

# Star BUSINESS



## Liabilities at state entities dwarf liquid assets

Tk 1.72 lakh crore owed by 14 state firms with little in hand

### STAR BUSINESS REPORT

Liabilities at 14 "very high risk" state-owned enterprises are more than 60 times greater than their liquid assets, a severe financial imbalance that prompted warnings of systemic risk, according to an official analysis.

The entities have amassed combined liabilities of Tk 172,016.94 crore while holding a mere Tk 2,837.23 crore in cash and equivalents, the Finance Division disclosed in a statement on Sunday. The vast gap has warranted calls for immediate intervention.

"This imbalance poses serious fiscal risks and requires immediate policy attention," said Md Amirul Islam, a senior official at the Finance Division's Monitoring Cell, during a presentation on the findings.

The analysis was unveiled at the launch of the SABRE+ system, a new digital platform aimed at enhancing financial oversight and debt management for public bodies.

The system is designed to integrate with the government's core financial database, iBAS++, to promote greater transparency.

The disclosure highlights the precarious financial health of key public sector institutions and the potential need for future government bailouts, which could place a significant burden on the national budget.

The fiscal vulnerability is not confined to the 14 high-risk institutions.

The report detailed the broader financial landscape across 101 state entities, which together face total liabilities of Tk 639,782.58 crore, with 26 percent tied to subsidiary loan agreements.

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## Exports hit 32-month high in July

JAGARAN CHAKMA

The country's exports rose to \$4.77 billion in July, up nearly 25 percent from \$3.82 billion a year earlier, according to the Export Promotion Bureau (EPB), marking the highest monthly earnings from merchandise shipment since November 2022.

Key contributors to the growth in the first month of the new fiscal year included pharmaceuticals, leather goods, engineering products and an increase in ready-made garment (RMG) shipments.

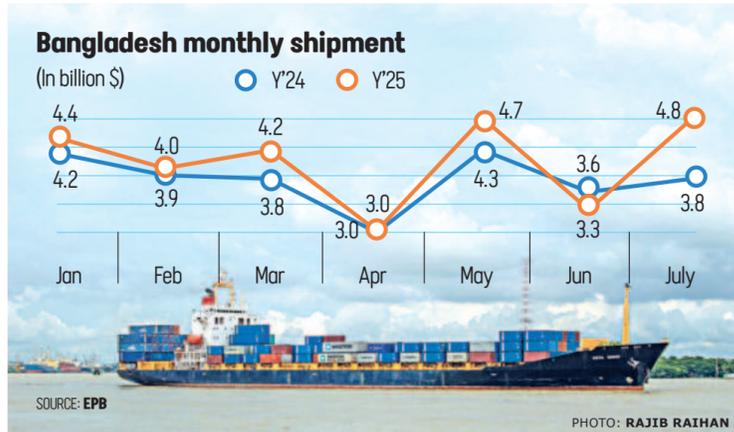
Frozen fish, vegetables and tobacco also performed well, while tea and glassware exports fell.

This development came just a day after the Bangladesh Bank reported a 29 percent year-on-year increase in remittance income in July, maintaining buoyancy as more than 40 lakh Bangladeshis have gone abroad for work over the past four years.

After the political changeover in August last year, exports and remittances together have helped ease pressure on the foreign exchange reserve.

The country's external balance returned to surplus in the recently concluded fiscal year 2024-25, following three years of persistent deficits.

Anwar-ul-Alam Chowdhury Parvez, president of the Bangladesh Chamber of Industries (BCI), said the export growth did not come from exceptional demand or from front-loading, a practice where exporters rush shipments in anticipation of tariffs or



other supply chain issues.

"The nearly 25 percent export growth in July was not a response to looming American tariffs, but rather a result of seasonal factors and a low base in that month last year," said the business leader.

He pointed out that political unrest in July last year had disrupted production, with many factories unable to operate fully. "This year, production did not face similar incidents," he said.

"So, the growth reflects a seasonal rebound rather than extraordinary demand."

Although the July figures appear promising, Parvez urged caution. "US and European buyers are still hesitant. Some were holding back orders until early August."

He added that exports might fall in August and September, typically a lean period. "Things should begin improving again from October."

Parvez also talked about the potential impact of the United States reducing reciprocal tariffs to 20 percent from 35 percent. He said there was no immediate effect.

"But, if retail prices rise by even \$2 to \$3, supermarkets like Walmart and Target may cut volume. Sales could drop 30 percent to 35 percent."

Most current shipments are part of the winter collection and are expected to continue through mid-August. Summer and Christmas

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## Banks asked to clearly mention dissent in meeting minutes

### STAR BUSINESS REPORT

Bangladesh Bank (BB) has asked banks to clearly mention any dissenting or differing opinions expressed by board members in the minutes of meetings of the boards of directors and supporting committees.

The central bank yesterday issued a notice in this regard to enhance transparency and accountability in the activities of boards of directors of banks and their supporting committees.

The banking regulator said many banks are failing to properly record "notes of dissent" in meeting minutes, and in several cases, discussions on agendas and the opinions of board members are not accurately reflected.

To address this, the regulator said any differing opinion, observation, or dissent raised by directors on agenda items presented during board or committee meetings must be clearly included in the meeting minutes.

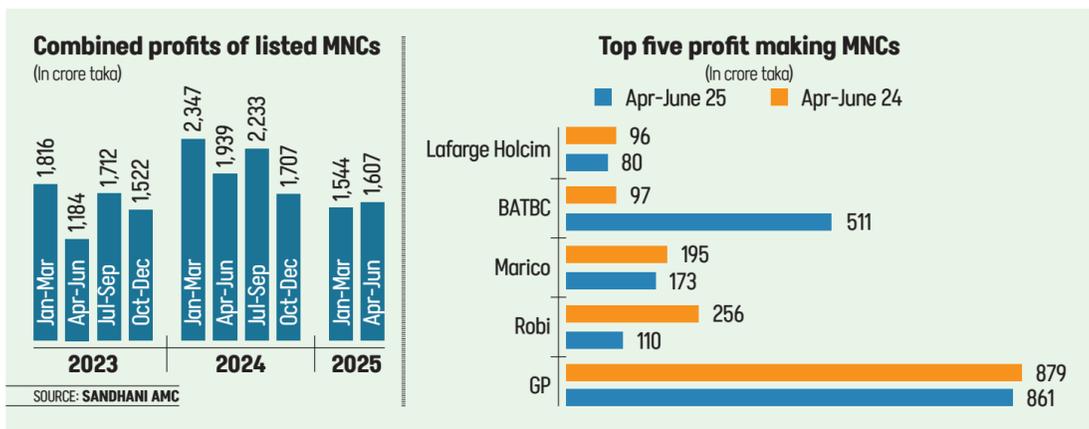
All observations and recommendations discussed during board or committee meetings must be properly documented, it added.

If any director submits a "note of dissent", it must be fully recorded in the minutes, stated the notice, adding that if any observer from Bangladesh Bank is present during the meeting, their observations must also be documented.

It was also mentioned that other relevant instructions from previous circulars will remain unchanged.

The directive will come into effect immediately, read the notice.

## Listed MNCs see 17% drop in profit as inflation bites



AHSAN HABIB

Most listed multinational companies (MNCs) in Bangladesh reported a sharp drop in earnings for the April-June quarter as persistent inflation weighed on consumer spending and raised operating costs, squeezing profit margins across sectors ranging from tobacco and footwear to electronics.

Combined net profits of 14 listed MNCs fell 17 percent year-on-year to Tk 1,607 crore during the second quarter, despite logging a 6 percent growth over the last quarter, according to stock exchange filings.

Analysts attributed the downturn to slowing demand, rising finance costs and continued pressure on input prices.

"Not only multinationals, but corporate earnings overall were also dry, except in banking, due to a slowdown in the economy," said Shahidul Islam, chief executive officer of VIPB Asset Management.

"The central bank is following a contractionary monetary policy to contain demand so that inflationary pressure drops. It's working, but aggregate demand has fallen as a result, impacting the topline or sales of corporates," said Islam.

The Bangladesh Bank has maintained a contractionary monetary policy to rein in inflation. Annual average inflation rose to 10.03 percent in June from 9.73 percent a year ago.

"When companies' sales drop, it ultimately squeezes their profits. Moreover, costs of doing business rose through higher finance

costs as interest rates in the banking sector rose, which coupled with the bottom line of the companies," said Islam.

Major listed players, including Bata Shoe and Singer Bangladesh, incurred losses in the quarter, while they were in profit during the same period of the previous year. RAK Ceramics remained in loss.

Bata reported a loss of approximately Tk 10 crore for the April-June quarter, as sales declined sharply following the widespread disruption and damage to several of its retail outlets, the company said in its half-yearly financial reports published on July 30.

**The Bangladesh Bank has maintained a contractionary monetary policy to rein in inflation. Annual average inflation rose to 10.03 percent in June from 9.73 percent a year ago**

The listed multinational shoe producer's sales plummeted by 39 percent to Tk 158 crore in the quarter. The company had logged profits of Tk 19 crore in the same quarter last year.

"Several retail locations were affected by acts of vandalism, which disrupted operations and had a material impact on financial performance," said the company regarding the quarterly loss.

Singer Bangladesh posted a Tk 31 crore loss, compared with a Tk 25 crore profit in

the same quarter last year.

The home appliance and electronics retailer said rising costs for advertising, warranty claims, bank charges and demurrage costs for shipping detention hurt margins.

Its net finance costs almost tripled due to higher short-term borrowing costs and a 4.2 percent depreciation of taka against the euro since May added to its finance burden.

Singer said while its sales volumes improved, it was unable to raise selling prices enough to offset higher product costs.

Unrealised exchange losses on intercompany loans from its Turkish parent Arcelik, also weighed on the bottom line.

The loans were used to finance a new manufacturing plant in the Bangladesh Special Economic Zone, due to become operational by year-end.

The company, however, expects the investment to improve its profitability starting from the end of 2025.

The British American Tobacco Bangladesh Co Ltd also reported an 81 percent year-on-year profit decline to Tk 97 crore in the second quarter, citing lower sales volumes, inflation-adjusted cost increases, and impairment charges related to the closure of its Dhaka factory site.

RAK Ceramics in its price-sensitive statement for the quarter said that its revenue rose by 15 percent to Tk 163 crore, however, it incurred a loss of Tk 18.50 crore, 18 times higher than the loss recorded in the same quarter of the previous year.

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## Financial sector saved from edge of collapse: Finance adviser

### STAR BUSINESS REPORT

Steps taken over the past year helped steer the financial sector back towards stability from the edge of collapse, said Finance Adviser Salehuddin Ahmed yesterday.

He, however, acknowledged that a full transformation has not yet come about and that more time was needed.

The past Awami League-led government had pushed the country's financial sector into such a deep, almost unimaginable crisis, he told a discussion at the Bangladesh Bank (BB) headquarters marking last year's July uprising day.

Ahmed, also a former BB governor, said financial reforms take time and corruption and mismanagement were deeply rooted in institutions, processes, and individuals within the financial sector.

"However, there are some honest and capable people, and we are trying to carry out reforms through them," he said.

"It would not be wrong to say that we have already moved from the ICU to a cabin, and now from the cabin to home," he added.

Ahmed said the BB's role has been crucial in restoring stability in the financial sector.

"We are here only for a short time, to lay down a roadmap. The next government will follow that path and fully help the economy recover," he said.

"We will not forget the sacrifices of the July martyrs. The aspirations of August 5 will be realised in the financial sector," said BB Governor Ahsan H Mansur, urging the finance ministry to extend full cooperation.

"We seek the cooperation of every official in bringing qualitative change to the banking sector. Ensuring depositors' safety will be the first priority," he said.

He said a new bank company act was being drafted to restructure the financial sector.

The draft has already been sent to the finance ministry. Once the law is passed, the banking sector will return to a defined track and there will be no recurrence of fascism in the future, he said.

Earlier in the day, at a seminar at the National Board of Revenue headquarters in Dhaka, the finance adviser urged all, especially young economists, to develop the

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# Eastern Bank signs payroll banking deal with Transcom Electronics, Bangladesh Lamps

STAR BUSINESS DESK

Eastern Bank PLC (EBL) has recently entered into a payroll banking agreement with Transcom Electronics PLC and Bangladesh Lamps PLC to provide comprehensive payroll banking solutions for employees of both companies.

Under the arrangement, EBL will offer a suite of services, including salary accounts, debit and credit cards, personal loans, and access to its digital platforms – EBL Skybanking and EBL Connect – to ensure a seamless and rewarding banking experience for employees.

Khorshed Anowar, deputy managing director and head of retail and SME banking at Eastern Bank PLC, and Ruhul Amin, chief financial officer of Bangladesh Lamps PLC, signed the agreement at the bank's head office in Dhaka, according to a press release.

Mehadi Hasan Bin Ghani, head of human resources and admin of Transcom Electronics, and Trisha Taklim, senior vice-president and head of payroll banking at the bank, along with other senior officials from the concerned organisations, were also present.



Ruhul Amin, chief financial officer of Bangladesh Lamps PLC, and Khorshed Anowar, deputy managing director and head of retail and SME banking at Eastern Bank PLC, pose for photographs after signing the agreement at the bank's head office in Dhaka recently.

PHOTO: EASTERN BANK

# Omar Faruk Khan appointed MD of Islami Bank

STAR BUSINESS DESK

Md Omar Faruk Khan has recently been appointed as the managing director (MD) of Islami Bank Bangladesh PLC.



Md Omar Faruk Khan

Prior to this appointment, Khan was serving as the bank's acting managing director (current charge), according to a press release.

He also previously held the position of acting managing director at NRB Bank PLC.

Khan joined Islami Bank Bangladesh PLC in 1986 and has served the institution for nearly four decades in various capacities.

These include heading the treasury, foreign trade, corporate investment, and other key divisions at the head office, as well as serving as head of zones and branches, including the local office.

He is a Diploma Associate of the Institute of Bankers, Bangladesh, and holds the Certified Documentary Credit Specialist (CDCS) qualification from the London Institute of Banking and Finance, affiliated with the International Chamber of Commerce (ICC).

Khan obtained his master's degree in sociology from the University of Dhaka.

# Dollar steadies after US jobs rout, Swiss franc lower

REUTERS, London

The US dollar found some support on Monday after Friday's dismal US jobs report and President Donald Trump's firing of a top statistics official battered the currency and prompted investors to ramp up bets of imminent Federal Reserve rate cuts.

Data on Friday showed US employment growth undershot expectations in July while the nonfarm payrolls count for the prior two months was revised down by a massive 258,000 jobs, suggesting a sharp deterioration in labour market conditions.

"The report itself was perhaps not that weak but the revisions were extremely significant," said Mohamad Al-Saraf, FX strategist at Danske Bank.

"We have a hard time seeing how the Fed cannot lower rates at the September meeting."

Adding to headwinds for markets, Trump fired Bureau of Labor Statistics (BLS) Commissioner Erika McEntarler the same day, accusing her of faking the jobs numbers.

An unexpected resignation by Fed Governor Adriana Kugler also opened the door for Trump to make an imprint on the central bank much earlier than anticipated. Trump has been at loggerheads with the Fed for not lowering interest rates sooner.

The barrage of developments dealt a one-two punch to the dollar, which sank more than 2 percent against the yen and roughly 1.5 percent against the euro on Friday.



PHOTO: DAN CAKE BANGLADESH

Christian Brix Møller, the Danish ambassador to Bangladesh, and Shah Masud Imam, chief operating officer of Dan Foods Limited, pose for group photographs after visiting Dan Cake Bangladesh factory in Dhaka yesterday.

# Danish ambassador visits Dan Cake Bangladesh factory

STAR BUSINESS DESK

A delegation from the Embassy of Denmark, led by Christian Brix Møller, the Danish ambassador to Bangladesh, visited a factory of Dan Cake Bangladesh yesterday, underscoring the company's commitment to quality, innovation, and sustainable food production in the country.

The senior leadership of Dan Cake Bangladesh welcomed the delegation and conducted a guided tour of the production facilities, showcasing the company's adherence to international food safety standards and its contribution to the local economy, according to a press release.

During the visit, Ambassador Møller remarked, "Our partnership with Bangladesh is rooted in strong foundations and continues to flourish. Danish companies such as Dan Cake exemplify how we can bring innovation and quality to local markets."

"I am proud to support initiatives that not only strengthen economic ties but also promote safer, more sustainable production practices and generate employment opportunities in Bangladesh," he added.

The visit also featured a presentation outlining Dan Cake's journey in Bangladesh, its future growth plans, and its role in championing Danish excellence in bakery products.

# UCB reports Tk 7,783cr in net deposits

STAR BUSINESS DESK

United Commercial Bank PLC (UCB) has secured Tk 7,783 crore in net deposits and opened over 300,000 new accounts, a testament to the bank's dynamic leadership and the unwavering dedication of its employees.

These achievements were shared at the bank's 42nd annual general meeting (AGM), held recently at the Kurmitola Golf Club in Dhaka, according to a press release.

Sharif Zahir, chairman of United Commercial Bank PLC, presided over the meeting.

This year's AGM marks a significant milestone as the first convened under

the board formed with the supervision of the Bangladesh Bank, symbolising a new chapter in UCB's journey.

With shareholder approval, the meeting endorsed a proposal to double the bank's authorised capital from Tk 2,500 crore to Tk 5,000 crore.

It also approved the issuance of right shares to increase paid-up capital and the allocation of new shares for strategic investors, key initiatives aimed at reinforcing the bank's future growth and financial stability.

Faruq Ahmad, chief financial officer, expressed sincere appreciation to the shareholders, regulators, and all stakeholders for their active participation, trust, and continued support.



PHOTO: UNITED COMMERCIAL BANK

Sharif Zahir, chairman of United Commercial Bank PLC, presides over the bank's 42nd annual general meeting at the Kurmitola Golf Club in Dhaka.

# Pubali Bank donates bus to Sylhet Agricultural University



Prof Md Alimul Islam, vice-chancellor of Sylhet Agricultural University, receives a dummy key of a bus from Mohammad Ali, managing director and CEO of Pubali Bank PLC, at a ceremony held recently on the university campus in Sylhet.

PHOTO: PUBALI BANK

STAR BUSINESS DESK

Pubali Bank PLC has donated a bus to Sylhet Agricultural University as part of its corporate social responsibility (CSR) initiatives.

Mohammad Ali, managing director and CEO of Pubali Bank PLC, handed over the dummy key to Prof Md Alimul Islam, vice-chancellor of Sylhet Agricultural University, at a ceremony recently held on the university campus in Sylhet, according to a press release.

In his remarks, Prof Islam commended Pubali Bank's commitment to supporting educational institutions through such meaningful contributions.

Speaking at the event, Ali stated, "Pubali Bank is not merely a profit-oriented organisation; it recognises its social responsibilities. As part of this commitment, we have donated a bus to Sylhet Agricultural University."

He added that such initiatives will continue in the future.

Prof Sultan Ahmed, director of transport at the university, presided over the ceremony.

Prof ATM Mahub-e-Elahi, treasurer of the university; Prof Mohammad Samiul Ahsan Taluqder, student adviser; Prof Jasim Uddin Ahmed, proctor; and Chowdhury Md Shofiul Hassan, general manager of Sylhet principal office of the bank; attended the programme as special guests.



Sheikh Mohammad Maroof, managing director and CEO of Dhaka Bank PLC, and Faruque Ahmed, managing director of Dhaka Mass Transit Company Limited, inaugurates the CRM booth at Farmgate Station of MRT Line-6 in the capital recently.

PHOTO: DHAKA BANK

# Dhaka Bank unveils CRM booths at MRT line-6 stations

STAR BUSINESS DESK

Dhaka Bank PLC has recently unveiled cash recycler machine (CRM) booths at the Farmgate and Karwan Bazar MRT stations in the capital, marking a significant advancement in delivering convenient digital banking services to metro commuters.

Faruque Ahmed, managing director of Dhaka Mass Transit Company Limited (DMTCL), and Sheikh Mohammad Maroof, managing director and CEO of Dhaka Bank PLC, jointly inaugurated the booth at the Farmgate station of MRT Line-6, according to a press release.

Speaking on the occasion, Maroof said, "We are taking digital banking right to the heart of urban mobility. With CRM booths at the Farmgate and Karwan Bazar MRT stations, we are enabling real-time banking for the thousands of commuters who travel daily through this corridor."

"We aim to connect all metro rail stations in the coming days," he added.

Ahmed underscored the importance of cross-sector collaboration in enhancing customer services and thanked Dhaka Bank for integrating digital finance into station infrastructure for the benefit of commuters.

Among others, Md Zakaria, project director of DMTCL; AKM Khairul Alam, director (administration); and Khondoker Ehteshamul Kabir, company secretary; Md Mostaque Ahmed, deputy managing director of the bank; HM Mostafizur Rahaman, senior executive vice-president and head of retail business division; Md Altamas Nirjhar, executive vice-president and head of general services division; and Syed Ashraf Amin, executive vice-president and manager of Karwan Bazar branch; were also present.



Md Meshkat-ul-Anwar Khan, deputy managing director (in-charge) of National Bank PLC, inaugurates the Benapole Bazar branch of the bank in the Sharsha upozila of Jashore on Sunday. Kazi Mahmud Hossain, senior vice-president and regional manager for Khulna; and Md Zahid Hasan, manager of the Benapole branch; along with other branch officials, local businesspersons, and clients, were also present.

PHOTO: NATIONAL BANK



Betel leaf farmers sort their produce based on size and quality in Nolamara village at Jashore's Abhaynagar upazila. They say every 80 leaves are selling for Tk 10 to Tk 60 at wholesale in local markets and that this was leading to losses for them. The photo was taken last Saturday. PHOTO: HABIBUR RAHMAN

# Contraband, counterfeit cigarettes have surged in market

Says NBR chief, adding that it caused govt to lose a substantial amount of revenue

STAR BUSINESS REPORT

The government lost a substantial amount of revenue last year due to a surge in contraband cigarettes and local counterfeit production, said National Board of Revenue (NBR) Chairman Md Abdur Rahman Khan yesterday. This came about in spite of the imposition of higher taxes, he said, adding, "Last year, we significantly increased the tobacco tax, which now stands as high as 83 percent, and we raised prices as well." "But despite that, we're not seeing proportional growth in revenue. We expected an additional Tk 10,000 crore, but that didn't materialise," he added. "There is a huge quantity of contraband cigarettes circulating. I've seen many smokers using foreign cigarettes, which come into Bangladesh without paying any tax," he told a seminar at the NBR. The NBR organised the seminar to highlight the changes brought about in

income tax, VAT, and customs rules in the current fiscal year's budget, as well as to inaugurate e-return submissions for the current tax year. Finance Adviser Salehuddin Ahmed attended the programme as the chief guest. Economic Reporters Forum President Doulot Akter Mala also spoke at the event, among others. Khan said the customs offices in Chattogram and Dhaka often seize large quantities of these cigarettes. Even some counterfeit cigarette factories that pay no taxes have been raided and shut down, he said. However, a lack of enforcement of the law at the field level is to be blamed for the revenue drop, he said. "We must pay close attention to this. Again, this is an enforcement issue—whether we are able to detect the counterfeit manufacturers and the untaxed imports entering the market," he said. "Just making laws and assuming

revenue will follow doesn't work," said Khan. He said the amount of tax evasion was significant, and they needed to detect and recover that. "No new law is required for these, existing laws already cover it," he said. **"There is a huge quantity of contraband cigarettes circulating. I've seen many smokers using foreign cigarettes, which come into Bangladesh without paying any tax," he told a seminar at the NBR.** However, there is a lack of proper law enforcement, he added. "For instance, bonded warehouses have existed in Bangladesh since 2001, and we all know these are heavily misused. The more they are abused, the more revenue leakage we face," said Khan.

He also acknowledged that the revenue board reduced the penalty for customs misdeclaration to 200 percent in response to demands from the business community. "The extent of evasion is very high, and taxpayers often perceive the entire system as a rent-seeking mechanism," he admitted. "If I impose a penalty that's four times the due amount, all it takes is one negotiation with a customs checker to make it go away especially if there's a personal connection. This happens quite often," he said. Even a 100 percent penalty—equal to the evaded amount—is no small matter. So, bringing it down to double the payable duty is still a significant deterrent, he added. Responding to a journalist's question, the NBR chairman clarified, "The government has not provided any special privileges or benefits to Grameen Bank."

## Sukuk allocation for Islamic banking units raised to 80%

STAR BUSINESS REPORT

The Bangladesh Bank (BB) has increased the share of Sukuk earmarked for Islamic banking operations to 80 percent, up from 70 percent, as part of its broader push to deepen Shariah-compliant finance. The revised allocation applies to Islamic branches and windows of Shariah-based banks, financial institutions, and insurers, as well as Islamic units within conventional banks, according to a circular issued yesterday. Meanwhile, the share reserved for conventional banks, financial institutions, and insurers has been reduced to 5 percent from 10 percent. The remaining 15 percent, down from the previous 20 percent, will be offered to individual investors, provident funds, mutual funds, gratuity funds, deposit insurance schemes, investment companies, and similar institutions. Sukuks are Shariah-compliant financial certificates, often described as the Islamic equivalent of bonds. The banking regulator also outlined the procedure for the allocation process. If bids exceed the prescribed ceiling in all three categories, allotments will be made to bidders in each group in proportion to their submitted bids. However, if bids fall short of the quota in any category, the unsold Sukuk will be distributed among bidders in the remaining categories, prioritising higher bidders, in proportion to the size of their submitted offers. Since the introduction of sukuk in December 2020, the government has issued six Shariah-based bonds. The outstanding amount of sukuk increased to Tk 24,000 crore as of May this year, according to BB data.

## Oil steady after OPEC+ sticks to output hike

REUTERS, Singapore

Oil prices edged higher on Monday, paring earlier losses, as traders expect the market to absorb another large output hike by Opec+ in September, while worries about disruptions to Russian oil shipments to major importer India also provided support. Brent crude futures climbed 11 cents, or 0.16 percent, to \$69.78 a barrel by 0647 GMT, and US West Texas Intermediate crude was at \$67.52 a barrel, up 19 cents, or 0.28 percent. Both contracts closed about \$2 a barrel lower on Friday. The Organization of the Petroleum Exporting Countries and their allies, known as Opec+, agreed on Sunday to raise oil production by 547,000 barrels per day for September, the latest in a series of accelerated output hikes to regain market share. It cited a healthy economy and low stockpiles as reasons behind its decision.

## Malaysia eyes AI powerhouse status in five-year plan

ANN/THE STAR

Malaysia's five-year plan to become an artificial intelligence (AI) powerhouse has been hailed as promising, but industry experts say its success will hinge on overcoming key obstacles and ensuring the public is prepared for an AI-driven future. Khalil Nooh, CEO and co-founder of local language model company Mesolitica and founding member of the Konsortium AI Negara, is confident in the country's goals, citing strong collaboration between the public and private sectors. Yet, challenges remain. Access to funding for local innovators is limited, and many AI projects struggle to deliver real commercial impact beyond modest productivity gains. "For the private sector, especially local AI builders, access to fresh capital is still a key challenge, as commercial success with new AI projects remains elusive," he said. Khalil hopes to see more targeted measures to raise awareness and equip the public with the skills to use AI tools, not just in office settings, but also for entrepreneurial ventures and side incomes. Malaysian Artificial Intelligence Society president Dr Azree Nazri echoed similar sentiments, stressing the importance of "exposure, preparedness, and access" in building a truly inclusive AI ecosystem. "Inclusivity means ensuring all sectors, urban and rural, industrial and agricultural, have meaningful opportunities in AI," he said. Azree believes the country should steer its workforce towards roles that benefit from AI, such as digital services, smart manufacturing, and

agri-tech. He added that focusing on high-potential sectors such as finance, telecommunications, healthcare, and agriculture could also create new job opportunities and enhance Malaysia's global competitiveness. "By raising preparedness, Malaysia can ensure AI benefits reach small businesses, rural communities, and marginalised groups, not just tech hubs," Azree said, adding that access to AI hardware, cloud computing, and data infrastructure must also be expanded. Both Azree and Khalil welcomed the 13th Malaysia Plan's goal of nurturing AI and STEM talent from the primary school level, stressing that building AI capability should start early. For Tan Han Wei, founder of smart farming solutions company Sustainable Harvest, the 13MP reflects growing recognition of local tech developers as key contributors to national development. "As a Malaysian tech developer, it means we're no longer just following global trends, we're being invited to lead. The emphasis on AI, digital systems, and 'Made by Malaysia' innovation gives companies a platform to gain visibility and contribute to the country's long-term food security and economic resilience," he said. Tan, who helps durian farmers adopt tech tools such as crop sensors and is currently developing an AI-based pest detection system, said a persistent challenge is shifting mindsets around local technology. "Local solutions are sometimes seen as less proven than imported systems, even when they're better suited to Malaysia's crops and climate," he said.

## Listed MNCs see 17% drop

FROM PAGE B1 The company said sales decreased by 3 percent due to declining market demand. Among the listed multinationals, only a handful of firms, most notably Marico Bangladesh and Robi Axiata, managed to secure profits during the second quarter, buoyed by improved cost controls and selective demand. Marico Bangladesh, which sells personal care and hair oil products, saw both revenues and profits rise, helped by stable demand and cost optimisation. Robi Axiata Ltd, the country's second-largest telecom operator, reported a doubling of quarterly profits, despite softer revenues. The company attributed the gain to lower operating costs. The company's profit soared 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 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. Meanwhile, the outlook for the rest of the year remains cautious. "As interest rates in the banking sector are high, companies with high debt portfolios will continue to suffer as their costs of finance will continue to chip away at their profits," said Ali Imam, CEO of EDGE Asset Management. "The telecom sector is a mature sector, so they may not see any big growth in the coming days," he said, adding that the outlook for the construction sector is not exciting. Construction-linked sectors, such as cement, steel, and paints, are unlikely to see major growth amid a broader liquidity crunch and slower private investment. "As owners of black money holders are in a tight situation, so the construction sector may not see high growth," said Imam.

## Financial sector

FROM PAGE B1 "inner sight" on how the government functions from within. "Many junior economists nowadays apparently don't see anything (good). I know all of them. I've been teaching since the 1970s. They're all my students," he said. "To see, one needs vision. One requires inner sight. If someone doesn't want to see, they won't be able to," he added. The seminar was organised by the NBR to highlight recent changes brought about in income tax, VAT, and customs regulations through the current fiscal year's budget, as well as to inaugurate e-return submissions for the current tax year. Speaking at the event, the adviser acknowledged that the government makes mistakes. "We make many mistakes, and that's okay. But it feels good when good initiatives are encouraged.

## Exports hit 32-month high in July

FROM PAGE B1 products will begin shipping from September. "Many orders were booked earlier, but final confirmation was delayed. This week is key. It may take three to four more months for full clarity," he said. Asif Ibrahim, vice chairman of Newage Group and a former director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said the strong performance in July was driven by a mix of global and domestic factors. "One major driver was the front-loading of orders by international buyers, especially from the United States," Ibrahim told The Daily Star. "Concerns over potential tariff hikes led many brands to speed up their shipments, pushing a large volume of orders into July." He added that geopolitical tensions and trade uncertainties, particularly around China, had reshaped global sourcing strategies. As buyers looked to diversify, Bangladesh gained ground as a reliable option. Ibrahim said traditional markets such as the European Union, United States and Canada continued to show strong demand, while non-traditional markets, including Japan, India and Australia, saw rapid growth. He also commented that Bangladesh's improved compliance in factories, greater efficiency and rising focus on sustainability had made the sector more competitive globally. "These combined dynamics created an unusually high volume of exports in July," he said. "It is a positive signal for the sector's performance in the quarters ahead." Pharmaceutical exports saw the highest growth, jumping 61.85 percent year-on-year to reach \$19 million, up from \$12 million in July

last year. Wasim Haider, international marketing manager at Beximco Pharmaceuticals, said the surge likely resulted from multiple overlapping factors. "This kind of jump is unusual for July," he told The Daily Star, pointing to delayed June documentation and new product approvals as possible reasons. In July, leather footwear exports rose by 26 percent. But Nasir Khan, chairman and managing director of Jennys Shoes, said the gains could have been far greater if not for delays and corruption. "Our shipments often stall at ports due to slow bond clearances," he said, adding that exporters face demands for "bribes up to Tk 5 lakh just to move files." Khan claimed that a network of "unofficial lobbying quarters" and influential officials had taken control of key export approvals, holding back one of the most promising sectors outside the RMG industry. Despite rising global demand, he said red tape, middlemen and "grease money" continue to undercut the sector's full potential.

## Liabilities at state

FROM PAGE B1 At the event, Finance Adviser Salehuddin Ahmed, said, "SABRE+ is more than just a digital tool; it represents a pivotal shift towards data driven, transparent, and accountable governance across state-owned enterprises and autonomous bodies." Highlighting the importance of reliable data and internal controls, he added, "Good governance requires timely evaluation and strong oversight. SABRE+ gives us the tools to achieve that."

## Stocks break three-day rally

STAR BUSINESS REPORT

The benchmark index of the Dhaka Stock Exchange closed lower yesterday, breaking a three-day rally.

The DSEX, the main index of the bourse, declined 50.23 points, or 0.90 percent, to settle at 5,485.90.

The other indices also had negative performance before the end of the day's trading. Shariah-compliant DSES declined 0.67 percent to 1,185.49.

The DS30, comprising the blue-chip shares, dropped 0.95 percent to close at 2,129.92.

Turnover, a key gauge of investor participation, hit Tk 911.73 crore, down from Tk 1,137.40 crore the previous session.

A total of 237,927 trades were executed, while block transactions amounted to Tk 11.9 crore across 24 scrips.

Market breadth was negative with 122 stocks advancing, 207 declining, and 68 remaining unchanged.

Among A category scrips, 66 gained, 119 lost, and 34 remained unchanged.

The B category saw 32 stocks rise and 42 fall, while there was no activity in the N category.

Segment-wise performance was mixed. In mutual funds, 8 issues advanced and 10 declined.

Corporate bonds saw just one issue decline, while the government bond market saw one issue advance.

Among individual performers, Titas Gas Transmission and Distribution topped the gainers' list with a 9 percent surge, while Trust Bank was the worst performer, dropping 8 percent.

## Gold eases on profit-taking

REUTERS

Gold edged lower on Monday as investors booked profits after a sharp rise in the previous session after weaker-than-expected US jobs data boosted hopes for a US Federal Reserve interest rate cut in September.

Spot gold lost 0.1 percent to \$3,361.32 per ounce, as of 0655 GMT. Bullion rose more than 2 percent on Friday. However, US gold futures gained 0.4 percent to \$3,414.20.

"Gold has made a conservative start to the week following Friday's price jump. A combination of profit-taking and dollar stabilisation has caused gold to ease marginally to kick-off the week," KCM Trade chief market analyst Tim Waterer said.

## Trump tariff rates unlikely to change

AFP, Washington

New US tariff rates are "pretty much set" with little immediate room for negotiation, Donald Trump's trade advisor said in remarks aired Sunday, also defending the president's politically driven levies against Brazil.

Trump, who has wielded tariffs as a tool of American economic might, has set tariff rates for dozens of economies including the European Union at between 10 and 41 percent come August 7, his new hard deadline for the duties.

In a pre-taped interview broadcast Sunday on CBS's "Face the Nation," US Trade Representative Jamieson Greer said "the coming days" are not likely to see changes in the tariff rates.

"A lot of these are set rates pursuant to deals. Some of these deals are announced, some are not, others depend on the level of the trade deficit or surplus we may have with the country," Greer said.

"These tariff rates are pretty much set."

Undoubtedly some trade ministers "want to talk more and see how they can work in a different way with the United States," he added.

But "we're seeing truly the contours of the president's tariff plan right now with these rates." Last Thursday, the former real estate developer announced hiked tariff rates on dozens of US trade partners.

They will kick in on August 7 instead of August 1, which had previously been touted as a hard deadline.

Among the countries facing steep new levies is Brazil. South America's largest economy is being hit with 50 percent tariffs on exports to the United States — albeit with significant exemptions for key products such as aircraft and orange juice.

## Sylhet poorest division in Multidimensional Poverty Index (MPI)

<b>MPI score</b>	<b>Multidimensionally poor</b>	<b>Poverty intensity</b>	<b>Sylhet 3rd in remittance ranking, but</b>
Sylhet: <b>0.177</b>	Sylhet: <b>37.7%</b> (41.9 lakh)	Sylhet: <b>46.86%</b>	<ul style="list-style-type: none"> <li>Money spent on villas, not on education</li> <li>Health, or infrastructure poor in haor areas</li> <li>Poor living condition of tea garden workers</li> </ul>
National average: <b>0.123</b>	National average: <b>24.05%</b>	National average: <b>44.17%</b>	



PHOTO: DWOHA CHOWDHURY

# Remittance-rich Sylhet ranks poorest in new index

DWOHA CHOWDHURY

Long seen as the "London of Bangladesh" for its foreign earnings and opulent villas, Sylhet has been dealt a sobering blow. The country's first Multidimensional Poverty Index (MPI) has revealed that the division is, in fact, the poorest in Bangladesh when measured by access to education, healthcare and living standards.

Despite its image of wealth, due to generations of expatriates sending money home, Sylhet has topped the national poverty chart in both overall MPI score and the intensity of deprivation.

According to poverty analysts and researchers, the underdeveloped haor region and the plight of workers in the division's tea estates have weighed heavily on Sylhet's standing.

They say that while Sylhet receives the third-highest remittance inflow in the country, the money is rarely invested in education or health. Instead, it fuels lavish lifestyles, leaving millions trapped in poverty.

In the recently published MPI, Sylhet stands as the most deprived division with a score of 0.177, overtaking usually poorer regions like Barishal and Mymensingh.

More than 37.7 percent of the population in the division, around 41.9 lakh people, are classified as multidimensionally poor. Besides, the intensity of poverty in the division is the highest in the country, at 46.86 percent.

In the division, north eastern district of Sunamganj scores 0.225 in the index and ranks as the third poorest district in Bangladesh.

The MPI index was developed by the General Economics Division (GED) using clustered data from pre-Covid 2019. The GED collaborated with the Bangladesh Bureau of Statistics, Unicef and the Oxford Poverty and Human Development Initiative (OPHI) for the publication.

Nationally, 24.05 percent of people are multidimensionally poor, with an average deprivation intensity of 44.17 percent. Sylhet accounts for 11.66 percent of the country's multidimensionally poor population, despite making up less than 8 percent of the total population.

The 2012 harmonised dataset tells a story of decline.

Sylhet then ranked as the third poorest division, with a score of 0.237 and half of its people in multidimensional poverty.

At the time, Barishal and Mymensingh were worse off. Between 2012 and 2019, every division improved, and Sylhet's MPI dropped. But others progressed faster, pushing Sylhet to the bottom.

**Sylhet was once strong in education, but more people moving abroad has weakened that. Even though remittances have increased, little has been spent on growth of the region**

AK Enamul Haque, director general of the Bangladesh Institute of Development Studies (BIDS), said, "As this is the first MPI of the country, there might be anomalies with the data. In general, we consider affordability indicators to determine poverty, but this index is based on access indicators."

"The vast haor and tea garden areas of the region impacted the score where people have accessibility issues to education or healthcare. But still, this is a learning, and there is room for improvement," Haque said.

Sunamganj's entrenched poverty is clear. In 2012, it posted an MPI of 0.289, with 58.9 percent of people identified as multidimensionally poor. By 2019, the score dipped only slightly to 0.225, with 47.4 percent still considered poor, and the

intensity of deprivation barely changing at 47.5 percent.

The district fares poorly in nearly every area: education, nutrition, access to clean water, reproductive health and household assets, according to the MPI.

Munira Begum, joint chief of the Poverty Analysis and Monitoring Wing of the GED, said, "The poverty index is not based on income, but based on the indicators of accessibility. The vast haor areas of the region contributed to the downfall of the region, while other regions leveraged public investments and infrastructural development by 2012 and 2019."

Recent data by the Bangladesh Bank shows that Sylhet remains the third largest remittance recipient, after Dhaka and Chattogram.

Reza Karim Khondker, former professor of economics at Shahjalal University of Science and Technology, said, "Historically, Sylhet was a prosperous region. But in the last couple of decades, the prosperity has been declining. This is not surprising to see Sylhet is marked as the poorest division in the country."

"Sylhet was an educationally enriched region once, but the trend of immigrating to other countries is gripping the prosperity. Remittance inflow increased, but it was never invested in the development or the benefit of the region," said the professor.

Advocate Sha Saheda Akther, general secretary of civil society platform Shushoson Jonno Nagorik (SUJAN) in Sylhet, said, "Sylhet has historically seen large in-migration. Many residents here have livelihoods that differ from the local population."

"By focusing only on service access and not considering local economic realities, the index may have conveyed a misleading picture. There is a need for broader research and inclusion of economic indicators in future versions," added Akther.

## Jobs are changing, skills aren't

MAMUNUR RAHMAN

Job growth in Bangladesh is facing a serious threat, not from war or inflation, but from our failure to prepare the workforce for a world increasingly being shaped by artificial intelligence (AI). As automation and generative AI rapidly transform global employment, we continue to teach outdated skills that no longer match market demands.

Over the past year, many industries, from design to customer service, have replaced large segments of their workforce with AI tools. A recent report by The Daily Star revealed that several business process outsourcing firms in Bangladesh have cut junior staff by more than 80 percent after adopting AI. Yet across hundreds of Technical Training Centres (TTCs), government training still centers on software like Photoshop, despite the shrinking relevance of such roles.

Even more alarming is that these outdated courses are delivered through multi-billion dollar projects. The country's four flagship training programs—EARN, SICIP, ASSET, and PARTNER— together account for more than \$2 billion (Tk 20,000 crore). With a target of 500,000 trainees, the government is spending nearly \$4,000 (Tk 468,000) per person. Yet most courses still fall under vague ICT categories, with little focus on AI tools, freelancing platforms, or digital entrepreneurship.

This is not just a missed opportunity, it's a misallocation of public funds. When investments of this scale fail to equip young people for today's economy, they don't just hold us back. They risk training workers for jobs that no longer exist.

Rabiya Khatun, a trainee at TTC Gaibandha, voiced her frustration: "We're learning tools my younger brother already knows from YouTube. What job will this help me get?" Her concern is shared by many who see

little connection between their training and real employment opportunities.

The Technical Education Department alone receives more than Tk 4,000 crore annually. But the output, in terms of employability, digital fluency, or entrepreneurship, is underwhelming. Hundreds of TTCs are stuck in legacy training while the rest of the world moves forward. Countries like India, Vietnam, and Indonesia have introduced AI literacy programmes, micro-credentials, and industry partnerships. In contrast, Bangladesh hasn't meaningfully updated its curricula in years.

The problem runs deeper than outdated content. At the heart of this inertia is the National Skills Development Authority (NSDA). As of July 25, 2025, the NSDA website still lists deceased members, ousted politicians, and even fugitives on its industrial councils. This reflects deep institutional stagnation. While many junior officials are capable and motivated, they have little influence. A specialized agency like NSDA must be led by experts in digital transformation, not bureaucrats marking time.

Globally, AI is no longer just a technical issue, it is central to economic strategy. While governments are racing to lead in AI governance, Bangladesh remains passive. But pretending AI isn't here won't slow its impact. It will only widen the country's skills gap and deepen youth unemployment.

If Bangladesh truly aims to become a "New Bangladesh," we must act now. That means redesigning skills training around AI-readiness, modernising TTC curricula, giving voice to digital practitioners, and reforming the very institutions responsible for workforce development.

This is not about chasing trends. It's about survival. As the world keeps moving forward, we cannot afford to keep preparing people for the past.

The writer is coordinator of Ella Alliance and founder of Ella Pad.



# Markets' Trump truce is on ever-shakier ground

REUTERS, London

If stock markets are to be believed, Donald Trump has pulled off a masterstroke. The US president has ratcheted up tariffs on trading partners while avoiding tanking either the economy or asset prices. Yet investors' muted response to Thursday's latest levies may be misleading. The Trump-market truce will soon face steeper tests.

Equities have come a long way since April 2, when the president's so-called reciprocal tariffs sent the S&P 500 Index down about 10 percent in a week. Stocks quickly bounced back and then set records, boosted by the idea that Trump would always chicken out, known as the TACO trade.

That theory is crumbling. Thursday's assault raised the average US levy on imports to about 20 percent — not far off the April 2 level of 22 percent, Société Générale economists reckon. Canada, Switzerland and others saw their scheduled duties spike. Yet S&P 500 futures fell just 1 percent before US markets opened, which would still leave the benchmark about a quarter above its April nadir.

There are some good reasons for the nonchalance. Some levies, like India's 25 percent rate, may yet come down. The new

package may just be a last-minute ploy to maximise pressure on trading partners before striking deals. And the most damaging scenario — a global trade war — looks unlikely given key trading partners like Europe and Japan have agreed deals

without retaliation. Lastly, even if tariffs are now a reality, looser fiscal policy in the US and Germany means there is more money sloshing around two of the world's biggest economies, helping short-term growth.

Yet the full brunt of the tariff war is

still only starting to emerge, and the final implementation of the global levies is due next week. Core US goods inflation was a reassuring 2.4 percent in July, yet price rises may have been kept lower by importers bringing in more goods ahead of the duties. Analysts at Pictet reckon the impact will become more apparent in August and September. They note that surveys point to between 60 percent and 80 percent of US firms planning price increases over the next three months. That may squeeze consumer confidence, hurting growth.

Higher US inflation may also make it harder for the Federal Reserve to cut. That will fuel tensions with Trump, who has a \$1.9 trillion deficit to fund this year and wants lower rates. The more the administration attacks Chair Jerome Powell, the more bond markets will fret over wayward fiscal policy and higher inflation, driving up long-term borrowing costs and hitting asset prices.

Nor can the rest of the world rest easy. As other countries face more obstacles selling the \$3.3 trillion of goods shipped into the United States annually, they will need to find alternative markets, driving down prices elsewhere and hurting rival exporters.



Traders work on the New York Stock Exchange floor in New York City. Equities have come a long way since April 2, when the president's so-called reciprocal tariffs sent the S&P 500 Index down about 10 percent in a week.

PHOTO: AFP/FILE