

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.

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, Sonamajid, 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.

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

BB eyes rate cut to 7% if inflation slows

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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 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."

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."

Remittance in ten months

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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

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

the current account balance from becoming negative again," he said.

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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 \$2,228.50 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 \$2,243.30.

"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 April 14," he said.

ICB traces 38 companies

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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, Jibon Bima Corporation, LP Gas Limited, Bakhrabad Gas Distribution Company Limited, and Jalalabad Gas Transmission & Distribution Systems Limited are among the potential state-run companies.

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.

A n i s u z z a m a n 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.

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.

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 Shafiquzzaman, secretary to the labour and employment ministry, attended as special guest.

Patenga terminal

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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 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-tired gantry cranes and approximately \$30 million in four ship-to-shore cranes.

Heartiest Congratulations

Noor A Alam Chowdhury

elected as Chairman of

Credit Rating Agency of Bangladesh Limited

Credit Rating Agency of Bangladesh Limited (CRAB) has announced the appointment of Mr. Noor A Alam Chowdhury as the Chairman of its Board of Directors, effective from April 22, 2025. The election, which received unanimous support, took place during the 103rd board meeting. Mr. Chowdhury has served as a member of CRAB's board since 2016. He succeeds the late Mr. Syed Manzur Elahi, a founding director of CRAB and former Chairman of Mutual Trust Bank PLC and Apex Footwear Ltd.

Mr. Chowdhury brings extensive experience from the ICT sector, having held senior technology and business roles within the insurance, chemical and banking industries across Bangladesh, Middle East and South Asia. Mr. Chowdhury left his multinational career to co-found Data Edge Ltd., a leading technology company in the country, where he is the Chairman now. Over the years he has expanded his business involvement in the financial and the FMCG sectors by taking on the roles of Chairman of BD Venture Limited and the Managing Director of food edge limited, which has created successful retail brands like 'Bread & Beyond'.

In his statement, Mr. Chowdhury affirmed his commitment to upholding CRAB's established standards of corporate governance and to navigating the evolving dynamics of the credit rating industry in collaboration with its financial market partners.

