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Star BUSINESS

BSEC suspends 21 officials over misconduct

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has suspended 21 of its officials for misconduct and breaches of discipline during a protest in March against the commission's senior leadership.

The suspensions followed preliminary investigations, with the regulator now preparing to launch departmental cases against those involved.

In March this year, a protest broke out at the market regulator following the removal of a BSEC executive director.

During the demonstration, a group of BSEC employees locked Chairman Khondoker Rashed Maqsood and three commissioners inside the meeting room for nearly four hours.

They also shut down the main gate, disabled CCTV cameras and Wi-Fi, and cut power to elevators and other electrical systems, plunging the premises into disarray.

As the situation escalated and offices were vandalised, law enforcement was called in to rescue the senior officials from the commission's headquarters in Dhaka's Agargaon area.

The protesting staff later issued a list of demands, including the resignation of the top leadership, citing what they described as "inexperience".

However, the commission alleged that a vested group was manipulating the protest to obstruct its anti-corruption investigations.

The deadlock, which began on 5 March, severely disrupted operations and further dented already fragile investor confidence in the capital market.

With backing from the finance ministry to continue its anti-graft campaign, the commission proceeded with legal action against 16 staff members and launched internal inquiries into acts of indiscipline, insubordination, and sabotage.

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Reserves reach $22b after seven months

STAR BUSINESS REPORT

Bangladesh's foreign exchange reserves have reached the $22 billion mark after several months, thanks to an increased inflow of foreign currency generated by remittances and export earnings.

As per the International Monetary Fund's (IMF) calculation method, forex reserves stood at $22.04 billion yesterday, up from $21.41 billion a week ago, as per the central bank's latest data.

However, gross forex reserves as per the central bank's calculation stood at $27.41 billion, up from $26.76 billion a week earlier.

The rising trend in remittances and export earnings has boosted the forex reserves, said central bank officials.

Remittance inflow hit $3.29 billion in March, the highest in any single month in the history of Bangladesh.

The country received $2.61 billion in remittances during the first 29 days of April, according to Bangladesh Bank data.

FBCCI seeks policy support to restore business confidence

KEY RECOMMENDATIONS

- Provide policy support to businesses
- Ensure price stability and supply of essential commodities
- Take appropriate tax measures to reduce disparity
- Provide duty protection to cottage and small industries
- Ensure stability in interest rates
- Stop taking unnecessary and unproductive projects
- Strengthen economic diplomacy to expand exports
- Introduce alternative incentive for export competitiveness
- Give policy support to restore confidence in capital market

INCOME TAX

Increase tax-free threshold to Tk 450,000

Gradually reduce AIT at import level

Slash source tax on exports to 0.5%

VAT

Withdraw 3% advance tax on industrial raw materials

Cut trade VAT to 2%

Ease provision for appealing against disputed tax

CUSTOMS DUTY

Expand authorised economic operator' &'national single window'

Keep duty on industrial machinery and spare parts within 3%

Withdraw tariff value and minimum value

STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday urged the government to provide policy support to restore confidence in trade and commerce in the fiscal year 2025-26.

The apex trade body said it expects the government will frame an investment- and business-friendly budget that enables it to face the challenges stemming from the country's graduation from the least developed country (LDC) club in November 2026 and the global economic uncertainty.

"We believe the government will make a sincere effort to formulate an industry- and investment-friendly budget in order to face the challenges," said FBCCI Administrator Md Hafizur Rahman.

He made the proposals at the consultative committee meeting jointly organised by the National Board of Revenue (NBR) and the FBCCI at the Pan Pacific Sonargaon Dhaka.

The NBR holds the meeting every year to listen to the issues and recommendations from businesses as part of its exercise to frame tax proposals for the next fiscal year.

At the event attended by different businesses, Finance Adviser Salehuddin Ahmed and Commerce Adviser Sk Bashir Uddin, the apex trade body said the government should give attention to restoring business confidence through policy support.

At the discussion, businesses demanded expansion of the tax net to increase revenue collection and ensure an uninterrupted supply of gas and electricity. Some expressed concern over the spike in production costs following the increase in gas prices.

READ MORE ON B3

US tariff hike to put pressure on banks

Bankers, business leaders say in dialogue

STAR BUSINESS REPORT

The hike in US tariffs is likely to put pressure on the banking sector, said business leaders and bankers in a dialogue yesterday.

They urged both the government of Bangladesh and international bodies like the International Chamber of Commerce (ICC) and the World Trade Organization (WTO) to come forward to provide solutions to deal with the challenges.

The business leaders and bankers expressed their opinions and concerns in a dialogue titled "Global Financial Trends & Reforms: Implications for Bangladesh" at a hotel in the capital.

The ICC, Bangladesh, organised the dialogue.

Mahbubur Rahman, president of ICC, Bangladesh, said the full implementation of the hike in US tariffs could significantly strain the nation's banking system.

This would come about through a reduction in export earnings, tightening of foreign currency liquidity, and a rise in non-performing loans, particularly in trade-reliant sectors, he said.

Experts say...

- A market-based exchange rate is essential to support exporters
- Regulatory reforms are crucial for developing a vibrant and resilient financial sector
- ICC and WTO should help address the consequences of US tariffs
- A policy framework encouraging bank mergers is needed to create a more resilient banking sector

"It is therefore imperative for Bangladesh to adopt resilient financial strategies and regulatory reforms that safeguard economic stability in the face of these external shocks," he said.

He added that despite the economy's resilience in many areas, structural weaknesses within the financial sector remain a critical challenge.

AK Azad, vice-president of ICC, Bangladesh, urged the ICC and WTO to give attention to the impact of US tariffs on countries like Bangladesh.

He also underscored the need for the ICC and WTO to intervene for the settlement of insurance claims against damaged factories during political turmoil.

He urged the central bank to let the market decide the country's currency exchange rate.

Addressing Central Bank Deputy Governor Zakir Hossain Chowdhury, Azad said, "If you want to support exporters and improve forex reserves, then you should leave the exchange rate to the market, as suggested by the IMF (International Monetary Fund)."

Azad also urged business leaders to convey information to and educate the current government about the consequences of the present economic situation, especially the impact of Trump's tariffs.

Florian Witt, chair of the ICC Global Banking Commission, in his keynote, echoed the call for

READ MORE ON B3

BSEC to support public listing of reputed companies

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has decided to focus on facilitating initial public offerings (IPOs) of well-performing local, multinational, and state-run companies in order to boost investors' confidence.

The BSEC took the decision at an emergency meeting on its premises on Tuesday night with Special Assistant to the Chief Adviser Anisuzzaman Chowdhury.

It was organised to take steps to boost investors' confidence as the stock market index was in a downward spiral.

Regarding the meeting's outcome and the government's plan, Chowdhury talked with journalists at his office in Agargaon yesterday in the presence of BSEC Commissioner Farzana Lalarukh.

"We hope that we will be able to make some positive announcements for the stock market," Chowdhury said. However, he did not disclose what could be expected.

Lalarukh said the BSEC already demanded a 10 percentage-point gap in taxes paid by listed and non-listed companies in the next budget so that good companies feel encouraged to go public.

Chowdhury said the government is working on offloading its portion of multinational companies' shares. "But we don't want to take any drastic decision because there might be side effects," he said.

The government is focusing on it, and it will try to allow companies which have good governance into the market, he said.

The capital market is "very shallow" and the BSEC ordered a focus on bringing new companies and new instruments like orange bonds, he said.

BSEC already demanded a 10 percentage point gap in taxes paid by listed and non-listed companies in the next budget to help attract good firms

Regarding the stock market's fall, Chowdhury said it was partly due to price adjustments, which were artificially inflated by the floor price, and for some other reasons.

The BSEC will investigate whether there was any artificial pressure to make sales, he said.

He believes that stock prices are now almost at a natural equilibrium and the economy is now rebounding, for which its impact would become apparent on the stock market soon.

Chowdhury said he understands that people lost their

READ MORE ON B2

Revenue officials protest proposal to split NBR

STAR BUSINESS REPORT

Several hundred tax and customs officials staged a demonstration at the National Board of Revenue (NBR) headquarters in Dhaka yesterday.

The protest stemmed from growing frustration among revenue officials over the proposed "State Policy and Revenue Management Ordinance, 2025", which aims to overhaul tax implementation and collection in the country.

They demanded revisions to the draft ordinance that would split the NBR into two separate entities, with one responsible for making tax policies while the other would handle their implementation.

In specific, the agitators are opposing a clause under which top appointments could be made from outside the revenue cadre.

If it is implemented, the government would be allowed to appoint any eligible civil servant as a secretary or senior secretary of the planned Revenue Policy Division and Revenue Management Division at its own discretion.

The agitators are opposing a clause under which top appointments could be made from outside the revenue cadre

The tax and customs officials had first gathered outside the revenue authority's headquarters on the evening of April 29.

Shortly after their initial protest, the officials met with NBR Chairman Abdur Rahman Khan, urging him to intervene and push for changes to the ordinance.

"What the interim government is about to do is truly disappointing," said a senior tax official on condition of anonymity. "We demanded a revision to the ordinance, and its vetting at the law ministry must be halted," the official added.

Around 400 officials from 25 tax zones in Dhaka took part in the protest yesterday.

Officials of the tax and customs cadres argue that the clause could place the proposed divisions under general bureaucratic control and thereby deprive revenue officials of leadership roles in tax policy formulation and revenue collection.

READ MORE ON B3

Guild Consulting Bangladesh launched to bridge US-Bangladesh expertise

STAR BUSINESS DESK

Mentors Guild Inc (GUILD), a US-based corporation, has launched Guild Consulting Bangladesh, an innovative management consulting firm designed to meet the growing needs of Bangladesh's business, nonprofit, and government sectors.

Guild Consulting Bangladesh represents the first-ever US-Bangladesh joint venture in the management consulting industry.

It brings together the collective expertise of over 8,000 subject matter experts from GUILD, the management capabilities of its Hawaii-based subsidiary, Guild Consulting, and three of Bangladesh's distinguished business leaders: Mamun Rashid, Raihan Shamsi, and Ashraf Ahmed.

Commenting on the joint venture, Jan Rumi, Co-founder of GUILD and Partner at Guild Consulting, stated:

"We believe this collaboration reflects the considerable demand and growth potential within today's Bangladesh. It will not only raise the standard of consulting services in the region but also foster meaningful knowledge exchange between our two nations."

PHOTO: GUILD CONSULTING BANGLADESH

Business experts Mamun Rashid, Raihan Shamsi and Ashraf Ahmed pose for photographs after the launch of Guild Consulting Bangladesh, an innovative management consulting firm, at The Westin Dhaka yesterday.

Mohammad Jamal Uddin, executive director of the Bangladesh Bank's Chattogram office, attends the training programme, titled "Prevention of Money Laundering & Combating Financing against Terrorism" for officials of Mercantile Bank at Chattogram Club recently. PHOTO: MERCANTILE BANK

Mercantile Bank conducts training on money laundering prevention

STAR BUSINESS DESK

Mercantile Bank PLC organised a daylong training programme titled "Prevention of Money Laundering & Combating Financing against Terrorism" for officials from the Chattogram, Feni, Noakhali, and Cumilla regions.

The event was held at Chattogram Club in the port city recently.

According to a press release, a total of 270 officials participated in the training session.

Mohammad Jamal Uddin, executive director of the Bangladesh Bank's Chattogram office, inaugurated the programme as the chief guest.

In his inaugural address, Jamal commended Mercantile Bank for arranging such a timely and regionally significant training initiative.

He urged participating officers to ensure strict compliance with anti-money laundering (AML) and combating the financing of terrorism (CFT) guidelines across all banking operations.

Accelleron hosts power sector leaders to promote decarbonisation

STAR BUSINESS DESK

Accelleron Bangladesh, in collaboration with Accelleron—a Switzerland-based global technology leader in turbocharging, fuel injection, and digital solutions for the marine and energy industries—recently hosted an event in Bangladesh, bringing together over 150 leaders and stakeholders from the power generation sector.

The event centred on strengthening strategic partnerships and exploring collaborative avenues towards building more efficient, resilient, and sustainable energy systems.

Reto Renggli, the ambassador of Switzerland to Bangladesh, attended the event as a special guest and remarked: "The event not only celebrates Accelleron's remarkable achievements over the past 100 years, but also exemplifies the company's strong commitment to its partners in Bangladesh in advancing innovation, technology, and sustainable energy."

Referring to the initiatives undertaken by Bangladesh to attract foreign investment and enhance the ease of doing business, he added: "Existing foreign and Swiss investors can become ambassadors for Bangladesh and pivotal partners in translating its FDI ambitions into tangible outcomes."

"We are grateful for the strong participation of our customers and partners, whose insights reaffirm our mutual dedication to sustainability and innovation," said Syed Shariful Islam, country managing director of Accelleron Bangladesh.

Roland Schwarz, president of the service division at Accelleron, delivered a keynote address highlighting Bangladesh's ongoing energy transition. "Bangladesh has made commendable progress in expanding energy access and supporting industrial growth," said Schwarz.

Accelleron has expanded its presence to other three locations across Dhaka, Chittagong, and Khulna after inaugurating the first service centre in the port city in 2007.

The company now services over 350 turbochargers annually, contributing to the maintenance of critical power and industrial infrastructure.

Jamuna Bank, Bangladesh Bridge Authority sign deal

STAR BUSINESS DESK

Jamuna Bank PLC has entered into an agreement with the Bangladesh Bridge Authority (BBA) to facilitate the implementation of a modern, transparent, time-efficient, and technology-driven toll collection system on the Padma Bridge.

Under the terms of the agreement, both parties will collaborate to introduce an electronic toll collection (ETC) system on the bridge, aiming to streamline toll operations and enhance overall efficiency.

Khandaker Nurul Haque, director of finance and accounts and joint secretary of the BBA, and Mirza Elias Uddin Ahmed, managing director and CEO of the bank, signed the agreement at a ceremony held in Dhaka, according to a press release.

Mohammad Abdur Rouf, secretary of the bridge division and executive director of the BBA, attended the event as the chief guest.

Also present were AKM Atikur Rahman, deputy managing director of the bank, and Md Mehedi Hasan, head of treasury, alongside senior officials from the bridge division and BBA, as well as other senior executives of the bank.

Khandaker Nurul Haque, director of finance and accounts and joint secretary of the Bangladesh Bridge Authority, and Mirza Elias Uddin Ahmed, managing director and CEO of Jamuna Bank, exchange signed documents of the agreement at a ceremony in Dhaka recently. PHOTO: JAMUNA BANK

Najmul Hasan, chairman of United Finance PLC, presides over its 231st meeting of the board of directors at the NBFI's head office in Dhaka recently. PHOTO: UNITED FINANCE

United Finance saw 46.21% profit growth in 2024

STAR BUSINESS DESK

United Finance PLC, a non-bank financial institution (NBFI), recorded a 46.21 percent year-on-year increase in net profit, reaching Tk 20.9 crore in 2024.

This strong performance reflects robust operational execution and prudent financial management amidst a challenging macroeconomic landscape.

A subsidiary of United Group, the NBFI also reported earnings per share (EPS) of Tk 1.12, up from Tk 0.76 in the previous year, according to its official disclosure.

The company attributed its solid financial results to enhanced deposit management efficiency, portfolio diversification, and increased income from government securities.

Operating profit rose to Tk 134.9 crore in 2024, representing a 26.4 percent increase compared to the prior year.

Net operating cash flow per share surged to Tk 4.27, up from Tk 0.76 in 2023, driven by strong cash generation from core business operations.

United Finance has proposed a 10 percent cash dividend for 2024, amounting to Tk 18.7 crore. The dividend will be distributed from the current year's profits, while retained earnings continue to bolster the company's financial stability.

The proposed dividend is well-supported by the firm's net asset value (NAV), which rose to Tk 333.81 crore at year-end, with NAV per share increasing to Tk 17.84.

Founded in 1989, United Finance remains committed to sustainable growth through digital transformation, diversified financing, and resilient portfolio strategies, as underscored by Mohammad Rafiqul Islam, managing director of the NBFI.

According to its website, the company currently operates nationwide through 23 branches.

The record date for dividend eligibility is set for 21 May 2025, while the annual general meeting is scheduled to take place on June 24 this year.

BSEC to support

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money and so are seeking compensation. "We know that they lost their money, which is heartbreaking, but compensating them is not its (the BSEC's) task."

On the other hand, there is no way the government can provide any compensation as people related to the previous government had siphoned off a huge amount of money from the country, he said.

The government is now trying to resolve all issues, and each of such activities is painful. But the BSEC will not intervene to raise the index. The BSEC will see whether the market is functioning properly, he said.

"We want to strengthen the BSEC. You all know that the regulator faced internal incidents when it went to resolve issues. It took a huge time to fix it," said Chowdhury.

The BSEC is focusing on strengthening coordination among all regulatory bodies related to the financial sectors so that their decisions cannot hurt investors in the stock market, according to a BSEC press release issued on Tuesday night.

Unilever Consumer Care's profit drops 38% amid rising costs

STAR BUSINESS REPORT

Unilever Consumer Care saw its profit tumble in the first quarter of the fiscal year 2024-25 due to a surge in operating expenses.

The fast-moving consumer goods manufacturer posted a profit of Tk 13.79 crore for the January–March period, marking a 38 percent drop from the same quarter a year earlier, according to its financial statements.

However, the company's revenue inched up by over 1 percent year-on-year in the first quarter to Tk 95.40 crore.

Earnings per share (EPS) fell to Tk 7.16 from Tk 11.61 in the first quarter of 2024. The decline was attributed to the re-imposition of technology and trademark royalties by the parent company, which drove up operating costs.

Unlike the same period last year, the latest quarter also lacked any one-off gains from the reassessment of previous liabilities and obligations, the company said in a filing with the Dhaka Stock Exchange (DSE).

"However, the magnitude of the adverse impact was partially mitigated through operating efficiency and efficient investment of cash, resulting in significantly higher net finance income," it added.

The company's net operating cash flow per share (NOCFPS) plunged to negative Tk 19.03, compared to a positive Tk 13.49 in the same period last year.

This fall stemmed from the settlement of a large volume of Usance Payable at Sight (UPAS) letters of credit, without taking on new UPAS facilities. As a result, cash outflows crossed the operating profits, said the company.

Despite the earnings decline, Unilever's net asset value per share rose, thanks to retained profits and the absence of any dividend payout during the quarter. Shares of Unilever Consumer Care closed 1.41 percent lower at Tk 2,335.5 at the DSE.

Dutch-Bangla Bank's profit slips on loan provisioning

STAR BUSINESS REPORT

Dutch-Bangla Bank's annual profit declined in 2024, as the private commercial lender set aside provisions against loans and advances.

It posted a net profit of Tk 473.68 crore for the year ended 31 December 2024, lower than the previous year.

Consequently, earnings per share (EPS) fell to Tk 5.39, compared to a restated Tk 9.12 in 2023, according to a disclosure on the Dhaka Stock Exchange (DSE) yesterday.

Shares of the bank dropped 11.36 percent on the day, closing at Tk 43.70.

"Net profit and EPS decreased mainly for maintaining provision against loans and advances, which will ultimately improve the health of the bank," the bank said in its filing.

Despite the fall in profit, the bank saw a rise in net operating cash flow per share (NOCFPS), which jumped to Tk 41.91 in 2024 from Tk 11.08 (restated) a year earlier.

The improvement was driven by an increase in customer deposits and interest income, according to the bank. The board has recommended a 10 percent cash dividend alongside a 10 percent stock dividend for 2024.

The stock dividend is intended to strengthen the bank's paid-up capital and support future business growth, the private lender said.

In a price-sensitive disclosure (PSI) published yesterday, Dutch-Bangla Bank's profit dropped 30 percent year-on-year to Tk 88.50 crore in the first quarter of 2025.

Its EPS for the January–March period declined to Tk 1.01, from a restated Tk 1.46 in the same quarter the previous year, again due to higher provisioning.

However, NOCFPS rose to Tk 38.39 in Q1 of 2025, up from Tk 23.74 (restated) in the corresponding period of 2024, buoyed by a continued increase in customer deposits, the bank said.

'Soy Month' launched for protein awareness

STAR BUSINESS REPORT

The Bangladesh Poultry Industries Central Council (BPICC), in collaboration with the US Soybean Export Council (USSEC), has launched the first-ever "Soy Month" to raise public awareness on soybean's nutritional, agricultural, and economic significance.

The initiative was inaugurated at the BPICC headquarters in the capital's Bashundhara on Tuesday.

The event convened key players from the poultry, feed, and oilseed sectors to underscore soybean's critical role in food security and livestock development.

Shamsul Arefin Khaled, president of the BPICC, stated that soybean—particularly in the form of soybean meal—was a key feed ingredient, rich in digestible protein and essential amino acids.

He emphasised its importance for animal health, efficient livestock growth, and its viability as a cost-effective alternative to fishmeal.

Moshiur Rahman, president of the World's Poultry Science Association, Bangladesh branch, noted that the country requires approximately 2.5 to 2.6 million tonnes of soybean meal annually, of which a significant portion was imported.

"However, domestic crushing facilities currently meet 60 to 75 percent of the national demand," he added.

Md Nazrul Islam, general secretary of the Feed Industries Association Bangladesh (FIAB), observed that increasing poultry and egg consumption was expected to drive further demand for soy-based feed ingredients.

Md Hasan, managing director of City Group, referred to soy as a "miracle bean," noting its complete profile of nine essential amino acids. He added that City Group primarily sources soybeans from the United States for the production of both soybean oil and soymeal.

Tanzima Mostafa, director of the Meghna Group of Industries (MGI), stressed the vital role soy can play in addressing protein-energy malnutrition across Bangladesh.

She said in January alone, the MGI supplied 48,000 tonnes of soybean oil and 68,000 tonnes of soymeal, largely derived from US-imported soybeans.

Khabibur Rahman Kanchan, Bangladesh Lead for the USSEC, shared that the United States produces over 110 million tonnes of soybeans annually—approximately 30 percent of global output.

US tariff hike to put pressure

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transformative action within Bangladesh's banking sector.

He specifically advocated for the revitalisation of state-owned banks through strategic recapitalisation and aggressive NPL reduction.

Witt also proposed a framework that encourages bank mergers to create larger, more resilient banking groups.

He emphasised addressing the challenges faced by Islamic and troubled private sector banks and the necessity of thorough forensic audits to inform potential mergers, recapitalisation efforts, and the bolstering of Tier-1 capital.

Chowdhury said Bangladesh Bank has undertaken many reform activities recently, but the time has not come yet to evaluate the results of the reforms.

He said Bangladesh Bank always consults with stakeholders, the private sector, and development partners.

Abdul Hai Sarker, chairman of the Bangladesh Association of Banks and chairman of Dhaka Bank PLC, said if all the stakeholders work together, Bangladesh can cope with the changes that are coming about.

Selim RF Hussain, chairman of the Association of Bankers Bangladesh (ABB), said globalisation was going to be very different from what it was earlier, as many geopolitical changes were coming about across the world.

There are things that cannot be influenced by small countries like Bangladesh—they can only try to respond to them, he said.

"It will be important for us to get together as a group with all the relevant stakeholders and respond to the various changes that are happening," he said.

Coordination among the various regulators and ministries needs to be far faster than it currently is, he added.

Enamul Huque, managing director of Standard Chartered Bangladesh, said Bangladesh should look for timely ways to cope with the challenges imposed by Trump's tariffs.

Bangladesh should focus more on high-value apparel items like manmade fibre (MMF), he said.

Md Mahbub Ur Rahman, chief executive officer of The Hongkong and Shanghai Banking Corporation Ltd, said the global supply chain was going through changes, including notable growth in south-south trading.

"The global context is shifting, the market is shifting, and so is the supply chain," he said, adding that this trend was opening up new markets.

Regarding the opening of letters of credit (LCs) in the country, he said many businesses in Bangladesh import their merchandise through LCs, whereas exports are done based on contracts.

"How can we strike the balance?" he asked.

Shah Md Ahsan Habib, professor at the Bangladesh Institute of Bank Management, said the problems in Bangladesh's banking sector were unique, for which it was not possible to directly follow the practices of developed countries.

"Our level of financial literacy and our understanding of risk are relatively low," he said.

Despite this, many banks and businesses are doing fantastic jobs—even their activities are replicable, he said.

Bidyut Kumar Saha, lead investment officer of the Private Sector Operations Department, Bangladesh Resident Mission of the Asian Development Bank, said many of the vulnerabilities of the banking sector are rooted within the country.

"So, irrespective of any global development in the financial sector or anything else, the ongoing reform efforts by the government and the central bank need to be carried out in full force," he said.

The ADB is happy to be working with the government and other stakeholders to this effect, he added.

FBCCI seeks policy

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Taking part in the discussion, Mostafa Kamal, chairman and managing director of Meghna Group of Industries, said his company invested $600 million in the Cumilla Economic Zone but has not received gas and electricity connections in the last two years.

"We are inviting foreign investors while local investors are suffering from the gas crunch. This should be given importance because investment in electricity and gas is needed," he said.

The businessman said regular taxpayers face higher tax scrutiny.

Kamal, citing incidents of bank detail scrutiny by taxmen after the August political changeover, appealed to the NBR that no business should be harassed without specific allegations.

Meanwhile, Showkat Aziz Russel, president of the Bangladesh Textile Mills Association (BTMA), complained about mounting hassle in doing business.

He said the BTMA once issued clearance for the import of spare machinery parts. Complexity has increased after the NBR took over the issue, he said.

"It now appears that Tk 50,000 in bribes has to be paid to pay Tk 30,000 in customs duty," he said.

In his proposal for the next fiscal year, FBCCI Administrator Rahman said there should be a focus on ensuring price stability and the supply of essential commodities.

Rahman said budgetary measures should be taken to reduce economic disparity among people through appropriate tax policies and job creation.

The FBCCI administrator said the government has taken various measures to restore discipline in the banking sector and overall financial system.

"A stable interest rate should be maintained to encourage investment and help businesses retain competitiveness," he said, suggesting that the government refrain from taking unnecessary and unproductive projects.

In its recommendations, the FBCCI proposed increasing the tax-free income limit to Tk 450,000 from the present Tk 350,000, and a gradual reduction in advance income tax (AIT) on imports to reduce the operational costs of industries.

The apex trade body demanded a reduction in the cost of doing business to improve Bangladesh's position in the global competitiveness index.

In this regard, Rahman suggested attracting investments, increasing port and customs efficiency, and reducing shipping and transportation costs.

The FBCCI chief demanded affordable and quality fuel and, above all, a business-friendly tax system by eliminating harassment and complications in taxation.

At the event, Finance Adviser Salehuddin Ahmed said the government will prepare an implementable budget.

"We will not make a shopping list or wish list that we will not be able to deliver. We will try to implement the budget we formulate," he said.

And during the framing of the fiscal measures, the government will try to address the concerns of businesses.

"Some are legal issues while some are procedural. We aim to simplify those," he said.

"But I am in the mood to eliminate most exemptions. We are under a lot of pressure, we need to increase revenue, run the government, and also provide incentives to you. For that, money is needed."

The finance adviser cited his meetings with officials of the International Monetary Fund (IMF), the World Bank, and the US administration on the sidelines of the World Bank-IMF Spring Meetings in Washington, DC, at the end of April and said, "Please, rest assured that your concerns emerged in those talks time and again."

Commerce Adviser Sk Bashir Uddin said that in the past, the budget used to be prepared for lavish spending.

The aim of the interim government is to make a realistic budget. "We are planning to formulate a target-oriented, not an expenditure-oriented one," he said.

NBR Chairman Abdur Rahman Khan said his office will rationalise some previous tax measures and offer relief to compliant taxpayers to some extent in the next fiscal year.

"We should reflect on ourselves—how compliant we are," he said.

BSEC suspends 21 officials

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In a statement, the commission then said any official found guilty of such offences could face dismissal or other serious disciplinary measures.

The suspended staff will continue to receive subsistence allowances as per service regulations during their suspension.

In a separate development yesterday, a general meeting was held at the BSEC's multipurpose hall, attended by all officials, including the chairman and three commissioners.

According to a press release, BSEC Chairman Maqsood urged staff to put past incidents behind them and work together with renewed purpose, discipline, and a focus on protecting investors' interests.

Officials pledged to support the commission's work with greater efficiency and accountability.

The chairman expressed hope that, with collective effort, the pace of BSEC's activities would accelerate.

Revenue officials protest proposal to split NBR

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The draft ordinance was prepared in response to a recommendation from the International Monetary Fund (IMF), which is tied to its ongoing $4.7 billion loan programme.

The IMF has advised separating tax policymaking from administration to enhance revenue generation and improve the country's tax-to-GDP ratio, which remains among the lowest worldwide.

The draft ordinance is likely to be made public through a gazette after it is vetted by the law ministry.

Earlier this week, both the BCS Taxation Association and the BCS (Customs and VAT) Association voiced their opposition to the draft, warning it could undermine the government's broader reform agenda.

Nat'l committee formed for free trade zones

STAR BUSINESS REPORT

The authorities have formed a national committee to examine the feasibility of establishing free trade zones (FTZs) -- designated areas where goods can be imported, processed, and re-exported without interference from customs authorities.

The move comes on the heels of the Bangladesh Investment Summit last month, where discussions focused on drawing foreign investment, generating employment and increasing export capacity.

The concept of FTZs, often situated near major seaports, airports or border points, was highlighted at the summit as an avenue for accelerating industrial growth.

On Tuesday, the Bangladesh Economic Zones Authority (Beza) announced the formation of the committee on April 21, which will lead efforts to assess the potential of FTZs across the country.

The announcement was made from the Office of the Chief Adviser, according to a press release, and has been welcomed by business leaders as a major step towards industrial modernisation and deeper global economic integration.

FTZs have gained global traction for creating business-friendly environments and streamlining cross-border trade. With this in mind, Beza formed the national committee to initiate the process of establishing FTZs in Bangladesh.

The committee includes representatives from several key government bodies, including Beza itself, the Ministry of Commerce, the Economic Relations Division (ERD), the Ministry of Industries, the National Board of Revenue, the Chattogram Port Authority, and the Bangladesh Investment Development Authority.

It will be led by the commerce adviser and Beza's executive chairman.

One of the committee's main tasks will be to review existing legislation, such as the Bangladesh Economic Zones Act, as well as customs and import-export regulations, to identify legal changes or new policies required to support free trade zones.

It will also examine successful free trade zone models in other countries, identify suitable sites in Bangladesh, and evaluate infrastructure needs, logistics networks and stakeholder engagement strategies.

The committee's first meeting is scheduled for May 6, and will be chaired by Beza Executive Chairman Ashik Chowdhury.

Marico Bangladesh's profit jumped 28% in FY25

STAR BUSINESS REPORT

Marico Bangladesh's profit grew in its fiscal year 2024-25 thanks to higher revenue and finance income.

The company reported a 28 percent year-on-year rise in profit to Tk 590.6 crore for the financial year that ended on March 31, 2025.

The fast-moving consumer goods company posted revenue of Tk 1,630.93 crore, up 12 percent from the previous year, according to its financial statements.

The board of directors recommended a final cash dividend of 1,950 percent, or Tk 195 per share of Tk 10 each, bringing the total cash dividend for FY24-25 to 3,840 percent.

This includes the 1,890 percent interim cash dividend already paid, according to a disclosure on the Dhaka Stock Exchange (DSE) yesterday.

Its earnings per share rose to Tk 187.49 in FY24-25 from Tk 146.23 a year earlier, driven by higher revenue, an improved gross profit margin, and increased net finance income, the company said.

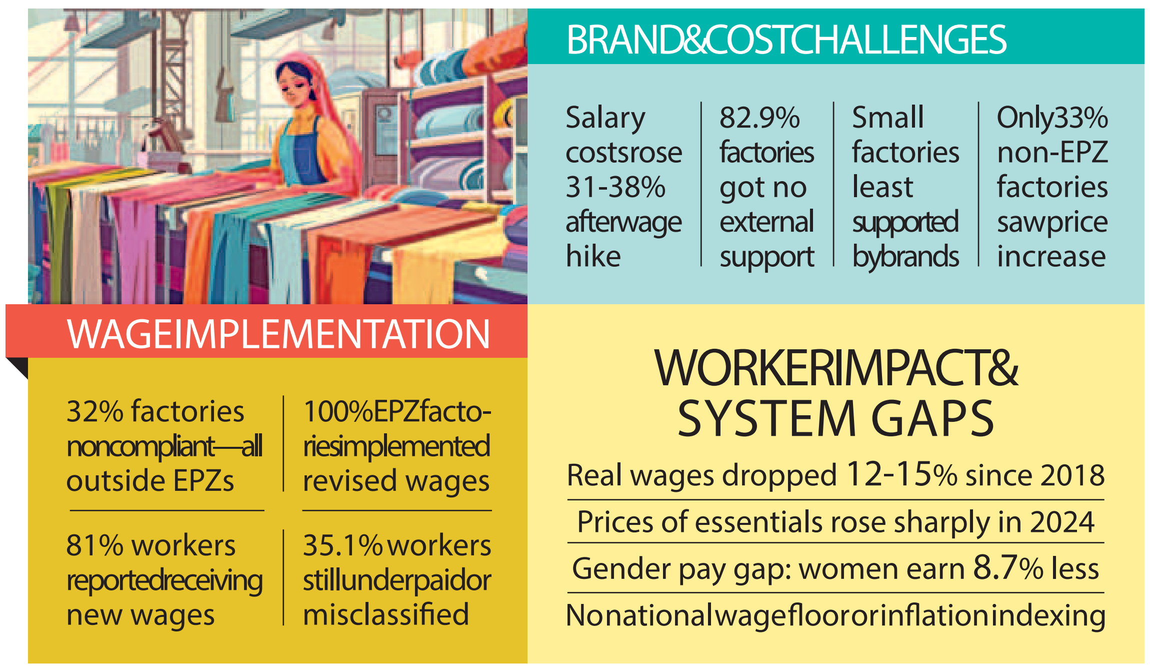
However, net operating cash flow per share (NOCFPS) fell to Tk 146.23 from Tk 195.25 in FY23-24, which the company attributed to higher payments to suppliers.

The net asset value per share also declined year-on-year, which the company said was due to the higher dividend payout in FY24-25.

Shares of Marico rose 2.15 percent to close at Tk 2,541.2 yesterday on the DSE.

One third of RMG factories yet to implement new wage: study

All the non-compliant factories are located outside EPZs



STAR BUSINESS REPORT

In spite of a government directive given in December 2023 for increasing minimum wages in the readymade garment (RMG) sector, nearly one third of factories have failed to implement a revised pay scale, according to a new study.

All of the non-compliant factories are located outside the country's export processing zones (EPZs), the research revealed.

The study was conducted by STITCH, a consortium advancing improved working conditions, in collaboration with BRAC University between September and December 2024. It was made public on Tuesday.

It surveyed 385 RMG factories and 1,113 workers to assess the wage implementation status, socio-economic impact on workers, and structural challenges in wage governance.

The wage revision set a new minimum of Tk 12,500 for non-EPZ factories and Tk 12,800 for those inside EPZs.

While the increase was expected to improve the lives of workers in the country's largest export sector, the findings suggest a significant portion of factories—32 percent—have not complied.

However, the report said, 100 percent of the non-compliant factories were from the non-EPZ segment.

In contrast, all surveyed EPZ factories were found to have fully implemented the new wage. Large factories and those with active trade unions or participation committees also showed complete compliance.

Most compliant factories were affiliated with major industry associations, which appear to influence better wage practices, the report said.

On the workers' side, most reported receiving the revised pay.

The report said that still, a notable number remain underpaid—often due to confusion about job grades or lack of information about their entitlements.

While the increase in wage was expected to improve the lives of workers in the country's largest export sector, the findings suggest a significant portion of factories—32 percent—have not complied

Many workers could not even identify their current grade under the new wage scale, pointing to gaps in communication and awareness.

However, it said the wage increase has put financial pressure on factories. Operating costs have risen significantly, but most have received no help from buyers or government sources.

A very small fraction of factories benefited from any wage-related support, either in the form of higher prices or direct assistance.

The situation was worse for smaller factories, which received the least support from buyers. Even when prices were adjusted, the changes were modest.

Western brands, especially from Europe and North America, offered better support than others, but the gap remains wide, it added.

For many factories, the increased cost of doing business has become difficult to bear. Rising expenses, paired with minimal buyer cooperation, were the main reasons cited for non-compliance with the new wage.

The study pointed out that workers, meanwhile, are seeing their purchasing power decline. Inflation of essentials like food, rent, education, and healthcare has eroded the benefits of higher wages.

At the same time, many workers report increased workloads and longer hours.

The study also highlighted gender-based pay gaps. Women remain concentrated in repetitive, lower-paid roles, while men dominate technical and better-paying positions. Even when doing similar jobs, men often earn more.

The current process lacks true worker representation, and planning between factories and buyers is weak.

Without urgent reforms and better coordination, the intended benefits of the wage hike may not reach the workers it was meant to support.

Future of garment industry hinges on worker welfare

MD MOHIUDDIN RUBEL

The Bangladeshi manufacturing sector, particularly textiles and garments, is vital to the global supply chain. Despite its strategic importance, the sector faces significant headwinds, especially in terms of worker welfare.

In recent years, Bangladesh's garment industry has striven to evolve beyond basic, low-cost production. With increasing innovation and product diversification, the sector aims to become a $100-billion global hub. However, this ambition is unlikely to materialise without fully investing in its most valuable resource: the workers. They are not just contributors but essential partners in the industry's collective success.

Key challenges inhibiting progress

One of the core obstacles to industry reform lies in buyer practices. Many international buyers exploit market oversupply, pressuring manufacturers to accept prices that don't reflect the true cost of ethical production. This squeezes margins and stifles investment in worker welfare.

Meanwhile, compliance with stringent global labour and safety standards, while necessary for sustainability, often imposes substantial financial burdens, especially in the absence of fair compensation from buyers.

Labour rights advocacy also presents a complicated picture. On one hand, a weak presence of workers' organisations hampers collective bargaining. On the other, some demands from labour rights groups can clash with economic realities. A middle ground must be found, where owners and workers engage in honest dialogue and shared responsibility, not adversarial negotiations.

Rising operational costs further complicate matters. With shrinking profit margins, many factories struggle to invest in worker-centric initiatives. Continued financial strain could force closures, resulting in massive job losses. Lastly, global market volatility exacerbated by tariff uncertainties and trade policy shifts has created unpredictable pricing dynamics. The lack of clarity leaves both buyers and sellers unsure whether to commit or renegotiate, which undermines stability across the sector.

A roadmap for worker-centric growth

Boosting productivity is key to Bangladesh's aspiration to become a global manufacturing leader and that starts with treating workers as growth partners.

Wage increases that reflect inflation and the cost of living should be phased in to reward effort and support retention. Better wages translate into better livelihoods, which, in turn, drive higher productivity and competitiveness, provided workers increase productivity in alignment with wage increases.

Investing in affordable housing, accessible healthcare -- including mental health services -- and safe working conditions will improve both well-being and performance on the factory floor. With women comprising the majority of the RMG workforce, targeted support, such as childcare centres and upscaling programmes, is vital to empower female workers and ensure equitable growth.

Supplemental initiatives, such as subsidised food and essentials through ration programmes, can further reduce economic stress and ensure that basic needs are met. Most importantly, the industry must move beyond outdated hierarchies. Bridging the owner-labour divide by promoting a "we" mindset—where all stakeholders see themselves as partners—can transform how the industry navigates both crisis and opportunity.

A multi-stakeholder path to sustainability

Sustainable reform demands joint efforts from manufacturers, buyers, and policymakers. Manufacturers must adopt ethical practices and communicate openly about profitability and other challenges. Buyers must move beyond price-driven relationships and commit to fair pricing that supports ethical sourcing and long-term resilience. Policymakers play a critical role in enforcing labour protections, incentivising responsible business practices, and creating trade policies that reinforce the domestic manufacturing ecosystem. Infrastructure development and streamlined regulation can also reduce operating costs and unlock further potential.

Worker welfare and industry growth are not competing interests, but deeply intertwined concepts. Achieving Bangladesh's ambitious manufacturing goals depends on whether all stakeholders are willing to make that synergistic connection and implement it. A future where Bangladesh leads in global manufacturing is more than just about exports or profit margins. It's about shared prosperity, where progress is measured not only by numbers, but by the dignity and well-being of those who make it possible.

The author is a former director of the Bangladesh Garment Manufacturers and Exporters Association

Square Pharma's Q3 profit jumps 18%

Square Textile sees modest growth

STAR BUSINESS REPORT

Two entities of Square Group -- Square Pharmaceuticals and Square Textiles -- reported positive growth in the third quarter of the 2024-25 fiscal year.

Square Pharma posted a profit of Tk 605 crore in the third quarter of the 2024-25 fiscal year, up 18 percent year-on-year, according to its financial statements.

The company's revenue during the January-March 2025 period rose 22 percent year-on-year to Tk 2,012 crore.

Its consolidated earnings per share (EPS) stood at Tk 6.83 in the third quarter, up from Tk 5.55 in the same period a year earlier.

For the nine months from July 2024 to March 2025, Square's EPS was Tk 21.15, up from Tk 18.24 in the same period of the previous financial year.

Shares of the leading drug maker declined 0.42 percent to close at Tk 214.1 at the Dhaka Stock Exchange yesterday.

Square's consolidated net operating cash flow per share (NOCFPS), however, declined to Tk 11.90 for July 2024 to March 2025 from Tk 17.32 in the same period a year ago.

The company attributed the higher NOCFPS in the previous year to two one-off events: additional credit facilities extended to local customers due to the Eid holidays in June 2023, which were realised in July, and an insurance claim received for damages related to a fire at one of its plants.

These factors were absent in the current period, leading to the decrease in operating cash flow, it said in a DSE disclosure.

Meanwhile, Square Textiles PLC reported a profit of Tk 25 crore in the third quarter of 2024-25, marking a 7 percent year-on-year rise, according to its financial statement.

The company's revenue rose marginally to Tk 580 crore during the period, from Tk 576 crore in the same period a year earlier.

Its consolidated EPS stood at Tk 1.27 in January-March 2025, up from Tk 1.18 a year earlier. For the July-March period, Square Textiles' EPS rose to Tk 5.10 from Tk 4.24 the previous year.

The company credited the rise in EPS to increased yarn output from its new project in Habiganj and balancing, modernisation, rehabilitation, and expansion initiatives at its Gazipur plant.

The company's NOCFPS was Tk 2.24 in the current period, compared to a negative Tk 2.39 a year ago.

Shares of the leading textiles maker declined 1.01 percent to close at Tk 49.1 at the DSE.

Trump tariffs expose US weak flank in services

REUTERS, *New York*

If an angry trading partner wanted to go for US President Donald Trump's jugular, its head of state might make a speech something like this: "My fellow citizens, for years our nation has been looted and pillaged by American banks, tech giants and law firms. The United States has ransacked our universities and hollowed out our entertainment industry. Our wonderful software engineers, advertising copywriters and insurance specialists have suffered greatly. All that stops today. I will shortly be imposing reciprocal charges on imports of US services, just as the US has threatened tariffs on goods we export. Today will forever be remembered as Retaliation Day."

This scenario, while highly implausible, contains a serious point. Trump's assault on American trading partners has exposed a weak flank in services. The president and his advisers are fixated on ending the country's supposed disadvantage when it comes to trade in goods. His administration's "reciprocal" tariffs, now on hold until at least early July, punish countries that send more electronics, agricultural products and other items to the United States than they buy in return.

Yet in services it is the United States that often has the upper hand. The imbalance creates an opportunity for other countries to retaliate against Trump - and creates a vulnerability for American technology groups and financial institutions.

Services dominate the US economy, accounting for more than 70 percent of the country's economic activity last year, according to the Bureau of Economic Analysis. Much of that stays inside the country: you cannot, as trade economists are fond of pointing out, export haircuts. Nevertheless, a decent chunk crosses the border. Last year, the United States exported services worth $1.1 trillion to the rest of the world, while importing $812 billion. The US trade surplus in services has exceeded $200 billion every year for over a decade. That's very different from the picture in goods, where the US last year received items worth $3.3 trillion from other countries, while shipping $2.1 trillion in products abroad.

PHOTO: AFP/FILE

A container ship sits docked at the Port of Oakland in California. The US president and his advisers are fixated on ending the country's supposed disadvantage when it comes to trade in goods.