 percent annualised rate from a 2.3 percent growth pace earlier.

Financial markets now expect the Federal Reserve to resume cutting interest rates in June following a pause in January to give policymakers time to assess the economic impact of the administration's policies.

"The combination of sticky inflation and a potential growth scare, which is evident in this report, will likely present a worrisome monetary policy conundrum for the Fed," said Olu Sonola, head of US Economic Research at Fitch Ratings.

# Govt borrowing

FROM PAGE B1

Conversely, borrowing from scheduled banks amounted to Tk 64,186.1 crore, contributing to the overall increase in borrowing from the banking system.

These moves are designed to control persistent inflation, which has hovered above nine percent since March 2023.

The government also repaid Tk 12,542 crore for outstanding fertiliser and electricity bills through the issuance of special bonds. In the last fiscal year, the government had repaid Tk 36,586 crore for the same purpose.

However, borrowing from non-banking sources witnessed a sharp increase, contributing Tk 24,688.2 crore to overall domestic borrowing, compared to Tk 7,089 crore during the same period last fiscal year.

Typically, the government borrows from non-bank sources through the issuance of savings instruments. However, in recent years, repayments have exceeded sales of savings instruments, leading to negative net borrowing from this system.

During the first six months of the current fiscal year, net borrowing from savings instruments stood at a negative Tk 2,244 crore, compared to

a negative Tk 6,063 crore during the corresponding period last fiscal year.

Notably, non-bank borrowing was driven by the sale of government securities, including special bonds designed for individual investors, which have become an increasingly attractive option for both institutional and private buyers.

In the context of government borrowing from individual sources, treasury bills and treasury bonds have emerged as key instruments, catering to a broad base of investors, ranging from insurance companies to individual savers.

The issuance of these bonds aligns with the government's strategy to diversify its funding sources, particularly from the domestic non-banking sector.

For the government, the shift toward treasury bonds and specialised securities aimed at individual investors presents a dual advantage: it not only provides much-needed liquidity but also taps into the growing interest among citizens in safer investment avenues.

"The rise in borrowing from the non-banking sector underscores the strong demand for government securities," said a central bank official.

# Record February

FROM PAGE B1

during Ramadan and peak before Eid.

According to central bank data, Bangladeshi migrants sent home \$153 million in the last two days of February (27-28), indicating a surge in remittance inflows ahead of Ramadan.

"On the other hand, informal money transfer channels such as hundi and hawala have been disrupted since the fall of the Sheikh Hasina government, leading to more remittances being sent through formal banking channels," Rahman added.

In the last five and a half years, around 46 lakh Bangladeshis have gone abroad, contributing to the increase in remittance inflows. Initially, some struggled to find stable jobs, but many have now settled into their roles and are sending money home regularly.

According to central bank data, Bangladesh recorded its highest-ever monthly remittance inflow of \$2.64

billion in December last year.

The second-highest monthly inflow was \$2.59 billion in July 2020, while the third-highest was \$2.54 billion in June 2024, the data showed.

To further increase remittance inflows, Professor Rahman suggested focusing on sending skilled workers abroad and ensuring they are placed in suitable jobs.

"The government needs to identify which countries require specific skills and send trained workers accordingly," he said.

For instance, Saudi Arabia is set to host the FIFA World Cup in 2034. To organise such a large event, it will make significant investments, creating job opportunities. Bangladesh should anticipate this demand, he added.

The economist also emphasised market diversification, suggesting that Bangladesh explore opportunities in countries such as South Korea and Japan.

## Number of mobile subscribers drops

MAHMUDUL HASAN

The number of mobile subscribers dropped by 12 lakh to 18.75 crore in December last year, marking the sixth consecutive month of decline, according to the latest data from the Bangladesh Telecommunication Regulatory Commission (BTRC).

Between July and December, mobile operators collectively lost a staggering 75 lakh customers.

The overall mobile subscriber count is determined by subtracting the number of deactivated SIMs—those left unused for over 18 months—from the total number of new SIM purchases.

Shahed Alam, chief corporate and regulatory officer of Robi, attributed the downturn to an increase in SIM taxation at the beginning of the fiscal year, which rose from Tk 200 to Tk 300.

He explained that the higher cost of SIM cards has discouraged consumers from acquiring multiple connections.

"This further complicates efforts to connect marginalised communities," he remarked, stressing that rising costs have deterred many individuals from securing essential access to alternative communication channels.

Among the operators, Banglalink saw the sharpest decline, losing approximately 7.5 lakh customers in December, bringing its total subscriber base down to 3.97 crore.

**Between July and December last year, mobile operators collectively lost a staggering 75 lakh customers**

Robi, the country's second-largest operator, lost 4 lakh subscribers, reducing its customer base to 5.71 crore.

Grameenphone, the market leader, experienced a decline of 30,000 subscribers, bringing its total to 8.45 crore.

Meanwhile, the number of subscribers of state-owned Teletalk remained unchanged at 65.6 lakh.

According to Bangladesh Sample Vital Statistics, a project run by the state-run Bangladesh Bureau of Statistics, the percentage of individuals aged over 15 who own a mobile phone was lower in 2023 than in 2020.

This was attributed to a persistent decline in ownership since the emergence of the Covid-19 pandemic due to grim economic conditions.

In 2023, only 74.2 percent of individuals aged 15 and older owned a mobile phone, marking a slight decline from the 75.4 percent ownership rate reported in 2020.

At the peak of the pandemic in 2021, mobile phone ownership among these individuals fell by 4.1 percentage points to 71.3 percent.

It then rebounded by 2.5 percentage points in 2022. However, last year saw a modest increase of only 0.4 percentage points as the country struggled with ongoing high inflation.

A significant finding of the Bangladesh Sample Vital Statistics is the gender gap in mobile phone usage.

While 86 percent of males reported owning a mobile phone, only 62.8 percent of females did, revealing a disparity of 23.2 percentage points.



The grey market for handsets now accounts for over 40 percent of the total market, said Rizwanul Haque, vice-president of Mobile Phone Industry Owners' Association of Bangladesh.

PHOTO: STAR/FILE

## BTRC renews efforts to block unauthorised mobile phones

MAHMUDUL HASAN

In line with demands from stakeholders, the Bangladesh Telecommunication Regulatory Commission (BTRC) recently reversed its decision to award a contract for the maintenance of the National Equipment Identity Register (NEIR) system through the direct purchase method and instead opted for an open tender process.

The NEIR system is designed to track and block stolen or unauthorised mobile devices using International Mobile Equipment Identity (IMEI) numbers, a unique 15-digit number assigned to every mobile device with cellular connectivity. The previous government could not fully implement the system due to technical challenges and concerns that it could block millions of unauthorised phones currently in use, potentially triggering severe public backlash.

At the end of December last year, the BTRC initially decided to award the contract to Synesis IT Ltd for Tk 5.67 crore, covering system maintenance and the annual licence fee for Oracle Database support. However, the lack of an open tender process drew the ire of stakeholders, with the Bangladesh Association of Software & Information Services (BASIS) protesting the decision on January 12.

In a letter, BASIS stated that under the Public Procurement Act, 2006, and the Public Procurement Rules, 2008, contracts exceeding Tk 50 lakh cannot be awarded without a competitive bidding process.

BASIS further argued that the contract should not have been awarded without a proper technical assessment.

Granting it to a single entity without a

tender process could lead to a monopoly or oligopoly, distorting competition in the local market and violating the Competition Act, 2012, it added.

Now, the telecom regulator has revoked its earlier decision and adopted a quality- and cost-based selection method.

According to BTRC officials, the direct purchase method was chosen to expedite implementation as both the telecom ministry and the National Board of Revenue (NBR) urged the commission to launch NEIR as soon as possible.

The commission selected Synesis IT due to its prior experience with the system, according to official documents.

**Rapid expansion of the grey market is depriving the government of VAT and taxes and threatening investments of companies that have set up plants locally**

"We initially opted for the direct purchase method to expedite implementation as the government is losing significant revenue," said Emdad ul Bari, chairman of the BTRC, last week.

The illegal import of mobile phones is costing the government around Tk 2,000 crore in annual revenue, according to a letter sent by the NBR to the BTRC in October last year.

"However, we later realised that even if the system is ready quickly, launching it would still take time due to several unresolved issues.

"For instance, there are cases where hundreds of mobile phones are registered under a single IMEI number. We need

to address these complexities before implementation," he added.

"We will implement NEIR in a way that does not cause problems for users, even if it takes longer. That's why we have decided to proceed with an open tender method for greater transparency."

He also assured that existing handsets will not be deactivated once NEIR is implemented.

**WHY NEIR INITIALLY FAILED**

The BTRC initiated the NEIR project to curb the illegal import and use of mobile handsets, prevent the production and sale of unauthorised devices, combat handset theft, and thwart crimes involving unregistered phones.

On November 25, 2020, the BTRC signed an agreement with Synesis-Radisson-Computer World for the supply, installation, and operation of the NEIR system for Tk 29 crore. After that, a trial run was launched in July 2021.

During the trial, authorities discovered that millions of mobile phones in use were unauthorised, raising concerns that full implementation could trigger significant public dissatisfaction.

Additionally, a technical challenge emerged as hundreds of feature phones in circulation were found to share a single IMEI number, according to people familiar with the proceedings.

In October 2021, the system was launched with a key feature—the ability to block unauthorised handsets—causing frustration among mobile phone manufacturers.

Rizwanul Haque, vice-president of the Mobile Phone Industry Owners' Association of Bangladesh, said the grey market for handsets now accounts for over 40 percent of the total market.

## Ring Shine Textiles' losses widen in Q2

STAR BUSINESS REPORT

Ring Shine Textiles reported a decline in its financial performance for the October-December quarter of 2024, as the company's losses deepened year-on-year.

The company's earnings per share (EPS) stood at Tk 0.71 in the negative for October-December 2024, down from Tk 0.55 in the negative in the corresponding quarter of 2023.

For the six months from July to December 2024, its EPS fell further to Tk 1.50 in the negative, compared to Tk 1.41 in the negative in the same period of 2023, according to a filing on the Dhaka Stock Exchange website.

The yarn and fabric manufacturer's net operating cash flow per share also worsened, standing at Tk 0.90 in the negative for July-December 2024, compared to Tk 0.36 in the negative in the same period of the previous year, indicating higher cash outflows in operations.

Meanwhile, the company's net asset value per share dropped to Tk 9.50 in the negative as of December 31, 2024, from Tk 8.03 in the negative on June 30, 2024.

Ring Shine, a struggling textile manufacturer, has been facing financial challenges for years. The company, once a major player in the textile industry, has seen its operations weaken amid mounting losses and liquidity concerns.

## SoftBank in talks to borrow \$16b to fund AI

REUTERS

SoftBank Group CEO Masayoshi Son plans to borrow \$16 billion to invest in AI, the company's executives told banks last week, The Information tech news website reported on Saturday, citing people familiar with the matter.

The Japanese technology investor might borrow another \$8 billion in early 2026, the report added. Reuters reported in January that SoftBank is in talks to invest up to \$25 billion in ChatGPT owner OpenAI, as the Japanese conglomerate continues to expand into the sector.

SoftBank's investment would be on top of the \$15 billion it has already committed to Stargate, Reuters reported citing a person familiar with the matter.

The information previously reported that SoftBank was planning to invest a total \$40 billion into Stargate and OpenAI and had begun talks to borrow up to \$18.5 billion in financing, backed by its publicly-listed assets.

## Gold set to record worst week in three months

REUTERS

Gold prices fell over 1 percent on Friday as the dollar held close to two-week highs after US inflation data came in line with expectations, suggesting the Federal Reserve may adopt a cautious stance on additional rate cuts.

Spot gold was down 1 percent at \$2,846.19 an ounce by 01:44 p.m. ET (1844 GMT). Bullion has so far lost 3.1 percent for the week, its steepest weekly fall since November.

US gold futures settled 1.6 percent lower at \$2,848.50.

The dollar index was set for a weekly gain, making dollar-priced gold more expensive for overseas buyers.

"I think the main element impacting the gold and silver markets is the

READ MORE ON B2

## Adani Group revives US investment plans

REUTERS

India's Adani Group has revived plans for major infrastructure investments in the US, where the group's founder has been charged with bribery, the Financial Times reported on Sunday.

Since the election of President Donald Trump, the conglomerate has reactivated potential plans to fund projects in sectors such as nuclear power and utilities, as well as an East Coast port, the report said, citing four people close to founder and chair Gautam Adani.

Federal prosecutors in New York unsealed an indictment in November accusing Gautam Adani of bribing Indian officials to persuade them to buy electricity produced by Adani Green Energy.

"We know what we want to do, but we will wait until this (case) resolves," the FT quoted a person close to Adani as saying.

Adani Group has said the charges were "baseless" and that it would seek "all possible legal recourse." It did not immediately respond to a Reuters request for comment on the FT report.

The group had previously been in talks with US companies on potential partnerships and had looked at petrochemical investments in Texas, the newspaper said.

After Trump's November election win, Gautam Adani said the group planned to invest \$10 billion in US energy security and infrastructure projects, creating a potential 15,000 jobs.

Trump has vowed to make it easier for energy companies to drill on federal land and build pipelines.

"Once Trump came in, we have reactivated some plans," the FT said, citing another source it did not name.

## Trump orders new tariff probe into US lumber imports

REUTERS, Washington

US President Donald Trump on Saturday ordered a new trade investigation that could heap more tariffs on imported lumber, adding to existing duties on Canadian softwood lumber and 25 percent tariffs on all Canadian and Mexican goods due next week.

In his third new tariff probe in a week, Trump signed a memo ordering Commerce Secretary Howard Lutnick to initiate a national security investigation into US lumber imports under Section 232 of the Trade Expansion Act of 1962. The trade law is the one Trump also used to impose tariffs on global steel and aluminum imports.

The probe covers derivative products made from lumber which could include furniture such as kitchen cabinets, which in some cases are made of US lumber that had been exported.

The order said the Commerce Department investigation must be completed within 270 days.

Trump also ordered new steps within 90 days to increase the domestic supply of lumber by streamlining the permitting process for harvesting lumber from public lands and improving the salvage of fallen trees from forests and waterways.

The order calls for new or updated agency guidance to facilitate increased timber production, including quicker approvals for forestry projects under the Endangered Species Act.

White House trade adviser Peter

Navarro said the lumber import probe would counteract the actions of big lumber exporters including Canada, Germany and Brazil, which he said were "dumping lumber into our markets at the expense of both our economic prosperity

and national security."

"That stops today with a pair of Trumpian actions designed to both bolster supply of and demand for American timber and lumber," he told reporters on a conference call ahead of the signing.

A White House official said that increasing reliance on imported lumber represents a possible national security risk partly because the US military consumes significant quantities of lumber for its construction activities and because increasing dependence on imports for a commodity with ample domestic supplies is a danger to the US economy.

Some European leaders offered support to Ukrainian President Volodymyr Zelenskyy and some urged diplomatic repair after an extraordinary clash at the White House with US President Donald Trump.

The official did not provide details on a proposed tariff rate under the Section 232 lumber probe, but Trump earlier this month told reporters that he was thinking about imposing a 25 percent tariff rate on lumber and forest products.

The official said any tariffs resulting from the probe would be added to the existing 14.5 percent combined anti-dumping and anti-subsidy duties on Canadian softwood lumber.



Piles of lumber are seen for sale at a home improvement store in Falls Church, Virginia.

PHOTO: AFP