

# star BUSINESS



## Falling food prices ease inflation

Overall consumer prices drop to 9.17% in April

MD ASADUZ ZAMAN

Falling food prices over recent months have helped cool inflation further in April, according to the Bangladesh Bureau of Statistics (BBS), with economists attributing the easing of price pressures to post-festival effects.

The overall inflation rate stood at 9.17 percent in April, down from 9.35 percent in March, BBS data showed yesterday.

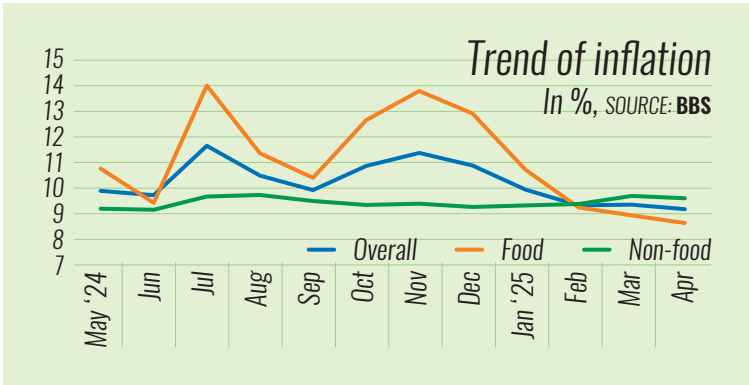
Both food and non-food inflation edged down during the month. Food inflation fell to 8.63 percent in April from 8.93 percent a month earlier, signalling some relief in the cost of essentials. This marks the fifth consecutive monthly drop in food inflation since December.

Non-food inflation also slipped slightly, falling to 9.61 percent in April from 9.70 percent the previous month.

"The decline in overall inflation is certainly a good sign," said Zahid Hussain, former lead economist at the World Bank's Dhaka office.

He said it points to slower demand growth, likely influenced by the Bangladesh Bank's tight monetary policy, reduced post-festival spending, or a mix of both.

Eid-ul-Fitr was celebrated on March 31 in Bangladesh, following Ramadan — the month of fasting during which consumption of certain



food items usually increases.

"We will probably get a clearer picture in May, as the post-festival effects will no longer impact the data," Hussain added.

However, he noted that food prices did not fall in April as they had in February. While commodity prices rose compared to March, the pace of increase had slowed, he said.

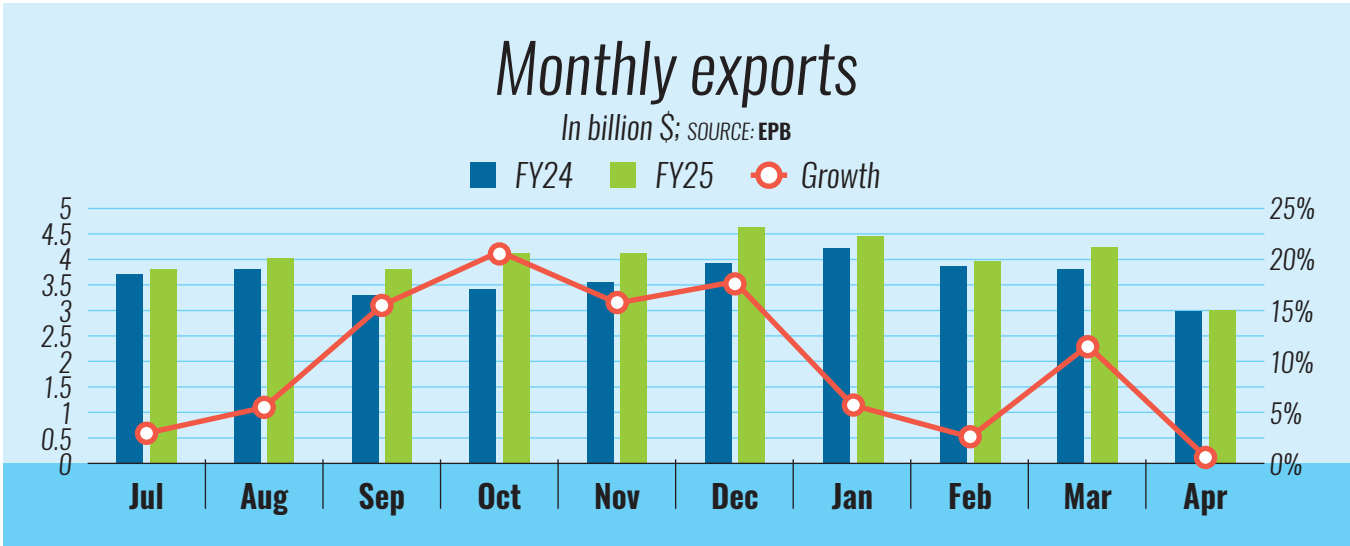
Selim Raihan, a professor of economics at Dhaka University and the executive director of the South Asian Network on Economic Modeling (Sanem), reacted cautiously to the latest figures.

"Although overall inflation has reduced slightly, it is still high," he said. Inflation has remained above 9 percent for 26 consecutive months, according to BBS.

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## April exports lowest in 10 months

Overall shipment grows 10%



STAR BUSINESS REPORT

Bangladesh recorded the lowest level of exports so far this fiscal year, both in terms of value and growth, in April as the production of apparel, the main export item, suffered in many areas amid an energy crisis.

Last month, exporters fetched \$3.01 billion, registering only 0.86 percent year-on-year growth, data released by the Export Promotion Bureau (EPB)

yesterday showed.

Apparel, which generates more than three-fourths of the country's export earnings, recorded 0.44 percent year-on-year growth in April. Although knitwear exports — the biggest earner — increased, woven garment shipments fell.

"The gas crisis has affected production and led times. There was also unrest in some places last month," said Shams Mahmud, managing director of Shasha Denims, a leading exporter.

Over the past two weeks, production at many textile mills has slumped to just 30 to 40 percent of capacity as gas pressure plummeted across key industrial zones surrounding Dhaka.

Mahmud said the diversion of gas to power generation facilities affected supply.

"We are taking fewer orders because of this," he said. "The future of exports depends on ensuring gas supply with adequate pressure. Unless that is ensured, there will be no export growth."

He added that the effect of the tariffs imposed by the Trump administration on Bangladesh's exports will depend on how the government negotiates with the US.

In early April, the Trump administration announced a 37 percent reciprocal tariff for Bangladesh on top of the existing 16 percent duties, creating concern among exporters.

However, there is scope to bring the rates down through negotiation with the US during a 90-day pause before the tariffs go into effect. Currently, all products entering the US market face a 10 percent baseline tariff.

Mahmud added that the buyers' reactions to the new tariff were mixed. Some cancelled orders while others reduced orders. However, some US buyers placed extra orders to take advantage of the 90-day pause.

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## Small storage facilities can improve food supplies

Food processor says at Bonik Barta seminar

STAR BUSINESS REPORT

The government should build small-scale storage facilities in places where cropping is concentrated to enhance food safety and supplies, address crises, reduce post-harvest losses and ensure better prices for farmers, said a top official of a food processor yesterday.

Nearly 25 percent of crops are lost or damaged in the post-harvest period because of the lack of proper storage facilities, said the official, Md Parvez Saiful Islam, chief operating officer of Square Food & Beverage Ltd.

He was speaking at a seminar

on agriculture, food safety, life and nature organised by Bangla daily Bonik Barta at Pan Pacific Sonargaon Dhaka.

Bangladesh can produce a maximum of 4.74 tonnes of rice per hectare, lower than that in China, said Sabbir Hasan Nasir, managing director of ACI Logistics Limited, which runs retail chain Shwapno.

Nearly 13 to 14 percent of the rice is lost in the post-harvest period for lack of storage facilities, and a lot of rice is hoarded informally, for which shortages sometimes arise in the markets, he said.

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## European bank to lend €350m for renewable energy

STAR BUSINESS REPORT

The European Investment Bank (EIB) has committed to providing €350 million in loans to support renewable energy projects in Bangladesh, with the European Union contributing an additional €45 million in grants.

The projects aim to boost environmental sustainability and advance efforts to mitigate and adapt to climate change, in line with Bangladesh's efforts to attain the Sustainable Development Goals, according to a press release from the Ministry of Finance.

The announcement came on the sidelines of the Asian Development Bank's (ADB) 58th annual meeting, where Bangladesh strengthened development cooperation through a series of high-level bilateral meetings with key international financial partners.

On May 4, Finance Adviser Salehuddin Ahmed held a bilateral meeting with EIB President Nadia Calviño to discuss expanding the bank's support in Bangladesh's priority sectors.

The EIB, the EU's primary lending arm, has been working in Bangladesh since 2000

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## BASIS in limbo as administrator resigns

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After failing to hold the election within the stipulated 120 days, government-appointed administrator to the Bangladesh Association of Software and Information Services (BASIS), Muhammad Mehedi Hasan, resigned on Sunday, leaving basic services such as issuing membership certificates by the association in limbo.

This follows the resignations of several top committee members and the departure of key secretariat officials from the country's leading ICT trade body.

Following the political changeover in August last year, then BASIS president

Russell T Ahmed stepped down in October, citing safety concerns.

The commerce ministry subsequently appointed Hasan, an additional secretary of the ICT Division and executive director of the Bangladesh Computer Council, as administrator of BASIS.

In his resignation letter to the commerce secretary, Hasan cited his upcoming post-retirement leave (PRI), beginning on July 20, 2025.

He said that it would not be feasible for him to complete the election process and hand over responsibilities to an elected board within the remaining time.

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# Midland Bank opens Ashulia sub-branch

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Midland Bank PLC has recently opened the Ashulia sub-branch at East Jamgora, located in the Yearpur area of Savar upazila, Dhaka.

Md Ahsan-uz Zaman, managing director and CEO of the bank, inaugurated the sub-branch as the chief guest, according to a press release.

In his address, Zaman expressed his gratitude to the attendees of the event and encouraged them to establish a banking relationship by opening an account with Midland Bank.

He directed the branch officials to deliver exemplary service to clients and urged them to promote the use of 'Midland Online'—the bank's complimentary internet banking application—offering

secure, modern, and convenient banking services accessible from anywhere at any time.

Md Rashadul Anwar, head of the public relations division of the bank, served as the moderator of the inauguration ceremony.

Md Rashed Akter, head of the retail distribution division of the bank, and Ashim Kumar Das, branch manager of the Ashulia sub-branch, along with prominent local businessmen, officials from both governmental and non-governmental organisations, and other distinguished guests, were present.

The head of the general services division, the area head, and various cluster heads of the bank, were also present.



Md Ahsan-uz Zaman, managing director and CEO of Midland Bank PLC, inaugurates the Ashulia sub-branch in Saver upazila of Dhaka recently. PHOTO: MIDLAND BANK

# NRBC Bank holds 200th board meeting



Md Ali Hossain Prodhania, an independent director and chairman of NRBC Bank PLC, presides over the 200th meeting of the board of directors at the bank's head office in Dhaka recently. PHOTO: NRBC BANK

STAR BUSINESS DESK

NRBC Bank PLC recently convened the 200th meeting of its board of directors at the bank's head office in Dhaka.

Md Ali Hossain Prodhania, an independent director and chairman of the bank, presided over the meeting, the bank stated in a press release.

"Our 200th board meeting marks a significant milestone in the bank's journey," Prodhania said.

"We shall remain steadfast in our commitment to good governance, stable growth, and the delivery of quality service to our customers," he added.

The expatriate-owned NRBC Bank was established on April 2, 2013. At present, the bank serves its clientele through 109 branches and 377 sub-branches across the country.

Among others, Md Abul Bashar, Md Anwar Hossain, Md Nurul Haque, Md Shafiqur Rahman, and Muhammad Emdad Ullah, independent directors of the bank; Kabir Ahmed, managing director (current charge); Harunur Rashid, deputy managing director and chief financial officer; and Mohammad Ahsan Habib, company secretary, were also present.

# Citizens Bank opens Panchrukhi sub-branch

STAR BUSINESS DESK

Citizens Bank PLC launched the Panchrukhi sub-branch in the Araihaaz upazila of Narayanganj yesterday.

According to a press release, Md Mostafizur Rahman, managing director (currently in charge), presided over the inauguration ceremony as the chief guest.

The bank got registered as a bank company with registrar of joint stock companies and firms on December 13, 2020.

Md Abdul Latif, deputy managing director of the bank; and Md Waheed Imam, senior executive vice-president and company secretary; alongside other senior officials of the bank and prominent local business figures, were also present.



Md Mostafizur Rahman, managing director (current charge) of Citizens Bank PLC, inaugurates the Panchrukhi sub-branch in Araihaaz upazila of Narayanganj yesterday. PHOTO: CITIZENS BANK

# Social Islami Bank sets up hajj booth in Ashkona

STAR BUSINESS DESK

Social Islami Bank PLC has inaugurated a dedicated "hajj booth" at the Ashkona Hajj Camp in Uttara, Dhaka, as part of its ongoing commitment to delivering prompt and high-quality services to hajj pilgrims.

Md Nazmus Saadat, deputy managing director of the bank, inaugurated the booth recently as the chief guest, according to a press release.


The initiative underscores the bank's commitment to supporting the spiritual journey of pilgrims with care, dignity, and respect.

This year, a total of 10,000 Hajj pilgrims have completed their registration through Social Islami Bank PLC. In line with its service pledge, the bank has also distributed essential hajj kits and gift items to the pilgrims.

Md Lokman Hossain, deputy secretary of the Ministry of Religion and director of the hajj office; Mohammad Mosle Uddin, head of the logistic support division; and Syed Joynul Abedin, head of the Shariah supervisory secretariat; attended the event.



Md Nazmus Saadat, deputy managing director of Social Islami Bank PLC, inaugurates the booth for hajj pilgrims at the Ashkona Hajj Camp in the capital's Uttara recently. PHOTO: SOCIAL ISLAMI BANK



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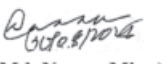
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GD-1080

## BASIS in limbo

FROM PAGE B1  
Hasan took charge on December 5, 2024. After assuming office, he formed a 15-member support committee comprising BASIS members to assist with administrative work.

Hasan said he and his committee focused on essential tasks such as membership reforms, constitutional amendments, and forensic and membership audits.

They also worked to rebuild relationships with development partners and resume member services.

But BASIS failed to announce an election schedule within the deadline or hand over charge to elected leaders.

Although the Election Board and Election Appeal Board were eventually formed on April 16, 2025, the election process could not begin due to internal disruptions.

These included the resignation of four senior support committee members on December 9, 2024, and the departure of several secretariat officials, including the secretary, joint secretary, and assistant secretary.

A proposed constitutional reform, scheduled for a special general meeting, was also

postponed after members demanded further revisions.

On April 30, 2025, the last senior member and chair of the support committee, Rafael Kabir, stepped down, prompting the administrator to dissolve the committee entirely on May 1.

"There is no board, no committee, no senior staff at the Secretariat. Members are not receiving even basic services like membership certificates," said a BASIS Secretariat official. "All official activities have come to a halt."

Fahim Mashroor, a former BASIS president and industry leader, said, "For the last five months, BASIS has been under unelected management. The ministry has already formed the election board. They must hold the election by June."

"Without a new elected body, the BASIS crisis will not end, and the industry will continue to suffer."

"BASIS's development activities have been stalled since August. If any reforms are needed, it is the elected board's job to carry them out. We urgently need elected representatives," he added.

For comment, The Daily Star approached Commerce Secretary Mahbubur Rahman, but to no avail.

# Mizanur Rahman appointed MD of AB Bank

STAR BUSINESS DESK

Syed Mizanur Rahman has been appointed as the managing director (MD) and chief executive officer (CEO) of AB Bank PLC, effective from May 5, 2025.

Prior to this appointment, Rahman had been serving the bank as an additional managing director, according to a press release.

He joined AB Bank in March 2011 as a senior vice-president and has since held several key portfolios, culminating in his promotion to additional managing director on August 13, 2024.

Rahman brings with him more than 28 years of experience in the banking sector.

Over the course of his career, he has held leadership roles at Dhaka Bank, IPDC, Bank Al Falah, and United Commercial Bank.

He possesses in-depth expertise across various facets of the industry, with particular emphasis on branch banking, retail operations, process transformation, business development, and corporate communications.

Rahman holds an MBA from the Institute of Business Administration at the University of Dhaka.

Syed Mizanur Rahman

# Shahjalal Islami Bank gets new AMD

STAR BUSINESS DESK

Shahjalal Islami Bank PLC has recently promoted Imtiaz U Ahmed to the post of additional managing director (AMD).

The promotion acknowledges Ahmed's substantial contributions to the bank across various domains of business and operations. Notably, he has played a pivotal role in enhancing the bank's presence in corporate and export finance, with a strong focus on performance optimisation.

Ahmed brings with him extensive expertise spanning a wide array of banking functions, including corporate banking, export financing, risk management, investment administration, internal control and compliance, human resources, treasury management, and branch banking.

Imtiaz U Ahmed

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Tender Publication:	05/05/2025	Tender Document last selling:	25/05/2025; 17:00 PM
Tender/Proposal Closing/Opening:	26/05/2025; 14:00 PM	Source of Fund:	GoB
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2	1106170	22	1106255	42	1106186	62	1106217	82	1106272
3	1106171	23	1106256	43	1106187	63	1106218	83	1106225
4	1106172	24	1106257	44	1106189	64	1106219	84	1106276
5	1106173	25	1106258	45	1106214	65	1106221	85	1106224
6	1106175	26	1106259	46	1106216	66	1106223	86	1106226
7	1106176	27	1106260	47	1106220	67	1106227	87	1106229
8	1106177	28	1106159	48	1106222	68	1106230	88	1106233
9	1106178	29	1106160	49	1106249	69	1106240	89	1106234
10	1106195	30	1106161	50	1106228	70	1106241	90	1106235
11	1106196	31	1106162	51	1106231	71	1106242	91	1106236
12	1106197	32	1106163	52	1106232	72	1106243	92	1106277
13	1106201	33	1106164	53	1106179	73	1106244	93	1106198
14	1106200	34	1106165	54	1106182	74	1106245	94	1106199
15	1106202	35	1106166	55	1106185	75	1106246	95	1106208
16	1106203	36	1106167	56	1106188	76	1106247	96	1106209
17	1106204	37	1106174	57	1106190	77	1106271	97	1106210
18	1106205	38	1106180	58	1106191	78	1106273	98	1106211
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GD-1071







## Monno Ceramic's Q3 profit rises 102 times

STAR BUSINESS REPORT

Monno Ceramic's profit increased 102 times in the third quarter of the 2024-25 fiscal year, thanks to a rise in revenue and other income.

In the January-March quarter, the ceramic manufacturer made a profit of Tk 3.84 crore, with earnings per share (EPS) rising to Tk 1.02, up from last year's Tk 0.01.

For the July 2024-March 2025 period, the EPS stood at Tk 1.23, up from Tk 0.77 in the corresponding period of the previous year, the company said in a recent disclosure on the Dhaka Stock Exchange website.

The improvement in EPS was attributed to organic revenue growth and higher other income, the company said in the filing.

Meanwhile, the company's net operating cash flow per share turned negative at Tk 2.11 for the July-March period of FY25, down from a positive Tk 0.11 in the same period of FY24.

The decline was due to reduced cash receipts from customers alongside higher payments to suppliers, employees, and others, said Monno Ceramic.

## Premier Cement's profit drops 87% in Q3

STAR BUSINESS REPORT

Leading cement manufacturer Premier Cement Mills PLC's profit fell by a massive 87 percent year-on-year to Tk 3.28 crore in the third quarter of the 2024-25 fiscal year due to higher raw material and finance costs.

Its revenue for the January-March 2025 quarter fell 4 percent year-on-year to Tk 724.18 crore, according to the company's financial statements.

The company's earnings per share dropped to Tk 0.31 in the third quarter, compared to Tk 2.58 in the same quarter of fiscal 2023-24.

For the nine months from July 2024 to March 2025, its consolidated EPS stood at Tk 0.67, down from Tk 5.19 in the same period a year earlier.

Despite the profit decline, the company reported a consolidated net operating cash flow per share of Tk 6.08 for the nine months, up from Tk 5.53 in the same period last year.



ZAHID HUSSAIN

The interim government (IG) is set to present its FY26 budget on June 2. The anticipation is that their budget will depart from the past. Following the unprecedented events of July 36, the IG, unburdened by political motivations, has no need to seek popular acclaim. This positions them uniquely to make a significant reform impact on budgetary planning and management, distinguishing themselves from previous administrations. While a substantial portion of the budget will necessarily reflect ongoing commitments from the past, there is hope that the IG will introduce innovative measures in areas where they have the flexibility to do so.

### Smelling our coffee

Eschewing the pursuit of "populism" means the IG will dispassionately weigh the tradeoffs inherent in every budgetary decision, whether related to budget size, expenditure composition, revenue mobilisation, or deficit financing.

We must acknowledge that the IG consists of emotionally driven individuals, not heartless robots. They have their own biases and sensitivities towards societal expectations, which any government budget aims to address across the nation's diverse regions.

The IG members also possess egos that are naturally receptive to praise and recognition, often overshadowing objective calculations. The key difference is that IG leaders do not face elections, thereby positioning them to better meet the challenge without being fixated on public acclaim.

The IG is vulnerable to the lame duck syndrome because of their short tenure. This limits their ability to implement major policies as they are currently discovering. It is human to be drawn to rhetoric that generates popular appeal. The gap between feeling good about perceived economic recovery and actual progress is often larger than we think. The hope is that such aberrations will be significantly more constrained compared to previous governments.

In theory, lame ducks can head in good or bad directions. The public likes to believe the IG has the wisdom to know the difference and the passion for the public good.

Historically, administrations have obsessed over the size of the budget, dooming it to fail from the outset. The IG is expected to punt such impulses. An oversized budget offers only fleeting egoistic satisfaction. At this historic juncture, the IG can do a lot better by being selective in choosing battles that inevitably accompany budgetary financing and expenditure allocation decisions.

### Financing footprint

Efforts to enhance revenues are often resisted by pockets affected by the increases. Rhetorics pledging to generate more funds and causing pain to none lacks credibility. Honest taxpayers get an incentive to stay honest when the enhanced mobilisation effort focuses on tackling evasion, estimated recently at over Tk 2,20,000 crores in FY23, equivalent to at least four Dhaka metros, by the Centre for Policy Dialogue (CPD). Evaders will find ways to resist, as will those who lose benefit from tax exemptions. How much progress the IG can make within a single year in implementing measures to reduce evasion is uncertain, especially given the ongoing

# Differentiating the FY26 budget

intra-bureaucratic conflicts on the legislation separating tax policy and administration.

We won't know unless they find a way to try. Evasion cannot be curtailed without limiting the discretion of tax officials and minimising face-to-face interactions between officials and taxpayers. To limit discretion, we must reduce the complexity of direct and indirect tax rates. Progress in the automation of tax administration is essential to minimise personal interactions.

Public borrowing is the other source of financing. Choosing a deficit size trades off inflation, interest and exchange rate risk depending on how it is financed. The macroeconomic risks of an oversized deficit are currently elevated.

External financing mitigates the crowding out and inflation risks, but adds to the existing stock of debt that future generations will have to repay. Prudence requires using credible metrics to assess the limits of external debt as we enter FY26 and leveraging all available options for policy and project finance from the creditors. Approaches fueled by overconfidence often backfire. The IG's assertions about readiness for specific reforms to tap external financing should align with their narratives about the state of the economy and their concerns about the outlook.

Domestic borrowing poses the greatest risk of crowding out private credit. The banking system's deposit growth is sluggish, and the

assistance is a social imperative that will synergise efforts in poverty reduction and human capital development.

Realignment and austerity based on value for money are likely to be more feasible in the Annual Development Program. Many lament the slow pace of expenditure releases for development projects this fiscal year. This deceleration partly stemmed from efforts to repurpose wasteful spending to useful spending. The IG has already shown a commitment to revisiting the fundamentals of ongoing projects, ensuring that sunk costs do not influence the decision to continue or discontinue them.

Austerity is possible in subsidies, which account for 11 percent of the original FY25 budget. Food, agriculture, energy, exports, and remittances are most subsidised. There isn't much room for manoeuvre in food and agriculture, except for the well-known abuse of subsidies given for farm mechanisation and the costs of delivering food rations to the target groups. The rest of the subsidy budget deserves a thorough reconsideration of the efficiency, equity and sustainability objectives they are supposed to have supported.

### Leaving with collars high footprint

The present global landscape is marked by both obstacles and prospects. Nations involved in the initial round of tariff disputes are key partners in our international trade and finance. The populace anticipates that the budget speech will highlight



government's domestic debt to revenue ratio is already high. To mitigate inflation risk, it is crucial to avoid deficit monetisation and allow private credit to expand as political and policy uncertainties clear in the medium term. Risk-free rates fall when the government reduces domestic borrowing which in turn poises fiscal policy to be growth-friendly.

### Expenditure footprint

With the expenditure size bounded by revenues and prudent deficits, leaving a footprint means taking a hard look at the composition to identify where budgetary allocations need increases, where rearrangement is possible, keeping the envelope the same, and where decreases are warranted.

The most apparent sectors deserving increased budgetary allocations are health, education, and social protection. These collectively constitute more than 20 percent of the budget when properly accounted for. Although they often struggle to utilize even the limited funds they receive, the solution is not to maintain stagnant allocations. Instead, it is essential to determine why they are unable to spend, aside from buildings, vehicles, and travel, where overspending is prevalent across various sectors.

Considering the World Bank's forecast that the number of impoverished individuals may have risen by 30 million in one year (2025), addressing poverty through budgetary channels in education, health, and social

advancements in tariff negotiations with the US administration. Relying on a timeline extension may be imprudent, given the likely deterioration in global activity and heightened risk perceptions.

For countries like Bangladesh, there are favourable developments such as the US dollar reaching a three-year low and a broad decline in commodity prices, driven by reductions in energy and agricultural prices. Should the uncertainties surrounding the Trump tariff's dissipate sooner rather than later, new avenues for exports and foreign direct investment may open up as buyers adjust their orders and supply chains are reshored.

The IG is anticipated not only to manage the tradeoffs arising from financial limitations and the shifting external conditions but also to ease tradeoffs within the domestic economy through structural reforms. The budget speech should outline specific economic benchmarks leading up to the conclusion of the IG's term.

An essential yet often overlooked tenet of economic policy is that unintended consequences frequently overshadow the intended ones. Our desire to exert control notwithstanding, genuine humility is crucial for staying attuned to the unfolding reality. Words hold weight, regardless of the context in which they are written or spoken.

*The writer is the former lead economist of the World Bank's Dhaka office*

## Southeast Bank sends its MD on forced leave

STAR BUSINESS REPORT

Southeast Bank has sent its managing director, Nuruddin Md Sadeque Hossain, on three months' forced leave, effective from Monday.

The private commercial bank's officials told The Daily Star that the new board of directors had decided to conduct an audit into alleged irregularities that took place during the tenure of its former chairman, Alamgir Kabir.

Sadeque was sent on leave to investigate his involvement in those irregularities, they added.

Deputy Managing Director Abidur Rahman Chowdhury will take charge as managing director in addition to his present assignment during Sadeque's absence.

Within a month of the political changeover in August last year, the Alamgir Kabir era at Southeast Bank, which lasted nearly 20 years, was over.

The bank's board elected M A Kashem, the founding chairman of the bank, as chairman in September.

In 2021, five founder directors of the bank raised allegations of irregularities against Kabir.

They had sent a letter to then Bangladesh Bank Governor Fazle Kabir, stating that the bank's deposits were in danger because the chairman was engaged in corruption, fraud, and money laundering.

The founder directors also said other directors and shareholders were "very annoyed" by Kabir's monopolistic power.

The Daily Star tried to contact the bank's incumbent chairman Kashem and managing director Sadeque, but neither responded to phone calls till the filing of this report.

Since the political changeover, more than half a dozen banks have sent their managing directors on forced leave ahead of audits in line with central bank instructions.

## RAK Ceramics slips into losses in Q1

STAR BUSINESS REPORT

RAK Ceramics (Bangladesh) Ltd, one of the leading ceramics manufacturers in the country, fell into losses in the first quarter of the financial year 2025 due to higher raw material and manufacturing costs.

The ceramics maker posted a loss of Tk 2.53 crore in the January-March quarter, a sharp reversal from a profit of Tk 4.62 crore in the same period of 2024, according to its financial statement. The first-quarter loss of 2025 follows RAK Ceramics' loss of Tk 2.73 crore in the financial year 2024.

The company's revenue dropped 17 percent year-on-year to Tk 146.89 crore in Q1.

RAK attributed the decline in sales to reduced demand for ceramic products during the month of Ramadan.

The company's gross profit margin slightly fell to 20.48 percent from 21.47 percent due to rising raw material and manufacturing costs.

Finance expenses also increased as RAK borrowed from banks to meet additional working capital requirements, it said.

Its consolidated loss per share stood at Tk 0.06 for January-March 2025, compared to earnings per share of Tk 0.11 a year earlier.

The company's consolidated net operating cash flow per share turned negative at Tk 0.15 during the period, down from a positive Tk 0.83 in the same quarter last year.

RAK said higher purchases of raw materials for additional production led to greater cash outflows than collections from receivables, adversely affecting cash flow.

According to Dhaka Stock Exchange data as of March 31, 2025, sponsors and directors held 72.08 percent of the company's shares, institutional investors held 16.99 percent, foreign investors 0.16 percent, and the general public 10.77 percent.

## Crisis-hit Maldives secures \$8.8b Qatar investment

AFP, Colombo

Cash-strapped Maldives has signed a deal with a Dubai-based company to establish an \$8.8 billion investment zone aimed at diversifying the tourism hotspot into a "financial freezone", the government said Monday.

Three residential and office towers, a convention centre and hotels will form part of the Maldives International Financial Centre (MIFC), President Mohamed Muizzu's office said in a statement.

"It will... position Male as the premier global business and financial hub in the Indian Ocean," the statement said, adding it would allow the Indian Ocean archipelago to "diversify beyond tourism".

The \$6.5 billion economy of the Maldives has been facing foreign exchange shortages since the Covid-19 pandemic and has been warned of a potential foreign debt crisis.

The announcement followed an agreement signed late Sunday with MBS Global Investments, a company owned by wealthy Qatari Sheikh Nayef bin Eid Al Thani.

The MIFC zone will have no residency requirements and offer "no corporate tax, tax-free inheritance...and privacy" the statement added.

It is set for completion by 2030 with its projected revenue "to be well over \$1 billion by the fifth year", according to the government.

In February, the IMF said the Maldives required "urgent and stronger" fiscal consolidation to stabilise its troubled economy, despite a thriving tourism industry.

The upmarket holiday destination expects its economy to grow by five percent in 2025, but the IMF warned that the sunny outlook masked significant risks.

REUTERS

US President Donald Trump's tariffs are increasingly clogging up the wheels of a world economy which for decades were greased by predictable and relatively free trade.

Big-name multinationals right down to niche e-commerce players last week cut sales targets, warned of job cuts and reviewed their business plans, while major economies revised down growth prospects amid bleak data read-outs.

While financial markets are betting the US and China will pull back from an all-out trade war and that Trump will cut deals to avert higher tariffs on others, the sheer uncertainty of where this ends has become a major drag factor in itself.

"US tariff policy is a serious negative shock for the world in the near term," said Isabelle Mateos y Lago, group chief economist at French bank BNP Paribas.

"The US tariffs end-game may be further away and at a higher level than previously thought," she said of blanket US tariffs currently set at a baseline of 10 percent alongside higher, sector-specific charges on products such as steel, aluminium and autos.

Beijing said on Friday it was evaluating

an offer from Washington to hold talks over 145 percent US tariffs, to which it has responded with 125 percent levies. Trump's administration has also suggested it is close to deals with countries including India, South Korea and Japan to avert more tariffs in weeks to come.

In the meantime companies such as

Swedish appliances maker Electrolux slashed its outlook while Volvo Cars, computer gadget maker Logitech and drinks giant Diageo abandoned their targets on the uncertainty.

Last week's removal of the "de minimis" duty-free treatment of e-commerce packages worth less than \$800 for

products from China is a hammer-blow for many smaller players.

"We're going from zero to 145 percent, which is really untenable for companies and untenable for customers," said Cindy Allen, CEO of Trade Force Multiplier, a global trade consultancy. "I've seen a lot of small to medium-sized businesses just choose to exit the market altogether."

The tariff outlook prompted the Bank of Japan to cut its growth forecasts last week, while trade tensions were cited by forecasters in growth outlook downgrades for the Netherlands and the Middle East and North Africa (MENA) region.

While the official measures of activity in top economies are still catching up with the downbeat mood, it is surfacing in the closely watched surveys of purchasing managers at factories around the world.

China's factory activity contracted at the fastest pace in 16 months in April, one such survey showed last week, while a similar UK readout showed British factory exports last month shrinking at their sharpest pace in almost five years.

Economists were quick to caution that a stronger-looking read-out from export-focused Germany might largely be due to factories front-loading business to get it out of the door before the tariffs took effect.



People visit the Yiwu International Trade Market in Yiwu, China's eastern Zhejiang province, on April 10. Big-name multinationals right down to niche e-commerce players last week cut sales targets, while major economies revised down growth prospects amid bleak data read-outs.

PHOTO: AFP