

STAR BUSINESS

Remittance jumps 32% in May

STAR BUSINESS REPORT

Bangladesh recorded a sharp rise in remittance inflows in May, as migrant workers sent more money home in the run-up to Eid-ul-Azha, which falls in early June.

Funds sent by migrant workers and non-resident Bangladeshis reached \$2.97 billion last month, up 32 percent from the same period a year earlier, according to data released by the Bangladesh Bank yesterday.

With May's receipts included, total remittance inflows for the first 11 months of the current fiscal year, which began in July, have grown by 29 percent to \$27.5 billion.

In comparison, the country received \$21.37 billion during the same period last year.

Analysts see the steady rise as a reflection of growing confidence among migrant workers in using formal banking channels, especially in the lead-up to Eid-ul-Azha. Exchange rate incentives have also played a part.

Meanwhile, economists and bankers point to several drivers behind the surge, including a 2.5 percent government incentive for sending money through official channels, a stronger push from banks, greater exchange rate stability and a decline in the use of illegal money transfer networks.

With May's receipts, total remittance inflows for the first 11 months of the current fiscal year reached 27.5 billion

Md Shafeen Iqbal, head of remittance at BRAC Bank, said banks are increasingly delivering remittances through digital channels to speed up the process.

He added that banks have also introduced incentives for migrant workers, such as gifts, insurance coverage and loans tied to remittance amounts. These perks are helping to steer remitters away from informal routes such as hundi and hawala.

Birupaksha Paul, professor of economics at the State University of New York, said the recent shift towards a market-based exchange rate has made a key difference.

"The exchange rate of the US dollar is now nearly market-based, allowing remitters to receive a better price — one of the key reasons behind the increased inflow in May," he said.

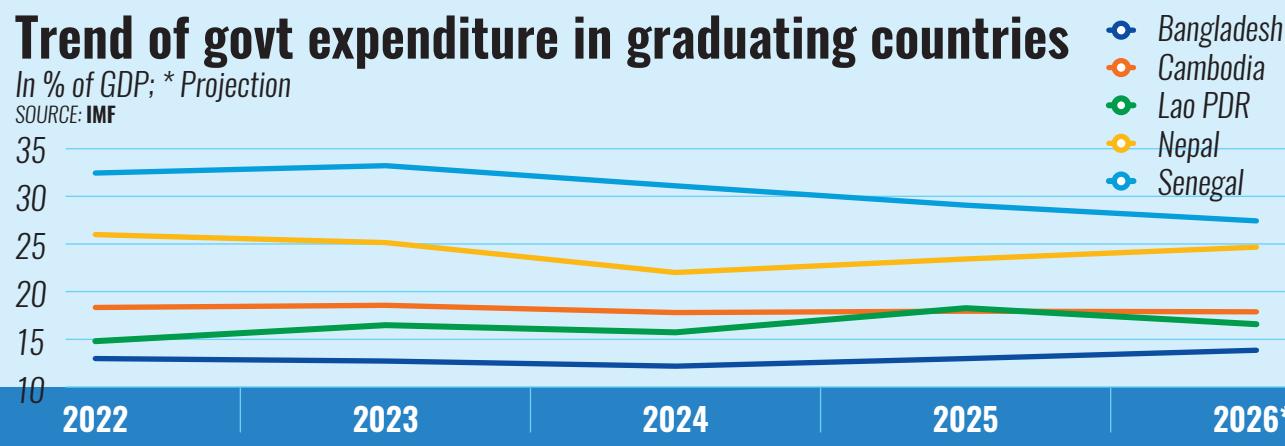
Although the Bangladesh Bank removed the fixed exchange rate under pressure from the International Monetary Fund (IMF), Paul believes the move was ultimately beneficial.

Paul, a former chief economist at the central bank, said remittance flows have been boosted by a clampdown on informal transactions, especially through measures targeting money laundering.

"This shift is not due to patriotism. Remitters are choosing formal channels mainly for economic reasons.

READ MORE ON B3

Govt spending in Bangladesh lowest among LDC graduating peers



AHSAN HABIB

Bangladesh's public spending as a share of gross domestic product (GDP) is the lowest among nations on course to graduate from the least developed country (LDC) club.

Economists say that this low level of expenditure, both operational costs and development outlays, could weaken the foundations of the country's transition and leave the economy vulnerable on several fronts once it loses LDC status.

Following graduation, Bangladesh will no longer enjoy preferential trade access in many global markets and will face tighter terms when seeking foreign loans.

To minimise these shocks, analysts say the government must strengthen the economy through higher investment in key sectors.

They say Bangladesh must ramp up spending on education, healthcare, infrastructure, and social protection to create the conditions typical of a developing economy.

In 2025, the country's public expenditure stood at just 13 percent of GDP, below the 23.4 percent in Nepal, 18.4 percent in Laos, and 17.9 percent in Cambodia.

The International Monetary Fund (IMF) projects that Bangladesh will raise this figure only marginally to 14 percent in 2026.

Economist Mustafizur Rahman said low revenue collection has forced the government to curtail both its operating and development budgets.

"In developed countries, public spending usually accounts for 35 percent to 40 percent of GDP. In other South Asian nations, it is around 20 percent. But in Bangladesh, it has hovered around 12 percent historically," Rahman said, citing IMF data.

"If the government intends to spend more, it must either tolerate a higher budget deficit or increase revenue collection," added Rahman, a distinguished fellow at the local think tank Centre for Policy Dialogue (CPD).

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BUDGET FOR FY26

Import duty on rickshaw batteries likely to rise

TAHIRA SHAMSI UTSA



The government is expected to hike import duty on batteries, which in recent times have been used to run modified three-wheeler rickshaws, to discourage their use and contain the proliferation of the locally developed electric vehicle.

In the absence of specific safety and licensing rules and a lack of logistics required for seizing and sending such vehicles off to scrapyards, the number of battery-run rickshaws has mushroomed.

Currently, batteries exceeding 750 watts, typically ranging between 850 and 1,200 watts, are commonly used in these rickshaws thanks to a one percent customs duty on the battery.

The duty is quite low compared to the 15 percent import tariff imposed on batteries below 750 watts.

From fiscal year 2025-26, the customs duty on batteries of up to 1,200 watts is expected to go up to 20 percent, according to officials of the National Board of Revenue (NBR).

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OTT platforms may get costlier

SUKANTA HALDER

The interim government is likely to impose a 10 percent supplementary duty on over-the-top (OTT) platform services in the upcoming budget for the fiscal year 2025-26 — a move that is expected to raise consumer costs and increase spending on paid streaming services.

Swizee Islam, content head of Binge, told The Daily Star that the platform currently pays 2 percent advance income tax and 15 percent VAT.

"If an additional 10 percent supplementary duty is imposed in the upcoming budget, the overall cost of the product will rise significantly," she said.

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Forum panel wins BGMEA election

STAR BUSINESS REPORT

The Forum panel has won the biennial election of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), according to the final results announced by the election commission.



The contest was held for 35 director posts, of which 26 were in the Dhaka region and 9 in Chattogram.

The Forum panel, led by Mahmud Hasan Khan, won 31 of the director posts in the election, while the Sammilito Parishad panel secured four.

The election was held simultaneously in polling centres in both the capital and the port city on May 31. Of the 31 posts won by the Forum panel, 25 were in Dhaka and six in Chattogram.

Of the four director posts won by the Sammilito Parishad panel, one was in Dhaka and three in Chattogram, said Md Anwar Hossain, administrator of the BGMEA.

Now, the elected directors will nominate the president, vice-presidents, and other office bearers for the 2025-27 tenure.

Earlier, the casting of votes began at 8:00am and continued until 5:00pm without any break.

In Dhaka, the polls took place at the Radisson hotel, where 1,528 out of 1,631 votes were cast, and 103 votes were declared invalid.

At the Chattogram centre, 248 out of 303 votes were cast, and six votes were found to be invalid.

The BGMEA election was held in March last year, but its president, SM Mannan Kochi, resigned in October following the fall of the Sheikh Hasina-led government in August.

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Black money may still find its way into real estate
However, the tax may rise up to five-fold

MD ASADUZ ZAMAN

The interim government is likely to retain the opportunity to invest undeclared wealth, commonly known as black money, in the real estate sector, albeit with a sharp increase in associated tax rates.

Finance Adviser Salehuddin Ahmed is likely to announce the new rate, which may potentially see a five-fold rise from current levels, while unveiling the national budget for the fiscal year 2025-26 today.

"The government wants to discourage the investment of black money in real estate and bring tax rates closer to market values," a finance ministry official said, preferring anonymity.

The official added that the facility may continue with higher penalties, as realtors requested support for the struggling sector during the ongoing economic downturn.

BUDGET FOR FY26

Under the Income Tax Law 2023, the current tax on buying apartments with black money is calculated on a per-square metre basis.

At present, individuals investing black money in the real estate sector must pay the highest per-square metre tax in Dhaka's upscale areas.

The rate is Tk 6,000 per square metre for any built property—such as a house, flat, or apartment—and Tk 15,000 per square metre for land in all mouzas under the jurisdictions of Gulshan, Banani, Dhanmondi, Motijheel, Tejgaon, Wari, Tejgaon Industrial Area, Ramna, Shahbagh, Kafrul, New Market, Paltan, and Kalabagan thanas.

Officials say the same method will continue, but with higher rates—ranging from 3 to 5 percent depending on the location.

The scope for whitening undisclosed money will also be limited to specific areas such as buildings, houses, flats, floor space, and land.

Last year, the Awami League government, which was toppled by the student-led uprising on August 5, proposed a provision stating that no authority could question whether a taxpayer pays tax at fixed rates for immovable properties such as flats and land, and 15 percent tax on other assets, including cash, irrespective of the existing laws of the country.

The scope to whiten black money was scheduled to end in June 2025.

Although the interim government scrapped the provision in September last year, the opportunity to whiten black money through real estate was retained.

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উদ্যোগী, শেয়ারহোল্ডার, নিয়ন্ত্রক সংস্থা ও
শুভকাঞ্জিস স্বাক্ষরে জানাই
আগ্রহিক কৃতজ্ঞতা ও শুভেচ্ছা

মুক্ত ভোক্তৃ অধিকারী নিয়ন্ত্রণ ব্যূর্গ

মার্কেন্টেইল ব্যাংক পিএলসি
Mercantile Bank PLC.
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চট্টগ্রামের হাটহাজারী উপজেলায়
পূর্ণাঙ্গ ব্যাংকিং সেবার অঙ্গীকার নিয়ে

সিটিজেন্স ব্যাংক পিএলসি-এর
চৌধুরীহাট শাখাৰ

শুভ
উদ্বোধন

আল-সালেহ সুপার মার্কেট (গ্রাম্য মার্কেট)
নাতারাম রোড, চৌধুরীহাট, হাটহাজারী
চট্টগ্রাম।



Now, the elected directors will nominate the president, vice-presidents, and other office bearers for the 2025-27 tenure.

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BRAC Bank logs 73% year-on-year profit growth

STAR BUSINESS DESK

BRAC Bank has reported a remarkable 73 percent year-on-year growth in consolidated net profit after tax (NPAT) for 2024, despite prevailing challenges in the market environment.

According to a press release, the bank's consolidated financial statements which include its subsidiaries, reflected an NPAT of Tk 1,432 crore in 2024, a substantial increase from Tk 828 crore in 2023.

On a standalone basis, the bank recorded an NPAT of Tk 1,214 crore for 2024, marking a 66 percent rise from Tk 730 crore the previous year.

Notwithstanding stressed industry conditions, the bank achieved robust balance sheet expansion, significantly outperforming market averages. Total deposits grew by 34 percent, while loans

and advances increased by 20 percent.

In the first quarter (Q1) of 2025, the bank continued its strong trajectory, reporting a consolidated NPAT of Tk 486 crore, a 53 percent year-on-year increase compared to the same period in 2024.

BRAC Bank unveiled its financial and operational results for FY2024 and Q1 2025 during a virtual earnings disclosure event, which was streamed live on social media platforms.

The event was attended by investment analysts, portfolio managers, and capital market professionals from both domestic and international markets.

Tareq Refat Ullah Khan, managing director and CEO (current charge) of the bank, presented the results alongside other senior executives, highlighting the bank's performance, strategic direction, and commitment to long-term value creation.



Tareq Refat Ullah Khan, managing director and CEO (current charge) of BRAC Bank, presides over the bank's financial and operational results for fiscal year 2024 and the first quarter of 2025 during a virtual earnings disclosure event yesterday. PHOTO: BRAC BANK

Eastern Bank unveils 'Mastercard virtual prepaid cards'



Ali Reza Iftekhar, managing director and CEO of Eastern Bank PLC, poses for photographs during the launch of the "Mastercard Virtual Prepaid Cards" at the bank's head office in Dhaka recently. PHOTO: EASTERN BANK PLC

STAR BUSINESS DESK

Eastern Bank PLC (EBL) has recently launched "Mastercard Virtual Prepaid Cards", offering a fully digital, environmentally responsible payment solution.

Ali Reza Iftekhar, managing director and CEO of EBL, inaugurated the cards as the chief guest at a ceremony held at the bank's head office in Dhaka, according to a press release.

These virtual cards are available in two variants: the EBL Bangalalink Mastercard Co-Brand Virtual Prepaid Card and the EBL Mastercard Aqua Virtual Prepaid Card.

The cards are designed to deliver a seamless, fully digital card issuance experience via the Skybanking mobile

application, enabling even those without an existing banking relationship to acquire and activate a card with ease.

This innovative digital onboarding process brings the full suite of card services directly to users' smartphones, combining robust security features with versatile functionality and an eco-conscious design.

Osman Ershad Faiz, additional managing director and chief operating officer of EBL; M Khorshed Anowar, deputy managing director and head of retail and SME banking; Zahidul Haque, chief technology officer; Ahsan Ullah Chowdhury, head of digital financial services; and Sohail Alim, director of Bangladesh at Mastercard; along with others officials from both organisations, were also present.

United Commercial Bank convenes 513th board meeting

STAR BUSINESS DESK

United Commercial Bank PLC (UCB) has recently convened its "513th Board Meeting", marking a milestone in the institution's ongoing transformation journey.

According to a press release, the board reviewed and approved the audited financial statements for the year ending 2024, alongside the unaudited financial results for the first quarter (Q1) of 2025.

Sharif Zahir, chairman of UCB, presided over the meeting as the chief guest at the bank's head office in Dhaka.

In a strategic demonstration of its commitment to transparency and financial resilience, the board resolved not to declare any dividend for 2024.

Instead, UCB will allocate its entire operating profit towards provisions for non-performing loans (NPLs), adopting

a forward-looking strategy focused on long-term value creation, regulatory compliance, and balance sheet strength.

Amid continued growth in deposits and increasing market confidence, the board also approved the issuance of rights shares to bolster the bank's capital base.

This initiative is intended to support asset expansion and facilitate the replacement of legacy NPLs with high-quality, performing assets — thereby reinforcing UCB's competitive standing in the banking sector.

Recognising that full recovery is a gradual process, the board reiterated its commitment to a disciplined, transparent roadmap. With strong alignment at the leadership level and a unified strategic vision, UCB aims to establish itself as one of the most resilient and trusted financial institutions in Bangladesh.



Sharif Zahir, chairman of United Commercial Bank PLC, presides over the bank's 513th board meeting at the bank's head office in Dhaka recently. PHOTO: UCB

IFIC Bank holds workshop on anti-money laundering and counter-terrorism financing



Md Mostakur Rahman, director of the Bangladesh Financial Intelligence Unit (BFIU), poses for group photographs with participants of the workshop, titled "Prevention of Money Laundering and Combating the Financing of Terrorism", organised by IFIC Bank PLC and BFIU, in Bogura recently. PHOTO: IFIC BANK

STAR BUSINESS DESK

IFIC Bank PLC, in collaboration with the Bangladesh Financial Intelligence Unit (BFIU), recently organised a daylong workshop titled "Prevention of Money Laundering and Combating the Financing of Terrorism" in Bogura.

A total of 81 officials representing 47 banks operating within the Bogura region took part in the workshop.

Md Mostakur Rahman, director of BFIU, attended the event as the chief guest, highlighting the significance of collective action in the fight against financial crime. Iqbal Parvez Chowdhury, deputy managing director and chief anti-money laundering compliance officer (CAMLCO) of IFIC Bank, presided over the event held at a local auditorium in Bogura Sadar, the bank said in a press release.

Md Rayhanul Islam, additional director of BFIU; Shaikat Kumar Sarker, joint director; and Sudipta Ghosh, deputy director; conducted the training sessions as resource persons.

PBIL launches 'Capital Connect' to link emerging sectors with investment opportunities

STAR BUSINESS DESK

Prime Bank Investment Limited (PBIL), a wholly-owned subsidiary of Prime Bank PLC, has recently unveiled an initiative, titled "Capital Connect: PBIL-Industry Engagement", with an impactful inaugural session focused on the health and pharmaceuticals sector.

Capital Connect is envisioned as a recurring, sector-specific platform aimed at accelerating industry growth through strategic market mapping, investment readiness facilitation, enhanced access to capital, liquidity and wealth management advisory, and evidence-based policy advocacy.

This initiative reflects PBIL's long-term vision to foster market preparedness, drive sustainable value creation, and deepen its commitment to broadening #AccessToCapital.

Syed M Omar Tayub, managing director and CEO of PBIL, inaugurated the initiative at the merchant bank's head office in Dhaka, according to a press release.

In his address, Tayub remarked, "Capital Connect is our signature platform to engage industry leaders, surface actionable insights,



Syed M Omar Tayub, managing director and CEO of Prime Bank Investment Limited, poses for group photographs after inaugurating the initiative titled "Capital Connect: PBIL-Industry Engagement" at the merchant bank's head office in Dhaka recently.

and unlock capital access to accelerate investment readiness."

"Our goal is to catalyse the next wave of growth across Bangladesh's emerging sectors," he added.

Senior leadership from over a dozen predominantly non-listed, high-potential pharmaceutical companies participated in the inaugural session.

Discussions covered a comprehensive array

of capital raising instruments—ranging from initial public offerings (IPOs), green bonds, and Sukuk, to private equity (PE) and foreign direct investment (FDI).

Other key themes included corporate governance, financial reporting standards, thematic investment opportunities, and regulatory harmonisation to facilitate smoother market entry and reduce dependency on traditional bank financing.

Mamun Rashid made chairman of BD Venture

STAR BUSINESS DESK

Mamun Rashid has been appointed chairman of BD Venture Limited, a technology-oriented venture capital firm in Bangladesh.

Rashid is a seasoned finance professional, policy advocate, and corporate leader with nearly four decades of experience spanning banking, consultancy, and institution building, according to a press release.

He is widely acknowledged for his instrumental role in shaping financial sector reforms in Bangladesh and for advising both government and private sector entities on economic and strategic matters.

Over the course of his distinguished career, Rashid has held senior leadership positions at several global financial institutions, including ANZ, Standard Chartered, and Citibank, NA—where he played a critical role in expanding banking services and advancing financial inclusion.

Currently, he serves as the president of ShopUp, Bangladesh's largest B2B commerce platform.

In addition, he is chairman of Financial Excellence Limited, National Tea Company, and Marie Stopes Clinic Society Bangladesh.

Rashid was also the founding managing partner of PricewaterhouseCoopers (PwC) Bangladesh, a leading professional services firm in the area of technology consulting, tax consulting.

His appointment is regarded as a strategic move by BD Venture as the firm seeks to establish itself as a prominent player in Bangladesh's evolving venture capital ecosystem, the press release noted.

Mastercard launches discount campaign with Star Cineplex

STAR BUSINESS DESK

Mastercard, a leading digital payment solutions provider, has joined forces with Star Cineplex to unveil the "Mastercard-Star Cineplex Exclusive Discount Campaign 2025", launched in anticipation of Eid ul Azha.

Running from June 1 to June 15, the campaign offers Mastercard credit cardholders an instant 10 percent discount on online movie ticket purchases made via the official Star Cineplex website, www.cineplexbd.com.

The promotion applies to transactions with a minimum spend of Tk 1,000, subject to a maximum discount of Tk 100.

The offer is exclusively applicable to online payments made using saved Mastercard credit cards.

This initiative reflects Mastercard's ongoing commitment to enhancing secure, seamless, and rewarding digital payment experiences for its customers.

GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH Office of the Director Forestry Development & Training Centre, Kaptai

Invitation for Tenders

01	Ministry/Division	Ministry of Environment, Forest and Climate Change
02	Agency	Forest Directorate, Bangladesh, Dhaka.
03	Procuring Entity Name	Director, Forestry Development & Training Centre Kaptai
04	Invitation for	Supply of service provider through outsourcing
05	Invitation Ref. No.	01/FTDC/OUTSOURCING/2024-2025
06	Date	29/05/2025
07	Procurement Method	Open Tendering Method (OTM) National Competitive Tender (NCT)
08	Budget and Source of Funds	GOB Budget, Government of Bangladesh
09	Development Partner	Not applicable
10	Project / Program Name	Director, Forestry Development & Training Centre Kaptai
11	Tender Package No	01/FTDC/OUTSOURCING/2024-2025
12	Tender Package Name	Supply of service provider through outsourcing
13	Tender Publication Date	02/06/2025
14	Tender Last Selling Date	17/06/2025 up to 4.00 pm
15	Tender Closing Date and Time	18/06/2025 1.00 pm
16	Tender Opening Date and Time	18/06/2025 2.00 pm
17	Name & Address of the office(s)	Office of Director, Forestry Development & Training Centre Kaptai
18	Selling of Tender Document	Address: Sadar Range Office, Forestry Development & Training Centre Kaptai
INFORMATION FOR TENDERER		
18	Eligibility of Tenderer	<ul style="list-style-type: none"> Tenderers will be the firms having required experience of service provider supply through outsourcing Tenderers shall have the legal capacity to enter into the Contract under the Applicable Law. Tenderers shall be enrolled in the relevant professional or trade organizations registered in Bangladesh. Tenderers shall have fulfilled its obligations to pay taxes under the provisions of laws and regulations of Bangladesh. Others Eligibility are mentioned in Tender document.
19	Brief Description of Services	Supply of service provider for the position of (i) Male (2 nos.), (ii) Laboratory Bearer (1 nos.), (iii) Bungalow Chokidar (1 nos.) (iv) Cleaner (1 nos.)
20	Price of Tender Document (Tk.)	Tk. 1000 (One Thousand) only (Non-Refundable)
21	Lot No Identification of Lot	Location Tender Security Amount (Tk.) Completion Time in Weeks / Months/year.
1	Supply of service provider through outsourcing	Sadar Range Office, Forestry Development & Training Centre Kaptai, Rangamati. Tk. 65,000/- June /2027
22	Name of Official Inviting Tender	MD. Sajjaduzzaman.
23	Designation of Official Inviting Tender	Director
24	Address of Official Inviting Tender	Director, Forestry Development & Training Centre Kaptai, Rangamati.
25	Contact details of Official Inviting Tender	Phone No: +88-02334461421, E-mail: dir-ftdcaptai@bforrest.gov.bd
26	The procuring entity reserves the right to reject all tenders or annul the Tender proceedings.	

(Signature)
MD. Sajjaduzzaman
Director
Forestry Development & Training Centre, Kaptai.
Phone No. +88-02334461421
E-mail: dir-ftdcaptai@bforrest.gov.bd

Economic partnership deal with S Korea likely by this year

Commerce secretary says

STAR BUSINESS REPORT

Bangladesh and South Korea are expected to sign an economic partnership agreement (EPA) at the end of this year, said Commerce Secretary Mahbubur Rahman yesterday.

The first round of talks will start at the end of July in Dhaka and around six to seven rounds of negotiations will take place before an EPA can be finalised, he said while addressing a seminar on bilateral investments at Amari Dhaka.

The proposed EPA would include duty rationalisation, investment, regional value addition, trade in services and other components for expanding bilateral trade, the commerce secretary also said.

The seminar was jointly organised by the South Korean embassy in Bangladesh and the Foreign Investors' Chamber of Commerce and Industry (FICCI). Participants included businesspeople, diplomats and government officials of both countries.

Rahman hinted that changes could come about in the country's import policy for the ease of import and trade.

He also hinted that the government may reduce the duty on the import of smartphones in the national budget for fiscal year 2025-26 to curb grey market sales.

Park Young Sik, South Korean ambassador to Bangladesh, in a keynote paper, said Bangladesh was the 35th largest economy in the world and would emerge as the 9th largest in terms of purchasing power in 2030.

Bangladesh is enjoying demographic dividend for its young population, expanding its market on a huge scale, and has a strategic location connecting South Asia and Southeast Asia, he said.

The commerce secretary hinted that the government may reduce the duty on the import of smartphones in the upcoming national budget

The key task is to unlock Bangladesh's potential, he said.

Zaidi Sattar, chairman of the Policy Research Institute, said Bangladesh has not been able to rationalise its tariff structure over the last 20 years, for which the country was still highly protectionist.

He expects some tariff rationalisation options in the national budget scheduled to be placed today. Vietnam signed free trade agreements with almost half of the world, for which its annual export value stands at nearly

\$400 billion, which is close to the country's GDP of \$470 billion, he said.

Jung Min, country manager of Samsung Electronics, alleged that the grey market was dominating the trade of smartphones in Bangladesh.

Grey devices evade taxes to get price advantages while simultaneously costing the government revenue, he added.

Jung Ho, chief financial officer of KIDO, a South Korean company with operations in Bangladesh, said his company would raise employee numbers from 4,200 to 10,000 at the Adamjee Export Processing Zone in Narayanganj. The cost of production in Vietnam is higher than in Bangladesh, he said.

At the seminar, South Korean businesspeople said political and economic instability, road blockades and delays in customs clearance were the major challenges to doing business in Bangladesh.

In 2023, Bangladesh imported goods worth \$1.62 billion from South Korea while exporting goods worth \$649 million, according to data from the South Korean embassy in Dhaka.

Yasir Azman, vice-president of FICCI and CEO of Grameenphone Ltd, also spoke at the seminar, which was moderated by Nurul Kabir, executive director of FICCI.

Govt spending in Bangladesh

FROM PAGE B1

At present, revenue-to-GDP ratio of Bangladesh stands at just 7.3 percent -- lower than that of Nepal, Bhutan, and several other regional peers.

"So, the original sin is the low tax collection," Rahman said. "On top of that, not all revenue reaches the public coffers due to systemic leakages."

He mentioned that the government is reluctant to raise the budget deficit as it would increase the debt servicing burden. "Already, interest payments have overtaken education as the largest expenditure item in the national budget."

The United Nations General Assembly endorsed the graduation of several LDCs.

Bangladesh, Laos, and Nepal are scheduled to graduate in 2026. The Solomon Islands will follow in 2027, with Cambodia and Senegal set to graduate in 2029.

After the graduation, Bangladesh will need to become more competitive

and productive to survive in a less preferential global environment, said Prof Mohammad Lutfur Rahman, an economics teacher at Jahangirnagar University.

"This calls for strong and large government investments," Rahman said.

According to him, if the government fails to invest adequately in health, education and infrastructure, the country's development may falter.

A CPD report shows that health allocations have remained below 1 percent of GDP for two decades, while education spending was slightly higher to 1.69 percent of GDP in fiscal year 2025.

To improve outcomes in health and education, a country needs to spend at least 5 percent of GDP in each area. Bangladesh still falls far short of that benchmark," said the economics professor.

He also pointed out that budget implementation remains a persistent

problem. "Even when allocations rise, actual spending falls short. Implementation efficiency is falling and leakages are worsening."

According to Ministry of Finance, the budget implementation rate dropped to 84 percent in fiscal year 2022-23, down from 91 percent a decade ago.

CPD Distinguished Fellow Rahman recommended increasing tax collection, plugging leakages, improving tax administration and accelerating digital reforms.

With stronger revenue streams, he said, the government could boost investment in human capital and infrastructure -- sectors that are critical for helping local businesses compete internationally.

Similarly, Prof Rahman advocated for greater spending in education, health and infrastructure, alongside better implementation and tighter control over financial leakages.

Hoque said the present and past governments were

FROM PAGE B1
Professor Md Shamsul Hoque, director of the Accident Research Institute of the Bangladesh University of Engineering and Technology, said increasing the import duty would raise production costs and help reduce the number of vehicles.

He recommended a standard VAT on batteries and motors to curb the rise of such three-wheeler rickshaws.

Bangladesh has around 14 lakh battery-powered rickshaws, creating tens of thousands of jobs, according to a study by the Coastal Livelihood and Environmental Action Network (CLEAN).

Most of these are locally made using local and imported technologies. These three wheelers, the cheapest mode of transportation due to their low energy costs, serve around 2.5 crore people daily for short-distance commutes.

Hoque said the present and past governments were

to blame for the rise in the number of such vehicles.

Officials concerned lacked knowledge about such transportation, and they failed to address the issue in the initial period, leading to a significant workforce now becoming dependent on it, he said.

"Those in the government who were involved in magnifying this problem, those who gave registration approvals -- they now need to be held accountable," he said.

Khondaker Golam Moazzem, research director at the Centre for Policy Dialogue, said battery-run rickshaws have significantly improved transportation for low-income groups.

He cautioned that increasing duties on batteries would burden users dependent on them and discourage investment, despite the high number of rickshaws in Dhaka.

Moazzem pointed out that taxation alone cannot stop more of such vehicles from plying the

roads, as it would limit future purchases and battery replacements but leave existing vehicles unaffected.

He called for a comprehensive government policy for battery-run three-wheeler rickshaws, detailing safety standards, vehicle specifications, designated routes, and proper licensing.

He also advocated for a robust regulatory framework encompassing driver training, road usage rules, and environmental safeguards.

"Addressing legal, policy, and operational gaps is crucial, as short-term fiscal measures will not resolve issues like road safety or traffic congestion," he said.

"Importantly, auto-rickshaws should not be scapegoated for urban traffic congestion, which is also heavily influenced by private vehicles. Singling them out will not yield sustainable improvements," he said.

FROM PAGE B1
"This will inevitably push up the price for consumers as well, making it increasingly difficult for us to sustain operations in this industry," she added.

Redoan Rony, chief executive officer of Chorki, said the government has not yet finalised the OTT policy.

During the previous government, when the drafting of this policy was underway, adequate discussions were not held with stakeholders, he said.

"This is a growing industry in Bangladesh, and the government must first make a plan to protect it," he said.

"If taxes are imposed in this manner before the industry has even found its footing, it will have a negative impact," Rony said.

To inspire and support the OTT industry, the government should prioritise finalising the OTT policy, he added.

Apart from slapping a supplementary duty on OTT platforms, the government is also expected to hike the

value-added tax (VAT) on commissions from online sales of goods to 15 percent in the fiscal year 2025-26, up from 5 percent a year ago.

Already, the standard 15 percent VAT is applied on most types of commissions.

But the VAT rate on sales commissions is lower in the case of online sales, said an official of the finance ministry.

"This is a distortion in VAT. So, we are addressing this," he said, but added that the cost of shopping online would increase only marginally.

OTT platforms in Bangladesh have seen rapid growth in recent years, driven by increased smartphone penetration, affordable internet, and rising demand for localised content.

The Covid-19 pandemic significantly accelerated the shift from traditional TV and cinema to digital streaming platforms, industry people said.

Popular OTT platforms in Bangladesh include Chorki, Hoichoi, Bongo, Binge, etc.

Import duty on rickshaw

FROM PAGE B1

Professor Md Shamsul Hoque, director of the Accident Research Institute of the Bangladesh University of Engineering and Technology, said increasing the import duty would raise production costs and help reduce the number of vehicles.

He recommended a standard VAT on batteries and motors to curb the rise of such three-wheeler rickshaws.

Bangladesh has around 14 lakh battery-powered rickshaws, creating tens of thousands of jobs, according to a study by the Coastal Livelihood and Environmental Action Network (CLEAN).

Most of these are locally made using local and imported technologies. These three wheelers, the cheapest mode of transportation due to their low energy costs, serve around 2.5 crore people daily for short-distance commutes.

He cautioned that increasing duties on batteries would burden users dependent on them and discourage investment, despite the high number of rickshaws in Dhaka.

Moazzem pointed out that taxation alone cannot stop more of such vehicles from plying the

OTT platforms

FROM PAGE B1

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Black money

FROM PAGE B1

Besides, the government may reduce capital gains tax rates on land transfers in the upcoming budget to encourage property registration at the actual selling price and prevent the generation of undisclosed income in the hands of land sellers.

"The rates, previously 8 percent, 6 percent, and 4 percent based on location, may be lowered to 6 percent, 4 percent, and 3 percent respectively," according to the official.

In addition, if any amount exceeding the deed value is received during the transfer of land or land with structures, the additional amount must be supported by verifiable documentary evidence, including bank statements.

In such cases, tax shall be payable on the excess amount at the applicable capital gains tax rate.

Prof Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue, criticised the move to retain the scope to whiten black money last week.

"It is ethically unacceptable, economically ineffective, and politically damaging," he said.

He noted that black money typically stems from two sources: illegal earnings, such as corruption, and undeclared legal income, particularly in the real estate sector, where discrepancies between official and market prices are significant.

"Revaluing government-assessed land prices is a small step forward. But instead of incentivising black money legalisation, we need comprehensive tax reform and improved administrative transparency," he added.

Government of the People's Republic of Bangladesh

Office of the Divisional Forest Officer

Cox's Bazar North Forest Division

Invitation for Tender

Tender Notice Number: 39/Revenue/2024-25 Date: 01/06/2025

1	Ministry/Division	Ministry of Environment, Forest and Climate Change
2	Agency	Bangladesh Forest Department
3	Procuring entity name	Divisional Forest Officer, Cox's Bazar North Forest Division
4	Procuring entity district	Cox's Bazar
5	Invitation for	Supply of Service Workers through outsourcing
6	Invitation Ref No. & date	Memo No. 22.01.2200.771.13.000.25.1805 Date: 01/06/2025
7	Procurement method	Open Tendering method (OTM), One Stage Two Envelope Tendering Method (OSTETM)
8	Budget and source of funds	পরিচালন ব্যয়
9	Tender last selling date	22/06/2025 up to Office Time
	Date	Time
10	Tender closing date and time	23/06/2025 02.00pm
11	Tender opening date and time with place	23/06/2025 03.00pm. At office of the undersigned
12	Name & address of the office(s)	Address
13	-Selling tender document	Office of the Sadar Range Officer, Cox's Bazar North Forest Division, Cox's Bazar.
14	Receiving tender document	1. Office of the Sadar Range Officer, Cox's Bazar North Forest Division, Cox's Bazar. 2. Office of the Divisional Forest Officer, Cox's Bazar North Forest Division, Cox's Bazar.
15	Eligibility of tenderer	Tenderer must have submitted the following up-to-date documents: <ul style="list-style-type: none"> Trade licence. Vat registration certificate. Income tax certificate. Registration Certificate from Department of Inspection for Factories and Establishments. Financial qualification document as mentioned in TDS. Similar work experience document as mentioned in TDS. Tender document purchase receipt (original copy). Firms having experience of manpower supply through outsourcing as mentioned in TDS. Others Eligibility criteria as mentioned in TDS.
16	Tender Package No.	Brief description of services
17	Service 02	Supply of Service workers for the position of 30 types of Service worker, e.g. (i) Despatch Rider (01 No.), (ii) Bungalow Chowkidar/Cottage Keeper-(04 Nos.), (iii) Boatman- (03 Nos.), (iv) Mali- (20 Nos.), (v) Cleaner- (01 No.) & (vi) Bungalow Attendant (01 No.).
18	Name, designation & address of official inviting tender	Office of the Divisional Forest Officer, Cox's Bazar North Forest Division, Cox's Bazar.
19	Contact details of official inviting tender	Md. Maruf Hossain, Divisional Forest Officer, Cox's Bazar North Forest Division, Cox's Bazar
20	(a) Details particular of tender can be seen & obtained from the concerned office during office hours. (b) The procuring entity reserves the right to reject all tenders or annul the Tender proceedings.	Phone No. 02-33346655, E-mail: dfocoxsbazar01@gmail.com

01/06/25

Md. Maruf

Mercantile Bank maintains good reputation amid turmoil

Says managing director of the bank on the eve of its 26th anniversary

MD MEHEDI HASAN

The banking sector is currently going through one of its worst times. People are suffering, with some even failing to withdraw their own money, causing immense distress.

However, Mercantile Bank stands as an exception in this situation, according to Mati Ul Hasan, the managing director of the private lender.

"Mercantile Bank has been able to maintain its reputation in this situation. People still have trust in us. We are able to repay depositors on time," Hasan said in an interview with The Daily Star.

The private commercial bank is going to celebrate its 26th anniversary today.

"We have around 200 branches and sub-branches. At no point have we heard of any of our branches facing issues where a depositor was affected, and that is a significant achievement."

Mercantile Bank was established on June 2, 1999. Now the lender offers banking services through a total of 152 branches and 47 sub-branches, 200 ATM booths, and 188 agent banking outlets.

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The lender is conducting correspondent banking with 618 foreign banks. Till December of last year, total deposits at the bank stood at Tk 34,272.42 crore, while advances and loans amounted to Tk 30,002.51 crore.

Mentioning the bank's lending strategy, the managing director said its focus is to gradually shift from corporate lending to small and medium enterprises.

"At present, SMEs account for 13 percent of our loans, and we aim to increase it to at least 25 percent by 2025. In addition, our focus on retail has been relatively low, but we are also planning to expand in that area."

In 2024, loan disbursement to SMEs and agricultural sectors increased by 121.5 percent and 22.5 percent respectively compared to 2023. Mentioning the previous year's performance, he said there was growth in deposits, but lending was intentionally kept a bit low.

"This was a planned decision to ensure that we had the capacity to absorb both external and internal economic shocks. In that context, our foreign trade business remained stable. Although there was a temporary US dollar crisis, we managed to overcome it."

Speaking about challenges faced by the bank, Hasan said there is pressure on everyone given the current circumstances. He added that it could be noticed through both qualitative and quantitative judgment.

"We were more or less able to manage the quantitative judgment, but this year, what has happened is that the qualitative judgment has put pressure on us," the Mercantile Bank MD said.

"Many loans are being classified as 'by name,



Mati Ul Hasan

by identified quality' -- which implies there is risk involved -- and we are required to keep provisions against those. However, we have not issued any loans that are unidentified."

Following the political transition in August last year, the business environment has seen a shift towards reforms aimed at promoting transparency, democratic processes, and improving the overall climate for businesses.

Addressing technological development and digital banking, Hasan said the bank's biggest asset is that it has the latest software from the United Kingdom.

He said this is a major asset because, in the future, as banking becomes more software-driven and digital, the bank will be capable of launching any new product digitally, he added.

"Many banks have started offering nano loans through mobile financial services like bKash, and we are also trying to develop such products. Ultimately, banking is heading in that direction -- and that's where it's going."

Mentioning popular products for the new generation, he said the bank has a good product specifically designed for startups.

"For example, if someone finishes their studies and wants to do something as an entrepreneur -- if I see that the person has determination, some form of security, innovation, and a solid idea -- we provide them with loans of up to Tk 25 lakh."

He added that the bank is offering financing options for those involved in outsourcing or IT freelancing. Anyone can apply and there is no collateral required.

However, they must have relevant education, certifications, and the necessary capacity or skills. "This is a great opportunity for the new generation," he said.

"We have a product called 'Rainbow', through which 16 types of services can be provided. You can get these services from home. This is something unique to our bank.

"So, one of our market assets is that we have

all types of products. Every product that exists in the Bangladeshi banking industry -- we have it. In terms of digitalisation, if you look at the top five banks leading in digitisation and compare their products with ours, you'll see that we have products of the same standard."

Mercantile Bank promotes financial inclusion through several avenues, including digital banking platforms, agent banking, and sub-branch services, aiming to bring unbanked individuals into the formal financial system.

"We also focus on specific initiatives like 'MBL Nari Sanchaya Prokolla' for women and SME financing. In 2016, Mercantile Bank established the 'Financial Inclusion Department' under the Agriculture Credit Division."

The private commercial bank is also focusing on agent banking and offers Islamic banking products.

"We have different wings and one main branch dedicated to Islamic banking. Through this main branch, we can offer Islamic products and services to any branch across the country. This is an advantage -- any person from the market can now access Islamic banking facilities.

"We have all types of products in our basket so that people can benefit from them. Our goal is to ensure that our services reach people even in the most remote areas."

"All the products of Mercantile Bank are doing well, and the bank is now trying to reduce system costs."

"One of our advantages -- our plus points -- is that our board does not interfere in management operations. I still believe that our bank's board members want the bank to remain secure and stable."

The bank received the 23rd ICAB National Award, the "Elite Quality Recognition Award 2021" from J.P. Morgan, the lender's "MBL MyCash Limited" was awarded the "Most Loved Brand Award" by Bangladesh Brand Forum, and it was also recognized as a large taxpayer institution by the Large Taxpayer Unit of the National Board of Revenue.

IFIC Bank slipped into losses in 2024

STAR BUSINESS REPORT

IFIC Bank PLC reported losses in 2024 compared to a profit in the previous year, due to lower interest spreads and deteriorating asset quality, according to a price-sensitive information disclosure by the bank.

The bank reported a consolidated net loss of Tk 121 crore in 2024. Its consolidated loss per share stood at Tk 0.63 in 2024, a sharp reversal from earnings per share (EPS) of Tk 1.56 in 2023.

It also reported a consolidated net operating cash flow per share (NOCFPS) of Tk 3.48 for the year that ended on December 31, 2024, slightly up from Tk 3.36 in 2023.

However, the net asset value declined due to the annual loss.

The board of directors has recommended no dividend for 2024, while the bank declared a 5 percent stock dividend in the previous year.

In a separate disclosure, IFIC Bank posted a consolidated loss per share of Tk 2.60 for the first quarter of 2025, down from a restated EPS of Tk 0.21 for the same period of the previous year.

The bank attributed the loss to continued asset quality deterioration. Its consolidated NOCFPS stood at negative Tk 0.04 for the January-March period of 2025, compared to Tk 3.01 (restated) in the same period of 2024.

Rupali Bank's profit slumped 82% in 2024

STAR BUSINESS REPORT

Rupali Bank PLC's profit plummeted in 2024 due to declining operating income.

The state-owned bank's profit dropped 82 percent year on year to Tk 11.22 crore in 2024.

The bank reported consolidated earnings per share (EPS) of Tk 0.23 for the year ending on December 31, 2024, down from Tk 1.28 (restated) a year earlier, according to a price-sensitive information disclosure.

The bank attributed the decline in EPS to a fall in total operating income. Its consolidated net operating cash flow per share (NOCFPS) stood at negative Tk 8.06 for 2024, sharply down from positive Tk 105.06 (restated) the previous year.

The fall in NOCFPS was due to a rise in loans and advances, the bank said. The board of directors has recommended no dividend for the year ended December 31, 2024, while it issued a 5 percent stock dividend in the previous year.

In a separate disclosure, the bank reported consolidated EPS of Tk 0.13 for the January-March quarter of 2025, down from Tk 0.47 (restated) in the same quarter of 2024.

Advertiser

Bank Asia does it again! – Strategic acquisition of Bank Alfalah's Bangladesh operations by Bank Asia

In a significant development within the country's banking sector, Bank Asia PLC has signed a Memorandum of Understanding (MoU) with Bank Alfalah Limited, one of the largest commercial banks in Pakistan, in which Bank Asia will acquire the Bangladesh operations of Bank Alfalah Ltd. The acquisition is subject to both parties signing definitive agreements and obtaining regulatory approvals. This acquisition is aligned with the bank's strategic objectives and paves the way for long-term growth and value for the colleagues and customers in Bangladesh.

The acquisition process was initiated in April 2024 and has reached a significant milestone with the signing of the MoU for a definitive agreement and the completion of legal formalities required for the complete transfer of assets and liabilities related to Bank Alfalah's operations in Bangladesh.

Bank Alfalah has been widely recognised as one of Bangladesh's most efficient foreign banks. With a classified loan ratio of less than 2 percent and a deposit mix consistently outperforming the industry average, the bank's operational indicators reflected sound management and prudent lending practices.

Headquartered in Pakistan, the

Dr Muhammad Yunus to discuss bilateral cooperation and matters of mutual interest.

The acquisition positions Bank Asia as one of Bangladesh's largest banking institutions, reinforcing its reputation for strategic growth and innovation. Marking its third major acquisition in its 26-year history, Bank Asia previously set a precedent by acquiring the Dhaka operations of the Bank of Nova Scotia, a first-of-its-kind transaction in Bangladesh. Further cementing its growth trajectory, the bank successfully integrated the local operations of Pakistan's renowned Muslim Commercial Bank Ltd (MCB).

Bank Asia continues to lead Bangladesh's banking sector with its commitment to innovation, financial inclusion, and sustainable growth. Since pioneering agent banking in 2014, Bank Asia has expanded its robust presence across corporate, small-medium enterprise, and retail banking segments, serving over 8.8 million customers. Its corporate governance and transparency excellence have garnered multiple local and international awards. Bank Asia solidifies its role as a dynamic and progressive force in Bangladesh's financial landscape by leveraging technology to enhance customer service and operational efficiency.



ANM Mahfuz, additional managing director and chief business officer of Bank Asia PLC, and Farooq Ahmed Khan, group head of CIB and IB at Bank Alfalah Limited, pose for photographs during the signing ceremony of a memorandum of understanding at the Bank Asia Tower in the capital's Karwan Bazar recently. Sohail RK Hussain, managing director of Bank Asia PLC, was also present.

PHOTO: BANK ASIA

Abu Dhabi Group acquired Bank Alfalah in 1997, and since then, it has evolved as one of the leading financial institutions in the country. The Chairman of the board, His Excellency Sheikh Nahayan Mabarak Al Nahayan, is a senior member of the ruling family of Abu Dhabi and currently serves as the UAE's Minister of Tolerance and Co-existence. His Excellency recently visited Bangladesh and met with Interim Government Head

This acquisition stands as a testimonial to the substantial transformation within Bangladesh's banking landscape, reflecting the evolving dynamics of the financial sector. It underscores the resilience and growing stability of the nation's economy while also affirming Bank Asia's strong financial position and strategic vision in navigating and contributing to the nation's progress.

Oil under \$65 a boon for consumers, but a burden on producers

AFP, London

US President Donald Trump's tariffs, his call to "drill baby drill" and especially a decision by Opec+ to hike crude output quotas have oil prices trading at lows not seen since the Covid pandemic.

That is good news for consumers but not so much for producers, analysts say.

A barrel of Brent North Sea crude, the international benchmark, stands below \$65, a far cry from the more than the \$120 reached in 2022 following the invasion of Ukraine by major oil producer Russia.

Lower inflation

The fall in oil prices has contributed to a global slowdown for inflation, while also boosting growth in countries reliant

on importing crude, such as much of Europe. The US consumer price index, for example, was down 11.8 percent year-on-year in April.

Cheaper crude "increases the level of disposable income" consumers have to be spending on "discretionary items" such as leisure and tourism, said Pushpin Singh, an economist at British research group Cehr.

The price of Brent has fallen by more than \$10 compared with a year ago, reducing the cost of various fuel types derived directly from oil. This is helping to push down transportation and manufacturing costs that may, in the medium term, help further cut prices of consumer goods, Singh told AFP.

Oil producers

As prices retreat however the undisputed losers are oil-producing countries, "especially high-cost producers who at current and lower prices are forced to scale back production in the coming months", said Ole Hansen, head of commodity strategy at Saxo Bank.

Oil trading close to or below \$60 "will obviously not be great for shale producers" either, said Rystad Energy analyst Jorge Leon. "Having lower oil prices is going to be the detriment to their development," he told AFP.

Some companies extracting oil and natural gas from shale rock have already announced reduced investment in the Permian Basin, located between Texas and New Mexico.

For the Opec+ oil alliance, led by Saudi Arabia and Russia, tolerance for low prices is going to be the detriment to their development," he told AFP.

Saudi Arabia, the United Arab Emirates and Kuwait have monetary reserves allowing them to easily borrow to finance diversified economic projects, Leon said.

Hansen forecast that "the long-term winners are likely to be major Opec+ producers, especially in the Middle East, as they reclaim market shares that were lost since 2022 when they embarked on voluntary production cuts".

A view shows the crude oil terminal Kozmino on the shore of Nakhodka Bay near the port city of Nakhodka, Russia. The price of Brent has fallen by more than \$10 compared with a year ago, reducing the cost of various fuel types derived directly from oil.

PHOTO: REUTERS/FILE

HSBC to close its US business banking unit

REUTERS

HSBC is exiting its business banking portfolio in the United States, as it continued to simplify operations and shift its focus to Asia and Middle East markets.

"Following a strategic review of our business, we have decided to exit our Business Banking portfolio in the United States," it said in a statement.

"We are supporting impacted clients while they transition to a suitable alternative provider and will retain some clients in our Mid-Market and Global Network Banking business," it added.

The Wall Street Journal reported on Friday that HSBC's move would affect about 4,500 clients.

The UK-headquartered lender has been reducing its global footprint in an attempt to boost profits and expand in Asia and Middle East markets.

The bank said in January it would wind down M&A and some equities businesses in the Americas and Europe. The Wall Street Journal said HSBC laid off 40 employees in the US business banking division. HSBC declined to comment.

In 2021, the bank said it was withdrawing from US mass market retail banking by selling some parts of the money-losing business and winding down others.