



Tapan Chowdhury

REFAYET ULLAH MIRDHA

Bangladeshi conglomerate Square Group is going for a massive expansion both at home and abroad, said Tapan Chowdhury, managing director of Square Pharmaceuticals Ltd, a key arm of the group.

In an interview with The Daily Star, Chowdhury said the pharmaceutical unit in Pabna has already gone through an expansion.

That included the construction of a new plant in the Pabna BSCIC industrial estate to produce steroids, hormones, and nasal sprays.

"The expansion is ongoing as demand continues to rise, both in domestic and international markets," Chowdhury said.

"We are also looking for collaboration with international companies for further expansion of the pharmaceuticals unit."

The managing director of Square Pharmaceuticals declined to share details of the investment or total costs for the Pabna facility expansion.

He, however, said that the group is eyeing both European and African markets for its products.

This year holds special significance for the conglomerate as it marks the birth centenary of its founder, Samson H Chowdhury.

To honour his legacy, the group plans to set up a large hospital in

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Dhaka's outskirts, in the Amin Bazar area, mainly for middle-income people.

The original plan for the hospital was slated for Pabna. However, the lack of interest among skilled doctors

to relocate away from the capital prompted the decision to move it closer to Dhaka, where Square owns the required land.

Chowdhury said the new hospital will have 500 beds and will be staffed by many of the doctors currently employed at Square Hospital.

"It will not be expensive, but we will maintain the same standards of care," he added. The group also plans to set up a medical college, a nursing institute,

Kenya and exploring opportunities to set up a manufacturing unit in Saudi Arabia.

Talks are underway with a Saudi company to jointly develop a textile venture there, although the move depends on government approval for overseas investment.

"The government should allow such investments after due diligence," Chowdhury said.

At home, Square is scaling up its food and beverage, toiletries, and textile

garments division continues to perform well. The spinning units are being expanded, and the garment wing alone currently exports goods worth around \$800 million annually.

Speaking about the reciprocal tariff by the US administration, he expressed concern over the rates, saying that the 35 percent duty poses a threat to Bangladesh's overall apparel exports.

"If properly negotiated, the rate can be brought down," he said.

The group, with an annual turnover of \$3 billion, now employs more than 70,000 people and expects to create many more jobs as new plants and hospitals come online.

Unlike other conglomerates, Chowdhury said Square is not an owner-driven company. Rather, it operates like a family, where executives are empowered to make decisions.

He called for a level playing field across industries, stressing that the rule of law must apply equally to all businesses, regardless of size.

"Big companies should act responsibly, as smaller ones often follow their lead," he said, referring to industry setbacks following the political changeover in August last year.

Regarding consistent energy supplies to factories, Chowdhury urged the government to invest more in domestic gas exploration or ensure adequate liquefied natural gas (LNG) imports to meet industrial demand.

He said that Square is installing solar panels in the northern districts to reduce the group's reliance on fossil fuels.

He advocated for greater transparency in petroleum imports to check wastage and embezzlement, which he said drives up business costs.

"Bangladesh faces many challenges in doing business," he said. "But there are just as many opportunities, and the challenges can be overcome."

TAKEAWAYS FROM INTERVIEW

Healthcare expansion

Square Group will set up a medical college, a nursing college, and a new hospital in Dhaka

The new hospital will primarily target middle-income patients

This healthcare expansion is being carried out in commemoration of the group's founder, Samson H Chowdhury

Pharma expansion

The pharma unit in Pabna has been expanded and further expansion is ongoing

Square is in talks to set up a pharma unit in Saudi Arabia

Its pharmaceutical unit in Kenya is also undergoing expansion

Outlook and impact

Current annual turnover is \$3b and it employs over 70,000 people

New units will create substantial employment opportunities

and a care home for the elderly on the same site.

According to Chowdhury, these will help build a sustainable pipeline of healthcare professionals and eventually serve society better. He hopes many of the students from these institutions will go on to work within the hospitals owned by the group.

The MD said Square is also expanding its existing pharmaceutical operations in

units to meet growing demand.

"Despite being a nation of 18 crore, many products such as beverages and biscuits are still heavily imported," he said. "There is enormous potential to fill that gap locally while also catering to export markets."

He added that public trust in Square products comes from the company's focus on quality.

Chowdhury said their textiles and

Strengthening the central bank

MAMUN RASHID

With nudges from the International Monetary Fund and backing from the World Bank and Asian Development Bank, Bangladesh has embarked on a long-overdue three-year reform plan for its ailing banking sector. This is not a routine clean-up. The system is facing a structural, not cyclical, crisis, as evident by the record Tk 420,335 crore in defaulted loans as of March 2025, of which over Tk 300,000 crore is concentrated in just 10 banks.

The roadmap promises new legislation, better oversight, and institutional reforms to restore governance and credibility, and to spare taxpayers from footing the bill when banks fail. But unless the Bangladesh Bank (BB) transforms into a forward-looking, system-oriented regulator, no amount of legislation will suffice.

The central bank's legacy of regulatory passivity must be dismantled. In previous political regimes, politically supported interests took over several reputable banks, reportedly including a takeover of Islami Bank at gunpoint. By approving acts that went against fiduciary standards, the Bangladesh Bank shifted from being a regulator to more of a bystander. Any roadmap's implementation will stall unless regulatory independence and muscle are restored.

Five key laws—a new Bankruptcy Act, Money Loan Court Act, Distressed Asset Management Act, Bank Resolution Ordinance, and Deposit Protection Ordinance—are expected to take effect by the first quarter of the current fiscal year 2025-26. These are commendable. But laws alone cannot engineer structural change. That requires accountability and the right incentives.

The strength of a central bank lies not in how many transactions it approves, but in how clearly and consistently it sets and upholds market rules. For too long, BB has micromanaged bank

operations, approving individual loans, equity deals, and foreign currency transactions, instead of fostering a rules-based financial ecosystem. These reflect deep-seated institutional insecurity.

Modern central banks such as the Reserve Bank of India (RBI) and the Monetary Authority of Singapore focus on systemic stability. They define prudential frameworks, delegate operational

autonomy, and monitor large-scale deviations. The RBI's Early Warning Systems and Prompt Corrective Actions have helped lower India's non-performing assets from 11.6 percent in 2018 to 3.2 percent in 2023, according to its 2024 annual report.

Bangladesh must adopt a similar approach. Centralised approvals disincentivise risk-taking, erode institutional strength, and weaken banks' capacity to manage liquidity, assess credit, or absorb shocks. Even during the post-Covid liquidity glut, banks sat on excess reserves, unable to deploy them effectively.

Amending the Bank Company Act to sever political ties from board appointments is a step forward. But implementing this will require a central bank with the backbone to confront entrenched interests. The move to identify banks' ultimate beneficial owners must be followed through rigorously.

Asset recovery also demands institutional muscle. The revamped loan recovery task force must operate independently, free from selective enforcement. Global examples such as Indonesia's OJK Asset Management Company and India's Insolvency and Bankruptcy Code show recovery works best when tied to judicial reforms and real-time surveillance.

The interim government must view this roadmap as a political and institutional reset, not a checklist. Despite its brief term, it must build bipartisan consensus and protect reforms from electoral churn.

The central bank must evolve from a transaction approver into a market architect. It must enforce real-time monitoring, set clear capital standards based on risk, and penalise poor governance. Without such changes, the reform package risks joining a familiar graveyard: well-intentioned, poorly executed, and quickly forgotten.

The question now is: do we have the institutional courage to let the Bangladesh Bank lead?

The writer is an economic analyst and chairman at Financial Excellence Ltd

Gold price drops

REUTERS

Gold prices slipped on Friday, weighed down by a stronger US dollar and signs of progress in US-EU trade negotiations that dented safe-haven demand.

Spot gold fell 0.9 percent to \$3,336.01 per ounce by 02:01 p.m. ET (1801 GMT). US gold futures settled 1.1 percent lower at \$3,335.6.

The US dollar index rebounded from a more-than-two-week low, making bullion more expensive for overseas buyers.

"The Japan deal was significant, and there's hope for a US-EU agreement before the August 1 deadline. That's sapping safe-haven demand as elevated risk appetite drives capital toward risk assets," said Peter Grant, vice president and senior metals strategist at Zaner Metals.

Following this week's US-Japan trade deal, the European Commission said a trade deal with the US is within reach, even as EU members approved counter-tariffs on US goods in case talks fail.

On the data front, US jobless claims fell to a three-month low, signaling a stable labor market despite sluggish hiring.

Stable labor market data is expected to give the Federal Reserve cover to hold rates steady at 4.25 percent-4.50 percent at its meeting next week, even as inflation shows signs of picking up due to US President Donald Trump's import tariffs.

Trump's surprise visit to the central bank marked a fresh attempt to pressure Chair Jerome Powell, with the President again urging a deep rate cut.

Gold may attract some "buying interest probably at \$3,300 level, but perhaps not breaking out to new all-time highs until after the Fed decision," Grant said, adding that the meeting could signal rate cuts later this year.

Gold typically performs well during periods of uncertainty and in low-interest-rate environments.

Pakistan says it's close to US trade deal Washington gives no timeline

REUTERS, Washington

Pakistani Foreign Minister Ishaq Dar said on Friday the United States and Pakistan were "very close" to a trade deal that could come within days, but comments from the US after Dar met with Secretary of State Marco Rubio mentioned no timeline.

"I think we are very close to finalising a deal with US. Our teams have been here in Washington, discussing, having virtual meetings and a committee has been tasked by the prime minister to fine-tune now," Dar said in a discussion at the Atlantic Council think tank in Washington.

"It's not going to be months, not even weeks, I would say (just) days," he said.

Under US President Donald Trump, Washington has attempted to renegotiate trade agreements with many countries that he threatened with tariffs over what he calls unfair trade relations. Many economists dispute Trump's characterisation.

The US State Department and Pakistan's foreign ministry, in separate statements after Rubio's meeting with Dar, said the two stressed in their discussion the importance of expanding trade and ties in critical minerals and mining. A post by Rubio on X after the meeting and the State Department's statement mentioned no timeline for finalizing a trade deal.

The Pakistan foreign ministry also said Dar "appreciated the pivotal role" by Trump and Rubio "in de-escalating tensions between Pakistan and India by facilitating a ceasefire." The State Department statement did not mention India.

Trump has repeatedly taken credit for the India-Pakistan ceasefire he announced on social media on May 10 after Washington held talks with both sides. India disputes Trump's claims that the ceasefire resulted from his intervention and trade threats.

India's position is that New Delhi and Islamabad must resolve problems directly with no outside involvement.

An April 22 militant attack in India-administered Kashmir killed 26 men and sparked heavy fighting between the nuclear-armed Asian neighbors in the latest escalation of a decades-old rivalry.

Trump, EU chief to meet today in push for trade deal

AFP, Brussels

EU chief Ursula von der Leyen and US President Donald Trump said Friday they would meet in Scotland this weekend in a decisive push to resolve a months-long transatlantic trade standoff.

In a drive to slash his country's trade deficits, Trump has vowed to hit dozens of countries with punitive tariff hikes if they do not hammer out a pact with Washington by August 1.

The EU -- which is facing an across-the-board levy of 30-percent -- has been pushing hard for a deal with Trump's administration, while also planning retaliation should talks fall short.

Von der Leyen first announced the meeting, writing on X: "Following a good call with POTUS, we have agreed to meet in Scotland on Sunday to discuss transatlantic trade relations, and how we can keep them strong."

Arriving on UK soil late Friday, Trump confirmed he would meet the head of the European Commission, which has been negotiating with Washington on behalf of the 27-nation bloc.

"I'll be meeting with the EU on Sunday, and we'll be working on a deal," he told reporters as he touched down at Prestwick Airport near Glasgow.

"Ursula will be here -- a highly respected woman. So we look forward to that," Trump said.

"We'll see if we make a deal," added the president -- who reiterated earlier comments saying the chance of a deal was "50-50" with sticking points remaining on "maybe 20 different things."

"But we're meeting ... with the European Union. And that would be, actually, the biggest deal of them all, if we make it," he said.

The high-level meeting follows months of negotiations between top EU and US trade officials, and days of signals suggesting the sides were moving towards an agreement.

According to multiple European diplomats, the agreement under consideration would involve a baseline 15-percent US levy on EU goods -- the same level secured by Japan this week -- and potential carve-outs for critical sectors.

Von der Leyen's spokesperson Paula Pinho said "intensive negotiations"



US President Donald Trump disembarks from Air Force One upon his arrival at Prestwick Airport, south of Glasgow, on July 25, on the first day of his UK visit. On Friday, Trump confirmed he would meet the head of the European Commission.

PHOTO: AFP

had been taking place at technical and political level in the run up to Sunday's meeting.

"Leaders will now take stock and consider the scope for a balanced outcome that provides stability and predictability for businesses and consumers on both sides of the Atlantic," she said.

Hit by multiple waves of tariffs since Trump reclaimed the White House, the EU is currently subject to a 25-percent levy on cars, 50 percent on steel and aluminium, and an across-the-board tariff of 10 percent, which Washington threatens to hike to 30 percent in a no-deal scenario.

The EU wants to avoid sweeping tariffs inflicting further harm on the European economy -- already suffering from sluggish growth -- and damaging a trading relationship worth an annual 1.6 trillion euros (\$1.9 trillion) in goods and services.

EU member states gave the European Commission a mandate to pursue a deal to avoid hefty US tariffs, with retaliation held out as a last resort if talks fail.

Seeking to keep up the pressure in