

## Sonali Bank reports Tk 988cr profit in 2024

FEDA AL HOSSAIN

Sonali Bank saw its earnings rise in 2024, driven by higher interest income.

The state-owned lender saw its consolidated net profit rise by 32 percent year-on-year to Tk 988 crore in 2024, according to its financial statement.

The bank made a profit of Tk 747 crore in 2023.

Its consolidated earnings per share surged to Tk 21.82 last year, up from Tk 16.50 in 2023.

The bank's net interest income rose by 149 percent year-on-year to Tk 1,490.62 crore.

Its net operating cash flow per share soared to Tk 412.27 from Tk 75.86 over the same period.

Sonali Bank was formed soon after Bangladesh's independence through the nationalisation of the then National Bank of Pakistan, Premier Bank, and Bank of Bahawalpur.

As a fully state-owned institution, it has carried out various government-assigned socio-economic schemes and money market operations across all sectors of the economy, according to its website.

The bank became Sonali Bank Ltd in 2007 with full government ownership.

## Stocks rebound just before Eid holiday

STAR BUSINESS REPORT

Indices of the Dhaka Stock Exchange rose on the last day of trading yesterday before the beginning of the Eid festival, recovering from the previous day's losses.

The DSEX, the benchmark index of the premier bourse, went up 44.29 points, or 0.94 percent, to close at 4,709.09.

The Shariah-compliant DSES index increased by 1.13 percent to end at 1,028.89, while the DS30, which tracks blue-chip stocks, rose by 0.92 percent to 1,762.36.

Turnover, a key indicator of market activity, hit Tk 224.49 crore yesterday, down from Tk 229.06 crore in the previous session.

A total of 77,709 trades were executed during the session, with block transactions accounting for Tk 15.88 crore across 32 scrips.

Market breadth was positive, with 277 issues advancing, 55 declining, and 64 remaining unchanged.

Among A Category shares, 160 advanced, 28 declined, and 30 remained unchanged. In the B Category, 63 scrips gained, while 11 declined. The N Category shares witnessed no trading activity.

Other segments had mixed trends, with 12 issues advancing and 5 declining in mutual funds, while corporate bonds saw one issue advancing and one declining.

Government securities saw one scrip advancing and one declining.

Sonargaon Textiles registered the highest gain of the day, surging 9 percent, while Northern Jute Manufacturing Co was the worst performer, falling 7 percent.



Agricultural output must grow by 4 percent to 5 percent annually to meet the Sustainable Development Goals (SDGs) on food and nutrition security by 2030, said an expert.

PHOTO: HABIBUR RAHMAN

# Agri budget not enough to ensure food security: experts

SUKANTA HALDER

The government has proposed a 3.55 percent rise in the budget allocation for agriculture, food, livestock and fisheries in the next fiscal year, setting aside Tk 39,620 crore.

But agro-economists say the increase is far from sufficient to ensure the country's long-term food security.

In his budget speech on Monday, Finance Adviser Salehuddin Ahmed announced Tk 27,224 crore for the agriculture ministry for fiscal year (FY) 2025-26.

This proposed allocation includes Tk 17,241 crore for subsidies on fertilisers and other farming inputs — a figure that remains nearly unchanged from the current fiscal year.

Agri experts argue that the budget once again prioritises subsidies over much-needed investments in productivity. With Bangladesh set to graduate from the Least Developed Country (LDC) club in 2026, such subsidies will no longer be sustainable.

"If the current interim government did some groundwork in the FY26 budget towards the graduation, whoever comes to power next will have a footmark to follow," said M Asaduzzaman, former research director at the Bangladesh Institute of Development Studies (BIDS).

He suggested the budget should have outlined a one-year preparatory plan, laying the foundation for future policy shifts. "That could have then been a topic at least for discussion," he said.

Citing the urgency of improving yields, Asaduzzaman said paddy productivity in Bangladesh still falls below that of neighbouring India and Pakistan, where output is at least 30

percent higher.

"In Bangladesh, more attention has been paid to increasing subsidies over the years than to improving productivity," added the researcher.

According to a latest report by the Bangladesh Bureau of Statistics (BBS), the agriculture sector grew by just 1.79 percent in FY 2024-25, the slowest pace in more than a decade.

The sector's share of the country's gross domestic product (GDP) has also steadily declined, from over 38 percent in the early 1970s to just 11.3 percent in FY 2022-23, and further down to 10.94 percent in FY 2024-25.

**Agro-economists blame a mix of factors, including frequent floods, droughts and erratic rainfall, for the sector's declining contribution to GDP**

Agro-economists and industry insiders blame a mix of factors, including frequent floods, droughts and erratic rainfall, all made worse by climate change.

Against this backdrop, the proposed budgetary allocation appears underwhelming, said agro-economist Jahangir Alam Khan. "If we want to ensure food security, reduce inflation and become self-reliant, the allocation must be increased," he said.

Echoing Asaduzzaman's call for improving productivity, Khan said that agricultural output must grow by 4 percent to 5 percent annually to meet the Sustainable Development Goals (SDGs) on food and nutrition security by 2030.

"With this paltry budget allocation, that's just not possible," he said.

He also pointed out that a farm mechanisation project offering subsidised machinery to farmers had shown promise, and it could have been relaunched in the new budget.

To ensure fair prices, Khan said the government should procure at least 20 to 25 key crops directly from farmers, which is now limited to only paddy and wheat.

Mohammad Jahangir Alam, professor of agribusiness and marketing at Bangladesh Agricultural University in Mymensingh, said the interim government, unbureaucratic by political pressures, had a unique opportunity to offer a more forward-looking budget.

He was critical of the new budget for not having sufficient focus on agricultural research, which he said is key to reducing dependence on imports and achieving self-sufficiency.

"In previous budgets, a separate allocation was kept for research, but it is not in the proposed one," he added.

However, the budget does contain a few promising initiatives. "The use of environment-friendly technologies is being promoted to reduce water waste during irrigation, improve the use of surface water and ensure sustainable use of groundwater," Alam said.

Other measures include strengthening cold storage supply chains and logistics systems, developing transport infrastructure for farm produce, creating a comprehensive database of agri supply chain actors, and establishing specialised agro-processing zones and port facilities for export.

In his budget speech, the finance adviser said that they have identified 59 bottlenecks to agri exports, and steps are being taken to address them.

## The 'just energy transition' we need in RMG

MD MOHIUDDIN RUBEL

Bangladesh's readymade garment (RMG) industry is the powerhouse of the national economy, accounting for nearly 85 percent of export earnings and employing millions, particularly women from vulnerable communities. While it has significantly contributed to poverty reduction, the sector also has a substantial environmental impact, generating about 15.4 percent of the country's total emissions.

The industry now faces a critical juncture. Growing pressure from international buyers, consumers, and stricter regulations, especially from the European Union, demand a shift towards greener and more ethical manufacturing practices. This necessitates a "just energy transition" — a move towards sustainability that is fair, inclusive, and ensures that the transition benefits, rather than harms, the workforce that built the industry.

A "just energy transition" goes beyond simply adopting renewable energy like solar power or installing energy-efficient machinery. It fundamentally requires prioritising the wellbeing and participation of workers. Failing to manage this transition justly could lead to significant challenges: job roles may become obsolete due to new technologies, potentially leading to job losses or changes. Workers, especially women, might lack the necessary skills for emerging green jobs, and temporary income loss during factory upgrades or retraining periods is a real risk. An improperly handled transition could even exacerbate existing issues like heat stress in factories, ultimately leaving behind the very people the industry depends on.



Therefore, the "just" component is crucial. Workers must be seen as partners in progress, not merely costs to be managed. Increasingly, global stakeholders value knowing that products are made sustainably and ethically. Ensuring workers are cared for, empowered, and protected becomes a competitive advantage, not a burden.

Achieving a fair transition requires several interconnected actions. Primarily, investing in people through accessible training and reskilling programmes, especially for women, is crucial to prepare the workforce for new green jobs involving advanced machinery and digital tools. Simultaneously, diversifying beyond traditional garments into areas like technical textiles, recycling, renewable energy manufacturing, and circular models will create varied employment opportunities, particularly for youth and women, enhancing economic resilience. Factory upgrades must encompass both green goals—like clean energy and efficiency—and improved working conditions, ensuring safety and mitigating heat stress, because decent work is integral to the transition. Finally, clear communication about the changes, their rationale, and timelines, coupled with gradual implementation, is essential for ensuring workers understand and adapt smoothly to the evolving landscape.

This transition also presents significant opportunities. Renewable energy sources like rooftop solar, coupled with net metering, can drastically reduce fuel costs and emissions, potentially saving the sector an estimated 1,159 kilotonnes of oil equivalent (KTOE) annually. Energy efficiency measures often yield quick returns on investment. Furthermore, Bangladesh is already a global leader in green garment factories, boasting the highest number of LEED certified facilities worldwide. New job roles in clean energy installation, maintenance, and green technologies are emerging, offering potential for workforce advancement with proper training.

However, substantial challenges remain. Securing adequate financing for green technologies is a major hurdle. Coordinated policy support is essential, including removing import taxes on green tech, providing financial incentives, and creating affordable credit lines. A clear national roadmap with defined timelines, targets, and collaborative frameworks involving factory owners, government bodies, development partners, and brands is needed.

Crucially, this transformation cannot be shouldered by factory owners alone. International brands and buyers, who benefit significantly from the supply chain, must share the responsibility through financial contributions, technology transfer, and support for workforce development. The government's role is to lead with effective policies, worker protection frameworks, and fostering partnerships.

The RMG sector is a testament to Bangladesh's resilience. Embracing a "just energy transition" allows the nation to lead once more, pioneering a future that is not only sustainable but also built on solidarity, dignity, and inclusivity, ensuring no one is left behind.

The author is a former director of the Bangladesh Garment Manufacturers and Exporters Association

## Govt to buy 200 pickups for police

Will import 1.3m tonnes of fuel

STAR BUSINESS REPORT

The government approved the purchase of 200 double-cabin pickups for the police and the import of 1.3 million tonnes of refined petroleum products to meet fuel demand in the second half of the year.

The decisions were made yesterday at a meeting of the Government Procurement Advisory Committee, chaired by Finance Adviser Salehuddin Ahmed.

All 200 pickups will be procured directly from Pragati Industries, a local manufacturer, at a cost of Tk 172 crore. The vehicles will be used for operational purposes by the police. The committee also approved the import of 1.275 million tonnes of refined fuel at an estimated cost of Tk 9,139 crore, or about \$749 million.

PetroChina International (Singapore) Pte Ltd, Vitol Asia Pte Ltd of Singapore, and Sinochem International Oil (Singapore) Pte Ltd were recommended as the importers.

Following the meeting, the finance adviser said public opinions on the proposed national budget will be sought after the Eid holidays, with discussions to continue until June 19.

The advisory council is scheduled to approve the budget on June 22.

## No tax on donations to siblings

STAR BUSINESS REPORT

Alongside existing exemptions for spouses, parents, and children, the government has proposed tax exemptions on donations made to siblings as part of its latest fiscal measures.

According to the budget proposal placed on June 2, cash or immovable property such as land and flats can now be transferred between siblings without incurring any tax liability.

The move is expected to ease the process of intra-family asset transfers and reduce legal complexities.

Until now, any donation made to individuals other than spouses, parents or children was subject to tax.

The inclusion of siblings broadens the scope of familial tax relief.

The new measure brings clarity by including such transfers under tax-free donations.

## Ctg port gets 15 new straddle carriers for Tk 124cr

STAFF CORRESPONDENT, Ctg

Chattogram Port has added to its fleet 15 new four-high straddle carriers, an essential type of container-handling equipment.

A vessel named J Yang brought the carriers from China and berthed at a port jetty yesterday morning, said Md Nasir Uddin, acting secretary of the Chittagong Port Authority (CPA).

The CPA procured the equipment from the Chinese state-owned engineering company Shanghai Zhenhua Heavy Industries Company Limited (ZPMC) at a cost of Tk 123.63 crore, he said.

The four-high straddle carriers are specialised machines capable of transporting, lifting, and stacking containers up to four units high.

With the latest addition, the port now has a total of 53 four-high straddle carriers, according to the CPA's Mechanical Department.

It also has seven two-high straddle carriers. Nasir Uddin hoped that the new equipment would accelerate container-handling operations at the port.

## US tariffs may hamper efforts to cool inflation

Fed official says

AFP, Washington

Shifts in US trade policy could hold back further progress in lowering inflation, a senior US central bank official said Tuesday, as President Donald Trump's sweeping tariffs ripple through the economy.

The US economy is "still on a firm footing, but uncertainty has notably increased since the beginning of the year," Federal Reserve Governor Lisa Cook told a Council on Foreign Relations event in New York.

While the ultimate level of Trump's tariffs remains unknown as policy changes are ongoing, "the effects are already noticeable," she said. In particular, Cook warned of higher inflation and a jobs market slowdown.

Price increases tied to policy shifts, in turn, "may make it difficult to achieve further progress in the near term" when it comes to inflation, she added.

Typically, the Fed holds interest rates at a higher level if inflation is elevated and when inflation is low, the central bank can cut rates to boost economic activity.

For now, the Fed's preferred gauge of inflation — the personal consumption expenditures price index — rose 2.1 percent from a year ago in April.

This was down from a month prior, but slightly above the central bank's longer-run two percent target.

In a separate address in Iowa, Chicago Fed president Austan Goolsbee cautioned that encouraging inflation figures were "old news," saying they were the last reports before the effects of Trump's tariffs.

"Are the tariffs going to have a small impact?" he said. "We gotta wait and see what happens."

Cook added that "the economic environment could become highly challenging for monetary policymakers."

Besides changes to economic policy, the response of financial markets, businesses and consumers suggest risks to both price stability and unemployment, she noted.

"The recent post-pandemic experience with high inflation could make firms more willing to raise prices and consumers more likely to expect high inflation to persist," she said.