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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.

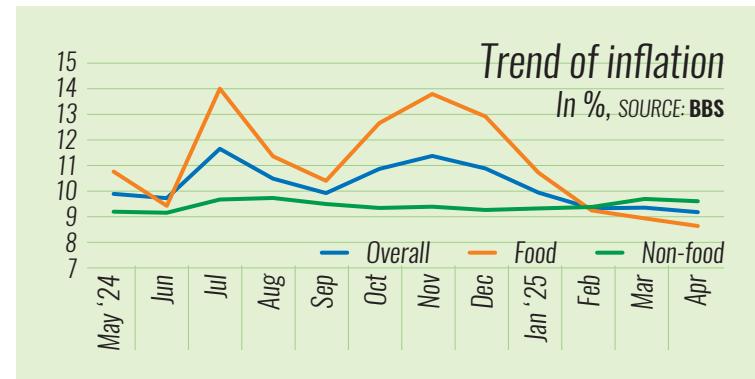
Both food and non-food inflation edged down during the month. Food inflation fell to 8.63 percent in April from 8.93 percent a month earlier, signalling some relief in the cost of essentials. This marks the fifth consecutive monthly drop in food inflation since December.

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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Small storage facilities can improve food supplies

Food processor says at Bonik Barta seminar

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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

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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 Sabir Hasan Nasir, managing director of ACI Logistics Limited, which runs retail chain Shwappo.

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.

European bank to lend €350m for renewable energy

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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 (PRL), 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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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 lead 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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