TCB increases truck fleet amid calls for greater private sector role

STAR BUSINESS REPORT

The Trading Corporation of Bangladesh (TCB) has increased the number of trucks selling subsidised food across the country to 410 in March from 70 the previous month.

This move, according to the TCB, supported more low-income people, as the authorities are now advocating for greater involvement from the private sector.

At an event in Dhaka yesterday, the state-run corporation said that these subsidised essential goods provided much-needed relief to people amid near double-digit inflation and contributed to stabilising commodity prices.

In March, the TCB reported that each of its trucks carried enough supplies for 400 individuals daily, double the usual capacity of 200 in previous years.

During the discussion held at the Army Golf Club, the corporation under the Ministry of Commerce noted that its food assistance programmes, including family cards and open truck sales, reached nearly 41 lakh people in March.

At the programme, titled "Trade with TCB," Commerce Adviser Sk Bashir Uddin suggested that the TCB should engage the private sector in certain areas to increase efficiency and reduce costs.

Besides, Commerce Secretary (in-charge) Nazneen Kawshar Chowdhury also spoke of the potential for greater private sector engagement to unlock the TCB's full capabilities.

She highlighted areas such as strategic planning, quality control, and logistical innovation.

Established in 1972, a key focus of the TCB is to ensure the availability of essential commodities at affordable prices, especially for vulnerable populations. The corporation plays a vital role in stabilising market prices, lowering the cost of living, and contributing to national economic growth.

Referring to government expenditure on food procurement for the TCB, estimated at between Tk 12,000 crore and Tk 14,000 crore annually, Bashir Uddin said, "We want to see logical utilisation of these funds."

To do so, he said the TCB must concentrate on reducing leakages and trying to purchase more food grains with the allocated budget.

The adviser pointed out that during the previous political regime, several sectors had become criminalised, and the TCB was no exception.

He commented that improper practices had allowed many affluent individuals to obtain TCB family cards, which were meant for the poor and low-income people.

"There was a huge leakage in the selection of beneficiaries of the family cardholder," Uddin said in his address as the chief guest.

"I saw such people, who own a five-storey building, hold a family card. Jute mill owners also hold a family card, I saw it."

He also mentioned finding cases where individuals working in administration held three cards within one family. The adviser said the interim government was already scrutinising and reviewing it.

Uddin said that after discovering numerous family cards for subsidised food in the possession of affluent families, the authorities had blocked those cards.

Illustrating the criminalisation within the TCB's operations, he shared an example of a TCB dealer from the upscale Dhanmondi area who recently visited his office and mentioned being his neighbour.

"The living costs in this area are high. So how can a TCB dealer afford it?" he questioned.

Regarding recent price levels, the adviser suggested that the criminalised system built in the previous regime had been dismantled through the efforts of various government agencies.

He said that this ensured a competitive market, resulting in lower prices during Ramadan.

Commerce Secretary Nazneen Kawshar Chowdhury said that the TCB is not just a buyer or a distributor; rather, it is an enabler. "And its true potential can only be realised through strong and sustained engagement with the private sector."

"We are also exploring avenues to widen the basket of goods traded through the TCB and involve the private sector in strategic planning, quality control, and logistics innovation," she added.

Brigadier General Mohammad Foyshol Azad, chairman of the TCB, said that the corporation was "trying to open a new path for establishing business relationships with local and international traders."

"Businessmen will do business with the TCB to serve the nation, to support the people, and also to create opportunities for others," he said.

He agreed over the fact that the TCB faced certain challenges, including a "significant communication gap" with suppliers and that, being a government organisation, its contract and tendering processes sometimes took longer than usual.

"In some cases, we also failed to create alternative sources for a few specific commodities. Besides, the long supply chain coupled with the shortage of manpower at the TCB also creates hurdles in our routine activities," he said.

Md Abed Ali and SM Shaheen Parvez, both directors of the TCB, also spoke at the event.

EuroCham urges fair treatment

STAR BUSINESS REPORT

The European Union Chamber of Commerce in Bangladesh (EuroCham) urged the interim government to avoid discrimination against companies based in the bloc as Bangladesh weighs up substantial trade concessions for the United States.

The EuroCham raised its concern through a press release yesterday.

US President Donald Trump on April 2 announced an additional 37 percent tariff on imports from Bangladesh. However, on April 9, the US administration announced a 90-day pause on the tariffs.

Bangladesh's government said earlier that it was discussing ways to ease tariff barriers on US products in order to raise imports from the country.

"The EU is Bangladesh's largest and most reliable trading partner, accounting for half of all exports, with longstanding duty free and quota free preferential access granted to Bangladesh under the everything but Arms scheme since 2001," EuroCham said in a statement.

Bangladesh enjoys a notably higher trade surplus with the EU compared to its other trade partners.

Out of a total €22 billion trade in 2024, EU exports accounted for only €2 billion, resulting in a trade balance strongly in favour of Bangladesh.

Bata Bangladesh reports 26% profit decline

STAR BUSINESS REPORT

Bata Shoe Company (Bangladesh) saw its profit drop in 2024 due to high inflation and political unrest that disrupted retail operations.

Its profit slumped 26 percent year-on-year to Tk 29.57 crore.

The company reported earnings per share of Tk 21.62 last year, down from Tk 29.31 in 2023, according to a disclosure posted on the website of the Dhaka Stock Exchange (DSE) yesterday.

Shares of the shoemaker fell 0.15 percent to close at Tk 798.8 at the DSE.

Its net operating cash flow per share declined to Tk 71.42 from Tk 93.80 over the same period.

At a board meeting on April 22, the footwear maker's directors recommended a 105 percent final cash dividend for 2024.

Combined with the previously declared 340 percent interim dividend, the total payout for the year stood at 445 percent, according to a press release from the company.

"Last year was a challenging one for Bangladeshi consumers. With food inflation over 10 percent, people tightened their belts, significantly reducing consumer spending," Bata said in the statement.

"Additionally, nationwide unrest led to the intermittent closure of nearly half of our stores during the third quarter."

Residents shop at a supermarket in Nantong, in China's eastern Jiangsu province. Top US trading partners Mexico, Canada, and China are all predicted to be negatively impacted by the Trump administration's tariffs. PHOTO: AFP/FILE

Apple fined $570m and Meta $228m for breach of EU law

REUTERS, *Brussels*

Apple was fined 500 million euros ($570 million) on Wednesday and Meta 200 million euros, as European Union antitrust regulators handed out the first sanctions under landmark legislation aimed at curbing the power of Big Tech.

The EU fines could stoke tensions with US President Donald Trump who has threatened to levy tariffs against countries that penalise US companies.

They follow a year-long investigation by the European Commission, the EU executive, into whether the companies comply with the Digital Markets Act that seeks to allow smaller rivals into markets dominated by the biggest companies.

Apple said it would challenge the EU fine.

"Today's announcements are yet another example of the European Commission unfairly targeting Apple in a series of decisions that are bad for the privacy and security of our users, bad for products, and force us to give away our technology for free," Apple said in an emailed statement.

Meta also criticised the EU decision.

"The European Commission is attempting to handicap successful American businesses while allowing Chinese and European companies to operate under different standards," it said in an emailed statement.

"This isn't just about a fine; the Commission forcing us to change our business model, effectively imposing a multi-billion-dollar tariff on Meta while requiring us to offer an inferior service."

The fines are modest compared to the penalties meted out by the previous EU antitrust chief Margrethe Vestager during her term. Sources, speaking on condition of anonymity, have said this is due to the short period of the breaches, a focus on compliance rather than sanctions and a desire to avoid possible retaliation from Trump.

PAY-OR-CONSENT MODEL

The EU competition watchdog said Apple must remove technical and commercial restrictions that prevent app developers from steering users to cheaper deals outside the App Store.

It said Meta's pay-or-consent model introduced in November 2023 breached the DMA.

The model gives Facebook and Instagram users who consent to be tracked a free service that is funded by advertising revenues. Alternatively, they can pay for an ad-free service.

Meta is discussing with the EU a new version introduced in November last year. The companies have two months to comply with the orders or risk daily fines.

IMF slashes global growth outlook on impact of Trump tariffs

AFP, *Washington*

The International Monetary Fund on Tuesday slashed its forecast for global growth this year and warned of an increase in global financial stability risks, citing the effect of US President Donald Trump's new tariff policies on the world economy.

The IMF's projections, which incorporate some but not all tariff measures introduced this year, see the global economy growing by 2.8 percent this year, 0.5 percentage points lower than the previous World Economic Outlook (WEO) forecast in January.

Global growth is then forecast to hit 3 percent next year, down 0.3 percentage points from January.

"We are entering a new era as the global economic system that has operated for the last 80 years is being reset," IMF chief economist Pierre-Olivier Gourinchas told reporters in Washington on Tuesday.

"If sustained, increasing trade tensions and uncertainty will slow global growth," he added, noting that the recent US tariff announcements had more than halved the Fund's outlook for global trade growth this year.

The WEO was published as global financial leaders gathered in Washington for the World Bank and IMF Spring Meetings, which are hosted by the two international financial institutions at their headquarters a stone's throw from the White House.

Given the stop-start nature to Trump's tariff rollout, the IMF introduced a cutoff date of April 4, meaning they do not include the administration's latest salvos, which have hiked the level of new levies against China to 145 percent.

If these policies were to be taken into account and sustained, this could significantly slow global growth, the IMF said.

In a separate report also published Tuesday, the Fund warned that Trump's stop-start tariff rollout had also caused an increase in risks to financial stability.

"Global financial stability risks have increased significantly, driven by tighter global financial conditions and heightened economic uncertainty," the IMF said in its latest Global Financial Stability Report.

In the WEO report, the IMF slashed its outlook for US growth to 1.8 percent this year -- down 0.9 percentage points from January's forecast.