

star BUSINESS



Govt tightens foreign loan rules amid poor project fund use

REJAUL KARIM BYRON

The government has tightened its control over new foreign loans by introducing multiple preconditions for ministries and divisions, following their poor performance in using funds already in the pipeline.

The new conditions include land acquisition, submitting a resettlement plan, preparing a detailed component-wise cost estimate, and finalising draft tender documents prior to implementation, according to an official circular issued last week.

This development comes after ministries and divisions spent only 13.57 percent of the project-related portion of foreign aid in the fiscal year (FY) 2024-25, despite starting the year with a \$42.85 billion aid pipeline, according to the Economic Relations Division (ERD).

During the recently concluded fiscal year, \$8.57 billion in foreign aid was disbursed in total. Of that, just \$5.42 billion, or 13.57 percent, was used for project funding. The remainder was spent as budget support from development partners.

A 20 percent utilisation rate is generally considered satisfactory in a fiscal year.

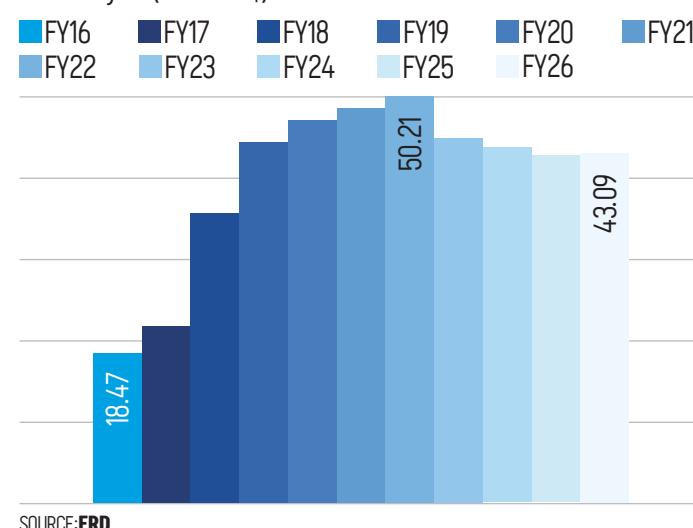
Bangladesh has historically been slow in using its aid pipeline for projects, although budget financing has seen relatively better uptake.

This is because development partners usually release budget support loans immediately after conditions are met and approvals are granted.

In the last fiscal year, four foreign lenders, including the World Bank and the Asian Development Bank (ADB), disbursed \$2.75 billion in budget support, which was released promptly upon approval.

Unused foreign loans in pipeline

As of July 1 (In billion \$)



SOURCE: ERD

New conditions for foreign funding

- Get ECNEC's green light for the project plan (DPP)
- Hire all key personnel, including a project director
- Finalise land acquisition to clear the way for construction
- Calculate project costs and prepare tender documents for bids
- Secure the finance ministry's approval for the foreign loan agreement terms

LOANS IN PIPELINE FROM MAJOR FINANCIERS (In billion \$)

World Bank: 9.31 | Japan: 7 | Russia: 4.72
ADB: 4.04 | China: 3.47 | India: 5.74

which \$750 million was budget support.

Excluding the budget support, only 14.44 percent of the World Bank's project loan pipeline was utilised.

Despite holding quarterly tripartite meetings between the line ministries, ERD, and the World Bank to improve the situation, little progress has been made.

As a result, nearly \$1 billion was repurposed from slow-moving projects and redirected to new or existing ones during the first half of the current fiscal year.

Due to delays in fund utilisation, the undisbursed amount in the World Bank pipeline continues to grow. An additional \$833 million was added last year, bringing the total to \$9.31 billion at the beginning of July.

The ADB, however, recorded better utilisation. It disbursed \$2.52 billion last fiscal year, including \$1.5 billion in budget support. Excluding that, 22.44 percent of the pipeline was utilised.

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Over 10,000 taxpayers file e-returns on first day of tax season

STAR BUSINESS REPORT

Over 10,000 taxpayers submitted their income tax returns online on Monday, when the associated portal of the National Board of Revenue (NBR) opened for the tax year 2025-26.

According to a press release from the NBR yesterday, 10,202 individual taxpayers visited www.etaxnbr.gov.bd to file their returns on the first day, marking an "unprecedented response".

In contrast, only 2,344 taxpayers had filed returns online when the portal opened on September 9 for last year's tax season.

Officials said the surge resulted from a recent directive prioritising the digital system, which was officially opened by Finance Adviser Salahuddin Ahmed in Dhaka.

On August 3, the NBR issued a special order making it mandatory for individual taxpayers to file their returns online.

However, those aged over 65 years, the differently abled, expatriate Bangladeshi or legal representatives of deceased taxpayers may continue submitting returns in paper.

Anyone facing difficulties in registering with the system need to inform the relevant deputy commissioner of taxes through a written application by October 31.

Subject to approval by the respective additional or joint commissioner, the taxpayer may then be permitted to file the return in paper.

Last year, more than 1.7 million taxpayers submitted their returns online after the NBR made e-filing mandatory for some groups of taxpayers.

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ICDs overwhelmed with export containers

DWAIPAYAN BARUA, Ctg

Privately operated inland container depots (ICDs) are grappling with a mounting backlog of export-laden containers, hampering cargo handling operations and pushing storage capacity to the brink.

Operators say the logjam is the result of an unexpected surge in export volumes in July. The problem was further exacerbated by delays in dispatching containers to the port as vessels stayed for longer than usual at jetties over the past month due to a number of disruptions, including a nationwide strike by revenue officials, weeks of customs server disruptions and work abstentions by prime mover operators.

According to the Bangladesh Inland Container Depots Association (BICDA), the country's 19 ICDs were handling 16,390 TEUs (twenty-foot equivalent units) of export containers as of Monday, which

Transport of export containers to the port also faced delays due to the unavailability of vessels at jetties caused by berthing delay, creating a backlog at the ICDs

more than double their usual comfortable capacity of 7,000 to 8,000 TEUs.

BICDA data also show that the ICDs altogether transported a total of 81,135 TEUs of export containers to the port in the month of July, the highest since January, when they handled 70,338 TEUs of containers.

The volume of export load containers transported from the

Export containers handled by ICDs (in TEUs)

Key facts

- 21 private ICDs in Ctg
- 19 ICDs handle 93% of export containers
- ICDs handled 7.50 lakh TEUs of export containers in 2024, up 13.5% yoy

SOURCE: BICDA

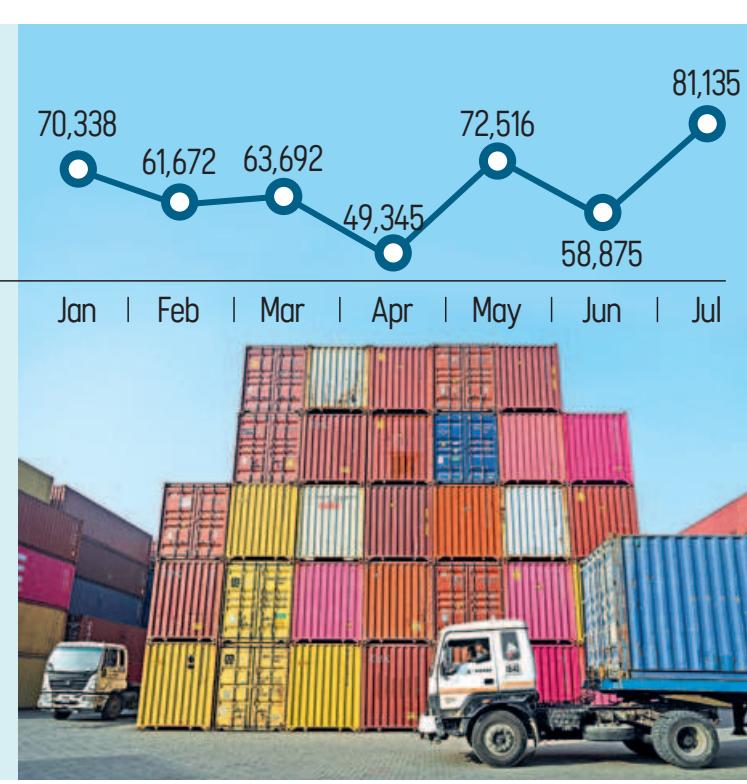


PHOTO: RAJIB RAIHAN

ICDs to the port every month in the first half of this year was far lower.

In the last calendar year of 2024, the monthly average for the volume of export containers transported from the ICDs to the port stood at 62,546 TEUs.

BICDA Secretary General Md Ruhul Amin Sikder said, "The ICDs usually handle 60,000 to 70,000 TEUs of export containers in a month. But in July, the ICDs saw a noticeable surge in the volume of exports."

"In spite of such a surge, the ICDs managed to handle the additional volume of exports, transported those containers to the port and did not miss that many shipments," Sikder claimed.

According to the officials of several ICDs, apart from the 81,000 TEUs processed and shipped in July, the depots

received additional export cargoes and stuffed those into around 18,000 TEUs of containers.

Dous Mohammad, chief executive officer of Portlink Logistics, one of the leading ICDs, said, "The sudden surge in the volume of exports was the main reason behind the pileup of export containers."

Moreover, transport of export containers to the port also faced delays due to the unavailability of vessels at jetties caused by berthing delay, creating a backlog at the ICDs, he added.

A major portion of these export shipments consisted of readymade garments (RMG).

Mohammad said due to uncertainties over an exorbitant hike in tariffs by the US, which is supposed to come into effect from August 7, many RMG owners sent their US-bound

export cargoes to the ICDs well ahead of their delivery dates.

The aim was to ship the goods before the higher rate of tariff came into effect, which also added to the surge in the volume of exports, he said.

Khairul Alam Suzan, former vice president of Bangladesh Freight Forwarders Association, was of the same opinion.

"Many US buyers urged the Bangladeshi suppliers to ship their cargo before the August 1 timeline to avoid the additional tariff," he said.

He, however, said RMG exports usually surge between June and August every year, eyeing the winter market in the West.

Sikder of BICDA said such congestion was hampering cargo handling operations inside the ICDs but the depots were trying hard to ensure that shipments were made on time.

Unified promotion policy for state banks introduced

STAR BUSINESS REPORT

In a move aimed at standardising career progression and ensuring transparency across the public banking sector, the Ministry of Finance has introduced a formal promotion policy for employees of state-owned commercial and specialised banks.

The Promotion Policy 2025, announced through a ministry circular recently, marks the first comprehensive framework for career advancement in these institutions.

The policy is expected to bring long awaited clarity to thousands of banking professionals working in these institutions for years without a clear promotion structure.

The policy seeks to address longstanding issues related to inconsistencies in promotion standards and unclear evaluation systems, according to the circular.

The newly approved policy will be applicable for employees of six state-owned commercial banks—Sonali Bank, Rupali Bank, Janata Bank, Agrani Bank, BASIC Bank, and Bangladesh Development Bank PLC.

It will also cover staff at three specialised banks—Bangladesh Krishi Bank, Rajshahi Krishi Unnayan Bank, Probashi Kallyan Bank, Karmasangsthan Bank, Ansar VDP Unnayan Bank, and Palli Sanchay Bank.

STATE OWNED BANKS PROMOTION CRITERIA

Under the new rules, employees who meet the criteria set out in their respective bank's service regulations must be considered for promotion to the next higher grade.

Before promotions are processed, each bank must prepare a grade-wise seniority list with the approval of the relevant authority.

Promotions will be based on a mix of performance indicators, including educational qualifications, service record, merit and efficiency, completion of relevant training, demonstrated integrity and seniority.

However, employees with a poor performance record during the last three years in the feeder post will not be considered for promotion.

The circular states various indicators to determine unsatisfactory performance, including having adverse remarks in annual confidential reports that have not been expunged by the appropriate authority.

Other indicators include being convicted in a departmental proceeding with the disciplinary action still in effect or being charge-sheeted or convicted in a criminal case.

Besides, if an employee has been accused in a departmental or Anti-Corruption Commission (ACC) case, is facing a criminal trial or is under arrest, he or she will be ineligible for promotion until the final judgment is delivered.

It also states that in the case of minor disciplinary measures, promotions shall not be considered for a period of one year from the date the employee fulfills the disciplinary measure.

In the case of major punishments, promotions shall

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Prime Bank signs cash management deal with bKash

STAR BUSINESS DESK

Prime Bank PLC has recently signed a cash management agreement with the country's leading mobile financial service (MFS) provider, bKash Limited, aimed at enhancing the efficiency of bKash's daily transactional operations through end-to-end specialised digital cash management services.

Faisal Rahman, additional managing director of Prime Bank PLC, and Moinuddin Mohammed Rahgir, chief financial officer of bKash, signed the agreement at the bank's head office in Dhaka on Monday, according to a press release.

Under this partnership, bKash's distributors and agents will be able to transfer funds between their bKash channel accounts and designated bank accounts for the creation and redemption of bKash e-money, via an API-based validation process available 24/7 regardless of weekends and holidays throughout the year.

The comprehensive cash management solution also includes automated reconciliation and customised reporting services.

Additionally, bKash will utilise PrimePay, the bank's omni-digital platform, to initiate all types of domestic



Ali Ahmed, chief commercial officer of bKash Limited, and Faisal Rahman, additional managing director of Prime Bank PLC, pose for photographs following the exchange of signed documents of the agreement at the bank's head office in Dhaka on Monday.

PHOTO: PRIME BANK

disbursements through host-to-host connectivity.

Sajid Rahman, senior executive vice-president and area head for Dhaka, corporate and institutional banking

at Prime Bank PLC; Md Rashedul Husain, senior vice-president and head of cash management; Ali Ahmed, chief commercial officer of bKash; and Ahamed Ashraf Sharif,

executive vice-president and head of the department of treasury, finance and accounts; were also present, along with other senior officials from both organisations.

LG Eco Solution president visits Butterfly Group's factory, showroom



Jae Sung Lee, president of LG's Global Eco Solution, and Mokbulah Huda Chowdhury, sales director at Butterfly Group, pose for group photographs after visiting Butterfly Group's air conditioner manufacturing facility in Dhaka recently.

PHOTO: BUTTERFLY GROUP

STAR BUSINESS DESK

A delegation from LG's Global Eco Solution Company, led by its President Jae Sung Lee, recently visited an air conditioner manufacturing facility of Butterfly Group -- LG's strategic local partner -- in Bangladesh.

According to a press release, Lee also toured a Butterfly showroom in the capital's Gulshan 2.

He was accompanied by top executives from both LG Global and LG Bangladesh during the visit.

"Bangladesh is a key strategic market for us," said Lee after visiting the showroom.

"Through our trusted partner, Butterfly, we are not just delivering products but fostering living standards and making smart technology a reality in every home."

"We are confident this partnership will grow even stronger," he added.

The LG delegation comprised global leaders such as Seokhoon Jang, president of RAC Business; Yeonwook Jeong, head of sales and marketing division for South Asia/India; Donghoon Shin, head of business management division; Hyounglae Roh, head of HR division; and Koonho Lee, managing director and president of LGESL.

Oh Jaeyun (Jay), head of the ES department for Asia; Jeeyoob Nah (Jeff), director of ES products at LGESL; Dennis Tan, head of ES sales at LGESL; Gerald SungHo Chun, managing director of LGESL BDB; and HM Shahrier Reza, head of the ES team; were also part of the delegation.

The delegation commended Butterfly's manufacturing capabilities and its pivotal role in bringing LG's state-of-the-art technology to consumers in Bangladesh. They highlighted Butterfly's continued commitment to innovation and customer satisfaction as crucial to LG's success in the local market.

Mokbulah Huda Chowdhury, sales director at Butterfly Group, remarked, "The visit by LG's global leadership reaffirms our enduring partnership and opens avenues for deeper collaboration in innovation and customer-centric solutions."

Among others, ASM Muntasir Chowdhury, head of product of Butterfly; ATM Mahfuz Hasan, corporate sales manager; and Bipul Kumar Das, deputy manager of product; were also present.

Euro zone business growth inched up in July

REUTERS, London

Business activity in the euro zone grew at a slightly faster pace in July than in June but remained sluggish as demand dipped, a survey showed on Tuesday.

The HCOB Eurozone Composite Purchasing Managers' Index, compiled by S&P Global, edged up to 50.9 in July from 50.6 in June, just below a preliminary estimate of 51.0.

PMI readings above 50.0 indicate growth in activity while those below point to a contraction.

July's reading marked a four-month high but was still below the survey's long term average of 52.4, reflecting persistent weakness in the 20-country bloc.

Services activity expanded at a slightly faster rate with the sector's PMI climbing to 51.0 from 50.5 in June.

"This could turn out to be a good summer for service providers. In Italy and Spain, business activity rose more sharply in July than in the previous month, while Germany, after several challenging months, has clawed its way back into growth territory," said Cyrus de la Rubia, chief economist at Hamburg Commercial Bank.

Overall new orders remained virtually unchanged, continuing a trend seen in June, while export sales contracted for the 41st consecutive month, acting as a persistent drag on growth. The composite new business index nudged up to 49.8 from 49.7.

Services activity expanded at a slightly faster rate with the sector's PMI climbing to 51.0 from 50.5 in June

Among the bloc's largest economies, Spain led the way with the strongest expansion, followed by Italy. Germany, the region's biggest economy, recorded only modest growth, however.

France was the only major euro zone economy to contract, with its PMI falling from the previous month, marking the 11th straight month of decline.

Despite sluggish demand, the bloc's firms added jobs for a fifth consecutive month in July. The pace of job creation, while still modest, reached its fastest rate in over a year.

Business confidence dipped for the first time since April, falling further below its long term average as sentiment weakened across both manufacturing and services sectors.

Cost pressures eased to their lowest level since October last year, primarily driven by the services sector, while output price inflation increased marginally to a three-month high. The services input prices index fell to 56.5 from 58.1.

Stocks rebounded following Friday's sell-off, with the Dow rising one and one-third percent. The S&P 500 added about one and one-half percent, and the Nasdaq climbing nearly 2 percent.

"Inflation is easing in the euro zone's services sector, increasing the likelihood of one further interest rate cut by the European Central Bank in the second half of the year," de la Rubia added.

The ECB left interest rates unchanged in July but is expected to make one further cut this year, according to a July Reuters poll.

Asia-US sea freight

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"Carriers rushed to add capacity on the transpacific to chase early gains, but oversupply is becoming apparent as the momentum fades," said Niki Frank, CEO of DHL Global Forwarding Asia Pacific.

Jarl Millford, maritime analyst at Veson Nautical, expects rates to decline steadily in the second half when more vessels are expected to enter the market.

"Ongoing uncertainty, including tariff policy and slowing global demand, adds continued pressure," Millford said.

Ocean Network Express, a joint venture between Japan's Kawasaki Kisen Kaisha, Mitsui O.S.K. Lines and Nippon Yusen, said last week that "recent trade uncertainties further complicate visibility for the latter half of the fiscal year".

A key factor helping absorb some of the excess capacity, however, is the

rerouting of vessels from traditional sailings.

Carriers are diverting from the Red Sea following attacks by Yemeni Houthis, and some are bypassing US ports to avoid tariffs. These longer voyages are soaking up more ships and helping provide a floor for rates, analysts said.

"These diversions continue to soak up in excess of 10 percent of containership supply, leading capacity utilization to a healthy level in the 86-87 percent range," analysts at Jefferies Research wrote, referring to the Red Sea.

And while China's exports to the US have fallen, shipments elsewhere have climbed.

Jefferies analysts said spot bookings to the US in recent weeks suggest July volumes are likely to be down, pushing transpacific freight rates to their lowest this year, but rates to markets such as Europe and Latin America remain elevated.

STAR BUSINESS DESK

Shajir Ahmed has been re-elected as a director of AB Bank PLC, while Nasima A Rahman has been appointed as an independent director.

The appointments were confirmed at the bank's 43rd annual general meeting (AGM), held at Kurmitola Golf Club in the capital yesterday, according to a press release.

Kaiser A Chowdhury, chairman of AB Bank PLC, presided over the meeting.

A large number of shareholders across the country attended the AGM. They approved the Directors' Report and the Audited Financial Statements for the year ended on December 31, 2024.

The shareholders also appointed MM Rahman & Co, Chartered Accountants, as the statutory auditor, and SF Ahmed & Co, Chartered Accountants, as the corporate governance compliance auditor for the year 2025.

As the first private sector bank in the country, AB Bank PLC has now completed 43 years of operations. On this occasion, the bank's chairman expressed its sincere gratitude to the regulators, depositors, shareholders, and sponsors.

AB Bank holds 43rd AGM

বার্ষিক সাধারণ মত্ত্ব

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AB Bank

Kaiser A Chowdhury, chairman of AB Bank PLC, presides over the bank's 43rd annual general meeting at the Kurmitola Golf Club in the capital yesterday.

PHOTO: AB BANK

Remittance statement feature added to bKash app

STAR BUSINESS DESK

The country's leading mobile financial service (MFS) provider, bKash Limited, has introduced a new feature titled "Remittance Statement" in its app.

The feature enables users to access their remittance records at any time, and thereby making financial management simpler and more convenient.

It also offers added value when preparing and submitting tax returns. With the latest update, the remittance section of the bKash app now includes three tabs -- Country Wise Operator, Remittance Statement, and Receipts.

By tapping the Remittance Statement tab, customers can

request a remittance statement. They may choose to generate a statement for the last 30 days, 180 days, a specific tax year, or a customised time range according to their preference.

Each customer can request a statement up to two times per day and a maximum of five times per month. Once submitted, the statement will be delivered within 72 hours.

A notification will be sent through the app when the statement is ready for download, free of charge. For customer security, the file is password protected.

The top section of the statement includes the recipient's name, bKash number, recipient type, statement period, and issue date. To ensure ease of understanding, the bottom section provides a summary of the total number of remittances received and the total amount.

Like other formal financial documents, the statement also contains detailed transaction data, including the date and time of receipt, country of origin, settlement bank, money transfer organisation, and the equivalent amount received. All transactions within the selected period are listed in chronological order.

Oil steadies as OPEC+ hikes output

REUTERS, London

Oil was little changed on Tuesday as traders assessed rising Opec+ supply and worries of weaker global demand, against US President Donald Trump's threats to India over its Russian oil purchases.

The Organization of the Petroleum Exporting Countries and its allies, together known as Opec+, agreed on Sunday to raise oil production by 547,000 barrels per day for September, a move that will end its most recent output cut earlier than planned.

Brent crude futures were down 26 cents, or 0.4 percent, to \$68.50 a barrel at 0800 GMT, while US West Texas Intermediate crude was down 7 cents at \$66.22. Both contracts fell by more than 1 percent on Monday to settle at their lowest in a week.

Trump on Monday again threatened higher tariffs on Indian goods over the country's Russian oil purchases. New Delhi called his attack "unjustified" and vowed to protect its economic interests, deepening a trade rift between the two countries. Oil's limited move since then indicates that traders are sceptical a supply disruption will happen, said John Evans of oil broker PVM in a report.

US-India standoff

FROM PAGE B4

goods from India over its Russian oil purchases. New Delhi called his attack "unjustified" and vowed to protect its economic interests, deepening the two countries.

In a social media post, Trump wrote, "India is not only buying massive amounts of Russian Oil, they are then, for much of the Oil purchased, selling it on the Open Market for big profits."

"The targeting of India is unjustified and unreasonable," the spokesperson added.

They don't care how

the spokesperson added.



The country's largest floating guava market is held annually from July to August (corresponding to the Bengali months of Ashar to Bhadra) at Bhimruli Bazar in the Jhalakati district. Local guava farmers sell their produce directly from boats to traders. On average, between 1,200 and 1,500 maunds of guava are sold each day. In Shatodaskati village, the price per maund ranged from Tk 800 to Tk 1,000. Traders pack the guavas in plastic crates for shipment to Dhaka and other major cities across the country. The photo was taken at Shatodaskati village last week.

PHOTO: TITU DAS

No clear winner in US tariff policy among ASEAN countries

ANN/THE JAKARTA POST

The competition landscape in Southeast Asia has become clearer as the Aug. 1 tariff deadline set by the United States President Donald Trump passed with most countries in the region facing the same hurdle in exporting goods to the world's largest consumer market.

While there are no clear winners, Laos and Myanmar can be considered losers under a US policy that is shaking up global supply chains, as manufacturers in those countries are subject to a steep 40 percent US import duty.

Brunei Darussalam, meanwhile, got off somewhat lighter with 25 percent, but that is still high within the region.

Singapore received the lowest rate among ASEAN countries with a 10 percent US import tariff, unchanged from what the Trump administration had imposed at the start of Trump's tariff barrage in April.

However, export activity there involves higher operational costs, says researcher

Wen Chong Cheah from the Economist Intelligence Unit (EIU).

Moreover, pharmaceuticals and semiconductors, two of Singapore's main export goods, are not among the key exports of any other ASEAN countries, meaning the city state was "less able" to leverage a lower tariff "to gain a competitive edge," said Cheah.

"Most of ASEAN is [subject to] similar [US import] tariff rates. It seems that we are back at square one. Among Indonesia's competitors in the region, none has a distinct edge in terms of export costs to the US," he told The Jakarta Post on Monday.

Trump announced on July 15 that Washington would impose a 19 percent tariff on Indonesia, the second-lowest tariff in the region. The government has hailed the figure as an achievement, since it is significantly lower than the 32 percent initially threatened.

Some had hoped the deal would tip the scales in favor of Indonesia, until it was subsequently unveiled that its regional peers Malaysia, Thailand and

the Philippines, received exactly the same 19 percent rate, along with Cambodia.

Exporters in manufacturing powerhouse Vietnam, meanwhile, have to contend with a marginally higher rate of 20 percent to access the US market.

That difference, however, was "negligible" and "insignificant" in changing the region's landscape for trade with the US, given Vietnam's capacity and efficiency, said Permata Bank chief economist Josua Pardede.

He told the Post on Monday that the 1-percent gap was too small to "fundamentally change trade patterns", since competitiveness was not solely driven by tariffs but also by production efficiency, logistical costs, product quality and business ties.

"Vietnam still enjoys a strong market position, particularly in the electronic industry, textiles and footwear. Such a small tariff difference is possibly not big enough to directly shift trade volumes from Vietnam to other ASEAN countries in a meaningful way in the short-term," said Josua.

Discounting Singapore, ASEAN's largest economies are subject to more or less the same rate, even though each played a different hand in the negotiations with Trump based on local economic characteristics and priorities. Indonesia was among the ASEAN countries offering "generous concessions" to the US, Cheah said.

Jakarta agreed to purchase 50 Boeing aircraft alongside US\$19.5 billion worth of agricultural and energy goods and offered wide-ranging regulatory reforms as well as tariff-free access to Indonesia for most US products.

Cheah highlighted the promise to rewrite local content requirements, the archipelago's long-established policy to protect local industries by forcing foreign investment onto Indonesian soil or into business ties with local producers.

"By conceding this point on local content requirements to the US, the Indonesian government has created a precedent that may make it difficult to implement a similar strategy in the future, even with other countries," explained Cheah.

Tesla's brand loyalty collapsed after Musk backed Trump

REUTERS

Tesla for years had more repeat US customers than any other major automotive brand but its loyalty has plunged since CEO Elon Musk endorsed President Donald Trump last summer, according to data from research firm S&P Global Mobility shared exclusively with Reuters.

The data, which has not been previously reported, shows Tesla's customer loyalty peaked in June 2024, when 73 percent of Tesla-owning households in the market for a new car bought another Tesla, according to an S&P analysis of vehicle-registration data in all 50 states.

That industry-leading brand loyalty rate started to nosedive in July, that data showed, when Musk endorsed Trump following an assassination attempt in Pennsylvania on the Republican nominee.

The rate bottomed out at 49.9 percent last March, just below the industry average, after Musk launched Trump's budget-slashing Department of Government Efficiency in January and started firing thousands of government workers.

Tesla's US loyalty rate has since ticked back up to 57.4 percent in May, the most recent month the S&P data is available, putting it back above the industry average and about the same as Toyota but behind Chevrolet and Ford.

S&P analyst Tom Libby called it "unprecedented" to see the runaway leader in customer loyalty fall so quickly to industry average levels. "I've never seen this rapid of a decline in such a short period of time," he said.

Tesla and Musk did not respond to requests for comment.

US trade deficit hits nearly 2-year low in June

China gap plunges

REUTERS

The US trade deficit narrowed in June on a sharp drop in consumer goods imports, and the trade gap with China shrank to its lowest in more than 21 years, the latest evidence of the imprint on global commerce President Donald Trump is making with sweeping tariffs on imported goods.

The overall trade gap narrowed 16.0 percent in June to \$60.2 billion, the Commerce Department's Bureau of Economic Analysis said on Tuesday. Days after reporting that the goods trade deficit tumbled 10.8 percent to its lowest since September 2023, the government said the full deficit including services also was its narrowest since then.

Exports of goods and services totaled \$277.3 billion, down from more than \$278 billion in May, while total imports were \$337.5 billion, down from \$350.3 billion.

The diminished trade deficit contributed heavily to the rebound in US gross domestic product during the second quarter, reported last week, reversing a drag in the first quarter when imports had surged as consumers and businesses front-loaded purchases to beat the imposition of Trump's tariffs.

The economy in the second quarter expanded at a 3.0 percent annualized rate after contracting at a 0.5 percent rate in the first three months of the year, but the headline figure masked underlying indications that activity was weakening.

Last week Trump, ahead of a self-imposed deadline of August 1, issued a barrage of notices

informing scores of trading partners of higher import taxes set to be imposed on their goods exports to the US.

With tariff rates ranging from 10 percent to 41 percent on imports to the US set to kick in on August 7, the Budget Lab at Yale now estimates the average overall US tariff rate has shot up to 18.3 percent, the highest since 1934, from between 2 percent and 3 percent before Trump returned to the White House in January.

CHINA TRADE GAP

A centerpiece of Tuesday's report was the latest steep drop in the US trade deficit with China, which tumbled by roughly a third to \$9.5 billion in June to its narrowest since February 2004. Over five consecutive months of declines, it has narrowed by \$22.2 billion - a 70 percent reduction.

The US and China trade negotiators met last week in Sweden in the latest round of engagement over the trade war that has intensified since Trump's return. The US currently imposes a 30 percent tariff on most Chinese imports, which has fueled a steep drop off in inbound goods traffic from China. Imports from China dropped to \$18.9 billion, the lowest since 2009.

The trade negotiators have recommended that Trump extend an August 12 deadline for the current tariff rate to expire and snap back to more than 100 percent, where it had briefly been earlier this year after a round of tariff increases by both sides.

"We're getting very close to a deal," Trump said Tuesday in an interview on CNBC. "We're getting along with China very well."

Unified

FROM PAGE B1

not be considered for a period of two years from the date the employee fulfills the disciplinary measure, it added.

SPECIALISED BANKS PROMOTION CRITERIA

Promotion eligibility in specialised banks will involve a structured evaluation process.

For a candidate to be considered for promotion, he or she must meet the minimum qualifying marks determined by the board.

Of the total marks, 50 percent will be allotted from written examinations, 30 percent from oral assessments, and the remaining 20 percent from service record and training credentials.

The policy also outlines that employees must have a clean service record and should not have any unresolved disciplinary cases or penalties pending against them at the time of their promotion application submission.

Each bank will be required to form a dedicated promotion committee chaired by a senior executive, and the committee must include representatives from human resources and audit divisions to ensure checks and balances in the selection process.

Employees who fail to secure a promotion after three consecutive attempts despite being eligible will have their cases reviewed by a special board to investigate whether any procedural injustice or exceptional circumstance may have hindered their advancement.

Over 10,000

FROM PAGE B1

Taxpayers can pay their taxes through bank transfers, debit or credit cards, and mobile financial services such as bKash, Rocket and Nagad. They can instantly download acknowledgement slips and tax certificates upon e-filing.

The NBR has also deployed a round-the-clock helpline through call centres and other digital platforms to assist taxpayers facing difficulties in filing income tax returns online.

Govt tightens

FROM PAGE B1

Among bilateral development partners, Japan remains the largest lender, offering loans on flexible terms, including low interest and long repayment periods.

The island nation posted the highest project loan utilisation rate at 23.61 percent, even as its pipeline grew by \$309 million to reach \$7 billion by July.

China began offering project loans after President Xi Jinping's Dhaka visit in 2016. However, no new loans were approved in the last fiscal year. Only \$414 million from previously approved loans was disbursed, marking just 10.67 percent utilisation.

Russia has provided loans solely for the Rooppur Nuclear Power Plant project, totalling around \$12 billion. The loan agreement was signed in 2016.

In the last fiscal year, 12.50 percent of this pipeline was utilised. Despite spending \$674 million, \$4.72 billion remained undisbursed at the beginning of July.

The slowest-moving project loans are from India. Just 3.10 percent of its pipeline was utilised last fiscal year, with \$184 million spent. At the beginning of the current fiscal year, \$5.73 billion remained undisbursed.

During the 2010-2017 period, India committed \$7.36 billion in loans. But a combination of complex loan conditions and bureaucratic issues in both countries has slowed project execution.

WHY PROJECTS DELAY

According to an ADB document, most projects, especially infrastructure ones, have failed to meet original implementation deadlines.

"Insufficient financial and human resources to prepare projects, complex and lengthy approval process of project and bid documents, challenges in land acquisition, limited experience and capacity of the Executing Agencies (EAs) and Implementing Agencies, and many

Dollar edges up vs euro and yen

REUTERS

The dollar edged up against the euro and the yen, but remained within striking distance of Friday's lows, after weak US jobs data boosted bets on Federal Reserve rate cuts and triggered a sharp selloff in the greenback.

Goldman Sachs expects the Federal Reserve to deliver three consecutive 25 basis point rate cuts starting in September, with a 50 basis point move possible if the next jobs report shows a further rise in unemployment.

It also sees the European Central Bank as having concluded its easing cycle.

Economists raised their growth forecasts for the euro area and Japan following relatively benign trade agreements, while arguing that Friday's US jobs report confirmed the economy is hovering near stall speed.

Meanwhile the firing of the head of the Bureau of Labor Statistics (BLS) on Friday, and the resignation of Fed Governor Adriana Kugler, could harden the views of the FOMC to ensure its independence is protected, analysts said, recalling that the new appointee will be just one vote on the Fed's Federal Open Market Committee (FOMC).

The euro was last down 0.12 percent at \$1.15592, after hitting on Friday \$1.15855.

The dollar index, which measures the US currency against six counterparts, was at 98.816, after touching a one-week low earlier in the session at 98.609.

"Traders likely inferred that the (US jobs) report gave President Donald Trump even more justification to 'fire' Jay Powell," said Thierry Wizman, global forex and rates strategist at Macquarie Group.

Gold hovers near two-week high

REUTERS

Gold prices steadied on Tuesday, hovering near a two-week high hit in the last session, as softer US jobs data bolstered hopes of a rate cut in September and weighed on the dollar, and Treasury yields.

Spot gold was trading at \$3,369.25 per ounce, as of 0629 GMT. Bullion hit its highest since July 24 on Monday. US gold futures was unchanged at \$3,423.20.

The dollar index traded near a one-week low, making gold more affordable to holders of other currencies.

The yield on the benchmark 10-year Treasury note also hit a one-month low.

"Short-term momentum has improved for the bullish side of the story... fundamental narrative supporting gold prices is that the Fed is still in the mode to actually cut rates in September," OANDA senior market analyst, Kelvin Wong, said.

US employment growth was softer than expected in July, while non-farm payroll figures for May and June were revised down by a massive 258,000 jobs, suggesting a deterioration in labour market conditions.

Traders now see a 90 percent chance of a September rate cut, per the CME FedWatch tool.

Gold, traditionally considered a safe-haven asset during political and economic uncertainties, tends to thrive in a low-interest-rate environment.

Saudi Aramco profit drops

REUTERS, Dubai

Saudi Arabian oil company Aramco reported a 22 percent drop in second-quarter profit on Tuesday, and the world's top oil exporter said it was cutting costs and looking to divest assets as crude prices drop and its debt mounts.

The firm's generous dividends, a key source of funding for ambitious plans to cut the kingdom's reliance on oil, will be about a third lower this year.

Aramco reported its 10th decline in quarterly net profit to \$22.7 billion in the quarter through June, from \$29.1 billion a year earlier.

Aramco's shares were up 0.3 percent at 23.98 riyals. They have dropped about 14.5 percent this year, trailing industry peers.

Adjusted net income fell 13.7 percent to \$24.5 billion, above a company-provided median analyst estimate of \$23.7 billion.

Toyota, Honda
fear US tariffs
to dent profits

REUTERS, Tokyo

Toyota Motor and Honda Motor are expected to report weaker first-quarter earnings this week, as US import tariffs and a stronger yen weigh on profits despite solid demand for hybrids in their biggest overseas markets.

Japanese automakers face growing uncertainty in the US, where tariffs on imports are pushing up vehicle prices and testing the resilience of consumer demand. Investors will be watching for clues on how Japan's two largest automakers are offsetting such burdens.

Toyota, the world's top-selling automaker, is forecast to post a 31 percent year-on-year drop in operating profit to 902 billion (\$6.14 billion) yen on Thursday, according to the average estimate of seven analysts polled by LSEG. That would mark its weakest quarterly result in more than two years.

Honda is expected to report a 36 percent decline in operating profit to 311.7 billion yen on Wednesday, its second straight quarterly drop. The automaker has already forecast a 59 percent fall in full-year profit.

Both companies face the prospect of 15 percent tariffs on Japanese auto imports into the US from levies totalling 27.5 percent previously, following a bilateral trade deal last month.

Honda is expected to report a 36 percent decline in operating profit to 311.7 billion yen on Wednesday

Other Japanese automakers and suppliers have also flagged weaker earnings, citing the same pressures from tariffs and the stronger currency compared to the same period a year ago.

"The first quarter is going to be a rough one for Toyota," said Christopher Richter, auto analyst at CLSA. "Things should get easier going forward," he said, citing some relief from the lowered tariffs.

Particularly Honda's reliance on the US has deepened in recent years as sales in other regions falter. Outside of the US, both companies produce key models for the US market in Canada and Mexico.

For Honda, the US accounted for around two-fifths of total sales in the first half of the year. Its global sales fell 5 percent over the period, dragged down by double digit declines in China, Asia and Europe.

Asia-US sea freight rates set to extend declines

REUTERS, Singapore

Asia-US sea freight rates are set to drop further in 2025 as shipping capacity outpaces demand and trade routes shift due to tariffs and geopolitical tensions, though vessel rerouting is expected to limit some losses, industry experts said.

Average spot rates for containers from Asia to the US west and east coasts have slumped by 58 percent and 46 percent, respectively, since June 1 and are expected to fall further, according to shipping analytics firm Xena.

Adding to uncertainty are unresolved trade talks between the US and China. Officials from the world's top two economies last week agreed to seek an extension of their 90-day tariff truce. The China-US trade lane remains one of the most profitable for container ship operators.

Sea freight saw a brief uptick in late May and early June as shippers took advantage of a 90-day pause in US President Donald Trump's tariffs, but rates quickly fell as capacity outweighed demand, Xena data showed.

"There is significant overcapacity globally and this will continue to shape the market," said Erik Devetak, Xena's chief technology and data officer.

"China-to-US trade is dampened and the EU economy is not exactly hot, so blanked sailings and cancellations will become a recurring theme as carriers desperately try to keep freight rates up," Devetak said.

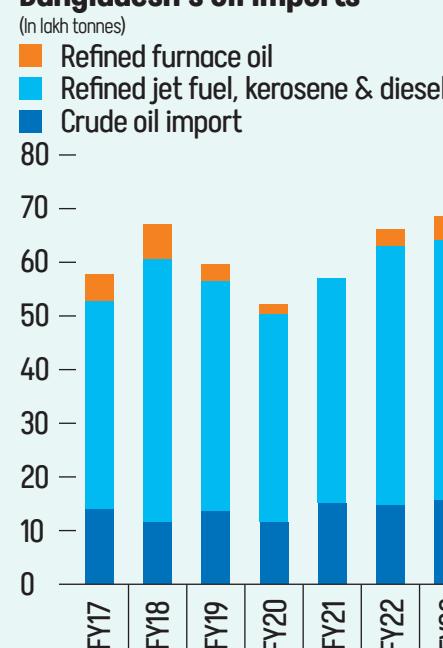
Blanked sailings refer to cancelled port calls or voyages.

Logistics major DHL noted that spot rates, which rose in the early summer surge of traffic from Asia to North America, have since reversed.

Pipeline ready to carry fuel from Ctg to Dhaka

Inauguration on Aug 16, expected to save BPC Tk 200cr per year

Bangladesh's oil imports



Pipeline to carry diesel to Dhaka from Ctg

Route: Patenga, Ctg to Godnail, Narayanganj

Length: 250km

Capacity: 350 tonnes per hour

Benefits

- To maintain a 27,000-tonne diesel reserve
- To save Tk 200 crore per year
- To minimize fuel loss in transit

PROJECT TIMELINE

Approved: Oct 2018 | **Initial cost:** Tk 2,861cr | **Deadline:** Dec 2020

Completed: 2025 | **Final cost:** (after 2 extensions) Tk 3,699cr

By: Army's 24 Engineer Construction Brigade

Operator: Pipeline Transmission Company Ltd

Bangladesh annual fuel import costs

(In crore taka)

SOURCE: BPC



MD NAZRUL ISLAM, Ctg

After three successful trial runs, the long anticipated Chattogram-Dhaka fuel pipeline is set to be officially inaugurated on August 16, according to the Bangladesh Petroleum Corporation (BPC).

"Several successful trial runs of diesel supply through the pipeline have been completed from Chattogram to Godnail in Narayanganj. We have now fixed August 16 as the commissioning date," BPC Chairman Md Amin Ul Ahsan told The Daily Star.

The test runs took place in late June, with 32,000 tonnes of refined diesel delivered to the Godnail depot over three days through the 250-kilometre pipeline, stretching from Chattogram's Patenga to Narayanganj.

The pipeline comprises two segments. The first 241.28-kilometre patch with a 16-inch diameter from Patenga to Godnail via Feni, Cumilla, Chandpur, and Munshiganj, and the second 8.29-kilometre segment with a 10-inch diameter connecting Godnail to Fatulla.

The route crosses at least 22 rivers and canals, including 10 rivers, with large portions laid beneath the riverbeds.

Once fully operational, the pipeline is expected to save BPC around Tk 200 crore each year by slashing fuel transport costs, according to officials who spoke on condition of anonymity.

At present, refined diesel is being pumped directly from the storage tanks of Padma, Meghna, and Jamuna oil

companies in Patenga to Godnail. BPC sources said the process has run smoothly, with no reported complications.

There are nine pumping stations along the pipeline.

Currently, imported fuel arrives at Chattogram port and is moved to central depots by feeder vessels before being distributed nationwide by river, rail, or road. This multi-modal system faces risks such as oil theft, navigational hazards, and dry season disruptions.

In the fiscal year 2023-24, 54 lakh tonnes of fuel were transported across the country by water. Of this, 27 lakh tonnes travelled from Chattogram to the Godnail and Fatulla depots, requiring over 110 ships each month.

A total of 13.44 lakh tonnes of diesel was transported by river from the main oil installations in Chattogram's Patenga area to the Godnail and Fatulla depots in Dhaka during the fiscal year 2024-25.

In the previous fiscal year, 12.80 lakh tonnes of diesel were moved along the same route. The volume was higher in 2022-23, with 14.79 lakh tonnes transported by river.

In FY 2021-22, the figure stood at 13.86 lakh tonnes, while 12.28 lakh tonnes of diesel were carried in FY 2020-21.

All consignments were delivered by smaller ships via inland waterways, which remain the primary mode of diesel transport from Chattogram to the capital.

To manage the pipeline, engineers from the construction contractor are in the process of handing over operations to the

newly established Pipeline Transmission Company Limited (PTCPLC) under the BPC.

The new infrastructure can transport 350 tonnes of fuel per hour and will maintain a reserve of 27,000 tonnes of diesel along the route. It has the capacity to handle up to 50 lakh tonnes of fuel annually.

Approved in October 2018, the project was initially scheduled for completion by December 2020. However, construction delays led to deadline extensions, first to December 2022 and then to December 2024.

The project was implemented by the Bangladesh Army's 24th Engineer Construction Brigade, with funding from BPC. Initially, the estimated cost was Tk 2,861 crore, but the final cost rose to nearly Tk 3,699 crore.

According to BPC officials, the pipeline will strengthen national energy security, reduce system losses during fuel transfer, lower transport costs, and speed up delivery to Dhaka.

This is the second underground fuel pipeline project in the country, after the 110-kilometre Single Point Mooring (SPM) line from the deep sea off Moheshkhali to the Eastern Refinery in Chattogram.

The SPM project has yet to begin formal operations due to the absence of an operations and maintenance contractor.

Despite successful commissioning in April 2024 and formal handover in August, the Tk 8,000 crore facility has remained idle for nearly a year.

Taka devaluation and the path ahead

SALEKEEN IBRAHIM

The economy of Bangladesh is currently undergoing several reforms and adjustments. However, in recent times, currency devaluation and rising inflation have shaken households, small businesses and industries, forcing painful changes at every level. Many are asking how this devaluation affects the people, and how stability can be regained.

When the taka weakens, every dollar spent on imports like food, fuel and machinery becomes more expensive. In FY2023, the taka depreciated roughly 13.8 percent against the dollar. This raised import costs, fuelling inflation at home. In FY2024-2025 (July through May), it depreciated by another 3.94 percent, tightening the squeeze further.

Research shows that a 1 percent depreciation of the taka can push inflation up by about 0.2 percent. This is a clear example of how currency valuation affects prices. The Bangladesh Bank reported core inflation (excluding food and fuel) at 9.37 percent in June 2025, up from 8.53 percent a year earlier. Food inflation remains high at 12.39 percent. With overall inflation at 8.48 percent in June 2025, the rising cost of living is no longer a rumour. It is a reality.

As prices climb, especially for food, energy, transport and imported goods, household budgets are squeezed. Real wage growth has stagnated. For example, garment workers who once earned Tk 8,300 per month are now struggling as living expenses surge. They demanded Tk 23,000 in late 2023, but employers offered only Tk 12,500. With inflation at nearly 9.5 percent, even that was not enough to meet basic needs.

The structure of financial capacity and recent statements from many responsible positions point to worsening coordination in the financial sector. Non-performing loans are rising rapidly, capital adequacy is weakening, and foreign reserves are shrinking. These are all signs of growing instability. As the sector becomes fragile, access to credit tightens, reducing economic resilience. Prices of everyday goods rise, borrowing becomes harder and more costly, savings lose value, and the cycle of hardship deepens.

The central bank adopted a tighter monetary policy in FY2024 to FY2025. The repo rate was raised to 10 percent, the Standing Lending Facility to 11.5 percent, and the Standing Deposit Facility to 8 percent in an attempt to control inflation and stabilise the taka. A shift to a market-based and crawling peg exchange rate regime has helped align nominal rates with the real effective exchange rate, improving competitiveness and reserve stability.

In FY2024, the taka depreciated by 8.17 percent by June, and only 1.7 percent in the first half of FY2025. Remittances rose 28.7 percent in July to May FY2025, narrowing the current account deficit from \$6.12 billion to just \$0.43 billion. This helped raise reserves to \$27.43 billion by April 2025. Policies such as expanding remittance channels and easing banking rules have supported the recovery of foreign exchange inflows.

Ultimately, financial stability depends on a stronger banking system that limits non-performing loans, ensures adequate capital, supports diverse financing, and improves portfolio management. Without meaningful reforms, a fragile banking system could quickly erode economic resilience.

If the taka falls another 10 percent tomorrow, inflation would likely rise by 2 percent or more, especially for food and fuel. The burden would fall heaviest on lower-income groups. Inflation is not just a number. It is the daily breakdown of budgets, hopes and futures.

As citizens, it is important to shift spending towards local products, adopt energy-efficient habits, and advocate for fair wages that reflect the rising cost of living. The slide of the taka reflects not only external shocks but also weak financial structures and slow policy action.

The solution lies in bold and coordinated reforms, a prudent central bank, stronger banking systems, diverse foreign exchange inflows and empowered households. If policy aligns with purpose and economics with equity, stability can be restored to the taka.

The writer is a senior banker

US-India standoff is about more than Russian oil

REUTERS, Hong Kong

The standoff between the US and India may well get worse before it gets better. Having slapped a 25 percent tariff on goods the South Asian country sends to America, Donald Trump is vowing to ratchet up the rate over the \$4 trillion economy's purchases of Russian oil. New Delhi calls the threat unjustified and unreasonable. A deal with Washington is possible, but diffusing the situation looks tricky.

Far from being a winner in the US president's global trade war, India is rapidly emerging as a big loser alongside China. Trump's desire to isolate the People's Republic - and its exporters routing goods through Southeast Asia - was initially expected to benefit India, which sent \$87 billion of goods to the US last year. His sudden cooling on Russia, though, and Prime Minister Narendra Modi's reluctance to open up his country's agriculture market out of a desire to protect millions of poor farmers, have put India in his firing line.

India's economy can withstand Trump's aggressions, for now. Nomura, a Japanese bank, reckons the 25 percent US tariff on imports from India might

shave 20 basis points off its 6.2 percent GDP growth forecast for the country's current financial year. Sure, New Delhi argues its purchases of cheap Russian oil, which comprise 40 percent of its crude

imports, are a "national compulsion" and keep global prices in check. But India can manage without it: at 2.1 percent, its consumer price inflation is at the lowest level since January 2019, so giving up the



Vehicles move through the entrance gate of the Guwahati Refinery operated by Indian Oil Corporation, in Guwahati. India argues its purchases of cheap Russian oil, which comprise 40 percent of its crude imports, are a "national compulsion".

roughly \$4 discount per barrel on Russian supplies would not cause too much domestic pain at current prices.

Yet India has a lot more besides oil to lose from giving Russia the cold shoulder. The duo's longstanding relationship may be undergoing a managed decline as New Delhi diversifies its weapons supplies, but Moscow remains a reliable partner to India and relations with the country buttress its multipolar foreign policy. Trump's decision to work with Pakistan to develop its oil reserves, and his subsequent taunt that it perhaps will sell oil to neighbouring India one day, further underscore why New Delhi may always keep some distance from Washington.

India can perhaps afford to wait and see what the US agrees with China. Beijing has vowed to protect its energy sovereignty in response to similar US threats over Russian oil purchases. That poses a major obstacle for Trump to strike any grand bargain with the world's second-largest economy. Ultimately the US may see value in preserving a warm relationship with India as a counterbalance to China. The wait, however, will be awkward.

US President Donald Trump again threatened on Aug. 4 to raise tariffs on

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