Star BUSINESS

Bangladeshis own dozens of Dubai properties

NBR investigation finds

MD ASADUZ ZAMAN

The National Board of Revenue (NBR) has identified dozens of properties in Dubai owned by Bangladeshis, a senior official familiar with the matter has told The Daily Star.

The discovery comes two months after the tax administration sent two teams of tax intelligence officers to the United Arab Emirates to assess tax compliance and track overseas assets held by Bangladeshi citizens.

"During on-site visits, we found several dozen properties owned by Bangladeshis in Dubai," the NBR official said.

A 2021 estimate by the EU Tax Observatory revealed that Bangladeshis own $260 million (Tk 3,114 crore) worth of offshore real estate in Dubai, making it their second-most popular destination for second homes after Singapore.

In a separate investigation, The Daily Star found 929 properties registered in the names of 461 Bangladeshis in Dubai. Of these properties, 259 are registered under the names of politicians, business magnates, and bankers.

All 461 names and the number of properties listed under them are based on 2020 and 2022 data compiled by The Center for Advanced Defense Studies, a Washington-based non-profit.

The NBR official said they are also looking into other such hubs, including London.

"This is a large-scale investigation and it's not limited to Dubai. We are also working on cases in the UK, the US, Singapore and other locations."

One subject of the ongoing scrutiny is Mohammed Mahtabur Rahman Nasir, owner of Bangladesh's Al Haramain Perfumes chain, who stands alleged of tax evasion and illegal money transfers (hundi) disguised as perfume sales and import-export activities.

READ MORE ON B3

Imports from India rise as exporters battle against lead time

REFAYET ULLAH MIRDHA

Bangladesh's reliance on Indian imports has been increasing as local manufacturers and industries are struggling to reduce the time needed to bring in goods from other destinations as they battle to meet shrinking lead times.

If local manufacturers import raw materials from China, Latin America or Africa, they lose their competitive edge in the global supply chain, especially as international retailers and brands have lately shortened lead times.

The import of Indian goods, especially cotton, fabrics and yarn, has been increasing since July last year, when political and labour unrest disrupted export-import activities and led to a halt in production across many factories.

According to Bangladesh Bank data, imports from India increased by 2.09 percent to $2.36 billion in the October-December quarter of 2024, a year-on-year increase from the $2.04 billion recorded the year prior.

In FY24, the total import value of Indian goods to Bangladesh was $9 billion and in the FY23 the import value from India was $9.94 billion, central bank data showed.

In the first six months of the current fiscal year, the total import value from India remained on the same trajectory, hitting $4.41 billion. However, given the increasing flow of imports, it may exceed last year's number.

Cotton is among the major commodities imported from India. Bangladesh imports cotton worth more than $3 billion each year, with more than half coming from India. In FY23, imports of Indian cotton stood at $1.92 billion and climbed to $2.36 billion in FY24.

Other major commodities imported by Bangladesh from India include cotton yarn, fabrics, handloom products, and organic and inorganic chemicals.

Importers said increased trade through formal channels played a role in the rise, informing that trade through informal routes dropped significantly due to improved border vigilance by both countries.

Yet, the main reason for rising imports from India is the fact that it allows companies to preserve the most valuable commodity of all: time.

Competition in the global supply chain intensified in the aftermath of the Covid-19 pandemic, Russia-Ukraine war and high global inflation, leading international clothing retailers and brands to halve lead times from 90 days to 45 days.

But if local garment exporters import cotton from Africa, Latin America, Australia or the US, it takes at least 35 days to arrive at the Chattogram port before taking another 15 days or so to reach the mills.

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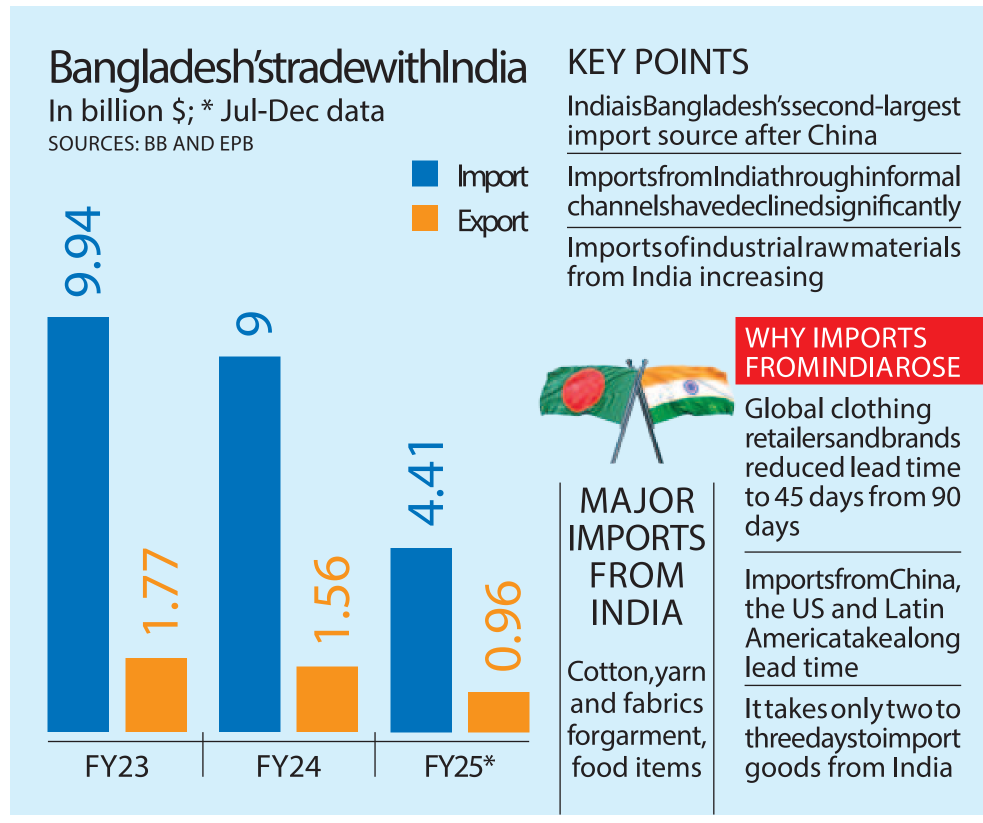

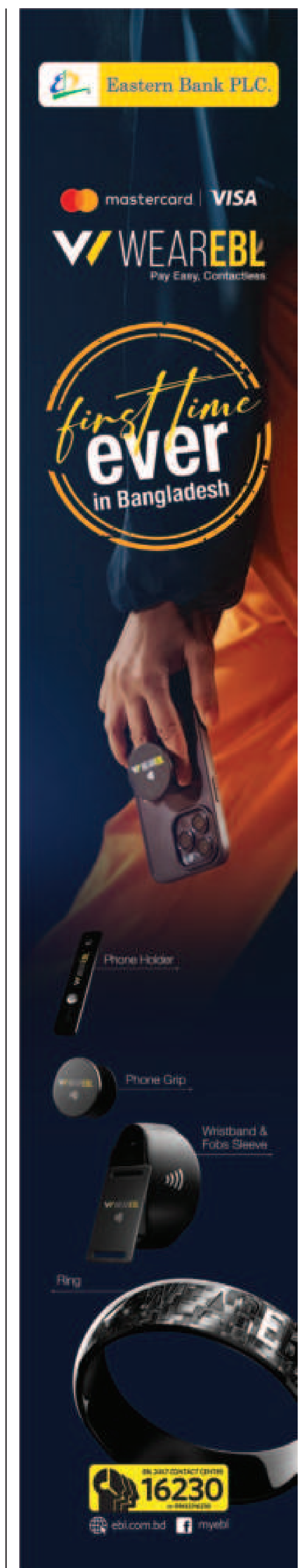

Rural demand fuels Eid electronics sales

JAGARAN CHAKMA

Rural people have emerged as key consumers of home appliances ahead of this year's Eid festival, as surging remittance inflows and good prices for agricultural produce, particularly rice, have boosted their purchasing power, according to electronics manufacturers and sellers.

Besides, rural consumers have more disposable income as their cost of living is lower than that of urbanites.

"Overall, we achieved double-digit growth in electronics sales ahead of Eid, thanks to the strong performance of the agriculture sector, which directly impacted demand for home appliances," said Kamruzzaman Kamal, marketing director of Pran-RFL Group.

Vision Electronics, a concern of Pran-RFL Group, witnessed strong sales growth in rural areas ahead of Eid-ul-Fitr, driven by increased purchasing power in the agricultural sector, he added.

The company performed well in selling a variety of products, including refrigerators, with demand particularly strong in villages and small towns.

He explained that when agricultural production is good, farmers have more disposable income, which they use to purchase essential household items like refrigerators, fans, and televisions.

This year, higher crop yields due to favourable weather and stable market prices have allowed many rural consumers to invest in durable goods.

Additionally, Vision's competitive pricing compared to multinational brands played a key role in boosting sales.

"Our home appliances are more affordable, making them accessible to middle- and lower-income families, especially in rural areas," Kamal said.

As rural prosperity grows, so does demand for electronic goods, indicating a strong link between the agricultural economy and consumer electronics sales.

PHOTO: ANISUR RAHMAN

Ritesh Ranjan, head of business at Transcom Digital, said sales of electronic home appliances have increased only marginally as most people currently lack disposable income due to economic pressures.

According to him, sales of small electronic items grew by a maximum of 5 percent compared to last Eid. Consumers are prioritising essential spending, and even air conditioner sales have yet to gain momentum as the heatwave has not arrived.

However, Ranjan pointed out that sales of high-end televisions, particularly those over 43 inches, have increased by around 20 percent.

This trend indicates that ongoing inflation has not significantly impacted the higher middle-income and affluent segments, who continue to spend on premium electronic products.

He further explained that during Eid-ul-Fitr, people typically focus their expenditures on clothing, gifts, and festive essentials rather than large electronic purchases.

As a result, demand for home appliances remains subdued, except for essential items.

Salim Ullah Salim, director (marketing) at Jamuna Electronics, said sales of electronic appliances picked up in the final days before Eid, with small appliances performing better than larger ones.

"The peak sales period is not entirely over yet, but in the last three days, we have observed a steady rise in sales after Ramadan day 20," he said.

Among the best-selling products were blenders, juicers, rice cookers, and electric kettles, reflecting strong consumer demand for smaller appliances.

"Compared to last year, sales of these items have increased slightly, which is a direct impact of the higher inflow of remittances," Salim added.

READ MORE ON B3

What is the secret behind high prices of clothes?

SUKANTA HALDER

As Eid shopping gained momentum over the past week in major cities, many shoppers were left scratching their heads over the prices of clothes.

With some outlets charging Tk 100,000 if not more for clothes, namely panjabis, the outfit of choice for the festive occasion, the issue also gained traction on social media.

Earlier this week, Bangla daily Prothom Alo reported that a fashion outlet in Dhaka was selling a panjabi for as much as Tk 4 lakh.

Such a scenario begs the question: Why are the prices so high and what exclusive features make them attractive to buyers?

Ask sellers and they will cite various reasons: premium-quality fabrics, intricate designs, handcrafted embroidery, and sophisticated dying processes.

For instance, Anzara, a premium fashion store in the capital's Banani, is selling panjabis for prices between Tk 4,500 and Tk 95,000. It also sells women's kaftan saris, ranging from Tk 14,800 to Tk 16,800.

Asked about the high prices, Anzara's Public Relations Manager Nowshin Nawar said the clothes are made with premium-quality fabric and feature intricate designs.

"Embroidery is handcrafted rather than machine-made, and most of the fabrics are imported," she said, adding businesspeople and high-income earners are among their buyers.

In the same area, another outlet, JK Foreign, is selling panjabis as well as three-piece dresses for women for as much as Tk 60,000. The store has saris priced between Tk 35,000 and Tk 150,000.

Salespersons from multiple stores said that during Eid, many customers prefer Indian and Pakistani outfits. To meet this demand, brands stock up on premium clothing imported from the neighbouring countries.

Interviews with officials from high-end brand outlets last Friday revealed that before the July uprising, which ended with the ouster of the Awami League government in August last year, wealthy businessmen and political leaders were the primary buyers of these extravagant outfits.

PHOTO: PALASH KHAN

However, after the political shift, 90 to 95 percent of these customers have disappeared, leading to a significant drop in luxury clothing sales.

Although the primary buyers remain businesspeople, politicians, and high-level executives, most customers currently prefer outfits priced between Tk 5,000 to Tk 20,000.

Soriful Islam, in charge of Alif-Libas Attaqwaa's Banani branch, said the high prices derived from premium fabrics and skilled artisans.

READ MORE ON B3

Trump auto tariffs strike at heart of North American trade

An aerial view of cars at a Ford factory in Cuautitlan Izcalli in Mexico. During the assembly of a car or truck, parts often cross the borders of the three countries -- US, Canada and Mexico -- multiple times before the vehicle is finished.

PHOTO: AFP/FILE

AFP, *Mexico City*

US President Donald Trump's tariffs on imported cars strike at the heart of a North American free trade agreement, threatening to disrupt supply chains and raise prices, experts say.

Thanks to the United States-Mexico-Canada Agreement that came into effect in 2020 -- and its predecessor NAFTA -- the region became an assembly line spanning the three countries.

"We've been making this supply chain more sophisticated for 30 years," said Juan Francisco Torres Landa, a partner at business consulting firm Hogan Lovells in Mexico.

"There is regional integration based on inputs, raw materials, and processes in all three countries," he told AFP.

Trump said the tariffs were in response to America's trade partners "taking our jobs, taking our wealth," but the duties promise to be a headache due to the deep integration of production chains.

Here are some of the expected impacts of the tariffs, according to experts.

Snarled supply chains

During the assembly of a car or truck, parts often cross the borders of the three countries multiple times before the vehicle is finished.

Extensive supply chains have been built involving hundreds of suppliers from different countries.

A car key alone can have more than 50 components from 22 different suppliers in Asia, North America and Europe.

The White House said vehicles assembled in Mexico and Canada could qualify for lower tariffs under the USMCA deal depending on how many of their components are made in the United States.

"Given the complexity of regional supply chains -- where parts often cross borders multiple times -- verifying compliance may require time-consuming adjustments, increasing operational costs," the political risk consultancy firm EMPRA told clients.

"US automakers with production in Mexico could face rising costs and logistical complications, which may lead some to reassess their manufacturing strategies," it added.

Growth constrained

Mexico's economy is considered one of the most vulnerable to Trump's planned tariffs due to its close trade relations with the United States.

The Latin American nation is home to many foreign-owned vehicle plants operated by companies including Ford, General Motors, BMW, Volkswagen and Toyota.

More than 80 percent of Mexican exports go to the United States, including around three million vehicles a year.

The auto tariff announcement comes at a difficult time for Mexico's economy, the second largest in Latin America.

Experts surveyed monthly by the Mexican central bank expect economic growth of only 0.81 percent in 2025, worse than the 1.0 percent they predicted in February.

> **Thanks to the United States-Mexico-Canada Agreement that came into effect in 2020 -- and its predecessor NAFTA -- the region became an assembly line spanning the three countries**

The trade tensions "generate uncertainty and affect private investment and production decisions in key export sectors," Geronimo Ugarte, chief economist at the financial firm Valmex, told AFP.

Trade deal in limbo

Mexico and Canada consider Trump's tariffs to be in violation of the USMCA.

Mexican President Claudia Sheinbaum said Thursday "there should be no tariffs" between Mexico, the United States and Canada as "that is the essence of the trade agreement."

Washington's announcements have left the agreement in limbo.

"We need to analyze whether... for Trump, the USMCA should be replaced, substituted or simply extinguished by starvation," Torres Landa said.

Although a review of the treaty is due by 2026, Jesus Carrillo, an expert at the Mexican Institute for Competitiveness, believes trade policy "is being negotiated directly and progressively between governments."

"We're moving from having a treaty to having deals," Carrillo said.

He believes that "the USMCA will remain in effect, but with Band-Aids."

More expensive cars

Analysts and US trading partners warn that the tariffs will raise prices for American consumers. Philippe Waechter, chief economist at Ostrum Asset Management in Paris, thinks the price of a car could increase by $3,000.

There is a risk that consumers will buy fewer new cars, according to the British-based consultancy firm Capital Economics.

Elon Musk says xAI startup buying X platform

AFP, *San Francisco*

Elon Musk on Friday said his artificial intelligence startup xAI is buying his social networking platform X in a deal valuing the company once known as Twitter at $33 billion.

"This combination will unlock immense potential by blending xAI's advanced AI capability and expertise with X's massive reach," Musk said in a post on his social network.

X has more than 600 million users, and its future is "intertwined" with that of xAI, launched two years ago, according to Musk.

"Today, we officially take the step to combine the data, models, compute, distribution and talent," Musk said of combining the two companies.

"This will allow us to build a platform that doesn't just reflect the world but actively accelerates human progress."

The companies are being combined in an all-stock deal that values xAI at $80 billion and X at $33 billion, factoring in the social network's $12 billion debt.

Musk bought Twitter for $44 billion in late 2022 in a transaction that included debt and launched xAI the following year, spending billions of dollars on high-end Nvidia chips for the venture.

xAI in February released the latest version of its chatbot, Grok 3, which the billionaire hopes will find traction in a highly competitive sector contested by the likes of ChatGPT and China's DeepSeek.

> **"This combination will unlock immense potential by blending xAI's advanced AI capability and expertise with X's massive reach," Musk said in a post on his social network**

Musk has promoted Grok 3 as "scary smart," with 10 times the computational resources of its predecessor that was released in August last year.

Grok 3 is also going up against OpenAI's chatbot, ChatGPT -- pitting Musk against collaborator-turned-arch rival Sam Altman.

Musk and Altman were among the 11-person team that founded OpenAI in 2015.

Created as a counterweight to Google's dominance in artificial intelligence, the project got initial funding from Musk.

Musk left three years later, and then in 2022 OpenAI's release of ChatGPT created a global technology sensation -- which made Altman a tech world star.

Their relationship has become increasingly toxic and litigious ever since.

X's billionaire owner, the world's richest person, is a major financial backer of US President Donald Trump and heads a Department of Government Efficiency that has been slashing the ranks of government employees.

Industry analysts at Emarketer this week forecast that ad revenue at X will grow this year as brands fear retaliation by politically connected Musk if they don't spend on the platform.

Green Delta Insurance declares 25% cash dividend

Shamsun Nahar Begum Chowdhury, chairperson of Green Delta Insurance, is seen attending the company's virtual annual general meeting along with other officials, recently.

PHOTO: GREEN DELTA INSURANCE PLC

STAR BUSINESS DESK

Green Delta Insurance PLC has announced a 25 percent cash dividend for its shareholders for the financial year that ended on December 31, 2024.

The decision was approved at the company's 39th annual general meeting (AGM), held virtually on March 27, according to a press release.

The AGM was presided over by Shamsun Nahar Begum Chowdhury, chairperson of Green Delta Insurance, and attended by sponsors, directors, and shareholders.

Expressing gratitude to shareholders for their continued support, the chairperson acknowledged the company's resilience amid economic challenges.

Farzanah Chowdhury, managing director and CEO, highlighted the company's achievements in maintaining its leadership position in the insurance sector.

She credited the Green Delta team for their commitment to service excellence despite economic uncertainties in 2024.

She also emphasised the company's focus on digitalised solutions, automated customer service, agricultural insurance, and microinsurance as key drivers for future growth.

Nasir A Choudhury, adviser and founding managing director, also addressed the shareholders, thanking them for their trust and continued support.

Shareholders present at the AGM commended the company's performance, corporate governance, and the transparency of its annual report, while appreciating the board's decision to declare an attractive dividend.

Kimiwa Saddat, deputy managing director of Meghna Bank PLC, and Mokhlesur Rahman Akhtar, chief financial officer of Akij Venture Group, pose for photographs at a deal signing ceremony at the bank's head office in the capital recently.

PHOTO: MEGHNA BANK PLC

Dollar's long

FROM PAGE B4

Stephen Miran, the incoming chair of the US Council of Economic Advisers, believes the dollar's global hegemony has resulted in the persistent overvaluation of the currency, with damaging effects on the country's trade competitiveness. In a paper published last November, Miran proposed that international demand for dollars could be dampened if the United States imposed a tax on interest payments paid to foreign official holders of US government debt. The Hungarian-American economist Zoltan Pozsar has gone even further, suggesting that dollar-denominated foreign exchange reserves should be swapped into zero-coupon 100-year bonds -- essentially a worthless asset.

Miran argues that countries that benefit from America's security umbrella should share more of the burden imposed by the currency standard. The trouble is that, except for Japan, American military allies don't hold large amounts of dollars in their foreign reserves.

Meghna Bank partners with Akij Fair Value for merchant pay service

STAR BUSINESS DESK

Meghna Bank PLC has signed a merchant pay service agreement with Akij Fair Value Ltd, a retail grocery chain of Akij Venture Group, to facilitate cashless transactions for customers.

Under the agreement, MeghnaPay users can now make payments by scanning QR codes at Akij Fair Value outlets. The signing ceremony was recently held at Meghna Bank's head office, according to a press release.

Senior officials from both organisations attended the event, including Kimiwa Saddat, deputy managing director of Meghna Bank, Mokhlesur Rahman Akhtar, chief financial officer of Akij Venture Group, and Sayed Joynul Abedin, director of operations at Akij Venture Group.

Speaking on the occasion, Kimiwa Saddat said, "Cashless transactions are becoming essential, and we aspire to be a key player in building a next-generation cashless society through initiatives like MeghnaPay."

Mokhlesur Rahman Akhtar added, "To enhance the grocery shopping experience, we are integrating various digital solutions. Meghna Bank's merchant pay service will play a crucial role in achieving our digital transformation goals."

Fed's inflation gauge shows some cause for concern

AFP, *Washington*

The US Federal Reserve's preferred inflation measure was largely unchanged last month, according to government data published Friday, but a widely scrutinized gauge of underlying price pressures rose.

The personal consumption expenditures (PCE) price index rose 2.5 percent in the 12 months to February, the Commerce Department said in a statement, unchanged from a month earlier. Inflation rose 0.3 percent on a monthly basis.

Both measures were in line with the median forecasts from economists surveyed by Dow Jones Newswires and The Wall Street Journal.

But of greater concern to Fed officials, an inflation measure stripping out volatile food and energy costs rose more than expected, by 0.4 percent month-on-month, and by 2.8 percent from a year ago.

The Fed is attempting to return inflation to its long-term target of two percent

The Fed is attempting to return inflation to its long-term target of two percent. Friday's data suggests policymakers still have some way to go as they also grapple with the effects of trade policy uncertainty.

"They're kind of in wait-and-see mode for awhile," Wolfe Research chief economist Stephanie Roth told AFP. "Our call is that they're going to cut rates because growth is weakening, but they actually need to see a rising unemployment rate first.

"So today probably doesn't really change the narrative that much for them," she added.

US President Donald Trump has embarked on a stop-start rollout of country- and sector-specific tariffs, drawing condemnation from allies and warnings from Fed officials that the measures will likely push up prices.

PHOTO: RAJIB RAIHAN

Lighter vessels unload imported fuel at Dolphin Jetty in Chattogram on availing it from mother vessels in the Bay of Bengal. The smaller boats containing the barrels are engaged in transporting fuel to nearby islands and ships at sea. The photo was taken recently.

Petroleum Corporation's fuel sales drop slightly

MD NAZRUL ISLAM, *Chattogram*

Fuel sales by Bangladesh Petroleum Corporation (BPC) have slightly decreased, apparently for the slowdown in the economy and slack demand for the transportation of goods on roads and waterways.

In the first eight months of the current fiscal year 2024-25, fuel sales by the BPC stood at 44.45 lakh tonnes.

Year-on-year data on BPC's sales specifically for these eight months is not available.

However, the BPC sold 67.61 lakh tonnes in the whole of fiscal year 2023-24. That means, its average monthly sales during that time stood at 5.63 lakh tonnes.

In contrast, the average monthly sale of the current fiscal year was lower at around 5.55 lakh tonnes.

The BPC officials said they initially projected a rise in oil sales to 74.2 lakh tonnes in the current fiscal year 2024-25. With only four months remaining, the BPC expects that 22 lakh tonnes of fuel might be needed.

Thus, it projects that the BPC's total fuel sales are likely to reach 66 lakh tonnes in the current fiscal year, ending in the coming June.

The BPC officials said sales of petroleum by the sole importer and marketer of petroleum in Bangladesh dropped primarily in July, when deadly political turmoil crippled transport movement, industrial activity, and business operations.

The sluggishness in business persisted over the following couple of months at a time when the economy was facing headwinds amid high inflation and slowing imports due to the US dollar crisis.

The BPC officials said sales of petroleum by the sole importer and marketer of petroleum in Bangladesh dropped primarily in July, when deadly political turmoil crippled transport movement, industrial activity, and business operations

This has caused a reduction in demand for the transportation of goods, leading to a fall in fuel consumption in maritime and road transport.

"The demand for fuel will be less than the initial projection we made at the beginning of the fiscal year. So, we have prepared the import plan in view of the demand," said BPC Chairman Md Amin Ul Ahsan.

The BPC's data show that diesel is the main fuel it sells, accounting for over 60 percent of its sales in FY24, followed by furnace oil used in power plants and aviation.

The state corporation imports both refined and crude petroleum.

In the past eight months, it imported 28.86 lakh tonnes of various types of refined fuel, of which 70 percent was diesel and 12 percent was furnace oil.

In addition, Bangladesh also produces fuel from domestic gas fields and private refineries.

Choudhury Zafar Ahmed, general secretary of the Inter-district Truck and Covered Van Owners' Association, said many factories suffered due to political turmoil in July and the subsequent changeover in early August.

"Many factory owners have faced lawsuits and attacks, forcing them to shut down their factories. As a result, goods transportation has decreased," he said.

Parvez Ahmed, vice president of Inland Vessel Owners Association Chattogram, told The Daily Star that import and export trade in the country had been disrupted due to the dollar crisis at the end of the previous government's term.

As a result, cargo transportation had slightly decreased at the beginning of the current fiscal year. However, everything was now back to normal, he said.

UK dreams of US trade deal before Trump tariffs

AFP, *London*

Britain's government is hoping to reach a last-minute post-Brexit trade agreement with Washington to avoid -- or at least mitigate -- more tariffs set to be announced on Wednesday by US President Donald Trump.

Britain has set out to strike a trade deal with the United States since departing the European Union at the start of the decade, but had been unsuccessful under the previous Conservative government.

Prime Minister Keir Starmer, leader of the Labour party that won power in July, visited Washington at the end of February and came away hopeful an accord could be reached.

Trump himself held out the prospect of a "great" deal that could avoid tariffs on Britain, hailing Starmer as a tough negotiator.

Talks have continued, with Business Secretary Jonathan Reynolds recently visiting Washington, while Starmer and Trump took up the baton in a phone call earlier this week.

It is thought that the UK government wants to agree some kind of trade deal ahead of April 2 -- termed "Liberation Day" by Trump, when he is set to unveil supposedly "reciprocal" tariffs, tailored to different trading partners.

It would follow Trump's announcement this week of imposing steep tariffs on imported vehicles and auto parts, vowing retaliation as trade tensions intensify and price hikes appear on the horizon.

Britain has set out to strike a trade deal with the US since departing the EU at the start of the decade, but had been unsuccessful under the previous government

"We're engaged in discussions with the United States about mitigating the impact of tariffs," Starmer said heading into the weekend.

Finance minister Rachel Reeves on Thursday said Britain would not seek to "escalate" trade wars, in contrast to strong comments by other major economic powers that hinted at retaliation in response to the auto-sector tariffs.

Downing Street has described a potential agreement as an "economic prosperity deal", indicating it will fall short of a free trade deal ultimately sought by London.

As it stands, the United States is the UK's single largest country trading partner.

"Some type of arrangement that might let the UK escape some tariffs is possible but it would not be a full-scale trade deal," Jonathan Portes, professor of economics at King's College London, told AFP.

"Brexit is a double edged sword -- it gives us more flexibility and we can negotiate with a view to our own interests.

"But equally, it means we have less weight than as part of the EU and moreover we cannot afford to agree to anything that complicates our trading relationship with the EU," Portes added.

UK media has reported that London may scrap a tax on tech giants to avert US tariffs under Trump and clear a pathway to a trade deal.

What is the secret

FROM PAGE B1

"The panjabi that costs Tk 85,000 takes about a month to make and is produced only upon advance order. Its accessories are imported from China," the official said.

Mohammad Abu Sayeed Saddam, manager at Abaya and Gown in Banani, said their products are either made in-house or imported from Dubai and China.

He said the high-priced items are made from muslin fabric. "Our primary customers are middle-class women," he said, adding that Eid sales have been strong so far.

Similarly, Md Hasnat Ali, manager of AZWA, a premium fashion and lifestyle brand for women, said prices mainly depend on fabric and design.

For exclusive sarees and lehengas, they take advance orders and can produce them at any price range. This Eid, products in the Tk 5,000 to Tk 10,000 range have been the bestsellers, he said.

Maria Hossain, a jobholder at a multinational company, was looking through the catalogue at a branded shop when this reporter approached her. Asked why she had chosen the particular outlet, she said, "Apart from matching my taste, the quality of the product here is much better. So, I don't mind buying it for a higher price."

Khalid Mahmood Khan, a director of Kay Kraft, a leading local clothing brand, said high prices are largely driven by perceived value.

"This is a psychological factor, and the actual production cost isn't the only consideration," he said.

"If a business can successfully sell an item at a high price, it means they have managed to convince customers of its creative and aesthetic value.

"In such cases, it's not about balancing production cost with selling price; rather, it's about whether the brand can make customers accept the value they are offering."

What do analysts say?

Fakir Muhammad Munawar Hossain, director of operations and laboratories at the Directorate of National Consumers' Right Protection, said that in a free-market economy, there is no legal framework for setting prices.

"The government regulates the prices of only a few essential commodities, which is an exception."

If a buyer feels cheated after purchasing a product, they can file a complaint, and action will be taken against the brand if necessary, he said.

Similarly, Wajid Hasan Shah, a member of the Bangladesh Competition Commission, said this is a niche market with limited competition, which is why prices can be exceptionally high.

Selim Raihan, a professor of economics at the University of Dhaka, said that when inequality is high in a society and wealth becomes concentrated among a certain class, they seek premium products to distinguish themselves from others.

This drives demand for such products.

"If these individuals cannot find these products in the local market, they will look for them abroad," he said.

He further said that there are significant questions about the high-priced products sold in Bangladesh.

"Are the prices truly justified? Sellers may not always have a clear answer," he said, "In the absence of proper regulatory oversight, some businesses take advantage of the situation."

Imports from India rise

FROM PAGE B1

So, it takes 45 days just to deliver cotton to the mills.

However, if cotton is imported from India, it takes only two to three days to get delivery, that too at cheaper prices.

Before the Covid-19 pandemic, Bangladesh had cut down on its imports of Indian cotton. The country, which used to source around 60 percent of its cotton from India, had reduced the level to below 30 percent as Indian cotton traders often stopped sending cotton to Bangladesh without any prior notice.

However, the scenario has somewhat reversed in recent times, with a resurgence in imports of Indian cotton, yarn and fabrics.

Showkat Aziz Russell, president of the Bangladesh Textile Mills Association (BTMA), whose members are the biggest importers of Indian raw materials, said local millers and manufacturers were left with little choice but to turn to Indian goods again.

"You can say we are kind of bound to rely more on Indian goods because of the changing nature of global business trends," Russell told The Daily Star over the phone.

This is because shorter lead times are the main factor in business, he said, adding that Indian cotton can be imported in two to three days.

Moreover, Indian yarn, cotton, chemicals and other industrial raw materials are cheaper, he said.

Md Abdul Wahed, joint secretary general of the India-Bangladesh Chamber of Commerce and Industry, said trade with India currently takes place through 24 land ports and three rail ports alongside airports and seaports.

So, as all the ports are operational and border security has been tightened, trade through informal channels is almost impossible now, he added.

Monsoor Ahmed, a former chief executive officer of the BTMA, said many local businessmen had no choice but to source raw materials from India as banks in other countries were reluctant to accept letters of credit (LCs) because of the US dollar shortage in Bangladeshi banks.

Mohammad Abdur Razzaque, chairman of the Research and Policy Integration for Development, said the Indian economy is complimentary to Bangladesh's industries as India is the second-largest source of industrial raw materials in the world after China.

It is also true that geographical proximity, familiarity with the language and a similar culture also contribute to higher import dependence on Indian goods, Razzaque added.

The most-imported items were cotton, manmade fibre, fabrics, cotton and non-cotton yarn, textile chemicals and others, according to data from India's Ministry of Commerce and Industry.

On the other hand, Bangladesh has hardly been able to capitalise on duty-free trade benefits with India, with exports to the country still slow because of a lack of product diversity.

Bangladesh exported $970 million worth of goods, mainly garment items, to India in the July-December period of the current fiscal year, according to data from the Export Promotion Bureau (EPB) of Bangladesh.

In FY24, Bangladesh's exports to India totalled $1.56 billion, an 11.63 percent decline from the $1.77 billion exported the previous fiscal year.

Bangladeshis own dozens

FROM PAGE B1

Nasir, a prominent businessman in Sylhet, denies wrongdoing.

"We have conducted raids at Nasir's residence, Kazi Castle in Sylhet, and obtained important documents," the official said. "We are verifying the gathered information."

Among the seized records were 104 land deeds tied to Nasir and his family. The NBR also found discrepancies between the land values declared in his tax filings and those in official records.

Tax investigators further found properties in his name in Dubai and Sharjah, including a large showroom.

On 22 January this year, the NBR froze Nasir's and his family's bank accounts.

Their tax records are under review and land registry offices have been asked to supply further details.

Nasir dismissed the allegations, saying that he has invested in Bangladesh in full compliance with the law.

"I have been doing business in the Middle East for a long time. To this day, I have never taken a loan from any bank. I have never engaged in any illegal activities. As for hundi, far from being involved in it, I consider it my greatest enemy," he told The Daily Star over the phone from Saudi Arabia recently.

"In the Middle East, we have operations with goodwill in Saudi Arabia, Oman, Kuwait, Qatar, Bahrain, and the UAE. Additionally, we have offices in the USA and the UK," he said.

Regarding the 104 land deeds, Nasir said most were small purchases made by his father in 2008 in their village.

"The majority of our properties are properly declared in our tax records. If anything is missing, I have no issue -- I am willing to provide all necessary documents," he added.

The NBR expects to finalise its report soon.

The National Board of Revenue (NBR) has detected tax anomalies amounting to over Tk 58 crore involving five individuals and their companies, including a former president of the Chittagong Stock Exchange (CSE).

On Friday, the NBR flagged tax anomalies amounting to over Tk 58 crore involving Fakhor Uddin Ali Ahmed, a former president of the Chittagong Stock Exchange, and four of his relatives.

The tax administration said it had found an undisclosed offshore investment made by Fakhor in an under-construction 33-storey complex in Dubai.

Additionally, the official said the anti-graft agency has blocked another business tycoon from leaving Bangladesh over undisclosed Dubai assets.

"Our teams have found a hotel, an apartment, and land in his name in Dubai. We suspect that he may try to sell the properties abroad if he leaves the country."

Rural demand fuels Eid electronics sales

FROM PAGE B1

Bangladesh received a record $2.94 billion in remittances in the first 26 days of March, driven by Eid-ul-Fitr.

He said sales were about 4-5 percent higher than last year, but it was not a major surge.

"Consumers were less inclined to purchase large appliances like televisions and washing machines, focusing more on essential kitchen electronics," he said.

Zoheb Ahmed, chief marketing officer of Walton Hi-Tech Industries PLC, said the refrigerator industry remains a key business indicator for the company.

"While our sales growth has been somewhat slow, there is still room for optimism. We are witnessing a resurgence in sales growth, which is a positive sign for us," he said.

Ahmed emphasised the significance of their market space, particularly in the large refrigerator segment.

"Demand for bigger refrigerators is high, and alongside regular-sized models, large refrigerators are also gaining traction in the market," he added.

Regarding seasonal sales trends, he noted that Ramadan and Eid-ul-Azha account for approximately 65 to 70 percent of total refrigerator sales, making these periods crucial for the business.

On the performance of small home appliances, Ahmed acknowledged that the company did not achieve the expected growth this year.

"We had anticipated a higher sales momentum, particularly for products like rice cookers and blenders, but actual sales did not align with our expectations," he explained.

Ahmed said the company is closely monitoring market trends and will provide further insights into small appliance sales soon.

Poor navigability hits Payra Port though Tk 6,500cr spent on dredging

SOHRAB HOSSAIN, *Patuakhali*

Despite spending Tk 6,500 crore on capital dredging, poor navigability has crippled Payra Port, forcing many importers to offload their cargoes either at sea or at Chittagong Port and then transport it through lighter vessels.

Take the case of coal transportation for the 1,320MW Payra Thermal Power Plant and the RPCL-Norinco International Power Limited (RNPL) plant established in the area.

Due to the shallowing of the Rabnabad channel, mother vessels can no longer berth directly at Payra Port, and power producers now offload coal at Chattogram Port and transport the fuel by lighter vessels to Payra.

This increases transportation costs. The additional cost is being added to electricity production, ultimately raising power generation expenses and increasing consumer dissatisfaction.

The Payra Power Plant contributes 10 percent of the country's total electricity demand and consumes over 300,000 tonnes of coal per month.

"Previously, we directly offloaded imported coal from Indonesia at Payra Port using mother vessels," said Shah Abdul Mawla, project director of Payra Thermal Power Plant.

"But now, with navigability dropping significantly, we are forced to use Chattogram Port as an intermediary. This has increased coal transportation costs to $13-15 per tonne, whereas earlier, it was $10-12 per tonne," he said.

Initially dubbed a deep-sea port, the previous Awami League government began constructing Payra Port in 2013, with commercial operations starting in August 2016. The government cancelled the plan in 2021.

In the same year, it hired Belgian firm Jan De Nul to carry out capital dredging at a cost of Tk 6,500 crore to increase the draft of the Rabnabad channel to 10.5 metres so that larger vessels could enter the port.

They handed over the dredged channel to the port authority in April 2024.

However, within just six months, sediment accumulation drastically reduced the depth.

Currently, the depth stands at 6.5 metres during high tide and 5.9 metres during low tide, making it impossible for relatively larger vessels to berth and preventing increased usage.

Due to the shallowing of the Rabnabad channel, mother vessels can no longer berth directly at Payra Port, and power producers now offload coal at Chattogram Port and transport the fuel by lighter vessels to Payra. The photo was taken at Payra Port recently.

PHOTO: SOHRAB HOSSAIN

Ashraf Uddin, superintendent engineer of RNPL, said they repeatedly notified the Payra Port authorities about the declining navigability.

"But the situation is worsening day by day. Large coal-laden ships can no longer reach the port, forcing us to rely on lighter vessels," he said.

Radiant Shipping Agent Abu Sayeed said, "Due to sedimentation, we are now forced to rely on lightering, which increases both cost and time. Maintaining navigability is crucial for Payra Port to remain viable."

Since the completion of dredging in April last year, navigability has steadily declined. Rear Admiral Masud Iqbal, chairman of Payra Port Authority, acknowledged the crisis.

"Despite the completion of capital dredging, sedimentation has led to the rapid shallowing of the Rabnabad channel," he said.

"We conducted an emergency maintenance dredging operation that lasted until August 14, but a long-term solution requires continuous dredging," he said.

He also mentioned that a development project proposal has been submitted to the Planning Commission for approval and a response is expected within the next two months.

The government also plans to purchase hopper dredgers to build in-house dredging capacity.

Last week, the much-talked-about port came into the spotlight after Planning Adviser Wahiduddin Mahmud termed the seaport a "painful abscess" on the country's economy.

"This port can barely function as a river port, let alone a seaport," he said at a press briefing on March 23 following a meeting of the Executive Committee of the National Economic Council (Ecnec).

Ecnec 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.

After the meeting, Wahiduddin said the government approved the revised project on the condition that it retains the scope to intervene at any time.

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

He 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.

The port started handling imported cargoes in the fiscal year 2016-17, and handling grew over time, though its activities remain confined to handling coal for the power plant.

Large-scale use of the port has yet to start, as navigability issues persist and the required facilities are yet to be developed.

The port handled 1,014 ships, including 123 foreign ships, in fiscal year 2023-24.

Cargo handling rose by 33 percent year-on-year to 50.74 lakh tonnes in FY24.

Succeeding in a performance culture

MAMUN RASHID

I, along with some seniors from Standard Chartered Bank, went to meet the then finance minister SAMS Kibria in late 2000 to share our decision to acquire ANZ Grindlays Bank.

Kibria, while consenting, also reminded us: "Jobs are very precious. Please make sure people don't lose their jobs."

Sadly, we were not able to retain all officials from both banks as we had to show signs of synergy from the merger.

Rationalisation of headcount was one of the major synergies identified.

However, we did conduct a core and non-core analysis and offered redundancy to a few of senior and middle managers.

Our human resources division organised training and counseling sessions so that those colleagues didn't feel abandoned and found suitable jobs.

A telecom company CEO, who had previously led the country's largest cell phone company, found himself in deep trouble after joining another similar company. It had too many people, more than it required. Since it was a growth company, nobody bothered to do any sort of "wallet-sizing" or any analysis on "return on people."

The company was rumored to have become almost a white elephant. Underperformers and super-performers were rated and recognised in the same way. Officers were being paid overtime, and not all promotions or upgrades were justified.

In this situation, what could he do to successfully transfer and drive the company forward? Especially when the second position was being challenged by a merger?

Any management book would have told him to review the business model and product offering, bring in efficiency, and ensure cost synergy. Their balance sheet had been in the red, their products were not much talked about, and yet they were carrying a large pool of "passengers."

Most of their lieutenants had lost the ability to drive anything forward. The new CEO decided to do the same thing that successful companies all over the world have been doing: Reduce cost and optimize operations.

While successful companies globally believe in the principle of "taking care of the best and being fair to the rest," there is no reason not to go for wallet-sizing or optimum capacity modeling. CEOs should always know: Be it a client or employee, who is offering what to me? Which product is my value creator, and which one is the value eroder?

Most of the time, it is like a jaw -- the space between the upper and lower ones is the net profit. In order to maintain the net spread, or even increase it, one has to push the upper one up or force the lower one down.

This is exactly why, during a bumpy ride, companies mostly focus on cost reduction.

It wouldn't be an overstatement to say that most of our local companies are over-staffed, and that we have yet to foster a "performance culture".

A few years ago, I remember telling the CEO of an electronic media company that they were heavily over-staffed. He wasn't exactly pleased to hear that.

He was jubilant that he had created so many jobs, but nobody was paid a good salary there.

On the contrary, when I asked the owner of a consumer electronics and pharmaceuticals company why he was not paying well the staff at a newspaper company he also owned, he said, "I see everything as a business. If they make money, I reward them accordingly."

As we move forward with our economic and corporate successes, the government and all relevant regulatory institutions must allow and encourage companies to be profitable through performance improvement and cost reduction.

Yes, the job is precious, but more important is creating an environment where companies can do business and share their success.

The author is an economic analyst having worked with several global companies in senior roles.

Gold prices soar to all-time high

REUTERS

Gold prices surged to a record high on Friday, as investors flocked to the safe-haven asset amid fears of a global trade war triggered by US President Donald Trump's latest tariffs.

Spot gold climbed 0.6 percent to $3,074.43 an ounce as of 02:41 p.m. EDT (1839 GMT) after hitting its eighteenth record high this year at $3,086.70 earlier in the session. Bullion is up 1.7 percent this week and is on track for a fourth straight weekly gain.

US gold futures settled 0.8 percent higher at $3,114.30.

"It continues to be the safe-haven demand on ramped-up concerns about tariffs, trade and ongoing geopolitical uncertainty as well," that is supporting gold, said Peter Grant, vice president and senior metals strategist at Zaner Metals.

Gold, traditionally seen as a hedge against economic and political instability, tends to thrive in a low-interest rate environment.

US 'in arrears' at WTO

AFP, *Geneva*

The United States has not paid its 2024 dues to the World Trade Organization and is therefore now deemed to be in "arrears", the WTO's spokesman said Friday.

"The chair of the committee on budget, finance, and administration informed members during the General Council meeting in February that the United States is currently in 'Category I' arrears," Ismaila Dieng told AFP.

The United States did not pay its contribution for 2024, he said. Washington has also not yet paid its dues for 2025, though contributions from the WTO's 166 members often do not come in until mid-year.

Last year, the United States was due to pay around 23.2 million Swiss francs ($26.3 million) -- amounting to roughly 11 percent of the WTO's budget.

Category 1 arrears -- the least serious of three levels -- consist of those that have not paid their contributions for at least one year, but for less than two years.

The nine members currently in Category 1 arrears are Angola, Chile, Eswatini, Grenada, Haiti, Saint Vincent and the Grenadines, Suriname, Uganda and the United States.

WTO members in this category are not permitted to chair the Geneva-based global trade body's various bodies.

They are also not permitted to receive WTO documentation and are subject to reports at meetings of the organisation's General Council, its highest-level decision-making body in Geneva. "Generally, arrears can impact the operational capacity of the WTO secretariat," said Dieng.

"But the secretariat continues to manage its resources prudently and has plans in place to enable it to operate within the financial limitations imposed by any arrears."

On February 4, Trump signed an executive order sparking a 180-day review all international organisations which the US is involved in or funds, to determine whether they are contrary to US interests or could be reformed.

Dollar's long reign set to continue

REUTERS, *London*

As President Donald Trump launches his tariff war against both friends and foes of the United States, concerns are once again surfacing about the US dollar's future as the global reserve currency. China would dearly like to dethrone the mighty greenback. Leading members of Trump's new administration appear like-minded. Yet for more than half a century, the dollar has defied the doom-mongers. And the most likely prospect is that it will continue to do so.

The durability of US currency's long reign is recounted in Paul Blustein's magisterial new book "King Dollar: The Past and Future of the World's Dominant Currency". In the 1960s, the Belgian economist Robert Triffin predicted that dollar's role as the lynchpin of the post-war monetary order would come unstuck as the United States got ever further into debt. Triffin was vindicated when the Bretton Woods system of managed exchange rates collapsed in the early 1970s. As US inflation took off, Charles Kindleberger declared that "the dollar is finished as international money." The great economic historian was wrong.

Over the following decades the dollar survived a number of other challenges: the rise of Japan in the late 1980s; the creation of the euro in 1999; the global financial crisis and the emergence of China as a global manufacturing superpower; and a succession of US governments using the "dollar weapon" against its foes, culminating in the seizure of Russia's foreign exchange reserves after President Vladimir Putin's invasion of Ukraine in 2022.

Although the US share of global economic output has halved since 1945, the dollar still accounts for around 60 percent of international foreign exchange reserves. Its dominance in financing trade is greater: while US imports and exports amount to less than 10 percent of global trade, three-quarters of cross-border commerce is invoiced in the American currency. Its role in global finance is even more pronounced: 85 percent of currency swaps and an even greater share of foreign interbank transactions are denominated in dollars. As Blustein says, "at each juncture, forecasts of the dollar's demise proved wrong, sometimes because of the weaknesses of the challenger currencies, at other times because of the dollar's surprising resilience." In the language of foreign exchange traders, it has remained "the least dirty shirt."

That dominance owes much to American military hegemony, widespread trust in the rule of law in the United States, and confidence that an independent Federal Reserve will retain the dollar's role as a store of value. A more prosaic explanation is that transacting in dollars is more convenient for all parties. Foreign trade and global finance require a unit of account that can be used for settling trades. The dollar has far greater liquidity than any other currency. China may be the world's largest exporter, but the yuan is used in only a tiny share of trade. International financial transactions are mostly settled in US dollars through the Clearing House Interbank Payments System (CHIPS) which is domiciled in New York and handles transactions worth nearly $2 trillion each day. Almost all the payments that go through this system begin and end outside of the United States, according to Blustein.

The dollar's dominant role in the plumbing of the global financial system creates a network effect like the powerful forces that benefit the world's largest technology companies. Over the years, Microsoft has made many missteps. The software giant has botched launches of browsers, smartphones, tablets and upgrades of its operating system. Likewise, Facebook owner Meta Platforms failed to establish a global digital currency while its attempt to launch a market for virtual reality has so far been a flop. Yet both companies have survived with their dominant positions intact. US enemies are like Microsoft's disgruntled customers: however much they would like to find an alternative to the dollar the switching costs are simply too high.

People queue at the entrance to a currency exchange shop in central Tokyo. The dollar has survived numerous challenges, including the rise of Japan in the late 1980s, the creation of the euro in 1999, the global financial crisis, and the emergence of China as a global manufacturing superpower.

PHOTO: AFP/FILE

The dollar's role as the world's reserve currency is not costless to Americans, however. As Triffin observed in the 1960s, the global economy needs more dollars to expand. But supplying foreigners with the global reserve currency drives the United States ever further into debt. The fact that the United States is the world's largest international debtor, with foreign liabilities exceeding foreign assets to the tune of $26 trillion, is a feature, not a bug, of the dollar's international standing. Triffin predicted that sooner or later a tipping point would be reached when the issuer of the reserve currency would be unable to service its debts. Even though that moment may not have arrived, the problem should not be ignored.

Members of Trump's administration have identified another issue with the dollar's role as the reserve currency. Vice President JD Vance believes endemic US trade deficits are the corollary of the capital account surpluses that are required to maintain the currency standard. These trade deficits, he says, have resulted in the hollowing out of US manufacturing. Vance claims reserve currency status is a "massive tax on American producers". Michael Pettis, an economist at Peking University, comes to a similar conclusion.

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