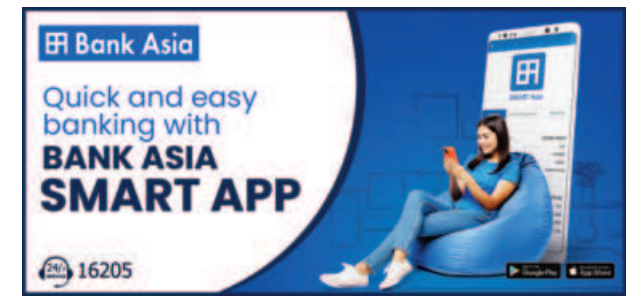


Star BUSINESS



GP facing predatory pricing scrutiny over Robi's complaint GP denies the allegations

MAHMUDUL HASAN

The Bangladesh Competition Commission (BCC) is investigating a complaint by Robi Axiata PLC against Grameenphone (GP), accusing the country's largest mobile operator of abusing its dominant market position through predatory pricing and excessive subsidies.

The complaint, filed with the BCC on January 21 this year, alleges that Grameenphone's business practices violate the Competition Act 2012.

According to documents seen by The Daily Star, the commission has formally taken up the matter, with hearings already underway.

Despite being designated a significant market power (SMP) operator, Robi alleges Grameenphone "continues to disrupt the natural course of competition in the mobile telecom sector to maintain its dominant position."



Robi's complaint states, "This conduct constitutes a clear violation of Sections 15 and 16 of the Competition Act. Such anti-competitive behaviour is ongoing, as reflected in Grameenphone's pricing of SIM cards, distribution system, marketing strategies, retail price controls, and determination of retailer commissions."

Robi claims that these activities make it difficult for new entrants to survive and for existing operators to sustain their business, ultimately narrowing consumer choices and limiting innovation in the telecom industry.

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"At the same time, Grameenphone continues to adopt various anti-competitive strategies to maintain its dominant market position. These practices hinder fair competition, disrupt market equilibrium, and negatively impact the introduction of new and innovative services," Robi alleges.

However, Grameenphone has denied all allegations of anti-competitive behaviour.

AHM Ahsan, chairperson of BCC, said, "We are currently investigating Robi's complaint against Grameenphone. Robi's main allegation is predatory pricing by Grameenphone."

Ahsan said when a company sells something at a price lower than its production cost, the

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Govt food grain stock hits historic high

SUKANTA HALDER

Bangladesh's food grain stock has reached an all-time high of 21.54 lakh tonnes, as strong Boro procurement and lower distribution in July helped shore up reserves.

As of August 7, of the total, rice accounts for 19.81 lakh tonnes, wheat 1.73 lakh tonnes, and paddy nearly 98,400 tonnes, according to the food ministry data.

This surpasses the previous highest stock of 19.85 lakh tonnes recorded in February 2022, including 16.99 lakh tonnes of rice and 2.86 lakh tonnes of wheat.

"This record has been achieved due to good Boro production, a record amount of procurement, and alignment between market prices and government purchase rates," Md Masudul Hasan, secretary of the Ministry of Food, told The Daily Star yesterday.

The Directorate General of Food data showed that the lower distribution of government food grains in July also contributed to the stock reaching a record high.

According to the food secretary, this precautionary measure is being taken to ensure there is no rice shortage in the country, even if the upcoming Aman paddy harvest is affected.

Boro paddy, which accounts for more than half of Bangladesh's annual rice output, was cultivated on 50.69 lakh hectares of land this year, with a production target of 2.26 crore tonnes.

The government has set a target to procure 35,000 tonnes of paddy, 14 lakh tonnes of parboiled rice, and 35,000 tonnes of non-parboiled rice in the season.

The procurement price has been fixed at Tk 36 per kg for paddy and Tk 49 per kg for rice. This Boro procurement drive, which began on April 14, will continue until August 31.

As of August 6, about 16.97 lakh tonnes



Contributors

High Boro procurement, low July distribution

16.97 lakh tonnes of rice, paddy procured so far

July distribution dropped to 1.15 lakh tonnes

Fewer OMS beneficiaries reduced distribution significantly

Record Food Grain Stock

Total grain stock **21.54** lakh tonnes as of Aug 7, this year

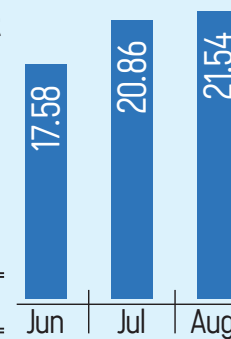
Rice **19.73** lakh tonnes

Last highest stock was **19.85** lakh tonnes in Feb 2022

Government Food Stock Scenario In 2025

(In lakh tonnes)
* as of August 7

SOURCE: FOOD MINISTRY



Risks And Safeguards

By November, rice stock may fall below **10** lakh tonnes

Food budget includes **9** lakh tonnes of rice import target

Govt to import **4** lakh tonnes of rice initially

of Boro paddy and rice had been procured, according to data from the Directorate General of Food.

"The amount of paddy and rice the government has procured so far is also the highest in Bangladesh's history," Md Moniruzzaman, director for the procurement division of the directorate.

"This has been made possible due to the government's prior planning regarding food security."

According to the Ministry of Food, the government's food grain storage capacity has also increased to 23.88 lakh tonnes in the current fiscal year following the completion of four modern silos in Madhupur, Barishal, Mymensingh, and Narayanganj.

Officials from the ministry further said ensuring food for nearly 18 crore people has become a major challenge for the government, as the amount of arable land for food grain cultivation continues to shrink.

Ministry sources also said that seven silo warehouses are currently under construction across the country, each with a storage capacity of around

50,000 tonnes of food grain.

IMPORT STILL NECESSARY

Despite the good stock, rising domestic demand, a projected supply shortfall, and the risk of floods have prompted the government to move ahead with rice imports to ensure food security in the coming months.

The government recently decided to shorten the tender submission period for importing 4 lakh tonnes of rice.

Speaking on the matter, Food Adviser Ali Imam Majumdar said, "From July to November this year, the estimated demand for rice distribution at subsidised rates stands at around 13.78 lakh tonnes. In that case, projections suggest that by November 2025, the rice stock may fall below 10 lakh tonnes."

The marketable surplus of Aman rice is usually low. As a result, the internal procurement of Aman is limited, and there is no scope for food grain collection from domestic sources during the September to December period," he also said.

The food budget for the current fiscal year 2025-26 has allocated around 9 lakh tonnes of rice for import and 22.29 lakh tonnes for domestic procurement considering the potential risk of floods in August-September, the adviser noted.

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Inflation inches up in July, driven by food prices

MD ASADUZ ZAMAN

Inflation edged up in July on declining in the preceding three months, driven primarily by rising food prices, according to government data, renewing concerns over mounting pressure on consumers amid persistent supply side challenges.

In July, overall inflation stood at 8.55 percent, up from 8.48 percent in the previous month, according to the Bangladesh Bureau of Statistics (BBS).

Food inflation climbed to 7.56 percent in July, up from 7.39 percent a month earlier.

Food inflation has increased on falling for seven months since November last year, when it stood at 13.8 percent.

In July 2024, food inflation hit a record 14.10 percent, the first time in 13 years.

However, non-food inflation remained almost unchanged, inching up to 9.38 percent in July from 9.37 percent in June this year.

It has stood above 9 percent for the past two years.

Economists and analysts warn that relying only on the monetary policy would not bring down inflation, as other loopholes need to be addressed timely.

"Without addressing the underlying supply side issues, inflation won't come down sustainably only through the monetary policy," said Selim Raihan, a professor of economics at the University of Dhaka.

This happens as the seasonal relief, enabled by the ample market supplies

READ MORE ON B3

An economic check-in after one year of interim govt

Foreign exchange reserves (July 31)

- In 2024: \$20.48 billion [BPM6]
- In 2025: \$24.77 billion [BPM6]

Export

- In FY24: 44.46 billion
- In FY25: 48.28 billion

Import (July-May)

- In FY24: \$57.56 billion
- In FY25: \$60.24 billion

Revenue (NBR):

- In FY24: 3.62 lakh crore
- In FY25: 3.70 lakh crore

Remittance:

- In FY24: \$23.91 billion
- In FY25: \$30.32 billion

Inflation:

- July in 2024: 11.66%
- July in 2025: 8.55%

GDP growth

- In FY24: 4.22%
- In FY25: 3.97%



One year into its tenure, the interim government has a record of stark contradictions. While it successfully pulled the economy back from the brink of collapse, it has profoundly failed to restore the confidence of investors, leaving the economic future in a state of vulnerable uncertainty.

The administration can point to clear successes. It reduced the rampant corruption of the previous regime, stopped the freelfall of foreign exchange reserves, and bolstered inflows of remittances through tighter financial monitoring. Stubbornly high inflation has also begun to ease. However, a deep crisis of confidence is crippling the economy. Both economists and business leaders agree that the investment climate is bleak. Private investment has stagnated, with credit growth dropping to a multi-year low and imports of capital machinery declining. This has led to slowing industries and rising unemployment.



AK Enamul Haque

Unrealistic to expect all reforms from interim govt

Says BIDS Director General AK Enamul Haque

AHSAN HABIB

Expecting an interim government to fix all the long-standing economic ills is neither realistic nor achievable, according to AK Enamul Haque, director general of the Bangladesh Institute of Development Studies (BIDS).

"It is not right to expect too much from an interim government, because long-term economic stability is not something that can be achieved during the tenure of such an interim setup," said the economist.

In an interview with The Daily Star marking the government's first year

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Anwar-ul-Alam Chowdhury

Investor confidence still fragile

Says BCI President Anwar-ul-Alam Chowdhury Parvez

JAGARAN CHAKMA

The interim government has yet to restore investor confidence, leaving the economy on an uncertain and fragile footing, according to Anwar-ul-Alam Chowdhury Parvez, president of the Bangladesh Chamber of Industries (BCI).

He said the investment climate remained bleak throughout the past year due to political uncertainty, institutional dysfunction and policy decisions taken without consulting key stakeholders.

"Why would businesses invest when there is no policy predictability

READ MORE ON B2



Selim Raihan

Economic gains miss reform momentum

Says economist Selim Raihan

AHSAN HABIB

The interim government has managed to somewhat stem the bleeding of the economy over the past year, with rising exports and remittance inflows slowing the slide in foreign exchange reserves, according to Prof Selim Raihan.

The economist said the authorities have also curbed the widespread looting and corruption seen under the previous regime.

But political uncertainty has undermined business confidence, which in turn stifled job creation, said Raihan, executive director of South Asian Network on Economic Modeling (Sanem).

READ MORE ON B2



Rizwan Rahman

Govt should stop treating private sector as an enemy

Says former DCCI president Rizwan Rahman

JAGARAN CHAKMA

Investor confidence has waned, private investment has slowed, and the disconnect between the private sector and policymakers has widened over the past year of interim government, said Rizwan Rahman, former president of the Dhaka Chamber of Commerce and Industry (DCCI).

He accused the interim government of treating the private sector not as partners, but as "suspects".

In an interview with The Daily Star marking one year of the government, the young entrepreneur said, "Anyone

READ MORE ON B3

Prime Bank signs payroll banking deal with ESDO

STAR BUSINESS DESK

Prime Bank PLC has recently signed a payroll banking agreement with Eco-Social Development Organisation (ESDO), a non-governmental organisation in Bangladesh.

M Nazeem A Chowdhury, deputy managing director of Prime Bank PLC, and Muhammad Shahid Uz Zaman, founder and executive director of Eco-Social Development Organisation, signed the agreement at the latter's head office in Thakurgaon, according to a press release.

Under this agreement, Prime Bank will provide a modern, secure, and convenient payroll management system for the ESDO's employees. The strategic partnership is expected to pave the way

for further collaboration between the two organisations in the future.

Selima Akhtar, director (administration) of ESDO and principal head of branches (Northern region); Hasina Ferdous, vice-president and head of payroll banking at the bank; Md Abdul Halim, vice-president and regional head of branches (Northern region); and Selim Wahed Siddiqui, senior assistant vice-president and senior manager of payroll banking, attended the programme.

Sheikh Nur Alam, assistant vice-president and head of MSME and refinancing at the bank, and Abu Faruk Ahmed, manager of the Thakurgaon branch, along with other senior officials from both organisations, were also present.



Muhammad Shahid Uz Zaman, founder and executive director of Eco-Social Development Organisation, and M Nazeem A Chowdhury, deputy managing director of Prime Bank PLC, pose for photographs after signing the agreement at the former's head office in Thakurgaon recently. PHOTO: PRIME BANK

China exports up as EU, ASEAN offset US drop

AFP, Beijing

China's exports rose more than expected last month, with official data on Thursday showing a jump in shipments to the European Union and other markets offset a drop in those to the United States.

The figures come as Beijing and Washington navigate a shaky trade war truce and will provide a boost to the country's leaders as they look to kickstart an economy beset by weak domestic consumption.

The reading showed that exports jumped 7.2 percent in July, an improvement on the previous month and much better than the 5.6 percent forecast in a survey of economists by Bloomberg.

The report revealed that US-bound goods sank 21.7 percent year-on-year as Donald Trump's levies – while down from the eye-watering levels initially announced – kicked in.

However, exports to the European Union jumped 9.2 percent and those to the Association of Southeast Asian nations rose 16.6 percent.

Southeast Asia and China have deeply interwoven supply chains and Washington has long accused Chinese manufacturers of "transshipping" – having products pass through a country to avoid harsher trade barriers elsewhere.

US-bound goods sank 21.7 percent year-on-year as Donald Trump's levies – while down from the eye-watering levels initially announced – kicked in

In another welcome signal for China's leaders, imports – a key gauge of struggling domestic demand – jumped 4.1 percent on-year in July, compared with a Bloomberg forecast of a one-percent fall.

Zhiwei Zhang, president and chief economist at Pinpoint Asset Management, said the data showed "exports supported the economy strongly so far this year".

"Export growth may slow in coming months, as the front loading of exports due to US tariffs fades away," he said.

"The big question is how much China's exports will slow and how it would spill over to the rest of the economy," he said.

Beijing has set an official goal of around five percent growth this year.

But it has struggled to maintain a strong economic recovery from the pandemic, as it fights a debt crisis in its massive property sector, chronically low consumption and elevated youth unemployment.

Factory output shrank more than expected in July, data showed last week, logging its fourth straight month of contraction in a further sign that trade tensions were hitting the export-dependent economy.

But the economic superpowers are working to reach a deal to lower trade tensions.

The two hammered out a 90-day truce in May, and last month in Stockholm agreed to hold further talks on extending the ceasefire past an August 12 deadline.

That pact has temporarily set fresh US duties on Chinese goods at 30 percent, while Beijing's levies on US products stand at 10 percent.



Iqbal Ahmed, chairman of NRB Bank PLC, inaugurates the programme at the bank's corporate head office in Dhaka recently to celebrate its 12th founding anniversary. PHOTO: NRB BANK

NRB Bank celebrates 12th anniversary

STAR BUSINESS DESK

NRB Bank PLC has recently celebrated its 12th year of operations, highlighting its sustained growth driven by digital innovation.

To mark the occasion, the bank organised a celebration programme at its corporate head office in the capital.

Iqbal Ahmed, chairman of NRB Bank PLC, inaugurated the event as the chief guest, according to a press release.

AKM Mizanur Rahman, chairman of the audit committee at the bank; Shaikh Md Salim, chairman of the risk management committee; Ferdous Ara Begum, SK Matiur and Prof Sharif Nurul Ahkam, independent directors; attended the event.

Tarek Reaz Khan, managing director and CEO at the bank, was also present, along with members of senior management team, division & department heads, head of branches and senior executives of the corporate head office and others colleagues of the bank.

Midland Bank organises half-yearly business conference

STAR BUSINESS DESK

Midland Bank PLC has organised a programme, titled "Half-Yearly Business Conference 2025", at the Nilufar Heights on Kemal Atatürk Avenue in the capital's Banani recently.

Divided into two segments, the conference hosted officials from retail distribution, cards, and ID and NRB services in the morning session, while representatives from institutional banking, SME, and treasury attended the evening session.

Md Ahsan-uz Zaman, managing director and CEO of Midland Bank PLC, inaugurated the event as the chief guest and presided over both sessions, according to a press release.

In his remarks, Zaman urged all employees to ensure excellence in service delivery and to support clients in achieving their financial goals, while

remaining compliant with regulatory guidelines, maintaining asset quality, recovering non-performing loans, and delivering value to shareholders.

Md Ahsan Khan Chowdhury, chairman of Midland Bank PLC, attended the evening session and delivered a motivational speech.

Didarul Islam, chief financial officer, presented the bank's overall business performance.

Md Zahid Hossain, deputy managing director and chief risk officer; Md Rashed Akter, head of retail distribution division and chief bancassurance officer; and Md Javed Tarek Khan, head of institutional banking; were also present, along with members of the senior management team, divisional heads, unit heads, regional managers of the institutional banking division, and heads of branches and sub-branches.



Md Ahsan-uz Zaman, managing director and CEO of Midland Bank PLC, poses for group photographs with participants of the "Half-Yearly Business Conference 2025" at the Nilufar Heights on Kemal Atatürk Avenue, Banani in Dhaka recently. PHOTO: MIDLAND BANK

Economic gains

FROM PAGE B1

Besides, he criticised ministries for failing to draw up action plans that could have compelled the next government to pursue much-needed reforms after the election.

In an interview with The Daily Star on the first anniversary of the interim government, Raihan said, "Some progress could have been made over the past year. Now, looking back, I am not confident about the sustainability of the few successes we did see."

"I have mixed reactions on the performance of the interim government in the past year," said the economist, who also teaches economics at Dhaka University. He acknowledged some successes, especially in export earnings and remittances, describing them as "reasonably good". Inflation, which had stayed stubbornly high, has begun to ease.

"But it would be wrong to say we are in a comfort zone," he said, pointing to high rice prices and the likelihood of renewed inflationary pressure in the upcoming months.

"Another positive side is that we have managed to halt the fall in foreign reserves, and they have increased slightly," he added.

In contrast with the previous regime, large-scale corruption and widespread plundering have been brought under control, he said.

Yet, a more serious problem lies in the government's failure to restore investor confidence. "Business confidence has not been restored," said Raihan. "As a result, investors, especially private ones, are still very apprehensive. They are not investing."

This sluggish investment scenario is reflected in the poor growth of private

sector credit, which has remained among the lowest in recent years. Imports of capital machinery have dropped, the economist pointed out.

He attributed this to a combination of factors, including political instability. Sporadic incidents of mob violence throughout the year highlighted the government's struggle to ensure law and order.

He said this ambiguity has left investors uncertain, as they remain in the dark about the government's actual reform agenda.

"Will they continue the current practices, or bring major changes? This uncertainty is significant," said Raihan.

Investors look for stability and clear policy direction, along with a defined roadmap for political transition. In the past year, none of these have materialised, commented

Raihan, as he believes this has had a knock-on effect on the overall business climate, including job creation.

Two major reports, the White Paper Committee Report and the Task Force Committee Report by the interim government, had aimed to kick-start reforms.

"But there has been little follow-up," said Raihan. "We have not seen any real initiative based on these reports or the reform measures they suggested."

The white paper was drawn up by a 12-member committee led by prominent economist Debapriya Bhattacharya, a distinguished fellow at the Centre for Policy Dialogue (CPD). A second 12-member taskforce on economic strategy was also formed, and Raihan served on both.

"Despite these efforts, reform remains piecemeal," he said. "There has been no clear drive or mobilisation in

terms of reforms. Whatever the government has done is fragmented."

"What feels most painful is the unfulfilled promises of last August, that major changes were coming," Raihan added.

While he acknowledged that a year may not be enough to complete all reforms, he said the government could at least have launched the basic processes mentioned in the two reports.

"Ministries could have been instructed to prepare action plans. That would have at least pressured the next government to act," he said.

He also raised concerns about the national budget. "We all expected this year's budget to be somewhat different, especially with more allocation in health and education, and addressing the challenges faced by private investors," he said.

Unrealistic to expect

FROM PAGE B1

in office, Haque said, "We are seeing some changes in various areas. But people are saying change is happening slowly. They expect changes overnight, but it is not possible." Haque said uncertainty usually holds back investment during transitional periods, which is exactly what the country is now experiencing.

"What we are hoping to see is the return of the rule of law. That is the big question. Its return is important," he said.

According to Haque, the interim government had a chance to move in the right direction, but may have overestimated what it could deliver in a limited timeframe.

"To evaluate the one year of the government fairly, we must look at the state of the economy they inherited," he said.

The BIDS DG said that the previous regime left a deeply corrupt and fragile system. "There was economic growth, but it did not have a sound foundation. Corruption was rampant, money was being laundered, and the banking sector was in serious crisis."

"Pulling the economy back from the brink was no small task. In that context, some progress has been made," he said.

However, setting aside the dire conditions of the past and looking only at GDP growth and investment over the past year, he admitted performance has fallen short.

There has been some improvement in the external sector, largely due to rising remittance inflows and curbed money laundering,

These trends have helped build foreign exchange reserves.

"When the dollar was allowed to float and its price rose, remittances increased, which is expected," he said.

But corruption, he commented, has not declined.

"This is something that should concern everyone. Advisers are no longer involved in corruption like before. Yet, why has not corruption gone down?"

He suggested that one reason could be the unchanged nature of the bureaucracy.

"Nothing has changed there. The same people are in place, doing the same things," he said.

Haque added that although money laundering may have reduced, there has been no meaningful reform in the banking sector.

"If we want to reform private banks, a proper regulatory framework is necessary. And I do not believe that will be fully completed under the tenure of the interim government."

Still, he believes that laying the legal groundwork for reform is essential and possible.

He also commented that while banks are no longer giving out loans indiscriminately, borrowers are not stepping forward either. "If they do not understand the long-term economic outlook, no one wants to invest. That means not everything is in the government's hands."

With elections approaching, Haque expects the interim government now to focus on building the foundation for a fair economy.

"It is very difficult for such a government to carry out major economic reforms. It is not easy to reassure the private sector during the tenure of such a government," he said.

"Political governments assume office for a longer term, which gives them the confidence to make decisions. But now, all investors are sitting quietly."

Haque believes the primary goal of the current government should be to create an economic structure where fairness prevails, and no individual or group can manipulate the system for personal gain.

"The core idea behind reform was to set up the principle that if people play fairly, they will not be harassed. That is important. It is important for economic actors to understand that no one can violate their economic rights. This applies to businesses, banks – all sectors."

Still, he pointed out, corruption and extortion continue. "Reducing corruption was a major part of economic reform, and work must be done in the areas where corruption happens. The Anti-Corruption Commission is working now. But to end corruption, efforts must be made in every corner."

With around six months left in its term, Haque said the interim government should focus on a few specific, achievable areas.

"If they can temper their expectations and work on a few specific areas, they should. At the very least, if they can build the foundation of reform, the next government will be able to carry it forward."

Investor confidence still fragile

FROM PAGE B1

or institutional support? Costs of business are high, demand is low, interest rates are up, and even gas supplies are inconsistent. As a result, industries are slowing down, layoffs are rising, and unemployment is surging," he told The Daily Star in an interview marking one year of the interim government.

While he acknowledged improvements in some macroeconomic indicators, such as foreign exchange reserves and remittance inflows, he criticised the government for failing to deliver on its early reform pledges.

"The government came with the promise of reform, but so far, it has failed

to bring any structural change," Parvez said. "One year is a long enough time to show intent, but the confidence crisis has only deepened."

The government took charge at a time when the economy was already under severe stress, recalled the BCI president.

"High inflation, volatile exchange rates, dwindling forex reserve, and widespread institutional failure had eroded public trust during the previous regime," he said. "But there was hope that the interim government would stabilise the system, restore law and order, and prepare for a credible election."

However, the political

uncertainty has remained unchanged, and institutions like the judiciary, police, and regulatory bodies remain either inactive or under pressure, Parvez commented.

Inflation remains close to 9 percent, while both private and public investment have stalled, the BCI president said. He said that private sector credit growth fell to 6.4 percent in June, below the 7.2 percent target set by the Bangladesh Bank.

Parvez argued that the central bank's cautious stance, aligned with recommendations by the International Monetary Fund (IMF), had slowed industrial productivity without ushering in genuine

reform.

One area where he sees progress is in the banking sector, as he pointed to a rise in foreign reserves, greater stability in the currency market and improved monitoring of illicit capital flows. "The remittance flow is rising again, thanks to tighter monitoring on money laundering," he said. "It is a big success for the government."

However, non-performing loans had reached a record Tk 4.20 lakh crore by March this year, raising serious concerns about long-term creditworthiness and access to international finance, he added.

According to Parvez,



Thousands of people make a living through the stone crushing trade near the Burimari land port in Lalmonirhat and Sonahat land port in Kurigram. With little alternative employment opportunities in the localities, they toil for around eight hours for a daily wage of Tk 400 to Tk 500, despite the risk of silicosis, a lung disease resulting from the deposit of crystalline silica dust in the respiratory tract. There are more than 1,000 stone mobile stone crushing machines running near the two land ports, with each engaging around 15 to 25 workers. The photo was taken near the Burimari land port recently.

PHOTO: S DILIP ROY

Municipalities hold key to investment outside Dhaka: Bida chief

STAR BUSINESS REPORT

Bangladesh's towns and cities are stepping into the spotlight as new places to invest, thanks to the launch of the Municipal Competitiveness Index (MCI) 2024, a tool that shows where local economies have room to grow outside Dhaka and Chattogram.

Unveiled at a workshop, organised by the Bangladesh Investment Development Authority (Bida) in partnership with Swisscontact's PRABRIDDIHI project, the MCI is positioned as a strategic instrument to transform subnational investment landscapes.

It assesses and ranks the competitiveness of seven pilot municipalities based on business-friendliness, regulatory efficiency, and infrastructure readiness.

"This index helps spotlight the potential of municipalities as viable investment destinations," said Chowdhury Ashiq Mahmud Bin Harun, executive chairman of Bida and the Bangladesh Economic Zones Authority.

"If we can strengthen local capacities and improve inter-agency coordination at the grassroots level, these areas will become significantly more attractive to investors."

Govt should stop treating

FROM PAGE B1
 who prospered in the 16 years of the Awami League government is viewed with suspicion. That is not only unjust, it is damaging."

Rahman also pointed to governance issues, policy missteps, and a lack of direction, mentioning how the past year has affected the private sector and what needs to change urgently.

He said, "Yes, there have been some attempts at economic stabilisation. Reserves have slightly improved, exchange rate volatility has calmed, and inflation was temporarily managed during Ramadan. But these are cosmetic. The real issues lie deeper. Banking remains fragile, investor confidence has not returned, and the private sector feels alienated."

Rahman compared the current government to the 2007-08 caretaker government, which was formed to take care of state affairs for an interim period until the next regular government.

He said the key difference he finds is "collaboration". "The last caretaker regime had its flaws, but they actively engaged with

the private sector. They formed the Better Business Forum, met monthly with stakeholders, and ensured implementation tracking. This time? There is a complete disconnect."

The entrepreneur was critical of unilateral policymaking, which he said had become the norm. "Whether it is the new insurance laws, capital market reforms, or digitalisation rules, these were drafted without consulting the industry. The results? Regulatory overlaps, legal ambiguities, and serious friction between the state and businesses," he commented.

Rahman also talked about the state of the banking sector. "While known defaulters remain untouched, genuine entrepreneurs are forced to repay loans at 14 to 15 percent interest. Why are those who stayed, who continue to pay taxes, being penalised for others' wrongdoing?"

He noted that profits of listed companies had dropped sharply, with many reporting losses.

"How can you expect

revenue growth when the business climate is so uncertain, policies keep changing, and lending conditions are stifling?" he asked.

He said foreign investors, too, were reluctant to enter the market.

"We are reporting inter-company loans as FDI. That is misleading. The reality is FDI is not coming in because they are seeing what we are seeing: inconsistency, opacity, and uncertainty."

Rahman said one of the government's gravest failures was the erosion of institutional justice.

"Selective law enforcement, politically motivated arrests, even threats to businesspeople who speak out, this climate is not conducive to entrepreneurship. If investors do not trust the system, they would not invest; it is very simple."

He criticised the government's tendency to host investment summits abroad while ignoring business leaders at home. "We organise flashy investment summits for foreign investors, yet we cannot invite our own

business leaders properly."

Rahman believes the government could have gained broader support if it had been clearer about its objectives from the beginning.

"Had Muhammad Yunus clearly stated from the outset that he required two years to stabilise the country before holding elections, he likely would have secured broader public support. Instead, the absence of clarity and inconsistent messaging gradually eroded public trust," he commented.

"This government did not come to power through an electoral mandate, but through public expectation. With the promise to remain neutral, restore order, and ensure a smooth transition," Rahman said.

But with political pressure rising, he said that the time for meaningful reform was running out.

"If this government truly wants to regain public and business confidence, it must listen, include, and commit to an inclusive democratic process. That is the only way forward," he added.

GP facing predatory pricing scrutiny

FROM PAGE B1
 intention is to take over the market.

He also mentioned that Banglalink has recently filed a similar complaint against Grameenphone.

ROBI'S CLAIMS
 According to Robi, Grameenphone earned Tk 3,310 crore in 2023 -- over ten times more than Robi's Tk 321 crore profit.

With this high profit margin, Robi claims, Grameenphone can afford to subsidise operational costs aggressively and offer services at a rate unsustainable for its competitors.

Grameenphone holds around 45 percent of the country's mobile subscriber base, a number Robi says demonstrates its dominance and ability to "negatively influence the entire market".

Robi claims the most serious violation involves SIM card pricing.

"Grameenphone is manipulating SIM card pricing by selling SIMs below production cost through abuse of its dominant position. This forces Robi and other operators to follow suit. Grameenphone

is clearly violating the Competition Act and thereby undermining market competition," it said.

In the national budget for fiscal year 2024-25, the VAT per SIM was set at Tk 300. Operators must pay this tax whether or not they collect it from customers, making subsidies almost inevitable. But not all operators can afford to do so at the same level.

Robi alleges that Grameenphone, with its profitability, sells SIMs for free or at deep discounts, bundling them with incentives, which distorts market competition.

"In contrast, smaller operators like Robi struggle to match this, which harms fair competition, limits consumer choices, and threatens long-term innovation, sustainability, and telecom sector stability," it added.

Robi says this strategy of predatory pricing, excessive subsidies, and influence over retailers effectively blocks new players from entering and pressures existing ones out.

The complaint calls for "exemplary penalties" and

regulatory measures to prevent further violations and safeguard consumer welfare.

"We have conveyed our position to the competition commission. We hope the commission will take appropriate action in this regard," said Shahed Alam, chief corporate and regulatory officer at Robi Axiata PLC.

GP BINS ALLEGATIONS
 In response, Grameenphone told The Daily Star that it has a publicly declared maximum retail price (MRP) of Tk 350 per SIM card, available on its website.

"Grameenphone never sells the SIM cards below cost price." However, it noted that "retailers of all the telecommunication operators sometimes on their own give discounts."

On the allegation of excessive commissions, Grameenphone stated, "Incentives are provided to drive performance and strengthen product visibility," adding that it incurs higher investment and regulatory costs than competitors, which are reflected in its commission

structure.

When asked whether its pricing or distribution practices may hinder competition or block market entry, the company "categorically denied" the claim. Grameenphone said it operates fully within the bounds of the law and that its practices "have led to innovation and increased consumer choice."

"The allegations against Grameenphone are baseless and reflect a negative competitive intent," the company said, pointing out that the telecom industry is already tightly regulated by the Bangladesh Telecommunication Regulatory Commission (BTRC).

GP further mentioned that it is already subject to SMP-specific restrictions, including asymmetric mobile number portability (MNP) lock-in, marketing campaign approvals, and regulated interconnection charges.

The last hearing in the case took place on May 5, 2025, during which GP submitted a formal application to the commission, which is still pending.

Ctg port overburdened

FROM PAGE B4
 stakeholders to remove empties by August 7 or face quadrupled storage charges.

Bangladesh Shipping Agents Association (BSAA) in a letter to the CPA on Wednesday said the responsibility of removal of empty containers from the port yards are under full

jurisdiction of CPA. The association urged the CPA to drop the higher rent plan and instead facilitate more empty container loading slots on outbound ships.

"Since the ICDs are also over occupied by empty containers they are unable to take in new ones," said BSAA leader Muntasir

Rubayat. Mentioning that almost 40 percent of empties are now at the overflow yard of NCT, and many are lying there for 20 to 30 days, Rubayat said, "Transfer of empties from overflow yard to the port yards for loading onto ships is not frequently done by the berth operators."

He said BSAA has

repeatedly raised concerns regarding the prolonged dwelling of empties at the overflow yard.

As per current port regulations, store rent for empty containers is charged at \$6 per TEU for the first 7 days, \$12 per TEU from the 8th to the 20th day, and \$24 per TEU per day thereafter.

সামরিক চিকিৎসা সার্ভিস মহাপরিদপ্তর
 প্রতিরক্ষা মন্ত্রণালয়, ঢাকা সেনানিবাস

টেলার নং-২৩১/২০২৫-২০২৬ তাং ২২-০৭-২০২৫

জরুরী মেরামত বিজ্ঞপ্তি

১। এতদ্বারা প্রকৃত ইলেকট্রিক মেডিক্যাল যন্ত্রপাতি মেরামতকারী ব্যবসায়ী/প্রকৃতকারী/সরবরাহকারীগণকে (যারা প্রতিরক্ষা সুর মহাপরিদপ্তরের তালিকাভুক্ত) জানানো যাচ্ছে যে, নিম্নলিখিত ইউনিটের নামের পার্শ্বে বর্ণিত ইলেকট্রিক মেডিক্যাল যন্ত্রটি অকেজো হওয়ায় মেরামত করা প্রয়োজনঃ

Ser	PVMS No.	Name Eqpt	Faults/Requirement
১.	161008/B	INTEGRATED POWER CONSOLE (IPC) ELECTRIC DRILL SYTEM WITH MICROBEDER, MODEL: IPC, SER: NTC-68206, MADE IN USA & BRAZIL	a. IPC Power Console is not Working b. Internal Functional Problem (Error Code 1, 2 & 5)

২। উল্লিখিত মেশিনটি পরিদর্শনপূর্বক প্রয়োজনীয় যুটরা যন্ত্রাংশের প্রস্তুতকারক দেশ এবং মেরামতের নির্দিষ্ট যুটরা যন্ত্রাংশ উল্লেখকরতঃ ইঞ্জিনিয়ার সার্ভে রিপোর্টসহ দরপত্র আগ্রহী দরদাতা কর্তৃক সীলমোহরকৃত খামে **আগামী ০৫ আগস্ট ২০২৫** তারিখের মধ্যে এই মহাপরিদপ্তর এর মেডিক্যাল স্টোর শাখায় রক্ষিত টেন্ডার বাসে জমা দিতে হবে এবং একই তারিখ বেলা ১৩০০ ঘটিকায় দরদাতাদের উপস্থিতিতে (যদি কেহ উপস্থিত থাকেন) খোলা হবে।

৩। উল্লেখ্য যে, বিশ্বায়োপ্তিগত মেশিনের মেরামতকৃত অথবা মেরামতের জন্য প্রদানকৃত যুটরা যন্ত্রাংশের কমপক্ষে ০১ (এক) বছরের ওয়ারেন্টি (Warranty) প্রদান করতে হবে।

৪। কর্তৃপক্ষ কারণ ছাড়াই যে কোন দরপত্র বাতিল করার ক্ষমতা রাখেন।

আইএসপিআর/বিবিধ/২৫৪

মোঃ তাজজির হাসান
মেজর
মহাপরিচালকের পক্ষে

ফিট-১৯৪

Govt food grain

FROM PAGE B1
 "Besides, from December this year to March 2026, the estimated demand for rice distribution is about 8.83 lakh tonnes, and it is necessary to maintain a safe stock of 13.50 lakh tonnes of food grains," he said.

Total public sector demand for rice in the current fiscal year stands at 26.52 lakh tonnes. Even with a good domestic procurement, the government anticipates a shortfall of 4.03 lakh tonnes, which the initial import plan aims to bridge, according to Imam.

DISTRIBUTION DROP IN JULY

Total distribution in July dropped to 1.15 lakh tonnes, down from 1.65 lakh tonnes during the same period last year, earlier, according to the Directorate General of Food. Distribution under the open market sale (OMS) programme also declined significantly.

The Trading Corporation of Bangladesh saw its rice distribution under OMS fall by 27,000 tonnes compared

to July last year, due to a reduction in the number of beneficiaries from 1 crore to 55 lakh following reported irregularities.

Additionally, as the market price of flour was lower in July this year compared to the same month last year, the distribution of flour through the Directorate General of Food's OMS programme also decreased.

Last fiscal year, the Directorate General of Food distributed 27.80 lakh tonnes of subsidised food grains. In the current fiscal year, this amount has increased to 30.41 lakh tonnes.

"This is also a historic record in terms of distribution," said Md Abul Hasanath Humayun Kabir, director general of the Directorate General of Food. He explained that previously, food grains were distributed over five months each year, but the duration has now increased to six months. Additionally, the number of beneficiaries has risen from 50 lakh to 55 lakh.

বাংলাদেশ বিদ্যুৎ উন্নয়ন বোর্ড
Bangladesh Power Development Board

স্মারক নং-২৭.১১.৫৬৭৮.৫০৮.০০৩.২৫-৬৮

তারিখঃ ০৬/০৮/২০২৫ইং

e-GP পুনঃ দরপত্র বিজ্ঞপ্তি (OTM)

এতদ্বারা সংশ্লিষ্ট সকলের অবগতির জন্য জানানো যাইতেছে যে, অত্র দপ্তরের আওতাধীন নিম্নবর্ণিত কাজের দরপত্র গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের e-GP এর মাধ্যমে আহ্বান করা হইয়াছে, যাহা e-GP Portal-এ পাওয়া যাবে। e-GP Portal-এ নিবন্ধিত যে কোন আগ্রহী ব্যক্তি/ঠিকাদারী প্রতিষ্ঠানকে বিস্তারিত জানার জন্য উক্ত ওয়েবসাইট www.eprocure.gov.bd ভিজিট করার জন্য অনুরোধ করা হইল।

Tender ID	Name of work	Date of publication	Last selling date and time	Opening date and time
1137404	Supply of Cement. Ref No. 27.11.5678.508.03.00 3.25-01(25-26)	07.08.2025 10.00am	20.08.2025 16.00pm	21.08.2025 12.00pm

This is the online tenders, where only e-Tenders will be accepted in the National e-GP System Portal and no offline/hard copies will be accepted.

বিদ্যুৎ-জ-৪৪(২)/০৭/০৮/২৫

জুনাইদ রুশদি
আইডি নং-১-০২০৯৯
নির্বাহী প্রকৌশলী (ভারপ্রাপ্ত)
পিসি পোল নির্মাণ প্রক্ট
বিউবো, আরিচা, মানিকগঞ্জ

জিডি-১৭৪৫

Dhaka stocks fall for third day

STAR BUSINESS REPORT

The benchmark index of the Dhaka Stock Exchange fell for the third consecutive session yesterday.

The DSEX, the main index of the bourse, declined 63.08 points, or 1.15 percent, to settle at 5,408.07.

The other indices also had negative performance before the end of the day's trading. The Shariah-compliant DSES declined 1.14 percent to 1,170.43.

The DS30, comprising the blue-chip shares, dropped 1.30 percent to close at 2,097.69.

Turnover, a key gauge of investor participation, hit Tk 706.40 crore, down from Tk 889.95 crore of the previous session.

A total of 212,827 trades were executed, while block transactions amounted to Tk 19.42 crore across 39 scrips.

Market breadth was negative with 79 stocks advancing, 268 declining, and 51 remaining unchanged.

Among A category scrips, 38 gained, 165 lost, and 17 remained unchanged.

The B-category saw 17 stocks rise and 58 fall, while no issue was traded in the N category.

Segment-wise performance was mixed. In mutual funds, one issue advanced and 25 declined.

Corporate bonds saw one issue advance, while the government bond market saw one issue advance and two declines.

Among individual performers, Rahim Textile Mills topped the gainers' list with a 9 percent surge, while ICB AMCL Third NRB Mutual Fund was the worst performer, dropping 7 percent.

Gold gains as Trump tariffs take effect

REUTERS

Gold rose on Thursday as steep tariffs imposed by US President Donald Trump took effect, boosting safe-haven demand and intensifying trade frictions.

Spot gold was up 0.4 percent at \$3,383.49 per ounce as of 0645 GMT. US gold futures gained 0.6 percent to \$3,453.30.

"Trump has been dishing up fresh tariff threats which is keeping gold in the frame as a defensive play for investors," Tim Waterer, chief market analyst at KCM Trade said.

"Gold is moving towards the doorstep of the psychological \$3,400, with risk assets being kept off-balance somewhat by the constant tariff proclamations by the US president."

India exporters say 50% Trump levy 'severe setback'

AFP, New Delhi

Indian exporters warned that additional US tariffs risked making businesses "not viable" after President Donald Trump ordered steeper levies on Indian goods over New Delhi's purchasing of Russian oil.

Stocks opened marginally lower on Thursday, with the benchmark Nifty index down 0.31 percent after an initial 25 percent US tariff came into effect.

But that will be doubled in three weeks, after Trump signed an order Wednesday to impose an additional 25 percent levy for New Delhi's continued purchase of Russian oil, a key revenue source for Moscow's war in Ukraine.

India is the second-largest buyer of Russian oil, saving itself billions of dollars on discounted crude.

India's foreign ministry condemned Trump's announcement of further tariffs, calling the move "unfair, unjustified and unreasonable."

S.C. Ralhan, president of the Federation of Indian Export Organisations (FIEO) said he feared a troubling impact.

"This move is a severe setback for Indian exports, with nearly 55 percent of our shipments to the US market directly affected," he said in a statement.

"The 50 percent reciprocal tariff effectively imposes a cost burden, placing our exporters at a 30-35 percent competitive disadvantage compared to peers from countries with lesser reciprocal tariff."

Ralhan said "many export orders have already been put on hold" as buyers reassess sourcing decisions.

Surge in shrimp export yet to breathe life into sector

DIPANKAR ROY, Khulna

Despite recent data indicating a rise in the value of shrimp exports, industry insiders say the sector has yet to experience a meaningful revival, as shipment volumes have not shown significant growth.

In July this year, the shipment of shrimps, the main export item under the frozen and live fish category, surged 47 percent year-on-year to \$31 million, according to the Export Promotion Bureau (EPB).

The uptick in the shipment of shrimp, farmed mainly in the southwest coastal division of Khulna, came after exporters saw a recovery after two years of downturns.

The uptick follows a modest recovery in fiscal year (FY) 2024-25, when shrimp exports increased by 19 percent to \$296 million after two consecutive years of decline. The majority of these exports come from shrimp farms located in the country's southwest coastal division, particularly in Khulna.

However, industry insiders said the increase was likely due to higher prices and a stronger US dollar rather than a real increase in production or export volume.

"I'm surprised by the data," said Shyamal Das, managing director of MU Sea Foods, a shrimp export company based in the Khulna-Jashore belt.

"Yes, the value has increased slightly because of better prices and exchange rates. But if you look at the past when we used to export over \$550 million worth of shrimp, this is nowhere near that scale," he added.

According to him, a jump to \$296 million from \$248 million is not significant growth. "It's a minor recovery, not a trend."

"This modest increase may be temporary, driven by lower supply or demand in some countries," Das noted.

"Even if we exported \$50 million more this year, in the context of a \$70 billion global shrimp market, that's not a meaningful leap," he said. The core problems in the sector remain unchanged, he said.

Das said the survival rate of shrimp fry was alarmingly low. When a farmer releases 100 into the water, only 10 to 12 survive, said Das.

"That kind of loss is impossible for small-scale farmers to recover from," he said.

He said one of the key solutions lies in the quality control of shrimp fry.

"Farmers need access to certified hatcheries and third-party verification centres, but they lack both the mindset and financial ability for such testing. This is where the Department of Fisheries must step in," he said.

"They regularly inspect our factories and test samples before export. They should do the same for hatcheries," said Das.

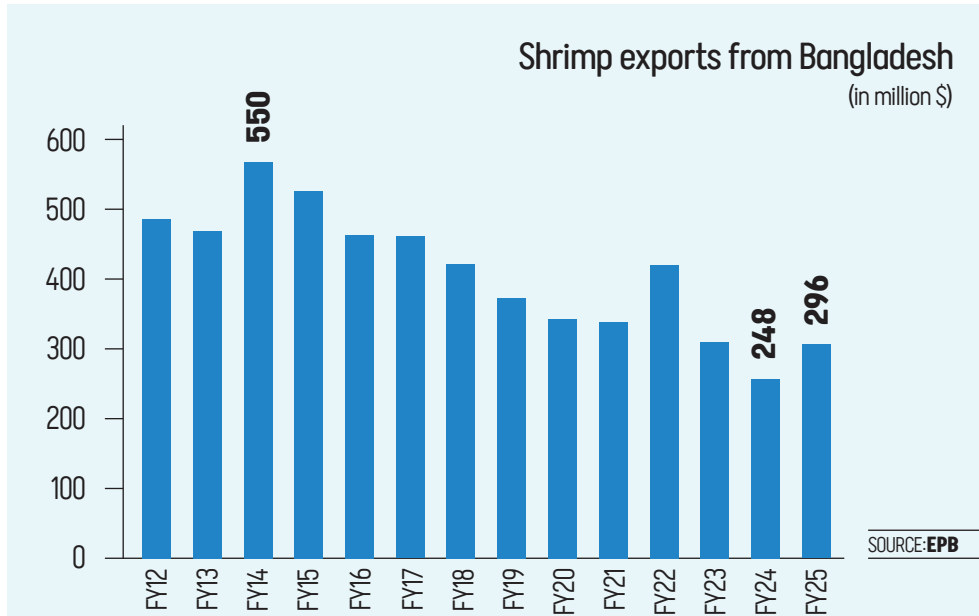


PHOTO: HABIBUR RAHMAN

"If those are producing low-quality, non-specific pathogen free (non-SPF) fry and don't comply (with regulations), they should be shut down—just like India has done," he said.

Tariqul Islam Zahir, owner of Achiya Sea Foods and senior vice president of Bangladesh Frozen Foods Exporters Association, said there has been no noticeable improvement as export recovery was not enough to bring about dynamism in the sector.

"The same struggles remain. If exports had truly gone up, we would have seen an increase in factory activity or employment. But that hasn't happened," he said.

"Our factories are operating at the same level as before—there's been no expansion, no

surge in production," he said.

In districts like Khulna, Bagerhat, Satkhira, and Cox's Bazar, around 3 million people are directly involved in the shrimp industry, including hatcheries, farming, and processing.

Another 2 million are indirectly dependent on this sector for their livelihood.

Zahir emphasised that while the numbers may suggest a positive trend, the reality on the ground paints a different picture.

"Without addressing the fundamental issues like quality of shrimp fry, disease control, and hatchery regulation, we cannot expect sustainable growth in the sector," he said.

Be bold or be boring

MAHTAB UDDIN AHMED

We have two kinds of brave people. One, the man who casually crosses a six-lane road while talking on the phone, blind to buses, rickshaws, and divine intervention. Two, the mid-level manager who sends a "gentle reminder" email to the boss twice in a week. Both are legends. However, when it comes to corporate courage, the kind that drives real change, challenges the status quo, and sometimes saves a sinking reputation, our bravery tends to vanish faster than the HR team when a salary revision discussion starts.

Harvard Business School's Ranjay Gulati argues in a recent article that courage is not a genetic gift but rather a muscle, which means that even your overly diplomatic department head, who takes two weeks to approve a file, could theoretically develop a spine.

Gulati's research, drawing on daring CEOs like Larry Fink, visionary leaders like Indra Nooyi, and even the heroes of the 2008 Taj Hotel terror attack, offers five strategies to become braver—not brash, not reckless, but bravely smart. And if you are in Bangladesh, where courage sometimes means saying "no" to an inflated tender or calling out a ghost employee, these lessons feel especially relevant.

Rewrite the script. Don't think of your job as another KPI chasing, attendance sheet signing routine. Reimagine it as a moral mission. Is that compliance officer flagging political donations? He is

not being "unnecessarily difficult", he's protecting democracy. That HR lady is refusing nepotism? She is preserving the genetic diversity of your company—narrative matters. Tell yourself you are part of something meaningful, and maybe, just maybe, you will stop ducking hard decisions.

Train like a corporate gladiator. Confidence doesn't fall from the sky; it comes from preparation. Want to challenge the MD's flawed budget? Understand it better than his finance team. Want to stand up to the supplier mafia? Learn negotiation tactics that don't end in you apologising for wanting transparency.

Embrace ambiguity. No, you won't have perfect information. Yes, your boss will probably send mixed signals. But brave leaders act anyway. They take one step, then another, pivoting, recalibrating. Think Google Maps in Dhaka. It may not know about the rickshaw jam, but it still shows a route.

Don't be a lone wolf. Courage is contagious. Get allies. Mentors. Even that brutally honest colleague who gives unsolicited feedback during lunch. You will need a support system when your bravery earns you passive-aggressive emails from senior management.

Stay calm. Bravery without balance leads to burnout. Rituals help, be it deep breathing, Fajr prayers, or screaming into a pillow after board meetings. Whatever works.

I have always considered myself a fairly brave soul, and for the most part, bravery has served me well in my career. I stood up, spoke out, took risks, and usually got rewarded. Except once. That's when I learned a valuable lesson: courage is great, but contextual courage is even better.

In short, courage isn't about chest thumping like King Kong. It's about doing the right thing when it's inconvenient, unpopular, or risky. In corporate wilderness, where the safest path is often the silent one, maybe it's time we stopped celebrating survival and started rewarding courage. And who knows, your next brave act might just be replying to this article with a bold opinion. Go on. Be brave. Be legendary. Or stay cautious, and invisible.

The writer is the president of the Institute of Cost and Management Accountants of Bangladesh and founder of BuildCon Consultancies Ltd

Ctg port overburdened with empty containers

DWAIPAYAN BARUA, Ctg

Chattoogram port, the country's main gateway to foreign trade, is grappling with a massive number of empty containers, far exceeding the capacity of designated yards, disrupting delivery and handling operations.

As of yesterday, a total of 7,158 TEUs empty containers were lying in the port's empty yards which have a capacity of just 5,500 TEUs according to Chittagong Port Authority (CPA) data.

To address the congestion, the CPA issued a 7-day ultimatum last week, asking stakeholders to remove empty containers either by loading them onto outbound vessels or shifting them to inland container depots (ICDs).

Failure to comply, the CPA warned, would result in fourfold increases in storage rent.

That deadline expired yesterday, and the situation has only worsened.

CPA's such cautionary move has yielded no positive result, as the port yards designated for the empties have become more choked with the deadline expired yesterday.

CPA Secretary Md Omar Faruk said steps would be taken soon but did not elaborate.

Shipping agents, opposing the penalty threat, urged the CPA to instead allow higher allocations for loading empty containers onto outbound ships.

A large portion of imported goods arrive in containers, which are emptied and stored in port yards before a good number of them

are moved to private ICDs. However, many ICDs are currently over capacity.

Congestion has been building since late June, when export volumes began to rise.

An executive at the local office of a foreign shipping line (MLO) said the CPA prioritised departing vessels carrying export cargo to clear berths quickly. As a result, many vessels with space were not allowed to stay longer to take empty containers, further compounding the problem.

In late July, the CPA gave priority berthing to three or four vessels to remove empties, but the effort fell short.

On July 30, the CPA's traffic director issued a circular reiterating the call for

READ MORE ON B3

US punitive tariffs put India in a corner

back of lower tax receipts and a stable rupee has underpinned its message to global investors and companies that the country is open for business.

Now that India is backed into a corner, the simplest solution to stabilise ties

with its largest trading partner is to stop buying Russian oil which comprises 40 percent of total crude imports. Though Modi's administration insists that those purchases are a "national compulsion", India can easily manage without the

waning discounts from Moscow, and even more so if global oil prices remain little moved by this prospect—as they have so far.

To be sure, giving Russia a cold shoulder would be a blow to India's effort to maintain a multi-polar foreign policy, but a 50 percent tariff is too much to bear and retaliating could cost it even more. The US only backed down from its escalating standoff with China after the People's Republic squeezed supplies of rare earths, a sector where it has 90 percent of processing capacity. Though India supplies about 65 percent of generic drugs in the US and American companies depend heavily on Indian IT services, these are easier to replicate elsewhere. Whether Trump will succeed in forcing China to give up Russian oil is unclear. India, though, has a weaker hand and little capacity to bluff. US President Donald Trump on Aug 6 imposed an additional 25 percent import tariff on Indian goods, citing New Delhi's imports of Russian oil. It doubles the additional tariff rate to 50 percent.

The new import tax will be effective 21 days after August 7. Trump's executive order imposing the extra tariff did not mention China, which also imports Russian oil, but later said he could announce similar further tariffs on Chinese goods.



Indian men work at a garment factory in Ludhiana, India. New Delhi failed to lower the initial 25 percent tariff unveiled by the US president on April 2 which can inflict serious pain on the \$4 trillion economy.

PHOTO: AFP/FILE