



**A fisherman throws a cast net during low tide in the Shoilmari river in Khulna's Batiaghata upazila. When the tide recedes, various local fish can be caught, including shrimp, which is sold in nearby markets. Each day, a fisherman can earn around Tk 300 to Tk 500 from selling fish.**

PHOTO: HABIBUR RAHMAN

## Japan and US explored possibility of trade deal

Japan's trade negotiator says

REUTERS

Japan and the US on Friday explored the possibility of a trade agreement, Japan's top tariff negotiator, Ryosei Akazawa, told a briefing, while refraining from commenting how close they are to reaching a deal.

"We had a very detailed exchange and explored the possibility of a trade agreement," Akazawa told reporters after he met with US Treasury Secretary Scott Bessent and Commerce Secretary Howard Lutnick separately in Washington in a sixth round of tariff negotiations.

It is likely to be the last round before Prime Minister Shigeru Ishiba and US President Donald Trump are to meet in Canada on the sidelines of the Group of Seven leaders' summit, where Japan has been hoping to clinch a deal.

Akazawa refrained from commenting on whether the talks have matured enough to reach an agreement, saying a deal is possible only when the leaders of both countries approve everything as a package.

He also declined to comment on the chance of Ishiba and Trump reaching an agreement at their upcoming meeting.

Japan faces a 24 percent tariff rate starting in July unless it can negotiate a deal with the US. It is also scrambling to find ways to get Washington to exempt its automakers from 25 percent tariffs on automobiles, Japan's biggest industry.

## US consumer sentiment up but economic worries remain: survey

AFP, Washington

US consumers bounced back somewhat in June from the shock of President Donald Trump's wide-ranging tariffs, survey data showed Friday, but they still remain pessimistic about the economy.

The University of Michigan's index for consumer sentiment rose for the first time in six months, jumping 16 percent to 60.5 from a 52.2 reading in May.

But the preliminary result remains about 20 percent below what it was in December 2024, underscoring worries about business conditions and personal finances.

After returning to the presidency, Trump in April imposed a 10 percent tariff on most US trading partners. Steeper duties for dozens of economies are due to take effect in July unless a pause is extended.

Trump has also slapped sharp levies on imports of steel, aluminum and automobiles, roiling financial markets, snarling supply chains and tanking consumer sentiment.

But the impact on inflation remains muted for now as businesses rely on existing inventory and the president's tempered his approach to some of his most punishing duties.

"Consumers appear to have settled somewhat from the shock of the extremely high tariffs announced in April and the policy volatility seen in

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the weeks that followed," said Survey of Consumers Director Joanne Hsu in a statement.

"However, consumers still perceive wide-ranging downside risks to the economy," she added.

Consumers' views of business conditions, personal finances, the jobs market and stock market all

remain "well below six months ago," Hsu said.

"Despite this month's notable improvement, consumers remain guarded and concerned about the trajectory of the economy," she added.

Inflation expectations for the long run also slipped to the lowest in three months.

But Hsu cautioned that expectations of price hikes are still above readings from the second half of 2024.

This reflects "widespread beliefs that trade policy may still contribute to an increase in inflation in the year ahead," she added.

Consumers are still on high alert for price increases, said Navy Federal Credit Union chief economist Heather Long.

"It's unsettling how many Americans believe they will be financially worse off in a year," she added. "Uncertainty and anxiety are still high, and now there is renewed geopolitical concern with Israel striking Iran."

## How frequent policy

FROM PAGE B1

Because only IPO offloading counts, several good companies will have to pay higher corporate tax — such as Walton Hi-Tech Industries — as it offloaded less than 1 percent of shares through IPO, although it increased share offloading later.

The examples of victims of frequent policy changes do not end here.

Once, listed tobacco-producing companies received more tax benefits than non-listed firms. However, now they are under the same tax structure.

Grameenphone got listed in 2009 knowing that it would have to pay a corporate tax 10 percentage points lower than non-listed telecom companies' 45 percent.

In 2013, however, the government halved the tax benefit by raising the corporate tax of listed telecom companies to 40 percent.

A company can offload shares through IPO only once, said Snehasish Barua, a tax analyst and managing director of SMAC Advisory Services Ltd.

So, companies that have already become listed by offloading 10 percent or a lesser percentage of shares have no chance to avail the tax benefit, he said.

"This is a disparity for them, as the tax rate will suddenly go up by 5

percent," he said.

Rupali Chowdhury, managing director of Berger, recently expressed her disappointment upon learning this. "We had decided to offload shares based on the NBR's previous rule. The BSEC (Bangladesh Securities and Exchange Commission) also assured us of the tax benefit," she said.

However, this sudden change will surely disappoint its investors. "If this type of frequent policy change continues, how will a company get the incentive to get listed?" she asked.

Such systems will dishearten all other companies and prevent them from getting listed in Bangladesh. Another major reason for the reluctance to get listed in Bangladesh is the strict compliance requirements for listed firms, she said.

If non-listed firms also faced compliance requirements similar to those of listed firms, it would have encouraged them to go public, she said.

The compliance requirements of submitting financial reports and appointing independent directors exist even for non-listed firms in many countries, she added.

On top of that, she focused on reducing IPO processing time so that firms can get funds quickly, she added.

## Over 75%

FROM PAGE B1

Overall, the \$2.75 billion sent as remittance in April reflected a decline of 16.49 percent from that of March 2025. However, the inflow marked a significant year-on-year increase of 34.64 percent, meaning from that of April 2024.

From July to April of the ongoing fiscal year of 2024-25, the total remittance inflow stood at \$24.53 billion, representing a 28.34 percent year-on-year increase.

The United States was the largest source of remittance during the period, followed by the United Arab Emirates and Saudi Arabia.

The BB report noted that approximately 1.30 crore Bangladeshi nationals are currently working in various parts of the world.

As inflation, exchange rate volatility, and rising import costs place pressure on the economy, remittance inflows have helped sustain

foreign exchange reserves, ease liquidity constraints in the banking sector, and reduce reliance on external borrowing, the report said.

"Manpower export plays an important role in poverty alleviation and helps reduce unemployment — the core issue in a densely populated country like Bangladesh," it said.

The BB report also stated that workers' remittance inflows have been crucial for maintaining economic stability, particularly in the face of global economic uncertainties and domestic challenges.

"In the current political and economic landscape, marked by inflationary pressures, exchange rate fluctuations, and rising import costs, remittances have provided much-needed relief by bolstering foreign currency reserves and supporting millions of households across the country," it said.

## BB aims to raise \$100m IT exports witness

FROM PAGE B1

He also thanked the NCA for freezing £170 million worth of properties belonging to former land minister Saifuzzaman Chowdhury Javed in the UK.

This followed a £90 million asset freeze last month targeting Shayan Rahman and Shariar Rahman of Beximco Group.

The governor expressed hope for deeper collaboration with the NCA and IACCC in the future.

He noted that the UK's decision to take the lead with an aggregate £250 million in asset freezes would inspire other major money-laundering destination countries to take similar action in support of Bangladesh's asset recovery efforts, showed the BB statement.

Following the NCA visit, the governor was the chief guest at an asset recovery roundtable hosted by leading global law firm DLA Piper.

The event was attended by major litigation funders such as Omni Bridgeway and Benchwalk Capital, as well as investigation firms including Alvarez & Marsal and Unitas Global, a sovereign advisory and strategic communications firm.

Several participants emphasised the need to quickly sign non-disclosure agreements (NDAs) with Bangladesh Bank and individual banks

to facilitate data sharing on non-performing loans (NPLs) and initiate the asset-tracing and legal recovery process.

The governor also expressed support for a suggestion made by roundtable attendees to establish a Special Purpose Vehicle (SPV) to pursue legal claims in key target countries such as the UK and Singapore.

This would help institutionalise the asset recovery process and make it more resilient to political change.

Additionally, Mansur met with BlackRock, the world's largest asset manager, to update them on the improving macroeconomic outlook of Bangladesh and to encourage increased investment in the banking sector and capital markets.

He also met with the mayor of London and leading fintech companies to discuss deeper investment and collaboration between London and Bangladesh's financial sector.

The governor extended an invitation for the mayor to visit Bangladesh at his earliest convenience.

The governor also held meetings with several money exchange houses in London to better understand how to streamline the remittance process and sustain the strong momentum in remittance growth, the BB statement showed.

FROM PAGE B1

He stressed that while AI-related orders were increasing, the overall global market remains sluggish.

He pointed out a regulatory hurdle.

While Bangladesh Bank recently allowed startups less than 10 years old to invest up to \$10,000 abroad for setting up legal entities, restrictions still prevail on established IT firms.

"As exporters of software and services, we desperately need this facility. A small policy amendment could unlock much greater potential," he said.

Fahim Mashroor, former president of the Bangladesh Association of Software and Information Services (BASIS), urged caution in interpreting the growth.

"Much of this year's rise is a rebound from the negative trends of the last two years. It's not a sustained upward trajectory yet," he said.

He also said Bangladesh continues to lag behind neighbours like India and Pakistan in terms of overall IT export performance.

M Manjur Mahmud, president of Datasoft Systems, highlighted that the actual size of Bangladesh's IT exports could be much higher than what the EPB data shows.

"Many small companies and freelancers remit earnings that aren't captured in official figures. The true figure might be more than double," he said.

Mahmud recommended that Bangladesh follow Vietnam's model, where local firms provide cutting-edge solutions for national ID, toll management, treasury, and port operations.

"If we prioritise local companies in such critical projects, the IT export potential could grow tenfold," he said.

As demand for AI-powered solutions increases, Bangladesh's IT industry sees a new path for growth — one that hinges on policy reforms and local industry empowerment, he added.

The fiscal year was also marred by government-imposed internet shutdowns and widespread connectivity disruptions, severely affecting the IT sector's productivity and global reputation.

In July and August 2024, amid student protests demanding reforms to the public job quota system, the government enforced a sweeping crackdown that included disabling digital communications.

Mobile internet services were suspended for over 10 days, while broadband services remained offline for five days in July.

Although broadband was restored on July 24 and mobile internet on July 28, heavy restrictions on social media platforms and the implementation of deep packet filtering mechanisms continued to hamper connectivity until August 5 — the day the previous regime collapsed.

## Govt to amend insurance law

FROM PAGE B1

show that more than 26 lakh policies have lapsed over the past 14 years.

Officials say the draft law contains sweeping changes to the sector.

A new section allows the regulator to restructure the board of an insurer or its subsidiary if its activities harm the interests of the company or its policyholders.

Besides, the regulator may also dissolve such boards, though any dissolution cannot exceed two years.

Ownership will face tighter limits too.

No individual, institution, company, or family members will be allowed to hold more than 10 percent of an insurer's shares, whether directly, indirectly, or jointly.

Commissions for life insurance agents are also set to change. The draft proposes lowering the commission on first-year premiums from 35 percent to 25 percent.

In contrast, renewal commissions would rise — from 10 percent to 15 percent in the second year — while remaining at 5 percent for subsequent years.

As per the new law, regulatory officials could order and search insurers' offices if they suspect the presence of key documents.

They would be permitted to break locks if necessary and seize documents, with police assistance if required. The regulator could even sell a company's assets to settle policyholders' claims.

If a company fails to address capital shortfalls within a set deadline, the regulator could ban it from selling new policies or collecting premiums. Fines between Tk 10 lakh and Tk 1 crore could follow, alongside daily penalties of up to Tk 50,000 until the shortfall is met.

Other proposed safeguards in the draft include barring insurers from pledging assets to secure loans for directors, shareholders, or their families.

Besides, no one will be eligible to serve as a director or chairman without at least 10 years' managerial, business, or professional experience. Directors would be limited to a six-year consecutive term.

The draft law proposes hefty penalties. Whereas current fines start at Tk 5 lakh, the amendments introduce the possibility of up to two years in prison, or both fines and jail.

The Daily Star on Thursday approached Idra Chairman M Aslam Alam for comments about the draft, but to no avail.

Saifunnahar Sumi, Idra's media and communication consultant, said, "Unlike the central bank's authority over the banking sector, our oversight powers are significantly limited."

Meaningful change would not be possible without strengthening the regulator's hand, she added.

Adeeba Rahman, first vice-president of the Bangladesh Insurance Association, said, "The law

## Bangladesh

FROM PAGE B1

The project aims to streamline operations, improve access to reliable statistics, modernise tax administration, and raise tax compliance to enhance domestic revenue generation and fiscal sustainability.

The WB stated that, along with the Government of Bangladesh, it is preparing a separate development policy credit to be discussed later this month, which will support reforms in revenue mobilisation, banking, data dissemination, investment management, auditing, and social programme delivery.

The SITA Project is expected to complement these efforts by building the institutional capacity needed to implement them.

"The project takes a holistic approach across five critical institutions to improve government effectiveness — an essential element for sustainable economic growth," said WB Lead Country Economist and Task Team Leader for the project, Souleymane Coulibaly.

2024, but its president, SM Mannan Kochi, resigned in October that year after the fall of the Sheikh Hasina-led government.

In October last year, the government appointed Md Anwar Hossain as the BGM&A administrator to oversee the election.