

Star BUSINESS



Govt to form panel for long-term financing from stock market

STAR BUSINESS REPORT

A joint committee will be formed soon to explore avenues for long-term financing from the capital market, establish a vibrant bond market, and reduce excessive reliance on bank loans.

The committee will comprise representatives from the finance ministry, Bangladesh Bank, and the Bangladesh Securities and Exchange Commission (BSEC).

The decision came following a meeting between the central bank and the BSEC held at the BB headquarters in Dhaka yesterday, presided over by Bangladesh Bank Governor Ahsan H Mansur.

The meeting discussed leveraging the potential of the capital market as a key source of long-term financing, according to officials from the central bank and the BSEC.

Emphasis was placed on utilising the opportunity to raise long-term capital from the capital market, thereby reducing excessive reliance on bank loans and the associated risks in the economy, and ensuring overall macroeconomic development, they added.

The meeting also discussed how and through which processes long-term capital can be supplied from the capital market.

In addition, the establishment of a vibrant bond market and increasing its liquidity were also discussed.

Finally, the meeting decided to form a joint committee to address these issues.

Participants from Bangladesh Bank included Deputy Governor Md Habibur Rahman and Adviser to the Governor Md Ahsan Ullah, while from the BSEC, Chairman Khondkar Rashid Maksud and Commissioner Farzana Lalarukh attended along with others.

Earlier, on May 11 this year, a high-level meeting was held at the residence of the chief adviser, chaired by Chief Adviser Professor Muhammad Yunus, to review the current state of the capital market and determine the necessary steps for its improvement.

At the meeting, Yunus gave five directives for the development of the capital market, one of which was: "Large companies in the country should raise capital through the capital market by issuing bonds or shares instead of relying on bank loans for long-term financing, and necessary measures should be taken in this regard."

US buyers delay apparel orders over pending tariff call

TRADE POLICY & TARIFFS

Work order confirmation is being delayed as buyers await Trump decision

Trump's 90-day tariff pause is set to end on July 8

On April 2, Trump imposed a 37% additional duty on Bangladeshi goods

A 10% baseline tariff remains applicable for all countries except China

Local exporters hope for a lower tariff rate from Trump administration



EXPORT TRENDS

Garment exports to US surged **29.33%** y-o-y to **\$2.98b** in Jan-Apr

In the same period, total US garment imports stood at **\$26.22b**

In Jul-May, Bangladesh's garment exports to US rose **19.23%** to **\$7.03b**

MAIN FOCUS NOW

Local exporters are currently focused on shipping Christmas orders, which continue through October

REFAYET ULLAH MIRDHA

Local apparel makers are seeing delays in the confirmation of work orders for the next summer season, as US retailers and brands wait for the final decision on reciprocal tariffs by the US administration, expected in early July.

Western buyers usually place orders for upcoming seasons, such as summer and autumn, between June and September.

This year, US buyers are booking production slots as usual but are taking longer to confirm orders, according to manufacturers.

They say work orders from US-based retailers and brands are still slow, as buyers are in a wait-and-see mood now.

For now, exporters are busy shipping apparel for the upcoming

Christmas season. These shipments are expected to continue until the first week of October.

Like other countries, these consignments from Bangladesh will face an additional 10 percent baseline tariff imposed by the Trump administration.

In early April, US President Donald Trump announced high reciprocal tariffs on imported goods, set to take effect from April 9. But just before the date, he announced a three-month pause, pushing the deadline to July 9.

Local exporters are hoping

Washington will reconsider the proposed rates for key sourcing countries such as Bangladesh.

Faruque Hassan, managing director of Giant Group, said that under the new tariff plan, Bangladeshi products would face the highest rate after China, at 26 percent, including the additional 10 percent baseline tariff.

Hassan expressed hope that the US would not impose such a high rate, pointing out that it would be the steepest ever for Bangladeshi goods in the American market.

READ MORE ON B3

WB offers first loan guarantee for LNG purchase

REJAUUL KARIM BYRON and MAHMUDUL HASAN

For the first time, the World Bank, which traditionally provides development project loans and budgetary support, has extended its assistance through a guarantee facility to support Bangladesh in purchasing liquefied natural gas (LNG), aiming to ease pressure on the country's foreign exchange

World Bank in a statement.

According to the World Bank, imported LNG accounts for over one-fourth of total gas consumption in Bangladesh. LNG imports cost Bangladesh \$4.5 billion annually (including import duties and regasification costs).

"The project will help Bangladesh enhance gas supply security in a cost-efficient manner, contributing to reliable

THE GUARANTEE WILL ENABLE ...

\$7.5m of direct financial savings

\$400m of indirect financial savings

Up to \$1.2b of fiscal savings

reserves.

The World Bank approved a \$350 million guarantee for state-owned oil and gas company Petrobangla yesterday. The initiative is intended to enhance gas supply security by enabling access to more cost-effective financing.

This project, titled "Energy Sector Security Enhancement," will utilise an International Development Association (IDA) guarantee to mobilise up to \$2.1 billion in private capital over seven years for new LNG imports, according to a World Bank document.

The backing of an IDA guarantee will improve Petrobangla's creditworthiness to secure LNG supplies, said the

and affordable electricity for industries and domestic users," said Olayinka Bisiriyu Edebiri, a World Bank senior energy specialist.

Zahid Hussain, former lead economist at the World Bank's Dhaka office, said, "It will reduce the financing cost by 1 percent due to the IDA guarantee."

"So, I think it's the right decision as Bangladesh can save \$1 in every \$100 spent on LNG purchases," he told The Daily Star.

According to the World Bank document, Bangladesh can obtain a number of financial and economic benefits, such as an estimated \$7.5 million in direct financial savings due to the lower financing cost.

READ MORE ON B3



Govt unveils new renewable energy policy

Target set to meet 20% of power demand from green sources by 2030

ASIFUR RAHMAN

The government has updated the Renewable Energy Policy after 17 years, aiming to produce at least 20 percent of the national power demand from green sources by 2030.

The new policy offers a 10-year corporate tax exemption for all government and private renewable energy producers, followed by another five years of partial tax exemption.

The Renewable Energy Policy 2025 was uploaded on the Power Division's website yesterday. It allows all types of customers—residential, industrial, and commercial—to set up renewable energy systems on rooftops, in yards or premises.

The power produced can be sold to government agencies or private entities, following the Net Metering Guidelines 2018, it said.

Currently, Bangladesh has a capacity of around 1,563 megawatts (MW) of grid and non-grid power from renewable energy, which is about 8 percent of the current demand and

5.6 percent of the country's total capacity of 27,426 MW.

The government will encourage peer-to-peer (P2P) trade in renewable energy—a decentralized system that enables electricity consumers with solar panels or renewable systems to directly trade the excess electricity they generate with other consumers using distribution and transmission networks.

Electricity distribution companies will cover their commanding areas for electrification through solar mini, micro, nano, and pico grids or hybrid systems incorporating other renewable energy sources, where electrification by the national grid is not feasible, the policy said.

In addition, the private sector may install and operate solar- or RE-based mini, micro, nano, and pico grids on a competitive market basis, wherever applicable. The electricity distribution tariff will be determined by the Bangladesh Energy Regulatory Commission.

The Sustainable and Renewable

READ MORE ON B3

ICAB, ICMAB lock horns over audit capacity, roles

STAR BUSINESS REPORT

Chartered accountants yesterday described the claims by cost and management accountants regarding audit rights as "misleading and unprofessional".

At a press conference in Dhaka, the Institute of Chartered Accountants of Bangladesh (ICAB) rejected the allegations made by the Institute of Cost and Management Accountants of Bangladesh (ICMAB) about audit capacity, professional roles, and sectoral responsibilities.

The ICAB said the accusations were "factually incorrect".

The response came two days after the ICMAB called for cost and management accountants to be given audit roles. The body had claimed its members were capable of meeting the country's audit needs and pointed to a supposed shortage of auditors.

It also alleged that a weak auditing ecosystem had enabled the laundering of \$17 billion over the past 15 years, contributed to the rise of non-performing loans, fuelled a stock market crisis, and deterred foreign investment.

At the press conference, ICAB President Maria Howlader dismissed all the accusations, calling them "baseless".

"It is undoubtedly regrettable that a national institution like ICMAB would engage in such unprofessional conduct by spreading misinformation and flashy statistics to mislead the nation," she said.

Howlader said that since independence, Bangladesh had undergone many political and economic shifts, yet the ICAB had consistently supported nation-building with political neutrality and a strong commitment to standards and transparency.

She argued that blaming auditors for alleged money laundering, the rise in bad loans, the share market crisis, and reduced foreign investment showed a clear intention to defame the profession.

On the claim that the country lacks auditors for its firms, Howlader pointed out that if the National Board of Revenue's Document Verification System (DVS) is considered, the number of active companies is closer to 60,000, rather than 300,000.

The DVS was introduced to verify the authenticity of audited accounts.

At the press briefing, the ICAB disputed ICMAB's figure about chartered accountants.

Howlader said Bangladesh has 613 practising chartered accountants, supported by another

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Starlink users report smooth service, minor issues

MAHMUDUL HASAN

Early users of Starlink, the satellite internet service recently launched in Bangladesh, have expressed satisfaction over its high-speed and stable connection.

Since the official rollout announcement on May 20 via Starlink's official X (formerly Twitter) account, customers across the country have been receiving and testing their kits, reporting download speeds between 200 Mbps and 450 Mbps, and upload speeds

Mbps upload speeds," said Rahman.

"I'm planning to run over 25 devices of my extended family members, including 40 to 50 IoT devices such as Alexa and Google Home. Initial experience is great and getting connection without any interruption in spite of relentless rains," he said.

Despite being a broadband provider himself, Rahman welcomed Starlink's arrival.

"The ISP market has already seen a seismic shift in the past three months, just

KEY POINTS

Starlink users report fast, stable internet with minor limitations

It delivers **200-450** Mbps download speeds

Users report stable connectivity even during heavy rain

Setup takes **15** minutes with app-based alignment support

Mini Kit ideal for portability, costs **Tk 26,800** in total

Customs delays affect delivery despite fast international shipping

Rooftop placement crucial; indoor signal varies significantly

No fixed IP makes it unsuitable for servers

ranging from 15 Mbps to over 40 Mbps.

Md Mashur Rahman, a broadband internet service provider (ISP) based in Dhamrai, Savar, shared his hands-on experience after ordering the Starlink Standard Kit from Starlink.com on May 21.

He received the hardware components needed to access the service on June 16 and installed it the same day on the rooftop of his two-storey house.

The setup cost him around Tk 49,000, including courier charges, and there is an additional Tk 6,000 per month subscription fee for the "Starlink Residential" package.

"On average, I'm getting 300 Mbps to 350 Mbps download and 40 Mbps to 50

from the news of Starlink. Earlier, I offered 5 Mbps to clients. Now I've upgraded them to 10 Mbps to 20 Mbps and even offer uncapped streaming that sometimes hits 300 Mbps to 400 Mbps," he said.

However, he noted that Starlink's signal strength varies significantly based on placement.

"It works best on the northeast side of the house. Lower floors or rooms without sky-facing windows struggle to get a usable signal," said Rahman.

FROM LONG BEACH TO DHAKA: A SMOOTH DELIVERY, BUT DELAYS IN CUSTOMS

Niaz Morshed Shovon, system

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BRAC Bank declares 25% dividends

STAR BUSINESS DESK

BRAC Bank PLC has declared a 25 percent dividend, including a 12.5 percent cash dividend, for the year 2024.

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

Presided over by Chairperson Meheriar M Hasan, the AGM was also attended by Faruq Mayeenuddin Ahmed, vice-chairperson; and Farzana Ahmed, Anita Ghazi Rahman, Chowdhury MAQ Sarwar, and Lila Rashid, directors.

In his remarks, Hasan highlighted the bank's outstanding financial performance despite macroeconomic challenges. A key highlight of 2024 was customer deposits growing by 34 percent and loans and advances by 20 percent on a standalone basis.

He thanked the shareholders,



PHOTO: BRAC BANK

Meheriar M Hasan, chairperson of BRAC Bank PLC, presides over the bank's 26th annual general meeting, which was held virtually recently. At the meeting, a 25 percent dividend, including a 12.5 percent cash dividend, was declared for 2024.

regulators, coworkers, and stakeholders for their continuous support and trust, and expressed his strong optimism that the bank would achieve even more growth in 2025 and beyond.

Tareq Refat Ullah Khan, managing director and chief executive officer (current charge) of the bank, thanked shareholders for their unwavering trust and confidence in the bank.

M Mahbubur Rahman, company secretary, moderated the AGM, where a significant number of shareholders took part.

The shareholders were informed that the bank reported a 73 percent year-on-year increase in net profit after tax (NPAT), reaching Tk 1,431 crore on a consolidated basis in 2024, compared to Tk 828 crore in the previous year.

On a standalone basis, NPAT stood at Tk 1,214 crore, marking a 66 percent rise from Tk 730 crore in 2023.

Walton Digi-Tech wins Global Brand Award

STAR BUSINESS DESK

Walton Digi-Tech Industries Limited has been honoured with the "Global Brand Award" in 2025 by the UK-based publication Global Brands Magazine, in the category of "Most Trusted IT & Electronics Manufacturer".

Touhidur Rahman Rad, chief business officer of the company, also received the "Most Innovative Chief Business Officer" award in the Leadership category of the magazine, according to a press release.

Walton Digi-Tech, one of the largest technology and electronics product manufacturers in the country, has been locally producing and marketing a wide range of technology-based products and components, including laptops, desktop computers, monitors, printers, and tablets.

The company has made the 'Made in Bangladesh' vision for technology products a reality.

A nationwide distribution network, world-class technical expertise, a dedicated research and development unit, and a commitment to technological innovation have elevated Walton to new heights.

In addition to rising demand in the domestic market, Walton's relentless focus on quality, innovation, and customer satisfaction has firmly established it as one of the most trusted brands in the country.

This year's awardees included globally renowned companies such as Bosch (Germany), Airbus (France), 3M (United States), and Unilever (United Kingdom), all of which have long maintained leadership positions in the global market.

Headquartered in the United Kingdom, Global Brands Magazine annually recognises leading companies across various sectors that demonstrate outstanding expertise, innovation, and reliability in their respective domains.

Organisations from industries such as technology, finance, education, automotive, and lifestyle are acknowledged on this prestigious platform.

Dutch-Bangla Bank announces 20% dividends

STAR BUSINESS DESK

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

The announcement was made during the bank's 29th annual general meeting (AGM), which was held virtually yesterday, according to a press release.

Presided over by Chairman Sadia Rayen Ahmed, the AGM was attended by a large number of shareholders.

The audited financial statements of the bank for the year ended on December 31, 2024 were placed before the AGM.

The shareholders approved the financial statements for 2024 and made various observations and suggestions regarding the bank's performance.

As of December 31, 2024, the bank's total assets stood at Tk 67,987.55 crore, compared to Tk 59,388.31 crore in 2023, registering a growth of 14.5 percent to Tk 8,599.24 crore.

The bank's loans and advances stood at Tk 42,868.94 crore at the end of 2024,



PHOTO: DUTCH-BANGLA BANK

Sadia Rayen Ahmed, chairman of Dutch-Bangla Bank PLC, presides over the bank's 29th annual general meeting (AGM), which was held virtually yesterday. At the meeting, a 20 percent dividend, including a 10 percent cash dividend, was declared for 2024.

reflecting a 4.0 percent increase from Tk 41,207.30 crore at the end of 2023.

Deposits rose by Tk 4,928.24 crore to Tk 52,187.25 crore in 2024, up from Tk 47,259.01 crore at the end of 2023, showing a growth of 10.4 percent.

In 2024, the bank's profit before tax stood at Tk 536.95 crore, while profit after tax stood at Tk 473.48 crore.

During the year under review, earnings per share attributable to shareholders were Tk 5.39.

The capital to risk-weighted assets ratio (CRAR) under Basel III stood at 13.8 percent at the end of 2024, against the Bangladesh Bank's minimum requirement of 12.50 percent.

The meeting approved the reappointment of Tang Yuen Ha as a director of the bank.

It also appointed PKF Aziz Halim Khair Choudhury, Chartered Accountants, as the external auditor, and Hoda Vasi Chowdhury & Co, Chartered Accountants, as the corporate governance compliance auditor of the bank for the year 2025.



PHOTO: NRBC BANK

Md Ali Hossain Prodhania, chairman of NRBC Bank PLC, presides over the bank's 204th meeting of the board of directors at its head office in Dhaka on Wednesday. Md Abul Bashar and Md Anwar Hossain, independent directors; Md Nurul Haque, chairman of the risk management committee; Muhammad Emdad Ullah, chairman of the audit committee; Md Touhidul Alam Khan, managing director and CEO; and Mohammad Ahsan Habib, company secretary; were also present.



PHOTO: UNION BANK

Md Fariduddin Ahmed, chairman of Union Bank PLC, presides over the bank's 41st meeting of the board of directors at its head office in the capital's Gulshan-1 yesterday. Md Humayun Kabir, chairman of the board risk management committee; Md Shahidul Islam Zahid and Mohammad Saiful Alam, independent directors; Md Humayun Kabir, managing director and CEO; and Shafiquddin Ahmed and Mohammad Iqbal, deputy managing directors; were also present.

Fed keeps interest rates unchanged

AFP, Washington

The US Federal Reserve held interest rates steady for a fourth consecutive meeting Wednesday, forecasting higher inflation and cooler growth this year as President Donald Trump's tariffs begin to take hold and geopolitical uncertainty swirls.

Fed Chair Jerome Powell told reporters the central bank would make better decisions if it waited a few months to understand how tariffs impact inflation, spending and hiring, in a sign that the next rate adjustment could take some time to materialise.

For now, he expects to learn more "over the summer," while officials appear increasingly divided on whether they can cut interest rates at all in 2025.

The Fed kept the benchmark lending rate at a range between 4.25 percent and 4.50 percent at the end of its two-day meeting, with officials penciling in two rate reductions this year, similar to earlier projections.

China AI push writes source code for tech M&A boom

REUTERS, Hong Kong

Artificial intelligence is powering China tech's M&A resurgence. Video-games giant Tencent and Alibaba are eyeing acquisitions again, in the latest sign that sidelined stars are out of the sin bin. But chipmaking is driving most deals this year, like Hygon's \$16 billion mega-merger with supercomputer maker Sugon.

A crackdown to rein in what Beijing deemed the "reckless expansion of capital" had cast a chill on dealmaking among the country's once-acquisitive private-sector giants. The campaign, which kicked off when officials derailed Ant's public debut in late 2020, saw antitrust regulators hit e-commerce group Alibaba with a record \$2.8 billion fine and scupper Tencent's \$5 billion merger of two local streaming units, among other things. By 2022, onshore M&A activity in tech and publishing had more than halved in value from the previous year, to \$51 billion, according to data from Dealogic. Last year, just \$42 billion worth of deals were announced. Outbound acquisitions have similarly slowed, hitting just \$8 billion in 2024.

Things are starting to look up. Last week, Tencent's music streaming arm said it would buy domestic podcast specialist Ximalaya for \$2.4 billion in cash and stock. The parent company may also be keeping an eye overseas: Bloomberg reported that it had studied a deal for Tokyo-listed Nexon, though someone close to Tencent told Breakingviews that it was not considering an acquisition of the \$16 billion game developer. Even Alibaba, which has focused more on offloading non-core assets under boss Eddie Wu, is back on the

hunt: last month, it bought \$250 million worth of convertible bonds in photo app Meitu as part of a broader partnership.

Even so, a new crop of chipmakers and AI outfits, rather than established internet giants, has taken the lead in M&A activity. That's largely thanks to Beijing pushing for consolidation in the country's fragmented semiconductor industry, which has been hobbled by

government wants to consolidate some 200-plus chip equipment suppliers to just 10, though officials have yet to confirm this. Regardless, in both state policy and boardrooms, AI is taking centre stage.

China's Tencent is studying a potential deal for Tokyo-listed Nexon, Bloomberg reported on June 12 citing people familiar with the matter, and has contacted the South Korean family of Nexon's late



PHOTO: AFP/FILE

A robot serves coffee during the Global Developer Conference, organised by the Shanghai AI Industry Association, in Shanghai.

U.S. export controls and sanctions. AI chipmaker Hygon Information Technology is answering the call by merging with Sugon in what will be this year's biggest local tech deal. Other recent chip-related activity includes memory specialist YMC's \$1.3 billion fundraising and National Silicon Industry's near-\$1 billion investment in a peer.

More tie-ups are on the way. According to media reports, the

founder, Kim Jung-ju. Someone close to Tencent, however, told Breakingviews that the company has not reached out to the founder's family to discuss a deal and is not considering an acquisition of Nexon.

Separately, Tencent's music-streaming subsidiary on June 10 said it would buy Chinese long-form audio platform Ximalaya for \$2.4 billion in cash and stock.

Gold prices holds steady

REUTERS

Gold prices held steady as investors kept an eye on the conflict between Israel and Iran, while platinum scaled its highest level since September 2014 on speculative buying.

Spot gold was steady at \$3,369.79 an ounce at 0955 GMT. US gold futures fell 0.6 percent to \$3,387.30.

"We're not expecting that gold prices will fall back to 3,000 because there are a lot of uncertainties," said ANZ Commodity Strategist Soni Kumari, pointing to whether the US decides to become directly involved in the conflict.

Iranian missiles struck an Israeli hospital on Thursday while Israel hit targets across Iran as President Donald

Trump kept the world guessing about whether the US would join Israel in air strikes seeking to destroy Tehran's nuclear facilities.

Meanwhile, the Fed held interest rates steady on Wednesday and policymakers still forecast cutting rates by half a percentage point this year, but slowed their overall outlook for rate cuts in response to a more challenging economic outlook.

However, Fed Chair Jerome Powell cautioned against putting too much weight on this outlook, warning of "meaningful" inflation ahead as higher import tariffs loom.

Gold is considered a safe-haven asset during times of geopolitical and economic uncertainty. It also tends to thrive in a low-interest rate environment.

China's new currency order faces

FROM PAGE B4

domestic banks controlled by the state buy up the lion's share of government bonds issued and hold them to maturity. That saps market liquidity.

Meanwhile the euro area has an open capital account and proper hedging tools, but is comprised of 20 member states with individual credit ratings and differing appetites for bond issuance.

For both the euro and yuan to pose a serious challenge to the dollar, then, requires two major changes: China needs to open its capital account and substantially change the investment behaviour of its banks; and the

eurozone needs most of its member states to sufficiently improve their credit ratings while also spurring enough issuance.

From this perspective, a multi-pronged assault on US dollar hegemony looks like a long shot - especially given that the new measures Pan flagged this week to boost yuan internationalisation were marginal at best, in line with President Xi Jinping's stated desire for a firm exchange rate. The ECB may well take a crack at dethroning the greenback, which Beijing will cheer. But for as long as it keeps its capital account cloister-tight, China won't be ramping up its own

efforts.

Pan Gongsheng, governor of China's central bank, said at a financial forum in Shanghai on June 18 that he expected the largely US dollar-based global monetary system to become multipolar, ultimately helping to "better safeguard global financial stability".

Pan's comments came a day after European Central Bank President Christine Lagarde wrote in the Financial Times that a "global euro" moment had arrived as the dollar's dominance is called into question, pointing to "protectionism, zero-sum thinking and bilateral power plays".

Weak dollar

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Yet the cause-and-effect was the other way around in recent years, as a spike in oil prices after Russia's 2022 Ukraine invasion spurred inflation and steep Federal Reserve interest rate rises, followed by a subsequent decline in oil prices and inflation and the beginning of a Fed easing cycle.

During that series of events, the dollar moved broadly in tandem with energy prices.

When the oil price doubled between mid-2021 and the immediate aftermath of the Ukraine invasion, the dollar index surged by 20 percent, magnifying the impact of rising energy costs for Europe and elsewhere.

But that relationship broke down again last year after the US election, as the dollar initially climbed even as oil prices fell.

While the positive correlation resumed after January, the surge in crude this month after the Israel-Iran war broke out has not been matched by a strengthening dollar. Indeed, the greenback is still flirting with new lows.

The relationship depends on the backdrop of course. Right now, the primary concern is that a decade of relentless dollar strength now faces a multi-year unwind as trade, economic and investment imbalances are forced to correct.

If that prevails, any renewed oil spike would be less severe than last time for the global economy at large.

Law drafted to present securities rules, ordinance in one act

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has drafted a law amalgamating the Securities and Exchange Ordinance, 1969 and the Bangladesh Securities and Exchange Commission Act, 1993 in order to offer both sets of rules in a single act.

The commission has sent the draft act to the task force committee for its opinion on the proposed rules.

All drafting activities are at the final stage, according to Md Ali Akbar, a commissioner of the BSEC.

To protect investors' interests and develop the capital market, there are currently two different substantive rules, which will be consolidated into a single act so that people can access both in one law, he said.

There will be no significant changes in the draft rules, except for the incorporation of some minor sections.

The Securities and Exchange Ordinance, 1969 was written in English, but the draft is written in Bangla for easy understanding by the general public, he said.

Akbar said he is hopeful of submitting the draft rules to the FID very soon.

Meanwhile, a meeting was held last month at the FID, where reform activities of several organisations under the finance ministry were discussed.



Workers earn Tk 1,000 a day to build 15-by-45-foot fishing boats using mahogany and chamble wood. Each boat, made over 15 to 20 days, is sold to fishermen for Tk 1.6 lakh. The photo was taken in Chandramohan area of Barishal sadar upazila recently.

PHOTO: TITU DAS

Stocks end lower, turnover falls

STAR BUSINESS REPORT

Indices on the Dhaka Stock Exchange (DSE) closed lower yesterday, reversing the gains of the previous session.

The DSEX, the benchmark index of the premier bourse, lost 22.41 points, or 0.46 percent, to close at 4,754.41.

The Shariah-compliant DSES index went down 0.47 percent to 1,037.69, while the DS30, which represents blue-chip stocks, dropped 0.29 percent to 1,782.20.

Turnover, a key indicator of market activity, hit Tk 305 crore, down from Tk 327.83 crore in the previous session.

A total of 114,792 trades were executed during the session, with block transactions amounting to Tk 16.53 crore across 36 scrips.

Market breadth remained negative, with 71 issues advancing, 258 declining, and 69 remaining unchanged.

Among A-category shares, 42 advanced, 144 declined, and 34 remained unchanged.

In the B category, 18 scrips gained and 58 declined, while there was no trading activity in N-category shares.

Performance across other segments was mixed.

In mutual funds, 5 issues advanced and 13 declined. In corporate bonds, no issues gained and two declined.

Government securities saw two issues advance and two decline.

Desh Garments posted the highest gain of the day, surging 9 percent, while Premier Leasing & Finance was the worst performer, shedding 6 percent.

Govt unveils new renewable energy policy

FROM PAGE B1

Development Authority (SREDA) will introduce a renewable purchase obligation—a regulatory mandate requiring all power utilities (government agencies involved in power production, transmission, and distribution), as well as other selected entities or consumers, to purchase a certain percentage of power from renewable sources.

A Renewable Energy Certificate will also be introduced. This will be a tradable certificate representing the environmental attributes of one megawatt-hour (MWh) of electricity generated from a renewable energy source.

The policy allows SREDA to act as a nodal agency under the Power Division, responsible for coordinating, managing, and overseeing all grid-connected and off-grid renewable projects.

“SREDA shall develop the renewable energy roadmap or implementation plan within a time frame based on this policy,” it reads, adding that SREDA shall encourage and promote human resource development and local production of renewable energy equipment, and facilitate and monitor the quality of such equipment.

The agency will initiate the establishment of a national quality control and research laboratory for renewable energy equipment and infrastructure. Additionally, the policy states that equipment can also be tested in any accredited laboratory recognized by the Bangladesh Accreditation Board or in local laboratories enlisted by SREDA.

The policy aims to reduce electricity prices and government subsidies;

harness the potential of renewable energy resources and promote related technologies; encourage local manufacturing of renewable energy equipment; and scale up renewable capacity to ensure energy security and reduce dependence on fossil fuels.

The policy defines renewable energy as “energy generated from natural resources that are constantly replenished, such as sunlight, wind, rain, tides, waves, geothermal heat, and other similar sources.”

Other sources include geothermal energy, tidal energy, river currents, wave energy, green hydrogen, green bio-fuel, biomass, and waste-to-energy. It introduces 13 types of solar-based technology, including solar street lights, home systems, drinking water systems, rooftop solar, floating solar, and EV

charging stations.

Coexistence of agriculture with renewable energy projects, such as agri-voltaic systems, will be encouraged to ensure food security alongside energy security. The policy adds that the government may allocate land—such as fallow land, government khas land, char areas, riversides, seashores, and hilly terrains—for renewable energy project development.

“Land having no agricultural value or other co-benefits will be prioritized in the land allotment process... Various organisations like Bangladesh Railway, Roads and Highways Department, Bangladesh Bridge Authority, BWDB, BIWTA, EPZ, EZ, BSCIC, etc., own large amounts of unused land or open spaces that can be effectively utilized for the development of renewable energy projects.”

ICAB, ICMAB WB offers first loan guarantee

FROM PAGE B1

145 qualified accountants and more than 12,000 professional accounting staff, all working across 259 firms.

However, ICMAB earlier said that the number of practising chartered accountants is around 500, while the number of overall professionals is 2,000.

Howlader added that the number of active entities is much lower than the total registered, a point that even ICMAB acknowledges.

She said that in 2024, nearly 58,000 Document Verification Codes were generated to confirm accounts audited by chartered accountants, matching the number of tax returns filed. This, she argued, shows there is no shortage of auditors.

The ICAB also rejected ICMAB's claim that it is a founding member of the International Federation of Accountants. Only ICAB holds that position on behalf of Bangladesh, it said.

Hours after ICAB's press conference, the ICMAB issued a statement standing by its claims.

It called for urgent talks at the highest level, overseen by the Financial Reporting Council (FRC) as well as the commerce and finance ministries.

FROM PAGE B1

The country can also avail around \$400 million in indirect financial savings as a result of facilitating the shift from procurement of LNG cargoes under the spot market mechanism to a long-term arrangement.

Furthermore, it can secure up to \$1.2 billion in fiscal savings through the displacement of expensive liquid fuels in the power sector, with associated emissions reductions and broader benefits to the economy.

It said the proposed operation involves a revolving working capital facility backed by an IDA payment guarantee to mobilise commercial financing and address payment security and immediate liquidity needs in the sector.

This is coupled with technical assistance to support the analytical work for short- and long-term gas sector planning, reforms, and institutional capacity building.

These reforms would aim to diversify gas suppliers, reduce losses, and improve Petrobangla's financial and operational efficiency.

As a secure working capital financing for Petrobangla in US dollars, the facility is intended to enhance Petrobangla's ability to procure LNG

by complementing the existing stand-by letters of credit and working capital lines provided by the International Islamic Trade Finance Corporation (ITFC).

The development partner also said the interim government is focused on sustaining the emerging signs of economic recovery, amid mounting energy import bills and associated pressure on the country's foreign exchange reserves.

The energy sector's reliance on imported primary fuels places stress on the economy, particularly as Bangladesh struggles with the availability of foreign exchange necessary to finance essential imports.

Imported LNG has supported about 30 percent of total gas needs since 2018 to backfill declining domestic gas reserves.

The absence of gas supply security in the power sector has significant fiscal costs for Bangladesh due to the high costs of generation from alternative sources.

Bangladesh Power Development Board (BPDB), as the single buyer for the power sector, is reliant on Petrobangla for gas supplies for its fleet of gas-fired power plants, it

said. According to the project document, to meet shortfalls due to the lack of availability of gas and other system constraints, Bangladesh imports electricity mostly from India.

However, this is insufficient to meet growing demand. This shortage of gas has forced the BPDB to rely on expensive oil-based power generation that is three to eight times the cost of gas-based power generation.

The reliance on expensive oil-based power generation inhibits cost recovery for the BPDB, given the cap on downstream consumer power prices, resulting in a reliance on government subsidies to close the revenue gap at the level of the BPDB.

Delays in receiving subsidies from the government constrain the BPDB's financial position, which in turn is unable to make timely payments to Petrobangla.

This creates a challenging cycle, as difficulties in payment collection from the power sector exacerbate Petrobangla's liquidity issues, leaving it saddled with high arrears—total receivables of Petrobangla as of June 2024 stood at \$2.6 billion.

US buyers delay apparel orders

FROM PAGE B1

He said the US work orders for the next season are yet to pick up, as buyers are waiting for the final decision on the tariff.

Between January and April this year, garment exports from Bangladesh to the US, the country's largest single-nation market, rose by 29.33 percent year-on-year to \$2.98 billion, according to data from the Office of Textiles and Apparel (OTEXA).

The US imported \$26.22 billion worth of apparel during this period.

On a fiscal year basis, garment exports to the US increased by 19.23 percent to \$7.03 billion during July to May, according to the Export Promotion Bureau (EPB).

Exports have grown as US retailers and brands sourced goods globally to avoid the impact of Trump's high reciprocal tariffs.

Since the Covid-19 pandemic, the garment sector in Bangladesh has faced repeated challenges, including the Russia-Ukraine war, global inflation, conflict in Gaza, tensions between India and Pakistan, re-routing of shipments from the Suez Canal, and, recently, the Iran-Israel conflict.

Domestically, the sector has struggled with shortages of gas and electricity, labour unrest, and uncertainty during the political changeover last year.

“Despite global and local challenges, export

data shows that apparel shipments to the US are still growing,” said Ramzul Seraj, managing director of Elite Garments Ltd, which exports mainly to the US.

He also said the inflow of work orders from the US is still unchanged, as it continues as it was earlier.

However, Sharif Zahir, managing director of Ananta Group, which also ships a large portion of its production to the US, said order inflow may remain slow for another three months due to buyer indecision over the Trump tariffs and wider economic and political uncertainty.

He noted that some US retailers and brands have shared part of the 10 percent additional tariff, covering up to five percent

themselves, although the duty is supposed to be paid by importers.

Some exporters said buyers have sought to divide the extra cost among the main partners, with fabric suppliers, manufacturers, and importers each sharing around three percent.

“Work orders from US-based retailers and brands are still slow as they are in a wait-and-see mood now,” said Mahmud Hasan Khan Babu, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The BGMEA president said that there might be some uncertainty for the next season until the final decision comes about the Trump tariffs.

Starlink users report smooth service

FROM PAGE B1

administrator at Bdjobs.com Ltd, also ordered a Starlink kit on May 20—the very day Starlink announced its availability in Bangladesh.

The kit shipped from Long Beach, California, and arrived in Dhaka by May 24. Customs clearance was provided on June 15, and the kit was delivered the same day.

Bdjobs.com Ltd ordered a “Mini Kit” as Bangladesh's largest online job portal, which connects jobseekers with employers across industries, often has to organise job fairs across the country.

The “Mini Kit”, priced at Tk 26,800 (including shipping), is about 10 inches in size with a built-in router and is ideal for roaming or portable use.

While its default plan includes 50 GB for Tk 6,000, Bdjobs.com Ltd converted it to a residential plan through their Starlink account dashboard.

A more affordable “Residential Lite” package is also available for Tk 4,200 per month.

“We tested the Mini Kit under heavy rain and cloud cover from our office rooftop in the capital's Karwan Bazar area and still got over 200 Mbps download and 10 Mbps to 15 Mbps upload speed,” said Shovon.

“However, it doesn't work properly from the 7th and 8th floor office windows of the 18-storey building due to limited sky visibility. On the rooftop, however, it works flawlessly,” he said.

“So, we will connect our

network with the Starlink kit, which will be placed on the roof, using cable,” he added.

SMOOTH SETUP, BUT NOT FOR SERVERS

The Starlink setup process is straightforward via the Starlink app, which assists users with antenna alignment using mobile camera-based obstruction detection and built-in firmware updates.

“The entire calibration takes about 15 minutes. It's very user-friendly,” said Shovon.

“The Starlink kit can be used like a regular Wi-Fi router. It can also be connected to an external Wi-Fi router, or directly to a laptop or computer via a wired connection,” he said.

However, he observed some limitations.

Starlink does not currently provide a fixed IP address, making it unsuitable for hosting websites or mail servers. The upload speed, though decent for residential use, may be too low for users with advanced hosting or server needs, he said.

In a Facebook post, Syful Islam Shakil, a Starlink user, said, “It takes a bit of time for calibration, but once set up, it works great.” As user interest grows, Starlink's impact on Bangladesh's internet landscape—particularly in areas underserved by traditional broadband—could be transformative.

However, clear sky visibility remains essential for uninterrupted connectivity, according to industry people.

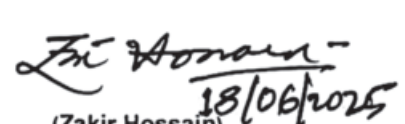
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Memo No. 35.01.3600.429.07.249.25-1161 Date: 18-06-2025.

e-Tender Notice

This is to notify all concerned that e-Tender has been invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for procurement of the following works. Interested firms can view details by visiting the web site www.eprocure.gov.bd.

Tender/ Proposal ID No. & Package No.	Name of work	Tender/Proposal Document Last Selling/ Downloading Date and Time.	Tender/Proposal Closing Date and Time	Tender/Proposal Opening Date and Time
1125475, 01/DEV/Pack-WD-08/OTM/HRD-2024-25	Construction of Computerised Electronic Toll Plaza at Kalmi Bridge 59th km of Madanpur-Derai-Shulla-Jalsuka-Ajmirigonj-Habigonj Road under Habiganj Road Division of Road Zone Sylhet During the year 2023-2024 (Package No-WD-08)	20-Jul-2025 17:00	21-Jul-2025 13:00	21-Jul-2025 13:00


 (Zakir Hossain)
 ID No. 602186
 Executive Engineer, RHD
 Road Division, Habiganj.

GD-1430

BSEC rejects Mir Akhter's preference share proposal

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has rejected the application of Mir Akhter Hossain Ltd, a construction company, to raise Tk 250 crore by issuing preference shares, according to a disclosure on the Dhaka Stock Exchange website.

Preference shares are a type of company stock that pays dividends to shareholders before common stock dividends are issued.

Most preference shares offer a fixed dividend, and their holders typically do not have voting rights, unlike common shareholders, according to Investopedia.

Although the stock market regulator did not disclose the reasons behind the rejection, it said that the commission is "not in a position to accord consent to the company for raising capital of Tk 250 crore through the issuance of redeemable, cumulative, non-convertible, non-participative preference shares."

Last year, the company decided to raise capital through the issuance of such preference shares.

Renata's preference shares to be fully convertible

STAR BUSINESS REPORT

The board of Renata PLC, a listed pharmaceutical company, has decided to revise the structure of its preference shares, which were recently approved to raise up to Tk 325 crore, according to a disclosure on the Dhaka Stock Exchange website.

Preference shares are a type of company stock that pays dividends to shareholders before common stock dividends are issued.

Most preference shares offer a fixed dividend, and their holders typically do not have voting rights, unlike common shareholders, according to Investopedia.

Last year, Renata proposed issuing non-cumulative, non-participative, redeemable or fully convertible preference shares at the issuer's discretion. The proposal was duly approved by the shareholders.

However, in a board meeting held on June 18, 2025, the company decided to revise the structure.

INDUSTRY GROWTH



Bangladesh's food processing sector is now worth \$8b



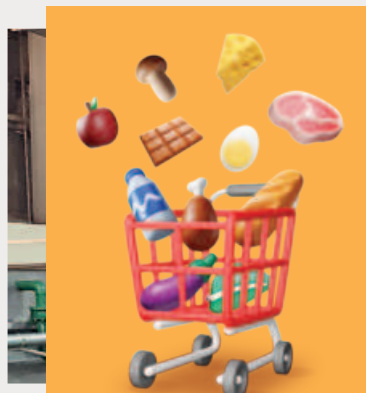
The industry is expanding at an annual rate of 8%



INVESTMENT



Local food companies are investing in both domestic and export market growth



CONSUMER TRENDS

Urbanisation and rising incomes are driving demand for processed foods

Convenience and readymade meals are gaining popularity

Demand for healthy and natural food products is increasing



TRADE AND IMPORTS

➤ Bangladesh imported \$2.1b worth of food products in 2024

➤ Imported food ingredients are in higher demand

➤ US food exports to Bangladesh totalled only \$12.7m in 2024

➤ High tariffs are limiting greater US food imports



Bangladesh's food processing market hits \$8b

It's growing at 8% annually: USDA

SUKANTA HALDER

Bangladesh's food processing sector, which was worth \$8 billion last year, is growing at an average rate of 8 percent a year, according to a report by the United States Department of Agriculture (USDA).

A growing urban middle class and shifting lifestyles are the key forces behind the expanding processed food market, it said, adding that the expanding market in Bangladesh offers export opportunities for producers of food ingredients in the US.

According to the latest Exporter Guide Annual report by the USDA, as demand for convenience foods increases, so does the need for quality ingredients in both food preparation and manufacturing.

The report, published on June 16, noted that Bangladesh imported consumer-oriented agricultural products worth \$2.1 billion from global markets in 2024. Of this, US exports accounted for just \$12.7 million,

less than one percent of the total. According to the USDA, the food processing industry in Bangladesh includes about 1,000 companies producing a wide range of goods, such as snacks, ready-to-eat meals, frozen items, dairy products, and beverages.

The sector is described as highly competitive, with local firms raising investment to serve both domestic consumers and

export markets.

Rising incomes, rapid urbanisation, and growing participation of women in the workforce are helping to drive lifestyle changes. This, in turn, is fuelling demand for processed fruits, juices, chocolates, nuts, fresh vegetables, spices, meats, tea, sauces, dairy goods, bakery items, and convenient ready-made meals.

Among US consumer-oriented exports to Bangladesh in 2024, dairy products led the way at \$4.8 million, followed by tree nuts at \$4 million, food preparations at \$2.7

Bangladesh imported consumer-oriented agricultural products worth \$2.1 billion from global markets in 2024. Of this, US exports accounted for just \$12.7 million

million, condiments and sauces at \$0.5 million, and processed vegetables at \$0.18 million.

The country's dairy market is estimated to be worth \$3 billion. Locally produced milk, around 14 million tonnes, supports the liquid milk segment, while 311,000 tonnes of imported dairy products go into the value-added dairy industry. US dairy exports to Bangladesh totalled \$4.8 million last year.

Although there is clear demand for US food ingredients

and products, high tariffs continue to pose a major hurdle, said the USDA.

The report points out that the total tax incidence on dairy products ranges from 31 to 58.6 percent. Food preparations face an even higher rate, with tariffs between 58.6 and 89.32 percent.

Processed fruit imports, especially dates, have been climbing steadily over the past five years. US Medjool dates see strong demand during Ramadan, although they attract a tariff of 63.6 percent.

Similarly, imports of fruit and vegetable juices are rising, despite taxes that can reach up to 89.32 percent.

The report mentions that consumers in Bangladesh are becoming increasingly health-conscious. Interest is growing in products seen as natural or good for health, boosting demand for items like tree nuts, coffee, condiments, sauces, and other imported goods.

Despite challenges such as high import duties, weak cold chain logistics, and cumbersome customs processes, demand for imported, high-quality ingredients remains strong. This is driven by both consumer preferences and the needs of manufacturers.

Taslim Shahriar, deputy general manager of Meghna Group of Industries, one of Bangladesh's leading commodity

importers and processors, said the report captures the reality of the country's thriving food processing sector.

"We are witnessing the rise of an urban middle class with increasing incomes and changing lifestyles, driving strong demand for high-quality imported ingredients such as dairy products, tree nuts, and processed fruits," he said.

Shahriar added that although high tariffs and logistical issues present challenges, the sector's growth potential offers exciting prospects for international suppliers.

"Bangladesh is steadily emerging as a significant player in the global food market," he said.

Kamruzzaman Kamal, marketing director at Pran-RFL Group, said Bangladesh's food processing industry is showing remarkable growth, driven by urbanisation, rising incomes, and shifting consumer lifestyles.

Local processors are stepping up investments in value-added production to serve both domestic and export markets, signalling competitive pressure and innovation, he added.

The market's tilt towards health-conscious and convenience-oriented products also opens new niches. To capitalise on this, policy reforms on tariff structures and improvements in cold chain infrastructure are essential, he added.

Be kind, not blind!

MAHTAB UDDIN AHMED

Eid-ul-Azha was meant to be a lesson in sacrifice, empathy, generosity, and humility. But in our version, it often turns into a festival of flexing, where the size of your cow somehow reflects your spirituality, and the price tag gets more attention than the prayer. Families compete over "three cows and one goat", like it's an Eid IPL auction. Some even go so far as to buy cattle from helpless farmers using fake notes, turning a sacred act into a scam. Ironically, we celebrate a story of surrender while trying to outdo each other at the cattle market. Somewhere between the Instagram reels and the meat math, the true spirit of Qurbani gets butchered, long before the animals do.

In offices, there is always that one person, let's call him "Bhalo Manush". The one who is always ready to help: covering for absent teammates, fixing other people's slide decks at midnight, even lending money to colleagues with more excuses than payback plans. He does it all, expecting nothing in return, except maybe some basic decency. What does he get instead? Ignored emails, backstabbing during appraisal season, and the prestigious title of "nice guy" who somehow never gets the promotion. He learned that helping with expectations is a transaction; helping without expecting anything in return is an act of love, respect, kindness or grace, as Eid-ul-Azha teaches us.

Cruelty often overpowers kindness in corporate life, too; titles and tenure offer little protection. In a true incident, say Muneer, a highly successful CXO, was part of a trusted and well-performed leader in a multinational setup, reporting to multiple bosses in a matrix structure. Years of friendship and shared achievements vanished when a new, egocentric boss arrived. Muneer's long-time allies flipped sides, choosing power over principles, even resorting to lies to secure their positions. In Bangladesh and beyond, such betrayals are routine, where "going with the flow" often means sinking morality to keep careers afloat.

If this sounds familiar, you are likely someone who helps everyone, but gets forgotten when it matters most, is seen when needed, and is invisible afterwards. Organisations which support such practices are likely to suffer in business performance in the long run, as was the case with Muneer's company.

Research shows kindness at work is a key strength tied to authentic leadership and high-performing teams. A UC Berkeley study links compassion to emotional intelligence and success in leadership. Google's Project Aristotle found that kindness-driven psychological safety boosts team performance. A scoping review indicates that it reduces rudeness and increases job satisfaction. Kind leaders build trust (Financial Times, 2021). Agility PR also found kind brands earn stronger consumer support, proving that kindness delivers returns both inside and beyond the boardroom.

When kindness lacks boundaries, it stops being a strength and becomes self-destructive, a shortcut to burnout. So, what's the way forward? Be kind, absolutely. In a country where traffic signals are more decoration than direction, empathy still matters. But don't confuse kindness with self-sacrifice. Support colleagues, even superiors, guide interns, be there for friends, but not at the cost of your own worth. Learn to say "no" without a footnote. It's not arrogance, it's self-respect. Help others grow, but don't become their forgotten staircase. Many, like Muneer, found that once someone climbs, they don't look back, some even kick the ladder. These ladder-kickers thrive on selective friendliness, stolen credit, upward-only networking, and hoarding information. They rarely repay favours. Protect yourself. Invest your kindness in people who believe in mutual growth, not just their own promotion. Boundaries don't limit kindness, they preserve it.

Carry your kindness with pride, but protect it with firm boundaries. Be a source of light for others, but don't let them drain your energy to power their own spotlight. Help, support, and empower, but not at the cost of forgetting yourself. You deserve the same kindness you offer so freely to others.

The author is the president of the Institute of Cost and Management Accountants of Bangladesh and founder of BuildCon Consultancies Ltd.

China's new currency order faces same old problems

REUTERS, Hong Kong

It's a good time to pitch alternatives to the US dollar, but it pays to be specific. On Wednesday, People's Bank of China Governor Pan Gongsheng told attendees of a financial forum in Shanghai that he expected the largely greenback-based global monetary system to become multipolar, ultimately helping to "better safeguard global financial stability".

Pan had clearly read the room: just a day prior, European Central Bank President Christine Lagarde wrote in the Financial Times that a "global euro" moment had arrived as the dollar's dominance is called into question, pointing to "protectionism, zero-sum thinking and bilateral power plays".

It's not difficult to imagine a scenario in which the dollar retreats as the euro increasingly dominates European finance and the yuan comes to dominate Asian finance. In reality, though, getting there is much harder.

Figures from the Bank for International Settlements show outstanding US government debt securities at roughly \$31 trillion, while those of China and the euro area are both at about \$11 trillion each. Combined, the latter two come closer to the dollar total, lending some credence to Pan's scenario. But size alone is not enough.

China, for instance, offers a large, single pool of government debt denominated in its own currency with a common credit rating — key prerequisites for reserve currency status. However, its capital account is largely closed, currency hedging options are restricted and

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Weak dollar cushions Europe from potential oil price shock

REUTERS, London

While oil-importing countries won't fully escape a hit in the event of another energy price shock on Middle East tensions, a period of rare dollar weakness will soften the blow considerably for countries outside America.

Most crude prices are denominated in US dollars, so when jumps in the oil price occur during periods of relentless dollar strength, the pain is compounded for regions like Europe.

This year's dollar swoon, however, has had the opposite effect, cushioning the impact of the oil price increase set off by the unfolding Israel-Iran war.

To be sure, we're still far from 'shock' territory. Dollar-based global crude prices have jumped about 14 percent since early last week, but they remain well below January peaks and about 7 percent lower year-over-year.

But the impact has been even more benign in Europe, due to the euro's 12 percent rise against the dollar in the year to date.

While the oil price in dollars has all but wiped out its decline for the year so far, the euro price of Brent crude is still down 12 percent in 2025 and is 20 percent lower than one year ago.



The photo shows a currency exchange shop in central Tokyo. Foreign investors with trillions of dollars invested in US stocks and bonds have started rethinking their dollar exposure in light of America's trade wars.

PHOTO: AFP/FILE

"For oil-importing nations, the greenback's decline offers a crucial reprieve, helping to cushion the blow from soaring oil prices and to limit broader economic fallout," UniCredit strategist

Tobias Keller wrote on Wednesday. Should the dollar continue to weaken, it could mitigate the relative economic impact on Europe of any renewed energy price squeeze.

That, in turn, could support Europe's performance versus the United States this year and further erode the American exceptionalism narrative fueling extraordinary portfolio flows to the US in recent years.

What's more, ongoing dollar weakness amid a fresh energy price retreat would just load more pressure on the European Central Bank to cut interest rates to prevent a big undershoot of its 2 percent inflation target.

As foreign investors with trillions of dollars invested in US stocks and bonds have started rethinking their dollar exposure in light of America's trade wars, re-worked alliances and upended domestic institutions, the dollar's correlation with stocks, bonds and commodities has shifted.

Most obvious is the greenback's apparent loss of its traditional 'safe haven' status during times of great uncertainty and stress, with the dollar falling alongside both stocks and bonds during a turbulent April.

All else being equal, a stronger dollar should weaken oil prices by sapping non-American demand around the world due to the added local currency cost of a barrel of oil. And the opposite should, in theory, also be true.

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