

75% of money laundering is trade-based: BIBM study

STAR BUSINESS REPORT

Trade-based money laundering is responsible for around 75 percent of the funds siphoned off from Bangladesh, a study has found.

Most of the funds are laundered through false import and export declarations, according to the findings of the study conducted using data from the National Board of Revenue (NBR).

The findings of the study, conducted by the Bangladesh Institute of Bank Management (BIBM), were presented at a roundtable at the BIBM in Dhaka yesterday.

The study, titled "Enforcement Status of the Standards to Prevent Trade-Based Money Laundering", was prepared using responses from officials of 37 banks and was compiled by three BIBM faculty members, two officials from private banks, and one representative from the Bangladesh Financial Intelligence Unit.

Earlier, following the amendment of the Money Laundering Prevention (Amendment) Act, 2015, the Customs Intelligence and Investigation Directorate investigated 95 money laundering cases and found that all were

trade-based, according to the study.

During a keynote presentation, Shah Md Ahsan Habib, professor (selection grade) at BIBM, explained the key reasons why criminals prefer trade channels for money laundering.

Chief among them was the ability to move large volumes of funds – far more than possible through other means, he said.

Speaking as the chief guest, Bangladesh Bank Deputy Governor Nurun Nahar said money laundering also takes place through under-invoicing in imports and exports, which falls under trade financing.

In many cases, the transactions appear legitimate on the surface, but hidden manipulation lies beneath.

"A 2024 white paper estimated annual trade-related outflows from Bangladesh at \$16 billion, equivalent to 3.4 percent of the GDP – more than the nation's total yearly health budget."

"These losses, often facilitated through over- or under-invoicing and phantom shipments, erode the country's foreign exchange reserves, reduce customs revenue, and inflate the cost of doing business," reads the report.

Handset production

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35 percent, the highest in the region, the association noted, adding that Pakistan, by comparison, levies just 20 percent.

Besides, over the past three years, the sector had been grappling with a shortage of letters of credit due to the dollar crisis and rising exchange rates.

Simultaneously, sales have fallen, and the expanding grey market continues to erode the competitiveness of domestic manufacturers.

The downturn is more than a blip. In 2023, total production fell year-on-year for the first time since Bangladesh launched local manufacturing in 2017.

Industry insiders also point to regulatory lapses

as a contributing factor.

The National Equipment Identity Register (NEIR), a system launched by the BTRC to prevent the illegal use and import of mobile phones, remains only partially implemented. As a result, efforts to curb the grey market have been largely ineffective.

The BTRC signed a Tk 29 crore agreement with the Synthesis-Radisson-Computer World consortium on November 25, 2020, to set up and operate the NEIR system.

A trial run began in July 2021, but the initiative has yet to be fully enforced.

The regulator has floated a new tender to revive the NEIR system with the full feature set, including the ability to block illegal phones.

Interbank dollar

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However, non-USD spot transactions, mostly euros, dominated the spot market transactions in March and April 2025, partly because of inflexibility in the Bangladesh Taka and US dollar exchange rate.

The BB said its intervention in the market reversed to a net purchase in March-May 2025 after a persistent net selling

amid stress on the external balance.

"To foster effective functioning of the interbank market, BB has gradually phased out under intervention (both selling and purchasing of foreign currency) in the foreign exchange market," the report said, adding that the central bank has not intervened in the foreign exchange market since 15 May 2025.

Dollar's dive offsets tariff sting for some US bellwethers

REUTERS

A slump in the dollar has come to the rescue of some major multinational US companies this earnings season, easing the sting from President Donald Trump's tariffs that have driven up costs and upended financial planning.

A weaker dollar enhances the value of foreign earnings of US companies, while also making American exports more competitive.

Companies such as Levi Strauss, Netflix, Pepsi and 3M, which generate significant revenue from overseas sales, reported a boost to their April-June earnings or raised their annual forecasts due to the slump in the dollar.

The greenback has lost about 10 percent this year, due to rapidly changing US trade policy and worries about growth and ballooning government debt.

Last week, PepsiCo, which relies on international business for about 40 percent of its total net revenue, forecast a smaller annual profit drop helped by a weaker dollar.

Rival Coca-Cola said on Tuesday its annual comparable earnings per share is expected to be near the top end of its target of a 2 percent to 3 percent rise, helped by a softer greenback.

The whole point of Trump's plan is to try to get the dollar weaker in order to try to increase international sales for US multinationals," said Robert Pavlik, senior portfolio manager at Dakota Wealth.

"It's probably a good course of



action to take and we'll continue to see that going forward especially if he gets his way as far as rates are concerned."

Based on two decades of data, every 1 percent depreciation in the dollar historically improves S&P 500 earnings per share growth by about 0.6 percentage points, according to LSEG data. Roughly 38 percent of S&P 500 revenue is derived from international markets.

Information technology, consumer discretionary, health care and industrial companies have the highest international exposure.

"We originally expected over \$100 million of headwinds from a strengthening dollar and the reverse has happened," medical equipment maker Edward Lifesciences CFO Scott Ullem said at a Jefferies conference on June 4.

TAILWIND NOT ENOUGH

Still, a forex tailwind is not always enough to reassure investors, who are looking out for signs of real growth as skittish consumers curb spending. Investors typically do not reward FX-driven sales beats the way they reward constant currency beats, Goldman Sachs strategists said in a note.

"In many ways, investors should consider some of these things as transitory or one-time adjustments that are not sustainable," said Michael Arone, chief investment strategist at State Street Investment Management.

Netflix shares declined more than 4 percent on Friday as some investors were disappointed by a revenue forecast raise that was driven more by a weaker dollar than strong demand.

Gopinath leaving IMF next month to return to Harvard

REUTERS, Washington

Gita Gopinath, the No. 2 official at the International Monetary Fund, will leave her post at the end of August to return to Harvard University, the IMF said in a statement on Monday.

IMF Managing Director Kristalina Georgieva will name a successor to Gopinath in "due course," the IMF said.

Gopinath joined the fund in 2019 as chief economist – the first woman to serve in that role – and was promoted to first deputy managing director in January 2022.

No comment was immediately available from the US Treasury, which manages the dominant US shareholding in the IMF.

While European countries have traditionally chosen the Fund's managing director, the US Treasury has traditionally recommended candidates for the first deputy managing director role.

Gopinath is an Indian-born US citizen.

The timing of the move caught some IMF insiders by surprise, and appears to have been initiated by Gopinath.

Gopinath, who had left Harvard to join the IMF, will return to

the IMF as a highly respected academic and proved to be an "exceptional intellectual leader" during her time, which included the pandemic and global shocks caused by Russia's invasion of Ukraine.

"Gita steered the Fund's analytical and policy work with clarity, striving for the highest standards of rigorous analysis at a complex time of high uncertainty and rapidly changing global economic environment," Georgieva said.

Gopinath has also overseen the fund's multilateral surveillance and analytical work on fiscal and monetary policy, debt, and international trade.

Gopinath said she was grateful for a "once in a lifetime opportunity" to work at the IMF, thanking both Georgieva and the previous IMF chief, Christine Lagarde, who appointed her as chief economist.

"I now return to my roots in academia, where I look forward to continuing to push the research frontier in international finance and macroeconomics to address global challenges, and to training the next generation of economists," she said in a statement.

Gold retreats from 5-week high

REUTERS

Gold eased on Tuesday as investors booked profits after prices scaled a five-week high, while market participants focused on trade talks ahead of US President Donald Trump's August 1 deadline.

Spot gold fell 0.3 percent to \$3,385.20 per ounce by 0932 GMT. Earlier in the session, bullion hit its highest since June 17.

US gold futures were down 0.3 percent at \$3,396.10.

Gold prices edged lower amid profit booking but remained close to the five-week high due to lingering uncertainty ahead of the August 1 tariff deadline, said Jigar Trivedi, a senior commodity analyst at Reliance Securities.

"Gold is likely to stay bullish. A strong resistance is seen near \$3,420. On the flip side, \$3,350 is a support," he said.

The US dollar index steadied against its rivals. A stronger dollar makes greenback-priced gold more expensive for other currency holders.

European Union diplomats said the bloc is exploring broader counter-measures against the United States as prospects for a trade agreement with Washington diminish. Trump has threatened 30 percent tariffs on European imports if no deal is reached before the August 1 deadline.

US Treasury Secretary Scott Bessent said the administration prioritises the quality of trade deals over timing.

Decathlon's new Country Production Head

Sayef Ahmed
empowerment and strengthens its role as a key global production hub for the brand.

Why is the stock market

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At the end of the day, the number of good stocks and investors is limited in the Bangladesh stock market. So, when some banks and NBFIs get hurt, it impacts the whole market, he said.

In the interest of market sustainability, the government should immediately work towards listing more companies with sound financial backgrounds, he said.

Regarding foreign investors, Saiful Islam hopes that some will come to the market as the currency is now stable.

A top analyst, preferring anonymity, said if the government suddenly lifts

the floor price on Beximco Ltd, it may result in a heavy impact on the index as it is a large capital-based company. So, it should be careful about this, he said.

Rashedul Hasan said foreign exchange stability is a major influencer of portfolio investment and it is improving day by day on the back of an increase in the flow of inward remittance.

He believes that portfolio investment will rise further and investors realise it, which is why companies with strong financial records are rising.

The market has

realised that there would be improvements in the macroeconomy, and the stock market is giving off signals, he said, hoping for inflation to drop to 6 percent within October.

With improvements in the macroeconomy, listed firms will also start to generate a good amount of revenue. The recent rise of the index is an "early sign of strong recovery of the market," said the asset manager.

On whether the market may drop again to its previous levels, he said, "I believe the worst is over."

Customs launches special auction

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are filled with non-perishables including construction materials, chemicals, electronics, and consumer goods.

From this, there are 453 imported vehicles which were brought in by 208 companies and individuals since 1995, port officials said.

To expedite the clearance of such

abandoned imports, the National Board of Revenue (NBR) issued a special order in June, allowing customs houses at all sea and land ports to sell goods through e-auction, spot auction, or, under certain conditions, direct sale or transfer.

The order also permits the disposal of hazardous materials either at an offered price or free of cost to authorised agencies.

Under the special order, all goods imported before 2024 are now being brought under the special auction. Items imported in 2024 and onwards will continue to be sold through the regular system.

The items are set to be auctioned on July 30, and participation is also open to all eligible bidders online.

According to customs law, importers have to take delivery of goods within 15 days of arrival at the port; if they fail to do so, the Customs authority will initiate procedures to sell the goods through auction.

জেলা পরিষদ, ঢাকা।

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(আয়োজিত কার্যালয়: সেক্টরনং ৬, আজমপুর, উত্তরা মডেল টাউন, ঢাকা-১২৩০।)

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নিম্নোক্ত সময়সূচী এবং ফি পরিবোধ সাথেকে ঢাকা জেলা পরিষদের আওতায় তালিকাভুক্ত সকল প্রেরণ ঠিকাদারী/ঠিকাদারী অধিকারী নবায়নের লক্ষ্যে নির্বাচিত ফরমে দরখাত আহবান করা যাচ্ছে। অন্যান্য তথ্যালি অফিস জ্ঞানাবলী সময়ে জেলা পরিষদ কার্যালয় হতে জানা যাবে।

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