

# Star BUSINESS



Submarine Cables cuts bandwidth prices by 10%

STAR BUSINESS REPORT

Bangladesh Submarine Cables has decided to reduce bandwidth prices by 10 percent, which is likely to reduce internet bills at users' end.

The decision was finalised at a board meeting of the state-owned company on Saturday.

The information was disclosed in a press release issued by the Press Wing of the Chief Adviser to the interim government yesterday.

Faiz Ahmad Taiyeb, special assistant to the Chief Adviser on Posts, Telecommunications, and ICT Affairs, said the government is working to make internet access more affordable.

"Reducing wholesale bandwidth prices is one of the key steps. This 10 percent price cut will apply to all bandwidth at the international gateway level," he said.

Taiyeb added that discussions are underway to provide mobile operators with access to Dense Wavelength Division Multiplexing (DWDM) facilities, which could reduce transmission costs by up to 39 percent.

DWDM is an optical networking technology that increases the bandwidth of fiber networks by transmitting multiple data streams simultaneously on different light wavelengths through a single fiber.

"We have already consulted with telecom operators. It is expected that they will pass on the benefits to end users by lowering internet prices by up to 10 percent," Taiyeb said. He also noted that Bangladesh is set to be connected to its third submarine cable, SEA-ME-WE 6, by mid next year.

## Banks get remedies but what about ailing NBFIs?

### BY THE NUMBERS

Total NBFIs: 35

Loans disbursed till Sept 2024: Tk 73,663 cr

Bad loans till Sept 2024: Tk 26,163 cr

Bad loans of 7 non-banks are more than 90%

### KEY POINTS

A good number of companies are now unable to repay depositors. Most NBFIs face a fund crunch due to the sector's image crisis.

### Ratio of default loans of NBFIs

(In % of total loans)

SOURCE: BB



MD MEHEDI HASAN

Irregularities, scams, and governance failures necessitate reforms for both banks and non-bank financial institutions (NBFIs), but the severity of ailments in both sectors seems to have left the banking regulator with no option to pick and choose.

For the Bangladesh Bank, the question is no longer regarding which will get the remedy first, but how long the other can sustain itself in a state of neglect.

The longer NBFIs remain untreated, the

worse their condition will become. Banks require urgent reforms, but so do NBFIs, industry leaders say, warning that delays may push them beyond recovery.

Of the 35 NBFIs in the country, a dozen are currently struggling to repay depositors due to an acute liquidity crisis, a persistent issue that has tarnished the sector's image over the years.

After the political changeover on August 5 last year, the central bank initiated a series of banking sector reforms, including the formation of taskforces, the introduction of new laws and amendments to existing legislation such as the Bank Company Act.

The regulator also injected fresh funds into weak banks to protect depositors.

However, the treatment has been entirely different for struggling NBFIs. Since the interim government took office in early August last year, no visible initiatives have been taken to reform the ailing sector.

The central bank has also refrained from injecting funds to revive the NBFIs and help

companies repay depositors.

Following the political changeover, more than half a dozen banks were unable to repay depositors, prompting the central bank to inject over Tk 25,000 crore into weak banks by printing money.

Justifying this move, BB Governor Ahsan H Mansur said it was necessary to maintain depositor confidence.

This raises a simple but important question: if banks receive central bank funds to protect depositors, why are weak NBFIs denied similar support?

Institutional and individual depositors of over a dozen NBFIs, including People's Leasing, International Leasing, Union Capital, FAS Finance, Aviva Finance, Fareast Finance, and First Finance, are still struggling to recover their deposits. For instance, Khalil Ahmed Khan, a depositor at Aviva Finance, has not received his full deposit despite it maturing on January 21 this year.

He told The Daily Star that he invested Tk 23 lakh in three fixed deposit receipts (FDRs) on January 21, 2024. Despite repeated requests, the company has repaid only Tk 8.98 lakh, while Tk 14.01 lakh remains unpaid.

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## Payra Port a painful burden on economy

### Says planning adviser

STAR BUSINESS REPORT

The Payra Port, a seaport located in the southern coastal district of Patuakhali, has become a "painful abscess" on the country's economy, Planning Adviser Wahiduddin Mahmud said yesterday.

"This port can barely function as a river port, let alone a seaport," he said at a press briefing following a meeting of the Executive Committee of the National Economic Council (Ecneec) at the National Economic Council auditorium in the capital's Sher-e-Bangla Nagar.

"After examining the site, the commerce adviser and officials concerned concluded that this is not even a river port. At best, it can be called a river terminal," he told reporters.

During the meeting, Ecneec approved a revised project proposal for the first terminal and related facilities of Payra Port, increasing the total cost by Tk 911 crore to Tk 5,228 crore.

The project's deadline has also been extended to December 2026.

"We have approved the revised project on the condition that we retain the scope to intervene at any time," Mahmud said.

"The additional funds are required not only for previous financial commitments but also for continuous dredging."

Construction of the Payra Port began in 2013, with commercial operations starting in August 2016.

The port, located on the bank of the Rabnabad channel, is also geographically important as it is in close proximity to the 1,320MW Payra Thermal Power Plant, which began operations in 2020.

Wahiduddin said the entire channel is long and extensive, and without annual dredging, even small vessels will struggle to bring coal to the power plant. Moreover, expensive dredgers will be needed every year to keep operations running.

"Our commerce adviser jokingly remarked that, given the massive annual dredging costs, it might be cheaper to transport coal by air! I have been instructed to lead a team and personally visit the site to inspect the entire project," the planning adviser said.

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Rupali Haque Chowdhury

## Make it easy for companies to get listed

### Says association of publicly listed firms

STAR BUSINESS REPORT

Bangladesh needs to ensure an environment conducive to attracting companies, especially multinational ones, with good track records to the stock market, said Rupali Haque Chowdhury, president of the Bangladesh Association of Publicly Listed Companies (BAPLC), yesterday.

This should be enabled not only through widening of the gap in taxes paid by listed and non-listed firms but also by ensuring a level playing field for all firms, said Chowdhury, also managing director of Berger Paints Bangladesh.

When Berger got listed, the gap was 15 percentage points, she told a views-exchange meeting organised by Capital Market Journalists' Forum (CMJF) on its premises in Dhaka.

Now it is very low (5 percentage points), for which getting listed is an unattractive option for non-listed firms, she said.

The law for listed and non-listed companies should be reviewed as the company act is giving a lot of benefits to the non-listed firms, such as relief from maintaining corporate governance, said Chowdhury.

If non-listed firms are forced to maintain corporate governance, the practices will cause no discomfort once they get listed, she said.

"It is not just about taxes; we must create a level playing field," she said, adding that listed firms need to follow stricter regulatory requirements.

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## Political stability key to higher Japanese investment: experts

STAR BUSINESS REPORT

Bangladesh must ensure long-term political stability, maintain policy consistency, and improve regulatory processes to create an environment conducive to attracting more Japanese investment, according to speakers at a discussion yesterday.

The findings of the Japan External Trade Organization (Jetro) 2024 survey have underscored the country's resilience and investment potential, particularly in attracting Japanese businesses, they said.

The discussion on the "2024 Jetro Survey on Business Conditions of Japanese Companies in Asia and Oceania" was organised by Jetro at The Westin Dhaka.

"Bangladesh's investment potential and key areas for improvement have been reflected in the Jetro 2024 survey," said Ashik Chowdhury, executive chairman of the Bangladesh Investment Development Authority (Bida).

Speaking on the country's commitment to fostering a business-friendly environment, he reaffirmed Bida's dedication to addressing investor concerns, particularly those of Japanese businesses.

**"Political stability and policy consistency remain vital to investor confidence," said Ashik Chowdhury, executive chairman of Bida**

"The structured flow of human capital is crucial," he said, noting that Japanese investors emphasise skilled labour export and knowledge exchange.

Bida is actively working to streamline labour management systems to ensure a stronger economic partnership with Japan, he said.

Chowdhury also stressed the need to integrate Bangladesh into the broader regional trade network.

He acknowledged that investment decision-making varies globally and that Japanese investors typically adopt a long-term approach.

"Political stability and policy consistency remain vital to investor confidence," he said.

Chowdhury also emphasised the need for structural reforms to ensure transparency and predictability.

"Developing quantifiable indicators will help track progress and build a more stable investment environment," he said.

An upcoming investment summit has drawn significant global interest, said Chowdhury, expressing optimism about Bangladesh's potential to become a leading investment destination.

Saida Shinichi, Japan's ambassador to Bangladesh, said the findings of the Jetro survey reaffirm what has long been recognised—that Bangladesh holds immense potential as a destination for Japanese investment.

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## Investment summit seeks to revive moribund FDI

Will take place in Dhaka from April 7 to April 10

### Country-wise FDI stock

Till Sept 2024; SOURCE: BB

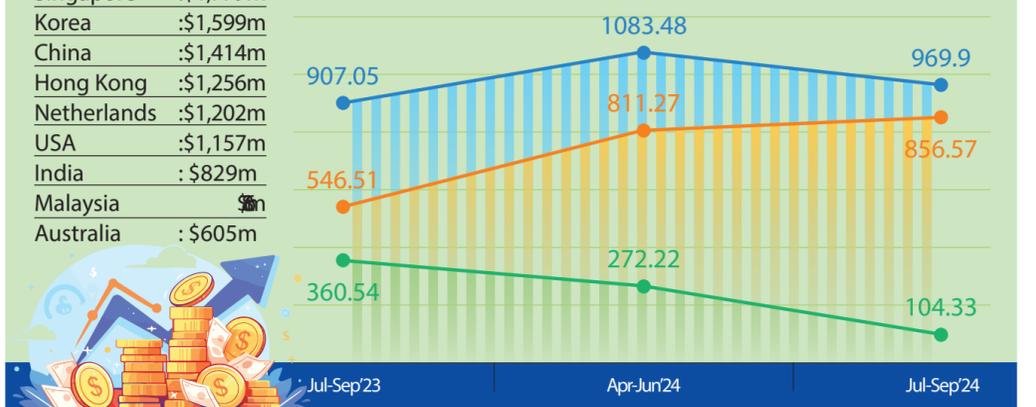
UK	:\$3,047m
Singapore	:\$1,779m
Korea	:\$1,599m
China	:\$1,414m
Hong Kong	:\$1,256m
Netherlands	:\$1,202m
USA	:\$1,157m
India	:\$829m
Malaysia	:\$605m
Australia	:\$605m

### OVERALL POSITION OF FOREIGN DIRECT INVESTMENT

(In million US\$)

SOURCE: BB

● Inflow ● Outflow ● Net



SUKANTA HALDER

The Bangladesh Investment Summit 2025 will be hosted at a critical juncture this year against the backdrop of foreign direct investment (FDI) inflows hitting a six-year low, raising concerns about the investment climate.

Scheduled to take place from April 7 to April 10 at the InterContinental Dhaka, the event aims to attract global investors and highlight Bangladesh's evolving economic landscape.

Amid political uncertainty, stray incidents of labour unrest and economic challenges, the summit presents a crucial opportunity to restore investor confidence, showcase economic reforms, and position Bangladesh as a competitive investment destination.

FDI inflows dropped by 71 percent

year-on-year, falling to \$104.33 million in the July-September quarter of FY25, the lowest in six years, according to Bangladesh Bank.

The country's total FDI stock stood at \$17.68 billion as of September 2024, with the United Kingdom, Singapore, and South Korea emerging as the top three investors.

The UK remains the leading investor, with \$3.05 billion, primarily in banking, power, and pharmaceuticals. Singapore follows with \$1.78 billion, while South Korea ranks third with \$1.6 billion, driven by investments in manufacturing and telecommunications.

A recent survey by the Japan External Trade Organization (Jetro) 2024 highlighted policy inconsistency and bureaucratic hurdles as significant barriers, discouraging reinvestment and

leading to capital outflows.

Japanese investors frequently cite complex approval processes, tax inconsistencies, and sudden policy shifts as challenges to long-term commitments.

While Bangladesh has made progress in infrastructure, logistical inefficiencies and slow project execution also continue to impact business operations.

Additionally, currency depreciation, inflationary pressures, and the rising cost of doing business have made the country less competitive compared to regional peers.

The Bangladesh Investment Summit 2025 presents an opportunity to reverse the downward trajectory of FDI inflows by presenting new investment opportunities and showcasing economic reforms and policy incentives.

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**Nargis Murshida**  
Govt appoints administrator to Bangladesh China chamber

STAR BUSINESS DESK

The government has appointed Nargis Murshida, joint secretary of the commerce ministry, as the administrator of the Bangladesh China Chamber of Commerce and Industry (BCCCI).

Murshida assumed her duties at BCCCI yesterday, following an order issued by the commerce ministry on March 16.

The order directed the newly appointed administrator to conduct a fair and neutral election for the BCCCI board within 120 days, said a press release.

Subsequently, she will hand over the leadership to the elected committee.

# Eastern Bank signs bancassurance deal with Pioneer Insurance



Ali Reza Iftekhar, managing director and CEO of Eastern Bank PLC, and Syed Shahriyar Ahsan, chief executive officer of Pioneer Insurance Company Limited, pose for photographs after signing an agreement at the bank's head office in Dhaka yesterday.

STAR BUSINESS DESK

Eastern Bank PLC (EBL) has entered into a bancassurance agreement with Pioneer Insurance Company Limited, facilitating EBL customers to access the insurer's financial products directly through the bank.

Ali Reza Iftekhar, managing director and

CEO of the bank, and Syed Shahriyar Ahsan, chief executive officer of the non-life insurer, signed the agreement at the bank's head office in Dhaka yesterday, said a press release.

This collaboration operates under the Bancassurance Guideline of the Bangladesh Bank and the Insurance Development and Regulatory Authority.

M Khorshed Anowar, deputy managing director and head of retail and SME banking at the EBL; Syed Zulkar Nayen, head of business; and Sarmin Atik, head of liability and wealth management; and SM Mizanur Rahman and SM Jasim Uddin, deputy managing directors of the insurer; and Md Zakir Hossain, assistant managing directors; were also present.

PHOTO: EASTERN BANK

# Ahsan Khan Chowdhury elected chairman of Midland Bank

STAR BUSINESS DESK



Ahsan Khan Chowdhury has been elected as the chairman of Midland Bank PLC.

The election took place during the 165th meeting of the bank's board of directors held recently, according to a press release.

Chowdhury is one of the sponsor directors and a member of the executive committee of Midland Bank.

He is also the chairman of the risk management committee at the bank.

He oversees business operations across all enterprises, demonstrating strong supervisory abilities and a passion for managing business operations.

Additionally, he is the chairman and CEO of Pran-RFL Group, one of the leading conglomerates in the country.

Chowdhury joined Pran-RFL Group in 1992 as a director.

Pran and RFL are two prominent brands in the fast-moving consumer goods and light engineering sectors, employing more than 145,000 people across various sectors.

Chowdhury pursued his studies at Wartburg College in the USA.

# UK finance minister says govt to cut costs by 15%

AFP, London

UK finance minister Rachel Reeves said Sunday she plans to cut the costs of running government by 15 percent within four years, as she grapples with strained public finances.

Her comments came ahead of her crucial Spring Statement on Wednesday when she is expected to detail billions of pounds of spending cuts across various government departments.

"We are, by the end of this parliament, making a commitment that we will cut the costs of running government by 15 percent," she told the BBC.

The broadcaster reported that target would translate to annual savings of £2.2 billion (\$2.8 billion) across Britain's civil service, which employs more than 500,000 people.

Reeves said it would be up to individual departments to decide how many civil servants will lose their jobs but added that personnel could be cut by 10,000.

"I would rather have people working on the front line in our schools and our hospitals, in our police, rather than in back-office jobs," she told Sky News.



PHOTO: REUTERS/FILE

Chancellor of the Exchequer Rachel Reeves

Reeves also insisted that she will stick to her own fiscal rules when she delivers her financial update on Wednesday.

They are not to borrow to fund day-to-day spending and to see debt fall as a share of the gross domestic product by 2029-2030.

Since she has also committed to not increasing taxes, sticking to the rules raises

the prospect of spending cuts to some departments.

The Labour government has failed to get Britain's economy firing since it swept to power last July, a task complicated by Donald Trump's return to the White House.

"The world has changed," Reeves told Sky.

"We can all see that before our eyes, and governments are not inactive in that -- we'll respond to the change and continue to meet our fiscal rules."

Official data released on Friday showed that public sector net borrowing -- the difference between spending and tax receipts -- grew last month, leaving Reeves with little wiggle room to meet her rules.

The restrictions are designed to ensure that the government's spending plans maintain credibility in financial markets.

On Tuesday, the government announced contested cuts to disability welfare payments, hoping to save more than £5 billion annually by the end of the decade.

Reeves insisted Sunday that there would still be "real-terms" increases in total public spending in every year of this parliament, which is due to end in 2029.

# Canada aims for free internal trade to offset US tariffs

REUTERS, Toronto

Prime Minister Mark Carney on Friday said Canada could offset the effects of any US tariffs by removing internal trade barriers and that he aimed for free trade within the country by July 1, after meeting provincial and territorial leaders.

"We are committing to table legislation by the 1st of July for goods to travel across the country... free of federal barriers," Carney told reporters. "We can more than offset the effects of any US tariffs by eliminating internal trade barriers alone."

Carney on his website cites research that found removing internal barriers would reduce trade costs by up to 15 percent and expand the economy by 4 percent to 8 percent.

He said there were three main approaches to do this: harmonizing regulations across provinces, provinces' mutual recognition of rules and creating common national standards.

Business groups have long complained about trade barriers among the 10 provinces and three territories and a drawn-out permitting process that means it can take years to develop and build

mines, oil pipelines and other major resource projects.

US President Donald Trump imposed 25 percent tariffs on Canadian imports of steel and aluminum in March, with further tariffs to follow on April 2.

Canada sends 75 percent of exports to the United States and a third of all imports come from its southern neighbor, leaving its economy vulnerable to a protracted trade war.

Carney, who recently became prime minister and is reportedly poised to announce on Sunday an election to take place in April, has yet to speak to Trump or lay out detailed plans on how he would deal with the president.

The effort to reduce internal trade barriers would include removing labor mobility restrictions, Carney said.

To speed up approvals of major infrastructure projects, Carney said the government will create a "one-window approval process" that would eliminate duplicative requirements between federal and provincial environmental assessments. He also vowed that an oil and gas cap would limit emissions not production.

# China tech giants dig pricey trench for AI war

REUTERS, Hong Kong

It's never a good sign when rivals try to outspend one another. In China, technology giants Tencent and Alibaba are battling it out in artificial intelligence. Yet similar to how it's playing out in the West, business models are hazy and competition is fierce. Returns will be a long time coming.

Tencent last year more than tripled its capital expenditure to \$10.7 billion, or 12 percent of its top line, and says it plans to spend a similar "low teens" percentage of revenue this year. That's a huge step up from the less than 5 percent it devoted two years earlier. Most of that will go towards stockpiling graphic processor units and servers used in Tencent's advertising and video-games businesses. The new equipment will also help with training and deploying large language models for its nascent AI offerings. Throw in additional research and development expenses - which jumped 10 percent to just under \$10 billion last year - and Tencent's spending is adding up fast.

It's a similar narrative at arch rival Alibaba, which last month declared it will splash out at least 380 billion yuan (\$52.6 billion) in cloud computing and AI infrastructure over the next three years. Meanwhile, TikTok's Chinese owner ByteDance has budgeted over 150 billion yuan this year mostly for data centres and networking equipment, Reuters reported in January, citing sources.

True, demand for chatbots and agents has accelerated in the People's Republic, partly thanks to DeepSeek's low-cost and freely available models. The number of daily active users on Tencent's AI assistant, Yuanbao, for example,

increased more than 20-fold between February and March, the company disclosed.

The problem is, it's not clear how these heavy investments will pay off over time. Tencent executives stressed that AI can help boost margins at its existing businesses. Yet they also said that AI is still in its early days, so it's "really hard to talk about what the eventual state would look like".

A more immediate threat to profitability is an intensifying price war that is playing out amid China's burgeoning AI offerings and models. Last year, Alibaba, for example, announced price cuts of up to 97 percent on a range of its Tongyi Qwen large language models. And DeepSeek in February said it would offer developers an up to 75 percent

discount during off-peak hours. Investors should brace for a long race to the bottom.

Tencent on March 19 said it will increase spending on artificial intelligence. Martin Lau, the company's president, said capital expenditure for 2025 would rise to the "low teens" as a percentage of revenue.

The company on the same day reported revenue of 172 billion yuan (\$23.8 billion) in the three months to the end of December, an increase of 11 percent from the same period in the previous year. Domestic gaming revenue rose 24 percent to 33.2 billion yuan in the quarter.

Tencent's Hong Kong shares were down 2.7 percent to HK\$525.50 during mid-morning trading on March 20.



PHOTO: AFP/FILE

A man walks past the Tencent headquarters in Shenzhen, in China's southern Guangdong province. Tencent more than tripled its capital expenditure to \$10.7 billion, or 12 percent of its top line, last year and says it plans to spend a similar "low teens" percentage of revenue this year.

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার  
সিভিল সার্জনের কার্যালয়, সিলেট।  
E-Mail: [sylhet@cs.dghs.gov.bd](mailto:sylhet@cs.dghs.gov.bd)

স্মারক নং- সিএসএস/ডিআরএস/এমএসআর/২০২৫/৭৮৬ তারিখঃ ১৬/০৩/২০২৫ইং

## e-Tender Notice

(Open Tendering Method)

This is an online Tender, where only e-Tenders will be accepted in e-GP Portal and no offline/ Hard copies will be accepted. To submit e-tender, please register on e-GP system portal (<https://www.eprocure.gov.bd>), For more details, please contact support desk contract numbers.

e-Tender are invited in e-GP system portal (<http://www.eprocure.gov.bd>) by Dr. Md.Nasir Uddin, Sylhet Civil Surgeon Office, Sylhet, for the Procurement of;

Tender Id	Name of Goods	Tender/ Proposal Publication Date & Time	Tender/ Proposal Last Selling Date & Time	Tender/ Proposal Closing/Opening Date & Time
1079731	Procurement of Medicine for the F.Y 2024-2025 at Sylhet Civil Surgeon Office, Sylhet	20-MAR-2025 12:00	06-APR-2025 16:00	07-APR-2025 12:00
1079732	Procurement of Surgical Instrument for the F.Y 2024-2025 at Sylhet Civil Surgeon Office, Sylhet.	20-MAR-2025 12:00	06-APR-2025 16:00	07-APR-2025 12:00
1079733	Procurement of Gauze, Bandage & Cotton for the F.Y 2024-2025 at Sylhet Civil Surgeon Office, Sylhet.	20-MAR-2025 12:00	06-APR-2025 16:00	07-APR-2025 12:00
1079734	Procurement of Medical Furniture for the F.Y 2024-2025 at Sylhet Civil Surgeon Office, Sylhet.	20-MAR-2025 12:00	06-APR-2025 16:00	07-APR-2025 12:00
1079735	Procurement of Linen for the F.Y 2024-2025 at Sylhet Civil Surgeon Office, Sylhet.	20-MAR-2025 12:00	06-APR-2025 16:00	07-APR-2025 12:00
1079736	Procurement of Chemical Reagent for the F.Y 2024-2025 at Sylhet Civil Surgeon Office, Sylhet.	20-MAR-2025 12:00	06-APR-2025 16:00	07-APR-2025 12:00

e-Tender details can be downloaded on e-GP system portal (<https://www.eprocure.gov.bd>) for pursuer. e-Tender will be accepted only as stated in above list; accepted tenders will be opened online immediate as stated in above list.

16.05.25  
(Dr. Md.Nasir Uddin)  
Civil Surgeon, Sylhet.

GD-745

# Banks asked to assess CIB reports before disbursing agri loans

STAR BUSINESS REPORT

The Bangladesh Bank (BB) has instructed banks to check borrowers' Credit Information Bureau (CIB) reports before disbursing new loans or granting rescheduling facilities in the agriculture sector.

However, MFI (micro finance institution) linkage loans will be exempt from this requirement, BB said in a notice issued yesterday. Banks generally review CIB reports for large borrowers and those

from other sectors.

The central bank said loans disbursed without verifying CIB reports could allow borrowers to obtain multiple crop loans—up to Tk 2.50 lakh—from different banks without the lenders' knowledge.

This increases the risk of default, said BB.

The central bank also noted that obtaining CIB reports has become easier, as banks can now quickly access them through the Bangladesh Bank's CIB server.



Noni Gopal Mistri harvests bitter gourds at his farm in Shimuleswar village of Jhalakathi. The photo was taken earlier this month.

PHOTO: TITU DAS

# Three Summit Power plants to shut on April 1

STAR BUSINESS REPORT

Three power plants owned by Summit Power Ltd (SPL), the country's largest private power producer, will cease operations from April 1 as the Bangladesh Rural Electrification Board (BREB) decided against renewing power purchase agreements (PPAs).

The plants, located in Rupganj, Maona, and Ullapara, have a combined capacity of 77MW and have been supplying electricity to the BREB since 2009 under 15-year agreements. The contracts expired between March and June last year.

In its annual report for 2023-24, Summit said that it had requested the BREB to extend the PPAs for all three plants. Following negotiations and a letter of consent from the BREB, the company resumed power supply last year, pending tariff negotiations and PPA renewal approval.

However, in a letter dated March 11 this year, the BREB confirmed that the contracts would not be renewed and the three power plants would shut down from April 1, Summit said in a disclosure on the Dhaka Stock Exchange (DSE)

yesterday.

Shares of Summit Power fell 5.10 percent to close at Tk 14.90 on the DSE yesterday.

The private power producer reported a 37.4 percent drop in earnings per share, which fell to Tk 1.07 during July-December 2024 from Tk 1.71 in the same period of the year prior. However, its net operating cash flow increased.

The company's total comprehensive income declined year on year to Tk 201 crore in the first half of the 2024-25 financial year from Tk 309.25 crore, according to its unaudited financial statement.

Summit attributed the profit decline to the non-renewal of PPAs.

Summit Power owns and operates 15 power plants across the country, with a total installed capacity of 976 MW.

Additionally, three other power plants, despite contract renewals, have been operating on a "no electricity, no payment" basis without capacity payments, it said.

"Income tax expenses were higher in the current period as more plants came under the tax bracket after the expiry of initial PPAs," Summit Power stated.

# Promote products in Asean nations

## Bloc's Dhaka Committee official says

STAR BUSINESS DESK

Bangladesh must diversify its product portfolio and enhance the promotion of its products within the Association of Southeast Asian Nations (Asean), stated Nguyen Manh Cuong, chairman of the Asean Dhaka Committee.

He made these remarks during a meeting with Mahbubur Rahman, the president of the International Chamber of Commerce (ICC) Bangladesh, at the chamber's office in the capital's Gulshan recently, according to a press release.

Manh Cuong, also the Vietnamese ambassador to Bangladesh, emphasised that Asean countries view Bangladesh as a nation with vast opportunities to expand its exports to the bloc.

He was accompanied by Nina P Cainglet, the Philippine ambassador to Bangladesh, Haji Haris Bin Haji Othman, high commissioner of Brunei Darussalam to Bangladesh, U Kyaw Soe Moe, the ambassador of Myanmar to Bangladesh, and Panom Thongprayoon, the minister counsellor of the Royal Thai Embassy to Bangladesh.

The president of ICC Bangladesh pointed out the significant trade gap between Bangladesh and Asean nations, highlighting limited exports from Bangladesh to the region, and urged the diplomats to increase imports from Bangladesh in order to narrow the trade gap.

Additionally, he requested them to actively support Bangladesh's inclusion in Asean and in the establishment of Free Trade Agreements (FTAs) with these countries.

The ICC Bangladesh president also underscored Bangladesh's economic growth, investment-friendly policies, and opportunities in key industries such as textiles, pharmaceuticals, ICT, and the energy sector.

# Make it easy for companies

FROM PAGE B1

Moreover, entrepreneurs can easily get bank loans for their long-term needs, for which they do not need to get listed, said Chowdhury.

In many countries, the process to avail bank loans is complex, for which firms meet their financing needs through the stock market, she said.

The stock market lacks companies with good track records. Domestic and foreign companies must find it lucrative to enter the stock market or invest in it, she said.

Many investors fear getting harassed at annual general meetings, where their families are sometimes present, said Chowdhury.

"It is a deterrent factor for listing... So, the regulator should work on it," she said.

To attract relatively low paid-up capital-based companies, the BAPLC has already urged reviewing the listing requirements, she said.

Chowdhury said the BAPLC was ready to provide support to ensure the presence of companies with good track records in the market.

In response to a question, she stated that now was not the right time to increase port charges and other supplementary duties.

If these duties are raised at this moment, businesses will not be able to cope with the resulting inflationary pressure, she said.

She said the business sector had to cope with a huge foreign exchange loss in a span of two years, as the local currency was devalued by around 40 percent, directly hitting their profits.

Coming about after the pandemic, the Russia-Ukraine war and exchange loss were big shocks for the business sector, said Chowdhury.

"I realise that the government also needs money, but it is not the right time to raise costs for businesses," she said.

To attract investment, she emphasised the need for bringing improvements to financial policies, including tax regulations and infrastructure.

Compared to peer countries, Bangladesh has higher lead times, she noted. "The supply chains must be world class to attract investors,"

she said.

Chowdhury strongly emphasised the need to eliminate corruption.

She called for cancelling licences of audit firms found involved in financial irregularities and stressed on the importance of setting precedents.

The regulatory bodies must ensure accountability so that wrongdoers face consequences, she said.

She explained that people were motivated by two factors— incentives and punishment. If regulatory bodies fail to take action against any misconduct, it only encourages further wrongdoings, she said.

Most people genuinely want to be good and honest, but a few bad actors define the broader population, said Chowdhury.

She stressed on the need for collective action, stating that now was the time for everyone to rise and bring about a positive change to the nation.

The event was presided over by CMJF President Golam Samdani Bhuiyan and moderated by General Secretary Abu Ali.

# Payra Port

FROM PAGE B1

"Theoretically, this project was flawed from the start. But now, since a significant portion of it has already been completed, there is no easy way out."

The planning adviser further said that the Payra Thermal Power Plant project cannot be shut down. "It has already incurred massive expenses. Such a large power plant cannot simply be abandoned."

Initially planned as a deep-sea port, the Awami League government, ousted by a mass uprising in August last year following 15 years in power, later decided to develop Payra as a regular seaport.

The government prepared a master plan for the port through the Netherlands-based consulting company Royal HaskoningDHV.

To facilitate incoming ships, the government carried out capital dredging of the Rabnabad channel at a cost of Tk 6,500 crore.

However, the channel lost much

of its navigability just six months later, according to a report by this newspaper in November last year.

The port handled 1,014 ships, including 123 foreign ships, in fiscal year 2023-24. Cargo handling, mostly coal for power plants, rose by 33 percent year-on-year to 50.74 lakh tonnes in FY24. The port began handling cargo in FY17, according to official data.

At yesterday's meeting, Wahiduddin also said that the interim government had made it mandatory for 100 percent of tenders to be processed digitally, up from the existing 60 percent.

Additionally, the government has eliminated the 10 percent bidding cap in the public procurement system, which previously disqualified any offer that was 10 percent above or below the quoted price in open tendering.

At the Enec meeting, a total of 15 projects worth Tk 21,139 crore were approved.

# Banks get remedies

FROM PAGE B1

Many other desperate depositors visit weak NBFIs daily, only to return empty-handed.

The Bangladesh Leasing and Finance Companies' Association (BLFCA), a forum of non-bank financial institutions, has met with the BB governor twice but has yet to receive any commitment regarding liquidity support for weak NBFIs.

Md Golam Sarwar Bhuiyan, managing director of Industrial and Infrastructure Development Finance Company Ltd and former chairman of the BLFCA, told The Daily Star that the central bank informed them it is currently prioritising banking sector reforms.

According to Bhuiyan, NBFIs sector reforms will begin once banking reforms are completed.

But Mohammad Rafique Islam, managing director of United Finance, believes reforms to both the sectors

can run simultaneously. He urged the central bank to extend its focus to ensure depositors recover their funds.

Akin to weak banks, Midas Finance Managing Director Mustafizur Rahman said most NBFIs require liquidity support from the central bank.

Meanwhile, central bank officials maintain that banking sector reforms are crucial for economic stability. However, they assure that a mega reform plan for the NBFIs sector is in the pipeline.

"Now is the time to initiate NBFIs sector reforms," Fahmida Khatun, executive director of the Centre for Policy Dialogue, told The Daily Star.

She highlighted severe governance issues in the sector, stressing the need for stricter rules and regulations to strengthen governance.

The economist also recommended that regulators conduct audits of NBFIs, similar to banks, to assess their actual financial health.

# Russia holds key rate at two-decade high

AFP, Moscow

Russia's central bank kept its key rate at a two-decade high of 21 percent on Friday and warned it could raise borrowing costs further as it battles rampant inflation.

Prices have been rising quickly across the Russian economy for months, pushed up by massive government spending on the Ukraine conflict and deep labour shortages.

Annual inflation shot above 10 percent last month for the first time in two years, with price increases forecast to average between seven to eight percent this year.

"Current inflationary pressures have eased but remain high," the central bank said in a statement announcing the decision to leave rates unchanged.

Achieving Russia's inflation target of four percent will require "a prolonged period of maintaining tight monetary conditions in the economy", it added.

In a press conference after the rate decision, central bank governor Elvira Nabiullina said that future rate hikes were possible.

"If the pro-inflationary risks that we are noticing materialise, we may need to raise the rate," she told reporters.

"Our current view is that monetary conditions are sufficiently tight, but if it is necessary, we are ready to raise the rate."

A recent thaw in ties with the United States under President Donald Trump has raised hopes in Russia that Western countries will lift sanctions imposed on Moscow over its three-year Ukraine offensive.

But Nabiullina pushed back at the suggestion, saying it was "premature to speculate".

# Political stability

FROM PAGE B1

He said the country's business environment was improving and that despite global uncertainties, the Bangladeshi economy remained resilient.

"While some investors may be waiting for the outcome of upcoming national elections, it is reassuring to see a growing sense of stability and optimism in the market," he said.

"My recent visit to Japan, along with high-level exchanges between our two countries, highlights the deepening economic relationship we share," he pointed out.

"However, to fully unlock this potential, we must continue working together to enhance business conditions, address investor concerns, and ensure long-term policy continuity," the ambassador emphasised.

He also said Japanese companies were eager to explore opportunities in Bangladesh, particularly in manufacturing, infrastructure, and human capital development.

"To attract more investment, it is crucial to streamline regulatory processes, improve logistics, and create a more predictable business environment," he said.

"These efforts will not only benefit Japanese investors but also contribute to Bangladesh's long-term economic growth," Shinichi added.

He said stability, continuity, and cooperation would be essential in shaping a future where Japanese and Bangladeshi businesses thrive together.

"I... remain confident that, through collaboration, we can further strengthen our economic partnership," he said.

"Japan remains committed to supporting Bangladesh's development journey, and I believe our cooperation will only grow stronger in the years ahead," Shinichi said.

"The Jetro 2024 survey highlights

Bangladesh's strong business momentum despite political changes, reflecting its resilience and investment potential," said Tareq Rafi Bhuiyan, president of the Japan-Bangladesh Chamber of Commerce and Industry.

He said Japanese companies were increasingly exploring both export and domestic market opportunities, showcasing confidence in Bangladesh's economic landscape.

However, for sustainable growth, key factors must be addressed—ensuring political stability, maintaining policy consistency, and developing backward linkage industries to enhance local procurement, he added.

"BIDA's proactive approach and the Japanese ambassador's continuous support are crucial in this regard. Strengthening these areas will further solidify Bangladesh's position as a key investment destination for Japanese businesses," he said.

Yuji Wagata, vice president of the Japanese Commerce and Industry Association in Dhaka, said they were committed to creating a stable and conducive environment for business growth through collaboration and effective regulation.

"By working together, we can enhance Bangladesh's business climate and contribute to its economic development," he said.

Yuji Ando, country representative of Jetro in Dhaka, highlighted that business momentum in Bangladesh remains strong despite political changes.

He said Japanese companies were increasingly exploring both export-oriented and domestic market opportunities in the country.

He emphasised that political stability, policy consistency, increasing local procurement to reduce costs, and the development of backward linkage industries were crucial for business expansion.

Ando stressed that the success of Japanese companies in Bangladesh

directly contributes to the country's foreign direct investment promotion, underscoring the importance of continuous efforts and dialogue in business development.

# Investment

FROM PAGE B1

More than 550 investors from 50 countries have registered to attend, alongside 2,500 local investors.

Chief Adviser Prof Muhammad Yunus is expected to inaugurate the summit on April 9, alongside top executives from multinational corporations.

Speaking at a press conference at the Foreign Service Academy in Dhaka, Ashik Chowdhury, executive chairman of the Bangladesh Investment Development Authority, emphasised the government's commitment to investment-friendly policies and economic stability.

He assured investors that Bangladesh would not make false promises but would instead present an accurate and realistic picture of investment potential.

While acknowledging challenges, Chowdhury highlighted Bangladesh's strong economic growth, expanding industrial capabilities, and reform measures aimed at improving the ease of doing business.

Despite the current slowdown in FDI, Bangladesh remains a promising investment destination, offering a growing domestic market, competitive labour costs, and strategic geographic positioning, he said.

However, he acknowledged that sustaining long-term investor interest will require policy consistency, infrastructure improvements, and regulatory streamlining.

The Investment Summit 2025 is expected to serve as a catalyst for renewed investor interest, allowing global businesses to explore Bangladesh's opportunities while giving policymakers a platform to address investor concerns, he added.



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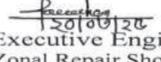
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e-Tenders are invited through the National e-GP system portal ([www.eprocure.gov.bd](http://www.eprocure.gov.bd)) by Executive Engineer, Zonal Repair Shop, WZPDCL, Barishal for the execution of following works which is available at the National e-GP system portal Website ([www.eprocure.gov.bd](http://www.eprocure.gov.bd)) from 08/04/2025; Time: 9am to 29/05/2025; Time: 5pm.

SL.No.	Tender ID	Invitation Reference	Name of Works
01.	1090437	Zrs-Wr-1-lot-a	Construction of Tin shed ZRS building in front of SE Office, Barishal at Rupatoli Power House campus.

This is online Tender, where only e-Tenders will be accepted in the National e-GP System portal and no offline/hardcopy will be accepted. To submit e-Tenders, registration required in the National e-GP System portal ([www.eprocure.gov.bd](http://www.eprocure.gov.bd)). The fees for downloading the e-Tender documents from the National e-GP System portal have to be deposited online through any registered bank.

Further information and guidelines are available in the National e-GP System portal and e-GP help desk ([www.eprocure.gov.bd](http://www.eprocure.gov.bd)).

  
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## Gold dips on stronger dollar

REUTERS

Gold fell 1 percent on Friday due to a stronger dollar and profit-taking, although lingering geopolitical and economic uncertainties, and US Federal Reserve rate cut prospects kept bullion on track for a third consecutive weekly rise.

Spot gold was down 1 percent at \$3,015.43 an ounce at 01:43 p.m. ET (1743 GMT). US gold futures settled 0.7 percent lower at \$3,021.40. Bullion has gained 1 percent so far this week.

Gold, traditionally viewed as a safe-haven investment during times of geopolitical and economic uncertainty, and typically thriving in a low-interest-rate environment, has hit 16 record highs this year, reaching an all-time peak of \$3,057.21 per ounce on Thursday.

"The market is taking a bit of a breather. There's some profit-taking at these levels and also the dollar is stronger today," said Marex analyst Edward Meir.

The US dollar rose 0.3 percent, hitting a two-week high and making greenback-priced bullion more expensive for overseas buyers.



PHOTO: AHMED HUMAYUN KABIR TOPU

Many small and marginal weavers face challenges in running their looms due to excessive production costs.

# Weavers in a bind as costs soar, Eid sales slump

AHMED HUMAYUN KABIR TOPU

With Eid-ul-Fitr just a week away, weavers in Pabna and Sirajganj, the country's major handloom cloth-producing regions, are frustrated by soaring production costs and poor sales.

Weavers say sales for Zakat clothes and supply to India have faltered this year, while yarn prices have increased by 50 percent. In response, cloth prices have risen by only 10 percent, leaving them with minimal profits.

According to the Handloom and Power Loom Owners Association, only 250,000 of the 450,000 looms in Pabna and Sirajganj are operational this year.

Though these looms manufacture mainly sari, lungi and gamcha year-round, Eid sales are the lifeblood of the business.

"Due to excessive production costs, small and marginal weavers in Pabna and Sirajganj are unable to run their factories," said Md Hydar Ali, director of the Bangladesh Specialised Textile Mills and Powerloom Industries Association.

For example, Md Uzzal Bishwas, a weaver from Kulunia village, closed his factory several months ago and is now working as a labourer to make his ends meet.

"I had five looms, but the factory closed last year. Ahead of the Eid festival, my brothers and I have been working in my factory as labourers, while another company invested yarn and colours for cloth manufacturing."

He said it was better to work as a labourer than remain jobless. "We are earning Tk 250 to Tk 300 producing 8 to 10 lungis a day, which helps with family expenses."

Like them, most small and marginal weavers are facing similar difficulties

with rising yarn prices and shrinking profits.

"Each bundle of yarn previously was sold for Tk 26,000 to Tk 28,000. Now, we bought each bundle for Tk 30,000 for making Eid clothes last month," said Md Abdus Sattar, a power loom factory owner from Dogasi Kulunia village in Pabna Sadar upazila.

He added that while yarn prices had risen sharply, cloth prices had not kept pace.

"Last year, we sold each lungi for Tk 300 to Tk 320, making a profit of Tk 30 to 40 per piece. This year, each lungi sells for Tk 340 to Tk 350, with a profit of only Tk 10 to 15 per piece."

**According to the Handloom and Power Loom Owners Association, only 250,000 of the 450,000 looms in Pabna and Sirajganj are operational this year**

"This is not enough to survive," said Sattar, adding that five of his 10 power looms remained closed due to poor profits.

Handloom and power loom factories in Pabna and Sirajganj use 80-count yarn, which local spinning mills do not produce due to high manufacturing costs. This yarn is mostly imported from India and China.

Md Shakil Ahmed, a spinning trader of Dhaka, said the price of 80-count yarn has increased as Indian yarn is hardly coming since last year. This is being attributed to increased yarn prices this year.

Powerloom Industries Association Director Hydar Ali said that although small and marginal weavers' associations across the country are eligible for duty-free yarn

support from the government, they have received little support over the years.

Weavers also said that the availability of cheap Indian yarn, which helped last year, has decreased, forcing them to buy yarn at inflated prices.

**SALES NOSEDIVE**

Traders claimed handloom cloth sales are significantly lower than last year's festival sales.

"Last year, I used to sell around 400 to 500 thaans (each thaans means four lungis) on each market day, with at least 1,500 to 1,600 thaans sold weekly ahead of Eid-ul-Fitr. But this year, I am selling only 250 to 300 thaans lungis on each market day," Md Golam Hossain, a wholesale trader of handloom cloth at Shahzadpur market, told The Daily Star.

"This is very poor sales in the festival market," Hossain added.

He added that fewer buyers from different districts and abroad are coming to Shahzadpur wholesale market, the country's largest handloom cloth wholesale market, contributing to the decreased sales.

Bodiuazzaman, a leading trader at Shahzadpur wholesale market, told The Daily Star, "Handloom cloth worth Tk 150 crore to Tk 200 crore used to sell from Shahzadpur wholesale market ahead of Eid last year, but this year we are barely getting Tk 100 crore in sales."

"Many people used to buy sari and lungi for Zakat during Eid-ul-Fitr every year, but this year there are hardly any Zakat sales, as wealthy individuals are trying to remain inconspicuous," said Bodiuazzaman.

"Besides, supplying cloths to India from Shahzadpur haat has stopped this year, which has decreased cloth sales," he added.

## Minimise tax evasion and combat graft

AF NESARUDDIN

There is no denying the fact that Bangladesh's economy has grown at a steady and relatively fast pace since the early 1990s. However, we should not be complacent about this growth, as there was potential for even greater progress given the rise in per capita income and the significant expansion of businesses and industries. The low tax-to-GDP ratio and heavy reliance on indirect taxes remain major concerns for policymakers and the nation as a whole. In a country with around 180 million people, only 10 million hold Taxpayer Identification Numbers (TINs), and of them, only 4 million file tax returns. Clearly, there is considerable room to increase tax collections from both individuals and corporations. The absence of a transparent assessment system, credible and reliable financial (profit) reporting, and effective measures to minimise tax evasion and combat corruption have hindered the acceleration of direct tax collection.

Tax evasion is not unique to Bangladesh; it exists in many countries, including developed ones. The key concern is the extent of evasion – whether it remains within a tolerable level or exceeds acceptable limits. In most cases, corruption occurs through collusion between taxpayers, tax officials, and tax consultants. A lack of transparency and accountability, exacerbated by unreliable financial reporting, further contributes to this problem. A comprehensive tax reform is long overdue to address these issues effectively.

The current interim government has introduced reform agendas in several key areas of the country and the economy. However, no significant fiscal reform initiatives have been undertaken. According to media reports, a committee comprising former chairpersons and members of the National Board of Revenue (NBR) has submitted a report proposing the bifurcation of the Revenue Policy Board and the Revenue Management Board. This division is expected to make revenue administration more effective and efficient.

It is worth recalling that the Large Taxpayer Unit (LTU) was established around 20 years ago under the Reforms in Revenue Administration (RIRA) project, with four separate wings: the Audit Wing, the Revenue Accounting Wing, the Collection and Enforcement Wing, and the Service Wing. Initially, these functional divisions operated effectively for a few years. Unfortunately, this system was discontinued, and the LTU reverted to traditional assessment methods. Currently, for all practical purposes, the LTU functions like any other tax zone. Given this history, a case study should be conducted to analyse why the LTU failed to sustain its original structure and operations. The findings from such a study could provide valuable insights for the successful implementation of the government's plan to establish two separate boards for revenue administration based on distinct responsibilities.

Apart from this bifurcation, broader fiscal reforms, including digitalisation, are urgently needed to enhance revenue collection, ensure transparency in the assessment process, combat corruption, and curb tax evasion. This reform agenda can and should be initiated now. However, until such reforms are finalised and implemented, a few short-term measures can help sustain revenue collection growth. These include introducing independent certification – if not a full-fledged tax audit – of sales, major unusual transactions, compliance with withholding tax and VAT regulations, inter-company transactions, and the siphoning of funds by business entities. Downsizing the national budget should not be considered a solution when these straightforward measures can be implemented effectively.

It is undeniable that increasing revenue collection could create opportunities for further reductions and rationalisation of corporate tax rates. Ultimately, achieving the desired level of revenue collection is essential for Bangladesh to transition out of its Least Developed Country (LDC) status.

The author is a senior partner of Hoda Vasi Chowdhury & Co and a former president of ICAB



"Ongoing safe-haven demand, both based on trade concerns and geopolitical risks, continues to be the primary driving force," said Peter Grant, vice president and senior metals strategist at Zaner Metals.

US President Donald Trump still intends for new reciprocal tariff rates to take effect on April 2.

The Fed held its benchmark interest rate steady on Wednesday as widely expected, but indicated two quarter-percentage-point cuts before the end of the year.

Traders are pricing in 71 basis points of easing this year from the Fed with at least two rate reductions of 25 bps each, with a cut in July fully priced in, LSEG data showed.

Israel announced an escalation in air, land and sea strikes against Hamas in Gaza to pressure the release of remaining hostages, effectively abandoning a two-month ceasefire and launching an all-out air and ground campaign against the dominant Palestinian militant group.

# 'Antipathy' to US: Tourists turning away from Trump's America

AFP, New York

In just a few weeks, the US tourism outlook has clouded as a result of some of President Donald Trump's policy decisions, which have angered some foreign visitors and prompted fear of a surge in prices and a stronger dollar.

Foreign traveler arrivals in the United States are expected to decline by 5.1 percent in 2025 compared to last year, against a previously projected increase of 8.8 percent, Tourism Economics said in a report published late last month.

Their spending is expected to slide 10.9 percent.

Since the report's publication, "the situation has deteriorated further," and the outcome will likely be even worse, Tourism Economics president Adam Sacks said, citing "the effects of antipathy towards the US."

In recent weeks, the Trump administration has slapped tariffs on Canada, Mexico, and China – and threatened to impose them on the European Union. A sweeping plan to curb immigration has intensified.

Government bodies like the US Agency for International Development have been decimated, thousands of civil servants from lawyers to park rangers have been laid off, and Trump has drawn up controversial plans for the wars in Ukraine and Gaza.

"A situation with polarizing Trump

Administration policies and rhetoric... will discourage travel to the US," said Tourism Economics, a subsidiary of Oxford Economics.

"Some organizations will feel pressure to avoid hosting events in the US, or sending employees to the US, cutting into business travel," it added.

The World Tourism Forum Institute said a mix of stringent immigration policies, a strong dollar and global political tensions "could significantly affect" international arrivals, "potentially reshaping the nation's tourism sector for years to come."

Among residents of 16 European and Asian countries surveyed by YouGov in December, 35 percent of respondents said they were less likely to come to the United States under Trump, while 22 percent were more likely.

For tourists from France, Uzbekistan, and Argentina interviewed by AFP in New York's Times Square, Trump's stance has not upended their plans.

Mariela Lopez and Ailen Hadjiovakis, both 33, nevertheless used their European passports rather than their Argentine ones to avoid any problems at the border.

"We were a bit scared about the situation, but we didn't change our plans," said Lopez.

The Lagardere family, who came from France, said it hadn't impacted their plans either.

The Americans "elected this president. It's

democracy. If they're not happy, they'll change it in four years," said Laurent Lagardere, 54.

"He is who he is" and avoiding the United States "won't change anything," Lagardere added.

Some 77.7 million foreign tourists were

expected in 2024, up 17 percent year-on-year, according to the National Travel and Tourism Office, which does not yet have final figures for last year.

Tourists from Western Europe – who made up 37 percent of visitors in 2024 – are



Buildings on the Chicago River are reflected on the facade of the Trump International Hotel & Tower, as a Shoreline Sightseeing tourist boat sails by in Illinois.

PHOTO: AFP/FILE

the most likely to choose other destinations, along with Canadians and Mexicans.

The US Travel Association warned in early February that customs tariffs would deter Canadians, the largest contingent of foreign tourists in the United States with 20.4 million in 2024.

According to Statistics Canada, the number of Canadians returning from the United States fell 23 percent in February year-on-year, the second consecutive monthly decline.

In New York, which welcomed 12.9 million foreign travelers in 2024, the effect is already noticeable, with Canadians canceling tour bookings and a drop in online searches for hotels or Broadway shows, NYC Tourism president Julie Coker told AFP.

She lowered her forecast for the year in February but said that so far, only Canadians are saying no to Trump's America.

"We're not currently seeing anything from the UK or Europe," because it's too early, she said. "We are definitely watching that very closely."

But British and German authorities have just warned their nationals to be extra vigilant with their travel documents, citing the risk of arrest.

United Airlines has noted a "big drop" in travel from Canada to the United States as well as a decline in demand for domestic travel, as have several competitors.