



Sovereign guarantee rules to be revised

SOE loans nearly double in six years

SOHEL PARVEZ

The government plans to amend the existing sovereign guarantee guidelines to streamline the process and mitigate fiscal risks if public entities fail to make repayments on time, according to a finance ministry report.

The revision is being considered as government guarantees for loans taken by state-owned enterprises (SOEs) are gradually increasing.

As of June this year, the total guarantees provided by the government against SOE loans will amount to Tk 119,082 crore, up 2 percent year-on-year.

This marks the sixth consecutive year that government guarantees for loans taken by public entities have risen.

At the end of fiscal year 2019-20, the state's pledges against SOE loans stood at Tk 60,653 crore. This means the guaranteed amount has almost doubled since then.

"This exceeds the country's total annual public spending on health or social protection," he said.

"The worst offenders, such as the Bangladesh Power Development Board and Petrobangla, suffer from chronic mismanagement, poor pricing policies, and political interference," he said.

"Subsidies and unserviced government loans to SOEs are not just draining public finances—they are crowding out critical investments in education, health, and poverty reduction," said Rahman.

"With rising contingent liabilities and mounting opportunity costs, SOEs risk becoming a systemic threat to Bangladesh's fiscal sustainability," he said.

The MTMPS stated that there has been no incident of sovereign loan default by government enterprises.

However, sovereign loan guarantees expose the government to potential financial losses if SOEs default on their debts, it said.

GOVT GUARANTEES TO LOANS OF STATE ENTERPRISES

(In crore taka)



The guarantees were primarily issued to entities operating in various sectors, including commercial aviation, power, fertiliser production plants, and public commodity distribution, said the finance ministry in its Medium-Term Macroeconomic Policy Statement (MTMPS) for FY2025-26, published this month.

On this issue, Ashikur Rahman, principal economist at the Policy Research Institute (PRI) of Bangladesh, said SOEs are becoming a major source of contingent liabilities for the government.

"In fact, one of our recent analyses reveals that Bangladesh's SOEs are creating a dangerously unsustainable fiscal burden," he said.

Despite operating in key infrastructure sectors, the majority of public entities are consistently incurring losses, resulting in Tk 88,100 crore in net fiscal transfers from the government in FY24, equivalent to 1.7 percent of the country's gross domestic product.

If public entities fail to repay their loans on time, the guarantees are invoked and the liabilities are passed on to the government, it added.

"Secondly, even without defaults, there are implicit risks associated with SOEs if they incur losses. The government might need to recapitalise them to keep these enterprises afloat," the MTMPS noted.

Thirdly, unrealised returns on investment expectations—meaning when SOEs do not generate the expected returns—can further strain public finances, it said, recommending the prudent use of SOE assets.

It is crucial for the government to monitor and manage its contingent liabilities effectively, as their realisation can have a significant impact on public finances, potentially increasing government debt and budget deficits, said the report.

"Assessing and quantifying these risks is essential for sound fiscal management and sustainability," it added.

International Leasing depositors seek BB intervention

STAR BUSINESS REPORT

The depositors of the International Leasing and Financial Services Limited (ILFLS) have urged the Bangladesh Bank to intervene so they can recover their money.

The International Leasing Individual Depositors' Forum made the demand at a press conference at the National Press Club in Dhaka yesterday.

Badal Nandi, chairman of the depositors' forum; Tasdiq Ahmed, coordinator; and Md Kamruzzaman Kamal, convenor, also spoke at the press conference.

They said ILFLS had been a sound financial institution until the PK Halder syndicate took control of it in 2015.

Members of the depositors' forum alleged that SK Sur, former deputy governor of the central bank, and Shah Alam, former general manager of BB, directly assisted the PK syndicate in looting public deposits from International Leasing.

Due to this embezzlement, depositors of International Leasing have been unable to recover their hard-earned savings for more than seven years, they added.

"Individual depositors are the worst affected in this case," they said.

The speakers noted that, unfortunately, despite multiple letters, emails, and other efforts addressed to the current governor of the central bank, he has not granted them an audience.

"Not meeting with or listening to the depositors whose hard-earned savings have been stuck for over seven years is a grave injustice to them."

READ MORE ON B2

NBR hikes advance tax on bus, truck operators up to 88%

Operators warn of higher transport costs as officials downplay impact



MD ASADUZ ZAMAN

The government has proposed a sharp increase in the advance income tax from buses, trucks and other commercial vehicles in the upcoming fiscal year, a move that operators say could drive up transport costs across the board.

This hike, which would be up to 88 percent, would be the first increase in six years. The last adjustments were made in 2019 and 2014, both under the previous Awami League government.

In his budget speech on June 2, Finance Adviser Salehuddin Ahmed proposed the new rates, which cover 13 categories of commercially operated motor vehicles such as buses and trucks.

Currently, these tax rates range from Tk 4,000 to Tk 37,500 and are collected annually through the Bangladesh Road Transport Authority (BRTA) during registration or fitness renewals.

The National Board of Revenue (NBR) now proposes to raise these to between Tk 7,500 and Tk 50,000.

Transport operators say the hike will push up their costs, with a knock-on effect on consumer prices.

However, NBR officials insist that the hike should not affect fares, as the advance income tax (AIT) is adjustable against the operator's total income tax at the end of the year.

WHO WILL PAY WHAT

Under the proposed budget for fiscal year 2025-26, the AIT on buses with more than 52 seats is set to rise from Tk 16,000 to Tk 25,000. For smaller buses, with fewer than 52 seats, the tax may increase from Tk 11,500 to Tk 20,000.

Air-conditioned (AC) buses would face a tax of Tk 50,000, up from Tk 37,500.

Double-decker buses and AC minibuses or coasters are likely to see their tax jump from

Tk 16,000 to Tk 25,000. For non-AC minibuses or coasters, the proposed rate is Tk 12,500, up from Tk 6,500.

The tax on prime movers could rise to Tk 35,000 from Tk 24,000.

For trucks, lorries and tank lorries with a load capacity over five tonnes, the tax is set to almost double, from Tk 16,000 to Tk 30,000.

Vehicles carrying between 1.5 and five tonnes may see a rise from Tk 9,500 to Tk 15,000, while those under 1.5 tonnes could face Tk 7,500, up from Tk 4,000.

Pickup vans, human hauliers and three-wheelers would also see their AIT rise to Tk 7,500, from the current Tk 4,000.

AC taxi cabs could face Tk 15,000, up from Tk 11,500, and non-AC cabs may pay Tk 7,500, up from Tk 4,000.

The budget is likely to be passed on June 22, with the new rates coming into effect from July 1.

'PASSENGERS WILL BEAR THE BRUNT'

Transport sector people, already in trouble due to rising costs and shrinking profit margins, fear that the proposed tax rise will hit both operators and passengers hard.

"The proposed tax hike means I have to bear the cost upfront, even though my income margin hasn't increased," said Subhankar Ghosh Rakesh, secretary of the Bangladesh Bus Truck Owners Association.

"Costs are rising, but our fares haven't. How are we supposed to absorb this?" he questioned.

"This move will create a financial blow for us. We're already in trouble. It would be a suicidal decision. We won't recover from it easily," Rakesh added.

He said that although the tax is adjustable later against income tax, 10 to 14 percent is upheld upfront, while many small operators have no other source of income.

"This will create an additional burden

on passengers. We are preparing to send an official letter to the government in this regard," said the vehicle owners' association leader.

Prefering anonymity, a private bus owner also voiced frustration.

"We don't know why this decision was made or what the logic behind it was. No one consulted us. No meeting, no explanation," he said. "It feels like the entire transport sector is being punished for something we didn't even do."

He added, "The NBR has the authority to revise taxes. But in the past, they at least spoke to stakeholders before making such decisions. This time, we were left completely in the dark."

"Did anyone assess how this will impact passengers or operators?" he questioned.

OFFICIALS DOWNPLAY THE IMPACT

Speaking on condition of anonymity, a senior NBR official said the proposed increase was reasonable, given that tax rates had remained unchanged for six years.

"The amount is not significantly high, considering the booming transport business," the official said.

He said the AIT is adjustable against the operator's final income tax liability, so any immediate burden could be offset at the end of the year.

"When any tax rate increases, it may reduce the profit margin. Therefore, it is not logical to shift the entire burden onto passengers or consumers," the official added.

Snehasish Barua, managing director of SMAC Advisory Services Limited, said the hike might not raise the tax burden for businesses if their actual tax liability is higher than the AIT collected.

"However, if the actual tax is lower, the cost could rise, as the AIT works as a minimum tax. In those cases, operators may well pass on the extra cost to passengers," he said.

Five Islamic banks to merge into one soon

BB governor says in briefing on London visit

STAR BUSINESS REPORT

The Bangladesh Bank (BB) will soon start the process to merge five Islamic banks into a single large bank, said Bangladesh Bank Governor Ahsan H Mansur yesterday.

"We are planning to merge some banks, and it will begin with Islamic banks in the first phase," he said in a media briefing at the central bank headquarters.

The briefing was on his visit to London from June 10 to June 13 as part of the chief adviser's delegation.

Mansur said the employees of these banks will not lose their jobs due to the merger.

The five banks are First Security Islami Bank, Social Islami Bank, Global Islami Bank, Union Bank and Export Import (EXIM) Bank of Bangladesh, as per the BB officials.

While replying to a question, the BB governor said the merger would not be the last of such reforms.

"We will have a dedicated department, a bank resolution department, whose job will be to intervene and take control through nationalisation, merger, liquidation, or whatever necessary action, if banks start heading toward self-destruction," he added.

"Other countries in the world also have such mechanisms," he added.

The central bank governor said a new government would come and hopefully would become involved in this process and keep it running.

"This is a normal process. In the first phase, what we are expecting is to merge a few banks, and that will

likely take place within the next few months," he said.

"This has no relation to the change in government; it's a continuous process," he added.

When discussing developments about the recovery of laundered assets, Mansur said the government was in intensive discussions with the UK to recover money laundered by people tied to the regime of ousted prime minister Sheikh Hasina.

"Our communication with the UK is deep at the technical level. They are also supporting us in the preparation of documents," he said.

International litigation firms are also eager to invest between \$50 million and \$100 million to finance asset recovery, he said.

A litigation funder is a third party that provides financial support to a litigant to cover legal costs associated with a lawsuit, in exchange for a share of the potential financial recovery from the case.

Mansur said Bangladesh would consider forming a fund as a part of the initiative, alongside raising money from global litigation firms.

"They [litigation firms] will get 15 percent to 20 percent of the recovered money. But the final amount will be decided based on the amount recovered," he said.

Mansur, in an earlier interview with the Financial Times, said banks had lost \$17 billion to businesspeople close to the regime of Hasina.

He said they would proceed step by step to furnish appropriate information to the courts.

Ahsan H Mansur

Bangladesh had requested legal assistance from several countries, including the UK. As a part of the process, it handed over information about the properties of launderers and the laundered money, he said.

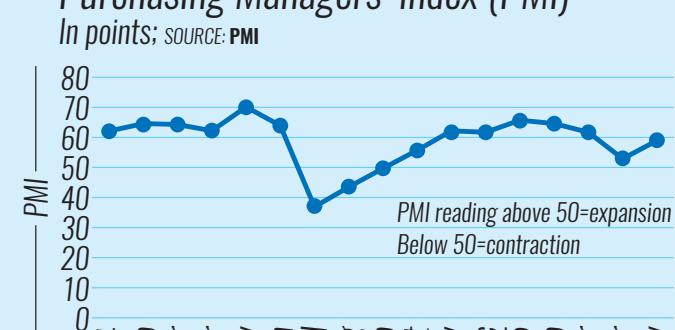
Based on the information, the foreign authorities will take action, assured the BB governor.

"It [sending requests] is a continuous process. New requests are being sent to them," he said, responding to a question about whether the UK would freeze more

Economy might have expanded faster in May: PMI

Purchasing Managers' Index (PMI)

In points; SOURCE: PMI



STAR BUSINESS REPORT

Bangladesh's economy showed stronger growth in May as the Purchasing Managers' Index (PMI) rose by 6 points from

Mutual Trust Bank unveils 'MTB NRB Account' for non-resident Bangladeshis

STAR BUSINESS DESK

Mutual Trust Bank PLC (MTB) recently unveiled a new financial solution, titled "MTB NRB Account", designed to cater to the banking needs of non-resident Bangladeshis (NRBs).

Syed Mahbubur Rahman, managing director and chief executive officer of MTB, inaugurated the service at a ceremony held at the bank's corporate head office in the capital's Gulshan-1, according to a press release.

The MTB NRB Account simplifies the account opening process, providing NRBs with secure, seamless, and flexible access to banking services whether residing in Bangladesh or abroad.

With only a smartphone or computer and internet connectivity, individuals may now open an account entirely online, effectively eliminating conventional obstacles typically associated with cross-border banking.

NRBs can initiate and complete the



Syed Mahbubur Rahman, managing director and chief executive officer of Mutual Trust Bank PLC, inaugurates the new financial solution, titled "MTB NRB Account" for non-resident Bangladeshis at the bank's corporate head office in the capital's Gulshan-1 recently.

PHOTO: MUTUAL TRUST BANK

account opening process from anywhere in the world, without the need to visit a physical branch. This digital-first approach

not only streamlines the experience but also significantly enhances convenience for globally dispersed customers.

Once the account is opened, customers gain access to a range of MTB's digital banking services through the bank's mobile application, MTB Neo, or via internet banking.

These services include fund transfers to Bangladeshi bank accounts or mobile wallets, utility bill payments, mobile phone top-ups, secured lending facilities, fixed deposit options, and more.

The platform has been meticulously developed to accommodate the full spectrum of NRB banking requirements, ensuring a smooth and efficient user experience.

Furthermore, account holders are entitled to a variety of value-added travel privileges, including access to both international and domestic airport lounges, meet and greet services at major airports, and airport pick-up and drop-off facilities.

These benefits are extended based on account type and maintained balance, thereby enriching the overall travel experience for NRB clients.

Oil settles up 7% as Israel, Iran trade air strikes

REUTERS, Houston

Oil prices jumped on Friday and settled 7 percent higher as Israel and Iran traded air strikes, feeding investor worries that the combat could widely disrupt oil exports from the Middle East.

Brent crude futures settled at \$74.23 a barrel, up \$4.87, or 7.02 percent, after earlier soaring over 13 percent to an intraday high of \$78.50, the strongest level since January 27. Brent was 12.5 percent higher than a week ago.

US West Texas Intermediate crude finished at \$72.98 a barrel, up \$4.94, or 7.62 percent. During the session, WTI jumped over 14 percent to its highest since January 21 at \$77.62. WTI climbed 13 percent to its level a week ago.

Both benchmarks had their largest intraday moves since 2022 when Russia's invasion of Ukraine caused a spike in energy prices.

Israel said it had targeted Iran's nuclear facilities, ballistic missile factories and military commanders on Friday at the start of what it warned would be a prolonged operation to prevent Tehran from building an atomic weapon. Iran has promised a harsh response.

Iran, a member of the Organization of the Petroleum Exporting Countries (OPEC), currently produces around 3.3 million barrels per day (bpd), and exports over 2 million bpd of oil and fuel.

Shortly after trading ended on Friday, Iranian missiles hit buildings in Tel Aviv, Israel, according to multiple media reports. Explosions were also heard in southern Israel.

US President Donald Trump urged Iran to make a deal over its nuclear program to put an end to the "next already planned attacks."

The National Iranian Oil Refining and Distribution Company said oil refining and storage facilities had not been damaged and continued to operate.

Iran, a member of the Organization of the Petroleum Exporting Countries (OPEC), currently produces around 3.3 million barrels per day (bpd), and exports over 2 million bpd of oil and fuel. Spare capacity among Opec and its allies, including Russia, to pump more oil to offset any disruption is roughly equivalent to Iran's output, according to analysts and Opec watchers.

The latest developments have also stoked concerns about disruptions to the Strait of Hormuz, a vital shipping passage.

United Commercial Bank launches microservices-based open API banking platform

STAR BUSINESS DESK

United Commercial Bank PLC (UCB) has launched a microservices-based open API banking platform in Bangladesh following an upgrade to its core banking system (CBS).

The new open API infrastructure enables UCB to securely exchange data and services with third-party applications and fintech platforms, subject to customer consent.

This development paves the way for a wide range of enhanced possibilities for customers, including tailored and personalised financial services; seamless integration across various platforms and applications; greater control over



Mohammad Mamdudur Rashid, managing director and chief executive officer of United Commercial Bank PLC, inaugurates the microservices-based open API banking platform at the bank's head office in Dhaka yesterday.

PHOTO: UNITED COMMERCIAL BANK

their overall banking experience; fintech and start-up innovations, and access to cutting-edge

Mohammad Mamdudur Rashid, managing director and chief executive officer of UCB, inaugurated the platform at a press conference held at the bank's head office in Dhaka, according to a press release.

Commenting on the initiative, Rashid stated, "This achievement is not merely a technological upgrade; it marks a bold step forward for the entire financial sector of Bangladesh."

He added, "By embracing a modern, customer-centric banking model, we aspire to set a benchmark that encourages innovation and excellence in service delivery across the industry."

Utilising a microservices architecture, UCB is now able to manage each core banking function such as account

opening, loan processing, and security verification as an independent module.

This approach facilitates more rapid feature deployment, enhanced technical resilience, and increased capacity to serve a large customer base concurrently.

As part of its digital transformation journey, UCB has upgraded its FlexCube Universal Banking Solution (FCUBS) from version 12.2 to version 14.7.

Md Abdullah Al Mamoon, deputy managing director and chief operating officer of UCB, was present at the event, along with senior representatives from Oracle, UCB's technology partner in the transformation project, and other senior officials from both organisations.

International Leasing Ctg port overburdened

FROM PAGE B1

"Depositors are the lifeblood of the banking and financial system, and without being sensitive to their plight, we are doubtful whether any genuine and fundamental reform of the country's banking and financial system can truly be achieved," they added.

ILFSL, established in 1996 and licensed as a non-bank financial institution (NIFI) by the Bangladesh Bank the same year, maintained financial stability until 2015, before the beginning of the PK Halder era.

As of November 2024, the institution owes around Tk 4,300 crore to depositors and different lenders and has been unable to meet its obligations.

On April 10, 2025, the High Court reconstituted ILFSL's board of directors, aiming to revive the organisation and safeguard the interests of depositors and stakeholders.

FROM PAGE B4

The court noted that with the inclusion of honest, experienced, and respected professionals, the institution could regain its operational strength and once again serve the financial sector.

Notably, PK Halder was arrested in May 2022 in West Bengal by India's Enforcement Directorate on charges of money laundering.

He was granted bail by a special court in Kolkata on December 25 of 2024, after two and a half years in custody.

Meanwhile, in October 2023, a Dhaka court sentenced PK Halder to 22 years in prison in a money laundering case.

The court stated that the punishment would be effective from the day of his extradition from India.

However, the Bangladesh government has yet to bring him back to the country.

Nazmul Hoque, executive director of Saif Powertec Limited that operates New Mooring Container Terminal (NCT), said despite the accumulation, vessel operations at the port's jetties were not much disrupted.

Most vessels left the NCT jetties within 48 hours in the last few days, he said.

A lot of space had been vacated prior to the Eid as importers took away good volumes every day since a pen-down programme of customs officials was withdrawn, he explained.

"Such spaces in the yards helped us manage the vessel operations during the holidays. That is why the vessel congestion is yet to turn worse," Hoque said.

According to the port data, the number of container vessels waiting for berth at the outer anchorage stood at 10 yesterday.

CPA acting secretary Md Nasir Uddin hoped that the deliveries would get back its usual pace as most related offices and factories have opened after the Eid holidays.



Government of the People's Republic of Bangladesh

Chief Adviser's Office

Bangladesh Export Processing Zones Authority

Dhaka Export Processing Zone

Ashulia, Savar, Dhaka-1349



(www.bepza.gov.bd)

Date: 15-06-2025

Auction Notice (9th Call)

Sealed auctions are hereby invited from the interested National/Foreign Buyers/Companies in order to sell Inventoried & Valuated Structure, Machinery, Equipment & other Assets by auction "as is where basis" of terminated industry named M/s. Lenny Fashions Ltd., Plot # 66-68, Dhaka EPZ (Old Zone), a Play suits, Tracks suits, Coats, Overcoats, Pants, T-Shirts, Trousers, Jumpers, Rompers, Pajamas, Night wears etc. woven items manufacturing industry or to operate the enterprise. To participate in the auction the terms & conditions are stated below:

Terms & Conditions:

1. Interested Persons/Organizations/ Existing enterprises of EPZ(s) (Local/Joint Venture/Foreign) or any other interested persons/organizations from outside EPZ can take part in this auction who are interested to purchase the Structure, Machinery, Equipment & other Assets "as is where basis" of the company by observing the existing rules and regulations in this regard.
2. Successful bidder will have to pay VAT, TAX and other payable fees as per custom rules for the duty free imported Assets of existing Assets of industry to be taken out to the Domestic Tariff Area (DTA).
3. Auction documents attached with a single Pay Order/Bank Draft/FDD or any other means approved by Bangladesh Government from any schedule bank of an amount of 15% as earnest money (non-refundable for successful bidder & refundable for unsuccessful bidder) must be submitted in favour of BEPZA. Auction documents without earnest money will be treated as rejected.
4. Inventoried Structure, Machineries, Equipment & other Assets under the inventory list may be seen on 22/07/2025, 23/07/2025 & 24/07/2025 from 10.00am to 4.00pm. Information regarding the visit and the list of Assets may be collected by contacting with the Executive Director, Dhaka EPZ directly.
5. If the auction is accepted by the Authority, the successful bidder will have to pay the remaining 85% amount of the quoted price along with applicable TAX & VAT within 15 days to BEPZA through Pay Order/Bank Draft/FDD, or any other means approved by Bangladesh Government. Accordingly, the delivery of Structure, Machineries, Equipment & other Assets will have to be taken as per Customs & BEPZA rules
6. Auction Schedule may be bought by paying Tk. 5,000.00 (non-refundable) within 24/07/2025 during office hours from the Accounts Department of Dhaka EPZ, Chattogram EPZ, Adamjee EPZ, Mongla EPZ, Cumilla EPZ, Karnaphuli EPZ, Ishwardi EPZ, Uttara EPZ & Accounts Department of BEPZA Executive Office, Dhaka.
7. Auction schedule may be dropped into the auction box kept at the office of Executive Director, Dhaka EPZ on 31/07/2025 from 10.00am to 12.00pm and Submitted Auction documents will be opened in the same date at 12:30pm at the office of Executive Director, Dhaka EPZ in presence of the bidders (if any). Updated copy of VAT, TIN and Trade License shall have to be attached with the Auction schedule; but this condition may be relaxed by the Authority in case of fully new 100% foreign owned company interested to invest in the EPZ.
8. Persons/Organizations/Investors who are interested to operate the closed industry will get priority in auction.
9. Successful bidder will have to take permission (if applicable) to operate the industrial unit in the EPZ by following the project sanctioning procedure of BEPZA as per rules.
10. The Authority reserves the right to accept any auction or reject any or all of the submitted auctions without showing any reason. The Authority also reserves the right to cancel the Auction and accordingly take next action if the desired rates are not obtained.


15.06.2025

Md. Shariful Islam
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Government of the People's Republic of Bangladesh

Local Government Engineering Department
Office of the Executive Engineer

District: Manikganj

www.lged.gov.bd

Memo No: 46.02.5600.00.07.259.24-2199

Date: 15/06/2025

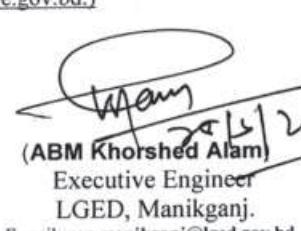
Invitation for Tender (works)

e-Tender Notice No.46/2024-2025

e-Tender's is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the procurement of the following packages.

SL. No.	Tender ID & Package No	Name of Works	Tender Method	Tender last selling & Submission Date and Time
1	1125055 CAFDRIP/Manikganj/F D/UNR/W-30/ 2024-25	Re-habilitation of Basta Bazar to Khasherchar Bazar Via Dhalla UP Office UP Road from Chh.00-2605m under Singair Upazila, Dist: Manikganj (Road ID No: 356823011)	OTM	07 July-2025 16:00 & 08 July -2025 16:00

These is online Tender's where only e-Tender's will be accepted in the National e-GP portal and no offline/hard copies will be accepted. 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. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd).


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GD-1394

GD-1397

US Fed set to hold rates steady in the face of Trump pressure

AFP, Washington

The US central bank is expected to keep interest rates unchanged for a fourth straight policy meeting this week, despite President Donald Trump's push for rate cuts, as officials contend with uncertainty sparked by the Republican's tariffs.

While the independent Federal Reserve has started lowering rates from recent highs, officials have held the level steady this year as Trump's tariffs began rippling through the world's biggest economy.

The Fed has kept interest rates between 4.25 percent and 4.50 percent since December, while it monitors the health of the jobs market and inflation.

"The hope is to stay below the radar screen at this meeting," KPMG chief economist Diane Swonk told AFP. "Uncertainty is still very high."

"Until they know sufficiently, and convincingly that inflation is not going to pick up" either in response to tariffs or related threats, "they just can't move," she said.

The Fed has kept interest rates between 4.25 percent and 4.50 percent since December

Since returning to the presidency, Trump has slapped a 10 percent tariff on most US trading partners. Higher rates on dozens of economies are due to take effect in July, unless an existing pause is extended.

Trump has also engaged in a tit-for-tat tariff war with China and imposed levies on imports of steel, aluminum and automobiles, rattling financial markets and tanking consumer sentiment.

But economists expect it will take three to four months for tariff effects to show up in consumer prices.

Although hiring has cooled slightly and there was some shrinking of the labor force according to government data, the unemployment rate has stayed unchanged.

Inflation has been muted too, even as analysts noted signs of smaller business margins -- meaning companies are bearing the brunt of tariffs for now.

At the end of the Fed's two day meeting Wednesday, analysts will be parsing through its economic projections for changes to growth and unemployment expectations -- and for signs of the number of rate cuts to come.



A farmer waters a patch of vegetables in Himanandakathi village of Jhalakathi district. The photo was taken earlier this month.

PHOTO: TITU DAS

Farm loan disbursement rises in April

STAR BUSINESS REPORT

Disbursement of agricultural credit by scheduled banks surged significantly month-on-month in April, although it was slightly lower than that in the corresponding period of last year.

According to a report by the Bangladesh Bank, banks disbursed a total of Tk 3,239 crore in agricultural loans during the month.

This was an increase of 18.45 percent from the Tk 2,734 crore disbursed in March 2025.

However, this figure was 5.74 percent lower compared to the Tk 3,436 crore disbursed in April of the previous year.

There was also a notable improvement in loan recovery, with scheduled banks recovering Tk 3,362 crore in April 2025, which is 11.36 percent higher than the Tk

3,019 crore recovered in March.

Despite this monthly gain, the amount recovered was 4.97 percent lower than the Tk 3,538 crore recovered during the same month last year.

The outstanding balance of agri credit, including interest, stood at Tk 57,153 crore at the end of April this year.

This represents a 1.18 percent rise compared to the Tk 56,487 crore recorded at the end of April 2024.

Meanwhile, overdue agricultural loans reached Tk 9,992 crore at the end of April this year, showing a very marginal decline of 0.02 percent from Tk 9,994 crore in the same month of the previous year.

The Bangladesh Bank attributed this slight improvement in overdue loans mainly to lower defaults by state owned

commercial banks during the period under review.

In the microfinance sector, disbursement and recovery also showed robust growth.

Grameen Bank, along with 10 large non-governmental organisations, collectively disbursed Tk 14,716 crore as microcredit in April of the current fiscal year, which is a 20.22 percent increase compared to the same month a year earlier.

Their loan recovery amounted to Tk 14,910 crore, reflecting a 7.75 percent rise from April last year.

At the end of April 2025, the outstanding microcredit balance for these institutions stood at Tk 120,407 crore.

Overdue loans in this segment totalled Tk 8,229 crore, representing 6.84 percent of the total outstanding microcredit balance.

Big tech on a quest for ideal AI device

AFP, New York

ChatGPT-maker OpenAI has enlisted the legendary designer behind the iPhone to create an irresistible gadget for using generative artificial intelligence (AI).

The ability to engage digital assistants as easily as speaking with friends is being built into eyewear, speakers, computers and smartphones, but some argue that the Age of AI calls for a transformational new gizmo.

"The products that we're using to deliver and connect us to unimaginable technology are decades old," former Apple chief design officer Jony Ive said when his alliance with OpenAI was announced.

"It's just common sense to at least think, surely there's something beyond these legacy products."

Sharing no details, OpenAI chief executive Sam Altman said that a prototype Ive shared with him "is the coolest piece of technology that the world will

have ever seen."

According to several US media outlets, the device won't have a screen, nor will it be worn like a watch or broach.

Kyle Li, a professor at The New School, said that since AI is not yet integrated into people's lives, there is room for a new product tailored to its use.

The type of device won't be as important as whether the AI innovators like OpenAI make "pro-human" choices when building the software that will power them, said Rob Howard of consulting firm Innovating with AI.

The industry is well aware of the spectacular failure of the AI Pin, a square gadget worn like a badge packed with AI features but gone from the market less than a year after its debut in 2024 due to a dearth of buyers.

The AI Pin marketed by startup Humane to incredible buzz was priced at \$699.

Now, Meta and OpenAI are making "big bets" on AI-infused

hardware, according to CCS Insight analyst Ben Wood.

OpenAI made a multi-billion-dollar deal to bring Ive's startup into the fold.

Google announced early this year it is working on mixed-reality glasses with AI smarts, while Amazon continues to ramp up Alexa digital assistant capabilities in its Echo speakers and displays.

Apple is being cautious embracing generative AI, slowly integrating it into iPhones even as rivals race ahead with the technology. Plans to soup up its Siri chatbot with generative AI have been indefinitely delayed.

The quest for creating an AI interface that people love "is something Apple should have jumped on a long time ago," said Future research director Olivier Blanchard.

Blanchard envisions some kind of hub that lets users tap into AI, most likely by speaking to it and without being connected to the internet.

Bangladesh Petroleum Corporation (BPC)
BSC Bhaban, Saltgola road, Chattogram-4100

TENDER CORRIGENDUM NOTICE

The following amendments have been made in the Tender document of the Invitation for International Tender Ref. No. BPC SPM O&M 01/2025, Dated: 30/04/2025 for Operation and Maintenance (O&M) Services and Marine Services for the BPC Installation "Single Point Mooring (SPM) with Double Pipeline System, Bangladesh".

SN	Amendment Subject	Original	1 st Corrigendum
17	Tender Last Selling Date	18-06-2025	07-07-2025
18	Tender Closing Date & Time	Date Time	Date Time
	19-06-2025 12:00 PM	08-07-2025 12:00 PM	
19	Tender Opening Date & Time	19-06-2025 12:15 PM	08-07-2025 12:15 PM

This Corrigendum Notice will be an integral part of the Tender Document. All other terms and conditions of the Tender will remain unchanged.

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GD-1399

Economy might

FROM PAGE B1
straight month and at a

quicker pace.

Most indexes, including new business and employment, rose, though the order backlog index

remained in contraction, albeit at a slower rate, for the tenth month in a row.

The construction sector marked its sixth consecutive month of expansion but showed no growth from April.

While construction activity accelerated and order backlog returned to expansion, both new business and employment reverted to contraction. Input costs rose, though at a slower pace.

"The latest PMI readings indicate that the overall Bangladesh economy grew at a faster rate," said M. Masrur Reaz, chairman and CEO of the PEB.

The growth was against the backdrop of export-led manufacturing buoyancy and uptake in agriculture and its supply chain ahead

of the Eid festival", he said.

"The construction sector, however, remains the only sector without any growth in expansion," he said.

Services experienced their eighth straight month of expansion, and at a

faster rate.

New business and input costs grew more rapidly, although employment growth decelerated.

Business activity and order backlog, previously subdued, shifted back into expansionary territory.

In terms of future expectations, the agriculture sector saw a faster expansion in its future business index.

In contrast, slower expansion was recorded across manufacturing, construction, and services.

The MCC and PEB began publishing the PMI in January last year. Initiated by the UK government, it takes into account over 500 private sector firms across agriculture, manufacturing, construction, and services.

Investors on edge over Israel-Iran conflict

REUTERS, New York/Gdansk

Investors were on edge ahead of markets reopening late on Sunday, with risks ranging from heightened prospects of a broad Middle East war to US-wide protests against President Donald Trump that threatened more domestic chaos.

Israel and Iran launched fresh attacks on each other into Sunday, with Prime Minister Benjamin Netanyahu saying Israeli strikes would intensify as Tehran called off nuclear talks that Washington had held out as the only way to halt the bombing.

Meanwhile, Yemen's Iran-aligned Houthis joined the fray.

Oil prices rose by 7 percent on Friday, as Israel and Iran traded strikes, and investors will be watching closely to see how the price reacts when markets open later.

"So far we are at a stage of 'controlled confrontation'", said Lombard Odier's chief economist Samy Chaar, where it is too soon to call for real and persistent economic damage despite high risk.

"For now, you get spikes in the oil price, you get volatility, everyone's a bit nervous, but there is no clear sign that we're moving towards the no-return type of scenario," he said.

On Saturday, Israel appeared to have also hit Iran's oil and gas industry for the first time, with Iranian state media reporting a blaze at a gas field.

Israel's air offensive against Iran that began early on Friday, killing commanders and scientists and bombing nuclear sites in a stated bid to stop Tehran building an atomic weapon, knocked risky assets including stocks, on Friday. It also lifted oil prices and prompted a rush into gold and the dollar, which resumed its role as a safe-haven asset for the first time in months.

Stocks close higher after 10-day Eid holiday

STAR BUSINESS REPORT

Indices of Dhaka Stock Exchange (DSE) rose yesterday, the first trading day following the 10-day Eid ul-Azha holiday, extending its gains for a second consecutive session.

The DSEX, the benchmark index of the country's premier bourse, went up 14.91 points, or 0.31 percent, prior to closing at 4,724.

The Shariah-compliant DSES index declined slightly by 0.02 percent to end at 1,028, while the DS30, which tracks blue-chip stocks, rose 0.52 percent to 1,771.

Turnover, a key indicator of market activity, stood at Tk 263.02 crore, up from Tk 224.49 crore in the previous session on June 4.

A total of 94,135 trades were executed during the session, with block transactions accounting for Tk 13.28 crore across 17 scrips.

A total of 145 issues advanced, 179 declined, and 68 remained unchanged.

Among a category shares, 80 advanced, 96 declined, and 38 remained unchanged.

In the B category, 41 scrips gained while 29 declined. The N category shares witnessed no trading activity.

Other segments had mixed trends, with 6 issues advancing and 11 declining in mutual funds, while corporate bonds saw one issue advancing. Government securities saw three scrips advancing and one declining.

US dollar lifted by safe-haven bids as MidEast conflict escalates

REUTERS, New York

The US dollar advanced against major currencies, including the euro and yen, on Friday as markets grabbed safe-haven assets as geopolitical tensions in the Middle East following an Israeli attack on Iran.

Israel launched a barrage of strikes across Iran on Friday, attacking nuclear facilities and missile factories and killing a swath of military commanders. In retaliation, Iran's state news agency IRNA said hundreds of ballistic missiles had been launched.

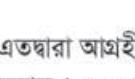
US President Donald Trump, Israel's main ally, urged Iran to reach a deal on its nuclear program, suggesting that Tehran had brought the attack on itself by resisting a US ultimatum in talks to restrict its uranium enrichment.

In afternoon trading, the dollar gained 0.3 percent to 143.88 against the Japanese yen and rose 0.1 percent to 0.8110 franc against the Swiss currency, with the greenback on track to snap two straight sessions of losses against safe-haven currencies.

"Historically speaking with these kinds of geopolitical events, you get the knee jerk reaction from the market... History tells us to kind of look past a lot of this stuff," said Jack Janasiewicz, portfolio manager, at Natixis Investment Managers in Boston.

গবাদিপ্রাণির নিলাম বিজ্ঞপ্তি

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BRAC Bank to issue Tk 1,000 crore bond

STAR BUSINESS REPORT

BRAC Bank PLC, one of the leading private commercial banks in the country, has announced that its board has approved the issuance of a Tk 1,000 crore social subordinated bond.

The bond will be issued to enhance its Tier-II capital base and reaffirm its commitment to social development initiatives.

The decision was made on June 4, through a "Resolution by Circulation," according to a disclosure of the bank published on the Dhaka Stock Exchange website yesterday.

The proposed instrument, titled "BRAC Bank Social Subordinated Bond," will be a non-convertible, unsecured, fully redeemable, coupon-bearing, floating rate bond with a tenure of seven years.

The bond will be issued through private placement, the disclosure added.

BRAC Bank said the issuance is subject to the necessary approvals from the relevant regulatory authorities.

The private lender posted higher profits in the first quarter of its financial year 2025, driven by increased investment and interest income.

The bank's net profit rose 47 percent year-on-year to Tk 486.33 crore in the January-March quarter, according to its financial statements.

As of March 31, 2025, sponsors and directors held 46.17 percent of the bank's shares. Institutions owned 14.24 percent, foreign investors 31.97 percent, and the general public 7.62 percent.

Ctg port overburdened with import containers



PHOTO: RAJIB RAIHAN

DWAIPAYAN BARUA, Ctg

The yards at the Chattogram port, which are designated for storing containers loaded with imports, exceeded their capacity yesterday as daily handovers to consignees did not gain pace during the Eid-ul-Azha holiday over the past week.

Berth operators running different terminals of the port, however, said the situation has yet to adversely impact vessel operations.

However, the scenario may worsen this week if the deliveries do not return to

normalcy in the next few days, they said.

The port's yards have a container storage capacity of 53,518 TEUs (twenty-foot equivalent units). In case of import-laden containers, it is 44,018 TEUs.

Around 95 percent of import containers that arrive at the port are full container load (FCL) ones.

An FCL refers to a shipping method where a single shipper's goods occupy the entire space within a shipping container.

The port's yards have a capacity to store 40,368 TEUs of such FCL containers.

As of yesterday morning, a total of 40,656 TEUs of FCL containers were lying at the port yards, exceeding the capacity.

Port users blamed poor daily deliveries since the day before Eid day, meaning June 7, for the accumulation. The number of FCL containers was at 28,000 TEUs before Eid.

Daily deliveries from the port average at 4,500 TEUs to 5,000 TEUs.

The deliveries dropped to less than 2,000 TEUs during the Eid holiday that ended last Saturday.

READ MORE ON B2

Israel's strike on Iran sparks LNG supply concerns in Asia: report

STAR BUSINESS REPORT

The Israeli strike on Iranian nuclear facilities has intensified concerns in Asia's LNG market, with trading companies, importers, and governments reviewing supply risks amid rising regional tensions, sources told Platts, part of S&P Global Commodity Insights, according to a recent report by S&P Global.

The airstrike, described as "pre-emptive", came just as the summer season began in Asian countries, when gas consumption for power generation peaks.

Asia is highly exposed to LNG exports from the Middle East, accounting for nearly 88 percent of the region's shipments, said Eric Yep, principal analyst at Commodity Insights.

"Importers are in discussions with their suppliers and portfolio players to explore contingency plans in case supply routes are impacted," Yep told S&P Global Commodity Insights.

While there have been no immediate supply disruptions, industry insiders warn that continued escalation could affect key transit points such as the

ICC joins coalition of global businesses for ocean sustainability

STAR BUSINESS REPORT

The International Chamber of Commerce (ICC) has joined a coalition of over 80 businesses and organisations from 25 countries in a Business Call to Action ahead of the 2025 United Nations Ocean Conference in Nice, France.

The joint statement—backed by companies representing over €600 billion in turnover and more than 2 million employees—urges both private and public sector leaders to enhance cooperation and step up efforts to conserve and sustainably use ocean resources, according to a press release.

The initiative highlights the deep interconnection between land and sea, underscoring how the health of coastal and marine ecosystems is essential to achieving the United Nations Sustainable Development Goals (SDGs).

It calls on businesses to contribute to ocean science, reduce environmental impacts, integrate ocean health into their climate strategies, and invest in sustainable blue economy solutions.

Meanwhile, policymakers are urged to pursue ambitious, science-based policies, implement international agreements, and recognise the interlinkages between the ocean, nature, and climate.

Specific demands include investing in ocean research, supporting science-policy interfaces, enabling adaptation to sea-level rise, and developing innovative financing tools to support marine sustainability.

The Business Call to Action is convened by major international organisations, including the ICC, United Nations Global Compact, World Economic Forum, We Mean Business Coalition, Business for Nature, Mouvement des Entreprises de France, UN Global Compact Network France, and the Association française des Entreprises pour l'Environnement.

Gold advances as Israel-Iran escalation fuels safe-haven bids

REUTERS

Gold prices soared on Friday as investors flocked to safe-haven assets following Israeli airstrikes on Iran, reigniting fears of a broader conflict in the Middle East.

Spot gold rose 1.3 percent at \$3,428.10 an ounce as of 1:49 p.m. EDT (1749 GMT), coming within striking distance of its record high of \$3,500.05 set in April. Prices gained about 4 percent so far this week.

US gold futures settled 1.5 percent higher at \$3,452.80.

"Israel knocking out Iranian targets is causing a little bit of geopolitical scare in the market. Prices will stay elevated in the anticipation of what is to come, the retaliation by Iran," said Daniel Pavilonis, senior market strategist at RJO Futures.

Israel launched a barrage of strikes across Iran on Friday, saying it had attacked nuclear facilities and missile factories and killed military commanders in what could be a prolonged operation to prevent Tehran from building an atomic weapon.

Bangladesh's economy at risk from Iran-Israel conflict

MD DEEN ISLAM

The intensifying Iran-Israel conflict has created ripples across the globe, affecting economies far removed from the battle zones. Bangladesh is no exception. While oil prices rise amid instability in the Middle East and key sea routes such as the Suez Canal and Strait of Hormuz become insecure, Bangladesh is confronted with multiple economic stresses, from inflation and crippling import bills to declining remittances and strained foreign reserves.

The most immediate concern is rising oil prices. Bangladesh, which imports most of its crude oil from the Gulf states, is especially vulnerable. Higher fuel prices feed directly into production costs across the economy, from manufacturing to agriculture. The mechanism is straightforward: cost push inflation, where businesses pass on rising costs of purchase and transport to consumers. The inflation rate has already crossed double digits, and higher fuel prices are likely to push it further. Supply-side inflation will be difficult to manage, especially as fiscal space has tightened under the interim government.

Bangladesh's economy has long relied on expatriate remittances, largely from the Gulf. In 2024, the country earned around \$27 billion in remittances, about 6 percent of GDP, with most receipts coming from Saudi Arabia, the UAE, Qatar, Kuwait and Oman. Any major escalation in hostilities could trigger mass job losses or force expatriates to return home, adding pressure on families and local consumer demand.

Remittances also sustain foreign reserves, which have fallen from a peak of about \$45 billion in 2021 to around \$25 billion today, equivalent to some four months of import bills. If remittance inflows weaken and export earnings fall, reserves will decline further, forcing the Bangladesh

Bank to let the taka depreciate further. Even if a weaker taka boosts export competitiveness, it will raise import costs and foreign currency obligations, straining the current account and the budget's capacity for debt repayment.

Exporters, especially in the ready-made garments sector that generates over 80 percent of export earnings, face additional headwinds. Rerouted shipping to avoid the Red Sea would add shipping time and costs, cutting into profit margins. Delays could erode Bangladesh's reputation for timely delivery. Combined with muted consumer spending in the US and EU, as inflation bites in those markets, demand for Bangladeshi goods may falter. Rising costs and falling demand could dent export volumes, reduce foreign currency inflows and pressure GDP growth.

Agriculture and domestic industry are not insulated. Fuel powers mechanised farming, irrigation and transport. Manufacturers facing higher input costs must either absorb losses or pass them on, contributing to food price inflation. The government could be forced to reinstate subsidies, further straining the budget.

Bangladesh's financial sector, already struggling with high non-performing loans, faces fresh risks. Capital adequacy is thin, and credit growth could stall as lenders become cautious. Sustained high inflation and a weaker currency would likely increase defaults, weakening bank balance sheets. The stock market, already under strain, could see deeper losses as investors retreat amid growing uncertainty.

Bangladesh must act swiftly. Policies could include setting up fuel hedging arrangements or long-term contracts to limit price shocks, strengthening reserves management, creating a remittance stabilisation fund, subsidising shipping for garments and food, and offering targeted aid to vulnerable sectors. These steps, alongside fiscal discipline, could protect livelihoods and sustain growth.

The Iran-Israel war may seem distant, but its financial shockwaves have already reached Dhaka. To steer through this storm, Bangladesh needs coordinated action, visionary leadership and bold policymaking to avert deeper economic distress.

The writer is an associate professor of economics at Dhaka University and research director at RAPID.

Boeing lowers 2044 global air fleet outlook

AFP, New York

The global commercial aviation fleet will stand just under 50,000 planes in 2044, with most built over the next 20 years, according to a Boeing forecast released Saturday.

The global fleet will nearly double to 49,600, a bit below Boeing's prior annual outlook, the company said ahead of the giant Paris Air Show beginning Monday.

Emerging markets "with expanding middle classes, dynamic and competitive airline networks and sustained aviation investment" will represent more than 50 percent of the commercial fleet in 2044, up from nearly 40 percent in 2024, Boeing said.

But the forecast also shows the effects of supply chain difficulties in the wake of the Covid-19 pandemic.

"The supply chain has probably had a small role in our slight reduction in deliveries over the next 20 years," Boeing vice president of Commercial Marketing Darren Hulst said at a briefing on Tuesday.

The briefing came before Thursday's deadly Air India crash of a Boeing 787 Dreamliner.

Following the crash, which has killed at least 279 people, Boeing CEO Kelly Orberg and commercial plane chief Stephanie Pope canceled plans to attend.

The Boeing forecast projects annual passenger growth of 4.2 percent, above the 2.3 percent annual growth in GDP.

"New aircraft deliveries haven't been able to keep up with the demand," said Hulst, who estimates that problem has resulted in a "cumulative shortage" of some 1,500 to 2,000 planes.

But Hulst expects the cadence of deliveries to pick up between now and the end of the current decade.

REUTERS, London

Israel's strikes on Iran on Friday have raised the prospect of global oil prices hitting \$100 a barrel. If Tehran seeks to escalate the conflict by retaliating beyond Israeli borders, it could seek to choke off the Strait of Hormuz, the world's most important gateway for oil shipping.

Israel launched a wave of strikes on Iran's nuclear facilities, ballistic missile factories and military commanders, prompting Iran to launch drones against Israel. It is likely the two archenemies will continue to exchange blows in the coming days.

Oil prices soared by more than 8 percent to \$75 a barrel on Friday on the news.

The United States has sought to distance itself from the Israeli strikes while President Donald Trump urged Iran to return to their bilateral nuclear talks.

While Tehran may strike Israel with additional drones or ballistic missiles, it could also opt to target the Middle East military facilities or strategic infrastructure of the United States and its allies such as Saudi Arabia and the United Arab Emirates. This could include oil and gas fields and ports.

Of course, the most sensitive point Tehran could target is the Strait of



An aerial view shows a crude oil tanker at an oil terminal off Waidiao island in Zhoushan, China. One factor that could keep a lid on crude prices, however, is that these heightened Middle East tensions come at a time of ample global oil supply.

Hormuz, a narrow shipping lane between Iran and Oman. About a fifth of the world's total oil consumption passes through the strait, or roughly 20 million barrels per day (bpd) of oil, condensate and fuel.

If that scenario played out, it would likely push oil prices sharply higher, very

possibly into triple-digit territory, as Opec members Saudi Arabia, Iran, the United Arab Emirates, Kuwait and Iraq export most of their crude via the strait, mainly to Asia.

To

States and its regional allies, dramatically escalating the conflict and stretching Iran's military capabilities. But Iran has been heavily weakened over the past year, particularly following Israel's successful campaign against Hezbollah, the Iranian-backed militants in Lebanon.

With its back to the wall, Tehran could see an attack now as a deterrent.

The US military and its regional allies will obviously seek to protect the Strait of Hormuz against an Iranian attack. But Iran could use small speed boats to block or seize tankers and other vessels going through the narrow shipping lane.

Iran's Revolutionary Guards have seized several western tankers in that area in recent years, including a British-flagged oil tanker in July 2024.

However, any Iranian efforts to block the strait, or even delay transport through it, could spook energy markets and lead to disruptions in global oil and gas supply.

Saudi Arabia and the UAE have sought in the past to find ways to bypass the Strait of Hormuz, including by building more oil pipelines.

Saudi Arabia, the world's largest oil exporter, sends some of its crude through the Red Sea pipeline that runs from the Abqaiq oilfield in the east into the Red Sea port city of Yanbu in the west.