



Low-income people wait in long queues to buy rice and flour at subsidised rates under the Open Market Sale (OMS) programme in Khulna city. As prices of daily essentials remain high, crowds at OMS points continue to grow. The photo was taken from Daulatpur Mohsin Mor area recently.

PHOTO: HABIBUR RAHMAN

Work orders diverted from China, Vietnam may land in Bangladesh

Says top leader of Forum Panel in BGMEA polls

STAR BUSINESS REPORT

The Trump administration's tariff hike on China and Vietnam may divert work orders to Bangladesh, said a top leader of the Forum Panel, which will contest the upcoming Bangladesh Garment Manufacturers and Exporters Association (BGMEA) elections.

It would be preferable if Bangladesh could follow other countries in negotiating a preferential trade agreement (PTA) or free trade agreement (FTA) with the US, said the leader, Mahmud Hasan Khan, at a press conference at the Pan Pacific Sonargaon Dhaka yesterday.

However, Bangladesh may not get all the diverted work orders as India and Indonesia are

also in advantageous positions in terms of Trump's tariff rate, added Babu, also the managing director of Rising Group.

If the Trump administration considers reciprocal tariffs in the true sense, the tariff in the case of Bangladesh would be very low, he said.

For instance, the average tariff rate on the import of US goods by Bangladesh is 6 percent, while the average tariff on the export of locally made goods to the US is over 16 percent. So, in the true sense, the Trump tariffs are not reciprocal, he said.

The Forum Panel leader also said he would create a fund comprising "forced savings" if elected, so workers could be provided financial assistance in case of disaster.

Garment workers have



demonstrated numerous times for salaries and bonuses ahead of Eid festivals, as a few factory owners were unable to make due payments for different reasons, he said.

The fund from the "forced savings" could be used for making such payments, he said.

In his electoral pledge, Babu said he would lobby with the government for a separate ministry on textiles and garments, as they currently need to depend on the commerce ministry, which is often busy with other activities.

Moreover, he also

pledged to assist small and medium enterprises and new entrepreneurs so they could gradually grow bigger.

He also said he would strengthen monitoring of the process for availing BGMEA membership so that only eligible exporters get access, work for market and product diversification, and ensure accountability of the elected office-bearers.

Other agendas include expediting customs automation, improving workers' safety and rights, and protecting the environment.

The BGMEA elections, scheduled to be held on May 31 through polling centres in both Dhaka and Chattogram, will see 35 director posts being contested.

Globe Group

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"We heard that Abul Khair Group is going to buy the firm, but neither party has formally informed us yet," he said.

A senior official of Abul Khair Group, requesting anonymity, told The Daily Star that the initiative did not relate to the Abul Khair Group, but was a personal endeavour of its chairman.

However, attempts to reach Abul Kashem for comment were unsuccessful.

Globe Pharmaceuticals Group of Companies Ltd, the parent of Globe Edible Oil Ltd, managed to resist what its chairman described in September last year as a "hostile takeover" since S Alam Group's influence ended with the fall of the Sheikh Hasina-led government last August.

The chairman, Md Harunur Rashid, also alleged that S Alam Group used its influence at Islami Bank to force him to sell the cooking oil business to the Chattogram-based conglomerate. He also said Globe Edible Oil Ltd was forced to stop all operations due to illegal interference by S Alam.

Globe director Rashid told this newspaper that they lost more than Tk 6,000 crore due to S Alam Group's illegal interference through Islami Bank and other financial institutions in which the controversial conglomerate held sway.

Globe entered the edible oil market through offerings of sunflower oil to cater to the increasingly health-conscious middle-income segment of the population.

He said Globe had applied to Islami Bank in 2011 for a loan to import machinery and for working capital to set up the edible oil company. The bank disbursed Tk 282 crore to the company in the first phase.

However, there was a change in ownership at Islami Bank during the construction of the factory, which stalled funding, causing the company to incur losses, according to Rashid.

Govt can now temporarily take over banks

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Furthermore, the central bank will be able to raise capital through new or existing shareholders to strengthen the financial position of banks in distress.

Under the ordinance, the BB will be able to sell or liquidate weak banks by forming "bridge banks" – financial institutions that temporarily take over a failed bank.

Bridge banks are designed to ensure seamless banking services while providing time to find a buyer for the troubled institution. They play a crucial role in maintaining uninterrupted banking operations during the resolution process.

Additionally, bridge banks act as isolators, separating distressed banks from the broader sector and absorbing them to prevent panic

withdrawals or bank runs. The new ordinance states that the BB will have the authority to establish one or more bridge banks to run critical and viable functions of banks in distress.

The central bank will create a dedicated department to manage the resolution of scheduled banks so that these functions remain outside its regulatory and supervisory roles.

A "Bank Restructuring and Resolution Fund" will also be formed to finance interventions, backed by government contributions, international financial institutions, and risk-based levies on banks.

In cases where banks fail to meet capital or liquidity requirements or engage in fraudulent activities that risk their financial health, the BB will be authorised to take immediate corrective action.

CA rolls out five-step plan

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strong message is delivered that malpractice will not be tolerated.

Lastly, the chief adviser urged large borrowers to consider raising capital from the stock market through equity and bonds rather than relying solely on bank loans.

"The five directives are aimed at restoring investor confidence through swift and effective reforms, ensuring that all stakeholders benefit from a stronger market," Alam said.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), has

been on a downward trend for several months amid disappointing earnings reports from several large companies.

In recent weeks, a group of investors staged protests demanding the resignation of the BSEC chairman, accusing the commission of failing to stabilise the market.

However, the index surged by 100 points, or 2.07 percent, last Thursday after news broke that the chief adviser had convened a high-level meeting with finance officials and the BSEC chairman to discuss the market situation.

graduation and builds a stronger, fairer economy for everyone," the chief adviser added.

Finance Adviser Dr Salehuddin Ahmed, Chief Adviser's Special Assistant Dr Anisuzzaman Chowdhury, and Chief Adviser's Special Envoy for International Affairs Lutfe Siddiqi attended the meeting.

Budget should

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consistency is crucial. One of our biggest weaknesses is the frequent and abrupt policy shifts," he said.

The business leader cited a recent example of an incentive scheme for electronics products that was withdrawn without prior notice last year.

"I understand the government had its reasons, but you can't just pull an incentive mid-flight. Investors might have already set up factories based on that incentive. At the very least, you should announce a future termination date rather than a retroactive withdrawal," he said.

Reflecting on the recent Bangladesh Investment Summit, Zaved said, "The summit helped restore some credibility for Bangladesh. It sent a positive signal that the country remains on track despite recent political changes."

REFORM TO RETAIN INVESTORS'

The FICCI president identified two major reforms to increase investment. First, the separation of the NBR's policy and administrative functions, a process that is already underway.

Secondly, he sought the consolidation of investment facilitation agencies.

At present, investors navigate multiple agencies, such as Bangladesh Export Processing Zones Authority (Bepza), Bangladesh Investment Development Authority (Bida), Bangladesh Economic Zones Authority (Beza), Hi-Tech Park Authority, which he said "creates unnecessary confusion".

Zaved urged the government to set up a single investment authority to simplify the services.

"Investors shouldn't be running between 141 departments to get approvals. We need a genuine one-stop service that handles everything from licences to utilities – like a relationship manager in banking," he said.

"If Bangladesh remains complicated while other countries simplify their systems, we'll keep losing out," he added.

Farmers get higher prices

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This mismatch between supply and demand has kept prices elevated, he said.

Khan pointed out that the government had anticipated a boost in supply by allowing rice imports, expecting that private importers would respond to the permits.

However, due to various factors, private importers did not bring in rice at the scale required to meet demand, he said.

To cover the production shortfall, the government approved the import of 16.75 lakh tonnes of rice by the private sector. Yet, as of mid-April this year, only 5.40 lakh tonnes had been imported.

COARSE RICE PRICE RISES 2 PERCENT IN A MONTH

According to the state-run Trading Corporation of Bangladesh, prices of fine and medium-sized grains in Dhaka's retail markets have increased by about 1 percent over the past week.

Meanwhile, over the past month, prices of fine and medium-sized rice have risen by 0.64 percent to 1.90 percent.

On the other hand, over the past year, the prices of fine, medium-sized and coarse rice have gone up by 12.86 percent, 9.82 percent, and 2.88 percent, respectively.

PRODUCTION OUTLOOK QUITE GOOD THIS YEAR

The price of Boro paddy, which was relatively high at the beginning of the season, has started to decline gradually due to a strong production outlook this year, said Jahangir Alam Khan, an agricultural economist.

If the outlook had been poor, prices would not have dropped, he said.

According to Khan, over half of the new Boro paddy across the country has already been harvested. Within the next week to 10 days, the harvest is expected to be completed, which will further increase market supply, he added.

As a result, rice prices are likely to fall even more, said Khan.

He also said the recent upward trend in retail rice prices resulted from significantly lower production than what had been targeted during the previous Aus and Aman seasons.

Over 200 firms seek

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the facility, as per committee members.

The committee is assessing whether corporate borrowers that are struggling to repay their loans were genuinely affected by factors beyond their control and determining whether any restructuring or policy support could help revive their businesses.

It will also specifically examine companies with defaulted loans of at least Tk 50 crore.

They said this move is one of many initiatives aimed at sustaining the economy and strengthening the banking sector amid macroeconomic challenges.

Defaulted loans in the country's banking sector reached a record Tk 345,765 crore at the end of 2024, as toxic loans increased sharply following the political changeover in August last year.

Bankers said that they are now in a difficult situation in terms of loan recovery because almost all borrowers have halted repayment of bank loans after applying to the central bank for policy support.