

Most listed firms saw profits fall in Jan-Mar

Earnings drop 25% due to rising costs, sluggish sales

AHSAN HABIB

Most listed companies saw their profits shrink in the January-March period of the current year as stubbornly high inflation pushed up business costs while weak consumer demand held back sales growth.

So far, 309 listed firms, including banks, have published their financial reports for the quarter. Of them, 177 reported lower profits compared to the same period last year.

Together, their earnings fell by 25 percent, showing a turbulent business climate during the time.

Among the 177 companies, 27 posted losses despite having been in profit during the same period a year ago.

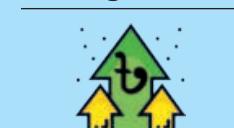
"High inflation has squeezed people's purchasing power. As a result, consumer spending fell, which hit company sales and, in turn, profits," said Humayun Rashid, former president of the International Business Forum of Bangladesh (IBFB), a research and advocacy organisation for local and foreign entrepreneurs.

Inflation has stayed above 9 percent for 37 consecutive months, marking the longest period of high consumer prices in four decades, according to the state-owned statistical agency BBS.

REASONS BEHIND BUSINESS SLOWDOWN



Sluggish sales amid high inflation



Rising finance costs



Elevated operating expenses

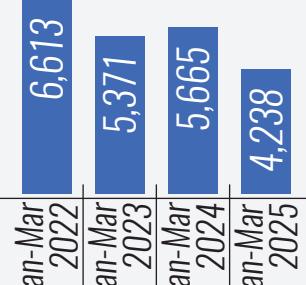


Business disruptions from geopolitical tensions

Profit of 309 listed firms in Jan-Mar

In crore taka

SOURCE: SANDHANI ASSET MANAGEMENT



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FBCCI election on Sep 7

STAR BUSINESS REPORT

A committee formed to conduct the polls of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) for the 2025-2027 term yesterday announced that voting would be held on September 7.

As per the election schedule, the chambers and association groups which are members of the FBCCI must send the names of persons they have nominated to serve as FBCCI directors to the FBCCI's general council by July 2.

The FBCCI and the election board will publish a preliminary voter list on July 18 and the final list on August 26, the apex trade body said in a statement.

The nominated and elected directors will later elect one president, one senior vice-president, and two vice-presidents from among themselves. This year, the government has reduced the number of FBCCI directors to 46 from 80.

The election board will publish a preliminary list of candidates for president, vice-president, and other director posts on August 8 and the final list on August 14.

The final names of the elected office bearers, including the president, vice presidents, and directors, will be announced on August 16.

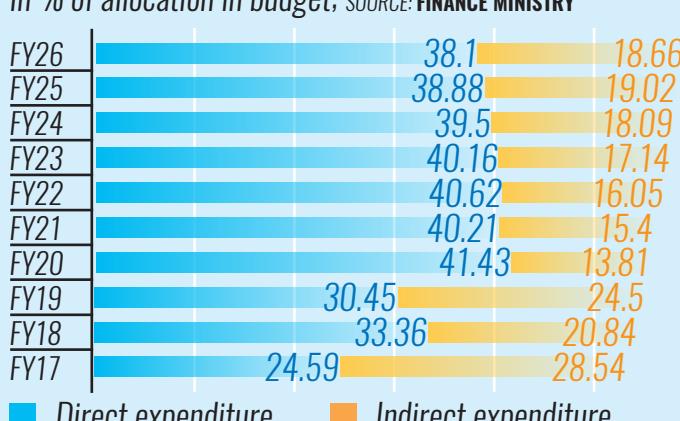
The interim government appointed Md. Hafizur Rahman, a member of the Bangladesh Competition Commission and a former additional secretary, as the administrator of the FBCCI in September last year, following the fall of the Awami League government in August 2024.

Allocation for poverty reduction drops to 4-year low in FY26

Analysts question methodology behind poverty impact claims

Govt expenditure on reducing poverty

In % of allocation in budget: SOURCE: FINANCE MINISTRY



SOHEL PARVEZ

Bangladesh's expenditure on poverty reduction has been gradually declining, and in the upcoming fiscal year of 2025-26, it is set to hit a four-year low due to a decrease in spending that directly impacts hunger.

Figures from the finance ministry show that poverty-reducing expenditure has dropped to 56.77 percent in the Tk 790,000 crore national budget for FY26, down from 57.9 percent of the total outlay in the outgoing fiscal year.

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One reason is the continued reduction in expenses that directly affect poverty.

In the proposed budget, the share of direct expenditure is projected at 38.1 percent – the lowest in seven years. However, analysts have questioned the methodology used to assess how these expenditures impact poverty.

The finance ministry has not provided details beyond ministry-wise data on direct and indirect poverty-reducing expenditure against budget allocations.

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RMG exports to non-traditional markets rise

STAR BUSINESS REPORT

Garment exports to non-traditional markets grew 6.79 percent year-on-year to \$6.04 billion in the July-May period of the outgoing fiscal year, according to data from the Export Promotion Bureau compiled by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

All destinations except the European

Union, the United States, Canada, and the United Kingdom are considered non-traditional markets.

Among these markets, exports to India rose by 17.35 percent, Turkey by 31.75 percent, and Japan by 10.32 percent.

However, shipments to Russia, South Korea, the United Arab Emirates, and Malaysia declined during the period.

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Iran-Israel conflict may hit fuel supply

Tehran's warning over blocking Hormuz Strait sparks fears

MD NAZRUL ISLAM, Ctg

Bangladesh may face disruptions to its fuel imports if the conflict between Iran and Israel escalates further, according to industry experts and officials.

The country depends heavily on shipments that pass through the Strait of Hormuz, the narrow maritime gateway into the Persian Gulf. About a fifth of the world's oil exports move through this passage.

Like many Asian nations, Bangladesh depends on fuel from the Middle East. Energy-rich countries such as Saudi Arabia, Kuwait, Qatar, Bahrain, the UAE, Iraq and Oman all transport oil and gas through the strait.

Industry experts said the route could be at risk if tensions worsen. Iran has already threatened to close the waterway unless Israel halts its attacks.

A closure would severely disrupt supplies, as Iran sits on one side of the strait and Oman and the UAE on the other.

China, India, Vietnam, Singapore, Indonesia and Malaysia are the major sources of refined oil for Bangladesh. These countries import crude mainly from Middle Eastern countries.

Bangladesh Petroleum Corporation (BPC) imports crude from Saudi Arabia and Abu Dhabi, while Petrobangla brings in liquefied natural gas (LNG) from Qatar.

Private gas companies also buy liquefied petroleum gas (LPG) from Iraq and Oman.

If the Strait were to close, no alternative route would be practical for moving oil from Saudi Arabia or Qatar.

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- > Minimum graduation in a relevant field with sound knowledge of general banking operations.
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Position : Associate Relationship Manager (ARM) to Senior Relationship Manager (SRM), Branch

Grade : PO/ SPO/ AVP

Prime Responsibilities:

- > Achieve Retail and SME business targets and manage assigned portfolios effectively.
- > Generate new business and cross-sell EBL products through active participation in sales promotions and campaigns.
- > Ensure smooth branch operations and service excellence in customer interactions.
- > Address customer feedback and complaints with prompt, effective solutions.
- > Maintain SLA timelines with both internal and external stakeholders.
- > Ensure compliance with AML and all other regulatory policies and requirements.
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Qualification & Other Competencies:

- > 2-8 years of experience in branch roles at reputed banks, with minimum graduation in a relevant field.
- > Strong business acumen with an effective professional network.
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Prime Bank Investment, IFA Consultancy to promote Islamic finance

STAR BUSINESS DESK

Prime Bank Investment Limited (PBIL) has signed a memorandum of understanding (MoU) with IFA Consultancy Limited (IFAC), a Shariah advisory firm in Bangladesh, to jointly promote Islamic investment in Bangladesh.

Syed M Omar Tayub, managing director and chief executive officer of PBIL, and Abdullah Masum, founder and director of the Shariah advisory firm, signed the MoU at PBIL's headquarters in Dhaka yesterday, according to a press release.

Commenting on the initiative, Tayub said, "This collaboration marks a significant milestone in strengthening the Islamic investment ecosystem in Bangladesh."

He added, "Together with IFAC, we aim to deliver innovative Shariah-compliant investment solutions that uphold ethical standards and respond to the evolving needs of the market."

Mufti Abdullah Masum remarked, "We are proud to partner with PBIL to foster the adoption of Halal financial practices and contribute to sustainable growth within the Islamic finance sector."



PHOTO: PRIME BANK INVESTMENT

Abdullah Masum, founder and director of IFA Consultancy Limited, and Syed M Omar Tayub, managing director and CEO of Prime Bank Investment Limited, shake hands and exchange signed documents of the memorandum of understanding at the latter's headquarters in Dhaka yesterday.

The strategic partnership seeks to enhance Shariah-compliant investment management services by combining PBIL's expertise in portfolio management with IFAC's in-depth Shariah advisory capabilities.

The collaboration will encompass key areas, including training and capacity building, Sukuk advisory, Shariah index development, product structuring, Shariah supervision and review, as well as research and publications.

Last year, PBIL launched PrimeInvest Shariah, the country's first ever Shariah compliant capital market investment scheme, marking a pioneering step in Islamic finance in Bangladesh.



Mohammad Quader, deputy managing director of DBL Group, and Ali Ispahani, director of Ispahani Group, pose for photographs after signing the agreement at the Avenue Hotel in Chattogram recently.

PHOTO: ISPAPANI GROUP

Ispahani partners with DBL to introduce global fashion brands in Chattogram

STAR BUSINESS DESK

The Ispahani Group has recently signed an agreement with DBL Lifestyle, a subsidiary of DBL Group, to bring leading international fashion brands to Chattogram.

Ali Ispahani, director of Ispahani Group, and Mohammad Quader, deputy managing director of DBL Group, signed the agreement at the Avenue Hotel in Chattogram, according to a press release.

As part of the partnership, showrooms for three globally recognised brands -- Nike, Adidas, and Levi's -- will be launched

at the newly constructed Ispahani Centre in Chattogram's Lalkhan Bazar.

The nine-storey Ispahani Centre features over 7,000 square feet of space per floor. The ground floor has been allocated to DBL Group for the establishment of these flagship outlets.

In addition, the 6th to 8th floors of the building are set to house Copper Chimney, a premium restaurant, further enhancing the lifestyle and retail offerings at the centre.

Ispahani Group also expects several prominent national companies to establish a presence on the 2nd to 5th floors in the near future.



Romo Rouf Chowdhury, chairman of Bank Asia PLC, presides over the bank's 26th annual general meeting which was held virtually on Tuesday. The shareholders announced a 20 percent dividend, including a 10 percent cash dividend, for 2024.

PHOTO: BANK ASIA

Bank Asia declares 20% dividends

STAR BUSINESS DESK

Bank Asia PLC has announced a 20 percent dividend, including a 10 percent cash dividend, for the year 2024.

The declaration was made during the bank's 26th annual general meeting (AGM), which was held virtually on Tuesday, according to a press release.

Romo Rouf Chowdhury,

chairman of the bank, presided over the meeting.

Zakia Rouf Chowdhury, vice-chairman of the bank; Rumee A Hossain, chairman of the board executive committee; MA Baqui Khalil, chairman of the board audit committee and the board risk management committee; and Romana Rouf Chowdhury, Farhana Haq, Md Abul Quasem, Nafees Khundker, Sabeth Nayem

Choudhury, and Farzana Khan, directors, attended the AGM.

Sohail RK Hussain, managing director of the bank; Zahid Hasan, acting company secretary; along with other senior officials and a large number of shareholders, also joined the meeting.

The shareholders expressed satisfaction with the bank's overall performance and approved the financial statements for 2024.

Omnicare Diagnostics offers healthcare benefits to UCB cardholders

STAR BUSINESS DESK

United Commercial Bank PLC (UCB) has entered into a strategic partnership with Omnicare Diagnostics Limited through the signing of a memorandum of understanding (MoU).

Mohammad Shafiqur Rahman, senior executive vice-president and

head of retail business division at the bank, and Fida Hossain, managing director of the diagnostic centre, signed the MoU in Dhaka yesterday, according to a press release.

Under this collaboration, all UCB debit, credit, and prepaid cardholders will be eligible for a range of healthcare benefits, thereby improving access to high-quality

diagnostic services.

Mohammad Mamudur Rashid, managing director and CEO of UCB; Abul Alam Ferdous, additional managing director; and Md Altaf Hossain, chairman of the diagnostic centre; and Md Imtiaz Uddin, general manager; were also present, along with senior officials from both organisations.



Fida Hossain, managing director of Omnicare Diagnostics Limited, and Mohammad Shafiqur Rahman, senior executive vice-president and head of retail business division at United Commercial Bank PLC, pose for photographs after signing the memorandum of understanding in Dhaka yesterday.

PHOTO: UNITED COMMERCIAL BANK

Collateral-free digital loan limit thru bKash app raised to Tk 50,000

STAR BUSINESS DESK

The collateral-free digital loan limit has recently been raised from Tk 30,000 to Tk 50,000, offered by City Bank PLC through the bKash app, in response to growing customer demand.

Launched in 2021 as a joint initiative between bKash and City Bank, the service has gained popularity for its convenience and efficiency. Nearly one million customers have availed loans more than 5.5 million times, totalling around Tk 28 billion.

Customers can apply for loans ranging from Tk 500 to Tk 50,000, with a maximum tenure of six months, by simply tapping the 'Loan' icon in the bKash app.

The entire process is fully digital and paperless, requiring just a few taps on the app, according to a press release.

Loan eligibility and sanctioned amounts are determined automatically, based on the user's transaction history and City Bank's credit risk assessment policy.

Customers who are not currently eligible for the service may qualify in the future by regularly using bKash features such as add money, savings, payments, and other services.

To apply, users must tap the 'Loan' icon in the bKash app, enter the desired loan amount within the limit approved by City Bank, and carefully read and agree to the terms and conditions.

They must then input their bKash PIN and tap and hold to instantly receive the loan amount in their bKash account.

Repayments are made in monthly instalments, automatically deducted from the user's bKash account on the due date.

However, customers may choose to repay the loan partially or in full at any time. In such cases, interest is charged only for the utilised period, and no additional fees apply for early repayment.

Gold price falls

REUTERS

Gold prices eased on Wednesday as investors refrained from making significant bets ahead of the US Federal Reserve's policy decision, while keeping a close watch on developments in the Israel-Iran conflict.

Spot gold fell 0.3 percent to \$3,379.10 an ounce as of 0951 GMT. US gold futures fell 0.3 percent to \$3,396.90.

Attention is fixed on the Fed's two-day policy meeting, which concludes later in the day. The central bank is widely expected to keep rates steady but investors will look for signals on future cuts.

Investors are also waiting to see what Fed Chair Jerome Powell has to say following the meeting.

"Traders are holding back ahead of the Federal Reserve's interest rate decision later today, while a slight uptick in risk appetite in equity markets is weighing on gold," said Ricardo Evangelista, senior analyst at brokerage firm ActivTrades.

S&P 500 futures added 0.3 percent, while Nasdaq futures gained about 0.4 percent.

Meanwhile, the conflict between Israel and Iran continues to fuel geopolitical instability, which is keeping a floor under the market, Evangelista added.

Pubali Bank announces 25% dividends

STAR BUSINESS DESK

Pubali Bank PLC has declared a 25 percent dividend, including a 12.5 percent cash dividend, for the year that ended on December 31, 2024.

The announcement was made during the bank's 42nd annual general meeting (AGM), which was held virtually yesterday, according to a press release.

Monzurur Rahman, chairman of the bank, presided over the meeting, thanked participants for their active engagement, and formally declared the conclusion of the session.

Moniruddin Ahmed, Habibur Rahman, M Kabiruzzaman Yaqub (UK), Azizur Rahman, Md Abdur Razzak Mondal, Rana Laila Hafiz, Mustafa Ahmed and Arif Ahmed Choudhury, directors of the bank; and Mohammad Naushad Ali Chowdhury, independent director; joined the AGM.

Mohammad Ali, managing director and CEO of the bank, Mohammad Liton Miah, chief financial officer and general manager; and Md Anisur Rahman, company secretary and



Monzurur Rahman, chairman of Pubali Bank PLC, presides over the bank's 42nd annual general meeting, which was held virtually yesterday. At the meeting, a 25 percent dividend, including a 12.5 percent cash dividend, was declared for 2024.

PHOTO: PUBALI BANK

general manager; also attended the meeting, along with a number of shareholders.

The shareholders expressed satisfaction with the bank's substantial growth and

progress, and conveyed their appreciation to the dedicated officers and employees of Pubali Bank for their tireless efforts in achieving this milestone.



Obayedullah Al Masud, chairman of Islami Bank Bangladesh PLC, presides over the bank's board of the directors' meeting at the Islami Bank Tower in Dhaka yesterday. Mohammad Khurshid Wahab, chairman of the executive committee; Md Abdus Salam, chairman of the audit committee; Prof M Masud Rahman, chairman of the risk management committee; Md Abdul Jalil and Prof M Zubaidur Rahman, independent directors; Md Omar Faruk Khan, managing director (current charge); Prof Mohammad Abdus Samad, member secretary of Shariah supervisory committee; and Mohammad Jahangir Alam, company secretary; attended the meeting.

PHOTO: ISLAMI BANK BANGLADESH

Govt to amend consumer rights act

Commerce adviser says

STAR BUSINESS REPORT

Necessary steps will be taken to amend the Consumer Rights Protection Act, 2009 and strengthen administrative capacity, said Commerce Adviser Sk Bashir Uddin.

Once institutions are built and capacity is developed, wrongdoers will inevitably be held accountable, he said.

The adviser made the remarks at a programme titled "Strengthening Consumer Rights," organised by the Consumers Association of Bangladesh (CAB) and the Directorate of National Consumers' Rights Protection (DNCRP) in the capital yesterday.

"We all know that fascist Sheikh Hasina has destroyed many institutions, various forms of market syndication have taken place, and consumer rights have been severely harmed. Now it is our time to rebuild our institutions," he said.

He also mentioned that a "good syndication" is now needed to counteract existing market syndicates and protect consumer rights.

"So, a syndication of consumers needs to be formed, which will deter injustice and the culture of weakening institutions," he said.

42% of disaster-hit households forced to use up savings: study

STAR BUSINESS REPORT

Nearly 42 percent of households affected by disasters across several districts in Bangladesh were compelled to use up their personal savings to cope with the impact of floods, cyclones, drought, and river erosion, according to a new study.

The findings were revealed yesterday in Dhaka at the launch of the "Bangladesh Poverty Watch Report 2024," prepared jointly by the Institute for Inclusive Finance and Development (InM) and the Centre for Inclusive Development Dialogue (CIDD).

The report reviews how climate change on a global scale is affecting Bangladesh, highlighting variations in climate vulnerability across the country. It focuses in particular on the link between poverty and climate change in regions most at risk.

Researchers studied seven vulnerable districts — Chaudanga, Naogaon, Bhola, Sunamganj, Kurigram, Sathkhira, and Bagerhat.

In each district, 40 households were picked for the study, covering a range

of geographical and socio-economic contexts.

The study also found that only 7.9 percent of households received help from relatives, while fewer than 1 percent secured support from government or private institutions.

Many families turned to informal loans and microfinance, especially in Sathkhira and Bhola, where microfinance organisations are more active.

Chaudanga reported the highest reliance on savings, with 57.5 percent of households dipping into their funds. This was followed by Naogaon, Sathkhira, and Kurigram.

In contrast, only 27.5 percent of households in Bagerhat could afford to depend on savings, pointing to greater vulnerability in coastal areas that frequently suffer climate shocks.

The study also examined household income trends before, during, and after disasters.

It found that incomes fell sharply during the month a disaster struck, regardless of the type of event.

Cyclones caused the most severe immediate impact, slashing household

income by nearly 35 percent — from an average of Tk 16,971 to Tk 10,945.

Yet recovery was swift, with income rising to Tk 18,293 after the disaster, almost returning to pre-cyclone levels.

While presenting the findings, Farhana Nargis, research fellow at InM, said tackling poverty and climate change could not be done separately.

"The two can much more easily be achieved if they are addressed together in Bangladesh," she said.

Bangladesh, she added, has a real chance to cut climate-driven poverty through inclusive, climate-smart development.

She called for urgent investment in areas such as urban transport, energy, and forest protection to avoid long-term carbon lock-in.

Among others who spoke at the event were Qazi Kholiquzzaman Ahmad, chairman of InM; Mustafa K Mujeri, executive director of InM; and A K Enamul Haque, director general of the Bangladesh Institute of Development Studies.

Allocation for poverty reduction

FROM PAGE BI

According to the ministry, 98 percent of the food ministry's allocation is considered poverty-reducing, with 94.5 percent directly contributing to poverty reduction.

Similarly, 94 percent of the Bridges Division's budget and 90 percent of that of the Statistics and Informatics Division are directed toward poverty alleviation.

Over 80 percent of the allocations for the ministries of disaster management, railways, primary and mass education, agriculture, and road transport also contribute to reducing poverty.

Analysts said some expenditures impact poverty, while some are targeted expenditures for poverty alleviation. From this perspective, spending on sectors such as health and education helps cut poverty.

But targeted expenditure for measures such as subsidised food distribution under social protection schemes and job creation for the poor impacts poverty directly.

Selim Jahan, former director of the UNDP's Human Development Report Office, said poverty-reducing expenditure has consistently declined as a share of GDP — always under one-tenth and now below 0.8 percent.

He noted that two-thirds of it were operating costs, and only one-third was for development.

Fahmida Khatun,

executive director of the Centre for Policy Dialogue (CPD), raised a similar concern, pointing out that the ADP's share of GDP has fallen in the revised FY25 budget.

"This is worrying, because the poor are struggling to survive due to prolonged high inflation and lack of employment opportunities," she said.

"The government needs to enhance its allocation for the poor, particularly through allocations which are direct and have an immediate impact," she said.

Currently, 18.7 percent of Bangladesh's population lives in poverty, with 5.6 percent in extreme poverty. This could worsen due to inflation, political uncertainty, weak investment, and low industrial growth.

The World Bank's Poverty and Equity Briefs for April warned that extreme poverty might rise to 9.3 percent, adding 30 lakh more to the poor.

"Inequality is also expected to widen, with the Gini index increasing by one point, potentially affecting the nation's ability to achieve middle-income status by 2026," the WB noted.

Selim Raian, executive director of the South Asian Network on Economic Modeling (Sanem), said two aspects must be reviewed for budgetary spending to truly reduce poverty — investment and social protection.

"Investment is essential

for job creation, improved earnings, and sustainable income growth — key elements in lifting people out of poverty," he said.

"In Bangladesh, concerns are growing over sluggish investment trends and limited employment opportunities, which undermine the potential of the budget to drive inclusive growth," he added.

Raihan, a professor of economics at the University of Dhaka, also stressed improving social protection.

"While social safety nets are included under poverty-related spending, Bangladesh continues to face serious issues such as insufficient funding, poor targeting, leakages, and corruption," he said.

"These problems hinder the ability of social protection initiatives to reach and support the poor meaningfully," he said.

All three economists questioned the finance ministry's poverty-reducing expenditure data.

Raihan said the numbers lack credibility without a clear methodology. Simply labelling budget parts as "poverty-reducing" doesn't ensure impact.

Jahan agreed. "Poverty-reducing expenditure is misleading," he said.

He distinguished between poverty-reducing and direct poverty expenditures — the latter being targeted.

"Poverty-reducing expenditure is an umbrella term. It implicitly assumes

that expenditures under this head would directly or indirectly impact poverty reduction, which may be true or not true," he said.

"Therefore, poverty-reducing expenditures in reality may have insignificant effects on poverty reduction," he added.

Jahan said what matters is the money spent directly on poverty reduction.

In FY26, Tk 3,707 crore will be given under 39 social safety net programmes, which would directly impact poverty.

"There is little attention to link direct poverty reduction programmes to employment generation, which may serve the dual purpose of poverty reduction and job creation," he said.

Fahmida added that the finance ministry's figures lacked clarity.

"Expenditures of some ministries, such as the Ministry of Disaster Management and Relief or the Ministry of Food, are well understood," she said.

"But for most other ministries, it is difficult to decipher any message from the figures and any attempt to do so could be misleading," she added.

"For example, roads, bridges, health services etc are used by both poor and non-poor. How the allocation is divided between the poor and non-poor, how this is categorised as poverty-reducing expenditure, and how they are actually spent should be transparent," she explained.

Meanwhile, the knitwear segment of the garment sector posted robust 10.98 percent growth, while woven garment exports increased by 9.30 percent.

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Overall, RMG exports reached \$36.56 billion in the July-May period, up 10.20 percent from the same period a year ago.

"All fuel products used in Bangladesh are imported from the Middle East," said Abdul Mannan Patwary, director for planning at

Petrobangla.

"If the Iran-Israel conflict intensifies, it will definitely have negative impacts. Our fuel import costs will increase."

Speaking on condition of anonymity, former senior BPC officials said global fuel prices have already started climbing, even though the conflict has not escalated into full-scale war.

Large vessels of around 200,000 tonnes usually operate through Fujairah.

Bangladesh mainly uses smaller ships of 120,000 tonnes, which face difficulties loading there. Chartering larger vessels would further drive up costs.

During the fiscal year 2023-24, Bangladesh imported 67 lakh tonnes of fuel, including 15 lakh tonnes of crude from Saudi Arabia and Abu Dhabi and 52 lakh tonnes of refined oil from other Asian nations, according to BPC data.

Crude oil is shipped from Saudi Arabia's Ras Tanura Port and the UAE's Jebel Dhanna and Fujairah Ports. LNG comes from Qatar's Ras Laffan Port.

"All fuel products used in Bangladesh are imported from the Middle East," said Abdul Mannan Patwary, director for planning at

Petrobangla.

"We are in constant

FROM PAGE BI

"This year, overall business was weak due to slower sales growth and higher costs," said Md Kyser Hamid, an executive member of the Bangladesh Association of Publicly Listed Companies (BAPLCO).

Manufacturers who deferred letters of credit (LC) payments were hit hard by the sharp depreciation of the local currency, while finance costs rose as bank interest rates climbed, he added.

Among individual firms, Grameenphone recorded the highest profit in the quarter at Tk 633 crore, followed by Square Pharmaceuticals at Tk 605

crore and United Power at Tk 417 crore.

However, Grameenphone's profit fell by more than half as lower data prices, weaker consumer spending, and ongoing macroeconomic pressures took their toll.

Top profit-makers such as British American Tobacco (BAT) and Walton Hi-Tech Industries also saw earnings decline.

BAT was hit by lower sales, while Walton's profits fell due to higher costs, including rising finance charges.

During the January-March period, some banks performed better, benefiting from higher yields on

government bonds.

BRAC Bank, Jamuna Bank, Pubali Bank, and Eastern Bank PLC all reported solid profit growth during the quarter.

Many banks, however, fared poorly. First Security Islami reported the largest loss, at Tk 575 crore, followed by IFIC Bank at Tk 499 crore and AB Bank at Tk 255 crore.

The banking sector underwent a major shake-up since the political changeover on August 5 last year.

Politically influenced bank boards were dissolved and restructured, and tighter central bank

oversight exposed the poor state of many commercial lenders. Large volumes of bad loans, previously hidden, came to light.

"Many banks had to reclassify regular loans as non-performing," said Hamid, who is also managing director and chief executive of Bangladesh Finance.

"This hurt profits in two ways. These loans stopped generating interest income, and the banks had to set aside provisions for the bad loans," he said.

Hamid added that high deposit costs also put pressure on the bottom line of banks.

Saudi Aramco recently sent a shipment of crude oil to BPC. The tanker MT Nordic Freedom, carrying 100,000 tonnes, left Ras Tanura on June 16 and has since passed safely through Hormuz.

The BPC is now focused on the safe arrival of another shipment from Abu Dhabi National Oil Company, due to leave for Bangladesh on July 6 with 100,000 tonnes of crude oil.

Officials also recalled how a Bangladeshi commercial vessel was hit by a missile during the Russia-Ukraine war.

Despite the tension, Finance Adviser Salehuddin Ahmed yesterday said the government will not raise fuel prices immediately. "We bought at the previous price, so there will be no impact on fuel prices," he told reporters at the Secretariat.

He said the government is keeping a close eye on the situation. "Although global prices have risen slightly, our current orders remain unaffected," he added.

RMG exports to non-traditional markets

FROM PAGE BI

The European Union remained the largest destination for Bangladesh's readymade garment (RMG) exports, accounting for 49.91 percent of total shipments, or \$18.25 billion.

The United States followed with exports

worth \$7.03 billion, reflecting a 19.23 percent increase. Canada and the UK contributed \$1.20 billion and \$4.04 billion, respectively.

Year-on-year, RMG exports to the EU, US, and Canada rose by 10.46 percent, 15.97 percent, and 14.14 percent, respectively.

The UK registered more modest growth of 3.96 percent.

Within the EU, Germany was the top export destination, with shipments amounting to \$4.58 billion, followed by Spain at \$3.16 billion and France at \$2.00 billion, the data showed.

Meanwhile, the knitwear segment of the garment sector posted robust 10.98 percent growth, while woven garment exports increased by 9.30 percent.

Overall, RMG exports reached \$36.56 billion in the July-May period, up 10.20 percent from the same period a year ago.

"All fuel products used in Bangladesh are imported from the Middle East," said Abdul Mannan Patwary, director for planning at

Petrobangla.

"We are in constant

Government of the People's Republic of Bangladesh

Office of the Senior Assistant Director

Regional Duck Breeding Farm including Hatchery, Habiganj

Department of Livestock Services (DLS)

Ministry of Fisheries and Livestock

Phone: 01730555217

Date: 18/06/2025

Invitation for e-Tender

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no hard copies will be accepted. Further information and guidelines are available in the National e-GP Portal and from e-GP help desk (helpdesk@eprocure.gov.bd)

Sl. No.	Tender ID & Reference No	Name of Tender	Last Selling Date and Time	Opening and Closing Date & Time

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Plastic industry seeks VAT relief

STAR BUSINESS REPORT

Plastic goods manufacturers yesterday urged the government to reduce the value-added tax (VAT) on plastic tableware and household items from the proposed 15 percent to 5 percent, warning that it would otherwise severely impact low- and middle-income consumers.

"The proposed hike in VAT will disproportionately burden ordinary citizens, especially those at the grassroots level," said Shamim Ahmed, president of the Bangladesh Plastic Goods Manufacturers and Exporters Association, at a press conference at its headquarters in the capital.

The association said nearly 20 percent of establishments in the plastics sector have been facing difficulties over the last two years.

A combination of economic pressures, including rising fuel prices and high interest rates, has affected the plastic goods manufacturers, said Ahmed.

"We call on the government to retain the existing 5 percent VAT rate to ease the pressure on consumers," he added.

The toy industry has been growing, but the import of raw materials is subject to tariffs of more than 87 percent, he said, urging the government to bring it down.

He said the plastics sector has made substantial contributions to exports and employment in recent years and deserves policy support to ensure its continued growth.

"Without it, the industry will struggle to survive," he said.

The association said it has consistently advocated for measures such as duty reductions on raw materials, tax relief for recycled products, and incentives for capital equipment to encourage modernisation and competitiveness in global markets.

Small footwear makers call for VAT waiver

STAR BUSINESS REPORT

Small-scale footwear manufacturers have urged the interim government to exempt low-cost rubber and plastic footwear, priced at or below Tk 150, from the 15 percent value-added tax (VAT).

The current tax policy is pushing the industry towards collapse, said the Bangladesh Footwear Manufacturers' Association at a press conference at the Dhaka Reporters' Unity on Tuesday.

They said the withdrawal of the VAT exemption has increased production costs, reduced demand, forced factory closures, and caused significant job losses, particularly among informal workers.

Mohammad Fazlu, president of the association, said the government had been providing VAT exemption on plastic and rubber footwear since 2016, considering the growth of the local industry and the financial capacity of consumers.

However, midway through fiscal year 2024-25, the National Board of Revenue (NBR) withdrew the facility through a statutory regulatory order issued on January 9 this year, he said.

He added that the proposed budget for fiscal 2025-26 has retained the VAT, continuing the pressure on small producers.

"Our main customers are low-income people like hawkers, rickshaw-pullers, day labourers, and others at the bottom of the pyramid. The VAT burden is directly impacting them," Fazlu said.

Trump says EU not offering 'fair deal' on trade

AFP, Washington

US President Donald Trump said Tuesday that the European Union had yet to offer a "fair deal" on trade, as Washington negotiates tariff agreements with friends and foes alike.

"We're talking but I don't feel that they're offering a fair deal yet," Trump said of the EU, speaking to reporters on board Air Force One before arriving back in the United States from a G7 summit in Canada.

"We're either going to make a good deal or they'll just pay whatever we say they will pay."

Shortly after taking office, Trump upended the global economic order by accusing the United States' trading partners of unfair practices and he announced huge global tariffs.

Trump imposed a blanket 10 percent tariff on most US trading partners and unveiled higher individual rates on dozens of economies, including India and the European Union – although he swiftly paused the elevated rates.

The pause on those higher duties is due to expire on July 9, though the White House has indicated it could extend the deadline for countries that it believes are negotiating in good faith.

The US president also imposed additional sector-specific levies on cars, steel, and aluminum that have hit many US trading partners hard, including the EU.

World leaders at the Group of Seven summit in Canada on Monday pushed Trump to back away from his punishing trade war, arguing that it posed a risk to global economic stability.



PHOTO: FIROZ AHMED

During the Eid break, there was a surplus of mangoes in the market due to the heat, but the number of buyers was low. Now the weather is more favourable and prices are going up, said an official of the Department of Agricultural Extension.

Mango prices rebound after Eid slump

SUKANTA HALDER and SHOHANUR RAHMAN RAFI

Mango prices are rising following a recent slump that had resulted in losses for many traders.

Prices of the popular summer fruit had dipped sharply in many parts of the country during the 10-day Eid-ul-Azha holiday beginning on June 5, amid an increase in supply resulting from the early ripening of the fruit due to a heatwave.

The heatwave swept through 35 to 40 districts for five days starting June 8, according to the Bangladesh Meteorological Department. This forced growers to start plucking the fruit in large quantities.

However, as temperatures began to recede and demand in cities rose, prices witnessed an uptick, both in mango production hubs and in markets—most prominently Dhaka city.

During a recent visit to the Baneshwar market in Rajshahi, The Daily Star found mangoes at prices that had been prevailing prior to the Eid drop.

Varieties such as Khrishpat (Himsagar) are now selling for Tk 2,500 to Tk 2,800 per maund (one maund equals around 37 kilograms), up from Tk 1,500 to Tk 2,000 during the holidays.

Similarly, Lakkhanbhog is priced between Tk 1,300 and Tk 1,500, compared to less than Tk 1,000 earlier.

Fazli is being sold at Tk 1,200 to Tk 1,500, Ashwina between Tk 400 and Tk 800, and Amrapali at Tk 2,000 to Tk 2,500.

"In the past few days after the holidays ended, the cooler weather has helped reduce the pressure. The demand has returned, and prices are picking up again," said Halim Uddin, a mango seller in Baneshwar.

Umme Salma, deputy director of the Department of Agricultural

Extension's Rajshahi office, echoed these observations.

"During the Eid break, there was a surplus of mangoes in the market due to the heat, but the number of buyers was low. Now the weather is more favourable and prices are going up," she told The Daily Star.

Traders and growers said that during the Eid holidays, mango producers refrained from plucking the fruit, anticipating that there would be no market access, as transport arrangements were unavailable.

Mangoes are typically shipped via courier services, which were also shut

Varieties such as Khrishpat (Himsagar) are now selling for Tk 2,500 to Tk 2,800 per maund (one maund equals around 37 kilograms), up from Tk 1,500 to Tk 2,000 during the holidays

down for several days. The heatwave put them in trouble, they said.

Sohel Rana, an agricultural entrepreneur from the Godownpara area of Sapahar upazila of Naogaon, has been tending to three mango orchards spread over 200 bighas of land.

He said that before Eid, he sold Amrapali mangoes at Tk 4,500 per maund, but prices have now fallen to less than Tk 2,500 per maund.

"Last year, Langra mangoes sold for Tk 3,000 to 3,500 per maund, but this year I'm forced to sell them for Tk 1,200 to 1,500 because they ripened too early," he said.

In his orchard, several varieties,

including Khrishpat, Langra, Amrapali, and Nag Fazli, have ripened simultaneously.

"Even the Banana mango, which usually ripens at the end of the month, has already started to ripen. I've never seen such a situation before," Rana added.

"Due to the intense heat, many mangoes ripened. On top of that, banks and courier services were closed during the Eid holidays. As a result, there is now an oversupply of mangoes in the market, forcing us to reduce prices," he said.

However, after the Eid-ul-Azha holidays, mango prices have started to rise again.

According to yesterday's market rates, the price has increased by an average of Tk 300 per maund, he added.

Munjur Alam, another grower in Chapainawabganj, said, "Because so many mangoes ripened at once, prices have dropped sharply."

He said that Khrishpat mangoes should have sold for Tk 4,000 to Tk 5,000 per maund this season but are now being sold for Tk 2,000 to Tk 3,000 due to the fall in demand.

Ujjal Hossain, a wholesaler at Dhaka's Karwan Bazaar, said he had bought Himsagar, Langra, Khrishpat, and Amrapali mangoes for Tk 2,500 to 3,500 per maund about 20 days ago.

"But due to the oversupply, I can now purchase the same mangoes for Tk 1,500 to Tk 2,000 per maund," he said.

Hossain added that on the 12th of this month, he had bought 18 maunds of mangoes at Tk 3,500 per maund but later had to sell them at Tk 1,900 per maund due to low demand.

"As a result, I incurred a total loss of about Tk 29,000," he noted.

However, the trader believes that prices are slowly beginning to rise following the Eid holidays and expects demand to increase further by the end of this month.

Will floating exchange rates attract foreign stock investors?

MESBAH UDDIN AHMED

Bangladesh's shift to a market-based currency exchange system marks an effective transformation of the country's macroeconomic policy approach. By allowing market forces to play a greater role in determining the value of the BDT, the government has signalled its commitment to transparency, flexibility and broader participation in the global market. These changes are expected to reshape foreign portfolio investment in Bangladesh's capital market.

The earlier exchange rate regime caused friction for foreign investors because of pricing ambiguity and difficulties in repatriating funds. Under the new system, exchange rates are set largely through interbank discussions, with the central bank intervening only to moderate volatility. The shift, partly driven by the terms of the IMF's extended credit facility, has improved market sentiment by making dollar pricing more predictable. Market liquidity and regulatory frameworks have long constrained the capital market, but with the BDT now more responsive to supply and demand, pricing volatility should ease. This signals a fairer playing field and a more transparent investment climate. The exchange rate has stabilised at around Tk 122 per US dollar, offering cautious investors a measure of optimism.

Since the fiscal year 2019-20, net withdrawals from overseas portfolio investments made through Non-Resident Investor's Taka Accounts (NITA) have been inconsistent. These peaked in 2020-21 at \$409 million before falling to \$75 million in 2023-24. Non-resident stock ownership declined sharply, from \$2.47 billion in 2019 to about \$1.6 billion in 2024. Over the same period, foreign holdings of debt securities fell from \$1.6 billion to \$911 million.

Apart from macroeconomic concerns, structural barriers have also weighed on investor confidence. Market liquidity remains weak, exit flexibility is limited, and while the previously imposed floor prices that hampered price discovery have been withdrawn, taxation remains an issue. Capital gains on listed stocks are taxed at 15 percent, and dividends to non-resident foreigners face a 30 percent withholding tax. Although dividend repatriation needs no prior permission, repatriating capital gains involves valuation and tax clearance.

With a market-based exchange rate now in place, there is an opportunity to reverse this trend. One of the most significant benefits of the new system is reduced exchange rate volatility. This is a potential game changer for global institutional investors, particularly those managing large frontier market mandates. A more stable currency makes it easier to price risks, assess returns and invest in Bangladeshi stocks for the long term.

Alongside the exchange rate reform, there is scope to accelerate improvements in capital market governance. This could mean more efficient capital repatriation, better regulatory coordination and simpler tax and compliance procedures for foreign investors.

The path will not be without challenges. The central bank must carefully manage its actions to uphold the credibility of the floating exchange rate and avoid distorting market signals. The macroeconomic environment remains uncertain, and rising import demand could put pressure on reserves. Still, for now, strong dollar inflows from healthy exports, steady remittances and lower import costs are supporting stability. The adoption of a market-based exchange rate, coupled with efforts to broaden market participation and improve governance, is a clear signal of Bangladesh's intention to engage more fully with international financial markets. These reforms could help position Bangladesh as a transparent, reform-driven and investable frontier market. The tide might indeed be turning.

The writer is the managing director of IDLC Investments Limited

Made in Vietnam: Hanoi cracks down on fake goods as US tariffs loom

AFP, Hanoi

Since the United States accused Vietnam of being a hub for counterfeit goods, Tran Le Chi has found it increasingly hard to track down her favourite fake Chanel T-shirts, Gucci sunglasses and Louis Vuitton handbags.

As Vietnam's government tries to head off President Donald Trump's threatened 46 percent tariff, it has launched a crackdown on fake products -- in part to show responsiveness to US concerns.

Now there are streets filled with shuttered shops in Hanoi and rows of closed stalls at Saigon Square shopping mall, a major clothing market in Ho Chi Minh City -- the kind of places Chi used to go to buy her latest gear.

"The clothes help me look trendy," Chi told AFP. "Why would I care if they are fake or not?"

Chi -- a betting agent for an illegal game known as lo de, where punters predict the last two lottery numbers of the standard daily draw -- said she had never paid more than \$40

per "designer" item.

"Only the super rich people can afford the real ones," she added. "They're not for people like us."

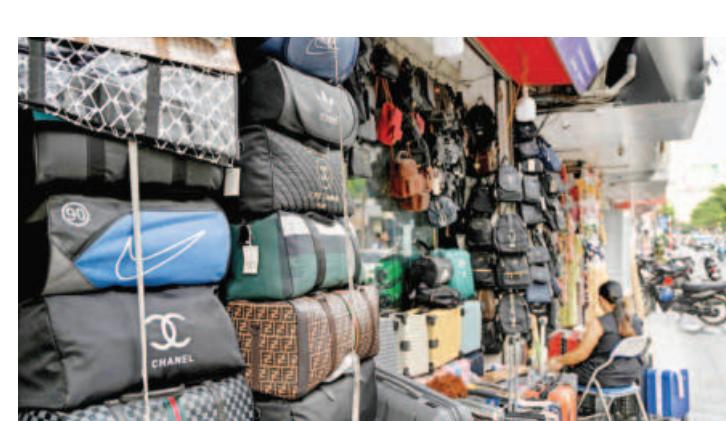
Communist-run Vietnam is a manufacturing powerhouse that produces clothing and footwear for international brands, with the United States its number-one export market in the first five months of 2025.

But it also has a thriving market for counterfeit goods.

In a report published by the US Trade Representative in January, Saigon Square shopping mall was flagged as a major market for the sale of fake luxury items including handbags, wallets, jewellery and watches.

The report noted government efforts to stamp out the trade, but said "low penalties have had little deterrent effect" and "counterfeit products remain rampant".

Shop owner Hoa, a pseudonym to protect her identity, said almost all of the fake Nike, Lacoste and North Face products she sells in her shop in Hanoi's old quarter are from China -- but tagged with a



This photo, taken on June 10, shows bags with the logos of international fashion brands for sale outside a store in Hanoi. Vietnam has launched a crackdown on fake products -- in part to show responsiveness to US concerns.

PHOTO: AFP

"Made in Vietnam" label to make them seem authentic.

She insists that all her customers know what they're getting.

"My clients are those who cannot afford authentic products," Hoa said. "I've never

cheated anyone."

Hanoi and Washington are in the thick of trade talks, with Vietnam doing everything it can to avoid the crushing 46 percent tariff that could come into force in early July.

PHOTO: AFP

authorities in April to tighten control over the origin of goods after the Trump administration accused the country of facilitating Chinese exports to the United States and allowing Beijing to get around tariffs.

The public security ministry also said there would be a three-month-long crackdown -- until mid-August -- on counterfeit goods.

Nguyen Thanh Nam, deputy head of the agency for domestic market surveillance and development, said last week that in the first five months of the year, more than 7,000 cases of counterfeit products worth more than \$8 million had been discovered.

He added that 1,000 fake Rolex watches had been seized from Saigon Square shopping mall.

Mounds of vitamins, cosmetics and sweets -- seemingly also counterfeits -- have appeared at waste grounds outside cities including Hanoi, Ho Chi Minh City and Danang, while fake electronics including Marshall speakers and smartwatches have been confiscated.