

# star BUSINESS



Dollar remains stable as BB adopts market-based rate

STAR BUSINESS REPORT

The US dollar rate remained stable yesterday although Bangladesh adopted a market-based exchange rate regime the day before, giving some relief to businesses and importers.

The dollar rate, which has hovered between Tk 122 and Tk 122.50 for the past few months, did not change after the market-based exchange rate was introduced.

The move to a more flexible, market-oriented exchange rate system was made to ease pressure on foreign exchange reserves and meet a key condition tied to a \$4.7 billion loan programme with the International Monetary Fund.

On May 14, the central bank lifted the Tk 1 spread between buying and selling rates of the US dollar by repealing a directive issued in January.

At the same time, it reinstated a circular issued in December 2024, allowing banks to "freely" negotiate the US dollar rate for both interbank and customer transactions.

That marked a formal return to a pricing framework driven by demand and supply.

Bankers say that banks are expected to have an adequate supply of dollars due to increased remittance inflows ahead of Eid ul-Azha.

A treasury head of a private bank, speaking on condition of anonymity, said that the central bank and other authorities have instructed everyone to play a sensible role in the current situation.

Since Eid ul-Azha is approaching, dollar flow is expected to increase. There is confidence among all parties regarding this, so there is no volatility in the market, the official said, opining that there will be no volatility in the country's dollar market in the coming days.

Over the past 15 days, the US dollar has been bought at Tk 121 to Tk 122 and sold at Tk 122.30 to Tk 122.50, he added.

At an event yesterday, Bangladesh Bank Deputy Governor Md Habibur Rahman said that if the rate rises beyond the desired level, Bangladesh Bank will intervene, and they have the tools to do so.

READ MORE ON B3

## 'Govt to act if telcos don't cut internet prices'

STAR BUSINESS REPORT

The government will take measures if mobile operators fail to reduce internet prices, said Faiz Ahmad Taiyeb, the special assistant to the chief adviser with executive authority over the Ministry of Posts, Telecommunications and ICT.

He made the remarks yesterday at a press conference held at the office of the Bangladesh Telecommunication Regulatory Commission (BTRC) in Dhaka, marking World Telecommunication and Information Society Day 2025.

In response to a question about why mobile operators have not yet lowered internet prices, Taiyeb said that bandwidth prices at the gateway and transmission levels have already been reduced.

"We have already taken necessary regulatory and practical steps to ensure mobile operators reduce internet charges. Stakeholders have participated in this process. Those who haven't should get involved," he said.



"Since we have reduced prices at the gateway and transmission levels, we deserve internet prices to decrease at the user level."

Calling on mobile companies to cooperate, he warned that if they fail to respond, the government would bring unresolved financial issues and key performance indicators (KPIs) to the negotiation table.

"If they don't cooperate, we will raise pending dues and performance metrics in bilateral talks," he added.

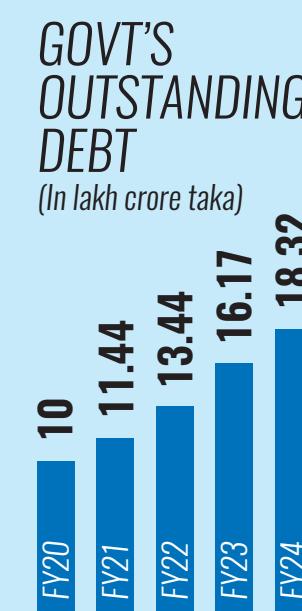
"We do not want to block anyone's path," Taiyeb emphasised. "But we want to reach a point, through dialogue with stakeholders, where citizens can access quality internet at an affordable price. We will remain steadfast for that."

He added that the government is ready to offer waivers in logical cases and challenge any irrational ones.

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## Interest payments, subsidies soak up almost half of budget

These two areas of spending accounted for Tk 118,046cr, dwarfing most other priorities in the July-January period



**“** The difficulties we're seeing now are the result of longstanding structural problems in our economy. We've accumulated a lot of debt, and now the cost of servicing that debt is rising.

Mustafizur Rahman  
Distinguished fellow of CPD

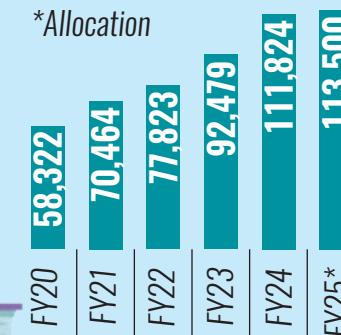


### INTEREST PAYMENT

(Domestic & foreign)

In crore taka

\*Allocation



SOURCE: MINISTRY OF FINANCE

REJAUL KARIM BYRON

Interest payments and subsidies have absorbed nearly half of Bangladesh's total budget expenditure in the first seven months of the current fiscal year, underscoring growing fiscal stress and raising concerns over public finances.

Between July and January, total government expenditure stood at Tk 246,583 crore, with Tk 118,046 crore -- roughly 48 percent -- channelled into interest servicing and subsidy payments, according to a January report from the finance ministry.

"This problem is structural," said Professor Mustafizur Rahman, a distinguished fellow at the local think tank Centre for Policy Dialogue (CPD).

"The difficulties we're seeing

now are the result of longstanding structural problems in our economy. We've accumulated a lot of debt, and now the cost of servicing that debt is rising," he said.

Interest payments alone rose 27 percent year-on-year to Tk 75,902 crore in the

July-January period.

Although the 2024-25 budget earmarked Tk 113,500 crore for servicing domestic and foreign loans, finance officials now say the figure may need to be revised upward due to rising yields on treasury bills and bonds, higher foreign interest rates, and continued depreciation of the local currency taka.

"At times, we've had overcapitalisation, and because of that, we've had to incur even more debt," Rahman said. "That's why debt servicing costs are increasing now."

Rahman stressed the need for greater prudence in fresh borrowing. "But we can't escape the debt that's already accumulated -- we have to carry that burden. It will have to be managed by future generations," he said.

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STAR BUSINESS REPORT

Bangladesh's economy is recovering after months of slowdown, with stability returning and confidence growing across various sectors, according to experts.

Speaking at the launch of the inaugural edition of the Monthly Macroeconomic Insights (MMI) by the Policy Research Institute of Bangladesh (PRI) at its Banani office yesterday, experts and economists expressed cautious optimism about the country's economic trajectory.

The MMI, a new analytical initiative by PRI's Center for Macroeconomic Analysis (CMEA), has been developed with support from the Australian Department of Foreign Affairs and Trade (DFAT).

"The economy is on a recovery path," said Ashikur Rahman, principal economist at PRI, calling it a pivotal phase marked by cautious optimism.

He termed the dissolution of the National Board of Revenue (NBR) and the Bank Resolution Order Ordinance 2025 as bold and timely steps by the interim government.

He said these reforms aim to ensure institutional clarity and long-term economic stability.

Addressing the event, Anisuzzaman Chowdhury, special assistant to the chief adviser, emphasised an urgent need to rebuild Bangladesh's social capital alongside reinforcing its economic foundations.

He remarked that while the country has progressed significantly in infrastructure and financial capacity, the erosion of social cohesion and public trust now poses a deeper, long-term threat.

"We need hard reforms and honest reflection," he said. "We are not poor in financial terms alone; our social fabric is also under strain."

Drawing from his early life experiences, Chowdhury reflected on how countries like South Korea and Japan overcame hardship through strategic vision, coordinated reforms, and long-term commitment.

"They didn't just push reforms -- they fixed goals and stayed the course. That's what we need."

Regarding Bangladesh's upcoming graduation from the least developed country (LDC) club, he called it both a challenge and

### ECONOMIC RECOVERY AND REFORMS

Experts say economy is on a recovery path marked by cautious optimism

Recent policy moves, including NBR split and Bank Resolution Order, hailed as bold and timely

Exchange rate liberalisation seen as key to long-term economic resilience

Macroeconomic stability restored; higher growth trajectory likely, says PRI chairman

### POLICY AND INSTITUTIONAL CHALLENGES

- Reforms alone are not enough — policy coherence and long-term vision needed, warns special assistant to CA
- High interest rates and weak investor confidence hinder economic diversification
- Bangladesh must signal confidence internationally to maintain recovery momentum

### SOCIAL AND STRUCTURAL ISSUES

Erosion of social cohesion now a deeper threat than financial gaps, says an expert

Bangladesh needs "hard reforms and honest reflection" to rebuild trust and direction

an opportunity. "It's not just about metrics. Without a clear vision, reforms alone won't deliver. We need policy coherence."

He also pointed out that high interest rates, low investor confidence, and disjointed policies are hampering economic diversification. "Why invest in capital markets when banks offer 12 percent with less risk?"

Md Habibur Rahman, deputy governor of Bangladesh Bank, said Bangladesh's economic indicators are showing signs of gradual stability, driven by improvements in the current account and balance of payments.

"Exchange rate liberalisation will benefit Bangladesh on multiple fronts," he said.

He added that the macroeconomic situation has become more comfortable over the past nine months.

Rahman emphasised that despite recent turbulence, the country's fundamentals remain strong and resilient.

He stressed the importance of signalling confidence to the international community and said measures are in place to protect foreign exchange reserves and manage

external pressures effectively, positioning Bangladesh for continued recovery.

Upon reviewing the economic growth scenario, Zaidi Sattar, chairman of PRI, pointed out that in the current year, macroeconomic stability has been restored, and the economy is poised to return to a higher growth trajectory.

"Our export potential is hobbled by a highly protective tariff regime that creates a persistent anti-export bias in policy incentives," he added.

Clinton Pobke, deputy head of mission at the Australian High Commission in Bangladesh, emphasised Australia's commitment to strengthening economic engagement with Bangladesh through a multi-pronged approach encompassing policy reform, trade and investment, and support for public policy discourse.

Speaking at the launch of the new initiative in collaboration with the PRI, Pobke expressed his appreciation for the quality of economic analysis presented.

NBR officials vow to continue strike

STAR BUSINESS REPORT

Protesting officials and employees of the National Board of Revenue (NBR) yesterday vowed to continue their pen-down strike on Saturday, pressing a three-point demand, including the repeal of a new ordinance on restructuring the revenue administration.

The other two demands are the public disclosure of a state advisory committee's report on reforms for the NBR, which was submitted to the finance ministry, and inclusive, consultative, sustainable reforms for the revenue administration.

They made the announcement at a press briefing at the NBR's headquarters following a three-hour work abstention throughout the country for a second consecutive day.

However, as before, international passenger services, export activities, and preparations for the national budget remained outside the purview of the strike.

"We want a comprehensive, inclusive, and sustainable reform of the revenue system, based on open discussion on the advisory report," said Sefat-E-Mariam, additional commissioner of the NBR, at the press conference.

"...and a white paper on the country's economic situation, engaging stakeholders, business associations, civil society, political leadership, and all relevant parties," she said.

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# Bank Asia Agent Banking launches 'wet market collection' service

## STAR BUSINESS DESK

Bank Asia Agent Banking has launched a market-focused customer service initiative titled "Wet Market Collection", an effort aimed at simplifying, securing, and digitising cash handling for traders of all scales operating in local markets, thereby enhancing the efficiency and reliability of daily transactions.

Ziaul Hasan, deputy managing director and head of channel banking and CAMLCO of the bank, inaugurated the initiative at a programme held recently at Genda Bazar in Savar, according to a press release issued by the bank.

Over the past 11 years, Bank Asia has developed an extensive agent network comprising 5,036 agents, 70 percent of whom are based in local markets (bazaars).

This network has facilitated the strategic distribution of service

touchpoints in rural areas, with agents embedded within market premises, positioning Bank Asia Agent Banking as the preferred financial solution for its intended stakeholders.

Moreover, the combination of transaction limits and dedicated operational space for agents has fostered a sense of trust among wet market customers, further encouraging the adoption of digital payment methods.

This app-based initiative represents a significant milestone in Bank Asia's journey towards financial inclusion, offering a faster, safer, and technology-enabled cash transaction solution tailored to the needs of local wet market participants.

Bank Asia intends to gradually extend this service to additional wet markets across the country, thereby broadening access to secure and digitised financial services.



Ziaul Hasan, deputy managing director and head of channel banking and CAMLCO of Bank Asia PLC, inaugurates the new initiative at a programme in Savar's Genda Bazar recently.

PHOTO: BANK ASIA

# Prime Bank, City Group collaborate to launch Shariah-compliant financial product



PHOTO: PRIME BANK

Tanvir Hydar Pavel, director of finance and commercial at City Group, and Shams A Muhammin, deputy managing director of Prime Bank PLC, pose for photographs at the signing of the agreement at the former's head office in Dhaka yesterday.

# Eastern Bank partners with IFC to enhance climate risk management

## STAR BUSINESS DESK

Eastern Bank PLC (EBL) has entered into a strategic partnership agreement with the International Finance Corporation (IFC) to strengthen its climate risk management capabilities.

EBL has become the first commercial bank within Bangladesh's banking sector to collaborate with the IFC on the development of robust climate risk management frameworks.

This initiative seeks to augment EBL's capacity to evaluate and manage both physical and transition risks associated with climate change.

Supported by Denmark under the Bangladesh Climate Advisory Partnership, the project will align EBL's risk management practices with international standards, thereby fortifying its resilience to climate-related financial impacts.

Ali Reza Iftekhar, managing director and CEO of EBL, and Mehdi Cherkaoui, regional manager of upstream and advisory services, financial institutions group for South Asia at IFC, signed the

agreement at a recent ceremony in Dhaka, according to a press release.

Commenting on the partnership, Iftekhar remarked, "We are proud to be the first bank in Bangladesh to incorporate a dedicated climate risk management framework in partnership with the IFC."

"This initiative will reinforce our institutional resilience

and underscore our enduring commitment to sustainability and responsible banking."

"It exemplifies EBL's proactive stance in addressing climate-related financial risks and our dedication to supporting Bangladesh's transition to a low-carbon economy," he added.

Senior officials from both organisations were also present.



PHOTO: EASTERN BANK

Mehdi Cherkaoui, regional manager of upstream and advisory services, financial institutions group for South Asia at the International Finance Corporation, and Ali Reza Iftekhar, managing director and CEO of Eastern Bank PLC, pose for photographs after signing the agreement in Dhaka recently.

PHOTO: EASTERN BANK

# Mercantile Bank opens Fultola sub-branch

## STAR BUSINESS DESK

Mercantile Bank PLC has opened the Fultola sub-branch at Ayesha Tower in Khulna yesterday, aiming to deliver convenient and tech-savvy banking services to its customers.

This is the 47th sub-branch of the bank, according to a press release.

Md Zakir Hossain, managing

director (current charge) of the bank, inaugurated the sub-branch as the chief guest.

Shamim Ahmed and Md Zahid Hossain, deputy managing directors of the bank; Tapash Chandra Paul, chief financial officer; SM Mustafizur Rahman, president of Fultola Press Club; and Md Lutfar Rahman Lenin, businessman, attended the signing

ceremony.

Among others, Shah Md Sohel Khurshid, Mohammad Iqbal Rezwan and Md Abdul Halim, senior executive vice-presidents of the bank; Mohammad Rezaul Karim, company secretary; and Md Salahuddin Khan, vice president and head of human resources division, were also present.



Md Zakir Hossain, managing director (current charge) of Mercantile Bank PLC, inaugurates the Fultola sub-branch at Ayesha Tower in Khulna yesterday.

PHOTO: MERCANTILE BANK

at City Group, signed the agreement to this effect at the latter's head office in Dhaka yesterday, according to a press release.

This pioneering financial instrument presents a distinctive opportunity for investors seeking Shariah-based short-term investment options, combining ethical investing with competitive returns.

Faisal Rahman, additional managing director of Prime Bank, stated, "This initiative reflects Prime Bank's unwavering commitment to innovation in Islamic finance and our resolve to offer a diverse portfolio of ethical, high-yield investment solutions."

"The Teer Islamic Commercial Paper marks a significant milestone in the financial landscape, opening new horizons for both institutional and individual investors seeking Shariah-compliant alternatives," he further added.

# Dhaka Bank signs payroll banking deal with East Coast Group

## STAR BUSINESS DESK

Dhaka Bank PLC has entered into a payroll banking agreement with East Coast Group, one of the leading business conglomerates in Bangladesh.

Sheikh Mohammad Maroof, managing director and CEO of the bank, and Dilruba Chowdhury, director of human resources at the business conglomerate, signed the agreement at the bank's head office in the capital's Gulshan-1 recently, according to a press release.

Under the terms of this agreement, all employees of East Coast Group will gain access to an array of Dhaka Bank's financial products and services on preferential terms.

This arrangement will enable them to benefit from a wide spectrum of offerings, ranging from profit-bearing accounts and secured or unsecured loans to local and international credit cards. In addition, they will enjoy exclusive facilities and privileges associated with other consumer banking products provided by Dhaka Bank PLC.

Md Mostaque Ahmed, deputy managing director and chief



Dilruba Chowdhury, director of human resources at East Coast Group, and Sheikh Mohammad Maroof, managing director and CEO of Dhaka Bank PLC, exchange signed documents and pose for photographs following the agreement signing ceremony at the bank's head office in Gulshan-1, Dhaka recently.

PHOTO: DHAKA BANK

Palash, executive vice-president and head of MSME and emerging business division at the bank; Tahmina Sharmin, vice-president and unit head of corporate banking division; Masudur Rahim, chief executive officer of East Coast Group; Atiar Rahman, chief financial officer of Omera Petroleum Limited; and Md Rokonujaman, head of national sales, along with other senior officials from both organisations, were also present.

## Government of the People's Republic of Bangladesh

Office of the Executive Engineer, RHD  
Munshiganj Road Division  
Dashkani, Panchasar (Mukterpur), Munshiganj  
Phone # 02-998847019  
E-mail: [emunrhd@gmail.com](mailto:emunrhd@gmail.com)

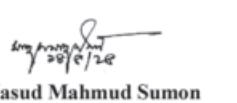
Date: 14/05/2025

### e-Tender Notice (OTM)

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) by the Executive Engineer, RHD, Munshiganj Road Division, Munshiganj for the procurement of:

SL No.	Tender ID # & Package No.	e-Tender description	Last selling date & time	Closing date & time	Opening date & time
1	1111071, 63-e-GP/Mundiv/2024-2025	Supplying and Installation of One Side Cantilever Directional Sign Board (Signboard on Both Side =1x 8' x 5'), Traffic sign, Sign post and Reflecting Road Studs at 10th Km(P) to 32th Km(P) of Zinzira-Keraniganj-Nawabganj-Dohar-Srinagar Road (R-820) at Keraniganj Road Sub-Division under Munshiganj Road Division, Munshiganj during the 2024-2025.	28/05/2025 16:00	29/05/2025 11:00	29/05/2025 11:00

1. The above tender is online tender, where only e-Tenders will be accepted in e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, please register on e-GP System Portal (<http://www.eprocure.gov.bd>).
2. The fees for downloading the e-Tender documents from the National e-GP System Portal have to be deposited online through any registered bank's branch.
3. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

  
Masud Mahmud Sumon  
ID No. 602165  
Executive Engineer, RHD  
Road Division, Munshiganj

GD-1169

## Focus on quality and compliance to thrive after LDC graduation

Expert says at seminar

### STAR BUSINESS REPORT

Bangladesh's transition from a least developed country (LDC) to a developing one will require a strong focus on quality, regulatory compliance, adherence to global standards, and environmental sustainability, an expert said yesterday.

However, as businesses feared an erosion in duty benefits, the private sector had urged the interim to negotiate to delay the country's status graduation following the political changeover on August 5 last year. Yet, the interim government decided not to budge.

Bangladesh is scheduled to graduate from the group of least developed countries (LDCs) on November 24, 2026.

Now, the private sector needs to improve firm-level competitiveness to sustain a competitive market, Ferdous Ara Begum, chief executive officer of the Business Initiative Leading Development, said while making a presentation at a seminar yesterday.

The seminar, styled "LDC Graduation Strategies and Readiness of Private Sector", was held at the Holiday Inn Hotel in the capital's Tejgaon, jointly organised by the Bangladesh Plastics Goods Manufacturers and Exporters Association (BPGMEA) and the Business Promotion Council under the Ministry of Commerce.

Compliance with international regulations, including labour standards, is essential, she said, adding that adopting environmental, social and governance (ESG) standards would help integrate into the global value chain and attract foreign investment.

## Interest payments

FROM PAGE B1

### BALLOONING SUBSIDIES

Subsidies also surged 53 percent year-on-year, reaching Tk 42,144 crore in the first seven months of FY25.

For the full fiscal year, the government had allocated Tk 88,000 crore for subsidies, but that figure is also expected to overshoot initial projections.

In the power sector alone, subsidy allocations are likely to rise from Tk 40,000 crore to as much as Tk 62,000 crore in the revised estimate. Fertiliser and gas subsidies are also set to climb.

"In the case of subsidies, we've had persistent problems with inclusion and exclusion. There hasn't been any meaningful reform or restructuring," said Rahman.

"What we're seeing now in these high percentages is the direct result of that," he added.

Donor agencies have urged Dhaka to rationalise subsidies, particularly in the electricity sector. But finance ministry officials say reductions have proven difficult due to mounting arrears and sector-specific liabilities.

"Looking ahead, we can act," said Rahman. "For

subsidies, we can undertake reforms and restructuring, apply sunset clauses, and take steps to reduce them," said Rahman.

The pressure on the budget has been compounded by a sharp rise in public debt. In fiscal year 2023-24, government debt grew by 13.3 percent

**In the power sector alone, subsidy allocations are likely to rise from Tk 40,000 crore to as much as Tk 62,000 crore in the revised estimate. Fertiliser and gas subsidies are also set to climb**

year-on-year to Tk 18.3 lakh crore, equivalent to 36.3 percent of the country's gross domestic product.

As a result, rising interest payments are steadily eroding the government's capacity to invest in other areas.

Despite the expanding size of the national budget, set at Tk 797,000 crore for the current fiscal year, revenue mobilisation has

remained flat.

The resulting mismatch has left the government increasingly reliant on domestic and external borrowing to meet its obligations, deepening the strain on fiscal space.

### PRESSURE ON BUDGET

Development spending is already under pressure. Spending under the Annual Development Programme (ADP) fell to Tk 48,701 crore in the July-January period, compared with Tk 52,488 crore a year earlier.

Development spending under the revenue budget also dropped to Tk 1,650 crore from Tk 2,016 crore.

Fiscal analysts say Bangladesh is entering a delicate phase where both expenditure composition and revenue mobilisation must be addressed simultaneously.

"We can't do anything about the past," Rahman said. "But going forward, unless we increase our revenue-to-GDP ratio, we'll fall deeper into this debt trap."

"We must also address the problems with inclusion, exclusion, and targeting through reforms and better implementation efficiency," he added.

## Currency

FROM PAGE B1

The painful move was essential to eliminate distortions in the foreign market and restore foreign investor interest. Combined with reforms in taxation, debt restructuring, and central bank independence, Sri Lanka's currency move helped pull it back from the brink of bankruptcy.

The central bank here has made it clear that it would still intervene in the currency market "to prevent disorderly conditions." This is a hybrid approach: the exchange rate is no longer rigidly fixed or artificially controlled, but nor is it fully subject to the whims of daily market movements.

By retaining the option to intervene, the authorities aim to smooth excessive volatility and shield import-dependent sectors from sudden inflationary pressures.

Still, letting go of the fear of floating comes with risks. Without proper oversight, the shift could create new scope for speculative behaviour, especially in a low-transparency environment.

Experts warn that Bangladesh Bank must now strengthen market surveillance and ensure rogue traders do not game the system through artificial dollar scarcity or price collusion.

The test of the new regime will come in moments of stress — whether the central bank can resist the temptation to override market signals, or whether it falls back into administrative fixes.

What's clear is that Bangladesh has taken a meaningful step in the right direction. By embracing exchange rate flexibility and pairing it with overdue institutional reforms, it has sent a message that the country is serious about correction.

## NBR officials vow

FROM PAGE B1

"We are not opposed to reforming the NBR. Officers and employees at all levels of the NBR have long been advocating for reforms in the revenue system," she said.

"What we want is for these reforms to be rational and widely acceptable, reflecting the national interest and a development-oriented philosophy," said Mariam.

The new ordinance, the government announced that it had decided to dissolve the NBR and Internal Resources Division, replacing them with a Revenue Policy Division and a Revenue Implementation Division.

Both would run under the Ministry of Finance.

According to the ordinance, the policy division will be responsible for formulating tax policies and setting tariffs, while the implementation division will oversee tax collection and enforcement of related rules and regulations.

Protesters within the customs and income tax cadres argue that the ordinance sidelined experienced tax professionals by transferring policymaking powers to officials from the general administration and other cadres.

Meanwhile, the NBR's public relations officer announced that NBR Chairman Abdur Rahman Khan would hold a press conference in front of the

NBR headquarters in the afternoon yesterday.

However, no briefing took place.

Moreover, two groups of people, who admitted that they were neither officials nor staff of the NBR, staged demonstrations before the headquarters under the banners "Anti-fascist People" and "People's Rights Party".

One group demanded the resignation of the NBR chairman, while the other group came to voice their opposition against it.

## Dollar

FROM PAGE B1

Although the taka's exchange rate fluctuated slightly on Wednesday after moving to a market-based dollar rate, there was no significant depreciation, he added.

In other words, there was no pressure for devaluation. The situation will be monitored for another day or two, he said.

Then it will become clear what will happen. It appears that a good balance has been established between the demand and supply of foreign currency.

As a result, there will be no unwanted depreciation or pressure on the taka's exchange rate," he said.

## Economy on path to recovery

FROM PAGE B1

Outlining Australia's three-track strategy, Pobke explained, "One track focuses on support for policy reform, another on enhancing bilateral trade and investment, and the third on strengthening the policy debate space in Bangladesh."

On trade and investment, Pobke highlighted a recent milestone. "In February, we appointed our first Australian Trade and Investment Commissioner based in Dhaka — a major step forward."

He also announced the upcoming "Bangladesh-

Australia Business Expo 2025" in Sydney, where he hopes to see strong bilateral participation.

Shams Mahmud, president of the Bangladesh-Thai Chamber of Commerce and Industry, said that businesses are currently operating primarily for the benefit of banks and the NBR, while entrepreneurs themselves are struggling to make profits.

Despite positive export figures, he said the business environment remains unfavourable due to persistent inflation and elevated bank interest rates.

## Govt to act

FROM PAGE B1

Speaking at the same event, BTRC Chairman Md Emdad ul Bari reiterated that reducing internet costs remains a top priority for both the government and the commission.

However, he said prices cannot be brought down overnight as it depends on the entire industry, not just on one agency.

He added that the BTRC wants to deregulate the

internet sector so that the market can determine prices and ensure diversity.

Addressing the 40-minute disruption in Grameenphone's 4G services on Wednesday, the BTRC chairman said the commission has officially sought an explanation from the operator.

"They informed us that a technical investigation is underway. Once that is complete, we will share our findings," he said.

Government of The Peoples Republic of Bangladesh

Local Government Engineering Department

Office of the Executive Engineer

District: Khulna

[www.lged.gov.bd](http://www.lged.gov.bd)

Tel: 02477-723183, E-mail: [xen.khulna@lged.gov.bd](mailto:xen.khulna@lged.gov.bd)

Date : 14/05/2025

### e-Tender Notice No-30/2024-2025

e-Tender is invited in the National e-GP System portal (<http://www.eprocure.gov.bd>) for the procurement of works mentioned below under LGED, District: Khulna.

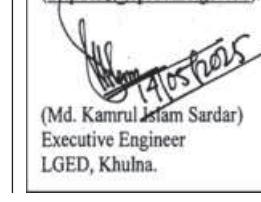
Sl. No.	Tender ID	Package No. & Name of Work	Tender Closing date & time	Procurement Method
1	1102015	MVMT/KHU/F-06 Part A : (a) Development of Amjad Memorial High School Playground and supply and installation of Play Equipment. (b) Development of Khomia Union High School Playground and supply and installation of Play Equipment. (c) Development of Ranai Mohila Madrasa Playground and supply and installation of Play Equipment. Part B : (a) Development of Tipna Sheikh Para Eidgah Maidan. (b) Development of walkwayRanai Social Graveyard under Dumuria Upazila, District : Khulna.	19/06/2025 12:00 pm	OSTETM
2	1107668	CAFDRIP/Khulna/UZR/ER/W-45/2024-25 Re-habilitation of Alaiapur hat - Khulna Terokhada R&H at Palerhat Road from Ch. 00m - 4000m under Rupsha Upazila, District : Khulna [Road ID 247752004].	19/06/2025 12:00 pm	OTM
3	1107669	CAFDRIP/Khulna/VR/ER/W-46/2024-25 Re-habilitation of Rupsha Bagerhat (Noman School) - Tiloq Hat Road from Ch. 1726m - 4846m under Rupsha Upazila, District : Khulna. [Road ID 247754024].	02/06/2025 12:00 pm	LTM

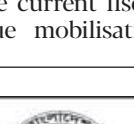
This is the online Tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted.

To submit e-Tender, registration in the National e-GP system portal (<http://www.eprocure.gov.bd>) is required.

The fees for downloading the e-Tender Documents from the National e-GP System Portal have to be deposited online through any registered bank's branches up to 17:00 on 18-06-2025 for ID No- 1102015, 1107668 and 01-06-2025 for ID No- 1107669.

Further information and guidelines are available in the National e-GP system portal and from e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

  
(Md. Kamrul Islam Sardar)  
Executive Engineer  
LGED, Khulna.

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<b>Invitation for e-Tender</b> e-Tender Notice (Open Tendering Method)						
Sl. No.	Invitation Reference Number	Tender/ Proposal ID	Description	e-Tender Publication Date & Time	Tender/ Proposal Document last selling Date & Time	Tender Closing Date & Time
01.	27.11.6863.439.6 8.338.25-567 Date: 14/05/2025	1112374	Maintenance work of Electrical lines & Protective devices of Medical center of GPS	15/05/2025 12:00 hrs.	28/05/2025 16:00 hrs.	29/05/2025 12:30 hrs.
02.	27.11.6863.439. 68.338.25-568 Date: 14/05/2025	1112503	Maintenance work of Electrical lines & Protective devices of Palash-11 & 12 of GPS.	15/05/2025 13:00 hrs.	28/05/2025 16:00 hrs.	29/05/2025 13:30 hrs.

This is an online tender where only e-Tenders will be accepted in e-GP portal and no offline/hard copy is accepted. To submit e-Tender please register on the National e-GP portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender documents from the national e-GP Portal have to be deposited online through any branch of registered banks upto 12:00 hrs of 29/05/2025(Tender ID: 1112374) and 13:00 hrs of 29/05/2025(Tender ID: 1112503). Further information and guidelines are available in the National e-GP system portal and from e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

বিদ্যুৎ জ্ঞ. ১২৩৯ (২)।১৫/০৫/২৫

(Engr.Md. Iktiar Kabir)  
ID No: 1-0152  
Executive Engineer(Substation)  
Maintenance, 5-6 Unit,  
Ghorashal Power Station,  
BPDB, Palash, Narsingdi.

GD-1172

# Currency unleashed: Handle with care



ZAHID HOSSAIN

The Bangladesh Bank (BB) has, somewhat unexpectedly, reverted to the exchange rate regime announced on December 31, 2024, effectively transitioning the country into a free-floating currency system. Authorised dealers are now permitted to buy and sell foreign currency at freely negotiated rates, allowing the taka to be determined by market forces rather than being pegged or constrained within a fixed range. BB has also repealed the January 2, 2025, circular that imposed a Tk 1 spread between buying and selling rates.

This decision is a pragmatic step, regardless of whether it was motivated by the necessity of meeting IMF program conditions for the 4th and 5th disbursements. The market appears ready to move beyond the previous "crawling peg" system, which maintained a fixed spread and a ceiling on selling rates for authorised dealers. Following the settlement of several accumulated payments in December, conditions in the foreign exchange market improved—remittances surged, imports remained weak, and illicit capital outflows continued slumping. As a result, the policy-imposed spread and ceiling often failed to be binding. BB hardly sold dollars in the market in the last five months.

This shift toward a flexible exchange rate regime represents an opportunity for market participants to adapt to a framework that prioritises responsiveness

to global and local economic factors. It is a bold step signalling confidence in the ability of the market to determine fair and competitive exchange rates without relying on heavy-handed intervention. By tethering less to fixed policies and more to macroeconomic realities, the switch aligns with international practices, providing an avenue for greater integration into the global financial system.

Bangladesh is inherently vulnerable to external shocks, including volatile global commodity prices, economic downturns

businesses and investors to engage in transactions based on actual market conditions rather than depending on BB for foreign exchange access. This leads to more efficient pricing of goods, services, and investments, fostering economic agility. Foreign investors often favour economies with market-driven exchange rates, as they enhance transparency and minimise risks associated with sudden policy-driven currency fluctuations.

Market efficiency cannot be taken for granted. Fortunately, the BB has already

a balance between rate flexibility and pressure on foreign exchange reserves. A flexible system reduces the burden on reserves by allowing the exchange rate to adjust naturally in response to supply or demand fluctuations.

However, if such fluctuations lead to excessive volatility, the need for intervention using official reserves increases. To counter this, BB is committed to employing a market-based intervention strategy designed to deter speculative behaviour and address sudden shortages in foreign currency.

With a flexible exchange rate, BB can now shift its focus toward domestic economic priorities such as inflation control, employment growth, and financial stability instead of continuously defending the currency. That said, effective management of the float requires ongoing vigilance. Several countries—including India, Singapore, Indonesia, and Brazil—have successfully balanced market-driven currency valuation with strategic interventions, providing useful models for Bangladesh to follow. Moreover, Bangladesh's own experience from 2003 to 2022 reinforces the confidence that it can manage this system effectively.

BB should intervene only when necessary, such as during periods of natural disasters or large, unanticipated financial shocks. Maintaining adequate foreign exchange reserves would enable BB to support the taka to cope with such shocks while instilling investor confidence. Regular and transparent communication from the BB on monetary and exchange rate policies would help prevent speculation and panic. Ensuring strong coordination between monetary and fiscal policies would further safeguard against risks associated with currency fluctuations.

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



A man counts US dollars in a money exchange shop in Dhaka. PHOTO: AFP/FILE

among major trading partners, and natural disasters. If the BB maintains its commitment to a flexible exchange rate, without abrupt policy reversals seen in the past, the taka can adjust dynamically in response to these external pressures. This shift will reduce the need for constant intervention by BB, alleviating the strain on foreign exchange reserves and removing the complexities of monitoring currency market operations.

A flexible exchange rate empowers

implemented a reporting system that provides foreign exchange transaction data twice daily for transactions of one lakh US dollars or more. This mechanism is now fully operational. Additionally, BB publishes a daily reference benchmark rate, calculated as the weighted average of rates reported by ADs. With no incentive to misreport under the new regime, this would serve as a valuable anchor for setting competitive exchange rates.

Every exchange rate regime must strike

## Pubali Bank's profit up 4% in January-March

STAR BUSINESS REPORT

Pubali Bank PLC saw its earnings increase in the first quarter of the financial year 2025.

The bank posted a 4 percent year-on-year rise in profit in the January-March quarter, reaching Tk 185.28 crore, according to its financial statements.

The first quarter follows the Tk 780 crore profit the bank made in the financial year 2024.

Its earnings per share stood at Tk 1.60 for the first quarter, up from Tk 1.54 (restated) in the same period a year earlier.

Its consolidated net operating cash flow per share (NOCFPS) surged to Tk 19.69 from Tk 9.25 (restated) in the same quarter of 2024.

The significant improvement in NOCFPS reflects the bank's strategic focus on high yield lending, fee and commission income diversification, cost optimisation, and digital transformation, the bank said.

It attributed the rise in NOCFPS to increased customer deposits and a rise in other liabilities during the quarter that ended on March 31, 2025.

As of April 30, 2025, the shareholding structure of Pubali Bank stood at: sponsors and directors 31.49 percent, institutional investors 28.77 percent, foreign investors 0.14 percent, and the general public 39.60 percent, according to Dhaka Stock Exchange data.

## Bata's profit doubles in Q1

STAR BUSINESS REPORT

Bata Shoe Company (Bangladesh) Ltd's profit doubled in the first quarter of 2025, driven by higher sales and revenue growth.

The shoemaker's profit rose by 100 percent year-on-year to Tk 36.83 crore in the January-March quarter, according to the company's unaudited financial statements.

The company had earlier made a profit of Tk 18.41 crore in Q1 of 2024.

Its earnings per share stood at Tk 26.92 for the first quarter, up from Tk 13.42 in the same quarter of 2024.

Its revenue rose by 28 percent year-on-year to Tk 358.18 crore during the January-March quarter, driven by improved economic conditions and Eid season sales, the footwear maker said in the financial statement.

"Aligned with revenue, the cost of sales increased by 26 percent and operating expenses rose by 12 percent compared to last year," said the leading shoemaker.

Its net finance costs surged by 58 percent year-on-year to Tk 5.28 crore, which the company attributed to lower interest earnings on short-term deposits and foreign exchange losses during the period.

Bata's net operating cash flow per share jumped to Tk 48.06 from Tk 19.95 in the same quarter a year ago.

As of April 30, 2025, sponsors and directors held 70 percent of Bata's shares, institutional investors 19.37 percent, foreign investors 1.30 percent, and the general public 9.33 percent, according to Dhaka Stock Exchange data.

STAR BUSINESS REPORT

The World Bank has approved \$270 million in financing to help Bangladesh recover from the flooding last year and strengthen its resilience to future climate-related disasters.

The funds, approved by the World Bank's Board of Executive Directors on May 14, will support the Bangladesh Sustainable Recovery, Emergency Preparedness and Response (B-STRONG) Project, according to a press release.

The project will focus on rebuilding and climate-proofing flood protection infrastructure in Sylhet and Chattogram divisions, aiming to safeguard 16 lakh people.

It will also promote climate-resilient agriculture and improve livelihoods in flood-affected communities.

"Bangladesh is regarded as a leader in climate change adaptation and disaster preparedness. But the increasing climate risks and more frequent and severe natural disasters take a heavy toll on communities and the economy," said Gayle Martin, interim country director for

Bangladesh at the World Bank.

The project includes constructing or rehabilitating 79 multi-purpose flood shelters that will function as schools during normal times, repairing roads and bridges, restoring embankments, and improving flood forecasting systems.

It will also help communities prepare for future disasters through training, equipment support, and emergency drills. To promote long-term resilience, the initiative will offer temporary jobs, market-relevant skills training, and financial assistance, targeting over 380,000 people.

Additionally, around 65,000 farm households will be supported in adopting climate-smart agricultural technologies, receiving access to quality seeds, machinery, and better irrigation systems.

"B-STRONG provides integrated responses that combine physical and non-physical interventions, ensuring a holistic approach to recovery and resilience building," said Swarna Kazi, senior disaster risk management specialist and task team leader.

## Trump: India has offered US a trade deal with no tariffs

REUTERS

US President Donald Trump said on Thursday that India had offered a trade deal that proposed "no tariffs" for American goods, while expressing his dissatisfaction with Apple's plans to invest in India.

New Delhi is seeking to clinch a trade deal with the US within the 90-day pause announced by Trump on April 9 on tariff hikes for major trading partners.

"It is very hard to sell in India, and they are offering us a deal where basically they are willing to literally charge us no tariffs," Trump said in a meeting with executives in the Qatari capital Doha.

Reuters has reported that New Delhi has offered to reduce duties to zero on 60 percent of tariff lines in a first phase of the deal under negotiation with Washington, while offering preferential access to nearly 90 percent of the merchandise India imports from the US.

India's equity benchmarks jumped to a seven-month high after Trump's comment on the deal with India.

The Indian trade ministry did not reply to a mail seeking comments on the proposed deal.

Trump in Doha said he had confronted

Apple's CEO Tim Cook about shifting production to India, as the American company moves to make most of its iPhones sold in the United States at

factories in India by the end of 2026, and is speeding up those plans to navigate potentially higher tariffs in China.

"Tim, we treated you very good, we put



In this file photo, US President Donald Trump and Indian Prime Minister Narendra Modi shake hands as they attend a joint press conference at the White House in Washington, DC, on February 13.

up with all the plants you built in China for years ... we are not interested in you building in India, India can take care of themselves, they are doing very well, we want you to build here", Trump recalled himself telling Cook, who was not in the Doha meeting.

India's Prime Minister Narendra Modi has in recent years promoted India as a smartphone manufacturing hub and Apple's suppliers have ramped up production in the country.

In March, Apple's main India suppliers Foxconn and Tata shipped nearly \$2 billion worth of iPhones to the US, an all-time high, to bypass Trump's impending tariffs.

The United States is India's largest trading partner, with bilateral trade totalling some \$129 billion in 2024. The trade balance is currently in favour of India, which runs a \$45.7 billion surplus with the US.

India's trade minister Piyush Goyal will lead a trade delegation to the United States starting May 16 to advance trade negotiations, two government officials told Reuters on Tuesday.

India has some of the world's highest tariffs on imports, and Trump has previously called India a "tariff abuser".

## Crisis ignored, crisis ensured

MAHTAB UDDIN AHMED

If you place a frog in cold water and gradually heat it, the frog won't react; it just adjusts, thinking "I can handle this". But as the temperature keeps rising, it reaches a point where the frog realises it must escape. Sadly, by then, it's too weak to jump. It didn't die from the heat; it died from not acting in time. That's the "Boiling Frog Syndrome".

In life, we often behave like that frog, tolerating injustice, disrespect, or pain, hoping things will improve. Problems that could have been stopped early grow beyond control. By the time we are ready to react, we are too exhausted, too broken or too old. The lesson? Don't wait until you have no strength left. Set your boundaries, speak up, and protect your self-respect before you end up like the frog that wanted to survive but could not.

The "Boiling Frog Syndrome" is a metaphor, not a proven science. But it reflects human behaviour—we often adapt to worsening situations instead of reacting. In Bangladesh, this is seen in how people tolerate corruption, injustice, workplace exploitation, or poor governance, thinking "it's still manageable". Over time, these problems escalate, and when people finally want to act, they are too drained or powerless or victims of the situation, just like the frog.

Psychological inertia is the tendency to stick to the status quo, even when change would be beneficial, mirroring the "Boiling Frog Syndrome", where people ignore the gradual decline until it's too late. Studies show that this inertia causes individuals to resist change, even when faced with new, opposing facts. A related concept, emotional inertia, refers to staying stuck in the same emotional state. Research links higher emotional inertia to issues like depression and low self-esteem, as individuals struggle to adapt emotionally to shifting situations, worsening their mental well-being over time.

Several studies have explored psychological and emotional inertia—the human tendency to resist change even when beneficial. A study in Psychological Medicine found that individuals with high emotional inertia are more prone to depression and low self-esteem. Another study in Frontiers in Psychology linked brain activity to emotional adaptability, showing a neurological basis for inertia. In Bangladesh, similar patterns are seen in workplace stagnation, poor public health habits, and environmental complacency, highlighting the need for timely action.

In our corporate and political culture, we rarely flinch when injustice happens, as long as it's happening to someone else. A colleague gets disrespected, a friend is sidelined, a relative is mistreated, and we watch silently, hoping the heat won't reach us. But here's the catch: if the water's warming for them, it's only a matter of time before it boils for you, too. This bystander syndrome, masked as "not my problem", is just another form of selfishness. Unlike Bollywood, there's no heroic music cue for someone to step in. If we wait to act only when we are the victim, we will all be cooked together—one silent frog at a time.

To escape the boiling frog fate, we must stop pretending "it's not that bad yet". In Bangladesh, endurance is often mistaken for wisdom. But there's nothing wise about waiting until it's too late to act. Speak up early, demand accountability, track the decline with data, and strengthen your emotional spine. Institutions won't fix themselves, nor will your boss's toxic behaviour. Act while you still have the energy, because you might already be dinner by the time you realise you're boiling.

Timely decisions are not just wise—they're vital. For corporates, acting early means staying competitive, attracting talent, and leading change. In Bangladesh, we don't jump out, form a committee, draft a five-year action plan, and host a workshop on "frog resilience". By the time real action kicks in, we are fully boiled, the budget's gone, and everyone's been promoted. Even frogs here need policy reform to survive.

The author is the president of the Institute of Cost and Management Accountants of Bangladesh and founder of BuildCon Consultancies Ltd.