

## Submarine cable firm crosses 4 Tbps bandwidth

STAR BUSINESS REPORT

State owned Bangladesh Submarine Cables PLC (BSCPLC) has crossed a significant milestone by delivering 4 terabits per second (Tbps) of real-time international internet bandwidth.

This achievement came on August 1, after the company began delivering 200 Gbps of bandwidth for Starlink's newly launched commercial satellite internet service in Bangladesh in July, according to a statement.

Previously, on April 28 this year, the BSCPLC had crossed the 3 Tbps mark—meaning the company has added 1 Tbps of capacity in just three months.

In comparison, bandwidth usage had grown by only 1.1 Tbps over the previous eight months.

During the previous Awami League government's tenure, over 65 percent of the BSCPLC's capacity remained unused, according to the press release.

However, under the current administration, the company's total bandwidth delivery has increased by over 2.2 Tbps, representing a growth of more than 105 percent in just one year.

The recent achievement is attributed to policy support and guidance from the Ministry of Posts and Telecommunications, efforts of the company's management, and two rounds of strategic price reductions.

As the BSCPLC's share in the country's total bandwidth usage continues to rise, the company has also seen a significant boost in its revenue collection.

In a notable regulatory move, Bangladesh Telecommunication Regulatory Commission (BTRC) recently amended its licensing guidelines to require all international internet gateway (IIG) operators to source at least 50 percent of their total bandwidth from submarine cable networks.

This aims to reduce the country's previous over-reliance on Indian terrestrial bandwidth routes and encourage greater use of domestic submarine capacity.



**Jute processing is currently going on following the cutting and retting of jute stalks. Farmers standing in waist-deep water are separating the fibre and sticks from the stalks. The jute will then be dried under the sun. In the local market, each maund of jute is being sold for Tk 4,000. The photo was taken in the Barugram area of Baliakandi upazila, Rajbari district recently.**

PHOTO: SUZIT KUMAR DAS

## Reform companies law to meet global standards: DCCI

STAR BUSINESS REPORT

Business leaders and experts have urged the government to modernise the Companies Act 1994 to better align it with current business practices and global standards.

They made the call at a workshop organised by the Dhaka Chamber of Commerce and Industry (DCCI) at its auditorium in the capital yesterday.

DCCI President Taskeen Ahmed said the importance of institutional transparency, accountability, and good governance in the management of limited companies was increasing with the economic progress of Bangladesh and the development of the industrial sector.

He also said many entrepreneurs or company professionals often get confused due to a lack of clear understanding of the complexities of company law, constitutions, or compliance issues.

AKM Nurunnabi Kabir, registrar at the Office of the Registrar of Joint Stock Companies and Firms (RJSC), said currently about 2.75 lakh business enterprises in Bangladesh are registered with the RJSC.

Almost all processes related to company registration are now available online, except

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for the share transfer system. However, there are plans to incorporate this service online after necessary security evaluations, he added.

To run a business, all stakeholders must comply with rules and regulations to avoid untoward incidents, he said.

He also suggested that business owners train their professionals in the various procedures under the companies act, articles

of association, securities law, and other related laws.

Mohammed Sanaullah, chief executive officer and lead consultant of Sanaullah & Associates, and Md Selim Reza, a partner of ARTISAN Chartered Accountants, presented two separate keynote papers.

Every category of business must comply with laws and regulations whether it is public limited, private limited, or proprietorship, they said.

They also noted that Bangladesh's economy was expanding daily with the contribution of businesspeople.

In this era of globalisation, compliance to regulation in business is essential to compete in the international market, they added.

They further stated that following the rules would help prevent malpractice and misuse.

They concluded by stressing that the companies act of Bangladesh is outdated and should be reformed.

**External balance swings to surplus**

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strong export earnings, while sluggish imports also played a role. The current account swung to a surplus of \$981 million, a remarkable improvement on the previous year's shortfall, as per the MPS.

"The current account turned positive because remittance inflows have been strong. That's one aspect. The second aspect is the financial account, which previously had a large deficit," Mustafizur Rahman, distinguished fellow at local think tank Centre for Policy Dialogue (CPD), told The Daily Star.

He said the financial account benefited from loans and assistance from the International Monetary Fund, World Bank and Asian Development Bank.

"With both the financial account and the current account now in surplus, the overall balance of payments has turned positive," he said. "This is certainly a positive development."

"As a result, two things have happened. Our exchange rate has become more stable, and if there is

any pressure on the exchange rate, the Bangladesh Bank has also created a half-billion-dollar fund to intervene in the market, when necessary," said the economist.

"So overall, this is definitely a good development for the economy, at least in terms of the external sector, where external balances have been stabilised. As a result, the exchange rate is stabilising, the forex reserves are increasing because of this surplus, and the previous import restrictions are now being eased."

The central bank in the MPS that steady global demand and a market-driven exchange rate helped lift exports by 8.6 percent to \$48.3 billion in FY25, up from \$44.5 billion a year earlier.

Imports, which had dropped by 11.1 percent in FY24, began recovering in FY25 as the foreign exchange market became more liquid.

Total imports grew by 2.4 percent, led by consumer goods and raw materials for the garment sector. However, the import of capital machinery remained weak, reflecting a lack of investment appetite, it said.

"The surplus is coming from the loans we are receiving," he said. "Against this, we have to provide debt servicing. So, in that sense, the structure is also positive. It's not just a surplus driven by a debt-creating financial account."

Rahman pointed out that the private sector had not yet resumed capital machinery imports in any meaningful way. However, he said restrictions were no longer necessary.

"If the macroeconomy remains stable, we may then see an increase in capital machinery imports by the private sector, and that could put some pressure on overall imports," he said.

"Now that our reserves are in a good position," he added, "if import pressure increases, the economy is now in a position to handle it."

"But we need to stay cautious, because demand might rise in the future."

Rahman also observed that while the financial account's surplus is a positive sign, it is largely debt-driven.

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Alam, managing director of GPH Ispat, "Payments in the construction sector have slowed, and most major projects are now on hold," he said.

Alam said political uncertainty has prompted both domestic and foreign investors to adopt a wait-and-see approach.

As a result, construction activity in cities has declined by 30 to 40 percent, while larger projects have seen a fall of up to 60 percent, he said.

However, he added that rural economic activity remains relatively stable. Road maintenance and smaller infrastructure works are still ongoing, though at a slower pace.

Heavy rainfall over the past six weeks has also disrupted production, further straining supply chains and manufacturing operations, according to Alam.

## Bangladesh's

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preferential access for India in the US market could pose long-term challenges to Bangladesh's RMG exports unless similar benefits are extended to Bangladesh.

While transhipment challenges for Bangladesh are yet to be clarified, the report noted that Vietnam has already faced such hurdles.

Before the third round of trade talks with the US, Bangladesh had pledged to increase imports from the US by \$3 billion under a package deal. Of this, \$1.5 billion will be through government-to-government arrangements.

Bangladesh imported goods worth \$2.54 billion from the US in FY24 and \$2.34 billion in FY23. The country now plans to double that figure to align with the tariff formula proposed by US President Donald Trump.

The interim government has already signed a five-year agreement to import 700,000 tonnes of wheat annually and approved an additional 220,000 tonnes.

Plans are also in place to increase LNG imports from the US and for the purchase of 25 Boeing aircraft. Further discussions on additional high-value imports are ongoing.

He said production levels have remained steady, and the decline is

entirely demand-led. "When demand drops, prices follow. That is basic market economics," he said.

He added that while companies had seen profitability in the past, many are now struggling to meet fixed costs such as salaries, loan repayments, and utility bills.

"Many are selling stock at minimal margins just to remain operational," he said.

Quoting industry data, Sengupta said demand has dropped by as much as 35 percent in some areas.

"This is more than seasonal; it is a continuous downturn since last year, compounded by the monsoon."

He believes any recovery will depend on the return of government-funded infrastructure work or fresh investment.

"The overall situation is far from ideal," said Mohammed Jahangir



**Jaesung Lee, president of LG Eco Solution Company, and Romo Rouf Chowdhury, group managing director of RANCON, inaugurate the Complete Air Solutions, jointly launched by LG Electronics and RANCON Group, in the capital's Gulshan yesterday.**

PHOTO: RANCON GROUP

## Rod prices hit 3-year low

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Monsoon-related disruptions have worsened the situation. "Many government and private construction sites went under water," he added.

With rains continuing, Chowdhury, chairman of RRM Group, does not expect a rebound anytime soon. "Some are selling at Tk 85,000 or less just to keep their factories running."

He also commented that retail prices do not reflect the true state of the market. "Mill gate rates are Tk 2,000 to Tk 3,000 lower. The situation is dire."

Tapan Sengupta, deputy managing director of BSRM, also pointed to the sustained downturn in the domestic steel market due to falling demand and prices.

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## CPA seeks shipping agents' loss data for customs shutdown

STAFF CORRESPONDENT, Ctg

Chittagong Port Authority (CPA) has sought information from shipping agents regarding financial losses they incurred for an increase in the time that vessels had to stay in the Chittagong port for a recent work abstention observed by customs officials.

In a letter sent to the chairman of Bangladesh Shipping Agents' Association (BSAA) on July 31, the CPA requested that loss estimates be submitted within three working days to a committee it had formed.

The committee has been tasked with assessing the economic impact of the disruptions at the Chittagong port and related institutions.

The letter was signed by CPA Traffic Officer for Operations Md Rokonuzzaman, who serves as member secretary of the committee led by the CPA deputy traffic manager for operations.

According to the letter, customs officials observed a complete shutdown for two days on June 28 and 29.

In addition, they carried out intermittent work abstentions or pen-down strikes for around 59 hours between May 14 and June 26 as a part of a broader programme led by employees of the customs, VAT, and income tax departments.

These work abstention programmes led to delays in customs clearance and vessel handling, significantly increasing ship waiting times at the port.

This disrupted regular operations and caused financial strain for stakeholders, particularly shipping agents.

CPA Secretary Md Omar Faruk said a committee has been formed by the National Board of Revenue to determine the extent of losses caused to the port and its users during the period, and it has sought data from the CPA.

In response, the CPA formed a committee to collect the data from related organisations, he said.

## Eurozone inflation unchanged in July

AFP, Brussels

Eurozone inflation remained stable in July, official data showed Friday, confounding expectations that consumer price rises would ease.

Inflation in the single currency area stood at 2.0 percent last month, the EU's statistics agency said, sustained in part by a smaller drop in energy prices than a month earlier.

Analysts surveyed by FactSet and Bloomberg had predicted inflation would ease to 1.9 percent, but the July figure remained in line with the European Central Bank's two-percent target.

Core inflation, which strips out volatile energy, food, alcohol and tobacco prices, was also unchanged at 2.3 percent, as economists had forecast.

Energy prices, however, fell by 2.5 percent in July — a smaller drop than the decline of 2.6 percent recorded in June, Eurostat data showed.

Meanwhile, food and drink price increases accelerated to 3.3 percent last month, after registering 3.1 percent in June.

In contrast, services price rises eased to 3.1 percent in July, from 3.3 percent in June.