

Star BUSINESS



BB buys \$83 million from banks

STAR BUSINESS REPORT

The Bangladesh Bank (BB) has purchased \$83 million from 11 commercial banks in an auction yesterday, reacting to the sharp drop in the US dollar rate.

A senior central bank official, speaking anonymously, said the cut-off rate was set at Tk 121.50 per dollar. Under the multiple price auction method, exchange rates ranged from Tk 121.47 to Tk 121.50.

To curb any steep decline of the dollar against the taka, the central bank had previously bought \$484 million last month in two phases through separate auctions with several commercial banks, marking its first such interventions under the floating exchange rate system.

According to BB officials, the greenbacks purchased in the auction will be added to the country's foreign exchange reserves.

As of August 8, Bangladesh's forex reserves stood at \$25.12 billion, based on the International Monetary Fund's calculation method, up from \$20.48 billion a year earlier.

IPDC ডিপোজিট | ১৬৫১৯

Central bank sources explained that the regulator acted to prevent excessive volatility in the foreign exchange market. They emphasised that both sharp rises and falls in the dollar rate are undesirable.

The regulator aims to keep the forex market stable, as both a rise and a fall are not good indicators. If the US dollar weakens too much, exporters and remitters feel discouraged and suffer losses. On the other hand, if the dollar strengthens, it will lead to increased import cost, inflation pressure, higher debt servicing cost and a myriad of other effects.

Economists, however, previously criticised the central bank's move to buy dollars amid high inflation in Bangladesh, arguing that allowing the dollar rate to drop further could help contain inflation.

Bringing the rate down from Tk 120 to around Tk 110 could have made a remarkable difference in taming inflation, they said.

READ MORE ON B3

Governor to hold status of minister, no bureaucrats on BB board

Draft of Bangladesh Bank Ordinance outlines sweeping changes

STAR BUSINESS REPORT

The Bangladesh Bank governor will hold the rank of a minister and take the oath before the chief justice, according to the draft of the Bangladesh Bank Ordinance (Amendment) 2025.

The ordinance, which will replace the Bangladesh Bank Order 1972, is intended to strengthen autonomy and accountability of the central bank, said Governor Ahsan H Mansur.

The draft proposes removing bureaucrats from the BB board, marking a departure from the current structure.

It has been finalised in line with recommendations by the International Monetary Fund (IMF) as part of reform measures to enhance the central bank's independence.

"The government and bureaucracy may resist, but financial sector governance must remain above politics," Mansur told a dialogue organised by the Centre for Policy Dialogue (CPD) in Dhaka yesterday.

Officials involved in drafting the amendment said the new law aims to turn the central bank into a "constitutional institution".

At present, the governor is appointed by the government and holds a rank below that of the cabinet secretary and the principal secretary.

According to the draft, the president would appoint the governor on the prime minister's recommendation and with parliament's approval, subject to "fit and proper" criteria.

Before taking office, the governor and deputy governors would take an oath before the Chief Justice.

The board of directors would comprise the governor, two deputy governors nominated



TAKEAWAYS

- » President to appoint BB governor on PM's advice
- » Governor, deputies to be sworn in by chief justice
- » The initial term for governor to be six years
- » This rank to enjoy same status of a minister
- » Removal to require parliament's approval
- » No govt officials to be allowed on BB board

PHOTO: PRABIR DAS

by the governor, and eight other directors appointed by the government from a list provided by the governor.

None could be serving government officials, and no appointments could be made outside the submitted list.

Currently, the finance division secretary, the financial institutions division secretary, and the chairman of the National Board of Revenue sit on the BB board.

The draft grants the board full supervisory authority and strategic control over the bank's operations, enabling it to take all necessary steps to fulfil its mandate and protect its autonomy.

"Bangladesh Bank shall retain full autonomy over monetary and financial stability decisions, incorporating coordination council recommendations only when consistent with its independent mandate," the draft states.

A coordination council for monetary and exchange rate policies would be formed, chaired by the finance minister, with the BB governor, commerce minister, planning minister and finance division secretary as members.

The governor and deputy governors would serve six-year terms, renewable once.

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Foreign operators for NCT by Dec: Bida

STAFF CORRESPONDENT, Ctg

The authorities will appoint a foreign operator for New Mooring Container Terminal (NCT) of the Chattogram port by December this year, according to Chowdhury Ashik Mahmud Bin Harun, executive chairman of Bangladesh Investment Development Authority (Bida).

He said by this time, the government also wants to appoint foreign operators for Laldia Container Terminal and for at least one terminal of Bay Terminal of the Chattogram port.

At a press briefing in the Chattogram port yesterday, Mahmud said work was ongoing to prepare an international "request for proposal" (RFP) in this regard.

The development comes after Bangladesh Navy-run Chittagong Dry Dock Limited took charge of the NCT from a private operator in early July.

With the Chattogram port's contract with the private operator coming to an end and the government showing interest to appoint a foreign firm for the container terminal, political parties are now opposing the appointment of foreign firms.

READ MORE ON B3

Investment slump deepens



JAGARAN CHAKMA

As the interim government completes one year in office, signs of a worsening investment downturn are becoming hard to miss, according to business leaders and economists.

Private investment has slowed sharply. Imports of capital machinery have fallen to multi-year lows, dipping even below Covid-19 levels.

Private sector credit growth, a key indicator of economic activity and confidence, is now at its weakest in more than a decade.

According to the Bangladesh Bureau of Statistics, private investment accounted for 22.48 percent of GDP in fiscal year (FY) 2024-25, the lowest in five years and well short of the 28.2 percent target under the 8th Five-Year Plan.

Monetary tightening to battle double-digit inflation has complicated the situation.

The Bangladesh Bank (BB) has been maintaining a contractionary stance, making borrowing costlier for businesses. Loan interest rates now stand at 16 to 17 percent.

Energy disruptions and inconsistent gas supply to industries are further hurting factory output, while business leaders repeatedly expressed concern over regulatory inefficiencies and corruption as major hurdles.

With GDP growth slowing to 3.97 percent in FY25 and unemployment rising to 4.63 percent in the October-December quarter of 2024, the economic consequences are becoming more visible.

"Investment activity has practically stalled," said AK Azad, chairman of Ha-Meem Group, one of the largest garment exporters in the

country. "No one wants to take risks until there is clarity on political stability and policy continuity."

Azad said many believe investment will not return until a new government is in place, adding that political developments now largely dictate the economy's direction.

Domestic instability, he noted, has eroded market confidence, slowing both job creation and investment.

"Investors are concerned about interest

"The indicators show a deeper erosion of confidence in the business environment," he said, adding that political uncertainty is undermining trust in state institutions and casting doubt on the government's ability to ensure economic stability.

Asif Ibrahim, former president of the Dhaka Chamber of Commerce & Industry (DCCI), urged the authorities to act fast.

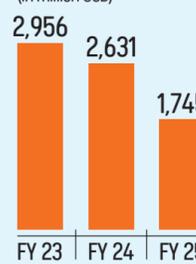
Private investment, he said, is vital for sustaining growth and creating jobs,

Investment slump in FY25

- KEY INDICATORS
- Pvt investment-to-GDP lowest in 5 yrs
 - GDP growth slows to **3.97%**
 - Unemployment **4.63%** in Q2
 - Capital machinery imports below Covid-era levels
 - Private credit growth weakest in over a decade

- ECONOMIC HEADWINDS
- Loan rates up to **17%**
 - Inflation remains around **9%**
 - Inconsistent energies disrupt production
 - Weak taka increases costs

L/C opening for capital machinery (in million USD)



SOURCE: BB

FACTORS RUINING INVESTOR SENTIMENT

- Political uncertainty
- High cost of borrowing
- Regulatory inefficiencies, graft
- Global and domestic macro stress
- Policy unpredictability

rates, law and order, and political risks. Unless political stability and investment security are ensured, few are willing to take the risk of new ventures."

The apparel exporter also cited worsening energy supplies as a serious obstacle for businesses.

Meanwhile, Anwar-Ul-Alam Chowdhury, president of the Bangladesh Chamber of Industries, said, "This is not just a short-term slowdown."

particularly as nearly 20 lakh young people enter the workforce each year.

"Recent trends, such as the deceleration of private sector credit growth and a decline in the investment-to-GDP ratio, suggest that investor sentiment may be weakening. If unaddressed, this could pose challenges for long-term economic stability."

DCCI president Taskeen Ahmed said the drop reflects growing investor hesitation

READ MORE ON B3

NBR warns taxpayers against 'zero return' misconceptions

STAR BUSINESS REPORT

The National Board of Revenue (NBR) yesterday cautioned taxpayers about misleading social media posts promoting the filing of "zero returns", terming the practice illegal under the Income Tax Act 2023.

In a press release, the NBR said some online content has been spreading the false notion that taxpayers can submit returns by filling all sections with "zero".

Such misinformation has led certain individuals to make false declarations regarding their income, expenses, assets and liabilities.

"There is no provision for filing any kind of return called 'zero return'," the NBR said, adding that taxpayers are legally required to accurately declare all relevant financial information in their returns.

Submitting incorrect information, including showing income, expenses, assets or liabilities as zero without reflecting the actual figures, is a punishable offence under sections 312 and 313 of the Income Tax Act

Submitting incorrect information, including showing income, expenses, assets or liabilities as zero without reflecting the actual figures, is a punishable offence under sections 312 and 313 of the Income Tax Act.

Offenders could face imprisonment of up to five years, the tax authority warned.

The NBR also said that even if a person's income is not taxable, they must still provide accurate details in their return.

The NBR further advised taxpayers to be wary of fraudulent claims and to avoid following misleading instructions circulating on social media.

The tax authority said that while no tax is payable if income falls below the taxable threshold, there is no legal basis for filing a return showing zero against all heads in the form.

The NBR urged taxpayers to act responsibly by submitting truthful returns, thereby avoiding imprisonment, fines and other legal consequences.

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Mastercard, MTB and ShebaPay launch SME companion prepaid card

STAR BUSINESS DESK

Mastercard, Mutual Trust Bank PLC (MTB) and ShebaPay have jointly launched "SME Companion Prepaid Card", aimed at addressing the evolving payment needs of small and medium-sized enterprise (SME) retailers transacting on ShebaPay's business-to-business (B2B) platform.

Md Zakir Hossain Chowdhury, deputy governor of the Bangladesh Bank, inaugurated the card as the chief guest at a function held in the capital yesterday, according to a press release.

Commenting on the solution, Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank PLC, said: "Through our partnership with ShebaPay and Mastercard, we are bringing

banking to the fingertips of thousands, empowering users with flexible, account-free access to modern financial services."

Adnan Imtiaz Halim, chairman of ShebaPay, commented: "This co-branded card, powered by Mastercard and MTB, enables users to enjoy seamless payments, access their funds in real time, and operate confidently in a digital-first economy, without relying on traditional banking channels."

Syed Mohammad Kamal, country manager for Bangladesh at Mastercard, remarked: "This country's first SME Companion Prepaid Card aligns with Mastercard's commitment to promoting digital adoption and driving financial inclusion by providing convenient and secure payment solutions that meet the evolving needs of enterprises and communities."



PHOTO: MASTERCARD

Md Zakir Hossain Chowdhury, deputy governor of the Bangladesh Bank, inaugurates the "SME Companion Prepaid Card", jointly launched by Mastercard, Mutual Trust Bank PLC (MTB) and ShebaPay, at a function in the capital yesterday.

China seeks AI chip export relief

REUTERS

China wants the United States to ease export controls on chips critical for artificial intelligence as part of a trade deal before a possible summit between Presidents Donald Trump and Xi Jinping, the Financial Times reported on Sunday.

Chinese officials have told experts in Washington that Beijing wants the Trump administration to relax export restrictions on high-bandwidth memory chips, the newspaper reported, citing unnamed people familiar with the matter.

The White House, State Department and China's foreign ministry did not immediately respond to requests for comment on the report.

HBM chips, which help perform data-intensive AI tasks quickly, are closely watched by investors due to their use alongside AI graphic processors, particularly Nvidia's. The FT said China is concerned because the US HBM controls hamper the ability of Chinese companies such as Huawei to develop their own AI chips.



Syed Golam Sarwar, president of the Hajj Agencies Association of Bangladesh (HAAB), and Mosleh Uddin Ahmed, managing director of Shahjalal Islami Bank PLC, pose for photographs during the handover of the sponsorship cheque at the bank's corporate head office in Dhaka recently.

PHOTO: SHAHJALAL ISLAMI BANK

Shahjalal Islami Bank sponsors HAAB's 'Hajj and Umrah Fair 2025'

STAR BUSINESS DESK

Shahjalal Islami Bank PLC has provided sponsorship worth Tk 20 lakh to the Hajj Agencies Association of Bangladesh (HAAB) to support the organisation of the "Hajj and Umrah Fair 2025".

The three-day event is scheduled to be held from August 14 to 16 at the Bangladesh-China Friendship Conference

Centre in the Agargaon's Sher-e-Bangla Nagar, Dhaka, according to a press release.

Mosleh Uddin Ahmed, managing director of Shahjalal Islami Bank PLC, handed over the sponsorship cheque to Syed Golam Sarwar, president of the Hajj Agencies Association of Bangladesh (HAAB), at a function held recently at the bank's corporate head office in Dhaka.

IFIC Bank gets ISO certification for information security management

STAR BUSINESS DESK

IFIC Bank PLC has been awarded an internationally recognised ISO (International Organization for Standardization) certification for meeting global standards and requirements in information security management.

The certification was granted by the international certification body Bureau Veritas in recognition of the bank's commitment to ensuring the confidentiality and integrity of customer information through robust security management systems.

Sohel Azad, country manager of Bureau Veritas, handed over the certificate to Syed Mansur Mustafa, managing director of IFIC Bank PLC, at a certificate handover ceremony held recently at the bank's head office in the capital's Purana Paltan, according to a press release.



Syed Mansur Mustafa, managing director of IFIC Bank PLC, receives an ISO certification from Sohel Azad, country manager of Bureau Veritas, at the bank's head office in the capital's Purana Paltan recently.

PHOTO: IFIC BANK

Al-Arafah Islami Bank organises training on SME entrepreneurship

STAR BUSINESS DESK

Al-Arafah Islami Bank PLC has recently organised a month-long training programme on "SME Entrepreneur Development" under the SICIP project of the Special Programmes Department of the Bangladesh Bank.

A total of 25 entrepreneurs from the Cumilla region took part in the workshop, held at the Bangladesh Rural Development Academy (BARD) in Cumilla.

Md Rafat Ullah Khan, managing director (current charge) of Al-Arafah Islami Bank PLC, attended the training programme as the chief guest, according to a press release.

In his remarks, Khan underscored the importance of adopting diverse strategies and technologies for entrepreneurial growth and SME business expansion.

Md Nazrul Islam, SICIP project director and additional director of the Bangladesh Bank, and Md Ayub Ali, joint director, were present as special guests.

Md Abdur Rahim Duari, principal of Al-Arafah Islami Bank Training Institute, presided over the event.

SM Abu Jafar, deputy managing director, and Saif Mohammad Zulkar Nine, course coordinator, along with other senior officials of Al-Arafah Islami Bank PLC, were also present.



Md Rafat Ullah Khan, managing director (current charge) of Al-Arafah Islami Bank PLC, poses for group photographs with participants of the training programme on "SME Entrepreneur Development" at the Bangladesh Rural Development Academy (BARD) in Cumilla recently.

PHOTO: AL-ARAFAH ISLAMI BANK

Sonali Bank PLC
Information Technology Division
(IT Procurement & Maintenance)
Head Office, Dhaka

Memo No. HO/ITD (IT P&M)/purchase/ Date: 04/08/2025

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the procurement of following package:

SL No.	Tender ID No.	Name of tender	Last date and time of tender security submission	Tender closing date & time
1.	1136525	Procurement of MICR Scanner for Sonali Bank PLC	03-Sep-2025 12:30	03-Sep-2025 15:30

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no office/hard copy will be accepted. To submit e-Tender, registration in the National e-GP Portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender documents from the National e-GP System Portal have to be deposited online through any registered banks branches up to respective time schedule.

Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd).

Sd/-
Deputy General Manager

GD-1753

Gold futures

FROM PAGE B4

Investors are growing confident that President Donald Trump's constantly-changing US trade policy won't derail the surge in investment around artificial intelligence.

"Part of the relief was that the tariffs on a very important sector around the US outlook on earnings, which is tech and AI, is mostly left unaffected," said Angelo Kourkalis, senior global investment strategist at Edward Jones.

Apple, which pledged increased US investment at a White House meeting this week, won 4.2 percent, its third straight significant gain. Nvidia and Google parent Alphabet also advanced.

Gold futures shot to a new all-time intraday high at \$3,534.10 an ounce after the Financial Times reported that Washington had classified one-kilo bars, the most traded type of bullion on Comex - the world's biggest futures market, as subject to "reciprocal" tariff rates.

One-kilo bars make up the largest part of Switzerland's gold shipments to the United States. Imports from Switzerland face a 39-percent reciprocal tariff from Thursday. The FT said 100-ounce bars would also face the levy.

The levy caused "shock and confusion" in markets, said Han Tan, chief market analyst at Nemo.money trading group.

Government of the People's Republic of Bangladesh
Office of the Executive Engineer
Education Engineering Department
Faridpur.
Web : eed.faridpur.gov.bd

Meme No.EE/EED/FAR/e-GP/2025-26/01 Date : 10/08/2025

e-Tender Notice No: 01/2025-2026

e-Tender is invited in the National e-GP System portal (<http://www.eprocure.gov.bd>) for the procurement of the following Goods under EED Faridpur District as mentioned below:

SL No	Tender ID	Package No	Description of Works	Tender Security Submission (Date & Time)	Tender Opening (Date & Time)
Open Tendering Method (OTM)					
01	1138540	FAR/FUR/MOE/GD-01	Manufacturing and Supplying of Furniture at Shaheed Muktijoddha Smrity Bidyapeeth Under Alfadanga Upazila Faridpur District.(2024-25)	27-08-2025 at 12:00	27-08-2025 at 13:00
02	1138541	FAR/FUR/MOE/GD-02	Manufacturing and Supplying of Furniture at Bir Muktijoddha Sirajul Islam Mohila College Under Alfadanga Upazila Faridpur District.(2024-25)	27-08-2025 at 12:00	27-08-2025 at 13:00
03	1138542	FAR/FUR/MOE/GD-03	Manufacturing and Supplying of Furniture at Kamargram Kanchan Academy Under Alfadanga Upazila Faridpur District.(2024-25)	27-08-2025 at 12:00	27-08-2025 at 13:00
04	1138543	FAR/FUR/MOE/GD-04	Manufacturing and Supplying of Furniture at Kazi Sirajul Islam Mohila College Under Boalmari Upazila Faridpur District.(2024-25)	27-08-2025 at 12:00	27-08-2025 at 13:00

This is an online Tender where only e-Tender will be acceptable in the National e-GP system portal and No offline/hard copies will be accepted. To submit e-Tender A1& A2 renewed upto FY. enlistment Category Contractor of Education Engineering Department any District who are registered in the National e-GP system portal (<http://www.eprocure.gov.bd>) will be eligible. The fees for downloading the e-Tender Document from the National e-GP system portal have to be deposited online through any registered Bank's branches up to 16:00 on 26-08-2025. Further information and guidelines are available in the National e-GP system portal and from e-GP help desk (helpdesk@eprocure.gov.bd) The procuring entity reserves the right to accept or reject any or all tender(s) without assigning any reason what so ever.

(Afzal Hossain)
Executive Engineer
Phone -0631-6459
E-mail: ee_far@eedmoe.gov.bd

GD-1755

সামরিক চিকিৎসা সার্ভিস মহাপরিদপ্তর
প্রতিরক্ষা মন্ত্রণালয়, ঢাকা সেনানিবাস

পুনঃ দরপত্র বিজ্ঞপ্তি

১। সমস্ত বাহিনীর জন্য দেশীয় মুদ্রায় নিম্নলিখিত চিকিৎসা সামগ্রী জরুরি প্রতিরক্ষা ত্রয় মহাপরিদপ্তরের তালিকাভুক্ত ব্যবসায়ী/প্রস্তুতকারী/আমদানীকারক/ইউজিএস প্রক্রিয়ার নিকট হতে সীলমোহরকৃত খামে দরপত্র আহবান করা যাচ্ছে।

২। দরপত্রের সিডিউল নিম্নের ছকে উল্লেখিত তারিখ মোতাবেক প্রতি কার্যদিবসে ০৮:৩০ ঘটিকা হতে ১৩:৩০ ঘটিকা পর্যন্ত সামরিক চিকিৎসা সার্ভিস মহাপরিদপ্তর, ঢাকা সেনানিবাস থেকে নগদ মূল্যে (অফেরতযোগ্য) সংগ্রহ করা যাবে। প্রয়োজনীয় তথ্যাবলীসহ দরপত্র সীলমোহরকৃত খামে মহাপরিদপ্তরে রক্ষিত টেন্ডার বক্সে নিম্নবর্ণিত ছকে আগামী ২৪ আগস্ট ২০২৫ তারিখ এ ০৯:০০ ঘটিকা হতে ১৩:০০ ঘটিকা পর্যন্ত জমা দেয়া হবে এবং একই দিন ১৩:০৫ ঘটিকায় দরদাতাদের উপস্থিতিতে (যদি কেউ উপস্থিত থাকেন) দরপত্র উন্মুক্ত করা হবেঃ

ক্রমিক নং	দ্রব্যের বিবরণ	সিডিউল বিক্রয়ের তারিখ		দরপত্র জমা এবং উন্মুক্তের তারিখ	দরপত্র নম্বর
		হইতে	পর্যন্ত		
1	ICU Ventilator Adult to Pediatric	10-08-25	24-08-25	24-08-25	08/2025-2026/EM

৩। নির্ধারিত সময়ের পরে আর কোন দরপত্র গ্রহণ করা হবে না।

৪। বর্ণিত ইলেকট্রনিক মেডিকেল ইউজিএসমেটস এর বিস্তারিত বিবরণ, কারিগরি বিমর্শন ও চাহিদাকৃত বিভিন্ন তথ্যাদি/সমন্বয়পত্রের তালিকা দরপত্র সিডিউলে উল্লেখ থাকবে।

৫। কর্তৃপক্ষ কোন কারণ দর্শানো ছাড়াই দরপত্র সিডিউলে উল্লেখিত আইটেমের পরিমাণ বৃদ্ধি/কমানোর এবং দরপত্র বাতিল করার ক্ষমতা রাখেন।

৬। পিপিএ/২০০৬ ও পিপিআর/২০০৮ মোতাবেক দরপত্রের সকল শর্তাবলী কার্যকর হবে।

৭। সামরিক চিকিৎসা সার্ভিস মহাপরিদপ্তর প্রতিরক্ষা মন্ত্রণালয়, ঢাকা সেনানিবাস জরুরি দরপত্র বিজ্ঞপ্তি তারিখ ১২ মার্চ ২০২৫ এর ক্রমিক ০৪ এর আলোকে ২০২৪-২০২৫/১৭৫/৪/এম দরপত্রের ক্রমিক ০১ ICU Ventilator Adult to Pediatric বাতিল করা হলো।

সে. কর্মকর্তা
এডিজিএমএস (স্টোর)
সামরিক চিকিৎসা সার্ভিস মহাপরিদপ্তর
প্রতিরক্ষা মন্ত্রণালয়, ঢাকা সেনানিবাস

তারিখঃ আগস্ট ২০২৫
আইএসপিআর/বিবিধ/২৫৭

GD-1757

BYD to export Thai-made electric cars to Europe

ANN/THE NATION

Chinese automaker BYD plans to begin exporting plug-in hybrid electric vehicles (PHEVs) manufactured at its Rayong plant in Europe in late August.

On Saturday, the company welcomed the BYD Zhengzhou, its latest car carrier vessel, to Laem Chabang Port in Chon Buri. The ship delivered 300 BYD Sealion 7 sport utility vehicles (SUVs) from China to Thailand.

BYD said the Zhengzhou, which has since departed Laem Chabang for China, will return to Thailand at the end of August. It will deliver a new batch of EVs and then load PHEVs produced at the Rayong factory for shipment to Europe.

The company has not disclosed how many vehicles will be exported in this shipment, or whether they will be the BYD Sealion 6 DM-i or the BYD Seal 5 DM-i models.

The BYD Zhengzhou, a roll-on/roll-off (RORO) vessel, is the seventh ship in the company's logistics fleet and made its maiden voyage from China on July 26. It called at ASEAN destinations, including the Philippines, Indonesia, Malaysia and Singapore, before concluding its voyage at Laem Chabang yesterday.

New Tk 100 banknote to be released next week

STAR BUSINESS REPORT

Bangladesh Bank will release a redesigned Tk 100 note on August 12, aiming to improve security and prevent counterfeiting.

The new note will carry 10 separate security features, each designed to make counterfeiting far more difficult.

Among them is a bold "100" printed with colour-shifting ink that changes appearance when tilted.

The note also has a twisted thread running through four distinct windows, which reveals the denomination when held to light.

Under ultraviolet light, the twisted thread displays the words "100 Taka" and "Bangladesh Bank" in fine print.

In addition, three raised dots on the edge will help visually impaired people identify the note by touch.

Other elements include a see-through number "100" that aligns perfectly when viewed against light,



microprinted text, and ultra-fine fibres that glow under UV detectors.

A glossy protective layer has been added to improve the note's lifespan.

Central bank officials say these features make the Tk 100 significantly harder to forge while giving the public clear, simple ways to verify authenticity.

The new note will be 140 by 62 millimetres, matching the size of existing Tk 100 bills but with sharper printing and richer colours.

National symbols, the bank's logo and security clauses will be reproduced in high detail.

Both the old and new Tk 100 notes will remain in circulation for now. Banks, businesses and the public will be briefed on recognising the updated features.

The redesign is part of Bangladesh Bank's ongoing effort to modernise its currency, following earlier upgrades to Tk 1,000, Tk 50 and Tk 20 notes.

Officials hope the enhanced Tk 100 will strengthen public trust in cash transactions while keeping counterfeiters at bay.

The note will primarily be released from the Motijheel branch of Bangladesh Bank and later from other branches of the banking regulator, the BB said in a press release.

US Fed official says jobs report confirms 'signs of fragility'

AFP, Washington

A recent US employment report confirmed "signs of fragility" in the labor market, a senior central bank official said Saturday, backing three interest rate cuts this year to guard against further weakening.

In prepared remarks to a summit in Colorado, Federal Reserve Vice Chair for Supervision Michelle Bowman called for a "proactive approach" in lowering the benchmark lending rate.

Doing so "would help avoid a further unnecessary erosion in labor market conditions" and reduce the chance that the Fed's rate-setting committee will need to make a larger cut if the jobs market worsened further, she said.

Bowman also made the case that price increases from President Donald Trump's sweeping tariffs this year will likely represent "a one-time effect."

She expects inflation will return to the Fed's two-percent target after the tariff effects dissipate.

"It is appropriate to look through temporarily elevated inflation readings and therefore remove some policy restraint to avoid weakening in the labor market," she added in the remarks.

Bowman was one of two Fed governors to dissent at the central bank's July policy meeting, a rare occurrence even as officials voted to hold rates steady for a fifth straight gathering.

Her latest remarks underscore growing divisions among Fed policymakers about when the independent central bank should begin slashing rates again.

The Fed has come under intense pressure from Trump recently, as the president repeatedly lambasted Fed Chair Jerome Powell for its decisions to keep rates unchanged.

Bowman, who was nominated by Trump in 2018 to the Fed's board, also took aim at government data over its declining survey response rates and other issues - saying the monthly numbers have become increasingly tough to interpret.

Governor to hold status of minister

FROM PAGE B1

They could not be members of the legislature or local government, hold public service posts, or receive salaries from public funds in any other role.

The president could remove them on the prime minister's recommendation and with parliament's approval.

BANKING REFORMS

At the CPD dialogue, Mansur said he had chosen direct action over setting up a banking commission.

"I was often asked why we did not set up a bank commission. Initially, I said we would, but later I decided to go straight into action instead of losing six to nine months to studies. We know our weaknesses," he said.

The governor said

three taskforces have been formed. Of those, one is to strengthen the banking sector, another is to improve BB operations, and a third is to recover assets from abroad.

The first two are under the central bank and the finance ministry, while the third involves the law ministry, attorney general, Anti-Corruption

Commission, Criminal Investigation Department and the foreign ministry.

Mansur said the Bank Companies Act 1991 is being amended to reduce the maximum directorship tenure from 24 years to 6, cut sponsor directors to at least half, and require directors to come from a qualified panel.

The Money Laundering

Act is also being revised to include asset recovery provisions.

The Deposit Insurance Act is also being updated, raising coverage from Tk 1 lakh to Tk 2 lakh and creating separate funds for banks and non-bank financial institutions, each with its own investment committee.

The Bank Resolution

Ordinance has already been enacted, enabling continuous resolution processes for any bank facing liquidity or governance problems, regardless of ownership.

"There should not be dual regulatory systems for state-owned and private banks. One regulator, one steering wheel," the governor said.

Foreign operators

FROM PAGE B1

Citing national interest, the parties argued that it was not logical to appoint a foreign firm to the fully equipped terminal.

However, the government said bringing a renowned foreign port operator would increase container handling efficiency and boost the overall outcome of the port.

In the face of the opposition, the authorities let Bangladesh Navy operate the terminal for a temporary period.

At yesterday's press briefing, the Bida chairman underscored the importance of recruiting world-class port operators to keep the Chattogram port among the top-ranking ones globally.

"The government's ambition is to achieve some milestones in progress in the major port development projects by December this year," he said.

The government is currently in talks with UAE-based DP World to operate the NCT.

Mahmud emphasised that the Chattogram port must perform at its full capacity to realise the government's long-term vision of transforming Bangladesh into a global

manufacturing hub by leveraging its skilled workforce.

"If the Chattogram port doesn't perform efficiently, other development projects such as Beza, Bepza, hi-tech park, and various industrialisation initiatives may stall," he warned.

He said the volume of containers handled at the NCT has increased by 30 percent while the turnaround time of vessels decreased by 13 percent in a month after Chittagong Dry Dock Limited took over the responsibility to operate the terminal.

Considering such monthly growth, container handling at the NCT might reach 1.7 million TEUs in the current fiscal whereas it was 1.3 million TEUs last year, he hoped.

"We have consistently said the Chattogram port must rank among the top global ports for our sake. To achieve this, we need to bring the world's best port operators here," he asserted.

"Our long-term plan is to increase Bangladesh's total port capacity by four to five times by 2030," Ashik added.

He also expressed hope that ongoing reforms focused on digital transformation at the Chattogram port would

significantly reduce delays, hassles, and irregularities.

Responding to a question, the Bida chairman candidly admitted that the experience with Saudi firm Red Sea Gateway Terminal (RSGT) in Bangladesh has not been satisfactory.

It is worth noting that under the previous Awami League-led government, the Saudi firm was appointed as the first foreign operator of a newly built Patenga Container Terminal (PCT) at the Chattogram port.

Ashik Mahmud explained that the RSGT has struggled to achieve the expected growth in container handling at the PCT due to several technical issues.

"The RSGT has encountered complications, and a major reason for these complications lies on our side," he also said, acknowledging the government's inexperience in dealing with international terminal operators.

During the visit, the Bida chairman inaugurated a Shipping and Logistics Online Desk, KEPZ Green Channel, and the Vehicle and Container Digital Data Exchange System at the port.

Investment slump deepens

FROM PAGE B1

amid economic uncertainty, stubborn inflation, currency depreciation and sluggish credit demand.

He pointed to ongoing geopolitical tensions, the country's violent political changeover, high interest rates and prolonged energy shortages as further drags on confidence.

Ahmed argued that the environment is not conducive to fresh investment.

"To restore investor trust, we urgently call for reforms in financial governance, guaranteed energy availability, political stability, and improvements in the ease of doing business. Otherwise, it would not be possible for private investment to recover," added the business leader.

M Masrur Reaz, chairman and CEO of local think tank Policy Exchange Bangladesh, said private investment has been stuck at about 23 percent of GDP, far below the level needed

for sustained growth. He listed inflation, forex pressure, weak demand, gas shortages, poor infrastructure, red tape, political instability and unclear policy direction as the main barriers.

Without urgent reforms, according to the economist, sluggish investment will damage job creation, growth and long-term development.

Fahmida Khatun, executive director of the Centre for Policy Dialogue (CPD), said uncertainty over future policies, rising energy costs, high interest rates, import restrictions, corruption and bureaucratic inefficiencies are discouraging investors.

"These combined challenges are stalling investment," she said, adding that without fresh capital, industrial growth, job creation and incomes will stagnate.

"This is a critical juncture," she said.

Selim Raihan, executive director of the South Asian Network

on Economic Modeling (Sanem), said the lack of consensus on reforms has heightened risks. "Such unpredictability makes long-term planning difficult."

BB buys

FROM PAGE B1

In its monetary policy for July-December this year, the BB reiterated its focus on exchange rate management. It plans to leverage expected robust remittance inflows and improved foreign exchange reserves to shield the economy from external shocks.

"Ongoing efforts by the government to monitor the market, facilitate trade, and provide policy support are expected to alleviate price pressures further," the policy document stated.

The BB sold \$508.38 million in the FY25 mainly to meet payment obligations of government agencies, primarily for fuel, electricity, and fertiliser imports.

Government of the People's Republic of Bangladesh Bangladesh Energy Regulatory Commission IEB Building (5th and 6th Floor), Ramna, Dhaka-1000 www.berc.org.bd

Ref No.: 28.01.0000.017.11.087.25/3925

Date: 7 August 2025

Request for Expressions of Interest (EOI)

1	Ministry/Division	Energy and Mineral Resources Division
2	Agency	Bangladesh Energy Regulatory Commission (BERC)
3	Client Name	Secretary, BERC
4	Client District	Dhaka
5	Expression of Interest for Selection of	01 (one) Individual IT Consultant (National) (Time-Based) & 01 (one) Individual Junior IT Consultant (National) (Time-Based)
6	EOI Ref No	28.01.0000.017.11.087.25/3925
7	Date	11-8-2025

KEY INFORMATION, FUNDING INFORMATION

8	Source of Funds	BERC
9	Development Partners (if applicable)	N/A

PARTICULAR INFORMATION

10	Project / Programme Code (if applicable)	N/A
11	Project / Programme Name (if applicable)	N/A
12	EOI Closing Date and Time	Date: 24/08/2025 Time: 5:00PM

INFORMATION FOR APPLICANT

13	Brief Description of Assignment	To design, develop, integrate, operate and maintain the real-time and online Enterprise Resource Plan (ERP) application including e-Licensing, e-Court/Hearing, Commission Meeting, Tariff Fixation, Unified Accounting System, Personnel Management and Other Services as required. To assist BERC in selecting Consulting Firm, provide necessary data & information to develop integrated online unique service platform, monitoring & evaluation of firms' activities and progress, assist in receiving deliverables, Operation and Maintenance of ICT infrastructure, day to day on demand support to transform proactive BERC. Please visit www.berc.org.bd for details Terms of Reference (TOR).
14	Qualification and Experience For IT Consultant (Time-Based)	<ul style="list-style-type: none"> B Sc. Engineering in Computer Science/ Computer Science and Engineering/ Electrical & Electronics Engineering/ Information & Communication Technology/ Electrical and Telecommunications Engineering or relevant subjects from any recognized university; Minimum general experience: 15 years. Minimum specific experience: 10 years of Industry experience of supporting ICT services. Experience in developing e-Licensing. Ability to understand and develop Unified Accounting System for multiple companies or stakeholders. Ability to clearly understand the process of operating and managing ICT services; Ability to achieve consensus on ICT support services across multiple stakeholders, Government Agencies; Ability to understand and guide integration of newly developed system with existing system by importing all data and documents.
15	Qualification and Experience For Junior IT Consultant (Time-Based)	<ul style="list-style-type: none"> B Sc. Engineering in Computer Science/ Computer Science and Engineering/ Electrical & Electronics Engineering/ Information & Communication Technology/ Electrical and Telecommunications Engineering or relevant subjects from any recognized university; Minimum general experience: 7 years. Minimum specific experience: 5 years of Industry experience of supporting ICT services. Ability to understand and develop Unified Accounting System for multiple companies or stakeholders. Ability to clearly understand the process of operating and managing ICT services; Ability to achieve consensus on ICT support services across multiple stakeholders, Government Agencies; Ability to understand and guide integration of newly developed system with existing system by importing all data and documents.
16	Other requirements (optional), but preference will be given	<ul style="list-style-type: none"> Domain Expertise (IT Service Management, System Administration, Database Administration, Network Administration, DevOps, Cloud Management Virtualization, Windows Server, Linux), information security, cyber security, ITIL, Project Management etc. Excellent skills to handle complex analytics, formulas and data management in excel, graphs, hyperlinking etc. in PowerPoint, Microsoft Word, Microsoft Office etc.
17	Other requirements	Applicant must submit brief CV copy of Academic certificate and Experience certificate.

CLIENT DETAILS

18	Name of Official Inviting EOI	Md. Nazrul Islam Sarker
19	Designation of Official Inviting EOI	Secretary, BERC
20	Address of Official Inviting EOI	IEB Building (5 th and 6 th Floor), Ramna, Dhaka-1000
21	Contact details of Official Inviting EOI	Tel: 55014007 Fax: 55013518 e-mail: secy@berc.org.bd
22	Expressions of Interest (EOI) must be sent to e-mail:	ps@berc.org.bd / hmshoib318@gmail.com within stipulated time & Date. Expressions of Interest (EOI) shall contain Form 3A, 3B & 3C.
23	The Client reserves the right to reject all EOIs	


Md. Nazrul Islam Sarker
Secretary, BERC

Dhaka stocks fall for fourth day

STAR BUSINESS REPORT

The benchmark index of the Dhaka Stock Exchange ended yesterday's trading lower, extending its losing streak for the fourth consecutive day.

The DSEX, the main index of the bourse, declined 57.03 points, or 1.05 percent, to settle at 5,351.03.

The other indices also posted negative performances before the end of the day's trading. The Shariah-compliant DSES fell 0.69 percent to 1,162.35, while the DS30, comprising blue-chip shares, dropped 1.48 percent to close at 2,066.64.

However, turnover, a key gauge of investor participation, rose to Tk 760.64 crore, up from Tk 706.40 crore in the previous session.

A total of 228,460 trades were executed, while block transactions amounted to Tk 47.36 crore across 30 scrips.

Market breadth was negative, with 109 stocks advancing, 247 declining, and 45 remaining unchanged. Among A category scrips, 52 gained, 148 lost, and 22 remained unchanged.

In the B-category, 38 stocks rose and 38 fell, while one issue was unchanged in the N-category.

Segment-wise performance was mixed. In mutual funds, three issues advanced and 18 declined.

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

Among individual performers, Apex Tannery topped the gainers' list with a 10 percent surge, while AIBL 1st Islamic Mutual Fund was the worst performer, dropping 9 percent.

Gold futures hit record on US tariff shock

AFP, New York

Gold futures hit a record high Friday following reports of an unexpected tariff on the precious metal as global stocks finished the week on a mixed note.

Wall Street enjoyed a sunny Friday led by the tech-rich Nasdaq Composite Index, which posted a second straight record, part of a buoyant session in New York amid optimism over artificial intelligence and less uncertainty over trade policy.

READ MORE ON B2

State-run sugar mills post over Tk 500cr in losses for 5th year



Production & Stock

Output in FY24: **46,200 tonnes** | Unsold stock (Aug 2025): **35,000 tonnes** | Production accounts for **2% of annual demand**

Revival Plans

PPP proposals from UAE's Sharkara International, Thailand's Sutech Engineering, and Japan's Marubeni Protechs | Review of feasibility study underway

Loss trend in 15 mills

Tk **508.24** crore in FY24 | Peak loss of Tk **1,036** crore in FY21

Major bottlenecks

- Outdated machinery; Overstaffing
- Low-yield sugarcane (recovery rate **5.5-6%** vs global **10-12%**)
- Production cost Tk **260/kg**
- Sale price Tk 125/kg → Loss of Tk **135** per kg
- Private brands sell for Tk **110-115/kg**



JAGARAN CHAKMA

Bangladesh's state-run sugar mills have collectively posted an annual loss of over Tk 500 crore for a fifth consecutive year, despite repeated cost-cutting measures, including the shutdown of the major loss-incurring ones five years back.

The net loss was Tk 508.24 crore in fiscal year (FY) 2023-24, according to the latest financial statement of the Bangladesh Sugar and Food Industries Corporation (BSFIC).

The amount is slightly lesser than the Tk 556.34 crore loss incurred in the previous year.

The losses had peaked at Tk 1,036 crore in FY 2020-21, the first year after the government shut six loss-incurring mills out of 15 in December 2020 for "modernisation".

The closures in Pabna, Shyampur, Panchagarh, Setabganj, Rangpur, and Kushtia were meant to pull the brakes on the downward trend.

However, weighed down by obsolete machinery, overstaffing, and low-yield sugarcane, the sector's has a long way to go to make a recovery.

The global sugarcane recovery rate—the percentage of sugar that can be extracted from a given quantity of sugarcane—averages at 10 percent to 12 percent.

Bangladesh's mills achieve just 5.5 percent to 6 percent.

The BSFIC data shows production costs to be Tk 260 per kilogramme (kg).

Yet sugar is sold at Tk 125, a loss of Tk 135 on every kg.

Competing private brands sell for Tk 110 to Tk 115, further eroding demand, even as the BSFIC insists its sugar is naturally processed and superior in quality.

This results in the accumulation of unsold stock.

In FY 2023-24, the BSFIC produced 46,197 tonnes, but as of August 2025, nearly 35,000 tonnes remain in warehouses. With annual

domestic demand around 22 lakh tonnes, the BSFIC's share is negligible.

To reduce stockpiles, the BSFIC has proposed partnerships with subsidised government distribution programmes.

"If state agencies bought even 50 percent of our stock for their food channels, they'd get quality sugar and we'd cut our losses," a BSFIC official said on condition of anonymity.

Among the nine active state-owned mills, Rajshahi Sugar Mills posted one of the heaviest losses of Tk 66 crore in FY 2023-24.

North Bengal Sugar Mills, once the worst performer, cut its losses from Tk 113 crore in FY 2020-21 to Tk 38 crore in FY 2023-24.

Mobarokganj Sugar Mills, however, saw losses climb back to Tk 70 crore after previous improvements.

Only the Carew & Company posted a profit of over Tk 85 crore in FY 2023-24, reflecting a 32 percent year-on-year growth.

However, the profit came only through sales of its distillery business. Its sugar unit incurred a loss of over Tk 60 crore.

Among the closed ones, Setabganj, Rangpur, and Kushtia limited their deficits to less than Tk 30 crore each.

Md Saifullah, chief of the BSFIC's planning and development, credited the reduction in deficits to curtailed operations, workforce rationalisation, and reduction in global sugar prices.

Yet he admitted that there were structural problems.

"We are using outdated machinery to process underperforming crops and expecting a profit. It does not add up," he said.

Beyond the economics, the industry supports rural livelihoods and climate resilience.

Each year, 60,000 to 70,000 acres of sugarcane are cultivated, supporting thousands of farmers and reducing flood risks due to the crop's flood tolerance.

Khandaker Golam Moazzem, research

director at the Centre for Policy Dialogue, has called for urgent restructuring, citing persistent losses and negligible market impact despite heavy subsidies.

He recommended shutting down all loss-making mills, retaining only the profitable Carew & Co (Bangladesh) Ltd and commissioning an international audit of the BSFIC's assets and liabilities.

"Unused assets should be sold to clear debts and land titles, paving the way for alternative industrial uses, such as export-oriented manufacturing, domestic industries, or integration into economic and export processing zones," he suggested.

"Providing affordable, dispute-free land to entrepreneurs would boost investment and industrial diversification," Moazzem said.

The goal, he noted, is to reduce subsidies and losses, ensure optimal use of public resources, and foster a competitive, sustainable industrial base.

Saifullah echoed this view, warning that "short-term fixes won't work" and called for coordinated, long-term planning.

A senior industries ministry official, requesting anonymity, said, "The government has considered closing chronically loss-incurring mills or leasing them to private operators. But political and labour resistance has stalled reforms. With elections approaching, significant restructuring appears unlikely."

Meanwhile, the interim government is revisiting a stalled 2019 plan with UAE-based Sharkara International, Thailand's Sutech Engineering, and Japan's Marubeni Protechs to modernise six shuttered mills under public-private partnerships.

The proposal follows the collapse of a controversial 2023 deal with S Alam Group after political upheaval.

A June 26 meeting at the Chief Adviser's Office decided to review a feasibility study prepared by the BSFIC and Sutech Engineering before moving forward.

From good enough to world-class

KAISER KABIR

In late 2014, a cheerful octogenarian in a wheelchair rolled into a pharmaceutical factory in Rajendrapur, Gazipur. As he was escorted from room to room, his demeanour changed markedly. No longer engaging in light conversation, his goggle-eyed expression clearly pointed to a man completely befuddled by his surroundings.

The confusion was not due to dementia, for his mental faculties were functioning admirably. Having been a stalwart of the pharmaceutical industry from 1965 to 1994, a medicines factory ought to have been familiar territory. Yet it clearly was not.

Something really big had happened since his active days in the industry. A wondrous transformation.

The man in the wheelchair, Syed Humayun Kabir, founder chairman of Renata PLC, was no stranger to state-of-the-art technology. The factory he had built atop a hillock in Mirpur, Dhaka, during the last days of East Pakistan, had continued to be a centre of excellence well into the 1990s. Yet, at the turn of the century, things had changed even more dramatically.

At Rajendrapur, the sophisticated machines impressed him, but it was the futuristic aura that inspired awe. Spotlessly clean floors and walls, fresh air flowing through HEPA filters, spacious corridors leading to pressurised rooms with airlocks, workers dressed in spacesuits.

As the tour ended, tears of happiness rolled down his cheeks. He realised that Renata had become one of several Bangladeshi pharmaceutical companies with world-class manufacturing capabilities.

The real revolution in the sector, however, has been in quality assurance. Since the early 1990s, global manufacturing practices have shifted towards embedding quality control at every stage, from product development to the distribution of finished products. Quality is no longer an afterthought; it is woven into the process.

In the 1980s, quality control was minimal. A small laboratory would run a few tests to confirm whether the product contained the correct dosage or dissolved properly in the body. Stability was checked to ensure products remained effective until the expiry date. These measures were sufficient for the time, and the cost of quality assurance was negligible, almost a rounding error for most companies.

That is no longer the case. Quality now covers far more ground. In addition to numerous tests for efficacy, there are multiple considerations relating to safety, replicability and traceability.

The result is that quality is now a major expense. For Renata, just the variable costs of quality assurance account for nearly 23 percent of factory running expenses. This excludes capital investments, amounting to hundreds of crores of taka, directly tied to maintaining quality.

Despite this drastic shift in costs, policymakers remain largely unaware. This fuels persistent criticism of the industry, especially over high prices and alleged profiteering. Under the current Interim government, the rancour has reached a fever pitch. Many still believe the 1980s cost structure applies, leading to inflated perceptions of profitability and misunderstandings about actual costs. This has triggered public calls for lower prices — understandable but not grounded in reality.

The truth is that medicine prices in Bangladesh are among the lowest in the world. Data from multiple sources, published and freely available online, confirm this. The belief that pharmaceutical companies enjoy huge profits is equally misplaced. Until recently, firms earned about a 15 percent net margin on sales. Today, that figure is closer to 5 percent, due mainly to currency devaluation and rising costs. Yet the government appears set on imposing price controls on a wide range of medicines. The Ministry of Health and Family Welfare has formed a committee to explore the option, but history shows that administered prices lead to shortages and compromised quality. This is why most countries have adopted market-based pricing instead.

The push for price controls is driven by the desire to leave a populist legacy, one where medicine prices are slashed for the public good. But such measures are short-sighted and dangerous.

Visionary market-based policies introduced during the 1992-1994 period played a key role in shaping the dynamic, competitive industry Bangladesh has today, capable of producing high quality medicines at affordable prices.

Reverting to populist measures reminiscent of the low-quality standards of the 1980s would undermine decades of progress and ultimately jeopardise public health in the long run.

The writer is the CEO of Renata PLC



US imports fall in June

REUTERS

Imports into the United States fell more than expected in June as concerns around shifting tariff policies hit retailers, raising fears of fewer product options in stores for shoppers, data from the National Retail Federation showed on Friday.

The data comes as several of US President Donald Trump's sweeping tariffs went into effect this week. As of August 7, duties range from 10 percent to 50 percent, with India, Brazil, and Switzerland facing some of the highest rates.

Since April's "Liberation Day" announcement of a 10 percent baseline tariff, Trump has adjusted rates frequently. A temporary truce with China in May reduced tariffs to 30 percent, but new hikes resumed in July.

US ports covered by NRF's report handled 1.96 million 20-foot containers or its equivalent in June, which was down 8.4 percent year-over-year, but up 0.7 percent from May. That was a bigger drop from the NRF forecast from a month ago. The trade body had then projected ports would handle 2.06 million TEU in June, up 5.9 percent from May but down 3.7 percent year-over-year.

Moreover, import cargo volume at major container ports in the US is tentatively expected to end 2025 5.6 percent below 2024's volume, NRF's forecast showed on Friday.

Apparel retailers, including Under Armour, Deckers Outdoor have reported tariff impacts in the past couple of months and are taking steps to diversify their supply chain to avoid tariffs on goods routed through or sourced from Southeast Asian countries like Vietnam.

"The uncertainty around tariffs has impacted retailers' ability to forecast holiday orders and shipments.

OpenAI's soaring valuation tests investor faith amid AI market uncertainties

REUTERS, London

Investors throwing cash at artificial intelligence face a glaring risk: OpenAI. True, the ChatGPT maker's breakout growth offers plenty to get excited about, with annualised revenue on track to triple this year. But its potential sudden jump from a \$300 billion valuation to \$500 billion, as Reuters reported on Wednesday, implies immense faith in a still-immature business model. If that faith is tested, chatbot makers following in its wake will suffer.

The firm led by Sam Altman ignited the AI frenzy when it launched ChatGPT in 2022. It is now expected to hit 700 million weekly active users in August. Fewer than 10 percent actually pay for monthly subscription plans costing either \$20 or \$200, a person familiar with the matter told Reuters. The hope is that overall adoption grows so rapidly that this small slice covers the cost of responding to queries, which requires vast computational grunt. OpenAI also dominates enterprise adoption, capturing 34 percent of US businesses that pay for AI as of June, according to research firm Ramp. That outpaces rival Anthropic's 10 percent, which is also seeking a new fundraising round at a \$170 billion valuation, according to Bloomberg — nearly triple its last mark in March. Both are notching incredible sales

growth. OpenAI's annualised revenue is on track to hit \$20 billion by year-end, according to Reuters, up from \$5.5 billion last year. Anthropic, buoyed by its model's talent for coding, may hit \$4 billion according to Bloomberg, up from \$1 billion at the end of 2024, as reported by Reuters citing sources.

Whether this justifies the funding frenzy is another matter. Assume the best-case scenario: that these wildly cash-burning businesses achieve a 27 percent free cash flow margin by 2030, in line with Alphabet or Microsoft. Apply a 10 percent discount rate and a 3 percent terminal growth, and OpenAI

and Anthropic's valuations imply revenue of over \$225 billion and \$75 billion in five years, respectively. AI chip darling Nvidia is projected to hit just \$350 billion by then, according to Visible Alpha.

This is a young market, and use cases are vast, but cracks are starting to show. Early struggles and glitches mean 42 percent of companies have scrapped AI deployments this year, up from 17 percent in 2024, according to S&P Global.

That's problematic because AI is all about scale. It's incredibly expensive to both train models and to serve them through the cloud. OpenAI wants to build its own data centers to control costs, but those efforts take time. Meanwhile, moves like giving away free-to-use, "open" models could cannibalize users.

Investors seem to believe that OpenAI and its ilk can outgrow these problems. If Altman stumbles, despite all of his advantages, this load-bearing assumption will collapse. The order of the day is ever-expanding addressable markets, ever-more-grandiose claims about the power of the tech. Without either, the economics just do not work.

ChatGPT maker OpenAI is in early-stage discussions about an employee stock sale that could value the company at about \$500 billion, Reuters reported on August 6, citing a source familiar with the matter. It comes after OpenAI announced a funding round at a valuation of \$300 billion in March.



OpenAI CEO Sam Altman speaks during Snowflake Summit 2025 at Moscone Center in San Francisco, California. OpenAI's annualised revenue is on track to hit \$20 billion by year-end, up from \$5.5 billion last year.

PHOTO: AFP/FILE