

Star BUSINESS



One lakh stock accounts closed amid IPO drought in FY25

AHSAN HABIB

The stock market has almost closed the books on the fiscal year (FY) 2024-25 without a single company getting listed through an initial public offering (IPO), a rare event not seen in decades.

Market analysts have linked the absence of IPOs to the bleak secondary market and what they describe as an unappealing valuation policy under the current public issue rules.

The last company to launch an IPO was Techno Drugs, whose subscription closed in June 2024, during the tenure of the previous commission led by Prof Shibli Rubayat UI Islam.

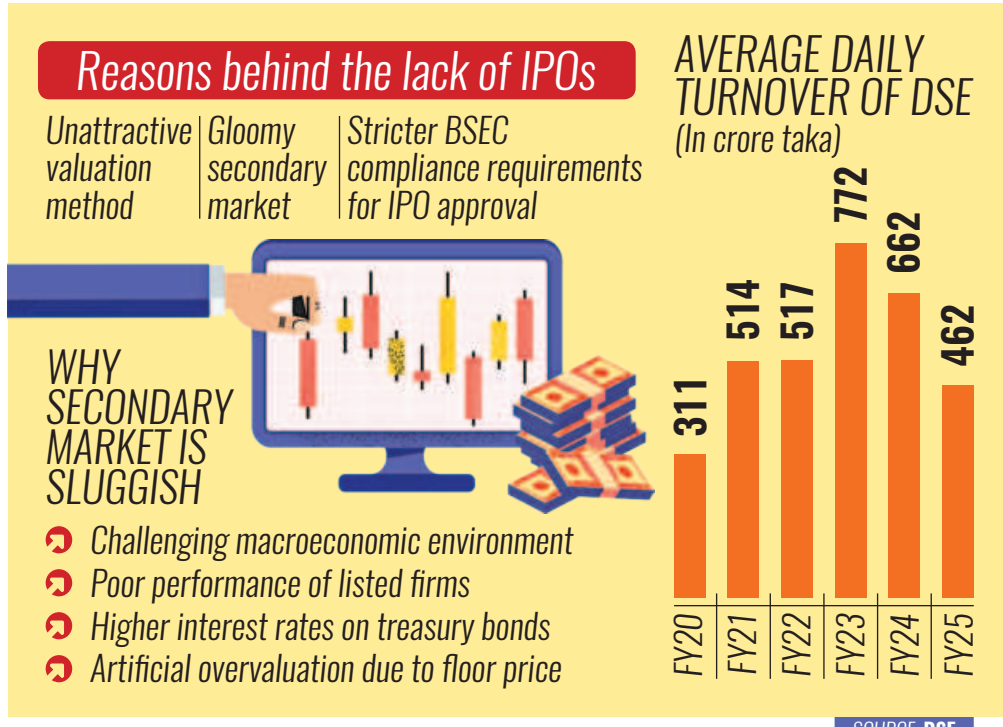
The new commission, appointed following the political changeover in August last year, has yet to approve any IPOs over the past year.

Officials at the Dhaka Stock Exchange (DSE) said FY25 was the first IPO-less fiscal year since the 1990s.

While records before that are incomplete and not available, some senior DSE officials said the last time the market saw such a dry spell may have been in the 1970s, when trading was suspended for several years after the country's independence in 1971.

In the absence of fresh listings and amid poor performance by many listed companies, investors have been leaving the market in large numbers. Around one lakh beneficiary owner (BO) accounts have been closed since June 2024, according to the Central Depository Bangladesh Ltd.

"The main reason for the lack of IPOs is the



unattractive valuation method set out in the public issue rules," said Rubayat E-Ferdous, chief executive of Shanta Equity.

He added that while the previous commission had initiated efforts to reform the rules, progress stalled due to the August political changeover and a shift in leadership

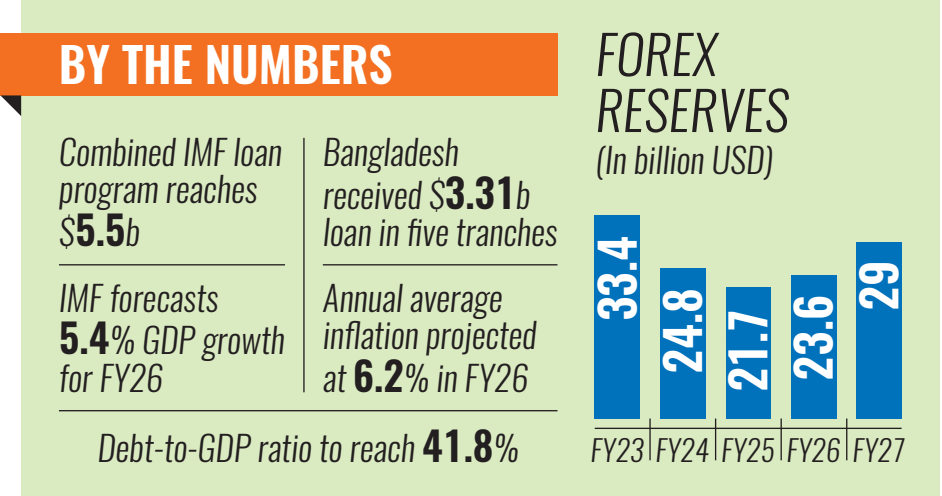
at the regulator. As a result, strong companies saw little incentive to seek listings.

"When the secondary market is weak, issuers are usually reluctant to join as they worry about failing to secure a good price," he said. "But the shortage of IPOs has created a supply-side problem for the market."

Over the past year, the DSEX, the benchmark index of the DSE, has lost 516 points, or about 10 percent, to stand at 4,717.

For nearly a year, the index hovered around the 5,200 mark, propped up by a floor price mechanism introduced by the previous commission to artificially support prices.

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Reserves to edge up as IMF expands support to \$5.5b

The lender backs reform progress despite political uncertainty, trade volatility

STAR BUSINESS REPORT

Bangladesh's foreign exchange reserves are projected to rise modestly to \$23.6 billion in the next fiscal year from \$21.7 billion in the current year, as the International Monetary Fund (IMF) expanded its total support package amid ongoing efforts to stabilise the country's macroeconomy.

risks rising, the IMF's backing provides both funding and credibility. But, as the IMF made clear, the next phase of Bangladesh's recovery will depend on consistent execution across all fronts – from exchange rate management and tax reform to governance and green investment.

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The reserve uptick comes after the IMF Executive Board approved the completion of the third and fourth reviews of Bangladesh's reform programme. The decision unlocked immediate access to a combined amount of \$1.34 billion.

Gross reserves stood at \$27.30 billion as of June 24, while reserves measured under the IMF's BPM6 manual were \$22.4 billion, according to data published by Bangladesh Bank. The latest numbers underscore the limited room available to manage external shocks.

With foreign reserves still fragile, a narrow fiscal margin, and banking

"Bangladesh's economy continues to navigate multiple macroeconomic challenges," said Nigel Clarke, IMF deputy managing director and acting chair. "Despite a difficult environment, programme performance has remained broadly on track, and the authorities are committed to implementing necessary policy actions and reforms."

The original IMF loan package for Bangladesh, approved in 2023, totalled \$4.7 billion. Following the augmentation approved on Monday, the total size of the programme has increased by \$800 million to \$5.5 billion. Of this, \$3.31 billion has been disbursed so far.

The IMF cited "broadly satisfactory"

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Google Pay goes live

STAR BUSINESS REPORT

Global tech giant Google officially launched Google Wallet—commonly known as Google Pay—in Bangladesh yesterday, enabling customers to make contactless payments using just their smartphones, doing away with the need for plastic cards.

From air travel to everyday shopping, Google Pay is expected to transform how payments are made.

City Bank customers can now link their Mastercard or Visa cards to Google Wallet and use Google Pay for fast, secure, and contactless transactions.

Payments can be made simply by tapping an Android phone at any NFC-enabled POS terminal, both domestically and internationally.



Backed by advanced encryption technology, Google Pay ensures robust data security. For small purchases, PIN-free functionality enhances the checkout experience.

This initiative was made possible through a collaboration among City Bank, Google, Mastercard, and Visa.

Ahsan H Mansur, governor of Bangladesh Bank, inaugurated the service at a ceremony organised at The Westin Hotel in Dhaka.

Speaking as the chief guest, Mansur said, "We welcome Google Pay to Bangladesh. I believe our country will prove to be a reliable destination for both local and foreign investors."

"It's a misconception that foreign entrants will simply take money out of the country; I don't agree with that view," he added.

"This partnership reflects our commitment to building a future-ready digital payments ecosystem in Bangladesh," said Mashrur Arefin,

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NBR detects tax evasion of Tk 6,250cr since Sep of 2024

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has uncovered tax evasion amounting to nearly Tk 6,250 crore since September 2024, according to a statement issued yesterday.

Field offices under the tax, customs, and intelligence wings identified 16,572 cases of tax evasion and recovered around Tk 1,000 crore during the period.

Of the total, customs houses detected evasion worth Tk 183 crore and recovered the entire amount from the culprits. Field offices of the customs, excise, and VAT commissionerates found evasion of Tk 513 crore and managed to collect Tk 89 crore.

Meanwhile, VAT detectives identified evasion amounting to Tk 1,639 crore and recovered Tk 240 crore, according to the statement.

The Income Tax Intelligence Unit unearthed 170 cases involving Tk 1,875 crore in evasion, with Tk 110 crore recovered so far.

Additionally, 41 tax zones detected evasion worth Tk 1,590 crore and collected Tk 105 crore.

The NBR's Central Intelligence Cell (CIC) discovered Tk 366 crore in revenue evasion and has so far recovered Tk 194 crore, according to the statement.

Govt to amend labour law by Oct: adviser

30 factories receive ministry's green award

STAR BUSINESS REPORT

The government will complete bringing about amendments to the Bangladesh Labour Act by October this year as the country has committed to improving it to international standards, said Labour and Employment Adviser Brig Gen (ret'd) M Sakhawat Hussain yesterday.

Afterwards, it will be possible to provide it to the International Labour Organization (ILO) as proof of the progress made in labour rights, he said.

Bangladesh had made the commitment earlier as the international community, including the ILO, European Union (EU), and the US, had been pressing for it over the past couple of years.

The adviser also said he had to face a lot of queries from international communities on several occasions at the ILO meetings, as the country still lacked the improvements. He also inspired entrepreneurs and factory owners to use renewable energy for sustainable production and environmental protection.

The adviser was speaking at a ceremony at Osmani Memorial Hall in Dhaka to present the Ministry of Labour and Employment's Green Factory Award 2025.

Hussain, along with Industries Ministry Adviser Adilur Rahman Khan, handed over the awards to the recipients.

The government recognised 30 factories in 16 categories with the award for their initiatives to curb environmental pollution and adopt eco-friendly technologies.

The 30 factories were selected from a shortlist of 72 based on environmental management, worker welfare, safety, and innovation.

Adilur Rahman said it was not only an award but also a form of "green initiative" deeply rooted in the country's industrial policy.

Currently, Bangladesh has the highest number of factories—248—that have attained the Leadership in Energy



Zaraif Ayaat Hossain, right, head of strategy & transformation of Transcom Group, receives Green Factory Award 2025 on behalf of Eskayek Pharmaceuticals Ltd and Transcom Electronics Ltd from Brigadier General (ret'd) M Sakhawat Hussain, labour and employment adviser, and Adilur Rahman Khan, industries ministry adviser, at a function in Dhaka yesterday.

PHOTO: COLLECTED

and Environmental Design (LEED) certificate.

Of them, 105 are in the platinum category and 129 in gold. Nine out of the world's 10 greenest factories are also in Bangladesh, he said.

On behalf of the award recipients, Uzma Chowdhury, director (corporate finance) of Pran-RFL Group, said they tried to establish such factories as the focus was not only on production but also on caring for the environment.

They have always prioritised the environment and social efficiency since the establishment of Chorka Textile and Habiganj Agro Limited, she said.

They have been exporting garment items and processed foods from these two factories, she also said.

The factories have solar systems, energy-efficient machinery, rainwater harvesting systems, energy management systems, and effluent treatment plants (ETP), while ensuring workplace safety, said Chowdhury.

The award-winning factories under the readymade garment (knit) category are Chorka Textile Ltd, Echotex Ltd, and Fakir Fashion Limited.

Those under the woven garment category are Tarasima Apparels Ltd, Auko-Tex Ltd, and Square Fashions Ltd.

The textile category had four—Akij Textile Mills Limited, Pioneer Denim Limited, KDS Textile Mills Ltd (Unit-2), and Four H Dyeing and Printing Ltd.

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NBR officials' pen-down strike enters second day

STAR BUSINESS REPORT

Officials of the National Board of Revenue (NBR) continued their nationwide pen-down strike for a second consecutive day yesterday, demanding the removal of the NBR chairman and the cancellation of recent transfer orders.

The latest round of the protest began on Monday with a three-hour work stoppage.

Yesterday, demonstrators extended it to five hours, from 9 am to 2 pm.

Staff staged a sit-in at the NBR headquarters at Agargaon area of the capital, while officials outside the capital joined in at their respective offices.

The NBR Unity Reform Council, a platform of protesting staff from the tax, customs and VAT departments, announced that demonstrations would continue today and tomorrow, from 12 pm to 5 pm, if their demands are not met.

International passenger services and export-related activities have been kept outside the purview of the strike.

On Monday, the council said it would launch an indefinite countrywide shutdown from Saturday unless the revenue chief is removed and transfer orders for colleagues who led last month's protests are revoked.

The government on May 12 issued a gazette notification, separating revenue policy and implementation, and eventually dissolving the NBR.

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Green Delta Capital secures \$100m debt financing for Ctg port terminal

STAR BUSINESS DESK

Green Delta Capital Limited, an investment bank in Bangladesh, has secured a \$100 million limited recourse debt financing package for RSGT Bangladesh, an affiliate of Red Sea Gateway Terminal, a global port operator headquartered in Saudi Arabia.

According to a press release, Green Delta Capital served as the exclusive lead arranger and adviser for the transaction, which supports the construction of a state-of-the-art container terminal at Chattogram port.

The terminal, valued at \$170 million, is being developed under a 22-year concession agreement and represents Bangladesh's first private-sector-led port initiative executed under the Public-Private Partnership (PPP) framework. The project highlights the government's

commitment to attracting private capital for strategic infrastructure, reinforcing the country's appeal as a destination for international investment.

The debt financing was arranged through a consortium comprising Bangladesh Infrastructure Finance Fund Limited (BIFFL), the Islamic Corporation for the Development of the Private Sector (ICD), Infrastructure Development Company Limited (IDCOL), and Pubali Bank PLC.

The involvement of both international and domestic development finance institutions alongside commercial lenders underscores the strong investor confidence in the project's commercial viability and its broader developmental impact.

To commemorate the financial close, Green Delta Capital hosted a ceremony at The Westin Dhaka on Monday, bringing together key stakeholders from the financial, public, and private sectors.



PHOTO: GREEN DELTA CAPITAL

Nasir A Choudhury, chairman of Green Delta Capital Limited (GDCL), Erwin Haaze, CEO of RSGT Bangladesh Ltd, and SM Anisuzzaman, CEO of BIFFL, pose for photographs at a function organised by GDCL at The Westin Dhaka on Monday.

Central banks eye gold, euro and yuan as dollar dominance wanes

REUTERS, London

The custodians of trillions of dollars of global central bank reserves are eyeing a move away from the greenback into gold, the euro and China's yuan as the splintering of world trade and geopolitical upheaval spark a rethink of financial flows.

According to a report by the Official Monetary and Financial Institutions Forum (OMFIF) due to be published later on Tuesday, one in three central banks managing a combined \$5 trillion plan to increase exposure to gold over the next one-to-two years after stripping out those planning to decrease, the highest in at least five years.

The survey of 75 central banks – carried out between March and May – gives a first snapshot of the repercussions of US President Donald Trump's April 2 Liberation Day tariffs that sparked market turmoil and a slide in the safe-haven dollar and US Treasuries.

Gold, which central banks have already been adding at a record pace, was seen benefiting even further longer term, with a net 40 percent of central banks planning to increase gold holdings over the next decade.

According to a report, one in three central banks managing a combined \$5 trillion plans to increase exposure to gold over the next one-to-two years

"After years of record-high central bank gold purchases, reserve managers are doubling down on the precious metal," OMFIF said.

The dollar, the most popular currency in last year's survey, fell to seventh place this year, OMFIF said, with 70 percent of those surveyed saying the US political environment was discouraging them from investing in the dollar – more than twice the share a year ago.

In currencies, the euro and yuan stand to benefit the most from a diversification away from the dollar.

A net 16 percent of central banks surveyed by OMFIF said they plan to increase euro holdings over the next 12 to 24 months, making it the most in-demand currency, up from 7 percent a year ago, followed by the yuan.

But over the next decade, the yuan is more favoured, with a net 30 percent of central banks expecting to increase holdings and its share of global reserves seen tripling to 6 percent.

Separately, three sources who deal directly with reserve managers, told Reuters they saw the euro as now having the potential to recapture the share of currency reserves lost following the 2011 euro debt crisis by the end of this decade. They cited more positive sentiment among reserve managers towards the euro following Liberation Day.

For the moment, crude is trading lower than it was before Israel launched its attacks on Iran on June 13.

That would mean a recovery to a roughly 25 percent share of currency reserves, from around 20 percent currently, representing a key moment in the bloc's recovery from the debt crisis that threatened the euro's existence.

NCC Bank opens two Islamic banking windows in Dhaka



Md Zakir Anam, deputy managing director of NCC Bank PLC, inaugurates Islamic banking windows at five of its Dhaka branches recently.

PHOTO: NCC BANK

STAR BUSINESS DESK

NCC Bank PLC has inaugurated Islamic banking windows at five of its Dhaka branches – Karwan Bazar, Panthapath, Uttara, Mirpur, and Banani – as part of its strategic initiative to expand Shariah-compliant financial services.

According to a press release, the inauguration was recently officiated by Md Zakir Anam, deputy managing director of the bank.

Commenting on the initiatives, Anam stated that, given the socio-economic context of Bangladesh, NCC Bank is actively expanding its Islamic banking portfolio to better serve customer needs.

"The bank has already established two full-fledged Islamic banking branches

– one in Gulshan, Dhaka, and another in Muradpur, Chattogram," he added.

Initially, NCC Bank introduced Islamic banking windows at 32 of its conventional branches. Building on this foundation, the bank now plans to gradually implement such windows across all its branches and sub-branches.

Anam emphasised that all Islamic banking operations are conducted under the close supervision of the Shariah Supervisory Committee, ensuring full compliance with Islamic principles.

He encouraged businessmen, professionals, and entrepreneurs to take advantage of NCC Bank's expanding range of Shariah-compliant products and services.

BB, UCB launch entrepreneurship development programme in Bogura

STAR BUSINESS DESK

United Commercial Bank PLC (UCB), in collaboration with the Bangladesh Bank (BB), has inaugurated a month-long initiative titled the "Entrepreneurship Development Programme" in Bogura.

Supported by the Skills for Industry Competitiveness and Innovation Programme (SICIP) under the Ministry of Finance, the initiative seeks to empower both aspiring and existing entrepreneurs who remain outside the formal banking sector, according to a press release.

The programme is tailored to equip participants with critical business skills, knowledge, and resources, enabling them to scale their ventures and access formal financial services. It also aims to foster inclusive economic growth and job creation

in the region.

Md Shakhawat Hossain, executive director of the BB, attended the programme as the chief guest. In his remarks, Hossain underscored the pivotal role of grassroots entrepreneurship in advancing national development.

Adnan Masud, additional managing director of UCB, reaffirmed the bank's commitment to supporting the SME and agricultural sectors. He described the initiative as "a bridge to financial inclusion and sustainable development."

Among others, Md Nazrul Islam, additional director and programme director of SICIP-PLC; Md Ariful Islam, deputy director and programme coordinator; Syed Hasnain Mamun, chief of human resource officer at UCB; and Mohammad Salim Chowdhury, head of SME and agri banking division; were also present.



Md Shakhawat Hossain, executive director of Bangladesh Bank, poses for photographs with participants of the month-long initiative titled the "Entrepreneurship Development Programme" in Bogura recently.

PHOTO: UNITED COMMERCIAL BANK



Ahsan H Mansur, governor of Bangladesh Bank, inaugurates Google Pay launched by global tech giant Google, in partnership with The City Bank, at The Westin Dhaka in the capital yesterday. Tracey Ann Jacobson, chargé d'affaires, ad interim, at the US embassy in Dhaka; Hossain Khaled, vice-chairman of City Bank; Mashrur Arefin, managing director and CEO; Shammi Quddus, group product manager at Google Payments; Syed Mohammad Kamal, country manager for Bangladesh at Mastercard; and Sabbir Ahmed, country manager for Bangladesh at Visa; were also present.

PHOTO: CITY BANK



Uzma Chowdhury, chairperson of Meghna Bank PLC, presides over the bank's 12th annual general meeting, which was held at Madona Tower in the capital's Mohakhali on Monday. Tanveer Ahmed, chairman of the executive committee of the bank; Md Ali Akther Rezvi, chairman of the audit committee; Mohammad Mamunul Hoque, chairman of the risk management committee; Rajab Ali, M Nazrul Islam and Habibur Rahman, independent directors; Kazi Ahsan Khalil, managing director and CEO; and Sajib Kumar Saha, acting company secretary, were also present.

PHOTO: MEGHNA BANK

MIDAS Financing holds 29th annual general meeting

STAR BUSINESS DESK

MIDAS Financing PLC held its 29th annual general meeting (AGM) at the MIDAS Convention Centre in the capital's Dhanmondi yesterday, according to a press release.

The meeting was presided over by Abdul Karim, chairman of the financial services institution.

Ahmed Ataul Hakeem and Ramisa Maisha, directors, Mustafizur Rahman, managing director, and Tanvir Hasan, deputy managing director and company secretary, attended the meeting.

A significant number of shareholders, officers, and staff members also participated in the meeting. Representatives from the Dhaka Stock Exchange and the Chittagong Stock Exchange, as well as an independent scrutineer, were present to oversee proceedings.



Abdul Karim, chairman of MIDAS Financing PLC, presides over the company's 29th annual general meeting at the MIDAS Convention Centre in the capital's Dhanmondi yesterday.

PHOTO: MIDAS FINANCING

Global growth at risk amid rising geopolitical turmoil

FROM PAGE B4

"In the past, trade was the driver of growth, but you cannot exclude that new technologies including AI can... maybe replace the important role that trade had", Brende told AFP.

While trade will remain "very important", he said, disruptive technologies can provide the productivity boost needed to "avoid a decade of sluggish growth".

Attendees bustled around a cavernous conference hall in Tianjin on Tuesday ahead of talks with a lineup of speakers that includes former UK Prime Minister Tony Blair.

Chinese Premier Li Qiang is expected to deliver a keynote speech on Wednesday.

LNG freight rates hit 8-month top

FROM PAGE B4

In the past two weeks however, it has become equally profitable to deliver LNG to both Europe and Asia, so spot cargoes are now incentivised to travel to Asia via the Cape of Good Hope, increasing average voyage times and reducing vessels available for charter, Afghan said.

The Israel-Iran conflict, in which both countries have been firing missiles at each other, has raised fears Tehran may close the Strait of Hormuz in further retaliation.

As a result, shipowners are holding off chartering vessels, which is reducing tanker availability and pushing up prices, said a trade source, who declined to be identified

as he was not authorised to speak to the media.

Insurance costs for LNG tankers going through the Strait of Hormuz have also increased, said three trade sources, with one adding that the war risk premium has surged by up to five times since the start of the Israel-Iran conflict.

Oil prices tumbled again on Tuesday, after Donald Trump said Israel and Iran had agreed to a ceasefire.

Around 20 percent of global oil and gas demand flows through the Strait of Hormuz, situated between Iran and Oman.

Qatar, one of the world's top LNG exporters, sends almost all of its supplies via the strait.

Allow use of movable assets as loan collateral SMEs demand

STAR BUSINESS REPORT

Small and medium enterprise (SME) entrepreneurs have called for the implementation of the Secure Transactions (Movable Assets) Act, 2023, which enables the use of movable assets as collateral for bank loans.

The demand was raised at a workshop jointly organised by the SME Foundation and the International Finance Corporation (IFC), where the participants emphasised the law's potential to widen access to finance for SME businesses.

Martin Holtmann, country manager of the IFC, presided over the workshop, while SME Foundation Chairperson Md Musfikur Rahman attended as the chief guest, according to a press release.

Bangladesh Bank Deputy Governor Nurun Nahar also spoke at the event.

Speakers noted that many SME entrepreneurs, particularly those in rural and informal sectors, as well as women entrepreneurs, lack immovable assets such as land or buildings, which limits their ability to secure bank financing to start or expand their businesses.



Betel leaf growers in the Isladi area of Wazirpur upazila in Barishal hold markets on Mondays and Thursdays. Farmers bundle 72 leaves by quality and size using banana leaves, and then sell them to traders from Dhaka and other parts of the country at Tk 5 to Tk 100 per bundle.

PHOTO: TITTO DAS

Govt approves tax administration modernisation project

Ecneec approves 17 projects worth Tk 8,974.28cr

UNB and BSS

The government is set to launch the "Strengthening Domestic Revenue Mobilisation Project", which is aimed at modernising the tax administration and enhancing internal revenue collection.

To be spearheaded by the Internal Resources Division and implemented by the National Board of Revenue (NBR), the project will cost Tk 1,009.20 crore.

Of this, Tk 8.80 crore will come from the government, and the remaining Tk 1,000.40 crore will be financed by the World Bank.

Approved by the Executive Committee of the National Economic Council (Ecneec) yesterday, the project will run from July 2025 to June 2030, covering all tax and VAT offices across Bangladesh, including the NBR headquarters in Dhaka.

The project aims to strengthen the NBR's institutional capacity to increase domestic revenue collection.

Its key components include establishing a research and statistics unit, launching policy analysis and training programmes, and implementing comprehensive automation reforms aligned with the NBR's modernisation master plan.

Notable digital upgrades under the project include enhancements to existing platforms such as the one for electronic

tax identification number (e-TIN), online tax return submission system (e-Return), and online source tax submission system (e-TDS/TCS).

It will also introduce new systems, bearing the names "eRevACC", "eITLM", "eAudit", "eTax Office", "ETAM", and "eSupport", all of which are said to be designed for seamless integration and improved administrative efficiency.

In addition, the project will modernise the VAT system through a new "SAP Competency Centre" and develop an "Integrated VAT Administration System" (IVAS), alongside a national e-invoicing system.

A unified unique identification number for both income tax and VAT will be introduced.

Integration will be carried out between NBR systems like the computerised customs management system ASYCUDA World and the IVAS, and national platforms such as IBAS++ (Integrated Budget and Accounting System).

Other initiatives include the establishment of an automated call centre to provide support to taxpayers and the launch of a modern e-learning platform for NBR staff and stakeholders.

According to project documents, reforming the revenue collection process is critical for the country's development and economic growth.

Over the past 16 years, revenue collection has grown at an average annual rate of 13.5 percent, rising from Tk 485 billion in FY2007 to Tk 3,666 billion in FY2023, a 7.5-fold increase.

Despite global disruptions such as the Covid-19 pandemic, the Russia-Ukraine war, and recessionary pressures, revenue collection grew by 11.1 percent on average over the last five years.

However, Bangladesh's overall revenue collection remains low. The revenue-to-GDP ratio fell from 9.1 percent in FY2012 to 8.5 percent in FY2024.

The tax-to-GDP ratio also dropped to 7.4 percent in FY2024-25, lagging behind South Asian peers.

The new project seeks to address these challenges by expanding the taxpayer base, rationalising tax expenditure, reducing compliance gaps, and fully digitising and automating the tax administration.

The Planning Commission believes that the project would support crucial reforms to raise revenue through improved taxpayer services and better administrative efficiency.

The Ecneec meeting, chaired by Chief Adviser Professor Muhammad Yunus, approved 17 projects in total, involving Tk 8,974.28 crore. Among these, 11 are new, five revised, and one received a time

extension without incurring any cost.

Of the total cost of the projects, Tk 3,180.34 crore will come from the government, Tk 5,563.43 crore through project loans, and Tk 230.51 crore from the organisations concerned.

Among the 17 is an "Upazila Complex Expansion Project" (2nd phase), a programme for Rohingya and host communities, and projects for drug rehabilitation centres in divisional cities, marine academy enhancements, and the establishment of a 3rd submarine cable.

Projects to improve access to justice for women, create clubs for youngsters, and enhance mobile library services were also approved.

The Strengthening Domestic Revenue Mobilisation Project, along with projects under some government bodies, will fall under a broader World Bank-funded initiative titled "Strengthening Institutions for Transparency and Accountability".

The government bodies are the Planning Division, Implementation Monitoring and Evaluation Division, the Comptroller and Auditor General's Office, and the Bureau of Statistics.

A total of 15 projects that had been approved previously were also presented during the meeting, attended by advisers, Planning Commission members, and the secretaries concerned.

Relax rules for BB's capital market fund: banks

STAR BUSINESS REPORT

Several banks have urged the government to relax the conditions attached to the special fund introduced by Bangladesh Bank in 2020 to support the capital market.

The appeal was made at a meeting on Monday, where the finance ministry sat with top officials of different banks to explore ways to boost investment in the stock market.

Many banks have yet to fully utilise the fund, prompting the call for easing regulations, the banks said.

Under the current rules, banks are restricted from purchasing more than 10 percent of the units of a closed-end mutual fund and 15 percent of those of an open-ended mutual fund.

In addition, eligible mutual funds must have disbursed at least 5 percent cash dividends in each of the past three consecutive years to qualify for receiving new investment.

Banks requested revisions to these requirements, citing multiple reasons, according to a senior official of the Bangladesh Securities and Exchange Commission (BSEC) present at the meeting.

While the central bank has already extended the tenure of the fund facility to December 31, 2026, bank representatives sought a further extension.

The meeting was attended by Anisuzzaman Chowdhury, special assistant to the chief adviser and chairman of the Capital Market Development Committee; Najma Mubarak, secretary of the Financial Institutions Division; Khondoker Rashed Maqsood, chairman of the BSEC; and Nurun Nahar, deputy governor of Bangladesh Bank, along with others.

Representatives from different banks, including BRAC Bank, Eastern, Pubali, Mutual Trust, Uttara, Dutch Bangla, and Trust, were also present at the meeting.

Axentec unveils tier-4 cloud platform

STAR BUSINESS REPORT

Axentec, a subsidiary of Robi Axiata, yesterday launched the country's first locally hosted tier-4 cloud platform – Axentec Cloud.

Unveiled at a press event held at Axentec's headquarters in Dhaka, the platform promises to deliver enterprise-grade cloud services, fully managed and operated within Bangladesh.

The company said Axentec Cloud is purpose-built to meet the demands of data sovereignty, security, and digital transformation, with a tier-4 data centre in Jashore and an additional hosting facility in Bhulta.

The platform, which complies with national data policies, is expected to reduce reliance on foreign cloud providers and enable businesses to operate with full control over their data.

It also removes currency exchange hurdles by offering billing based on the local currency.

"Local cloud infrastructure is not just critical for securing our data – it's essential for unlocking long-term economic potential," said Shish Haider Chowdhury, secretary of the ICT Division.

"Axentec Cloud is a timely and strategic move that will elevate domestic enterprises and attract global business."

Govt to amend labour law by October

FROM PAGE B1

Pragoti Industries Limited was awarded under the automobile industry factory category.

Three factories were awarded under the electric and electronics goods manufacturing category—Transcom Electronics Limited, Fair Electronics Limited, and Walton Hi-Tech Industries PLC.

Adzi Trims Ltd was awarded under the accessories and backward linkage factory category.

Akij Food and Beverage Ltd and Habiganj Agro Ltd were awarded under the processed food factory category.

Zareen Tea Garden and Mirzapore Tea Garden were awarded under the tea industry category. Shoeniverse Footwear Ltd was awarded under the hide industry (finished goods) category.

Karupannya Rangpur Limited and X Ceramics Ltd were awarded under the jute mills and tiles and ceramics industries categories, respectively.

Remark HB Limited and Square Toiletries Limited received the award under the cosmetics factory category. Eskayef Pharmaceuticals Limited won the award under the pharmaceutical industries category.

PHP Ship Breaking Industries Limited, Khulna Shipyard Limited, and KR Ship Recycling Yard were given the award under the shipbuilding and shipbreaking industries category.

Seven Circle (Bangladesh) Ltd received the award under the cement factory category, while BSRM Steels Ltd was given the award under the steel mill category.

Each award came with a certificate, a memorabilia, and a cheque of Tk 100,000.

One lakh stock accounts

FROM PAGE B1

The new commission scrapped the floor price shortly after assuming office, triggering a brief rally that pushed the index past 6,000 points. However, it soon began to slide again as the reality of weak corporate performance took hold.

The daily average turnover of the DSE has also suffered, falling by 30 percent year-on-year to Tk 462 crore, according to DSE data.

Saiful Islam, president of the DSE Brokers Association of Bangladesh (DBA), pointed to the long-standing irregularities plaguing the market.

"The current state of the market is the result of years of corruption and disorder," Islam said. "Protecting investors' money was a key responsibility that was neglected. It has been a fundamental failure on the part of all stakeholders, from regulators to brokers."

He added that the poor return on equities compared with other asset classes has further dented confidence.

"Treasury bonds and bills offer 11 to 12 percent, but stock market returns are much lower. In fact, many people have made losses. The low returns show a lack of governance, accountability, and an adverse macroeconomic backdrop."

The DBA president commented that many investors opened BO accounts solely to apply for IPOs, but with no new offers, their interest

NBR officials'

FROM PAGE B1

The move was being considered a part of a broader reform package aimed at boosting tax collection, one of the key conditions by the International Monetary Fund (IMF) for its ongoing \$4.7 billion loan deal.

In response, NBR officials staged protests and work stoppages until May 26.

They postponed the demonstration after the government pledged not to dissolve the NBR but to upgrade it into an independent, specialised agency. Authorities also promised to review and amend the ordinance in this regard.

Since then, however, revenue

waned. "So, we are losing investors."

So far, 309 listed firms, including banks, have released their financial reports for the January-March quarter.

Of these, 177 reported lower profits compared with the same period last year, with combined earnings down 25 percent. Among them, 27 companies slid into losses despite having been profitable a year earlier, a sign of the tough business environment.

"Now the market is full of rotten apples," Islam said. "If we want to make it attractive again, we need to bring in a higher number of good apples."

Md Abul Kalam, spokesperson for the Bangladesh Securities and Exchange Commission (BSEC), acknowledged that the current valuation rules are the main reason for the lack of IPOs in FY25.

"The BSEC is working on amending the rules as part of its reform agenda," he said. "We hope that good companies will feel encouraged to come to the market once this is done."

The regulator has tightened its oversight of compliance, rejecting IPOs from companies that failed to meet standards, Kalam added. "Issue managers do not even dare submit questionable proposals now, as the commission takes compliance very seriously."

Officials have complained of being excluded from the review process. They allege that key protest figures have been subjected to vengeful transfers and harassment.

The council has also accused the NBR chairman of "trying to destabilise" both the revenue system and the country.

"The expected NBR reform is not possible under the current NBR chairman, as he won't let it happen," said Sehela Siddiqua, general secretary of the council, on Monday.

NBR Chairman Md Abdur Rahman Khan rejected the allegations but did not comment further.

Reserves to edge up

FROM PAGE B1

performance despite political instability, rising trade barriers, and financial sector stress in the wake of the 2024 popular uprising that unseated the previous government. "Advancing the reform agenda is critical to restoring economic stability, protecting the vulnerable, and supporting inclusive and environmentally sustainable growth," the IMF said.

Trade figures highlight ongoing volatility. Exports are expected to grow by 5.2 percent in FY2025, recovering from a 17.1 percent decline the previous year. Momentum is projected to accelerate in the next fiscal year, with exports rising 19.8 percent. Imports are also set to increase by 5.8 percent in FY2025 and 11.6 percent the following year, reflecting a gradual pickup in domestic demand and higher energy-related costs.

Economic growth is now projected at 5.4 percent in the next fiscal year, a downward revision from the IMF's earlier 6.5 percent forecast, and broadly in line with the government's

own estimate of 5.5 percent. Annual average inflation is expected to fall to 6.2 percent in FY2026, down from 9.9 percent in the current year. In April, the IMF had forecast a lower 5.18 percent inflation rate.

"Near-term policies should prioritise rebuilding external resilience and reducing inflation," Clarke said. "The authorities' recent steps to implement a new exchange rate regime and include revenue-enhancing measures in the FY2026 budget are welcome."

Clarke warned that "efforts to raise tax revenues and rationalise expenditures, including through subsidy reduction, are critical for creating the fiscal space needed to strengthen social, development, and climate initiatives."

"Sustained progress in reducing government subsidies to a fiscally sustainable level, along with enhanced public financial management, is essential to improving spending efficiency and mitigating fiscal risks," he added.

The IMF also flagged continued stress in the financial sector and

urged authorities to accelerate banking reform. "Financial sector policy should prioritise safeguarding stability and addressing rising vulnerabilities," Clarke said.

"Developing a comprehensive, sequenced strategy to guide reforms is an immediate priority, followed by the swift implementation of the new legal frameworks to enable orderly bank restructuring while protecting small depositors."

On climate finance, the IMF reiterated that reforms must be anchored in institutional efficiency. "Building resilience to natural disasters is essential for achieving high and inclusive growth," Clarke said.

While the IMF granted a waiver for the temporary breach of a performance criterion related to exchange restrictions, citing corrective measures, the IMF made clear that the path ahead will require sustained reform. "Sustained structural reforms are essential for Bangladesh to achieve its goal of attaining upper-middle-income status," Clarke said.

Google Pay goes live

FROM PAGE B1

managing director and CEO of City Bank PLC.

"We are proud to bring this innovative solution to our customers and enable a smarter, more convenient way to pay," he said.

He said Bangladesh had now truly joined the ranks of countries capable of digital financial transactions.

"It's time to take our cards out of wallets and switch to Google Pay. This service enables transactions not just within the country, but across the globe—opening new possibilities for Bangladeshis and boosting financial inclusion," he added.

Syed Mohammad Kamal, country manager for Bangladesh at Mastercard, said, "This launch represents a significant step forward in Mastercard's mission to accelerate the adoption of digital payments in Bangladesh."

"By introducing Google Wallet in collaboration with City Bank, Mastercard is not only expanding access to cutting-edge payment technologies but also empowering consumers with greater convenience, security, and choice in how they transact," he said.

Tracey Ann Jacobson, charg  d'affaires, ad interim, at the US Embassy in Dhaka, said it really was a wonderful collaboration.

Three iconic American brands—Google, Mastercard, Visa—and City Bank were working together to bring a state-of-the-art product to the Bangladeshi consumer and the Bangladesh business community, she said.

"And this is a sign of the growing sophistication and integration of Bangladesh into the global financial system that will pay benefits for years to come," she added.

"I do hope that Apple Pay will take note of this and make their own decision that everybody would like to see them make," said Jacobson.

Shammi Qudus, group product manager at Google Payments, and Sabbir Ahmed, country manager, Visa Bangladesh, were present.

Ahmed said, "We are excited to partner with Google and The City Bank PLC to bring Google Wallet to Visa cardholders in Bangladesh."

"Today's launch marks a significant step forward in our country's digital payments evolution, offering consumers a faster, safer, and more convenient way to pay. At Visa, we are committed to driving innovation and expanding access to secure digital payment solutions, and this is yet another milestone in our ongoing efforts to make everyday transactions seamless and contactless," he added.

ECONOMY IN FY25

A balancing act in turbulent times



ZAHID HUSSAIN

BBS's provisional GDP growth estimates for FY25 unveiled a second consecutive year of growth recession. Given the trials Bangladesh has endured since the outset of the year, the numbers carry the story of the economy's adaptation to adversities. A 3.97 percent real GDP growth is at par with the IMF's 3.9 percent projected for Asia in 2025. It is not too bad considering the adverse natural and political weather that stressed a state struggling to function with hollowed institutions.

How did the economy manage to grow under disorderly conditions? What prevented worse outcomes, often seen elsewhere under similar headwinds? Tunisia and Egypt, following the Arab Spring of 2011, for instance. What stood in the way of doing better?

GROWTH UPHELD BY EXPORTS

Exports were the most distinguished drivers of growth. After a steep 17.1 percent decline in FY24, real exports are nowcasted to rise 12.9 percent in FY25, a 30 percentage point turnaround. This rebound is only partly attributable to downward corrections in FY24 export data.

Merchandise exports grew 8.6 percent in the first 10 months. All major product categories maintained positive growth except dry food, jute and jute goods. Knitwear, denim, and high-value items like outerwear and lingerie are among the fastest-growing segments. Non-RMG export growth was better but not strong enough to make a difference to the pre-existing composition of exports.

Export growth correlates strongly with manufacturing growth, which reportedly increased from 3.16 percent in FY24 to 5.68 percent in FY25. Large industries

Street protests have occurred regularly, often multiple times per week, since August 2024, making FY25 one of the most sustained periods of political unrest in Bangladesh's recent history.

dominated the share of recovery. Shortages of gas notwithstanding, electricity provision supported output expansion in large manufacturing amidst labour unrest, factory closures, and mobility disruptions.

Export growth came mainly from the traditional markets. Exports to the EU, US, and Canada grew 10.46 percent, 15.97 percent, and 14.14 percent (July-April, FY25). The EU accounted for 49.91 percent of total RMG exports, followed by the United States (19.23 percent). Growth in nontraditional markets like India (17.35 percent), Turkey (31.75 percent), and Japan (10.32 percent) geared up from a low base but declined in the UK. Bangladesh's apparel exports to the US market outpaced its competitors in the first four months of 2025, growing 29.33 percent year-on-year. Bangladesh may have benefited from the pull-forward strategy of buyers as they hedged against uncertainty unleashed by Trump's

Liberation Day tariffs.

PROPPED BY REMITTANCES

Production and trade in Bangladesh used to be bound by a foreign exchange shortage in recent years. This changed in FY25 as the recession in the hundi market diverted remittances from the informal to formal channels. Remittances from Bangladeshi expatriates boomed 28.6 percent in July-May compared to the same period the year before.

As illicit outflows diminish, formal remittance inflows rise. This is conclusively evident from the post-August 2024 behaviour of formal remittances. The numbers employed, their incomes and the propensity to remit could not have changed so much all of a sudden. Displacement of money traffickers due to regime change is therefore the most plausible as the trigger, taking remittances towards a new historic high of \$30 billion in FY25. However, the corresponding positive effects of a decline in illicit financial outflows on domestic revenue mobilisation and capital

grounds, and resilient infrastructure that steered floods to expand fish habitats, migration and breeding, and replenish nutrients in wetlands.

Political unrest in different shapes and sizes persisted throughout the year. There isn't a precise count, but street protests have occurred regularly, often multiple times per week, since August 2024, making FY25 one of the most sustained periods of political unrest in Bangladesh's recent history.

The unrest didn't just shake the streets; it chilled economic growth and investor confidence. Work orders from global brands like H&M, Zara, and VF Corp declined by nearly 10 percent for the 2025 autumn-winter season due to safety concerns and cancelled buyer visits. The tech and startup ecosystem faced delays in foreign investment.

Growth in the services sector slowed considerably, reflecting decelerations in domestic trade and transport. These sectors depend heavily on social order and continued public services in the daily

during FY26-28 in their Medium-Term Macroeconomic Policy Statement FY26-28. Inflation will decelerate from 9.05 percent in May to 6.5 percent in FY26, followed by a 50 basis point drop each year during FY27-28.

Rising growth and disinflation can coexist when global commodity prices are soft, the US dollar is weak, interest rates are low, and foreign exchange liquidity and energy supplies do not bind. For growth to rebound, it durably requires, in addition to industrial peace, secure movement of people and property and a credible macro-structural policy regime. None of these can be taken for granted in today's world. Just when you think it's getting a little clearer, something else comes along, damaging the path of recovery.

WALKING THE WALK

Escalation of trade barriers, persistent policy uncertainty, and rising geopolitical tensions are huge downsides that need shielding. Threats to some bring opportunities for others.



PHOTO: STAR/FILE

Knitwear, denim, and high-value items like outerwear and lingerie are among the fastest-growing segment in exports.

accumulation are yet to transpire, perhaps because they are never immediate and, more importantly, in the current context, other enablers are still missing.

The foreign exchange market and the banking system benefited from the increased forex transfers across Bangladesh's financial borders. They enabled clearing arrears accumulated due to forex shortage without drawing down BB's reserves or net open positions of banks. This averted supply disruptions (especially fertiliser, coal, LNG) and improved confidence in the ecosystem of trade and investment financing.

BB transitioned from a crawling peg to a flexible market-based exchange rate regime with no official rate ceilings and no phone suasion. Exchange controls such as US dollar rationing often distort the level playing field by prioritising connected firms on the backfoot if not in the rear-view mirror.

THROTTLED BY ADVERSITIES

Devastating floods swept through several northeastern and southeastern regions between August 21 and early September 2024, affecting approximately 5.8 million inhabitants. The resulting fall in crop production accounts largely for the decline in agricultural growth to 1.79 percent in FY25 from 3.3 percent in FY24. Production growth in fishing increased from 0.79 percent in FY24 to 3.24 percent in FY25, credit to floodplain management, protecting breeding

course of their business. Urban trade and transport are especially vulnerable to the cascading effects of sudden stops caused by holding streets hostage.

DENIED BY CAPITAL ACCUMULATION

The investment intensity of the economy has been declining since FY22. This worsened in FY25. Gross capital formation decelerated to 1.76 percent in FY25 from an already low 2.2 percent in FY24. The provisionally estimated total investment rate dropped 132 basis points in FY25 alone, out of a cumulative 267 basis points decline since FY22, when the rate stood at around 32 percent of GDP.

The estimated positive growth in capital formation in FY25 contrasts with LC settlement and opening data for capital goods imports. LC settlement was down by 25.6 percent and LC opening by 27.5 percent in July-April FY25 in nominal dollar terms. BBS's estimate of the growth in capital formation may thus be erring on the high side.

A down-trending private investment rate, coupled with a near-constant share of manufacturing in total output, suggests the economy only moved sideways on structural change in FY25.

EXPECTATIONS BUOYANT NONETHELESS

Performance in FY25 was better on stability than growth compared to the previous year. The government has projected 5 percent growth in FY25, rising subsequently by 50 basis points each year

For instance, the Trump administration's preference for country-specific tariffs is equivalent to levying a general tariff on all imports while providing a production subsidy to competing producers from all the countries not covered by the same extent of reciprocal tariffs. Countries able to attract orders and production capacity diverted from China and the US are on the receiving side of this subsidy.

US tariffs on China may remain an order of magnitude higher for most goods than the 10 percent baseline for the rest of the world, at least until the US administration manages to get all the 150-plus bilateral deals done. The inherently protracted nature of this process has opened opportunities for countries like Bangladesh to find their niche in the supply chain restructurings already happening or queuing to happen.

As a more predictable global trading regime emerges, pent-up foreign direct investment will follow countries ahead in the trade policy game currently being played out. LDC graduation in 2026 will change the game for Bangladesh further. Bangladesh will have to find a dominant new set of trade policy serving best the national interest in a world where sudden disruption appears to have joined death and taxes in the list of lifetime certainties!

The writer is a former lead economist at the World Bank's Dhaka office.

Why every company should be audited

JASIM UDDIN RASEL

As of July 2022, there were 272,598 companies registered with the Registrar of Joint Stock Companies and Firms (RJSC) in Bangladesh, according to media reports. By 2025, this number is estimated to reach 300,000. Yet only about 40,000 of these companies file tax returns annually, according to the tax authority.

In 2024, the Institute of Chartered Accountants of Bangladesh (ICAB) reported that 57,993 audit reports were issued. These covered companies, societies, partnership firms and other entities.

In Bangladesh, all companies, regardless of size, are legally required to undergo a statutory audit. The important question is, why are around 260,000 companies not filing tax returns after completing a statutory audit?

There could be two main reasons. Many companies may no longer be operational, and some may simply be ignoring compliance with the Companies Act or tax laws.

Why is an external audit required?

The primary purpose of an external audit is to provide reliable financial information to stakeholders who are not involved in a company's daily operations. Beyond this, audits are also required for regulatory compliance, such as for tax returns and RJSC filings.

In the early stages, a company is often formed by family members or close friends using their own capital, without institutional loans. In such cases, the need for a statutory audit is minimal, serving mainly for tax filing purposes. Imposing mandatory audits on these companies simply because they are registered under the Companies Act may not be justified.

Under section 73 of the Income Tax Act 2023, partnership firms, trusts, societies and cooperatives with gross receipts below Tk 50 million are not required to file audited financial statements. A similar threshold could be introduced in the Companies Act to ease the audit burden on small businesses.

In Australia, the Corporations Act 2001 (Chapter 2M) requires a company to be audited only if it meets at least two of the following three criteria: revenue of AUD 50 million or more; assets of AUD 25 million or more; or 100 or more employees. Only Registered Company Auditors (RCAs) approved by the Australian Securities and Investments Commission (ASIC), and qualified through CPA Australia, Chartered Accountants Australia and New Zealand (CAANZ), or the Institute of Public Accountants (IPA), are authorised to conduct statutory audits.

The UK follows a similar approach, with audit thresholds in place. Only members of the Association of Chartered Certified Accountants (ACCA), the Institute of Chartered Accountants in England and Wales (ICAEW), the Institute of Chartered Accountants of Scotland (ICAS), the Institute of Chartered Accountants of Ireland (ICAI), or the Association of Authorised Public Accountants (AAPA) are eligible to perform statutory audits. A profession is not a business driven by a monopoly; it is open to all who pursue the necessary qualifications to serve beyond personal financial interests.

Implementing audit thresholds, as practised in the UK and Australia, would benefit both entrepreneurs and auditors. Small businesses could reduce compliance costs and focus on growth, while auditors could concentrate on defined entities. This would reduce misinformation about the number of companies and practising auditors, and enhance audit quality. Regulatory authorities would also find it easier to oversee compliance requirements.

Improving the quality of audit work is essential, but auditors alone cannot prevent fraud, corruption or money laundering within an organisation or country. These illegal activities are often carried out by groups of individuals in highly sophisticated ways, making them difficult to detect. However, auditors are expected to follow established auditing standards and apply professional scepticism to help identify and reduce the risk of such irregularities.

In a society where irregularities are common, placing blame solely on auditors or any single group does not absolve others of responsibility. Accountability should rest with each individual involved, rather than shifting the burden entirely onto one party.

The writer is a fellow member of ICAB.

LNG freight rates hit 8-month top

Tight tanker availability, Mideast conflict to blame

REUTERS, Singapore/London

Shipping costs for liquefied natural gas cargoes have rallied to their highest in about eight months with vessel availability tightened by a shift in more ships heading to Asia at the same time as conflict has escalated in the Middle East.

The Atlantic freight rate for vessels with two-stroke engines capable of carrying 174,000 cubic meters of LNG, the most common type in the market, was assessed at \$51,750 per day on Monday, its highest level since October 3, according to pricing agency Spark Commodities.

The Pacific freight rate for the same class of ship also surged, with Spark assessing it at \$36,750/day on Monday, the highest level since October 25.

"This rise in global LNG freight rates has been largely due to tight vessel availability, which in turn has been caused by a shift in pricing signals for US cargoes," said Spark Commodities analyst Qasim Afghan.

"This has been further exacerbated by market sentiment around the developing situation in the Middle East," he said.

A recent tender by Egypt to buy up to 160 LNG cargoes through 2026 also drove up demand for vessels.

In February, LNG shipping rates fell to five-year lows as the global fleet expanded and higher delivered prices in Europe incentivised US cargoes to remain in the Atlantic versus travelling to Asia. The shorter average journey times increased tanker availability.

READ MORE ON B2

Global growth at risk amid rising geopolitical turmoil: WEF

AFP, Tianjin

The world is facing the "most complex" geopolitical situation seen in decades, the head of the World Economic Forum (WEF) told AFP Tuesday, warning that turmoil was "impacting global growth".

"It is the most complex geopolitical and geo-economic backdrop we've seen in decades," WEF President and CEO Borge Brende said ahead of a meeting of the multilateral forum in the northern Chinese city of Tianjin.

"If we are not able to revive growth again, we can unfortunately see a decade of lower growth," he warned.

Officials including Singaporean Prime Minister Lawrence Wong will attend this week's WEF meeting in the port city of Tianjin -- known colloquially as the "Summer Davos".

The meeting comes hard on the heels of the United States' involvement in the Iran-Israel conflict and follows months in which the global economy has been battered by a tariff war launched by US President Donald Trump.

This month, the World Bank cut its forecast for global growth this year from 2.7 percent to 2.3 percent, following a similar reduction by the International

Monetary Fund.

Brende told AFP it was still too soon to predict the impact of Trump's swingeing tariffs.

It is "too early to say what these tariffs will end with because the negotiations are still ongoing", he said.

"I think the jury is still out, but the traditional globalisation we saw is now changed into a different system," he said. "That is a new chapter... especially since trade was the engine of growth."

Brende also warned mounting conflict could have a "very negative impact" on

global growth.

The WEF gathering in Tianjin comes at an uncertain juncture for the Chinese economy, which has struggled under a years-long property sector crisis and sluggish domestic spending.

"China really does matter," Brende said, adding he expects the country to account for almost 30 percent of global growth this year.

"China is pivoting its economy more towards digital trade, towards services and also now opening up for increasing domestic consumption -- something that is important," Brende said.

Officials in Beijing have since late last year unveiled a string of aggressive measures including key rate cuts and cancellations of home purchasing restrictions.

But many economists remain sceptical that the Chinese economy can achieve the government's official growth target for this year of around five percent.

With the tumultuous trade war threatening shipments from the manufacturing powerhouse, Beijing is looking to emerging technologies such as artificial intelligence as potential sources of future growth.

READ MORE ON B2



Britain's former prime minister Tony Blair (L) and World Economic Forum President and CEO Borge Brende speak during a session at the World Economic Forum Annual Meeting of the New Champions 2025 in Tianjin, China on June 24.

PHOTO: AFP