# IDLC Finance's Q1 profit rises 43%

STAR BUSINESS REPORT

IDLC Finance PLC, one of the leading non-bank financial institutions (NBFIs), saw a rise in profit in the first quarter of 2025.

The NBFI's consolidated profit rose 43 percent year-on-year to Tk 50.71 crore in Q1.

IDLC had earlier reported a 32 percent annual rise in profit to Tk 200.36 crore in 2024.

Its consolidated earnings per share stood at Tk 1.22 for January-March 2025, up from Tk 0.85 a year ago, according to a disclosure on the Dhaka Stock Exchange (DSE).

Its consolidated net operating cash flow per share stood at Tk 2.54 in Q1 of 2025, up from a negative Tk 17.53 in the same period of 2024.

DSE data showed sponsor-directors held 56.66 percent of the company's shares as of March 31 this year, followed by institutions at 28.12 percent, the public at 14.85 percent, and foreign investors at 0.37 percent.

Established in 1985, IDLC operates across 20 districts through 40 branches and booths in Bangladesh, as per its website.

# United Power resumes operation of DEPZ plant

STAR BUSINESS REPORT

United Power Generation & Distribution Company Ltd (UPGDCL) has resumed operations at its 82-megawatt power plant in Dhaka Export Processing Zone after the restoration of the gas supply.

The gas supply to the facility was suspended on April 28 due to a pricing dispute with the supplier, the company said in a disclosure on the Dhaka Stock Exchange yesterday.

The company said the issue stemmed from a 2018 government directive that reclassified the plant under the captive power category instead of as an Independent Power Producer, resulting in higher gas tariffs.

UPGDCL, which signed power supply agreements with the Bangladesh Export Processing Zones Authority in 2007, said this classification contradicts the terms of its gas supply agreements with Titas and Karnaphuli.

Despite multiple attempts to resolve the disagreement, the conflict led to the disconnection of the gas supply.

The company said it had been working to restore operations and has now brought the plant back to full capacity.

United Power's total generation capacity currently stands at 895 megawatts.

# Gold slides 3%

REUTERS

Gold dropped 3 percent to a more than one-week low on Monday after the US and China said they have agreed to a deal to slash reciprocal tariffs, sending the dollar higher and denting the safe-haven metal's appeal.

Spot gold was down 3 percent at $3,224.34 an ounce, as of 0812 GMT, its lowest since May 1. US gold futures slipped 3.5 percent to $3,228.10.

"The de-escalation of tensions between China and the US, with tariffs being reduced for 90 days, is reducing the demand for safe haven assets like gold," said UBS analyst Giovanni Staunovo.

"Near-term prices are likely to stay volatile. But higher tariffs are still weighing on economic growth and likely force central banks to cut further interest rates later this year. Also central banks might use this price setback to add exposure."

In a substantial de-escalation of a potentially damaging trade war, the US and China said they have agreed a deal to slash reciprocal tariffs as Washington and Beijing seek to end a trade war that has disrupted the global economy.

Speaking after talks with Chinese officials in Geneva, US Treasury Secretary Scott Bessent told reporters the two sides had reached a deal for a 90-day pause on measures and that reciprocal tariffs would come down by 115 percent.

The US and China imposed tit-for-tat tariffs on each other last month, triggering a trade war that fuelled fears of global recession.

# Despite April decline, pharma exports maintain upward trend

EXPORTS AT A GLANCE

**TOP MARKETS**
Sri Lanka, Nepal, Myanmar, Cambodia and Vietnam

**EXPORT EARNINGS**

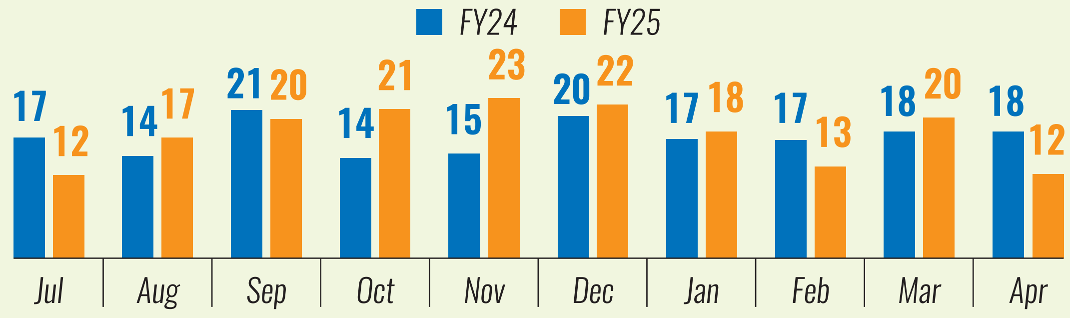
| Jul-Apr of FY25 | In April |
|---|---|
| $177.42m (+3.46% YoY)) | $11.94m (-34.25% YoY) |

**OUTLOOK**
Exports expected to rebound in upcoming months

**REASONS FOR DECLINE IN APRIL**
- Cuts in US foreign aid
- Delayed shipment clearance
- Temporary halt in shipments to Vietnam, Cambodia
- Weaker demand in markets across Africa, Latin America

BANGLADESH'S MONTHLY DRUG EXPORT

In million $; SOURCE: EPB




JAGARAN CHAKMA

Bangladesh's pharmaceutical exports rose by 3.46 percent year-on-year in the first ten months of the current fiscal year, despite a sharp drop in April due mainly to holidays in key markets and US aid cuts hurting merchandise shipments.

Pharmaceutical exports fell by 34.25 percent year-on-year in April, slipping from $18.16 million to just $11.94 million, according to Export Promotion Bureau (EPB) data.

While the abrupt decline raises concern, drug makers say the sector's overall performance is positive.

Between July 2024 and April 2025, pharmaceutical exports reached $177.42 million, up from $171.49 million in the same period the previous year.

Industry insiders say the April decline should not be seen as a sign of long-term weakness, pointing instead to temporary disruptions.

These short-term export hiccups include port delays, paused orders from Cambodia and Vietnam during their holiday seasons in early 2025, and fiscal tightening in the United States and the United Kingdom.

"The April figures are worrying, but the broader trend is still positive," said Mohammad Ali Nawaz, chief financial officer of Beximco Pharmaceuticals.

"Our export growth remains steady," he added.

Although unable to identify the exact cause of the April drop, Nawaz ruled out any link to recent US tariffs imposed under the Trump administration.

Other exporters cited supply chain delays, deferred donor-funded purchases, and weaker demand in African and Latin American markets.

Incepta Pharmaceuticals was among the hardest hit after USAID suspended medicine procurement following a funding cut to the US aid agency.

"Since February, the funding cuts have severely disrupted our supply chain. We had to cancel two major vaccine shipments," said Incepta's Executive Director Arefin Ahmed.

He noted that USAID previously bought medicines worth at least Tk 10 crore per month.

"They were a consistent and reliable buyer," he said, expressing frustration over the sudden loss of a key client.

The disruption has not only affected revenues but also hampered Incepta's ability to meet its commitments to supply essential medicines to several countries, including Bangladesh, he added.

Despite the sector's decline in April, Square Pharmaceuticals reported strong overseas demand.

"Our export orders are holding up well. We are seeing good traction internationally," said Zahangir Alam, chief financial officer of Square Pharmaceuticals.

However, he admitted he was unsure why the wider industry saw a downturn in April. "I have no idea why the industry saw a decline."

Monjurul Alam, CEO of Beacon Medicare, a subsidiary of Beacon Pharmaceuticals, urged caution in interpreting the April data.

"Exports often slow early in the year, especially when ASEAN markets halt orders during holidays," he said. "Shipments are actually increasing. This is just a seasonal dip."

He predicted a rebound as paused markets resume orders. "One or two months of lower shipments shouldn't be a cause for concern."

While Bangladesh's pharmaceutical export volumes are meagre in global terms, Alam emphasised the sector's value in enhancing the country's international image and industrial reputation.

# The road from cheap labour to a skilled workforce

SALEKEEN IBRAHIM

Our country has long been recognised for its abundant labour force. In addition, this abundance has often been labelled as "cheap labour", a term that underscores a missed opportunity for a prospective nation.

Some try to establish the label as an advantage to bring investment, but in the end, it is, of course, an intention to hide the vast opportunity ahead. A substantial portion of our workforce lacks the necessary skills and education to command higher wages both domestically and internationally. As a result, individual earnings remain low, and the remittance earnings from overseas are insignificant despite the large number working abroad.

As we stand to cross the line to graduate from LDC, it is imperative to shift the narrative and invest in transforming our labour force into a skilled and productive asset.

Bangladesh received a record-breaking $26.89 billion in remittances in 2024, with nearly 1.01 million workers going abroad for employment. It is a matter of great distress that the majority of these workers are engaged in low-skilled jobs, limiting their earning potential.

To unleash the true potential of our labour force, we need both short-term impactful and long-term sustainable strategies. These strategies, followed by the desired transformation, will boost our economy and improve the lifestyle of thousands of our people. As an example, we can talk about the Philippines, as they became the largest exporter of nurses globally, supplying 25 percent of all overseas nurses. We, as a nation, have yet to tap into such types of high-skilled labour markets, where excellence matters.

Short-term strategies will include plenty of training programmes focusing on high-demand sectors like caregiving, hospitality, tailoring, driving, basic electronics, or information technology. These programmes should be accessible across all districts to ensure widespread participation. To accommodate such modern needs, we need to upgrade our training centres, technical support, and vocational education system.

Our training institutions should be equipped with modern facilities, and curricula should be aligned with contemporary industry trends and global requirements. Introducing digital skill passports or digital certification that records workers' skills and training will make it easier for employers, both locally and internationally, to verify their qualifications.

Gender-inclusive training programmes should be tailored for women in occupations such as healthcare and education. Along with this initiative, an attached childcare support service will encourage participation. We must collaborate with the private sector to design and implement training programmes that meet current industry requirements and also ensure ready jobs for skilled graduates.

A sustainable long-term roadmap is a must to ensure a skilled labour force. Incorporating vocational subjects into the national curriculum from secondary education onwards, allowing students to accrue hands-on skills alongside educational knowledge, is a practical way forward. Countries like Vietnam have successfully transformed their labour force from low-skilled to high-skilled markets by investing heavily in education and vocational training.

Establishing sector/cluster-specific skill hubs might be a game changer. For example, maritime training centres in Chattogram, leather-related training centres in Savar, and advanced tailoring training centres in Gazipur and its surroundings might be effective initiatives.

Encouraging international companies to invest in training facilities by offering incentives is essential. Joint collaboration with them can help our resources develop adequate skillsets and make them fit for international standards.

The government should also initiate a national skill development fund to support long-term initiatives, particularly for marginalised groups, to ensure inclusivity.

The government should also implement policies that promote equal opportunities for all genders in skill development programmes, addressing barriers that hinder women's participation in the workforce.

The journey from "cheap" to "skilled" labour is not just an economic imperative but a national one. We must change our status from exporting labour to exporting skills. Our country will not be a haven for cheap labour anymore; rather, we will transform and render ourselves into a labour excellence republic. This transformation will not only increase individual earning potential but also boost national economic growth through higher remittances and enhanced national productivity.

*The author is a senior banker.*

# Markets rally after China and US slash tariffs for 90 days

AFP, *Hong Kong*

Stocks rallied Monday after Chinese and US officials made "substantial progress" at trade talks in Geneva and slashed their tit-for-tat tariffs for 90 days, fuelling hopes the two sides will pull back from a standoff that has rattled global markets.

Investors have been on a rollercoaster ride since Donald Trump unveiled eye-watering tolls on trading partners on April 2, with the heftiest saved for Beijing, raising concerns of a trade war between the economic superpowers.

The US president eventually hiked the measures against China to 145 percent, which were met with retaliatory rates of 125 percent.

However, there have been signs of an easing of tensions and after two days of highly anticipated negotiations in Geneva, the two countries hailed progress towards ending a crisis that fuelled fears of a global recession.

On Monday the two said they would slash their levies to cool tensions and give officials time to resolve their differences.

In a joint statement, the US side said it would reduce tolls to 30 percent while Chinese tariffs on American goods would be cut to 10 percent.

That came after US Treasury Secretary Scott Bessent and Trade Representative Jamieson Greer met Chinese Vice Premier He Lifeng and international trade representative Li Chenggang in the first known talks since Trump's "Liberation Day" announcement.

"We've made substantial progress between the United States and China in the very important trade talks," Bessent told reporters, while the White House has hailed what it called a new "trade deal".

China on Monday also hailed "substantial progress", with the commerce ministry saying the move "is in the interest of the two countries and the common interest of the world".

**Hong Kong led Asian markets higher, jumping three percent, while Shanghai also enjoyed healthy buying interest. Tokyo, Sydney, Seoul, Taipei and Wellington were all in the green**

Tai Hui, Asia-Pacific chief market strategist at JP Morgan Asset Management, said: "The magnitude of this tariff reduction is larger than expected. This reflects both sides recognising the economic reality that tariffs will hit global growth and negotiation is a better option going forward. "The 90-day period may not be sufficient for the two sides to reach a detailed agreement, but it keeps the pressure on the negotiation process."

Hong Kong led Asian markets higher, jumping three percent, while Shanghai -- which closed before the tariff cuts were announced -- also enjoyed healthy buying interest. Tokyo, Sydney, Seoul, Taipei and Wellington were all in the green. Paris and Frankfurt rose more than one percent, while London was also higher.

US futures surged more than one percent.

Mumbai jumped more than three percent after India and Pakistan agreed a ceasefire at the weekend following four days of missile, drone and artillery attacks between the two countries which killed at least 60 people and sent thousands fleeing.

Pakistan's stock exchange rocketed more than nine percent. Oil prices, meanwhile, jumped more than two percent on speculation that the easing of China-US tensions would help demand.

The dollar also advanced one percent against the euro and yen. Gold, which rallied last month over a rush to safe havens, extended losses. "The initial reaction to the weekend US-China talks (is) predictably encouraging," said Chris Weston at Pepperstone.

However, Karsten Junius at Bank J. Safra Sarasin was cautious.

"We expect financial markets to remain volatile over the coming months, as they have almost fully priced out negative economic surprises and could once again be disrupted by more serious obstacles in trade negotiations," he said in a commentary.


**Traders work on the New York Stock Exchange floor in New York City. Investors have been on a rollercoaster ride since Donald Trump unveiled eye-watering tolls on trading partners on April 2, with the heftiest saved for Beijing.**
PHOTO: AFP/FILE