

# 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.

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## WB offers first loan guarantee for LNG purchase

REJAUL 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.

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## 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

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## ICAB, ICMAB lock horns over audit capacity, roles

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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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