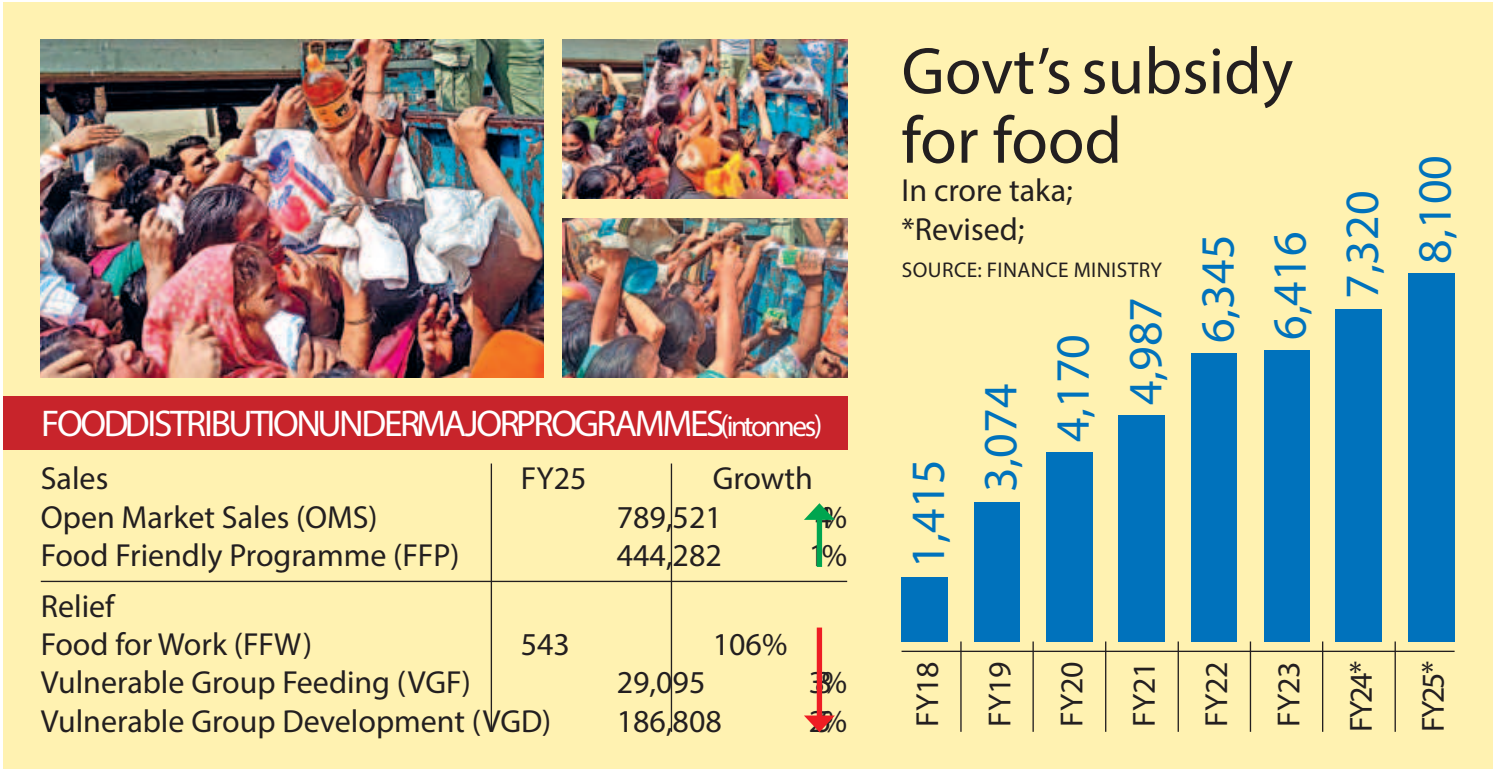


Star BUSINESS



Food subsidies raised by nearly 12%



REJAUL KARIM BYRON and MD ASADUZZAMAN

The interim government is set to increase its allocation for food subsidies by nearly 12 percent, raising the total to Tk 8,100 crore, to intensify food distribution programmes and provide a cushion to low-income groups.

The move was prompted by production losses from two rounds of flash floods last year and persistent inflation, which has hovered above nine for 24 straight months.

For several months, food inflation had also remained in double digits, peaking at over 14 percent in July last year, before easing to just under 10 percent last month.

Against this backdrop, the Awami League government, which was ousted by a mass uprising in August last year, revised food subsidies upwards to Tk 7,250 crore in FY24.

Now, the interim government plans to raise the allocation further in a bid to build reserves and intervene in the market through subsidised sales and relief programmes, especially as hundreds are regularly queuing up in front of Open Market Sales (OMS) trucks, particularly in the capital.

The overall food grain stocks stood at 15.12 lakh tonnes as of March 5 of this fiscal year, including 10.82 lakh tonnes of

rice.

The government did not meet its target to procure Aman rice that this year, as prices rose in the market and farmers were unwilling to supply to the state warehouses owing to fear of crop losses as a result of repeated floods.

Production of Aman season paddy, which accounts for the second-largest yield of rice crop, was estimated to be 3.58 lakh tonnes short of the target.

Similarly, Bangladesh's production of Aus rice declined in FY25, with the finance ministry recently saying that Aus production fell short of the target by 9.55 lakh tonnes.

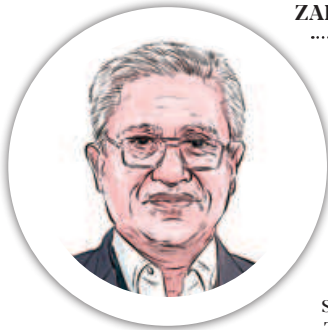
"The decision to increase subsidies is both rational and much anticipated," said Jahangir Alam Khan, an agricultural economist.

"This initiative will provide a cushion for low-income groups in the face of persistent inflation," he said.

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Macroeconomic policies amid interim incumbency

ZAHID HUSSAIN



Navigating the labyrinth of macroeconomic management is particularly challenging during periods of interim leadership. The fine equilibrium between fiscal, monetary, and structural policies takes on heightened significance.

This delicate balance of tightening and loosening measures, coupled with the alleviation of binding structural constraints, is pivotal in shaping the economic path. It impacts everything from inflation trends to public sentiment and confidence.

Encouraging but not reassuring

The February inflation data, while somewhat promising, does not convincingly indicate a shift towards a disinflationary trend.

The overall inflation rate fell due to a decline in food prices for the second consecutive month since December 2024. However, non-food inflation rose, with increases in categories such as clothing, footwear, health, recreation, and miscellaneous items.

As a result, the overall state of inflation remains concerning, with no clear evidence from the data suggesting a need for a monetary policy shift.

The deflation in food prices, particularly during peak supply seasons, is likely temporary, along with the diminishing effects of recent floods.

Lower tax rates on some essential food items, import liberalization, and exchange rate stability also contribute to the reduction in inflation.

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Investor confidence the ultimate casualty of BSEC confrontation

AHSAN HABIB

The ongoing standoff at the Bangladesh Securities and Exchange Commission (BSEC) that kicked off on Wednesday last week could be described as a battle on thin ice.

In a bid to demand the resignation of its top leadership, BSEC officials and employees have disrupted the commission's regular operations.

They even went so far as to lock in the BSEC chairman, shout threats, cut off power to his office and disable the closed-circuit television (CCTV) system to avoid detection.

On Friday, a case pressing criminal charges was filed against 16 protesting officials.

By Saturday, the rare and highly damaging bureaucratic clash had drawn condemnation from the Bangladesh Administrative Service Association (BASA), which said that demands should be made with discipline.

Other calls for calm came from stakeholders, including stockbrokers, the former BSEC chairman, and, most importantly, foreign investors, who are anxious about their stakes in the market.

To resolve the stalemate, investors are looking for clear steps from the finance ministry. But that has remained somewhat elusive so far.

The conflict was triggered by the forced retirement of an executive director over graft allegations.

Subsequently, protesting staff demanded the resignation of BSEC Chairman Khondoker Rashed Maqsood and three commissioners for alleged inefficiency.

As the situation spiralled out of control, law enforcement intervened, using batons to disperse agitators, rescue the leadership and escort them out of BSEC premises.

Several brokerage houses have confirmed receiving calls from foreign investors regarding the issue. The investors are seeking clarity on the future of the conflict, worried that if it persists, the market could be left without proper oversight

On Thursday, Maqsood returned to the office under heavy security protocol and announced that the government had authorised his continuation in office to investigate corruption.

Investors, however, were hoping for visible action from the finance ministry to resolve the crisis, rather than merely giving the top brass a green light to continue their work.

Surprisingly, during the last two days of the previous week, the market did not experience a drastic drop. One interpretation is that the key index was already low, which may have led investors to remain indifferent.

But concerns are rising.

Several brokerage houses have confirmed receiving calls from foreign investors regarding the issue. The investors are seeking clarity on the future of the conflict, worried that if it persists, the market could be left without proper oversight.

Their primary concern is when the situation will de-escalate, allowing normal operations to resume, including the regulator's market surveillance to curb manipulation, which is believed to be widespread in Bangladesh.

If the regulator remains inactive, it could provide room for manipulators, further eroding investor confidence.

Faruq Ahmad Siddiqi, a former

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Aarong's flagship store draws heavy footfall



Customers shop for their desired products at a newly launched craft store of lifestyle brand Aarong in Dhaka's Dhanmondi area yesterday. The outlet, which the brand claims to be the world's largest, spans over 60,000 square feet across eight floors. Products from sub-brands such as Taaga, Taaga Man, and Herstory are also available at the outlet.

PHOTO: PRABIR DAS

STAR BUSINESS REPORT

Aarong, a popular lifestyle brand, unveiled one of the world's largest craft stores on Friday, captivating customers and garnering an overwhelmingly positive response.

After exploring the outlet, many customers raved about its distinctive selection and alluring shopping experience.

This store is a proud testament of Bangladesh moving boldly into the future, said Tamara Abed, managing director of BRAC Enterprises.

"It embodies our mission to preserve and celebrate Bangladesh's artisanal heritage while delivering a world-class shopping experience."

This store marks a new era for Aarong and highlights this brand's ambitions for the global stage, she added.

Located in the capital's Dhanmondi area, the flagship outlet spans over 60,000 square feet across eight floors and features monumental craft installations.

"Stepping into this Aarong outlet felt like walking into a piece of Bangladesh's heritage," said Ema Sarker, sharing her experience at the newly opened store.

"The craftsmanship on display is incredible—from the massive Nakshi Kantha to the pottery wall, every corner tells a story."

However, she noted that the overwhelming crowd made it difficult to fully enjoy the space.

"Since it's a new outlet and so many people are also doing their Eid shopping, it was really packed. At times, it was hard to move around and properly appreciate everything," she said.

"But despite the rush, the store itself is beautiful. It's more than just shopping—it feels like an experience."

Madhuri Biswas, a resident of Tikatuli, was in Dhanmondi for work and had no idea that the store had already opened its door. However, her colleague was aware and took her along.

"I ended up enjoying it a lot," Madhuri said.

Describing her experience, she said, "It was very crowded."

I found it to be very unique compared to other outlets. For example, this store has a designated area where mothers can breastfeed their children.

"Moreover, each floor is designed in a unique manner, which should be attractive to crowds," she said, adding that she also enjoyed the forest-themed playpen for children.

Founded in 1978, Aarong has grown into a household name, renowned for preserving and promoting the art and craft traditions of Bangladesh. Currently, Aarong operates a total of 30 outlets across the country.

'Last BGMEA polls had nearly 900 fake voters'

Forum Panel leader alleges

STAR BUSINESS REPORT

In the last election of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), at least 900 persons who were not members of the trade body were incorporated in the voter list, said a Forum Panel leader of the BGMEA yesterday.

Two panels, namely Sommilito Parishad and Forum Panel, participated in the last BGMEA elections. The next BGMEA polls, to elect the leadership for the 2025-27 tenure, are scheduled to be held on May 28, according to the election schedule of the BGMEA published yesterday.

The traditional business model should be shifted to a scientific model to face the domestic and international challenges, said Mahmud Hasan Khan Babu, the current leader of the Forum Panel.

At an iftar organised by the Forum Panel at the Army Golf Club in Dhaka, Babu assured that the BGMEA would not be a president-centric organisation if he was elected in the polls.

In the last BGMEA election, 800 to 900 voters were named on the voter list although they were not qualified to vote, Babu said.

Such an election deteriorated the image of the BGMEA, he said, adding that only eligible members and exporters should be on the voter list.

Babu added that exporters face major challenges from the National Board of Revenue (NBR) and Bangladesh Bank (BB) and these problems need to be resolved in the greater interests of the garment business.

He suggested appointing professional audit firms to conduct audits of the BGMEA so that no fake voters can cast votes in the election.

Babu also suggested the government divide the textile and jute ministry to bring more dynamic functions to the BGMEA and garment industry.

For instance, he suggested tagging the garment sector with textiles and to create a textile and garment ministry and to tag jute with the agriculture ministry to create an agriculture and jute ministry.

Currently, the commerce ministry is the parent ministry for the garment sector, but it is too busy to work for the garment sector, he said.

He also assured that he would bring the BGMEA University of Fashion and Technology under the BGMEA again.

M A Salam, president of the Forum Panel, said the election of the BGMEA would take place on May 28 and was also hopeful that this election would be better than the previous one.

Babu also said a single person alone cannot solve the problems of the organisation, instead saying that it required teamwork.

Rubana Huq, a former BGMEA president, was also hopeful that the upcoming election would be transparent and address all kinds of previous backlogs.

So, it is expected that this election will help grow this trade, she said. Statistics show

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