



**Trust SME BANKING** tailored business solution

**Trust Projukti**  
Light Engineering  
Financing

**Rapid Growth in Light Engineering**

For Proprietorships, Partnerships & Private Ltd. Companies

BDT 1 Lac-5 Crore Up to 60 Months

**Trust Bank PLC.**  
A Bank for Financial Inclusion

To Know More 16201

## Interim govt preparing reform base for elected one

### Says finance adviser

STAR BUSINESS REPORT

The interim government is laying the foundations for reform to help the next elected administration, Finance Adviser Salehuddin Ahmed said yesterday, urging critics to judge its progress fairly.

"Bangladesh is progressing. You must see the glass as half full, not half empty," he said at a book launch in Dhaka.

At the launch of the book titled "Political Economy of Bangladesh" by Power and Energy Adviser Muhammad Fouzul Kabir Khan, Ahmed said politics inevitably shaped economics.

"So, politicians must show political will, patriotism and passion for the country, not just grab power by any means," he added.

**IPDC ডিজিটাল | ১৬৫১৯**

At the event, Environment Adviser Syeda Rizwana Hasan spoke of the challenges facing reform in any sector. "It is not easy. No one has a magic wand for that," she said.

"At every step, you will find that the problems run deep. And it is not just the system, but the people managing it too. You are not allowed to completely overhaul them," said Rizwana.

"We are dealing with the same people, who have the same mindset [as before]. Just changing some laws or policies makes real reform very difficult," she added.

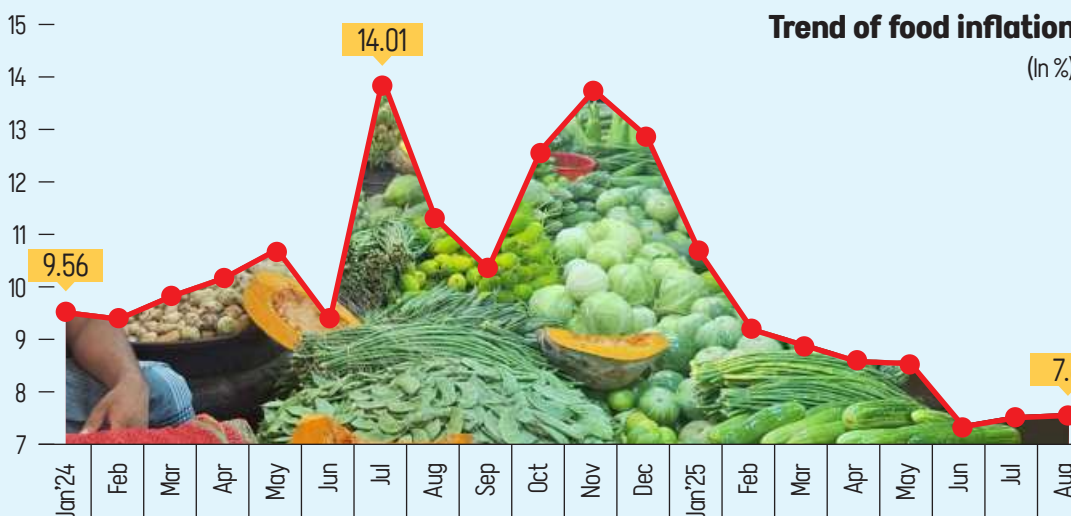
The environment adviser said reform could not be achieved in only one and a half years. "That one and a half years is a process," she said, adding that consensus was important for sustainable change.

"Sure, we can push through many reforms, but at the end of the day, if you want to talk about political economy, you have to talk about system management, the energy sector, and natural resources."

Citing resistance to changes at the National Board of Revenue (NBR), Rizwana said, "There was an attempt to introduce a structural change at the NBR. It was a very popular demand, yet there was enormous resistance."

READ MORE ON B2

## Inflation drops to 3-year low, but food costs remain high



MD ASADUZ ZAMAN

Consumer prices eased in August, reaching their lowest point in more than three years. Yet households faced higher food bills compared with July, at a time when shrinking purchasing power and declining jobs are squeezing many households.

Headline inflation stood at 8.29 percent in August, down from 8.55 percent in the previous month, according to the latest data released by the Bangladesh Bureau of Statistics (BBS) yesterday.

Food inflation, a lingering concern for low-income households, edged up to 7.60 percent from 7.56 percent in July.

In August, vegetable prices rose for the second month in a

row, pushing food costs higher.

But falling prices of non-food items pulled overall inflation down. Non-food inflation slipped to 8.90 percent in August, from 9.38 percent the month before.

With this, the annual average inflation rate eased to 9.58 percent in August, compared with 9.95 percent in the same month a year earlier.

SM Nazer Hossain, vice-president of the Consumers Association of Bangladesh, a non-profit organisation for the protection and promotion of consumers' rights, said rising prices of rice, vegetables and other essentials are driving up food inflation.

"These escalating costs are placing a significant burden on consumers," he said.

The absence of timely government intervention, combined with fewer job opportunities and eroding household incomes, has made matters worse, Hossain told The Daily Star.

Bangladesh had recorded monthly inflation above 9 percent for over two years until May this year. Prices then began to cool in the following months.

Even so, annual average inflation rose to 10.03 percent in June from 9.73 percent a year earlier, squeezing the living standards of poor and low-income families.

A study by independent non-profit Power and Participation Research Centre (PPRC) published last month found that poverty levels have risen sharply.

READ MORE ON B2

## Reserves fall to \$25.3b after ACU payment

STAR BUSINESS REPORT

Bangladesh's foreign exchange reserves fell to \$25.30 billion yesterday, according to the International Monetary Fund's calculation, after the country cleared \$1.50 billion in import bills under the Asian Clearing Union (ACU).

The Tehran-based organisation facilitates payment settlements among nine member countries: India, Bangladesh, Bhutan, Iran, the Maldives, Myanmar, Nepal, Pakistan, and Sri Lanka.

Under the ACU mechanism, Bangladesh clears its import bills every two months, leading to a temporary decline in reserves after each payment.

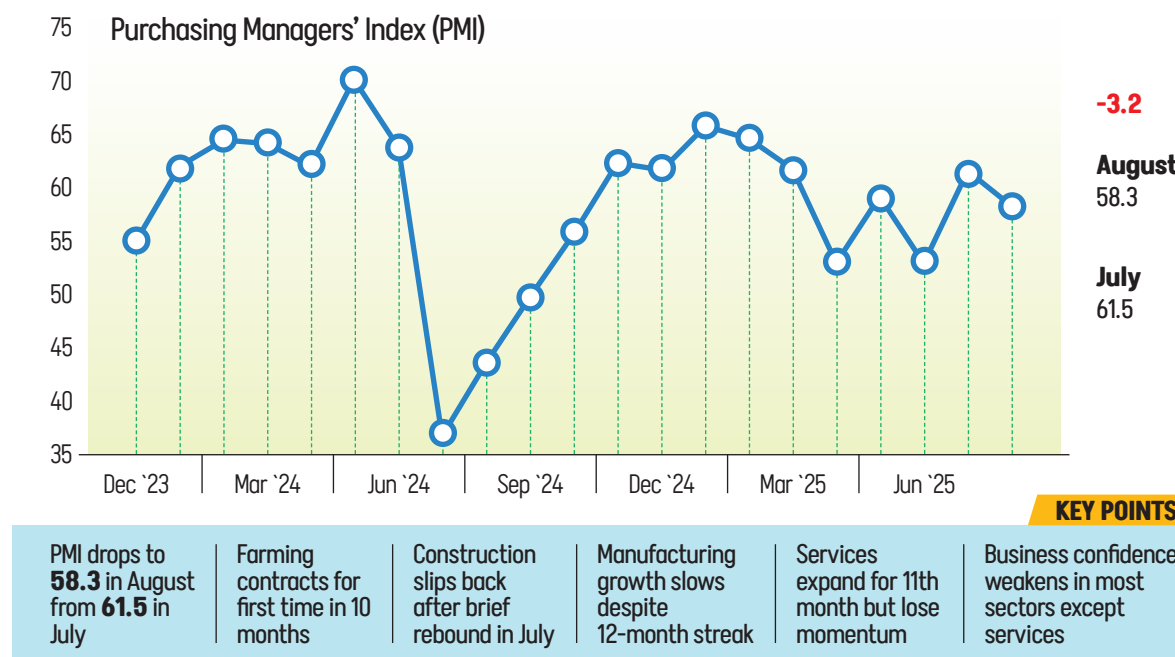
Following the payment, Bangladesh's gross reserves stood at \$30.04 billion overall, according to Bangladesh Bank data.

The foreign exchange reserves, which had fallen below \$20 billion in the first half of last year, have been on the rise in recent months, buoyed by increased inflows of remittances and export earnings.

On September 4 last year, the reserves were \$20.55 billion, according to the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) published by the IMF.

In its July issue of Exchange Rate & Foreign Exchange Market Dynamics, Bangladesh Bank said pressure in the foreign exchange market continued easing on the back of favorable developments in the balance of payments—a summary of a country's transactions with the rest of the world.

## Economic growth slows in Aug as key sectors lose steam: PMI



STAR BUSINESS REPORT

The country's economy grew in August, though at a weaker pace than the month before, as several sectors lost momentum, according to the latest Purchasing Managers Index (PMI).

The index fell to 58.3 in August, down from 61.5 in July, according to the index jointly prepared by the Metropolitan Chamber of Commerce and Industry (MCCI) and Policy Exchange Bangladesh (PEB).

As per the index, agriculture and construction contracted in the last month, while manufacturing and services posted slower growth.

"The latest PMI readings indicate that the overall Bangladesh economy continued to expand for 11 consecutive months, but at a slower rate," said M Masrur Reaz, chairman and chief executive of PEB.

The PMI is a forward-looking measure of business conditions used worldwide. A score above 50 signals growth, while a reading below 50 points to contraction.

In August, agriculture shrank for the first time in nearly a year, with new business, activity, and input costs all easing. Order backlogs and employment also declined.

Manufacturing logged its 12th month of expansion, but gains in new orders, exports, production, and supplier deliveries were held back by falling backlogs and a third straight monthly drop in jobs.

**The PMI publication, prepared by MCCI and PEB, tracks more than 500 private companies across agriculture, manufacturing, construction, and services**

"Agriculture and construction contracted due to disruptions caused by the prolonged monsoon, while manufacturing and services also grew at a weaker pace, as reflected in the dip in export earnings in August," said Reaz.

Construction, which had expanded in July for the first time in months, slipped back into contraction in August. New business and activity rose, but order backlogs and jobs continued to decline for a fourth month.

The services sector grew for an 11th straight month, though at a slower clip. Business activity, orders, employment, and input costs increased, but backlogs fell.

Meanwhile, confidence weakened in agriculture, manufacturing, and construction, while services showed greater optimism. Businesses cited political uncertainty, seasonal factors, and rising costs as challenges, though some still benefited from earlier orders and ongoing projects.

The MCCI and PEB launched the PMI publication in January last year with support from the UK government.

It tracks more than 500 private companies across agriculture, manufacturing, construction, and services.

## Gold hits all-time high

STAR BUSINESS REPORT

Gold prices have reached a record high, climbing again just four days after the last increase.

The latest rise has added Tk 2,655 per bhoori, taking the cost of 22-carat gold to Tk 181,487 per bhoori. One bhoori is equivalent to around 11.664 grams.

The new rates take effect across the country today, the Bangladesh Jewellers' Association (Bajus) said in a statement yesterday.

It said that the adjustment followed a rise in the price of pure gold in the local market.

On September 3, gold prices jumped by Tk 3,444 per bhoori, which pushed 22-carat gold to Tk 178,832.

At that time, 21-carat was Tk 170,703 and 18-carat Tk 146,313, while gold sold in the traditional way without hallmarking was Tk 121,166 per bhoori.

With the latest revision, 21-carat gold now stands at Tk 173,244 per bhoori and 18-carat at Tk 148,490, while the traditional rate has risen to Tk 123,024.

## Confidence Cement to sell its subsidiary at Tk 141cr

STAR BUSINESS REPORT

Confidence Cement PLC has announced plans to sell its entire stake in its Dhaka-based subsidiary to Confidence Power Holdings Ltd, citing a combination of financial obligations, strategic restructuring, and market headwinds in the cement sector.

The proposed transaction involves 14.09 crore ordinary shares priced at Tk 10 each, totaling Tk 140.97 crore, according to a disclosure on the Dhaka Stock Exchange (DSE) website yesterday. READ MORE ON B2

## Govt to form expert panel for trade talks

STAR BUSINESS REPORT

Bangladesh will form an expert panel for negotiations as the country seeks to sign deals with major trading partners ahead of its graduation to a developing nation from the least developed country (LDC) category.

The country has been negotiating with nearly a dozen countries to sign free trade agreements (FTAs), preferential trade agreements (PTAs), comprehensive economic partnership agreements (CEPAs), and economic partnership agreements (EPAs) to retain preferential trade benefits following the LDC graduation slated for November next year.

If the new resource pool is approved, it will engage in negotiations with major trading partners to sign deals in line with government rules and regulations.

"We are trying to form a pool of resources for negotiations to sign the trade agreements," Commerce Secretary Mahbubur Rahman said at an event titled "Building national capabilities in trade negotiations: reflections & way forward" held at the InterContinental Dhaka hotel yesterday.

Negotiations for signing a trade deal with Singapore will begin soon, while talks are underway for a similar one with Korea, the secretary said.

A team from Bangladesh is now engaged in the final round of negotiations in Tokyo to finalise an EPA, which the two nations may sign this year, Rahman added.

If signed, it will be Bangladesh's first full-fledged economic partnership agreement, as previously the South Asian nation had signed only a PTA with Bhutan in December 2020.

Commerce Adviser Sk. Bashir Uddin said by strengthening policy frameworks and institutional support, the government aims to ensure that this pool evolves as a dynamic force, fully equipped to navigate the complexities of international trade and safeguard Bangladesh's economic interests in the years ahead.

Built on the foundation of continuous learning and adaptability, the trade negotiators' pool is poised to deliver an enduring impact, Bashir Uddin also said.

British High Commissioner to Bangladesh Sarah Cooke said her country will continue extending duty-free market access to Bangladeshi goods in the post-LDC period.

She also expressed her country's interest in sharing expertise on trade negotiations with Bangladesh.

Chief Adviser's Special Envoy on International Affairs Lutefey Siddiqi said Bangladesh's export basket is very narrow and negotiators will face many difficulties with different countries.

Resident Representative of the United Nations Development Programme Stefan Liller and Additional Commerce Secretary Md Abdur Rahim Khan also spoke at the event. READ MORE ON B2







## Date: 07.09.2025

## GD-1947

## Date:04-09-2025

GD-1948

GD-1956

GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH			
1	Ministry/Division	Power Division, Ministry of Power, Energy and Mineral Resources.	
2	Agency	Bangladesh Rural Electrification Board.	
3	Procuring Entity Name	Directorate of Procurement	
4	Procuring Entity Code	019	
5	Procuring Entity District	Dhaka	
6	Invitation for Tender Name	<b>Electrification &amp; Distribution Line Materials</b>	
7	Invitation Ref No.	<b>27.12.0000.019.07.107.25.246</b>	
8	Date	<b>03-09-2025</b>	
<b>KEY INFORMATION</b>			
9	Procurement Method	<b>Open Tendering Method (NCT).</b>	
<b>FUNDING INFORMATION</b>			
10	Budget and Source of Funds	<b>Fund for Procurement of O&amp;M Materials for the PBS</b>	
11	Development Partners (if applicable)	<b>N/A</b>	
<b>PARTICULAR INFORMATION</b>			
12	Project/ Programme Code (if applicable)	<b>N/A</b>	
13	Project/ Programme Name (if applicable)	<b>N/A</b>	
14	Tender Package No.	<b>PBSF/25-26/G-8, PBSF/25-26/G-12, PBSF/25-26/G-15, PBSF/25-26/G-18 &amp; PBSF/25-26/G-21</b>	
15	Tender Package Name	<b>Purchase of Electrification &amp; Distribution Line Materials</b>	
16	Tender Publication Date	<b>08-09-2025</b>	
17	Tender Last Selling Date	<b>08-10-2025 up to office time.</b>	
		<b>Date</b>	<b>Time</b>
18	Tender Closing Date and Time	<b>09-10-2025</b>	<b>12:00 Noon (BST)</b>
19	Tender Opening Date and Time	<b>09-10-2025</b>	<b>12:30 PM (BST)</b>
20	<b>Name &amp; Address of the office(s)</b>	<b>Address</b>	
	- Selling Tender Document (Principal)	Directorate of Procurement (7 <sup>th</sup> floor), Bangladesh Rural Electrification Board, Nikunja-2, Dhaka- 1229. Bangladesh.	
	- Selling Tender Document (Others)	N/A	
<b>NO CONDITIONS APPLY FOR SALE, PURCHASE OR DISTRIBUTION OF TENDER DOCUMENTS</b>			
	- Receiving Tender Document	Directorate of Procurement (7 <sup>th</sup> floor), Bangladesh Rural Electrification Board, Nikunja-2, Dhaka- 1229. Bangladesh.	
	- Opening Tender Document		
		<b>Date</b>	<b>Time</b>
21	Place/Date/Time of Pre-Tender Meeting (Optional)	<b>N/A</b>	<b>N/A</b>
22	Brief Eligibility and Qualification of Tenderer	<b>Only Bangladeshi Tenderer.</b>	
23	Brief Description of Goods	<b>Distribution Transformer (10 KVA, 15 KVA, 25 KVA, 37.5 &amp; 50 KVA)</b>	
24	Brief Description of Related Services	<b>N/A</b>	
25	Price of Tender Document (Tk.)	<b>BDT. 5,000.00 (Each Document)</b>	
26	Tender Sub Package No.	Description	Tender Security Amount in Tk.
	<b>PBSF/25-26/G-8</b>	<b>Distribution Transformer (10 KVA)</b>	<b>55,00,000.00</b>
	<b>PBSF/25-26/G-12</b>	<b>Distribution Transformer (15 KVA)</b>	<b>55,00,000.00</b>
	<b>PBSF/25-26/G-15</b>	<b>Distribution Transformer (25 KVA)</b>	<b>55,00,000.00</b>
	<b>PBSF/25-26/G-18</b>	<b>Distribution Transformer (37.5 KVA)</b>	<b>55,00,000.00</b>
	<b>PBSF/25-26/G-21</b>	<b>Distribution Transformer (50 KVA)</b>	<b>55,00,000.00</b>
27	Regarding Tender Document	Tender Document can be purchased by the interested tenderers on submission of a written application to the address below upon the payment of non-refundable <b>BDT. 5000.00 (BDT. Five Thousand)</b> in the form of <b>Pay Order/Bank Draft</b> in favour of <b>BREB, Dhaka</b> . No tender document will be sent by courier or by mail. One tender document can not be used for submission of tender proposal(s) by more than one tenderer. One tenderer, however, may submit tenders against any number of sub-packages included in the tender document by purchasing only one copy of the tender document.	
28	Mode of Payment	Payment will made directly to the suppliers in Local Currency (BDT.)	
29	Delivery Period	Delivery Period shall begin from the date of signing of contract or from 28 <sup>th</sup> day issuing of Notification of Award (NOA) whichever is earlier.	
30	Name of official Inviting Tender	Arman Ahsan	
31	Designation of official Inviting Tender	Director (Procurement)	
32	Address of official Inviting Tender	Bangladesh Rural Electrification Board, Head Office Building (7th Floor), Nikunja-2, Khilkhet, Dhaka-1229, Bangladesh.	
33	Contract details of official Inviting Tender	Telephone: 02-8900359 & E-mail: rebprocure@yahoo.com	
34	The procuring entity reserves the right to reject all Tenders or annul the Tender proceedings.		





Md Nasir Khan

# Red tape leaves leather sector a sleeping giant

Says Jennys Shoes Chairman Md Nasir Khan in an interview with The Daily Star

## JAGARAN CHAKMA

The country's leather footwear sector has the raw materials, skilled labour and a strong place in the global supply chain.

Still, exports have long remained a sleeping giant due mainly to a lack of trust in local entrepreneurs and a system riddled with flaws, according to Md Nasir Khan, chairman of Jennys Shoes.

While leather footwear exports by neighbouring Vietnam have surged to \$27 billion, Bangladesh remains stuck at \$1.2 billion.

Khan said this sector should already have crossed \$10 billion in exports.

"We have everything, leather, labour, logistics. What we do not have is a policy structure that allows us to grow," he said in an interview with The Daily Star.

"It is not a lack of talent. It is a lack of trust in our entrepreneurs and a broken system that rewards paperwork over performance," said Khan, also the vice-president of the Leathergoods and Footwear Manufacturers and Exporters Association of Bangladesh.

During the interview, he described how policy failures, red tape and missed opportunities have kept leather footwear from becoming one of the country's export success stories.

At the centre of his criticism is the customs bonded warehouse system.

Introduced more than 30 years ago, it was meant to allow duty-free imports of raw materials for export industries.

Khan called it "obsolete, corrupt, and counterproductive" in today's fast-moving trade environment.

"This system is like trying to run 5G through a dial-up modem," he said.

To get a bond licence, the shoemaker said businesses need to collect documents from as many as 31 different government agencies.

Even then, importing raw materials requires item-by-item approvals, capacity certificates and repeated filing

of in-bond and out-bond records, often by hand, he said.

"You apply to import 100 units. They approve 50. You export using those 50, then reapply, wait again. This is not a trade facilitation, it is a trade controller," said the chairman of Jennys Shoes.

Jenny exports mainly to Japan, Italy, Germany, France and the United States. In the US market, it supplies only non-leather sports shoes. Skechers and

raw materials.

Now the shoemaker advocated for phasing out the bond system and replacing it with a value-addition model.

He believes this would allow businesses to import raw materials freely, provided they ensure a minimum share of local value addition, around 20 to 25 percent, before exporting.

"If I know I must retain 25 percent value locally, I will invest in local

functioned properly. Consequently, the sector cannot obtain globally recognised certifications such as the Leather Working Group (LWG) standard. Without it, exporters cannot access premium markets or meet the demands of environmentally conscious buyers.

"We spent thousands of crores building the leather park. But without functioning compliance, our own manufacturers cannot use our leather. Global buyers would not touch it. So, we import leather just to export products made with it," Khan said.

Calling this "a tragedy", he added that countries, including France, had offered to help Bangladesh set up a certification framework free of charge, but indecision at the policy level blocked progress.

For two decades, the government has provided cash incentives of 10 to 15 percent on export earnings. Yet growth has been negligible.

According to the shoemaker, it is like giving grapes to a patient who needs heart surgery. "You cannot fix a broken system with sweeteners."

He argued that incentives only entrench inefficiency if the system itself is broken.

"We have had 15 percent incentives for two decades, but we are still at \$1.2 billion in exports. Clearly, the problem is structural, not financial."

Unless the government shifts from regulation to facilitation, Khan warned Bangladesh risks losing out on the next wave of industrial leadership.

He outlined the steps he believes are urgent.

Those include replacing the bond system with a value-addition model, setting up functioning LWG certification for the sector, reducing dependence on bureaucratic approvals, digitising and decentralising customs clearance, promoting local sourcing and expanding opportunities for small and medium enterprises.

"We do not need aid. We need smart policies," he concluded.

## TAKEAWAYS FROM INTERVIEW

### Policy failures

There is a lack of policy structure that holds the industry back

Customs bond system is called "obsolete, corrupt, and counterproductive"

Businesses face 30+ agency approvals just to import raw materials

### Comparison & lost opportunities

While Vietnam exports \$27b in footwear, Bangladesh's leather footwear exports stuck at \$1.2b

Over Tk 1,000cr is lost annually due to shipment delays and inefficiencies

### Certification challenges

Inadequate CETP facility blocks Bangladesh from securing LWG certification

### Incentives vs reform

Cash incentives without reform will not be helpful



Steve Madden are among its biggest buyers, placing regular large orders.

Referring to industry estimates, Khan said that between Tk 50 crore and Tk 100 crore is spent each year on maintaining bond-related infrastructure and manpower. Over Tk 100 crore goes on unofficial fees, while more than Tk 1,000 crore is lost annually to shipment delays and bureaucratic inefficiency.

"And this is all for a system that barely prevents leakage," he added.

Vietnam, he said, has reached \$27 billion in leather footwear exports with simpler rules and stronger local value chains, despite starting later compared with Bangladesh and without its own

materials. I will work with local suppliers. But right now, I spend more time managing paperwork and bribes than managing production," he said.

"Such models are already followed in other export economies, shifting the focus from compliance policing to economic performance."

Despite producing high-quality leather, Bangladesh exports more than 75 percent of it in semi-finished form, mainly to China and India, because it has failed to meet international environmental standards.

A key barrier is the central effluent treatment plant (CETP) at the Savar tannery estate, which has never

# What keeps investors away from Bangladesh

MAMUN RASHID

Bangladesh has a money problem. Not the kind where the government cannot pay its bills, but the kind where there is simply not enough capital flowing into the country to fuel real growth.

Like most developing nations, Bangladesh cannot generate all the investment it needs domestically. Foreign money should be filling that gap. Instead, it is heading elsewhere, leaving Bangladesh watching from the sidelines as countries such as Vietnam and India attract billions in foreign direct investment.

The numbers are stark. Foreign investment dropped 26 percent this year, falling from \$1.164 billion to just \$861 million in the first nine months of fiscal year 2024-25. Private sector lending has almost ground to a halt at 6.4 percent, the weakest performance in memory. These are not just statistics in a government report. They represent factories that did not get built, jobs that were not created, and families that could not improve their lives.

Many point to the 2024 political upheaval as the main culprit, and they are not wrong. When governments change suddenly and policies shift without warning, investors get spooked. It is basic human nature. Nobody wants to risk their money if they are unsure it will still be safe a year later.

Anyone who has tried to start a business in Bangladesh knows the bureaucratic nightmare that awaits. Getting basic permits can take months. Navigating the maze of regulations requires connections, patience, and often unofficial payments to speed things along.

Foreign investors do not have time for that. They have alternatives. When a multinational company chooses between Bangladesh and, say, Thailand, and Thailand can approve a factory in six weeks while Bangladesh takes six months, the choice is obvious.

Infrastructure adds to the challenge. Running a modern factory is difficult when the power goes out regularly and gas supplies are unreliable. High interest rates make borrowing expensive, assuming banks are willing to lend at all. Corruption makes matters worse. When investors cannot trust that contracts will be honoured or regulations applied fairly, they go elsewhere. This is not about moral judgments; it is about risk management.

Other countries grasped this decades ago. Vietnam opened up in the 1980s and methodically addressed barriers to foreign investment. It streamlined bureaucracy, built reliable infrastructure, and created transparent legal frameworks. Today, Vietnam attracts more foreign investment in a single quarter than Bangladesh receives in an entire year.

China, Mexico and India followed similar playbooks. They understood that foreign investors think in decades, not quarters. Companies want to build factories, train workers, and grow their operations long term. For that, they need predictability. Political stability matters too. The coming February elections may help, but investors will be watching closely to see if the new government maintains reforms or shifts course.

More importantly, Bangladesh must confront its structural problems. This means cutting through bureaucratic red tape, fixing the power grid, and building institutions that actually work. The recent Foreign Investors Summit highlighted the same concerns: good governance is not just a lofty ideal, it is a business necessity.

Even small details matter. Clean streets, respectful treatment of foreign visitors, and the basic rule of law all influence how investors see a country. When executives decide where to put company money, such impressions play a role.

Bangladesh does have advantages. A growing middle class with rising purchasing power is exactly what consumer goods firms look for. The workforce is large and, with proper training, capable. Its location offers access to major markets.

But advantages are irrelevant if nobody wants to invest. Bangladesh competes with countries that have spent decades making themselves attractive to foreign money.

The path forward is not mysterious. Others have shown it can be done. But it requires sustained commitment to reform, not just during election campaigns but year after year. Building investor confidence takes time, especially after repeated disappointment.

The question is not whether Bangladesh needs foreign investment. It clearly does. The question is whether the country is finally ready to do what is necessary to secure it.

The writer is an economic analyst and chairman of Financial Excellence Ltd

# Trump offers tariff relief to some trade partners

REUTERS

US President Donald Trump signed an executive order offering some tariff exemptions as soon as Monday to trading partners who strike deals on industrial exports such as nickel, gold and other metals, as well as pharmaceutical compounds and chemicals.

Trump has spent his first seven months in office building up massive tariff increases to reorder the global trading system, cut US trade deficits and extract concessions from trading partner countries in negotiations.

His latest order, opens new tab identifies more than 45 categories for zero import tariffs from "aligned partners" who clinch framework pacts to cut Trump's "reciprocal" tariffs and duties imposed under the Section 232 national security statute.

Friday's order brings US tariffs in line with its commitments in existing framework deals, including those with allies such as Japan and the European Union.

**Eligible trading partners will be those who strike deals on industrial exports such as nickel, gold and other metals, as well as pharmaceutical compounds and chemicals**

The exemptions for countries with US trade deals are set to begin at 12:01 a.m. EDT/0401 GMT on Monday, it said. In the order, Trump says his willingness to reduce tariffs depends on the "scope and economic value of a trading partner's commitments to the United States in its agreement on reciprocal trade" and US national interests.

The cuts cover items that "cannot be grown, mined, or naturally produced in the United States" or produced in sufficient volume to meet domestic demand.

A White House official said it also creates new carveouts for some agricultural products, aircraft and parts, and non-patented articles for use in pharmaceuticals.

In situations where a country has struck a "reciprocal" trade deal with the United States, this will allow the US Trade Representative, the Commerce Department and customs to waive tariffs on covered imports without a new executive order from Trump, the official said.

The zero-tariff items identified in the order include graphite and various forms of nickel, a key ingredient in stainless steel manufacturing and electric vehicle batteries.

Also covered are compounds used in generic pharmaceuticals, including the anesthetic lidocaine and reagents used in medical diagnostic tests.

The order encompasses various types of gold imports, from powders and leaf to bullion, a key import from Switzerland, which is struggling with US tariffs of 39 percent as it has not yet reached a trade deal.

# Dhaka stocks rebound

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) closed trading higher yesterday, rebounding from the previous day's losses, while turnover—the combined value of shares bought and sold—also rose.

According to DSE data, the bourse's benchmark DSEX gained 21.87 points, or 0.38 percent, to finish at 5,636.15.

The other indices had mixed performances, as the Shariah-based DSES decreased 0.04 percent to 1,229.44, while the blue-chip DS30 increased 0.24 percent to 2,188.10.

Turnover stood at Tk 1,441.90

crore, up from Tk 1,338.53 crore in the previous session.

Block trades—a high-volume transaction involving a large number of securities—accounted

**A-category stocks saw more winners than losers, while the B-category performed similarly**

for a notable share, with transactions recorded across several scrips and overall trade amounting to Tk 31.17 crore.

Market breadth was positive, with 248 issues advancing against

127 decliners, while 25 remained unchanged.

A-category stocks saw more winners than losers, while the B-category performed similarly.

By segment, mutual funds were overwhelmingly positive, with 35 issues advancing and none declining; corporate bonds saw just two issues advance; and the government bond market saw one issue advance and three decline.

On the day's performance table, GBB Power surged 10 percent to top the gainers' list, while Trust Islami Life Insurance declined 8 percent, making it the worst performer of the session.

# Tesla's Musk pay scheme mixes two kinds of madness

REUTERS, New York

Elon Musk really does do things no one else has. Chief among them: squeeze unprecedented paychecks from electric-car maker Tesla. On Friday, the company's board proposed to award its CEO up to \$1 trillion in stock. Becoming the world's first trillionaire requires hitting goals that range from eyebrow-raising to eyeball-popping. It's also an example of Tesla's bizarre governance.

This package aims to decisively re-focus Musk after he joined and then left the White House, promised to start a political party, and threatened to go elsewhere if he didn't get bumped up to 25 percent voting control. That last part is key. Despite tumbling sales and profitability, the company's valuation stays afloat on promises of robotic humanoid and self-driving taxis.

Tesla's bargain is that Musk gets what he wants, but only if he sticks around to keep the magic

going. Like a mere \$56 billion pay package in 2018 – which a judge nixed for being preposterously huge – this one is entirely contingent on benchmarks. For Musk to see a cent, Tesla's market value must double while hitting either a goal related to product sales or profitability. The milestones increase steadily, unlocking up to 12 tranches of awards as each pair is surpassed. To win it all, Tesla must reach an \$8.5 trillion market valuation, eightfold from where it is now, and notch \$400 billion in EBITDA by 2035.

It's a huge leap from this year's expected \$12 billion of such profit, according to Visible Alpha. The only slight acknowledgement of reality is that the twin goals imply an enterprise valuation of roughly 21 times EBITDA. Sure, Meta Platforms trades at only 17 times. But Tesla's current multiple stands at nearly 83.

Other milestones seem fuzzier. A goal to deliver 20 million vehicles in total compares to Musk's long-since dropped

target to sell that many cars annually. Meanwhile, a criterion of one million robotaxis seems disappointing after Musk pledged that every car Tesla ever sold would become a rentable, automated chauffeur.

To boot, the awards are oddly structured. The entire unearned pool of restricted stock that

Musk can receive effectively gains voting power immediately, before the CEO hits a single goal. Until he does achieve an objective, though, the associated shares vote in proportion with everyone else – so he can't swing a board election, say, against other investors. Nonetheless, this arrangement does allow him to

control how these shares vote as soon as he wins a tranche of stock, long before it vests.

Combined with a recent bylaw change preventing lawsuits from investors owning less than 3 percent of Tesla, Musk is looking to insulate his control, the exact kind of governance madness that earned a judge's ire in the past. At the very least, shareholders stand to be rewarded for tolerating the insanity.

Electric-car maker Tesla disclosed in a securities filing on September 5 a new proposed incentive award scheme for Chief Executive Elon Musk. Under the plan, Musk would receive up to 12 tranches of restricted stock awards, up to nearly 424 million at most, representing a 12 percent stake.

To unlock each tranche, Tesla must hit one market capitalization milestone and one operational milestone. Awards begin at a market value of \$2 trillion with the final tranche achieved if the market value reaches at least \$8.5 trillion by 2035.



Elon Musk