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Star BUSINESS


# Bangladesh eyes 10-20% tariff in final US talks

## Delegation leaves for US

REFAYET ULLAH MIRDHA

The Bangladeshi delegation left for the US yesterday to engage in the third and final round of negotiations with the Trump administration, seeking to lower a new tariff rate on the country's products.

The negotiations are scheduled to begin on July 29 and continue until July 31, whereas a 35 percent tariff is set to be imposed on Bangladeshi products entering the American markets from August 1.

"We are hopeful of a much lower tariff rate as the negotiations held to date have been in a congenial atmosphere," Commerce Secretary Mahbubur Rahman told The Daily Star over the phone before leaving the country.

"I see a positive sign in the negotiations," he said.

The tariff rate is likely to be in the range of 10 percent to 20 percent, as has been the case for some countries that have been able to avail revised tariff rates, he added.

For instance, Vietnam was able to settle on 20 percent, Indonesia and the Philippines 19 percent, Japan 15 percent, the UK 10 percent, and the European Union (EU) 15 percent.


Bangladesh has also revised its negotiation strategies, such as offering to buy 25 US-made aircraft instead of 14, he said.

Moreover, Bangladesh has already signed agreements with US suppliers to buy 3.5 million tonnes of wheat over the next five years. Another agreement was signed to import liquefied natural gas (LNG) from the US.

The strategy is aimed at reducing the gap in bilateral trade, which is very much tilted towards Bangladesh.

Regarding buying more aircraft, the commerce secretary said that apart from reducing the trade gap to influence a tariff reduction, Bangladesh needs to build up its aircraft fleet for the future.

Moreover, Boeing's waiting list for the delivery of aircraft is already long, and Bangladesh may have to wait a really long time if the orders are not placed now, he said.

For instance, Vietnam has already sought 100 Boeing aircraft, while Indonesia has sought 50, he added.

The agreements for the purchases are flexible, as the products can be availed even at a date later than that initially agreed upon, added Rahman.

However, it is expected that Bangladesh will eventually benefit from these agreements, as the goods will meet demand, he said.

For instance, the local production of wheat is not enough to meet demand, and Bangladesh is dependent on imported wheat. Now the US will be a major source for wheat imports, he said.

One garment exporter aiding the delegation as a private sector representative, asking not to be named, said, "I don't think we will get anything less than 25 percent, it's my gut feeling."

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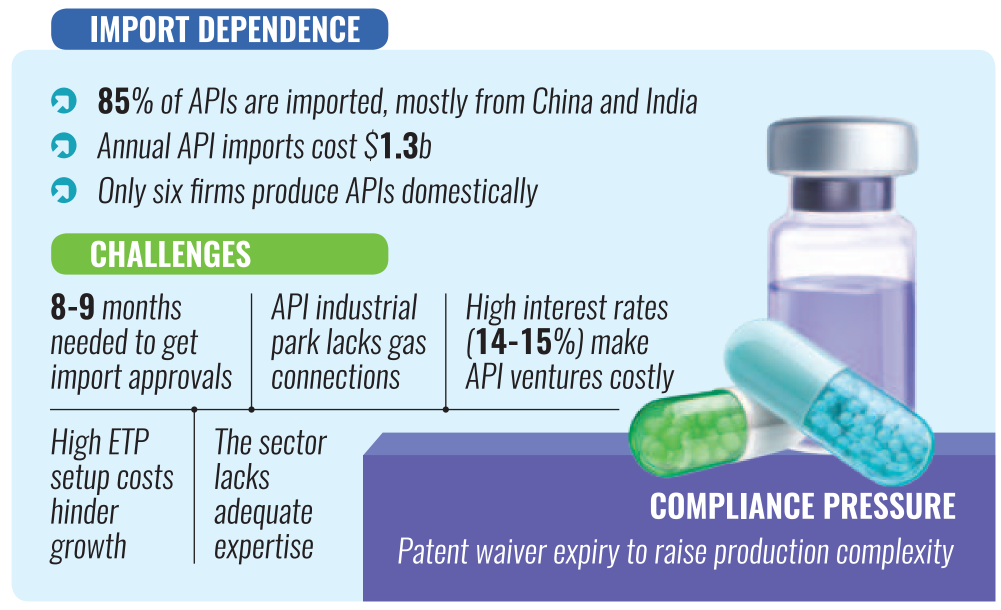
# Heavy import reliance leaves pharma industry vulnerable

## Drugmakers call for setting API production as a strategic priority

JAGARAN CHAKMA




Local medicine manufacturers can meet almost the entire domestic demand and export to as many as 160 countries, given that supplies of raw materials come from China and India.

But without these imported ingredients, the 45-year-old pharmaceutical industry cannot produce even something as basic as Esomeprazole—a commonly used tablet to treat heartburn.

Industry insiders say it is high time Bangladesh invested in the development of active pharmaceutical ingredients (APIs) to reduce its annual import bill of roughly $1.3 billion, improve resilience, and ensure long-term growth.

Meanwhile, health economists say delays in building API capacity could lead to patent-related issues. Bangladesh currently enjoys a patent waiver as a least developed country, but that exemption will end when the country graduates from the LDC club in November next year.

According to local drugmakers, around 85 percent of drug ingredients are still imported, mainly from China and India. Efforts to manufacture these locally are obstructed by gaps in the production ecosystem, regulatory hurdles, a shortage of skilled workforce, and limited access to finance.

To resolve these issues, they have called for an API policy to support local initiatives.

At least six domestic firms, including Square, Beximco, ACME and Incepta, currently produce 40 types of APIs worth Tk 2,500 crore.

Rabbur Reza, chief operating officer of Beximco Pharmaceuticals, said, "Bangladesh must stop treating API production as the responsibility of individual companies and instead prioritise it as a national strategic objective."

"Even when we try to manufacture APIs locally, there are approval delays of eight to nine months just to import the ingredients, as the process requires 18 separate clearances," said Reza.

"By the time we receive the go-ahead, global prices have shifted or competitors have beaten us to market," he said.

He said API byproducts from one industry feed another in China. "That is how they have built a cost-effective, integrated model. We need to replicate that thinking here."

To support the local pharmaceutical industry, the government has set up an API industrial park in the Gajaria area of Munshiganj. While land has been acquired and infrastructure developed, the site does not have a gas connection, making it an unattractive location for API ventures.

The Beximco pharma executive said that without coordination between agencies and a single-window clearance system, the API park could become another underused industrial zone.

"We are ready to invest, but policy must support viability," he commented.

Abdul Muktadir, president of the Bangladesh Association of Pharmaceutical Industries (Bapi), said, "We have made great strides in pharmaceutical formulations, but without local API capacity, our base remains fragile."

Referring to the API park, Muktadir said no chemical plant can run on LPG.

Besides, he said that access to affordable finance is another major challenge for API manufacturing.

According to the Bapi president, with bank interest rates hovering around

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# Smart lockers reshaping last-mile delivery

AHSAN HABIB

While passing stations during rides on the Dhaka metro rail, you may have seen clusters of small boxes resembling bank lockers. Naturally, a question comes to mind—what are the uses of these boxes?

These IoT-based lockers are being used by a couple of companies to deliver their products to customers at a time of convenience.

These lockers are, in effect, attempts to squeeze in a little bit of convenience in this hectic metropolis.

Set up by a startup called DigiBox, these lockers, or "digital boxes", are being used by several companies, including Daraz Bangladesh, BRAC Bank, and 1000Fix Services.

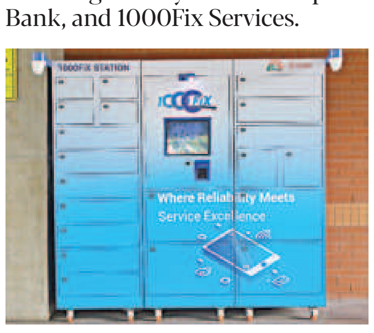


PHOTO: COLLECTED

**These IoT-based lockers are being used by a couple of companies.**

Already, around 6 lakh products have been handed over to customers through the lockers in the last two years.

DigiBox is going to launch another service through which people will be able to receive snacks and various types of meals in the "food-safe" lockers.

The startup has already set up the lockers for Daraz in 52 locations across the country, including all metro stations in Dhaka, in five locations for 1000Fix Services Ltd, and in several locations for BRAC Bank.

It is going to set up lockers in 10 more locations for 1000Fix Services Ltd and around 100 for BRAC Bank in front of their different branches.

This is a common logistics service available in several countries. However, it is costly to import the lockers.

Considering the demand, DigiBox came up with its own software so that people can get their products by tapping on a screen next to the lockers.

"Initially, we built wooden boxes. However,

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# Ctg port operations stall over union vote

DWAIPAYAN BARUA, *Ctg*

Container transport to and from Chattogram port was suspended for nearly 12 hours since yesterday morning as drivers and helpers of prime mover trailers stopped work to vote in their union's biennial executive committee election.

The disruption lasted from 6am to 6pm, halting the movement of containers between the port, inland container depots (ICDs), and other districts, according to port officials and industry sources.

Container handling inside the port was also severely affected, with most prime movers that transport containers between jetties and port yards out of operation.

The Chattogram District Prime Mover Trailer, Concrete Mixer, Flat Bed and Dump Truck Workers' Union had earlier announced the 12-hour suspension of operations due to the vote.

The election was held at the Chattogram Port Republic Club from 8am to 4pm, with 67 candidates contesting for 25 positions on the union's executive committee. The union has 10,452 registered voters, most of whom are drivers and helpers of prime movers.

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# Trust Bank declares 15% dividend


PHOTO: TRUST BANK

**Maj Gen Md Hakimuzzaman, vice-chairman of Trust Bank PLC, presides over the bank's 26th annual general meeting, which was held virtually yesterday. At the meeting, a 15 percent dividend, including a 7.50 percent cash dividend, was declared for 2024.**

STAR BUSINESS DESK

Trust Bank PLC has announced a 15 percent dividend, including a 7.50 percent cash dividend, for the financial year that ended on December 31, 2024.

The announcement was made at the bank's 26th annual general meeting (AGM), which was held virtually yesterday, according to a press release issued by the bank.

Maj Gen Md Hakimuzzaman, vice-chairman of the bank, presided over the meeting as the chief guest.

Brig Gen Md Nishatul Islam Khan; Brig Gen Md Sajjad Hossain; Brig Gen Selim Azad; and Brig Gen Shams Mohammad Mamun; all members of the board; joined the meeting.

Among others, Anisuddin Ahmed Khan, independent director; Nusrat Khan, independent director and chairperson of the audit committee; Ahsan Zaman Chowdhury, managing director and CEO; and Unmesh Ray Himel, acting company secretary; were present.

A considerable number of shareholders of the bank from across the country also joined the meeting.

# Sandhani Life Finance, BGIC sign deal for Tk 25cr Shariah fund

STAR BUSINESS DESK

Sandhani Life Finance Limited (SLFL), a merchant bank in Bangladesh, has entered into a trust deed with Bangladesh General Insurance Company PLC (BGIC), a publicly listed general insurance company, to raise Tk 25 crore through a Shariah-compliant mutual fund titled "Sandhani AML SLFL Shariah Fund".

Muhammad Nazrul Islam, managing director and CEO of SLFL, and Ahmed Saifuddin Chowdhury, managing director and CEO of BGIC, signed the deed at the latter's head office in Dhaka recently, according to a press release.

With an initial target of Tk 25 crore, the fund will be managed by Sandhani Asset Management Limited (Sandhani AML). This marks the second open-ended mutual fund by Sandhani AML and its first Shariah-compliant offering.

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The fund is designed to provide superior risk-adjusted returns to investors seeking Shariah-based investment opportunities in the capital market.

The asset management company aims to ensure professional and active fund management, while making the product widely accessible through both traditional and digital distribution channels.

SLFL is acting as the sponsor of the fund, with BGIC serving as the trustee. The trust deed has received formal approval from the Bangladesh Securities and Exchange Commission.

Previously, in 2022, Sandhani AML launched the country's first no-dividend mutual fund – Sandhani AML SLIC Fixed Income Fund – which now has an Asset Under Management (AUM) exceeding Tk 100 crore.

Col (retd) Wais Huda, chairman of SLFL, Anisuz Zaman Chowdhury, financial consultant of BGIC, Mahmudul Bari, adviser of Sandhani Group, Md Shaheduzzaman Choudhury, chairman of Sandhani AML, Mir Ariful Islam, managing director and CEO; and Md Tanvir Islam, chief investment officer and senior compliance officer; were also present; along with senior officials from both organisations, were also present.

# MetLife settles Tk 1,396cr claims in first half of 2025

STAR BUSINESS DESK

MetLife Bangladesh, the leading life insurance in Bangladesh insurance industry, settled claims amounting to Tk 1,396 crore during the January-June period of 2025.

This figure comprises payouts made to customers in the form of insurance benefits and claims for loss of life and medical expenses, according to a press release.

Ala Ahmad, chief executive officer of the life insurer, stated, "The most important part of a customer's insurance journey is receiving their claims. That's why we focus on making the process faster, simpler, and more transparent."

MetLife

"When customers are aware of how their insurer is settling claims, it helps them stay confident and builds stronger trust in both MetLife and the broader insurance sector," he added.

Of the total claims disbursed, Tk 146 crore was allocated for health and medical expenses, Tk 55 crore for death claims, and Tk 1,195 crore for maturity, partial maturity, and other policy benefits.

MetLife continues to uphold a strong track record in prompt claims settlement.

In 2024, the company disbursed the highest volume of claims among all life insurers in Bangladesh, totalling Tk 2,895 crore.

MetLife Bangladesh offers a streamlined claims experience, allowing customers to submit requests online and receive disbursements within three to five working days.

This proactive and efficient approach has contributed to high levels of customer satisfaction and has reinforced trust in the insurance industry.

In Bangladesh, MetLife serves approximately one million individual customers and more than 900 corporate clients.

# PBIL wins Euromoney awards

STAR BUSINESS DESK

Prime Bank Investment Ltd (PBIL), the investment-banking arm and wholly owned subsidiary of Prime Bank PLC, has been recognised as the "Best Bank for Securities Services" and the "Best Investment Bank for Mergers & Acquisitions in Bangladesh" at the Euromoney Awards for Excellence 2025.

These accolades underscore PBIL's excellence in execution and its pioneering role in transforming Bangladesh's investment landscape through its fully digitalised PrimeInvest wealth product suite, which has redefined investor engagement.

PrimeInvest offers capital-protected, Shariah-compliant, and income-focused products tailored specifically for women, non-resident Bangladeshis (NRBs), youth, and values-driven investors.

Through the country's first capital market segment offerings – PrimeInvest Women, Probashi, Youth, and Shariah – PBIL has played a transformative role in broadening access, diversifying participation, and setting new standards for inclusive portfolio management in Bangladesh.

PBIL Prime Bank Investment Ltd. (A Prime Bank Company)

Syed M Omar Tayub, managing director and CEO of PBIL, stated: "This recognition reflects more than performance; it speaks to our purpose."

"In a market that demands both innovation and integrity, we are proud to deliver solutions that unlock value, widen access, and promote financial inclusion," he added.

Euromoney, an English-language monthly magazine focused on business and finance which remains one of the most prestigious global benchmarks for banking performance, evaluates banks and financial institutions across nearly 100 countries each July.

PBIL's recognition in M&A advisory further cements its position as a market leader, being the only investment bank in Bangladesh to have successfully completed back-to-back mergers of listed entities in 2024, the press release added.

# Gold subdued

REUTERS

Gold prices steadied on Monday, with gains curbed by improved risk sentiment after a trade deal between the United States and European Union, while investors looked forward to the US Federal Reserve policy meeting later this week.

Spot gold was flat at $3,336.75 per ounce as of 0736 GMT, after touching its lowest level since July 17 earlier in the day.

US gold futures were unchanged at $3,336.30 per ounce.

The US struck a framework trade agreement with the European Union in Scotland on Sunday, imposing a 15 percent import tariff on most EU goods - half the threatened rate - and averting a bigger trade war.

Risk appetite in the wider financial markets rose with European shares advancing to a four-month high, led by gains in auto and pharmaceutical stocks.

# NRB Bank opens relocated principal branch in Dhaka

**Iqbal Ahmed, chairman of NRB Bank PLC, inaugurates the relocated principal branch at bti Landmark on Gulshan Avenue in Dhaka recently.** PHOTO: NRB BANK

STAR BUSINESS DESK

NRB Bank PLC has recently opened a relocated principal branch at bti Landmark on Gulshan Avenue in Dhaka.

Iqbal Ahmed, chairman of the bank, inaugurated the branch as the chief guest, according to a press release issued by the bank.

Md Quamrul Islam Chowdhury, chairman of the bank's executive committee; AKM Mizanur Rahman, chairman of the audit committee; Shaikh Md Salim, chairman of the risk management committee; Ferdous Ara Begum and SK Matiur, independent directors, attended the inaugural programme.

Tarek Reaz Khan, managing director and chief executive, and Iqbal U Ahmed, former adviser of the bank, along with deputy managing directors and the senior management team, were also present on the occasion.

# NCC Bank opens ATM booth at Shahbagh metro rail station

STAR BUSINESS DESK

NCC Bank PLC unveiled an ATM booth at the Shahbagh metro rail station in the capital yesterday.

Faruque Ahmed, managing director of Dhaka Mass Transit Company Limited (DMTCL), inaugurated the booth, according to a press release.

Welcoming the initiative, Ahmed commended NCC Bank for supporting the government's vision of building a smart, cashless public transportation ecosystem. He noted that the installation of ATM booths at metro rail stations would significantly enhance commuter convenience and financial accessibility.

M Shamsul Arefin, managing director of the bank, attended the event.

Speaking on the occasion, Arefin highlighted the transformative impact of the metro rail on Dhaka's urban mobility and said that the reduction in traffic congestion has led to improved productivity and efficiency in economic activities.

Arefin also underlined the future potential of metro stations evolving into vibrant commercial hubs, with possibilities for integrated shopping complexes and business centres.

The bank will also roll out ATM booths at all 16 stations of the Mass Rapid Transit (MRT) Line-6 as part of its strategic expansion plan, the press release added.

Among others, Md Zakaria, additional secretary and project director of DMTCL; AKM Khairul Alam, director (administration); Khondker Ehteshamul Kabir, joint secretary and company secretary; Mohammad Iftikhar Hossain, general manager (operations); Md Nazrul Islam, general manager (signalling and telecom); Shabbir Ahmed, joint secretary and general manager (stores and procurement); Shahin Akter Nuha, head of transaction banking and cash management of the bank; and Mohammad Aminul Islam, head of cards; were also present.

**Faruque Ahmed, managing director of Dhaka Mass Transit Company Limited, inaugurates the ATM booth of NCC Bank PLC at the Shahbagh metro rail station in the capital yesterday. M Shamsul Arefin, managing director of the bank, was present.** PHOTO: NCC BANK

# Importing more soybeans

FROM PAGE B4

representation in tariff discussions, which are now dominated by garment exporters.

"These importers can be the problem-solvers. They are the ones who can actually shift the trade balance by sourcing more from the US."

Roepke also highlighted other barriers, such as the advanced income tax (AIT), which he said has become a major hurdle for local soybean importers and refiners.

"AIT is an additional burden," he said.

He also pointed out that limited gas supply in industrial zones is adding to the challenges faced by many new processors.

Apart from soy, the USSEC sees potential for Bangladesh to emerge as a regional agro-processing hub.

"We are already in talks with local firms interested in exporting tilapia and pangas to the US, fed with US soy. That is a blue-ocean opportunity."

Roepke urged the government to support this diversification strategy, especially as global demand for sustainable, protein-rich foods grows.

Despite some uncertainty in the business environment and its impact on trade negotiations, he said the USSEC remains "cautiously optimistic."

"We are hopeful. Ongoing tariff negotiations may not yield instant results, but the direction is encouraging. If Bangladesh increases imports from the US, we believe the USTR will respond positively."

Bangladesh is currently the third-largest apparel exporter to the US, holding a 9.3 percent share of the market. While garments dominate trade discussions, the USSEC insists soy deserves equal strategic focus.

Roepke pointed out that the US offers duty-free access to 39 African nations under the African Growth and Opportunity Act (AGOA), though many have failed to make full use of it.

"Bangladesh has the capacity. The challenge is to turn opportunity into action," he concluded.

# Dollar rises against peers

REUTERS, *Tokyo/London*

The dollar rose against major peers on Monday after the United States and the EU struck a framework trade pact, the latest in a flurry of deals to avert a global trade war, with investors also looking to this week's US and Japanese central bank meetings.

Meeting in Scotland on Sunday, US President Donald Trump and European Commission President Ursula von der Leyen said the deal provided for an import tariff of 15 percent on EU goods, half the rate Trump had threatened from August 1.

# City Bank's Q2 profit

FROM PAGE B4

City Bank's consolidated net operating cash flow per share surged to Tk 18.04 in the first half of 2025, compared to Tk 2.87 in the same period of 2024.

According to the bank, operating cash flows improved substantially between January and June this year, supported by higher inflows from customer deposits and borrowings.

These inflows outweighed the outflows related to loan disbursements and asset growth, leading to stronger positive cash flow than the previous year.

The bank's net asset value also rose, mainly due to higher net profit during the period.

As of June 30, 2025, sponsor-directors held 30.36 percent of City Bank's shares, while institutional investors owned 22.50 percent, foreign investors 6.53 percent, and the general public 40.61 percent.

# Unreliable energy drags down private sector: DCCI

STAR BUSINESS REPORT

Bangladesh's private sector is lagging behind in production due to the lack of uninterrupted quality energy and power supply, which is hampering the country's competitiveness in the international export market, Dhaka Chamber President Taskeen Ahmed said yesterday.

Regular implementation of energy audits in industrial units is now a must, and academia should be involved in sector-wise industry research and necessary 'industry mapping', he added.

Considering the current geopolitical situation, Bangladesh's private sector is under considerable pressure, he said.

Ahmed made the remarks at a discussion jointly organised by the Dhaka Chamber of Commerce and Industry (DCCI) and the South Asia Network on Economic Modeling (Sanem) on "Energy efficiency in the industrial sector of Bangladesh," held at the Dhaka Chamber auditorium in the capital.

There is still no specific government action plan focused on energy efficiency, even though an Energy Efficiency and Conservation Master Plan was formulated in 2016 and an Integrated Energy and Power Sector Master Plan was developed in 2023, said Selim Raihan, executive director of Sanem.

Therefore, the issue needs to be considered with due diligence, he added.

He noted that definitional and conceptual differences regarding energy efficiency exist across various sectors of the country. Moreover, Raihan pointed out significant barriers in the extraction and supply of the country's energy resources.

It should be investigated whether the planned initiatives on energy efficiency have been implemented, what kinds of incentives have been provided in the industrial sector, and how effective they have been, he said.

He also emphasised the need to achieve technological advancement in this sector.

At the event, Sanem delivered a presentation on energy efficiency in the industrial sector, highlighting the current state of efficiency, the use of necessary technologies, standardised measurement tools, and how interrupted energy supply is undermining overall performance.

Mohammad Wahid Hossain, chairman of the Bangladesh Energy and Power Research Council, said there is a communication gap in energy-related information, leaving the private sector often unaware of many government services and initiatives.

The financial capacity of Bangladesh's private sector has increased significantly, so it should step forward to finance energy-related research activities, he said.

"Financing these activities will enable them to use new technologies, increase consumer awareness, and above all, formulate a sustainable, business-friendly energy plan," he added.

Asif Ibrahim, former president of DCCI, said industries, especially in the SME sector, are severely affected in their production activities due to energy shortages.

# Robi profit doubles in Apr-Jun

STAR BUSINESS REPORT

Profits of Robi Axiata almost doubled, mainly due to lower sales costs, although the mobile telecom operator saw a fall in revenue in the April to June period of the current year.

The second-largest telecom company's profit soared by 140 percent year-on-year to Tk 257 crore in the three months, according to its half-yearly financial reports.

At the same time, its revenue dropped by around 2 percent year-on-year to about Tk 2,600 crore.

A 31 percent decline in sales and distribution costs during the period made the highest contribution to the jump in profits, the financial report showed.

Commenting on Robi's financial performance, the company's acting CEO and chief financial officer, M Riyaaz Rasheed, said, "We are highly encouraged to see Robi bouncing back to winning ways at the end of the second quarter of 2025."

In a press release, he said the significant addition of new subscribers indicates that Robi's strong focus on service quality is yielding solid results.

The cost-efficiency drive continues to gain momentum with the application of new home-grown digital solutions, he said.

Robi's net foreign exchange loss was Tk 47 crore in the second quarter of 2024, while it saw foreign exchange gains of around Tk 2 crore in the second quarter of the current year.

Rasheed cautioned that the growing concentration of market power will undermine the opportunities that telecom reform is expected to unlock. Robi's active subscriber base reached 5.74 crore following the addition of 10 lakh new subscribers in the second quarter of 2025.

The telecom operator now has 4.41 crore data subscribers, with the addition of 16 lakh new ones in the second quarter.

Meanwhile, with 17 lakh new 4G subscribers added in the same quarter, the company now has 3.85 crore 4G subscribers.

At the end of the second quarter, around 77 percent of total subscribers were data subscribers, and 67 percent were 4G subscribers—by far the highest proportion of data and 4G users in the industry, the operator claimed.

# Heavy import reliance

FROM PAGE B1

14 percent to 15 percent compared to 3 to 5 percent in India and China, API ventures in Bangladesh face unsustainable capital costs.

Muktadir also pointed to a shortage of local expertise in process chemistry and chemical engineering, both prerequisites for API manufacturing.

He said some progress has been made through training and hiring foreign consultants, but scaling up will require long-term policy backing.

The post-pandemic shift in global supply chains has opened a window of opportunity, as Western countries seek alternatives to Chinese API suppliers.

"This is our window," Muktadir said. "If we move fast, Bangladesh can become a credible second source."

The Bapi president urged the government to promote import substitution and export of APIs, and to strengthen public-private collaboration in research and development.

"We don't need subsidies," Muktadir said. "We need basic support such as energy and finance. The government should also recognise that API is a national infrastructure."

Syed Abdul Hamid, professor at the Institute of Health Economics at Dhaka University, said that once Bangladesh loses its LDC patent waiver, the cost and complexity of producing patented APIs will rise manyfold.

"Local firms currently depend on flexibility to produce or import APIs without patent barriers. After the graduation, licensing will be mandatory, making it harder and costlier to produce newer, high-priority drugs, especially for drug-resistant or emerging diseases."

Prof Hamid commented that Bangladesh's limited API production capacity leaves it vulnerable to supply shocks and price fluctuations in the global market.

"Without investment in domestic production and technology transfer, access to essential medicines could become unsustainable," he said.

Monjurul Alam Monju, chief executive officer of Beacon Medicare, said Bangladesh cannot feasibly produce all types of APIs domestically, especially those with limited demand.

He said, "API manufacturing is a long-term investment, especially for innovative molecules like cancer drugs. India and China can afford this due to their massive internal markets. Without access to global markets, such investments are not viable here."

However, Monju said some API products serving the local pharmaceutical industry could be produced profitably with the right policy support.

He also raised concerns about the high cost of setting up effluent treatment plants (ETPs), a mandatory requirement for API manufacturing.

"ETPs require a huge investment. Without government support, it is extremely difficult for local firms to comply," he said.

"If the government provides subsidies for R&D and environmental compliance, API manufacturing can become feasible," he added.

# Dhaka stocks fall for second day

STAR BUSINESS REPORT

The benchmark index of the Dhaka Stock Exchange closed lower yesterday, extending its decline for the second consecutive day.

The DSEX, the main index of the bourse, lost 22.76 points, or 0.42 percent, to settle at 5,332.06.

The other indices had mixed performance before the end of the day's trading. The Shariah-compliant DSES declined 0.52 percent to 1,158.38.

The DS30, comprising the blue-chip shares, gained 1.51 percent to close at 2,061.74.

Turnover, a key gauge of investor participation, hit Tk 805.39 crore, down from Tk 865.04 crore in the previous session.

A total of 205,037 trades were executed, while block transactions amounted to Tk 21.60 crore across 37 scrips.

# Renata to issue convertible preference shares

STAR BUSINESS REPORT

Renata PLC has received approval from the Bangladesh Securities and Exchange Commission (BSEC) to issue convertible preference shares, according to a disclosure published on the Dhaka Stock Exchange (DSE) website yesterday.

The consent, granted through a letter dated July 27, 2025, is subject to shareholder approval at an upcoming extraordinary general meeting (EGM).

In response, Renata's board will hold an immediate meeting to finalise and approve the record date for determining shareholder eligibility to attend the EGM and apply for the preference shares.

Once determined, the record date will be announced in two widely circulated newspapers—one in Bengali and one in English—in accordance with regulatory requirements. Renata also stated it will notify the exchange of the outcome of the board meeting and provide all relevant disclosures in a timely manner.

# Smart lockers reshaping

FROM PAGE B1

they did not work from a security perspective. Then we improved them by building steel boxes," said Morshedul Alam Chaklader, chairman of DigiBox.

Now, the software and all the infrastructure of the "digital boxes" are locally produced, he said.

"It is just a business idea which delivers logistics services. Our plan is to gradually provide the digital boxes in every district of the country," he said.

When making purchases from the Daraz website, a customer can select whether they want to receive their products from a "digital box" and specify the location.

Then DigiBox provides a three-day timeframe within which the package must be taken away from a "digital box" in that specific location.

Afterwards, customers have to go to that specific location, find the touchscreen next to the array of "digital boxes", and provide their order and tracking number.

The screen then sends a one-time password to the customer's mobile, which the customer must type into the touchscreen before being directed to a specific "digital box", which then automatically opens.

In this way, customers can avail themselves of products without having to receive phone calls or allocate time from their daily schedules to meet any delivery person.

The DigiBox service is available round the clock, except for those placed inside the metro rail stations, and the charge is Tk 20.

If customers do not collect products within three days of getting the notification, the product goes back to Daraz.

He claimed that it was "not possible" to hack or gain unauthorised access to their lockers.

"We usually offer home delivery and delivery from collection points, and the DigiBox service is another method for product delivery," said AHM Hasinul Quddus Rusho, chief corporate affairs officer at Daraz Bangladesh Limited.

Daraz is focusing on customer experience, and so this service has been kept for customer convenience, he added.

"With the DigiBox service, Daraz strongly believes we are all set to rise to another level towards the next era of digitalisation in Bangladesh," he said.

"Moreover, we want to provide DigiBox service across the nation. After building the largest and strongest logistics infrastructure in the country, now Daraz Bangladesh is going to build a smarter one with more environment-friendly initiatives," he added.

1000Fix Services Ltd, one of the largest repair service providers in Bangladesh for computers, laptops, printers, and other IT products, is using the locker service in a slightly different manner.

Anyone seeking repairs on any such product can simply fill out a form on the website of 1000Fix Services Ltd and leave the product in a specified locker. The company collects the product, repairs it, and returns it in the same manner.

Very recently, BRAC Bank also enabled a process through which clients can receive their cheque books, credit cards, debit cards, and other services through the "digital boxes".

This does away with the need to stand in queues and allows clients to avail themselves of the aforementioned services at any convenient time.

With the "digital boxes", people's lives have become easier. It reduces hassles, so demand for such logistics services is rising, said DigiBox Chairman Chaklader.

On the plans for "DigiFoods" for the delivery of snacks and full meals, he said they were already in an agreement with Fakruddin Biryani to deliver their biryani at several locations across the megacity.

"It will give people another scope for ease in their city life," he said, adding that nowadays around 1,000 deliveries are being made every day and their plan is to reach 10,000.

# Bangladesh eyes 10-20% tariff

FROM PAGE B1

Zaidi Sattar, chairman of the Policy Research Institute of Bangladesh (PRI), said Bangladesh eventually turned into a major garment exporter to the US market over the years, as the latter does not produce its own garments.

But now the exports will depend on whether Bangladesh can sign a good tariff deal with the US, he said.

For Bangladesh, a 20 percent tariff would be better, he said.

Vietnam was able to attain 20 percent, but if any of its goods are found to be transhipped from China, a 40 percent tariff will be imposed, said Sattar.

Vietnam imports a lot of Chinese raw materials, for which the US might ultimately impose the 40 percent tariff on its products, he said.

In that case, Bangladesh may enjoy a bit of a competitive edge with its 20 percent duty, he said.

"I am hopeful from the optimism of the negotiators. The tariff rate for Bangladesh may be more than 10 percent and at most 20 percent," the PRI chairman also said.

Masrur Reaz, chairman of Policy Exchange Bangladesh, said a deal could be reached at 15 percent, and it would be a very positive deal for Bangladesh.

"I am hopeful and optimistic after the second round of negotiations, as Bangladesh is now much more prepared and strategic," he said.

# Ctg port operations

FROM PAGE B1

Md Ruhul Amin Sikder, secretary general of Bangladesh Inland Container Depots Association (BICDA), informed that there was no operation of prime mover trailers for transporting containers between the port and the ICDs till the afternoon.

A few depots managed to start the operation partially after 4pm, he said.

On a normal day on average 5000 TEUs (twenty-foot equivalent units) to 6000 TEUs of export, import and empty containers are transported between the port and the ICDs.

ICD operators expressed frustration over the halt, saying workers could have voted and returned to work. "It is really unacceptable to suspend the operation for the whole day," said Sk Md Moazzem Hossain, deputy managing director of Vertex Off-Dock Logistics.

He said they had schedules to send 70 export containers to the port for loading to different ships that would leave the port today.

"Not a single container could be sent till 6pm as the operators were busy in the polling," Hossain told The Daily Star in the evening, adding that these containers would have to be sent overnight after the workers resume work.

Workers of a few depots like Portlink Logistics and KDS started partial operation at 4pm.

At the port, loading and unloading of containers from vessels remained sluggish until the afternoon. The vessel SOL Reliance, which berthed on Sunday evening with 1,136 TEUs, managed to unload only 47 containers by 2pm due to a shortage of prime movers.

Sources said just 7 to 8 prime movers were available at the New Mooring Container Terminal (NCT) in the morning, compared to the usual 90.

Chittagong Port Authority (CPA) Secretary Md Omar Faruk admitted that due to non-operation of prime movers, container transport and related operations were slowed.

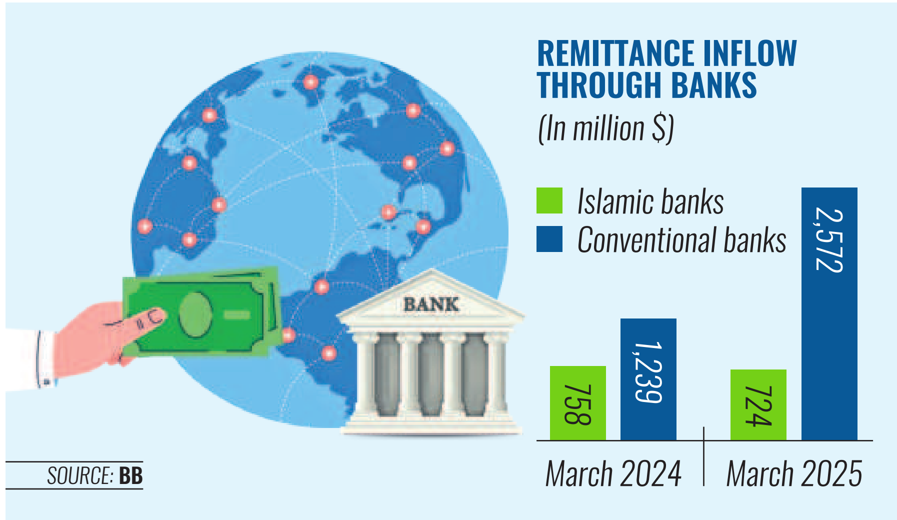
He, however, said, "Movement of other vehicles like trucks and covered vans engaged in taking out import cargo deliveries were normal."

Contacted, Md Wahiduzzaman Jahid, chairman of the union's poll committee, said many workers joined work in the afternoon after casting their votes.

He, however, expressed regret for the disruption in goods transport for a temporary period.

# Islamic banks fall behind in remittance race

STAR BUSINESS REPORT




Bangladeshi nationals living abroad sent more money home in the twelve months to March this year compared with the same period a year earlier.

But many chose to avoid Shariah-based banks—once key players in channelling these funds—due to the institutions' fragile financial health, a severe liquidity crisis, and media reports of massive lending irregularities and mismanagement.

As a result, conventional banks, which had a greater need for US dollars and consequently offered more competitive remittance deals to expatriates, saw a steady inflow of funds, according to senior bankers.

According to Bangladesh Bank's Islamic Banking and Finance Statistics published last week, Shariah-compliant lenders handled just 22 percent of total remittances in March 2025, down from 38 percent in early 2024.

In absolute terms, remittances received through Islamic banks fell from $758 million in March 2024 to $724 million in March 2025. By contrast, conventional banks more than doubled their receipts from $1.24 billion to $2.57 billion, cementing their dominance.

In the report, the central bank noted that despite occasional upticks, remittance flows through Islamic banks remained mostly stagnant or declined.

Total remittances through all banks hit $3.29 billion in March 2025, the highest monthly inflow of the year. While Islamic and conventional banks both contributed, it was the latter that consistently captured the largest share, especially after the political changeover in August 2024.

The central bank report attributed the shift partly to declining confidence in Islamic banks among migrant workers, reportedly due to concerns over mismanagement.

This perception gap enabled conventional banks to capitalise on the opportunity by positioning themselves as more stable and efficient channels for remitting foreign earnings.

The fallout from the political changeover in August 2024, when irregularities in several Islamic lenders began to come to light, appears to have deepened the crisis for the Shariah-based lenders while creating opportunities for the conventional ones.

As per the BB report, Islamic banks now manage just over one-fifth of total remittances, compared with nearly two-fifths previously.

"This is because of their [conventional banks'] efforts to clear overdue import bills of state enterprises. Private banks also increased their efforts to attract remittances by offering new and better customer service," said a private banker preferring not to be named.

The downward trend for Islamic banks was also reflected in their deposit base.

Total deposits in the banking industry rose from Tk 17.89 lakh crore in March 2024 to Tk 19.51 lakh crore in March 2025, an increase of 9.07 percent. Islamic banks saw only a moderate 4.61 percent rise in deposits, from Tk 4.19 lakh crore to Tk 4.39 lakh crore.

In contrast, deposits in conventional banks grew from Tk 13.69 lakh crore to Tk 15.12 lakh crore, registering a 10.44 percent increase.

The market share of deposits for Islamic banks declined from 23.44 percent in March 2024 to 22.48 percent in March 2025, the BB report states.

The report pointed to mismanagement uncovered in the aftermath of the July 2024 unrest as a possible reason for depositors' waning trust in Islamic banks.

"This may be due to mismanagement by Islamic banks, which was detected in the aftermath of the July uprising. Consequently, depositors lost their trust in Islamic banks and thereby withdrew their deposits, which helped conventional banks' deposit base to grow," it states.

A similar pattern was observed in investments. Total banking sector investments rose from Tk 19.86 lakh crore in March 2024 to Tk 22.12 lakh crore in March 2025, registering an 11.39 percent growth.

Islamic banks increased their investments from Tk 4.94 lakh crore to Tk 5.53 lakh crore, marking a 12.01 percent growth, while conventional banks grew from Tk 14.92 lakh crore to Tk 16.59 lakh crore, marking an 11.19 percent rise.

However, the Shariah-based lenders' share of total banking sector investments declined. Conventional banks now account for around 75 percent of all such investments.

According to the BB report, while both banking segments expanded their investment activities, conventional banks played a more dominant role in supporting the economy.

# Reform must come from within

DH CHOUDHURY

The banking sector in Bangladesh is at a crossroads. Non-performing loans, the near absence of corporate governance, weak risk management practices and a lack of accountability have all prompted urgent calls for reform. International models are often considered key solutions, and consultants from abroad are brought in as preferred advisers. Yet, the real strength of sustainable reform lies in the knowledge, experience and contextual understanding of local professionals.

Local professionals possess a deep grasp of local complexities. They hold first-hand knowledge of the political and economic dynamics, regulatory frameworks, banking practices, culture and customer mindset. They are also embedded within a rich web of formal and informal corporate knowledge.

These insights are essential in designing reforms that work in a local context. Imported models often fail, as they either overlook or fail to grasp local realities. In contrast, local experts bring an informed understanding of real-world dynamics, the advantage of language, and cultural intuition. These professionals come from banking, accounting, legal and financial sectors, and include both working and retired practitioners.

In such a complex environment, institutional memory and operational knowledge are vital. Professionals in Bangladesh have decades of hands-on experience and retain corporate memory, having witnessed the post-liberation asymmetrical banking boom, unstructured nationalisation of banks, the rise of private institutions and years of unchecked growth. They have also seen political interference in the central banking system, the stimulus loan fiasco during Covid-19, the self-serving agenda of bank owners and chairpersons under the Bangladesh Association of Banks (BAB), and the massive scams exposed after August 5, 2024.

Taken together, these episodes form a collective memory that cannot be replaced by textbook knowledge.

Hiring local experts is cost-effective and ensures long-term sustainability. Foreign consultants, by contrast, are often expensive and offer only short-term solutions. External models frequently provide ad hoc prescriptions. Local professionals, however, take ownership of reforms and can be retained for the long haul. Real reform demands committed leadership that remains accountable over time.

Engaging local experts also helps build public trust. Bank staff, customers and regulators are more likely to support reform when it is led by those who speak their language and share their realities. Empowering local professionals is a step towards self-reliance and national capacity-building.

This is not to say there is no role for foreign expertise. We support engaging international professionals for capacity-building, particularly when global best practices can be aligned with local insight. Bangladesh already has bankers, accountants, legal and financial experts of international standard, who can bridge global standards with local constraints.

In conclusion, banking reform must emerge from local needs. It should be rooted in institutional memory, guided by experience, and driven by professionals from within. While international collaboration has value, meaningful change can only happen when those who understand the past and are embedded in the nation's banking history are given the power to lead the way.

Engaging local professionals is not a lofty ideal. It is a practical step and the preferred national path forward.

*The writer is a former banker. He can be reached at dhc707@gmail.com*

## City Bank's Q2 profit jumps 34%

STAR BUSINESS REPORT

City Bank PLC reported higher profits in the second quarter of 2025, driven by strategic investments in government securities that boosted its income.

The private commercial lender posted a profit of Tk 235.78 crore in the April–June quarter, marking a 34 percent year-on-year rise.

According to a disclosure published on the Dhaka Stock Exchange (DSE) website yesterday, its consolidated earnings per share stood at Tk 1.55 for the quarter, up from Tk 1.16 recorded during the same period last year.

The bank attributed the strong performance to its strategic investments in government securities, which significantly boosted its income.

This increase helped counterbalance a decline in net interest income and supported the coverage of rising operational expenses, City Bank said in the disclosure. Shares of the bank went up 3.38 percent to Tk 24.50 as of 12:42 pm on the DSE. READ MORE ON B2

# Importing more soybeans from US could ease Trump tariffs

## Regional director of US Soybean Export Council tells The Daily Star

REFAYET ULLAH MIRDHA

Increasing soybean imports from the United States could help narrow the trade gap between Bangladesh and its biggest single-nation apparel market, according to an American industry group.

And this may ultimately help ease the 35 percent additional tariff on Bangladeshi goods entering the US, said Kevin Roepke, regional director for South Asia and Sub-Saharan Africa at the US Soybean Export Council (USSEC).

Roepke, who also sits on the board of the US-Bangladesh Business Council, pointed out that while the US is the largest foreign investor in Bangladesh and the top export destination for Bangladeshi garments, its presence in agricultural trade remains limited.

In an interview with The Daily Star, he described soybeans and soybean meal as the "lowest-hanging fruit" for reducing the $6 billion trade gap. "Just soybeans and soybean meal alone could account for $1 billion in trade annually," he said.

Currently based in Dubai, Roepke came to Dhaka last week to visit local soybean crushing mills and meet with millers, importers and traders, as imports of US soy products continue to rise.

This year, imports of soybeans and soymeal from the US have already crossed $450 million, up from $348.9 million in 2024.

According to Roepke, local traders are

Kevin Roepke

preferring US soybeans due to competitive pricing and higher quality.

Still, he believes there is room for improvement.

"Why isn't the US the largest supplier of soybeans to Bangladesh? It is a fundamental question when the US is already your biggest investor and export market," he said.

Bangladesh's soybean market is worth more than $2 billion. In 2024, local traders imported 700,000 tonnes of soybeans and 150,000 tonnes of soymeal from the US.

Expressing optimism about future exports, the USSEC executive called on the private sector to play a more active role in ongoing trade talks and urged policymakers to treat soy as a strategic commodity in efforts to rebalance trade between the two countries.

"US soy should be the foundation," said Roepke, noting that soy is currently the top US agricultural export to Bangladesh by value.

"We peaked in 2019–2020. While sales are slightly up this year, the long-term trend is downward. That is concerning," he said.

Asked about freight costs, Roepke dismissed it as a key issue. "Freight charge is not the issue, it is the quality," he said.

"US soy is the gold standard in the industry. It has the lowest damage, the driest quality, and the highest digestibility for poultry. Our soy is grown with zero deforestation, making it the most sustainable option, which aligns with Bangladesh's climate priorities."

Roepke, who holds an MBA from the Massachusetts Institute of Technology (MIT), added that agricultural trade decisions are driven by business-to-business links rather than government-level deals.

This makes the role of Bangladeshi importers, feed millers and processors critical. "We are here to listen to the private sector, not dictate. The government may set the tone, but the industry drives the action. That is why we have had a presence here since 1996."

He also called for the soybean and livestock feed sectors to be provided with equal READ MORE ON B2

# EU's lopsided Trump trade deal will be short-lived

REUTERS, *Berlin*

European Union trade negotiators may promptly celebrate the success they have achieved by clinching a deal with Donald Trump. If so, the question should be: If that passes for success, what would failure have looked like?

Financial markets and European captains of industry will doubtless heave a sigh of relief at the agreement, announced on Sunday by the US president and his European Commission counterpart Ursula von der Leyen. The continent's main exporters can base their investment and commercial plans on the 15 percent levy on US imports accepted by the Commission.

That's much lower than the 30 percent charge on European goods Trump had promised to impose on August 1 in the absence of a deal, which in turn was less than a previous 50 percent threat. Importantly, the rate applies to European cars, which join Japanese-made vehicles in escaping the 25 percent charge on US auto imports, and to the continent's pharmaceuticals and semiconductors, which may have otherwise faced punitive sector-specific treatment. The deal also enables the Europeans to shelve counter-tariffs and other measures they had lined up. Some degree of uncertainty has at least been dispelled.

Nevertheless, the tariff level still amounts to capitulation by Brussels. It must be compared not to Trump's threats, but to the 1.47 percent average rate previously applied to European goods crossing the Atlantic. Only two months ago, several EU governments were warning, that a 10 percent across-the-board charge, similar to what the UK had obtained, would be a red line that should trigger some form of response.

In addition to the added trade friction, the EU has also promised to import more energy – spending $250 billion a year on American oil and gas – and could invest some $600 billion stateside. That, at least, is Trump's interpretation of the deal. It's unclear whether these figures represent incremental amounts, or what time frame the president had in mind. Fuzzy as they are, these EU pledges at least do not look very binding.

Yet the vague agreement also suggests Sunday's announcement is unlikely to be the last word. Even at the lower rate, the tariffs will hurt the US economy. They will either bring much-needed revenue — a source of pride for Treasury Secretary Scott Bessent – or shrink imports. But they cannot achieve both at the same time. And if EU businesses do crank up investment in the US, the resulting capital flows will be to the detriment of the trade balance. All this means the EU's trade surplus with the US, which reached 198 billion euros in goods last year, partly offset by a 109 billion euro deficit on services, may not shrink much in the coming years.

When the impulsive and unpredictable president can no longer deny the destructive impact of his tariffs, he will be tempted to yet again blame US trade partners. It's puzzling that the EU, the world's largest trading power, has failed to grasp that the best way to fight bullying is to stand your ground.

The United States struck a framework trade deal with the European Union on July 27, imposing a 15 percent tariff on most US imports of EU goods but averting a spiralling battle between two blocs which account for almost a third of global trade.

"I think this is the biggest deal ever made," US President Donald Trump told reporters after an hour-long meeting with European Commission President Ursula von der Leyen, who had travelled for talks at his golf course in western Scotland.

US President Donald Trump (right) shakes hands with European Commission President Ursula von der Leyen after agreeing on a trade deal between the two economies following their meeting in Turnberry, south west Scotland, on July 27.
PHOTO: AFP

The 15 percent tariff applies to European automobiles, Trump said, mirroring part of the framework agreement the United States agreed to with Japan. Trump said a 50 percent rate on steel and aluminium would remain in place, but von der Leyen said the tariff would be cut and a quota system put in place. Von der Leyen said the 15 percent tariff would also apply to semiconductors and pharmaceuticals, which are the subject of sector-specific investigations by the US.

Von der Leyen said the two sides had both agreed to eliminate all tariffs on certain products including aircraft and components, certain semiconductor equipment, and agricultural goods.

The deal includes $600 billion of EU investments in the US and "significant" EU purchases of American energy and military equipment. Von der Leyen said the EU would acquire oil, liquefied natural gas and nuclear fuel worth $250 billion per year for three years.

Trump had on July 12, threatened to apply a 30 percent tariff on imports from the EU starting on August 1. "15 percent is not to be underestimated but it is the best we could get," von der Leyen said.