Star BUSINESS

BB eyes rate cut to 7% if inflation slows to 5% by March

Governor says economic conditions should remain tolerable to investors

STAR BUSINESS REPORT

The Bangladesh Bank will consider slashing the policy rate to 7 percent by March, provided that rampant inflation, which has hovered above 9 percent for nearly two years, eases to 5 percent by then, Governor Ahsan H Mansur said yesterday.

Inflation was recorded at 9.35 percent in March this year while the policy rate, or repo rate, which refers to the interest commercial banks must pay on funds borrowed from the central bank, currently stands at 10 percent.

"If inflation comes down further, we could cut the policy rate to 6 or even 5 percent — but it depends on how well we meet our inflation target and manage the economy," he said.

Mansur made the comments at a panel discussion organised by Building Technology & Ideas (bti) Ltd, a real estate company, in Dhaka, titled 'Investment Options in Current Economic Condition'.

In addition, the governor emphasised the need to maintain a positive real interest rate to protect savers or depositors.

"We can't let savers be squeezed out. We have to encourage them while also ensuring conditions remain tolerable for investors," he said. "To achieve this, we will need to tackle two challenges at the same time. There's no silver bullet.

"On top of that, we have to address inflation as well as the exchange rate. Without a reasonable degree of macroeconomic stability or the exchange rate remaining relatively stable, we won't be able to keep inflation under control," he said.

"Yes, there's macroeconomic complexity here, but it's doable." However, the governor also underscored the need to check the budget size.

"We can't implement the budget by printing money or without collecting sufficient revenue. That won't work.

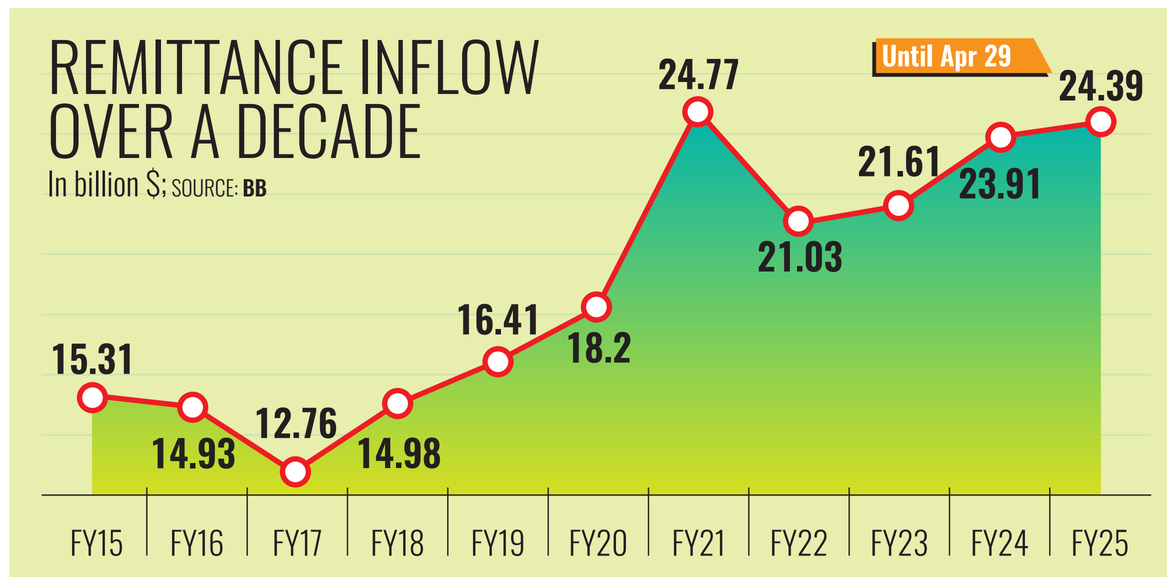
READ MORE ON B3

GOVERNOR SAYS

- No money was printed to support govt as of now
- BB injected some liquidity to help some banks pay depositors' money
- There is no shortage of dollars for importing liquefied natural gas

Remittance in ten months surpasses FY24 total

Economists call it a tonic, not a cure-all



MD MEHEDI HASAN

Remittance inflows in the first ten months of the current fiscal year have already exceeded the total receipts of FY 2023-24, providing a much-needed breather to the economy and easing a severe foreign currency crisis.

The surge in money sent home by Bangladeshi expatriates is being credited to a cocktail of factors, such as a narrowing gap between official and informal exchange rates, a clampdown on money laundering, and renewed confidence of the people living abroad in the interim government.

From July to April 29 of FY 2024-25, Bangladesh received $24.39 billion in remittances, up 2 percent from the $23.91 billion received in the previous fiscal year, according to Bangladesh Bank (BB) data.

A senior BB official estimated that total receipts could reach $27 billion to $28 billion by the end of June.

Economists, however, said that the surge is a tonic for the stressed macro-outlook, but not a cure for all economic ills.

The country previously crossed the $24 billion mark in FY 2020-21, when remittances totalled $24.77 billion.

Now, the latest spike in remittance inflow is playing a key role in helping the interim government stop the depletion of foreign currency reserves.

A senior central bank official said the narrowing of the gap between official and unofficial exchange rates has driven this uptick.

Currently, the official exchange rate for the US dollar ranges from Tk 121 to Tk 122.50, while rates in the informal market hover between Tk 123 and Tk 124.50, according to industry insiders.

The central bank official also said that they have informed

READ MORE ON B3

bKash logged 67% profit growth in 2024

STAR BUSINESS REPORT

Mobile financial services (MFS) provider bKash posted a rise in profit and revenue in 2024.

The MFS company posted a profit of Tk 315.77 crore in 2024, marking a 67 percent year-on-year increase, according to its latest financial statements.

Revenue for the arm of BRAC Bank also rose by 20 percent year-on-year to Tk 5,058.20 crore during the year.

bKash, which started operations in 2011, has played a significant role in expanding mobile financial services (MFS) across Bangladesh.

BRAC Bank currently holds a 51 percent equity stake in the MFS company, established in 2010, according to its website.

Over the years, bKash has attracted a series of strategic investments from global entities, including the Bill & Melinda Gates Foundation, Alipay Singapore E-Commerce Private Ltd, and SoftBank.

ICB traces 38 companies with IPO potential

AHSAN HABIB

Listing of Grameenphone on the stock exchange in 2009 had a huge impact as thousands of investors flocked to open beneficiary owner accounts to get shares of the high-performing company through the initial public offering (IPO).

It ultimately created hype among investors to pour funds into the equity market. After that, no company could create such hype and the market also remained depressed.

Analysts have for many years been urging the listing of companies with good performance records, as it could boost investors' confidence overnight. They state that at least profitable state-run companies should be listed.

Taking the cue, the Investment Corporation of Bangladesh (ICB) has traced 38 potential entities from among state-run, multinational, and local pharmaceutical companies that could go for IPOs.

The Ministry of Finance should be serious about ensuring the listing of state-run companies and impose a relevant condition in the next national budget. Simultaneously, a roadmap is required for the listing of these companies, according to the analysts.

Of the potential companies, 12 are state-run, 24 multinational, and 38 pharmaceutical.

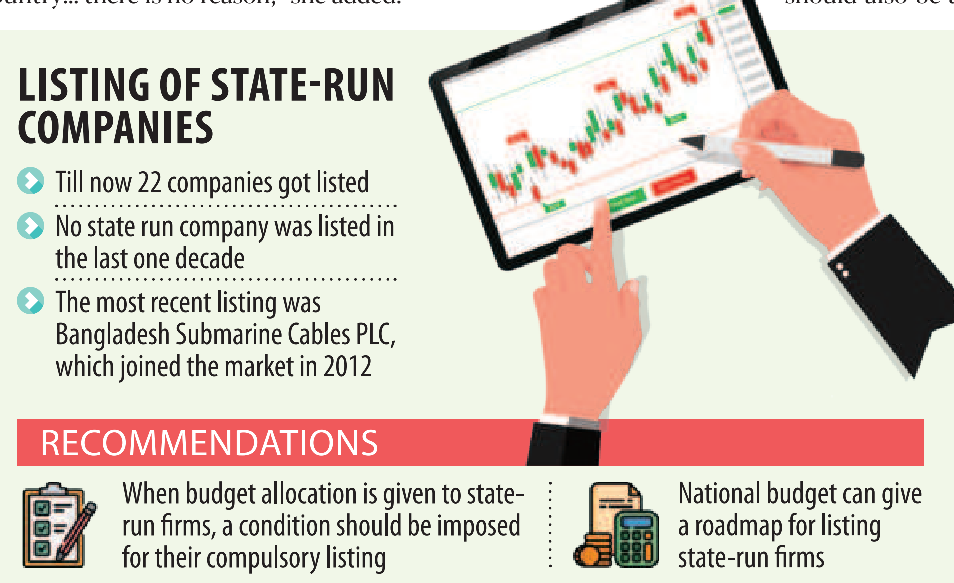
Mazeda Khatun, general manager of the ICB, identified these companies a couple of months ago considering their business nature, profitability, and income.

She provided the list to the Bangladesh Securities and Exchange Commission (BSEC), Financial Institutions Division, and Capital Market Development Committee, which is led by Anisuzzaman Chowdhury, who was appointed as the chief adviser's special assistant last month.

It is high time to enlist the state-run companies, as none can defer it during the tenure of this interim government, given such plans were postponed in the past for different reasons, she said.

"It is highly possible to enlist multinational companies too by giving all types of waivers that they seek in order to ensure a higher supply of good shares," she told The Daily Star.

"If they can offload shares in other countries, why will they stay shy in our country... there is no reason," she added.



Meanwhile, the BSEC has announced that it will focus on facilitating IPOs of well-performing local, multinational, and state-run companies in order to boost investors' confidence.

To attract good companies to the market, the BSEC is trying to ensure at least a 10 percentage-point difference in the tax paid by listed and non-listed firms through the upcoming budget.

It is also advocating for barring manufacturing companies from availing high amounts of bank loans if they have not yet gone public.

The Ministry of Finance should come forward to take responsibility for drawing well-performing companies, said Saiful Islam, president of the DSE Brokers Association of Bangladesh.

It can also offer budgetary allocations for companies that get listed within a specific period. There should also be a roadmap for getting all the companies listed within that period, he said.

Inclusion of the companies in the capital market will boost investor confidence, as most of them have been doing good business for years and have near monopolistic control of the market, he said.

For instance, Padma Oil, Jamuna Oil, and Meghna Petroleum have been providing handsome dividends for a couple of decades, said Islam.

There are several examples of companies with poor performance that failed to pay any dividends for years.

READ MORE ON B3

Govt to issue Interpol alert against absconding factory owners

Labour adviser says

STAR BUSINESS REPORT

The government will issue "Red Notices" through Interpol for businesspeople who fled abroad without paying workers' dues, Brig Gen (retd) M Sakhawat Hussain, adviser to the Ministry of Labour and Employment, said yesterday.

The mentality of looking after workers' well-being has not developed among businesspeople in Bangladesh, he told a mock parliamentary debate in Dhaka.

A "Red Notice" is a request to law enforcement worldwide to locate and provisionally arrest a person pending extradition, surrender, or similar legal action.

READ MORE ON B3

Patenga terminal begins to handle import containers

STAFF CORRESPONDENT, *Ctg*

The Patenga Container Terminal (PCT), the first foreign firm-operated terminal of Chattogram Port, has started handling import-laden containers around 11 months after beginning partial operations in June last year.

With this, the terminal has finally commenced two-way cargo operations, handling both import and export containers from a vessel.

So far, ships had been berthing at the terminal only to take away export containers.

Saudi firm Red Sea Gateway Terminal (RSGT) is operating the terminal.

A ship named Maersk Chattogram, carrying around 1,700 TEUs (twenty-foot equivalent units) of import containers from Port Klang, berthed at a jetty of the terminal on April 30, said a press release issued by RSGT Chittagong today.

READ MORE ON B3

Prime Bank Investment celebrates 15th anniversary

STAR BUSINESS DESK

Prime Bank Investment Limited (PBIL), an investment bank and a subsidiary of Prime Bank PLC, has celebrated its 15th founding anniversary.

CQK Mustaq Ahmed, chairman of the investment bank, inaugurated the celebration as the chief guest at its head office in Dhaka yesterday, according to a press release.

Since its establishment in 2010, PBIL has played a pivotal role in transforming Bangladesh's capital markets, executing landmark equity and debt transactions, offering bespoke corporate finance advisory services, and pioneering a suite of bank-managed portfolio products that have broadened investor participation.

In spite of pronounced market downturns and macroeconomic adversities during several of these years, PBIL has continued to prosper as a profitable investment bank, owing to its disciplined risk management, revenue diversification, operational digitalisation, and steadfast adherence to regulatory standards.

Reflecting on the milestone, Syed M Omar Tayub, managing director and CEO of PBIL, stated, "As we commemorate 15 years of excellence, our mission remains resolute: to advance #AccessToInvestment for Bangladeshis, fostering nationwide prosperity and establishing a resilient investment banking ecosystem for future generations."

"We express our profound gratitude to our shareholders, clients, partners, colleagues, and regulators for their unwavering support throughout this journey," he added.

Looking forward, PBIL reiterates its strategic commitment to enhancing its range of bank-managed retail investment offerings, leveraging AI-driven portfolio tools, developing cutting-edge ESG-linked financing solutions, forging industry alliances, and promoting educational initiatives and stakeholder engagement to stimulate inclusive national growth.

Azam J Chowdhury, Anwaruddin Chowdhury, Hassan O Rashid, and Md Ziaur Rahman, directors of PBIL, alongside members of the management and all employees, were also present.

CQK Mustaq Ahmed, chairman of Prime Bank Investment Limited, inaugurates the celebration at the organisation's head office in Dhaka yesterday, marking its 15th founding anniversary. PHOTO: PRIME BANK INVESTMENT

Mustafizur Rahman re-appointed as MD of MIDAS Financing

STAR BUSINESS DESK

Mustafizur Rahman

Mustafizur Rahman has been re-appointed as the managing director of MIDAS Financing PLC, a non-bank financial institution in the country, for a term of 2 years and 9 months, effective from May 2 this year.

The re-appointment was confirmed at the NBFI's 375th board of directors' meeting held at its head office in Dhaka recently, according to a press release.

Rahman initially joined the institution as managing director on May 2, 2019.

He commenced his professional career at IDLC Finance Limited in July 1988, serving in various capacities throughout his tenure.

Over his 37-year career in the financial sector, he has worked with several leading non-bank financial institutions, including Lanka Bangla Finance Limited, Union Capital Limited, Premier Leasing & Finance Limited, and CVC Finance Limited.

Rahman has served as managing director and chief executive officer at various NBFIs for the past 16 years.

Nagad strikes deal with Bangladesh Bridge Authority for toll collection

STAR BUSINESS DESK

Nagad, the mobile financial service (MFS) provider of Bangladesh Post Office, has signed an agreement with the Bangladesh Bridge Authority (BBA) for the electronic toll collection (ETC) on the Padma Bridge, enabling seamless vehicle movement across the structure.

Nurul Hoq, director of finance and accounts and joint secretary of the BBA, and Md Muiz Tasnim Taqui, chief strategy officer of the MFS, signed the agreement at Shetu Bhaban in the capital's Banani recently, according to a press release.

Under this agreement, toll collection through Nagad using RFID technology will commence shortly.

Vehicles will be able to pass through toll plazas without stopping, with payments processed automatically, significantly reducing travel time and easing commuter inconvenience.

Speaking on the occasion, Mohammad Abdur Rouf, secretary of the bridges division and executive director of the BBA, stated, "Our target is to make it easier for travellers to cross the bridge, especially during the upcoming Eid-ul-Adha. That's why we're collaborating with Nagad and a few other financial institutions to introduce this system."

Md Motasem Billah, administrator of Nagad appointed by Bangladesh Bank, said, "We are upgrading our technology to support a fully digital transaction experience. We are also offering incentives to customers to encourage adoption."

Altaf Hossain Sheikh, director of administration of the BBA, along with other high officials from both organisations, were also present.

Nurul Hoq, director of finance and accounts and joint secretary of Bangladesh Bridge Authority, and Md Muiz Tasnim Taqui, chief strategy officer of Nagad, shake hands and exchange signed documents of the agreement at the Shetu Bhaban in the capital's Banani recently. PHOTO: NAGAD

bti unveils 20 new projects at Summer Sales Carnival

STAR BUSINESS DESK

Building Technology & Ideas Limited (bti), a real estate company in Bangladesh, recently organised the "bti Summer Sales Carnival", unveiling 20 brand-new residential projects across various prime locations in Dhaka city.

FR Khan, managing director of bti, inaugurated the event at the bti Landmark in the capital's Gulshan, according to a press release.

The daylong carnival featured two panel discussions focused on investment opportunities and the evolution of architectural design.

Chowdhury Ashik Mahmud Bin Harun, executive chairman of the Bangladesh Investment Development Authority and Bangladesh Economic Zones Authority; Ahsan H Mansur, governor of the Bangladesh Bank; Mahfuz Anam, editor and publisher of The Daily Star; along with renowned architects Ehsan Khan, Bayejid Mahbub Khondker, and Nazli Hussain, participated as the key speakers during the sessions.

Attendees were offered exclusive deals on select properties, immediate interior design consultations, innovative land development insights, access to a property sales platform, ready-to-move-in apartments, and discounts on home accessories through Home N' Decor.

Participants also had the opportunity to engage with home loan partners and leading experts from the real estate sector.

The event concluded with an awareness session on earthquake and fire safety, conducted by Maj (retd) AKM Shakil Newaz, former director of operations and maintenance at the Fire Service and Civil Defence.

Pubali Bank signs deal with Bangladesh Bridge Authority

PHOTO: PUBALI BANK

Mohammad Ali, managing director and CEO of Pubali Bank PLC, and Mohammad Abdur Rouf, secretary of the bridges division and executive director of Bangladesh Bridge Authority, shake hands and exchange signed documents of the agreement in Dhaka recently.

STAR BUSINESS DESK

Pubali Bank PLC has entered into an agreement with the Bangladesh Bridge Authority (BBA) for the collection of tolls on the Padma Bridge through an electronic toll collection (ETC) system, facilitated via Pubali Bank's mobile banking application, PI.

Md Rabiul Alam, deputy general manager and head of the ADC division at the bank, and Khandaker Nurul Hoq, director of finance and joint secretary of the BBA, signed the agreement in Dhaka recently, according to a press release.

Mohammad Ali, managing director and CEO of the bank, and Mohammad Abdur Rouf, secretary of the bridges division and executive director of the BBA, were present at the signing ceremony.

Md Shahnewaz Khan, deputy managing director of the bank; Md Faizul Hoque Sharif, general manager and head of the general banking and operation division; Shahin Shahria, general manager and head of Mohakhali corporate branch; and Md Shamsul Alam, assistant general manager of the ADC division; and Altaf Hossain Sheikh, joint secretary of the BBA; Md Mizanur Rahman, deputy director of accounts and budget (current charge); Md Mosharrof Hossain, deputy director of accounts and budget (current charge), along with other senior officials from both organisations, were also present.

Mahbubur Rahman, president of International Chamber of Commerce, Bangladesh (ICCB), attends the ICC dialogue, titled "Global Financial Trends & Reforms: Implications for Bangladesh", organised by the ICCB, at a hotel in Dhaka recently. Md Zakir Hossain Chowdhury, deputy governor of Bangladesh Bank, Florian Witt, chairman of ICC Global Banking Commission, Enamul Huque, managing director of Standard Chartered Bangladesh, AK Azad, vice-president of ICCB, Abdul Hai Sarker, chairman of the Bangladesh Association of Banks and Dhaka Bank, Md Mahbub ur Rahman, CEO of HSBC Bangladesh, and Selim RF Hussain, chairman of the Association of Banks Bangladesh and MD of BRAC Bank, were also present. PHOTO: ICC BANGLADESH

Swift action

FROM PAGE B4

The exporter opined that woven garment exports could more or less decline once the hike comes into effect, while knitwear exports have good growth prospects.

This is because the US has alternative sources of woven garments, while work orders for knitwear will shift from China and Vietnam to Bangladesh, predicts Tanvir.

He also sees good prospects for synthetic items. China and Vietnam are now the main sources of man-made fibre products.

"China is out of the question now. If the announced US tariff for Vietnam prevails, then there are good prospects of an export increase of Bangladesh's man-made fibre products to the US," Tanvir opined.

He said Bangladesh's strength is in cotton-based products, but the country still does not have the huge infrastructure and backward integration required for synthetic items, which are mainly imported.

Diversification of the export market is also a crucial issue for the country's RMG sector, he added.

The RMG exporters have made good progress in the last 10 to 15 years to diversify the export market beyond the traditional markets in the US, Europe, and Canada, said Tanvir.

Still, there is a need to accelerate that effort to diversify the export market even further, he said.

Regarding which countries could benefit from the tariff hike, Tanvir said there could be a shift in work orders to Turkey, Jordan, Egypt, or Morocco, as their goods face lower tariffs than those from Bangladesh.

"But whether these countries have the capacity, skilled resources and manpower, and adequate infrastructure to actually cater to the business shift is also something we have to look at," he said.

Even though the tariffs are lower, the production costs are higher in those countries compared to Bangladesh, he said.

According to the exporter, the country's denim sector is in a good position with good backward integration, as a lot of denim mills are already working with US customers and aligned with US customers' quality requirements.

The country's major exports in the woven category are denims and shirts.

"We are very strong in denim, but at the same time, we also have our competitors who are in a more advantageous position due to the lower tariff," he said.

Tanvir believes Pakistan, Egypt, and one or two other countries could match or scale up their capabilities to cater to some of the shift in business.

He sees more opportunity in sectors other than RMG to actually grow exports.

This challenging situation also has a positive side in that it gives a chance to scale up capacity in other product categories like electronics, footwear, agro-processing, and pharmaceuticals, and in more value-added products, he opined.

He also urged the government to negotiate tariffs or duties which Bangladeshi goods face in other countries, such as the prospective market of South America where the duty is higher.

"And especially for LDC graduation, we have to focus on free trade agreements (FTAs) as much as possible," said Tanvir.

Terming FTAs as the only way forward, he urged the government to sign them with all prospective export markets so that the country does not lose what it already has.

Apple expects

FROM PAGE B4

"Apple saw strong growth in the Americas and Japan," said CFRA Research equity analyst Angelo Zino, noting part of the reason could have been ramped up orders to get ahead of US tariffs.

"China revenue declined 3 percent, but the hope was for growth as subsidies were put in place to help stimulate demand in the region."

Apple shares were down more than three percent in after-market trading.

Indian yarn producers consider waterways for export to Bangladesh

OUR CORRESPONDENT, *New Delhi*

After Bangladesh shut yarn imports through its five land ports last month, producers of the spun fibre in India are considering alternative modes of transportation.

Land ports in Benapole, Bhomra, Sonamasjid, Banglabandha, and Burimari handled around 30 percent of India's yarn exports to Bangladesh, mostly consisting of special and dyed yarn.

However, in line with a long-standing demand from local spinners, who complained of losses due to an influx of yarn imports through land routes, the National Board of Revenue decided last month to stop yarn imports through land ports.

In response, Indian yarn exporters discussed a number of alternative options at a recent conference, including transporting goods using inland waterways through trans-border rivers. They also met with buyers in Bangladesh.

About 70 percent of Indian yarn is still transported to Bangladesh by sea, according to Siddhartha Rajagopal, executive director of the Indian Cotton Textiles Export Promotion Council.

"Now, exporters who relied on land ports for their goods will use sea routes as well. There are smaller ships that leave from Kolkata," he added.

However, an issue Indian exporters face when shipping over waterways is the longer lead time.

According to K Selvaraju, the secretary general of the Southern India Mills' Association, India exported more than 100 million kg of yarn every month in the past. Currently, it has decreased to around 90 million kg.

Indian yarn was mostly sold to Bangladesh and China, but China has drastically reduced imports in recent years. If 30 percent of shipments to Bangladesh are affected, the yarn will go for domestic use, lowering costs and impacting the domestic textile value chain, he said.

In 2024, India exported a total of $1.6 billion worth of cotton yarn and $85 million worth of yarn made from manmade fibre.

Selvaraju added that Bangladesh's decision to curb yarn imports through land ports was impacting textile factories in northern Indian states, especially small and medium-sized units, which have long relied on land routes to export yarn owing to lower logistical costs.

They will now be forced to reroute shipments through seaports in Gujarat, Tamil Nadu, or Mumbai, which could raise both costs and delivery times.

Although shipments by sea take slightly longer, one silver lining is that they are expected to be 10 percent cheaper than land-based imports. Seaports are also better equipped to handle quality control measures, ensuring that yarn specifications are met accurately.

India primarily exports cotton to Bangladesh, China, Vietnam, Indonesia, Taiwan, and Thailand, with Bangladesh and China being the largest importers of Indian cotton, according to a 2024 report by the Indian Textiles Ministry.

Govt may opt out of IMF loan if more conditions imposed

Chief adviser's special assistant says

UNB

Bangladesh will pull out of the loan programme if the International Monetary Fund (IMF) imposes additional conditions for the release of upcoming tranches of the $4.7 billion loan, warned Chief Adviser's Special Assistant Anisuzzaman Chowdhury.

He made the statement yesterday while speaking at a budget seminar held at the Bangladesh Agricultural Research Council in Farmgate, Dhaka.

"Bangladesh will withdraw if the IMF imposes more conditions for loan releasing. Because if all the conditions of the organisation are followed, the economy will become weak," said Anisuzzaman.

At the seminar ahead of Bangladesh's final recognition as a developing country next year, agricultural economists urged the government to raise the agriculture budget with clear targets.

Pran launches shampoo for pets

STAR BUSINESS REPORT

Advance Personal Care Limited (APCL), a concern of Pran Group, has stepped into the booming pet care industry by launching its first-ever pet shampoo: Adora Aloe-Oatbath.

"The number of pet lovers in the country is growing rapidly. People now treat pets as family members and prioritise their well-being," Arunangshu Ghosh, head of business at APCL, said at the shampoo's launch at a programme in Dhaka on May 1.

The pet shampoo market in Bangladesh is currently worth around Tk 90 crore and is growing at a rate of 20 percent annually, he said.

"Considering this growth, we have decided to invest in the sector and plan to introduce a range of pet healthcare products in the coming days," he said.

Moreover, APCL aims to export its products to North America and Europe, where demand is high, Ghosh added. The global pet shampoo market is worth nearly $6 billion, he noted.

Each 500ml container of the Adora Aloe-Oatbath shampoo has a price tag of Tk 1,400.

On the same day, APCL also organised a workshop on pet healthcare at the same venue.

Mohammad Rafiqul Islam, president of the Bangladesh Small Animal Veterinary Association, along with 50 prominent veterinarians, attended the workshop. Hong Jinki, chief of commercial and technology at Singapore-based Maha Chemicals, joined the event virtually and shared insights on pet healthcare trends.

Ahsan H Mansur, governor of the Bangladesh Bank; Chowdhury Ashik Mahmud Bin Harun, executive chairman of the Bangladesh Investment Development Authority; Mahfuz Anam, editor and publisher of The Daily Star; and FR Khan, managing director of Building Technology & Ideas Limited, attend a panel discussion organised by the realtor during the "bti Summer Sales Carnival" at the bti Landmark in the capital's Gulshan yesterday.

PHOTO: BTI

ICB traces 38 companies

FROM PAGE B1

The government needs to change some policies regarding these companies, he said.

One way is by offloading a large number of shares for private investors interested in running those companies, as their infrastructure could turn out to be attractive, he added.

According to the ICB, Ashuganj Power Station Company Limited, Sadharan Bima Corporation, Jiban Bima Corporation, LP Gas Limited, Bakhrabad Gas Distribution Company Limited, and Jalalabad Gas Transmission & Distribution Systems Limited are among the potential state run companies.

Other government-owned companies are Pashchimanchal Gas Company Limited, North-West Power Generation Company Limited, B-R Powergen Limited, Northern Electricity Supply Company (PLC), Dhaka Power Distribution Company (DPDC), and Gas Transmission Company Limited (GTCL).

The Awami League government tried hard to bring some companies to the stock market but failed. Sometimes, a political government cannot do many things that can be done by unique governments such as the current one. So, the matter should be taken up seriously, he added.

In 2010, former finance minister Abul Maal Abdul Muhith gave 26 state-run companies six months to get listed. However, none came to the market in the last 14 years, except for Bangladesh Submarine Cables PLC.

Anisuzzaman Chowdhury told journalists last year that the government was working on offloading state-run companies.

It is also trying to offload 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 will try to allow companies with good governance into the market, he added.

Govt to issue Interpol alert

FROM PAGE B1

The debate was on the topic "the responsibility of trade unions is higher than business owners for the protection of workers' rights", organised by non-government organisation Debate for Democracy.

The government has been planning to pay arrears to affected workers by selling off homes, vehicles, and land of businesspeople concerned, Hussain said.

The interim government is always looking to serve the interests of workers, but focus is also required on the interests of factory owners. The government does not want to see a division between the owners and workers, he said.

The industrial sector's failures resulted from misgovernance by the previous government, which was ousted in August last year by a mass uprising, he added.

The factory owners concerned are also leaders of political parties and members of parliament (MPs) and were responsible for the misrule. Many of those ministers and MPs are either absconding or hiding without paying workers' dues, he added.

In the debate, a team from Tejgaon College was adjudged the winner against a team from Daffodil International University.

Hasan Ahmed Chowdhury Kiron, chairman of Debate for Democracy, chaired the event while AHM Shafiquzzman, secretary to the labour and employment ministry, attended as special guest.

BB eyes rate cut to 7% if inflation slows

FROM PAGE B1

Nor can we keep borrowing from abroad to implement the budget. That's not sustainable.

"Overall, we must bring stability. We can't live off borrowed money forever," he said.

In response to a question asking why the central bank had printed money to provide liquidity support to ailing banks at the end of last year despite its aim to fight inflation, Mansur said, "No money has been printed to support the government as of now. The only reason I had to inject some liquidity was to help certain banks pay depositors their hard-earned money."

He said it was done only for the sake of depositors who were lining up to withdraw their funds.

"That was the reality of the situation we inherited. We're now trying to stabilise the system, and hopefully, we'll move toward a resolution through bank restructuring and related reforms," he said.

During the discussion, Mahfuz Anam, editor and publisher of The Daily Star, said the government should prioritise remittance earners, give them skills training, and ensure their safety and security.

Last year, Bangladesh received $23 billion in remittances. Just last month, it was $3 billion.

He said the government is not giving enough importance to those who are contributing to keeping the economy vibrant.

Mansur also acknowledged the pay gap between workers from Bangladesh and those from other countries.

"It reflects a gap in our training, our knowledge, and the overall skill level of our expatriate workers. They're not aligned with what the global job market demands," he said.

"So, we need to fix that at home, starting with our education system, our training programmes, especially pre-departure training. These must become far more rigorous."

He added that institutional reform is a must. The government has taken some palliative measures — like setting up lounges at the airport for outbound expatriates or offering subsidised food.

"These are positive gestures, and I welcome them. They're commercially and emotionally valuable."

Mansur added that all the dollars required for importing liquefied natural gas (LNG) are now available.

"Earlier, some reputable companies refrained from LNG auctions because we couldn't make payments on time. That affected the market.

"But now, global LNG prices have come down and so has the markup on Bangladesh's imported LNG.

"Previously, some of our gas import agreements — worth hundreds of millions of dollars — had completely collapsed. Those issues have since been resolved."

At the event, Chowdhury Ashik Mahmud Bin Harun, executive chairman of Bangladesh Investment Development Authority, said they would allocate unused lands of BEZA for solar plants.

"A decision has been made in principle in this regard. We're doing our first experiment in Feni on around 300 acres of land that has been allocated to ADB to find potential generation partners," he said.

FR Khan, managing director of bti, moderated the panel discussion.

Patenga terminal

FROM PAGE B1

After discharging the imports, the ship departed with 2,300 TEUs of export containers, including 600 TEUs of laden ones, it added.

Chittagong Port Authority Secretary Md Omar Faruk said it took time to begin handling import containers as the operator needed several permissions, such as the use of scanners and other licences, from the National Board of Revenue.

This development follows a $3.5 million investment in a new scanner, which improves cargo inspection and processing, handling 150 containers per hour, said RSGT.

"This marks a significant moment for RSGT Chittagong as we move from trial to full-fledged operations," said Erwin Haaze, RSGT Bangladesh CEO.

"We are proud to be contributing to the growth and modernisation of Bangladesh's maritime trade, ensuring world-class service standards for our clients and partners," he said.

Port users, however, said full-scale operations at the terminal would begin after the installation of vital container-handling equipment such as ship-to-shore cranes.

RSGT has already invested $26 million in purchasing 14 rubber-tyred gantry cranes and approximately $30 million in four ship-to-shore cranes.

Remittance in ten months

FROM PAGE B1

commercial banks that the Bangladesh Bank will no longer provide direct dollar support, pushing them to source foreign currency on their own.

"This has also contributed to the remittance collection through formal channels," commented the official.

Previously, a large portion of remittances flowed through informal routes such as "hundi" and "hawala" — illegal yet widely popular money transfer channels.

"But after the political changeover in August last year, much of that flow has shifted to formal banking channels, as many individuals involved in illicit money transfers have fled the country," said Sohail R K Hussain, managing director of Bank Asia PLC.

"After the political changeover, the demand for hundi came down, which pushed the remittance inflow through the formal channel," he said.

According to Hussain, this change helped increase monthly remittance receipts from $2 billion to $3 billion, a trend he believes will continue.

Remittance flows have risen steadily each month since the August changeover. In March, the country registered its highest-ever monthly inflow of $3.29 billion.

Foreign exchange reserves, which had been on a declining trend since August 2021, have now stabilised thanks to these higher inflows. As per the International Monetary Fund (IMF) calculations, the country's reserves have been hovering over $20 billion since December last year.

On 30 April, reserves stood at $22.04 billion, up from $21.41 billion a week earlier, according to the latest figures of the central bank.

Despite the positive signs, the current account balance remained in negative territory during July to February, standing at negative $1.26 billion, BB data showed.

The current account balance is part of a country's financial inflow and outflow record. It is part of the balance of payments, the statement of all transactions made between one country and another, as per Investopedia.

So, does the remittance boom signal easing pressure on the country's external balance?

Not quite, said Mohammad Abdur Razzaque, economist and chairman of local think-tank Research and Policy Integration for Development (RAPID).

He said that the external balance remains under pressure and is likely to remain so in the coming months.

"The central bank now wants to control inflation while also trying to prevent further depreciation of the taka," he said.

"I am observing that the inflow of remittance will be good in the upcoming days because money laundering has already come down. As a result, remittance through formal channels has improved."

Razzaque added that export growth will be important to improving the external balance. On inflation, he noted that import restrictions, though unofficial, are weighing on prices, and increasing imports could help ease the pressure.

He also played down concerns about possible IMF loan delays, saying the central bank could still manage without external support.

However, he said that failing to secure IMF funds might raise questions about the government's policy credibility. "Questions may arise about policy credibility if we do not get the IMF loans."

Gold heads for weekly loss

REUTERS

Gold edged lower on Friday and was headed for a second consecutive weekly loss as easing trade tensions between the US and China and a strong jobs report kept prices pressured.

Spot gold was down 0.4 percent at $3,228.50 an ounce as of 1:41 p.m. ET (1741 GMT). Prices were down 2.6 percent weekly, after hitting a record $3,500.05 on April 22. It hit its lowest since April 14 on Thursday.

US gold futures settled 0.6 percent higher at $3,243.30.

"Gold looks like $3,500 may be a top for a little while, especially if some trade deals start to come through and some risk on appetite starts to break through the kind of negative euphoria that we've been seeing since the tariff talks," said Daniel Pavilonis, senior market strategist at RJO Futures.

Crown Cement lifts profit by 76% on stronger sales

STAR BUSINESS REPORT

Crown Cement has posted a rise in profit and revenue for the third quarter of the fiscal year (FY) 2024–25, buoyed by higher sales.

The cement maker's profit soared by 76 percent year-on-year to Tk 30.20 crore in the January–March period of FY25, according to its latest financial statement.

Revenue climbed 30 percent over the same quarter to Tk 1,192.20 crore.

The company credited the growth to a 30.14 percent jump in sales volume and a 0.46 percent uptick in prices, supported by various sales initiatives.

Earnings per share (EPS) rose to Tk 2.03 during the quarter, up from Tk 1.15 a year earlier.

Despite the quarterly surge, Crown Cement's net profit for the first nine months of FY25 fell to Tk 52.83 crore, down from Tk 87.64 crore in the same period last year. This represents a decline of Tk 34.82 crore, even as revenue rose 15.12 percent.

Crown Cement said the decline in profit was mainly due to higher depreciation costs from its new capacity expansion, interest charges on long-term loans for the new production unit, increased energy costs, and elevated spending on advertising, promotions, and workforce expansion to gain market share.

For a 30 percent quarterly revenue growth, the company credited a jump in sales volume and an uptick in prices, supported by various sales initiatives such as advertisements and promotional campaigns

An elevated effective tax rate, stemming from the imposition of minimum tax, also weighed on profitability, said the company.

Earnings per share for the nine-month period slipped to Tk 3.56, down 39.72 percent from Tk 5.90 a year earlier.

However, net operating cash flow per share (NOCFPS) surged to Tk 17.16, compared to Tk 4.46 in the same period last year.

The improvement was driven by improved cash collections, non-cash depreciation from the sixth unit, and extended credit terms from suppliers.

Selling and distribution costs rose due to increased spending on advertisements and the deployment of a larger sales team to leverage the company's expanded capacity.

Finance costs edged down 6.73 percent on the back of reduced foreign exchange losses, aided by a more stable exchange rate.

However, interest expenses rose due to the long-term project loan for the sixth unit and higher prevailing interest rates.

As of March 31, sponsor-directors jointly held 65.33 percent of the company's shares, according to Dhaka Stock Exchange data.

Institutional investors owned 18.34 percent, the public held 16.28 percent, and foreign investors accounted for 0.05 percent.

Swift action, long-term plans can offset US tariff shock

Pacific Jeans MD tells The Daily Star

TAKEAWAYS FROM INTERVIEW

CONCERNS AND SHORT-TERM PRIORITIES

- US tariff already hurting RMG as buyers cancel or delay orders
- Factories need to ship pending orders within 90-day grace period
- Exporters must negotiate individually with buyers to reduce losses

MID-TERM MEASURES

- Engage with US buyers to retain orders despite tariff pressure
- Each factory needs its own mid-term action plan
- Govt should use grace period to negotiate with US

LONG-TERM STRATEGY

- Promote use of US cotton to qualify for tariff relief
- Develop infrastructure and backward linkage for synthetics
- Increase US imports like LNG, aircraft to rebalance trade ties

SECTORAL SHIFTS AND OPPORTUNITIES

- Knitwear and synthetic exports to US may grow post-tariff
- Diversify exports beyond RMG into electronics, pharma, etc
- Push for FTAs to safeguard exports post-LDC graduation

DWAIPAYAN BARUA, *Ctg*

The US government's recent announcement to hike the tariff on Bangladeshi goods by an additional 37 percent has already begun affecting the country's readymade garment (RMG) industry, according to a leading denim exporter.

International buyers are cancelling or putting on hold some of the work orders and demanding price discounts, said Syed M Tanvir, managing director of Pacific Jeans.

In a recent interview with The Daily Star, Tanvir underscored the need for both the government and individual factory owners to take up immediate, mid-term and long-term strategies to weather the impacts.

Otherwise, the country's export competitiveness in the vital US market could suffer a setback, he apprehended.

Bangladesh's RMG sector accounts for over 80 percent of the country's total exports, with the US being one of its biggest markets.

The hike-induced abrupt demands of the international buyers are putting the factories under financial pressure, Tanvir said.

With a 90-day pause currently in place before the tariffs come into effect, he stressed the importance of manufacturing goods sought in the existing orders and shipping those at the earliest within this deadline.

The short-term strategy is to control damage, and every factory must act individually, negotiating with their customers to minimise losses as much as possible, he said.

"Within the pause period, the government also needs to put in the maximum effort to negotiate with the US government and get the best deal so that we are least impacted," said Tanvir.

For the medium term, he recommended exporters individually engage in intense dialogue with their US customers to negotiate the continuity of work orders and increase business to minimise the impacts of the tariff hike.

"Every factory should have its own strategy, have its own game plan in this regard," he said.

International buyers are cancelling or putting on hold some of the work orders and demanding price discounts, said Syed M Tanvir, managing director of Pacific Jeans

And, for the long-term strategy, the government has an important role to play, said Tanvir.

Referring to the chief adviser's letter to the US president expressing Bangladesh's intent to significantly increase imports of US farm products, including cotton, Tanvir said it was a very important issue.

US retailers also need to play a role, such as promoting the use of American cotton for their work orders, because it might help them avail tariff rebates, he said.

"There has to be dialogue not only between the two governments but also involving the brands, so that they endorse the use of US cotton while nominating spinning mills that would produce the yarn," he explained.

"To significantly increase the use of US cotton, the government needs to keep the Bangladesh Textile Mills Association (BTMA), Bangladesh Garment Manufacturers and Exporters Association (BGMEA), and other stakeholders like the buyers' forum on board when formulating a long-term strategy," he said.

For the long-term strategy, Tanvir also stressed the need for developing better infrastructure and backward integration for all categories of garment products.

To offset the impact of the US tariff hike, he also emphasised exploring scopes for increasing other imports from the US.

He proposed enhancing government spending for big-volume purchases like liquefied natural gas (LNG), aeroplanes, or military equipment from US companies to help balance the trade deficit.

And finally, there is no alternative to effective dialogue and trade negotiation or diplomacy to find a good solution so that the country's exports are protected and subsequently increase, he said.

If such strategies are adopted, Bangladesh's exports to the US will grow, he hoped.

He, however, predicts that the export of all categories of garment products may not witness growth if the US tariff hike is imposed.

Currently, the export of woven garments from Bangladesh to the US market is higher than that of knitwear products.

READ MORE ON B2

Regulatory reform: A pivotal need for economic agility

MAMUN RASHID

For years, local businesses have struggled with an invisible but formidable opponent: a web of outdated, inconsistent, confusing and burdensome regulations. Navigating this bureaucratic maze has often meant facing unpredictable delays, opaque procedures, and uneven enforcement. As Bangladesh aims to revitalise its economy and attract fresh investment, the push for regulatory reform is not just timely, it is essential.

Responding to mounting pressure from both domestic business leaders and international development partners, the interim government has been discussing an ambitious reform programme. Though it didn't come up loudly till date, I believe at the heart of this effort should lie the proposal to establish a "Regulatory Reform Commission (RRC)", a dedicated body tasked with overhauling archaic rules and processes that constrain economic activity. The RRC's role must be continuous and proactive: monitoring, evaluating, and streamlining the full spectrum of economic, especially business-related regulations.

This is not Bangladesh's first attempt. Back in 2007, under the caretaker government, a similar commission led by the late Dr Akbar Ali Khan was formed but ultimately dissolved without significant impact due to a lack of political continuity. Experts now argue that this opportunity must not be squandered. From my engagement with the earlier "Better Business Forum", which helped establish the original RRC, I can say with confidence that business owners repeatedly emphasised that if reforms were left solely to line ministries, little progress would occur. We need a central authority with a clear mandate and strong political backing.

The need for reform is also evident in the data. Bangladesh continues to lag behind its regional peers in business environment metrics. In early 2025, the country scored just 56.99 out of 100 in the "regulatory framework" pillar, placing it in the bottom quintile among 50 surveyed economies. Despite positive steps, such as digitalisation of trade documentation and one-stop service initiatives, entrepreneurs still face regulatory uncertainty that stifles innovation and deters investment. Foreign direct investment in FY2024 dropped by 5 percent, a worrying sign for an economy reliant on private capital to fuel growth.

Recent economic headwinds have made reform even more urgent. GDP growth declined to 1.8 percent in the July–September 2024 quarter, prompting the World Bank to revise its annual forecast to 4 percent. Meanwhile, domestic revenue grew only 3.7 percent in the first quarter of FY25, compared to 17.7 percent year-over-year. Recognising these pressures, the government has secured over $3 billion in funding from the World Bank, with a significant portion earmarked for regulatory and structural reforms.

Analysts have pointed to two key challenges in the regulatory landscape as: (1) many regulations are outdated and irrelevant, and (2) the country lacks frameworks to govern emerging technologies and business models. Regulators are consistently behind the curve. This mismatch between policy and progress reinforces the case for a permanent reform commission.

To be more than a token initiative, the RRC must be enshrined in law and operate beyond political cycles. Looking back at the earlier commission, we should now push for a three-tiered structure: broad dialogue to identify issues; expert-led design of reforms aligned with global practices; and institutional mechanisms to ensure implementation. The earlier commission made real progress when it had support from the "Better Business Forum" and from strong leadership. It must again function as part of a broader public-private ecosystem.

The task is clear. Bangladesh must shift from reactive, piecemeal regulation to a strategic, forward-looking approach. A well-functioning Regulatory Reform Commission can deliver just that — not merely by cutting red tape, but by making the economy more adaptive, inclusive, and competitive in a fast-changing world.

Mamun Rashid is an economic analyst and chairman at Financial Excellence Ltd.

ACI reports massive Q3 loss despite rise in revenue

STAR BUSINESS REPORT

ACI, one of the largest conglomerates in Bangladesh, reported a massive loss in the third quarter of the 2024–25 fiscal year.

The company incurred a consolidated loss of Tk 13.69 crore in the January–March quarter, compared to a profit of Tk 1.65 crore in the same period a year ago.

However, it posted a 17 percent year-on-year growth in revenue in the third quarter of the 2024–25 fiscal year, with turnover reaching Tk 3,573.50 crore, according to its financial statements.

For the July–March period, the company logged total revenue of Tk 10,193.25 crore, registering a 9.6 percent year-on-year growth, driven by contributions from multiple business segments, ACI said.

The company's loss per share stood at Tk 1.12 for the quarter, whereas earnings per share were Tk 0.13 in the corresponding period of the previous fiscal year.

In the nine-month period that ended on March 31, ACI's consolidated loss per share widened to Tk 9.11 from Tk 7.18 a year earlier.

The company said gross profit growth during the period outpaced the growth in operating expenses due to cost control initiatives, which contributed to an improvement in operating profit.

However, a rise in borrowing costs—driven by higher interest rates and additional funding requirements for working capital and strategic investments—led to a deterioration in the bottom line, as the company mentioned in the financial statements.

Apple expects $900m tariff hit, US iPhone supply shifts to India

AFP, *San Francisco*

Apple on Thursday reported first-quarter profit above expectations but warned that US tariffs could cost the company and were disrupting its supply chain.

Apple expects US tariffs to cost $900 million in the current quarter, even though their impact was "limited" at the start of this year, chief executive Tim Cook said on an earnings call.

Cook said he expected "a majority of iPhones sold in the US will have India as their country of origin," adding that Apple's products were exempt from Trump's most severe reciprocal tariffs for now.

"We are not able to precisely estimate the impact of tariffs, as we are uncertain of potential future actions prior to the end of the quarter," Cook said.

"Assuming the current global tariff rates, policies and applications do not change for the balance of the quarter and no new tariffs are added, we estimate the impact to add $900 million to our costs."

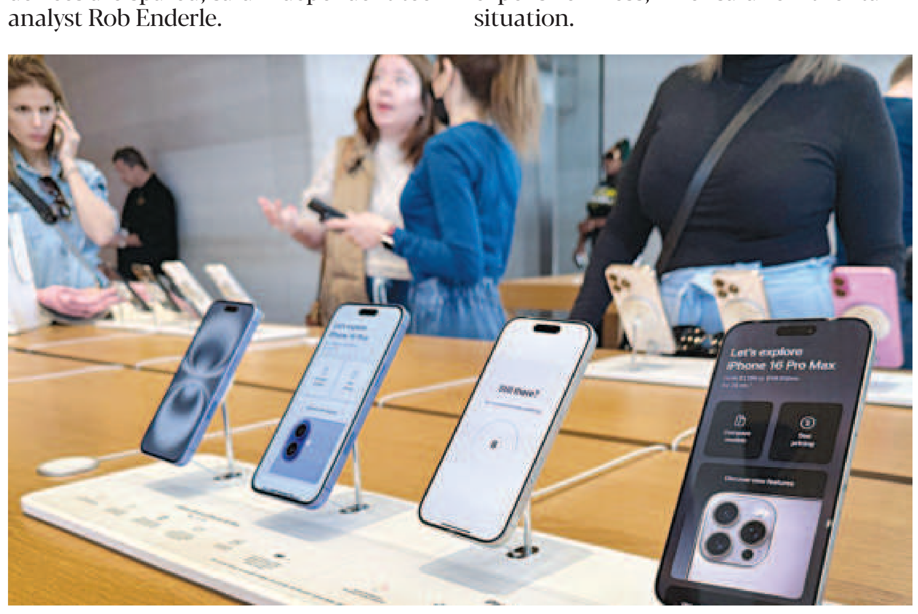
Tit-for-tat exchanges have seen hefty US levies imposed on China, with Beijing setting retaliatory barriers on US imports.

High-end tech goods such as smartphones, semiconductors and computers received a temporary reprieve from US tariffs.

Although completed smartphones are exempted from Trump's tariffs for now, not all components that go into Apple devices are spared, said independent tech analyst Rob Enderle.

"The more components are crossing borders, the most cost flows through to the device," Enderle explained.

"In the end, this all adds up to an expensive mess," he said of the tariff situation.



Customers shop for iPhones at an Apple store in Chicago on April 14. Apple expects US tariffs to cost $900 million in the current quarter, even though their impact was "limited" at the start of this year, chief executive Tim Cook said. PHOTO: AFP/FILE

Canalys research manager Le Xuan Chiew said Apple built up inventory ahead of the tariffs going into effect.

"With ongoing fluctuations in reciprocal tariff policies, Apple is likely to further shift US-bound production to India to reduce exposure to future risks," he said.

While iPhones produced in mainland China still account for the majority of US shipments, production in India ramped up toward the end of the quarter, according to Canalys.

Cook said Vietnam would be the country of origin for almost all iPad, Mac, Apple Watch and AirPod products sold in the US.

China will continue to be where most Apple products are made for sale outside the US, he insisted.

"What we learned some time ago was that having everything in one location had too much risk with it and so we have, over time with certain parts of the supply chain, opened up new sources of supply," Cook told analysts.

"You could see that kind of thing continuing in the future."

Apple's revenue of $95.4 billion in the recently ended quarter was driven by iPhone sales, with the company reporting $24.8 billion profit for the quarter.

READ MORE ON B2