Women-led SMEs driving local poultry growth

STAR BUSINESS REPORT

The expansion of women-led small and medium enterprises (SMEs) is strengthening Bangladesh's economy by driving employment, boosting production, and enhancing market competitiveness amid growing demand for sustainable business growth and financial inclusion, said a press release.

On International Women's Day 2025, Bangladesh Poultry Industries Central Council (BPICC) and US Soybean Export Council (USSEC) underscored the need to support women entrepreneurs and ensure adequate nutrition to sustain their contributions, it said.

The statement said women in Bangladesh are increasingly engaging in SMEs, particularly in agriculture, poultry, and livestock.

However, systemic challenges such as limited access to credit, resources, and training continue to hinder their potential, it said.

Despite comprising 40 percent of the poultry sector workforce, many women struggle with business ownership and financial independence, it said.

BPICC President Shamsul Arefin Khaled stressed the importance of recognising women's contributions.

"Women-led SMEs are transforming the economy. Providing them with financial resources, skills training, and policy support will strengthen their role in business," he said.

He called for better access to funding and market opportunities to accelerate women's entrepreneurship.

BPICC Secretary ATM Mostafa Kamal highlighted the government's role in fostering women's economic participation.

"Women entrepreneurs in SMEs are vital to Bangladesh's progress. The government has been supporting them through policies and financial programmes, but more efforts are needed," he said.

He added that the growing presence of female-led businesses in poultry and livestock were helping ensure affordable protein production for all.

Nutritionist Israt Jahan underscored the link between nutrition and women's productivity.

"Proper protein intake is essential for working women, especially those in SMEs, as they balance multiple responsibilities," she said, calling for greater awareness of protein-rich diets.

Bangladesh needs one lakh flats annually

bti MD says affordability, high interest hold back most buyers

KEY TAKEAWAYS

- Bangladesh needs 100,000 homes yearly, but only 8% is met
- From luxury market, demand shifts to affordable homes
- Mortgage rates and 30% down payments deter buyers
- DAP limits housing supply as less buildings may cost more
- Inflation and currency shifts drive up real estate costs
- bti MD says decentralisation key to Dhaka's housing crisis

FR Khan

SOHEL PARVEZ and JAGARAN CHAKMA

Bangladesh requires around 100,000 new apartments every year. Despite having the capacity to meet this demand, realtors can only supply 8 percent of the required units, leaving a substantial gap.

The main reason is the lack of affordability for most buyers. High mortgage interest rates further push homeownership beyond their reach.

"Frequent fluctuations in interest rates also create an added burden. Moreover, customers must manage at least 30 percent of the down payment for the total asset price, which is challenging for many," said FR Khan, managing director of Building Technology and Ideas (bti), one of leading real estate developers in Bangladesh.

A possible solution could be fixing interest rates and increasing the loan-to-value ratio offered by mortgage providers to make homeownership more accessible.

"We developers have the capacity to meet the entire demand," said Khan, who has led bti for over four decades. Founded in 1984, the company has handed over 7,500 apartments, mostly in Dhaka.

In its early years, bti expanded slowly, delivering just 10 apartments in the first decade. It later accelerated construction and now maintains an inventory of 2,000 flats, reflecting steady growth. The company has maintained timely project deliveries, even during challenging periods.

"We have completed projects despite suffering losses on many occasions. This is to honour our commitment to our clients," Khan said in an interview with The Daily Star recently.

During the interview, Khan, a graduate in civil engineering from Bangladesh University of Engineering and Technology (Buet) with a Master of Engineering in urban planning from AIT, also discussed the impact of the new Detailed Area Plan (DAP) introduced by Rajdhani Unnayan Kartripakkha (Rajuk) in August 2022, as well as the effects of the economic slowdown and political changes on the real estate sector.

"Currency fluctuations, particularly the dollar's appreciation over the last two years, have driven up raw material prices, affecting real estate costs," said the managing director of bti, which serves a broad spectrum of buyers.

It offers high-end homes priced between Tk 15 crore and Tk 20 crore, as well as apartments for those who can afford Tk 1.5 crore to Tk 2.5 crore. The company also caters to the mid-market and affordable housing segments.

Khan said that demand for luxury properties has declined due to reduced purchasing power among wealthier buyers, whereas the mid-market segment has seen an increase in demand.

"As inflation rises, many prefer investing in real estate rather than holding cash, as the real purchasing power of money is eroding," he said.

"Buyers with monthly incomes over Tk 100,000 are willing to take loans to purchase homes priced between Tk 1.5 crore and Tk 2 crore," Khan said.

To the seasoned realtor, who has witnessed both peaks and downturns in his career, the current economic challenges will subside within the next 18 months as the economy stabilises

However, the sector as a whole is experiencing a slowdown due to rising inflation, higher interest rates and other macroeconomic challenges.

While acknowledging that the next few years may be difficult, Khan anticipates a gradual market stabilisation as inflation eases and interest rates begin to decline.

To the seasoned realtor, who has witnessed both peaks and downturns in his career, the current economic challenges will subside within the next 18 months as the economy stabilises.

The real estate sector faced significant disruptions during the Covid-19 pandemic. However, the crisis led to an unexpected surge in property investments as individuals sought real estate as a safe asset during uncertain times.

The future appears promising, with a recovery on the horizon that could reshape the sector.

bti has continued to undertake new projects. With 72 ongoing developments, it aims to deliver 2,000 units to clients by 2025.

"Every difficult situation presents an opportunity," Khan commented.

With a background in real estate, having completed a post-master's diploma in the field in Japan, he also spoke about the contentious new DAP, which has been debated among urban planners and developers for the past two and a half years.

He said the method of calculating the Floor Area Ratio (FAR) under the new DAP, which determines building density, limits housing options in Dhaka, as the FAR has been reduced.

"Academically, the DAP is sound, but it is based on models from developed countries. Islamabad was planned in the 1960s on bare land. Everything was meticulously designed, making the city highly successful in terms of density, environment and utilities."

"But for a 400-year-old city like Dhaka, you cannot implement such changes overnight, relocate all the people and cut its density in half. Dhaka cannot afford to displace so many residents at once. Where will they go?"

Khan said that if implemented, the DAP would drive up land and apartment prices due to rising demand and limited supply.

The idea behind the DAP is that people will move to the outskirts as infrastructure expands. However, he pointed out that the FAR in these areas is even lower than in Dhaka, limiting the number of units that can be built.

"So, you cannot increase housing supply there either."

He urged the government to decentralise services and facilities so that residents of districts like Jashore and Khulna do not have to migrate to Dhaka.

"In Bangkok, authorities addressed overcrowding by decentralising infrastructure and government services, ensuring that people did not have to relocate to the capital."

"A similar approach is needed for Dhaka."

Thanks to the treasury managers in banks

MAMUN RASHID

I perused the 2024 audited financials of Citibank, N.A., Bank Alfalah, Habib Bank, and Commercial Bank of Ceylon in the newspapers last week. The good news is that all of them made higher profits than in 2023. Interestingly, most of the increased profit came from high-return government securities rather than loan interest.

How much of a bank's deposits should be held in term form to avoid rate volatility? What percentage of its loans should be project finance? Should a bank hold most of its deposits in fixed terms? What may happen if it is the other way around, i.e., in current accounts? Should a bank keep a large amount in liquid form or in treasury bonds? All these decisions come from its treasury department. The treasury department literally does business with interest rate and exchange rate fluctuations. On a lighter note, if there is no market volatility, treasury dealers find their work too boring, with limited ways to make money.

We have seen banks paying dearly for funding long-term assets by borrowing short-term or over-relying on call borrowing or short-term deposits to support their medium- or long-term loan book. Even today, we cannot claim that all banks in Bangladesh have the right focus on balance sheet management.

Most of their time and resources are dedicated to loan management or term deposit mobilisation. Some banks are often criticised for their excessive dependence on call money or long-term project finance. In contrast, most global and well-performing banks place a lot of focus on recruiting skilled professionals in their treasury departments for better liquidity and funds management.

A bank's activities involve various types of risks, including reputation risk, financial crime risk, operational risk, fraud risk, people risk and credit risk. One significant risk commonly blamed for a bank's financial troubles is loan-related losses.

My experience as a treasury manager and financial institution risk manager, spanning over a decade and a half in multiple large global and foreign banks, tells me that a bank's poor performance often results from the failure to manage its balance sheet and treasury properly. At times, better treasury management becomes the key determinant of a bank's profitability or loss.

The balance sheet of a commercial bank differs significantly from that of a typical company. A bank's balance sheet mainly consists of money — money that customers deposit and money that customers borrow as loans, i.e., liabilities and assets, respectively. In addition to loans, a bank also holds money in various forms of investments, some of which are maintained to meet regulatory requirements.

While these activities may seem simple, with the only risk being a borrower defaulting, the reality is far more complex. A bank typically manages thousands of crores or even lakh crores in total deposits from hundreds of thousands of customer accounts in multiple currencies, in addition to the domestic currency. Each deposit and loan item comes with different maturity tenors, adding to the complexity.

The Asian financial crisis in the late 1990s demonstrated that unpredictable exchange rate fluctuations lead to foreign exchange risks when banks hold assets or liabilities in foreign currencies. These uncertain movements impact a bank's earnings and capital.

As commercial banks deal with foreign currencies, they are constantly exposed to foreign exchange risk, arising from both trade and non-trade services. This risk increases when a bank holds any unhedged position—referred to as an open position—in a specific currency. Such risks are mitigated through various hedging tools.

Besides, banks are increasingly focusing on tenor mismatch, maturity ladder analysis and aligning deposit and loan maturities.

It is encouraging to see that many commercial banks in Bangladesh are beginning to recognise the importance of differentiating themselves through better treasury management. Developing a strong treasury department with well-trained dealers will soon become a critical success factor for banks.

The author is the chairman at Financial excellence Ltd.

WTO chief calls for calm amid mounting trade war

AFP, Geneva

The WTO chief called for calm Friday in the face of a swelling global trade war as US President Donald Trump slaps steep tariffs against friends and foes alike.

"I understand the enormous amount of concerns that people have about what is going on," Ngozi Okonjo-Iweala told a meeting at the World Trade Organization headquarters, insisting though that "we shouldn't panic".

She downplayed fears that the new US administration, which has been harshly critical of WTO, might decide to withdraw, as it has done from the World Health Organization and other UN bodies.

Just back from Washington, where she met with US Commerce Secretary Howard Lutnick and Trade Representative Jamieson Greer, Okonjo-Iweala said "the indications I got is that they remain part of WTO".

"They want to remain engaged," she told the event, adding that this could "give us room to (be)... I don't want to use the word hopeful, but I think it gives us room to believe that the US still find some value in being able to engage with other members at the WTO".

"That is one of the reasons I think we should keep calm, we should listen to their concerns," she said.

Since his return to office in January, Trump has introduced sweeping levies against several top US trading partners.

Even though tensions eased a notch on Thursday, after the United States hit pause on the 25-percent tariffs it slapped earlier this week on most goods coming from Mexico and Canada, the standoff with China continues.

Trump tariffs: What's been done and what is to come?

AFP, Paris

It was another roller-coaster week in US President Donald Trump's trade war as tariffs against China came into force while Mexico and Canada were given a temporary reprieve.

Here is what happened this week and what's looming in the coming weeks:

North American standoff

Trump unveiled 25-percent tariffs on Canadian and Mexican goods on February 1, with a lower rate of 10 percent for Canadian oil.

But hours before they were due to take effect on February 4, Trump agreed to delay the move for a month.

Fast-forward to March 4: the tariffs come into force, hitting imports from Mexico such as avocado or tomatoes and Canadian goods such as lumber.

Three days later, Trump gave the two countries another one-month delay, this time on products covered under the United States-Mexico-Canada Agreement (USMCA) -- a pact that the US leader signed into law during his first term in office in 2020.

More than 50 percent of Mexican goods and 38 percent of Canadian goods entered the United States under the USMCA last year, according to a White House official.

Trump had already given automakers a similar reprieve, which will last until April 2, following talks with Ford, General Motors and Jeep owner Stellantis.

In response to the pause, Canada delayed its own second wave of retaliatory tariffs on Can$125 billion ($87 billion) worth of US products until April 2.

Trump has justified the tariffs on the United States' neighbours and vital trade partners, along with China, as a response to illegal immigration and the deadly drug fentanyl coming into his country.

Trucks queue near the Mexico-US border at Otay Commercial crossing in Tijuana, Baja California state, Mexico, on March 4, 2025.

PHOTO: AFP

China

Trump has not given China such breaks

Ten percent tariffs on goods from the country considered as the world's factory came into effect on February 4 -- and they were increased to 20 percent on March 4.

Beijing retaliated, saying it would impose 10- and 15-percent levies on a range of agricultural imports from the United States.

Those come into effect next week and will impact tens of billions of dollars in imports, from US soybeans and corn to chicken and beef.

Beijing had earlier responded to US trade measures with duties of 15 percent on coal and liquefied natural gas, and 10 percent on oil and other goods.

China has pushed back on its alleged role in the deadly fentanyl supply chain, saying Beijing has cooperated with Washington and arguing that tariffs would not solve the drug problem.

Next target: EU

Trump has said that products from the 27-nation European Union would be hit with a tariff of 25 percent, adding that the bloc has "taken advantage of us."

The EU has vowed to retaliate with proportionate countermeasures.