

Govt moves to clear Rooppur dues to Russia after US waiver

REJAUL KARIM BYRON and ASIFUR RAHMAN

The government is preparing to clear its overdue payments to Russia for the Rooppur Nuclear Power Plant following a temporary waiver from the US Office of Foreign Assets Control (OFAC).

Earlier this month, OFAC, the US Treasury agency that enforces sanctions against countries and regimes in line with US policies, authorised Dhaka to proceed with the payments under certain conditions, including completion by December, officials said.

The finance ministry has since set the process in motion. The Economic Relations Division (ERD) has written to the Russian embassy in Dhaka seeking details on how the

2011 - Dhaka & Moscow sign **2.4 GW** Rooppur Nuclear Power deal

2016 - **\$11.38b** state credit agreement

Until 2022 - Dhaka pays \$1b in interest/ advances

From 2022 - Bangladesh Bank places funds in escrow account

By Jun 2025 - escrow balance hits **\$1.03b**

Sep 2028 - Principal repayments to begin

Commissioning of the plant expected by end of this year

Rooppur Nuclear Power project cost: **\$12.65b**

KEY TAKEAWAYS

payments can be made, while the Bangladesh Bank is working on the technical procedure.

"Once we receive instructions from the Russian side, the proposal will be sent back to OFAC for final clearance," said an ERD official on condition of anonymity.

ERD Secretary Md Shahriar Kader Siddiqi confirmed the development

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Go fast for targeted FTAs

Economists, business leaders urge govt as LDC graduation looms

STAR BUSINESS REPORT

Bangladesh should begin negotiating Free Trade Agreements (FTAs) with selected partners and blocs without delay to protect market preferences before its graduation from the least developed country club next year, according to economists and business leaders.

Besides, they called for stronger policies and greater private sector involvement in managing intellectual property rights, which will be a major issue after graduation.

"FTAs are essential for Bangladesh to protect its market access. So, negotiations should prioritise sectors where there is a risk of losing access," said MA Razzaque, chairman of the Research and Policy Integration for Development (RAPID), at a roundtable in Dhaka yesterday.

The economist advocated against signing deals that bring little benefit.

"We should not sign FTAs with countries like Singapore or others where we do not actually need," said the RAPID chairman at the event titled "Intellectual Property and Trade Transition Challenges: Best Approaches for Local Industries of Bangladesh".

Apart from FTA talks, Razzaque called for stronger domestic readiness. "Our protected industries must be promoted internally, efficiency must be increased, and our policies must be forward-looking."

Fahmida Khatun, executive director of local think tank Centre for Policy Dialogue (CPD), said trade dynamics are shifting.

"Global trade is reversing fast, and domestic politics and geopolitics are now shaping policies more than economics. Free trade once drove welfare, human development, GDP growth, and jobs. But those gains are now being rolled back. The WTO is weakening, while plurilateral and bilateral agreements are taking over."

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Shipbuilding export goal of \$4b by 2026 termed unrealistic

STAR BUSINESS REPORT

The export target of ships set in the 2021 Shipbuilding Industry Development Policy is too ambitious to achieve, said an economist yesterday.

The policy aims to turn the sector into a \$4 billion export industry by 2026 but Zaidi Sattar, chairman of the Policy Research Institute of Bangladesh (PRI), said the goal is "unrealistic", given the current context.

A more achievable milestone, he argued, would be \$1 billion in ship exports within three to five years. Bangladesh could reach that figure by capturing just 1 percent of the \$115 billion global market for small and medium-sized vessels.

Sattar made the remarks presenting a paper on the shipbuilding industry and ship exports at a seminar hosted by the International Business Forum of Bangladesh (IBFB) at the InterContinental Dhaka yesterday.

He said shipbuilding could become the country's "next frontier" in export diversification if supported with stronger financing and policy consistency.

The sector faces significant challenges. These include the absence of long-term financing, high costs due to weak local supply chains, and limited access to advanced design and engineering technologies. Global shocks like Covid-19 have also slowed growth.

While the 2021 policy promised cash incentives, tax breaks, and low-interest loans, implementation has been patchy, Sattar noted.

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Exporters confident of beating target if home ground is steady

JAGARAN CHAKMA

Bangladesh wants to increase exports by about 17 percent this fiscal year compared with what it earned a year ago. At first glance, the \$63.5 billion target looks quite ambitious.

Yet instead of worrying about foreign demand or competition abroad, exporters say the real test lies at home.

The recent change in US tariff policy has given Bangladesh an advantage, especially in garments. With an average tariff of 36.5 percent, lower than those faced by rivals, the US market offers a rare opening.

However, AK Azad, chairman of Hammeem Group, one of the largest RMG exporters to the US, said the benefits come with complications.

"Yes, we have a window of opportunity, but we are also facing price pressure. Buyers are negotiating harder and offering to share the tariff burden," said Azad.

Meanwhile, other top exporters warned against relying too much on one market.

"We have been disappointed before by sudden changes in rules. Even a new government could take away the tariff benefits in an instant," said an exporter from Chattogram who asked not to be named.

Despite these external advantages, exporters insist that domestic problems remain the greatest threat.

Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said, "There is demand in the global market. We are competitive. But how can we meet increased orders when gas supply is irregular, factories face sudden power outages, and LC [letter of credit] processing is delayed due to a broken banking system?"

Still, he said the industry has capacity to deliver more than the target.

Energy shortages have already caused lost production hours and higher costs.

Manufacturers said that without a steady supply, especially in energy-intensive sectors such as textiles and leather, the FY26 target will be out of reach.

The banking crisis and high interest rates add further pressure.

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Mercantile Bank to provide cash management services to bKash clients

STAR BUSINESS DESK

Mercantile Bank PLC has recently signed an agreement to provide 24/7 automated cash management services to bKash Limited, the country's leading mobile financial service provider.

Mati Ul Hasan, managing director of Mercantile Bank PLC, and Kamal Quadir, chief executive officer of bKash Limited, signed the agreement at the bank's head office in the capital's Dilkusha, according to a press release.

Under the agreement, Mercantile Bank will offer round-the-clock automated cash management services through its online banking and card facilities to agents, dealers, and distributors of bKash Limited across the country, subject to the opening of accounts with Mercantile Bank.

Md Zakir Hossain, Shamim Ahmed, Ashim Kumar Saha and Md Zahid Hossain, deputy managing directors of the bank; Shah Md Sohel Khurshid and Mohammad Iqbal Rezwan, senior executive vice presidents; Abu Yusuf Md Abdullah Haroon, head of MIS



Kamal Quadir, chief executive officer of bKash Limited, and Mati Ul Hasan, managing director of Mercantile Bank PLC, exchange signed documents of the agreement at the bank's head office in the capital's Dilkusha recently.

PHOTO: MERCANTILE BANK

division; Muhammad Amir Hossain Sarker, head of Uttara branch; and Farid Ahmed, head of Gulshan branch; attended the event.

Muhammad Mahmud Hasan, chief technology officer of the bank; Tapon James Rozario, head of ILMD; Moinuddin Mohammed Rahgir, chief financial officer

of the MFS provider; and Ali Ahmed, chief commercial officer; along with other senior officials of both institutions, were also present.

Standard Bank holds 26th AGM



Mohammed Abdul Aziz, chairman of Standard Bank PLC, presided over the bank's 26th annual general meeting at the Police Convention Hall in the capital's Ramna recently.

PHOTO: STANDARD BANK

STAR BUSINESS DESK

Shariah-based Standard Bank PLC has recently convened its 26th annual general meeting at the Police Convention Hall in

the capital's Ramna.

Mohammed Abdul Aziz, chairman of Standard Bank PLC, presided over the meeting as chief guest, according to a press release.

Aziz expressed optimism that the bank's profits would continue to grow and pledged attractive dividends for shareholders. He also encouraged all employees to work diligently to achieve

these goals.

A number of shareholders and the bank's external auditor attended the meeting, where all agenda items, including the annual financial statements and audit report for the previous fiscal year, were unanimously approved.

Md Mizanur Rahman, company secretary of the bank, conducted the proceedings.

AKM Abdul Alim, vice-chairman of the bank; Kamal Mostafa Chowdhury, director and founder vice-chairman; Mohammad Manjur Alam, Ashok Kumar Saha, Ferozur Rahman, SAM Hossain, Mohammed Shamsul Alam, Gulzar Ahmed, Md Zahedul Hoque, Ferdous Ali Khan and Jhahedul Alam, directors; Golam Hafiz Ahmed and Muhammad Saifullah, independent directors; joined the AGM.

Md Habibur Rahman, managing director; Mohammad Salah Uddin, chief financial officer; Sajidur Rahman Bhuiyan and Alamgir Kabir, observers from the Dhaka Stock Exchange and the Chittagong Stock Exchange, were also present.

No plans to penalise China for buying Russian oil: Trump

REUTERS, Washington

US President Donald Trump said on Friday he did not immediately need to consider retaliatory tariffs on countries such as China for buying Russian oil but might have to "in two or three weeks."

Trump has threatened sanctions on Moscow and secondary sanctions on countries that buy its oil if no moves are made to end the war in Ukraine. China and India are the top two buyers of Russian oil.

The president last week imposed an additional 25 percent tariff on Indian goods, citing its continued imports of Russian oil. However, Trump has not taken similar action against China.

He was asked by Fox News' Sean Hannity if he was now considering such action against Beijing after he and Russian President Vladimir Putin failed to produce an agreement to resolve or pause Moscow's war in Ukraine.

"Well, because of what happened today, I think I don't have to think about that," Trump said after his summit with Putin in Alaska.

"Now, I may have to think about it in two weeks or three weeks or something, but we don't have to think about that right now. I think, you know, the meeting went very well."

Chinese President Xi Jinping's slowing economy will suffer if Trump follows through on a promise to ramp up Russia-related sanctions and tariffs.

STAR BUSINESS DESK

TrustBankPLC has entered into a partnership agreement with bKash Limited to jointly introduce expanded financial services aimed at improving customer convenience and efficiency in digital transactions.

Under this collaboration, customers will be able to open weekly and monthly deposit pension schemes (DPS) with Trust Bank directly through the bKash app.

The agreements were signed recently at a hotel in Dhaka in the presence of Ahsan Zaman Chowdhury, managing director and CEO of Trust Bank PLC, and Kamal Quadir, founder and CEO of bKash Limited, according to a press release.

Addressing the event, Chowdhury said, "Through this partnership, these two organisations have been offering joint services for some time, and in the coming days, these services will become even more customer-centric, comprehensive and convenient."

Quadir expressed his appreciation for Trust Bank's confidence in bKash, stating: "This agreement will make financial services more accessible to a broader customer base

and further strengthen the country's digital financial ecosystem."

The collaboration will also facilitate enhanced bank-to-bKash and bKash-to-bank fund transfers, direct payments from Trust Bank accounts via the bKash app at over one million merchant points nationwide, and 24/7 automated cash management for agents and distributors.

Trust Bank and bKash already provide joint services including the Trust Cum Settlement Account, Add Money, Transfer Money, and Remittance Settlement. With these new initiatives, over 80 million bKash customers will be able to open DPS accounts with Trust Bank via the app.

Additionally, various integrated services will be added to the Trust Bank and bKash Fund Transfer platform, simplifying and enhancing customer transactions. More than 350,000 bKash agents nationwide will also benefit from Trust Bank's 24-hour cash management system.

Brig Gen (retd) Md Mamun or Rashid, head of general service and security division of Trust Bank PLC, and Ali Ahmed, chief commercial officer of bKash Limited, attended the event.

The waiver for Bangladesh follows a formal request in April by the interim government to the US Treasury seeking permission for the payment.

A Bangladeshi delegation had also raised the issue with US Treasury officials at the World Bank-IMF Spring Meetings in Washington in the same month.

Bangladesh's payment to Russia stopped in 2022 when the US and other Western countries imposed economic sanctions on the Eurasian country following its invasion of Ukraine.

Under the sanctions, major Russian banks, including the Bank for Development and Foreign Economic Affairs (VEB), the designated bank for the Rooppur project, were barred from using the Society for Worldwide Interbank Financial Telecommunication (SWIFT) system, which provides the main messaging network through which international payments are initiated.

The sanctions forced the Bangladesh Bank to deposit the funds to repay loans and interest for the \$1.38 billion Russia-funded Rooppur Nuclear Power Plant into a third-party account, also known as an escrow account, that holds the assets of a transaction temporarily.

As of June this year, the account held \$1.03 billion, of which \$185 million had been disbursed to local contractors.

A senior official of the Bangladesh Bank said they will seek OFAC's no objection certificate again after learning the preferred payment channel and intermediary from Russia.

The official also said they are ready to release the funds once Washington and Moscow agree on the payment mechanism.

"It is yet to be confirmed if the payments would be possible, but we are ready to release the funds at any time as the money is set aside at a different account," the official also said.



ASM Shahidullah Khan, chairman of ONE Bank PLC, presides over the bank's 26th annual general meeting at a hotel in the capital's Gulshan recently. Zahur Ullah, director and executive committee chairman; Ananya Das Gupta and Shawket Jaman, directors; Chief of the Navy (retd) Admiral Aurangzeb Chowdhury and Md Azizul Haque, independent directors; Shabbir Ahmed, managing director (current charge); Abu Zafar Md Saleh, additional managing director and head of Islami banking; John Sarkar, deputy managing director and company secretary; and Md Anwarul Islam, deputy managing director and chief legal officer and head of recovery division; were also present.

PHOTO: ONE BANK

Dollar eases

REUTERS, New York

The dollar slipped on Friday as a data-heavy week wound down, keeping the case for a September Federal Reserve interest rate cut intact, while traders awaited talks in Alaska between US President Donald Trump and Russian leader Vladimir Putin regarding Ukraine.

The dollar, which had jumped on Thursday as data showed US producer prices increased more than expected in July, gave up most of those gains on Friday, and was set to finish the week 0.4 percent lower against a basket of currencies.

"The PPI figure yesterday was a shock, but there is still little concrete evidence for a tariff-driven spike in inflation," Kyle Chapman, forex markets analyst at Ballinger & Co in London, said.

"With markets staying firm on their bets for a September cut and the focus now shifting to Alaska, the dollar is handing back its gains this morning," Chapman added.

Money markets reflect a 93 percent chance of a 25-basis-point Fed rate cut in September, according to CME FedWatch.

A Fed interest rate cut in September, the first this year, followed perhaps by another before year-end, remains the base forecast for most economists polled by Reuters amid rising concerns about the health of the world's biggest economy.

Chicago Federal Reserve Bank President Austan Goolsbee on Friday said the latest reports this week showing a rise in services inflation are a source of "unease" given what he sees as the stagflationary impulse from tariffs on the economy.

Gold heads for weekly loss

REUTERS

Gold prices held steady on Friday, but were headed for a weekly loss after hot inflation data trimmed rate-cut bets, while the market focus shifted to talks between US President Donald Trump and his Russian counterpart Vladimir Putin.

Spot gold was little changed at \$3,336.66 per ounce by 1:40 p.m. EDT (1740 GMT), and was down 1.8 percent for the week.

US gold futures settled almost flat at \$3,382.6.

The US dollar eased, making dollar-denominated commodities more affordable for holders of other currencies.

Data on Thursday showed US producer prices increased by the most in three years in July. Traders see a 89.1 percent chance of a 25-basis-point rate cut by the Federal Reserve in September, down from about 95 percent before the data was released.

Non-yielding gold prices fell following the data release, with spot gold closing 0.6 percent lower.

Trust Bank, bKash partner to enhance cashless services



Brig Gen (retd) Md Mamun or Rashid, head of general service and security division of Trust Bank PLC, and Ali Ahmed, chief commercial officer of bKash Limited, exchange signed documents of the agreement at a hotel in the capital recently.

PHOTO: TRUST BANK

Govt moves to clear Rooppur dues

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but refused to elaborate.

"We will share information after the process is complete," he said.

An ERD official told The Daily Star that several other countries have received no objection certificates from OFAC to conduct certain transactions under sanctions, and Bangladesh was likely to have followed a similar approach.

OFAC has granted clearance for transactions regarding non-military projects that began before sanctions.

The waiver for Bangladesh follows a formal request in April by the interim government to the US Treasury seeking permission for the payment.

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"It is yet to be confirmed if the payments would be possible, but we are ready to release the funds at any time as the money is set aside at a different account," the official also said.

Russia has repeatedly sought payments following the sanctions, even in roubles if possible.

Bangladesh has also explored alternative options like sending payments through a bank in China, but that went nowhere as the Chinese banks did not agree with the proposals.

Under a 2011 agreement, the Eurasian superpower had provided Bangladesh with \$500 million in 2013 for preparatory work and \$1.38 billion in 2016 for the Rooppur plant's construction.

Before sanctions took effect, Bangladesh had paid about \$1 billion in interest and advance payments. Since then, both principal and interest payments have stalled, and a proposal to defer the start of principal repayments was rejected.

Under the existing schedule, repayment will begin in September 2028, with two instalments each year, in March and September, over a 20-year period.

As per the latest progress report of Bangladesh Power Development Board, the first 1,200MW unit of the 2,400MW plant is planned to begin commercial operations by December this year and the second one in December 2026.

Egg supply falls short of demand, says fisheries and livestock adviser

STAR BUSINESS REPORT

Bangladesh produces around six crore eggs daily, but this is still not enough to meet domestic demand, Fisheries and Livestock Adviser Farida Akhter said yesterday.

"At present, the average per capita meat consumption in the country is only 200 grammes. Still, many families eat meat only once a week or even once a month," she said.

In terms of fish production, Bangladesh is in a relatively good position, she added.

"Fish, meat, milk and eggs are our main sources of nutrition. Therefore, along with studies, the nutritional needs of students must also be taken into account," she said.

She made these remarks at the inauguration of a newly built six-storey academic building at Dhaka Central Girls' High School and at a reception ceremony for outstanding SSC-2025 students.

"In the July 2024 mass uprising, many young students and ordinary people sacrificed their lives. Many lost their hands, legs or eyes and have been left disabled for life. Keeping their sacrifice in mind, we must build a Bangladesh where people's

rights are never undermined," she said.

Begum Rokeya established educational institutions that provided Muslim girls with a free environment where, alongside studies, various social and cultural activities were also conducted.

"Only reading books cannot give complete knowledge, as history has often been distorted. Therefore, it is the teachers' responsibility to provide students with proper education and make them aware of the country and the nation," she said.

Many girls are forced to drop out of education due to eve-teasing, and this must not be allowed in the new Bangladesh, she said.

"To ensure the safety of students inside and outside schools, the district administration, police and local political leaders must take responsibility," said the adviser.

She also said schools and communities must carry out activities at least once a week to protect the environment. At the same time, the use of polythene and plastic must be reduced, as these are extremely harmful to human health.

"We must acquire knowledge about the law against violence against women, and teachers, parents and society must work together to prevent child marriage," she added.



The pipeline for the direct transportation of fuel oil from Chattogram to Dhaka was inaugurated by Fouzul Kabir Khan, adviser of the Ministry of Power, Energy and Mineral Resources, in Patenga, Chattogram yesterday. The 250-kilometre pipeline is expected to save approximately Tk 200 crore annually in fuel transportation costs once regular supply commences. Primarily transporting diesel to Dhaka, the pipeline will reduce transit time for 50 lakh litres of diesel from Patenga to Dhaka's Godanil from 48 hours by river to just 12 hours. The photograph was taken at the Padma Oil Company depot in Patenga's Guptakhal.

PHOTO: RAJIB RAJAHAN

Go fast for targeted FTAs

FROM PAGE B1

Fahmida cautioned against viewing FTAs as a cure-all. Simply signing an FTA does not guarantee success.

"In trade, countries do not get what they deserve; they get what they can negotiate. Our challenge is not only negotiation capacity but also what we are willing and able to offer."

She urged graduating least developed nations to build alliances and pressed for affordable support to help small ventures with trademarks, branding and awareness.

Mostafa Abid Khan, senior fellow at Policy Research Institute of Bangladesh, said the narrow export basket of the country is a stumbling block for signing FTAs.

He said ten products account for 60 percent of earnings, leaving Bangladesh with fewer gains from FTAs.

"Negotiations, which usually take years, should therefore focus on resolving the most pressing issues," Khan added.

Masrur Reaz, chairman of Policy Exchange Bangladesh,

underlined the need to strike a balance.

He said, "For Bangladesh, it is important to sustain the economic base as well as prosperity to take advantage of the global value chain at a time when the domestic economy is growing."

According to the economist, Bangladesh needs to strengthen institutions and private-sector capacity to translate its graduation into economic benefits.

He believes the country has no option but to pursue deeper global integration and attract investment, including foreign direct investment.

The dialogue was organised by the Bangladesh Chamber of Industries (BCI).

Its President Anwar-ul Alam Parvez said many manufacturers in the private sector would prefer graduation to be delayed. "But graduation cannot be avoided."

"After graduation, government revenue will drop because tariffs must be reduced," said the BCI president. On the other hand, he said, FTA signing will result in

reduced import duties.

"Not only will the government lose revenue, but the packaging, cement, and polybag industries could collapse. If revenues decline, development spending will slow."

Parvez said bank interest rates are currently high, and foreign borrowing costs have also risen.

"We do not even know if we will have access to external funding in the future. If policies are not designed accordingly, the future will indeed be difficult," he commented.

At the event, Sanya Reid Smith, senior researcher and legal advisor at Third World Network, presented findings on intellectual property and trade transition, outlining ways for Bangladeshi industries to cope with the shift.

Among others, Abdul Hai Sarker, chairman of the Bangladesh Association of Banks; Md Anwar Hossain, vice chairman of the Export Promotion Bureau; and Kamran T Rahman, president of the Metropolitan Chamber of Commerce and Industry, Dhaka; also spoke.

Exporters confident of beating target

FROM PAGE B1

Exporters have long been calling for reforms in governance and easier access to affordable credit. They commented that prolonged contractionary monetary policy to curb inflation has only raised business costs.

In FY 2025-26, the RMG industry has been tasked with earning \$44.49 billion, including \$20.79 billion from woven and \$23.70 billion from knitwear.

"There is appetite from the US and EU markets, especially with China gradually pulling back from low-end apparel. We must act fast to scale up capacity and diversify designs," said Anwar-ul Alam Chowdhury Parvez, president of the Bangladesh Chamber of Industries.

"But is the government creating

this atmosphere to achieve the target, or actually to listen to exporters' problems?" he asked.

Leather and leather goods are expected to earn \$1.25 billion in FY26, a 9.2 percent rise. But exporters in the sector say they face compliance issues, reliance on low-value rawhide exports and infrastructure bottlenecks at Savar tannery estate.

Nasir Khan, managing director of Jenys Shoe, said, "I will be able to reach the target amount of leather footwear exports if customs simply do their job as facilitators, instead of acting like business destroyers by over-monitoring or taking bribes."

Jute exports are projected to grow 9.7 percent to \$900 million. Industry players backed investments in lab testing and research and

development, but complained of slow progress and difficult access to the Indian market, where trade policies remain volatile.

Recently, India imposed restrictions on Bangladeshi jute goods entering the Indian market.

Agriculture gets a 22.4 percent export growth target totalling \$1.21 billion for this fiscal year. However, the sector has seen exports decline for three years.

One exporter said growth depends heavily on India reopening land ports.

"There is nothing wrong with aiming high," said BKMEA President Hatem. "But this time, let's also do the hard work at home."

"If we fix the gas crisis, stabilise banking, and improve port logistics, you will see, we will not just hit the target, we will beat it," he commented.

Shipbuilding export goal of \$4b by 2026

FROM PAGE B1

Yet signs of revival are emerging. After collapsing to just \$0.2 million in exports by 2021-22, the industry has started to rebound.

Since 2008, Bangladesh has exported more than 50 ships, worth \$143 million. Orders are once again coming in. Karnafuly Ship Builders recently won a \$47 million green vessel deal from the Netherlands. Ananda has delivered ships to Turkey and the UK, and Western Marine signed an eight-vessel contract with the UAE.

The current export order book

stands at \$100 million, with another \$200 million in the pipeline.

If yards can secure \$100 million in exports annually, jobs in the sector could double to 100,000, Sattar said.

He highlighted efforts to build greener ships, including methanol-fueled vessels, to meet international standards.

Industries Adviser Adilur Rahman Khan said Bangladesh has already earned recognition for meeting global standards and urged stronger policy implementation.

Anisuzzaman Chowdhury, special assistant to the chief adviser dealing

with finance related affairs, called for investors to harness domestic capacity, warning that remittances alone cannot drive economic growth.

"No economy gains dynamism from remittances alone," he said. "Industrialisation brings lasting change. We are breaking ships to build ships, and issues like environment and health must be addressed."

IBFB President Lutfunnisa Saudia Khan, IBFB Director and Western Marine Shipyard Chairman Md Sakhawat Hossain and IBFB past president Humayun Rashid also spoke.

these are technology companies that deliver banking, and that is the framework for success in the future. Banks will have to become technology companies to survive."

He also went on to note that the top 50 fastest-growing banks in the world are all technology companies or wallet ecosystems without a single traditional bank on the list.

"If you're asking which bank to copy, don't look at HSBC or Deutsche Bank," King said. "Look at Alipay, WeBank, bkash, or Paytm. Because

King argues that adaptation of technology will decide the next generation of leaders in banking in the next 10 years.

The tools to revolutionise banking already exist, and Bangladesh, with its mobile-first culture, can leapfrog directly into the AI era, if the mindset is right.

"The lesson is very clear: by 2035,

all the biggest banks in the world will be technology companies."

Banks must become tech firms

FROM PAGE B4

businesses. Banks must prioritise affordable loans for climate-resilient infrastructure to protect livelihoods.

Warning that by 2050, Bangladesh will see a 15 percent loss in food production due to salinity in the soil and perennial flooding, he said, "Banks must have a core focus on providing very affordable loans for this sort of next-generation climate-resilient infrastructure."

THE ROAD TO FOLLOW

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DHAKA ZILLA PARISHAD

e-Tender Notice No.-04/2025-2026

Limited Tendering Method (LTM)

Memo No-zpd.e-Gp-42/Tender/-6230/2025/438

Date: 14/08/2025

e-Tender is invited in the National e-GP system portal (<http://www.eprocure.gov.bd>) for the Procurement of the following works:

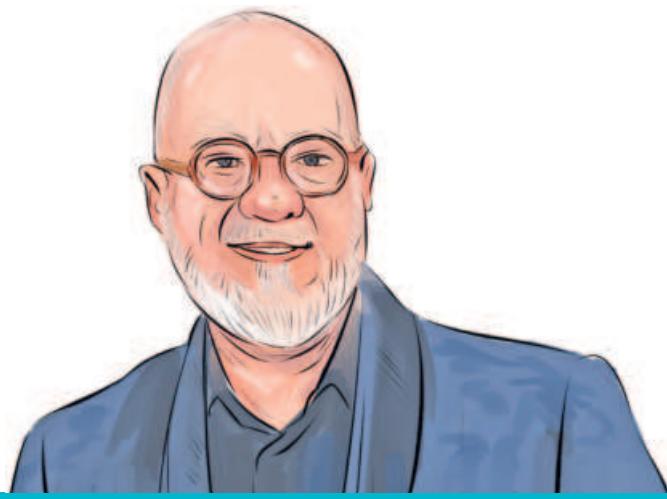
| S.L | T. ID No. | Name of Work |
|-----|-----------|---|
| 1. | 1138114 | Parishal Malikadhin Keraniganj Banijik Bipobiv 2 No Market 1st floor & 2nd Floor Bath Room Under Upazila- Keraniganj, Dist: Dhaka. |
| 2. | 1138115 | Improvement of RCC Road from Manik Nagar Bismillah Bekari to Salam house via Bazlu Kasai house road ch.00-450m under Union-Teguria, Upazila- Keraniganj, Dhaka Jilla Parishad. |
| 3. | 1138116 | Improvement of RCC Road from Modhur Char Abdul Kader Bhuiya house to Manik Sikdarer house (Akhil Mollar house) road ch.00-450m under Union-Teguria, Upazila- Keraniganj, Dhaka Jilla Parishad. |
| 4. | 1138117 | Improvement of RCC Road from Dakhin Dalikandi Malek Mollar house to Prodip Garten & High School road ch.00-200m under Union-Teguria, Upazila- Keraniganj, Dhaka Jilla Parishad. |
| 5. | 1138118 | Construction of Ghatar Char Masjidul Aziz Jame Mosque Under Upazila- Keraniganj, Dist: Dhaka. |
| 6. | 1138119 | Supplying of Tiles on Chapain Purbo Para Ibrahim Mia Baitun Noor Jame Mosque under CRP, Upazila- Savar, Dist: Dhaka. |
| 7. | 1138120 | Supplying of Tiles on Chapain Abdul Hamid Mosque under CRP, Upazila- Savar, Dist: Dhaka. |
| 8. | 1138121 | Supplying of Tiles on Chapain Baitul Falah Jame Mosque under CRP, Upazila- Savar, Dist: Dhaka. |
| 9. | 1138122 | Construction of Baitun-Noor Chanmiah Jame Mosque at Ambagan Dhakhin (Monsur Nagar) under Union-Patalia, Upazila- Savar, Dist: Dhaka. |
| 10. | 1138123 | Supplying and Installation AC of on Granada School Attest Jame Mosque Under Union- Vakurta, Upazila- Savar, Dist: Dhaka. |
| 11. | 1138124 | Construction of Oju Khana for Dagorta Jame Mosque Under Upazila- Savar, Dist: Dhaka. |
| 12. | 1138125 | Supplying of Furniture Jamiatul Suffah year Ali Madrasa & Atimkhana at Jinjira Kalma Area under Upazila: Savar, Dhaka Zila Parishad, Dhaka. |
| 13. | 1138126 | Supplying and Installation AC of on Sinduria River Par Central Jame Mosque At Asulia Thana Under Upazila- Savar, Dist: Dhaka. |
| 14. | 1138127 | Supplying and Installation AC of on Sinduria Central Grane Yard & Allah karim Jame Mosque At Asulia Thana Under Upazila- Savar, Dist: Dhaka. |
| 15. | 1138128 | Improvement of Pipe Drain from Girls School to Shilpakala Academi Mizan Saheb house at ch.00-310m under Union- Box Nagar, Upazila: Nawabganj, Dhaka Zila Parishad, Dhaka. |
| 16. | 1138129 | Construction of Boundary wall Dighir par Grave Yard Under Union- Box Nagar, Upazila- Nawabganj, Dist: Dhaka. |
| 17. | 1138130 | Improvement of RCC Road from Panjipohuri Pucca Road to 10 no GPS Road at ch.00-320m under Union- Shikaripara, Upazila: Nawabganj, Dhaka Zila Parishad, Dhaka. |
| 18. | 1138131 | Improvement of RCC Road from Agla Main Road to Lemon (Member house- Khalashi Bridge) Khalasi Matbor Brider via Anando Academi Road at ch.00-303m under Union- Barah , Upazila: Nawabganj, Dhaka Zila Parishad, Dhaka. |
| 19. | 1138132 | Improvement of RCC Road from Dighirpar Grameen Kallayan Parishad Road Nabozower Club to Harun Mollar house Road at ch.00-170m under Upazila: Nawabganj, Dhaka Zila Parishad, Dhaka. |
| 20. | 1138133 | Supplying and Installation AC of on Satia Central Jame Mosque Under Union- Agla, Upazila- Nawabganj, Dist: Dhaka. |
| 21. | 1138134 | Construction of Boundary wall Balomantochar Bahati Jame Mosque Under Union- Agla, Upazila- Nawabganj, Dist: Dhaka. |
| 22. | 1138135 | Improvement of RCC Road from Chaita Pathor Shamarmore to Maidpara Padma Bypass Road at ch.00-50m under Upazila: Dohar, Dhaka Zila Parishad, Dhaka |
| 23. | 1138136 | Detail Estimate for Dohar Officers Culb Under Upazila Dohar. Dist, Dhaka. |

Publishing Date & Time:- 17-Aug-2025 10:00
Last Selling Date & Time:- 03-Sep-2025 17:00
Closing - Opening Date & Time:- 04-Sep-2025 14:00

This is an online tender, where only e-Tender will be accepted in the National e-CP portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) as well as up-to-date Dhaka Zilla Parishad Contractor License (2024-25) shall be required. The fees for downloading the e-Tender Documents from the national e-CP System Portal have to be deposited online through any registered Bank branches. The authority reserves the right to accept or reject any or all tenders.

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

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Brett King

MAHMUDUL HASAN

Traditional banks that cling to branches, paperwork and plastic cards face existential threat in the next decade. Within the next 10 years, digital transformation will no longer be optional, it will be about survival, warns Brett King, a global futurist and author of *Bank 4.0*.

Speaking to The Daily Star during an interview in Dhaka recently, King said, "The two things that are really necessary for survival are technology agility and cultural agility. If you can't change your mindset to be technology-focused, you're going to be in trouble."

THE FIVE ERAS OF BANKING

He breaks down the evolution of banking into four eras so far, each with a distinct trait.

The first (Banking 1.0) relied on branches and signatures; the second introduced ATMs; the third, internet banking; and the fourth, mobile driven and embedded finance.

The next one, Banking 5.0, will be powered by artificial intelligence, where traditional products such as credit cards, and even the presence of branches will fade. Banks will have to focus on their core utilities, such as storing, moving and accessing money, and deliver those instantly, digitally, and contextually.

"None of the products we know from past banking will remain beyond the next 10 or 15 years in the traditional sense," said King. "Technology will reshape them into banking experiences."

THE BIG LEAP FOR BANGLADESH

Bangladesh, with only around 40 percent financial inclusion and low credit card penetration, faces unique challenges. But King sees opportunity.

"Bangladesh doesn't need to follow the traditional credit card path. It can go straight to contextual digital credit," he explained.

For instance, a shopper could receive an instant loan offer on their phone

while at a grocery store, bypassing the need to visit a branch. "You won't need to go to a bank to get access to credit; that emergency cash will be available instantly."

This shift, King emphasised, is already happening across Asia. Mobile financial services like bkash are paving the way.

"Countries like Bangladesh, India, China, and most of the developing world are shifting to wallets instead of traditional financial inclusion through plastic cards. Mobile is much more important as a tool for financial services access than a bank branch."

Instead of trying to fix what's broken with the country's traditional banking methods, King suggests

examples."

"The statistics are striking. If you look at the top 20 fintechs globally, they service about 4 billion customers, while the top 20 retail banks service 2.7 billion," King said.

Today, he pointed out that banking is delivered through the mobile phone much more than it is delivered through the bank branch.

If a customer still needs to see a human to resolve a banking issue, "that's largely a design problem. Humans are not necessary in banking delivery today."

"Your personal AI will help you understand how to spend and save money properly. If you need access to credit, it will find you the cheapest

attractive. They are essential for financial inclusion."

While supporting this vision, Biswas Dhakal, CEO of a UAE-based fintech firm Filps, who was also present at the interview, pointed out the grassroots challenges that countries like Bangladesh face.

"If we really want to grow the economy, the micro-SMEs need to be well equipped with access to capital," he said.

"But today, if I am running a small tea shop or grocery shop, I need to pay a premium interest rate compared to big enterprises. There is no justification for this."

Dhakal notes that AI driven partnerships between banks and platforms that are already embedded in people's daily lives, like Pathao, Daraz, or Pikaaboo, could transform access.

For instance, he said, "When I take my bike early in the morning as a Pathao driver, I don't have Tk 2,000 to fuel my tank. How can AI in the bank and financial services help my life? That's the real question."

The answer, he said, lies in building an AI enabled marketplace where multiple banks compete to serve micro-customers at the best possible rates.

"If I have a monopoly, I'll just give you a loan at 18 percent, and the bank benefits. But if we democratise, with intelligence, these are the practical uses of grassroots level AI."

King agreed, further noting that use of AI will reduce human involvement to zero. "That means the cost of serving one individual customer will be zero. Lower costs mean banks can finally make profits even when serving the unbanked and underbanked."

Apart from technology, existential challenges like climate change will also bring forth many changes, King predicted.

Rising floods, soil salinity, and other environmental risks threaten agriculture, housing, and small

READ MORE ON B3

Highlights

- Technology and cultural agility define future banking success
- Traditional branches and cards will vanish
- Bangladesh can leapfrog the credit card era into AI
- Mobile wallets outweigh branches for financial inclusion
- Top 20 fintechs serve 4b customers; top 20 banks only 2.7b
- AI will deliver instant, contextual financial services
- Cost of delivery will fall to near zero
- Climate change demands that banks fund resilient infrastructure

giving Bangladeshis broader access to financial services through mobile and technology.

Globally, the physical branch is already in decline, King notes. His forthcoming book documents how by 2015 the world had reached "peak branch," with closures accelerating every year since then.

"The Internet didn't reshape banking too much," King said. "But mobile created the fintech revolution, leading to non-bank companies providing banking utility. Paytm in India and bkash here in Bangladesh are good

option. If you're looking at investment strategies, it will optimise them," said the futurist.

He identified Nubank, the largest fintech bank in Latin America based in Brazil, and WeBank, a private digital-only bank based in China, as the most "operationally efficient banks in today's world."

"Their cost of delivery is fractional compared with, say, US banks."

PRESENT, FUTURE CHALLENGES

In Bangladesh, where millions remain outside the banking system, lower delivery costs are not just

Internal audit: from back office to backbone

MAMUN RASHID

In today's fast-changing environment, internal audit is no longer a back office function. It is central to how organisations manage risk, protect value and sustain growth. This is especially true in Bangladesh, where rapid expansion, rising complexity and heightened scrutiny from global partners make strong internal assurance essential.

When done well, an internal audit identifies inefficiencies, tests compliance, and deters fraud. It is the quiet engine that keeps a company dependable in the eyes of investors, regulators and customers.

At its core, internal audit is about risk management. Companies face financial, operational, legal and cyber threats, magnified in economies where volatility in currency, commodities or regulation is common. Auditors do more than list hazards. They assess exposure, test safeguards and highlight what risks remain. This risk-based approach, now a global standard, shifts auditing from a checklist to a decision-making tool. By translating abstract risks into concrete control assessments, auditors help companies take strategic decisions with confidence.

A key task is testing internal controls, the approvals, reconciliations and data protections that keep operations secure. In Bangladesh's fast-growing sectors, expansion often outpaces these controls, leaving gaps that invite errors or breaches. Independent testing by internal audit detects weaknesses early and offers practical remedies, improving efficiency while strengthening safeguards.

Fraud prevention is where an internal audit's value is clearest. The Satyam scandal in India showed how manipulated accounts can destroy shareholder value and market confidence. Weak scrutiny and over-reliance on external audits proved inadequate. An empowered internal audit function could have served as an early warning. Similarly, Sri Lanka's central bank bond controversy revealed how governance failures and conflicts of interest can cause major damage. Both cases show that strong controls and independent oversight are not abstract ideals but shields against systemic shocks.

Financial accuracy is another pillar of credibility. Reliable records underpin sound decision-making, investor trust and regulatory compliance. In Bangladesh, where capital markets and international buyer relationships are maturing, accurate reporting is a competitive advantage. Internal audit assures that processes are sound and transactions are properly recorded, reducing the risk of restatements, fines or reputational loss. This is critical for exporters and firms seeking foreign investment.

Compliance is inseparable from performance. Companies must meet tax, labour, environmental and industry-specific rules or risk penalties and disruption. Internal audit tests compliance and recommends improvements that keep businesses aligned with laws and global standards. Governance is increasingly linked to financing and market access. In Bangladesh, development partners have made governance and accountability national priorities, tying them to fiscal and financial stability.

Operational efficiency is another overlooked area. Auditors examine workflows, uncover redundancies and cut waste. Their recommendations reduce costs, speed up processes and free management to focus on strategy. With modern data analytics, internal audit moves from hindsight to foresight, spotting trends, detecting weak points and suggesting automation opportunities.

Above all, an internal audit strengthens governance and accountability. In markets where many firms are family-run or closely held, an independent audit unit reporting to the board reassures shareholders that management actions align with long-term interests. This perspective fosters trust, enhances transparency and improves access to capital.

For Bangladesh to turn economic gains into lasting institutional strength, both economic and public bodies must invest in credible internal audits. That means professionalising audit teams, equipping them with digital tools, granting independence and ensuring they report to boards empowered to act. Regional examples show how quickly damage can occur and how a stronger audit can restore confidence.

For a country integrating into global value chains and relying more on international finance, a robust internal audit is not just good governance. It is a strategic necessity.

The writer is chairman of Financial Excellence Ltd

Oil settled \$1 lower

REUTERS, Houston

Oil prices closed down nearly \$1 on Friday as traders awaited talks between US President Donald Trump and Russian leader Vladimir Putin, which could lead to an easing of the sanctions imposed on Moscow over the war in Ukraine.

Brent crude futures settled 99 cents, or 1.5 percent, lower at \$65.85 a barrel, while US West Texas Intermediate crude futures eased \$1.16, or 1.8 percent, lower at \$62.80.

Trump arrived in Alaska on Friday for his summit with Putin after saying he wants to see a ceasefire in the war in Ukraine "today."

Trump has said he believes Russia is prepared to end the war, but he has also threatened to impose secondary sanctions on countries that buy Russian oil if there is no progress with peace talks.

Putin also arrived in Anchorage. Kremlin spokesman Dmitry Peskov said Russia expects the talks to bring results, Russia's Interfax news agency reported.

Dhaka stocks fall for second week

STAR BUSINESS REPORT

Dhaka stocks extended their losing streak for a second consecutive week, as the market declined in the first four trading days before rebounding on the final day.

Turnover also fell during the week, highlighting reduced investor participation.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), dropped 57.82 points, or 1.07 percent, to close at 5,350.25, according to DSE data.

The other indices at the DSE also posted negative performances.

The DS30, which tracks blue-chip stocks, fell 1.14 percent

to 2,073.82, while the DSES, comprising Shariah-compliant companies, edged down 0.62 percent to 1,163.17.

Turnover, a key indicator of investor activity, stood at Tk 3,445.94 crore, down from Tk 3,645.50 crore the previous week.

On a daily average, turnover was Tk 689.18 crore, significantly lower than Tk 911.37 crore a week earlier. This marked a 24 percent decline in average daily turnover.

Stocks of the pharmaceuticals and chemicals sector dominated trading, accounting for 17 percent of the average daily traded value.

Banks followed with 14 percent, while textiles accounted for 11.85 percent.

In terms of sector-wise returns, jute stocks led the gains with a 12 percent rise. Corporate bonds, paper and printing, and tannery industry stocks also posted notable advances.

Market breadth was negative, with 99 scrips advancing, 274 declining, and 23 remaining unchanged.

Among individual issues, Standard Ceramics was the top gainer, surging 36 percent, while AIBL 1st Islamic Mutual Fund suffered the steepest fall, losing 14 percent during the week.

China retail sales growth lower than expected in July

AFP, Beijing

China's retail sales and industrial production grew at a slower rate than expected last month, official data showed Friday, as the world's number two economy battles trade turmoil and persistent sluggish consumption.

Retail sales, a key gauge of consumer demand, grew 3.7 percent year-on-year in July, according to data published by the National Bureau of Statistics (NBS).

The figure fell short of the 4.6 percent growth forecasted by Bloomberg analysts, with July being the second month in a row of slowing consumption growth after June's 4.8 percent.

A long term crisis in the real estate sector and high youth unemployment have been weighing on Chinese consumer sentiment for several years. The situation has worsened with the heightened turmoil sparked by US President Donald Trump's trade war.

Trump has imposed tolls on China and most other major trading partners since returning to office in January, threatening Beijing's exports just as it becomes more reliant on them to stimulate economic activity.

Industrial production for July was also below expectations, growing 5.7 percent year-on-year as opposed to Bloomberg's predicted 6.0 percent.

Beijing and Washington have sought to de-escalate their row, with both sides announcing this week another 90-day extension to a truce first reached in May.

"The economic momentum is weakening, despite... strong export growth," Zhiwei Zhang, chief economist at Pinpoint Asset Management, said in a note on Friday.

US retail sales rise amid limited consumer tariff hit so far

AFP, New York

US retail sales rose moderately in July, according to data released Friday, as markets monitor tariffs that do not so far appear to have significantly battered consumers.

Overall sales climbed 0.5 percent to \$726.3 billion from June, in line with expectations. Gains in motor vehicles and parts and furniture offset declines in electronics and building materials.

Analysts described the report as solid, but some pointed to a greater risk of weakening in retail sales in the second half of 2025 following disappointing recent labor market data. Consumer spending is a major driver of the world's biggest economy.

"This report will ease some of the worries about the health of consumers' spending following the tariff shock," said a note from Oliver Allen, senior US economist at Pantheon Macroeconomics.

"That said, growth in consumption still looks relatively weak, and the softening labor market and further likely pass-through of tariffs suggest a sharp reacceleration is unlikely."

The report comes as surveys point to a partial recovery in consumer sentiment compared with the spring, following a

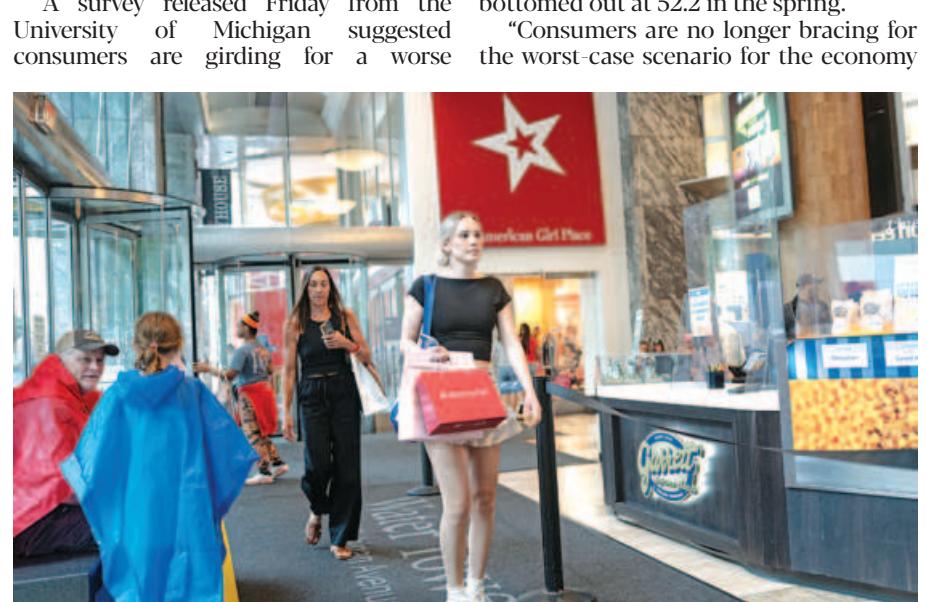
dive in the stock market after President Donald Trump in early April unveiled plans for sweeping, large tariff increases with trading partners that have since been watered down somewhat.

A survey released Friday from the University of Michigan suggested consumers are girding for a worse

hit ahead, with year-ahead inflation expectations rising to 4.9 from 4.5 percent.

Overall, the report showed a dip in consumer sentiment in August to 58.6 points from 61.7 in July. The reading bottomed out at 52.2 in the spring.

"Consumers are no longer bracing for the worst-case scenario for the economy



People shop along the Magnificent Mile retail strip in Chicago, Illinois. US retail sales climbed 0.5 percent to \$726.3 billion from June.

feared in April when reciprocal tariffs were announced and then paused," said survey director Joanne Hsu.

"However, consumers continue to expect both inflation and unemployment to deteriorate in the future."

Since the spring, Trump has suspended many of the most onerous tariffs and announced preliminary trade deals with some major partners such as Japan and the European Union.

But the net effect of his evolving policy is still a lofty tariff rate by historical standards -- even if it is not as high as earlier threats. Moreover, Trump is continuing to unveil new levies. On Friday, the president told reporters he would set tariffs "next week and the week after" on semiconductors and steel.

Data released earlier this week showed a bigger uptick in wholesale prices compared with consumer prices. Some analysts warned that dynamic could mean that those pricing pressures will soon be passed on to consumers.

Aware of the vulnerability of consumers, many retailers are so far accepting lower profit margins and absorbing some of the tariffs "with the intention of eventually offsetting it through cost reductions elsewhere," said Neil Saunders of GlobalData.