

Singer to begin trial export of wire harnesses

STAR BUSINESS REPORT

Singer Bangladesh Ltd yesterday said that its board had approved the trial export of wire harnesses to its sister company Beko Romania, marking the official start of its export operations.

This move follows the launch of commercial production at Singer's new home appliance plant in the Japanese Economic Zone in Narayanganj.

In the second quarter of this year, Singer reported a loss due to higher production costs that squeezed its gross profit margin.

According to financial statements, Singer posted a loss of Tk 31 crore for the April-June period, compared with a profit of Tk 25.71 crore in the same quarter last year.

Loss per share stood at Tk 3.11, a decline from earnings per share of Tk 2.58 recorded in the second quarter of 2024.

Despite a 15.4 percent rise in turnover during the quarter, the company's

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gross profit margin fell as it struggled to offset climbing production costs.

"The selling price could not be increased or adjusted to absorb the increased average product cost, which led to a decrease in gross profit margin in order to remain competitive," the company said in the statements.

Singer pointed to various promotional offers and discounts, among other reasons, for the rise in product costs.

Operating profit fell by 5.1 percent year-on-year, with operating expenses jumping 14 percent. The increase was driven by heavier spending on advertising and sales promotions, higher bank charges, warranty claims, and demurrage fees.

Singer said its net finance costs soared by 175.1 percent, fuelled by a 15.9 percent increase in short-term borrowings. Rising interest rates added further pressure.

Additionally, foreign exchange movements worsened the situation as the euro depreciated by 4.2 percent against the taka since May 2025.

Singer Bangladesh and Beko Romania are both subsidiaries of Arçelik AS, based in Turkey.



Emerging leather entrepreneurs showcase their products at the 9th Bangladesh Leather & Footwear Expo organised by the Bangladesh Tanners Association at the International Convention City Bashundhara recently. The event offered an opportunity for young entrepreneurs to connect with buyers and build export pathways.

PHOTO: STAR

Young entrepreneurs bootstrapping the leather sector

JAGARAN CHAKMA

From setting up micro factories in Hazaribagh to attending international expos, a new generation of leather entrepreneurs is trying to bring fresh momentum to one of Bangladesh's most promising sectors for exports.

With technical expertise, business insight, and a strong sense of commitment, they are transforming the leather goods industry—from one once burdened by environmental and compliance challenges to a sector of new opportunities.

The vibe was evident at the 9th Bangladesh Leather & Footwear Expo, organised by the Bangladesh Tanners Association (BTA) at the International Convention City Bashundhara from last Thursday to Saturday.

Several emerging entrepreneurs stood out with inspiring stories of determination and innovation.

Among them was Forida Yesmin Bithi, chief executive officer (CEO) of Deer Leather Goods and Footwear Ltd.

A leather engineering graduate, Bithi transitioned from a technical background into entrepreneurship in 2020 with just Tk 3 lakh, two machines, and one assistant.

Today, she leads a team of nine and manufactures belts, wallets, office bags, handbags, shoes, and sandals. Her products, once catering mainly to local clients, are now reaching Malaysia and Italy via export intermediaries.

She proudly informed that her company is now capable of producing leather goods worth around Tk 12 lakh per month.

"This business has potential, and I believe it will continue to grow," she said.



This year marked her third appearance at the expo. "This platform is vital for visibility—it helps small entrepreneurs like us connect to bigger markets," she added.

Another inspiring figure is Md Tasnim Alam Shahin, founder and CEO of 3 Tech.

Nearly two decades in the industry, Shahin originally aspired to study leather technology, but family responsibilities pushed him toward business.

With Tk 5 lakh in support from his family, he founded 3 Tech in 2007.

His breakthrough came with an order for jackets from Novartis, followed by partnerships with brands like Bata.

The company now employs 35 workers.

Prior to the pandemic, it annually exported goods worth over Tk 2 crore.

"The pandemic slowed us down," Shahin acknowledged. "But with the right policies and quality focus, Bangladesh's leather sector

can thrive globally again," he said.

Meanwhile, Tahmina Akter Shammi, managing director of ARLENS Leather, brought with her the experience of an entirely different field.

Previously a World Bank project staffer focusing on export readiness in non-readymade garment (RMG) sectors, she shifted to leather after seeing its global promise.

She launched ARLENS Leather in early 2024 with minimal investment and now operates a small-scale production unit in Hazaribagh.

Her products—backpacks, wallets, and accessories—are sold wholesale and retail, generating modest exports via buying houses. Monthly production is worth around Tk 4 lakh.

"I reinvest all profits. For me, it's about creative freedom and building something of my own," Shammi said.

Golam Mursalin, managing partner of Collagen Bangladesh, is part of the growing community of leather technologists entering the sector.

On attaining BSc and MSc degrees in leather engineering, Mursalin started his career at Reliance, a Chinese company, and later joined a Chinese buying house.

In 2017, he began his own business processing hides for export. "My capital was my knowledge and labour," he recalled.

Collagen Bangladesh now operates with four partners—each a leather technologist—and supplies finished leather to top local exporters while directly exporting to Poland.

In 2023, they expanded into production arrangements specialising in small batches

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CSE's futures market may transform financial system

ERSHAD HOSSAIN

Bangladesh is on the cusp of a major shift in its financial sector as the Chittagong Stock Exchange (CSE) prepares to introduce the country's first exchange-traded, cash-settled derivatives platform. Backed by the Bangladesh Securities and Exchange Commission (BSEC) under the Commodity Exchange Rules, the initiative will roll out futures contracts on gold, cotton, and crude oil within a regulated framework. These contracts will be cash-settled and cleared through a central counterparty, aiming to improve transparency, efficiency, and access for a broad range of market participants.

Gold, with deep cultural and investment significance across South Asia, plays an outsized role in Bangladesh's informal market. Although official imports stand at just Tk 45 crore annually, the Bangladesh Jewellers Association (Bajus) estimates actual demand at 20 to 40 tonnes, worth \$3 to \$6 billion. Yet the market has lacked legal and digital avenues for hedging or speculation. Gold futures will offer jewellers, investors, and traders a long-awaited tool to manage price volatility without needing physical delivery. This move will strengthen market integrity and support financial inclusion.

I recommend that CSE introduce USD/BDT futures, which would address a critical gap in managing currency risk. The interbank

foreign exchange market is thin, with daily turnover averaging only \$20 to \$40 million, mostly short-term swaps. Annual volumes are estimated at just \$5 to \$10 billion. Regulatory constraints and limited retail participation make it hard for businesses and investors to hedge exposures. USD/BDT futures, cash-settled in local currency and traded onshore, would offer a compliant and efficient way to manage foreign exchange risks.

CSE could further consider DSEX 30 Index futures to strengthen the capital market infrastructure. The absence of short-selling and hedging options limits risk management strategies, deters institutional activity, and pushes retail investors towards volatile small caps. Index futures tracking the top 30 Dhaka Stock Exchange companies would allow both retail and institutional players to hedge, arbitrage, and engage in market-making, deepening market activity and promoting stability.

CSE's derivatives platform is being developed in partnership with India's Multi Commodity Exchange (MCX), under a 2022 agreement endorsed by BSEC. The initial offering includes futures on gold, cotton, and crude oil, with plans to expand into agriculture and energy contracts. The goal is to encourage transparent price discovery, provide hedging tools, and widen participation by removing the need for physical delivery or warehousing.

A key pillar of this initiative is the clearing infrastructure. While CSE initially considered acting as its own clearinghouse, global practice advises against it due to systemic risks. Instead, Central Counterparty Bangladesh Limited (CCBL), a licensed entity set up in 2019, will fulfil this role. CCBL will novate trades, manage initial and variation margins, and facilitate settlement through the central bank's RTGS system and designated banks. A default fund and layered loss mechanisms are in place to contain systemic shocks.

Preparations are underway, including final regulatory approvals, upgrades to CCBL systems, alignment with BSEC and Bangladesh Bank protocols, and pilot testing with selected participants.

The launch of gold futures and the proposed introduction of USD/BDT and index derivatives will mark a milestone for Bangladesh's financial sector. By aligning with global standards and offering modern risk management tools, this initiative is set to enhance resilience, broaden participation, and support the development of a modern and inclusive financial ecosystem.

The writer is senior director of Lion City Advisory Limited

The debt supercycle has reached its final leg

REUTERS, London

British politicians know that their workplace, the Palace of Westminster, is in a shambolic state. The 19th-century complex of buildings suffers from an infestation of vermin, falling masonry, leaking water from lead piping, and worn-out electric wiring. There's a constant danger of fire. Yet the occupants cannot summon up the will to tackle the problem. They shelved elaborate and costly renovation plans several years ago. Instead, the decaying structures are temporarily patched up. Yet the longer the delay, the higher the estimated costs of the building works and the greater the risk of a catastrophic incident, Parliament's Public Accounts Committee has warned.

There's another challenge that Britain's political class seem incapable of rising to. Since the pandemic, UK public borrowing has been on a sharp upward trajectory. By the end of last year, the national debt approached 100 percent of GDP and the fiscal deficit was over 5 percent. The Office for Budget Responsibility warns that if nothing changes the public debt will reach 270 percent of annual output over the next 50 years. A recent relatively minor act of fiscal restraint—the Labour government's

proposal to cut winter fuel payments to wealthier retirees—was reversed after it ran into fierce opposition from the party's own lawmakers. Last month, the state borrowed a further 21 billion pounds, its highest ever monthly net borrowing (aside from the pandemic year), and 3.6 billion pounds higher than the OBR had predicted.

Britain is hardly an outlier among the large, developed economies. France's public debt is even higher at 112 percent of GDP and last year's budget deficit was 5.7 percent of economic output. US public debt last year reached 121 percent of GDP and its fiscal deficit hovers around 7 percent. In its latest Fiscal Monitor, the International Monetary Fund exhorts governments to "put their fiscal house in order." In principle, sovereign insolvency is not inevitable. Governments could raise taxes, cut spending and act decisively to boost economic growth. If they took these tough measures, pesky fiscal deficits would gradually evaporate.

But the political resolve is lacking. Britain's OBR notes that "public expectations of what government can and should do in response to emerging threats and future emergencies seem to be rising." French Prime Minister François

Bayrou warns that his country is addicted to borrowing and just "one step away from the cliff." Yet France's latest, faintly comic, plan to reduce the fiscal deficit involves cancelling two national holidays, an act which is strongly opposed on both the left and the right. Across the Atlantic, whatever savings were achieved

by Elon Musk's Department of Government Efficiency have been completely overwhelmed by President Donald Trump's One Big Beautiful Bill Act, which the Congressional Budget Office predicts will add a further \$3.4 trillion to US deficits over the next decade.

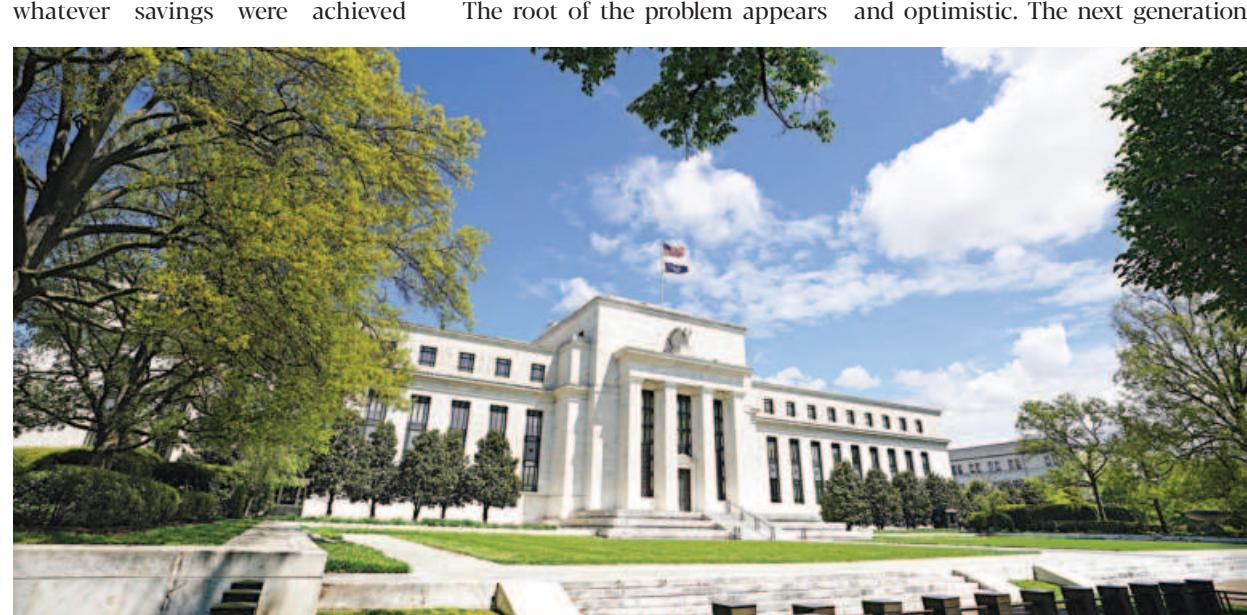
The root of the problem appears

to be cultural. In his book, "The Fourth Turning is Here: What the Seasons of History Tell Us about How and When This Crisis Will End", demographer Neil Howe posits that human societies pass through multi-generational cycles. In the first generation, society is strong, cohesive and optimistic. The next generation

experiences an "awakening" in which established values come under attack. There follows an "unravelling" as institutions weaken, civic order decays and society becomes increasingly polarised. "Incompetent governance, ebbing public trust, and declining public compliance all feed on one another in a vicious cycle," intones Howe. The resolution finally comes with a "fourth turning" when a new civic order replaces the old one.

Howe's long cycle originates with the work of the 15th-century Arab historian Ibn Khaldun, who traced the rise and fall of ruling dynasties through changes in group cohesion. By Khaldun's fourth generation the founders' collective spirit has become widely despised, complex laws are evaded, vast riches are hoarded by the few and "destroyers" preside over the dynasty's collapse. Hard-nosed financial types may find this civilisational cycle somewhat nebulous. But it appears to complement the broadly accepted notion of a debt supercycle—a multidecade period in which total borrowings ratchet ever higher.

In his latest book, "How Countries Go Broke: The Big Cycle", Ray Dalio takes issue with "the insouciant belief that there's no limit to government



The Federal Reserve building is set against a blue sky in Washington. US public debt reached 121 percent of GDP last year and its fiscal deficit hovers around 7 percent.

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