

Oil edges lower

REUTERS, Tokyo Singapore

Oil prices declined for a second session on Thursday, after the Federal Reserve cut interest rates as expected and traders focused on concerns about the U.S. economy and excess supplies.

Brent crude futures fell 26 cents, or 0.38 percent, to \$67.69 a barrel by 0650 GMT. US West Texas Intermediate futures dropped 28 cents, or 0.44 percent, to \$63.77.

The Fed cut its policy rate by a quarter of a percentage point on Wednesday and indicated it will steadily lower borrowing costs over the rest of the year, responding to signs of weakness in the jobs market.

Lower borrowing costs typically boost demand for oil and push prices higher.

But the latest move and the hint of two more cuts this year was already priced in, said Priyanka Sachdeva, a senior market analyst at Phillip Nova.



Farmer Md Golam Kabir washes freshly extracted jute fibre in a pond at Bhabanipur village of Babuganj upazila in Barishal. Once cleaned, the fibre will be left to dry in the sun before heading to market. Growers say strong demand has pushed prices up this season, fetching Tk 3,000 to Tk 3,200 per maund (about 40 kilogrammes), around Tk 300 more than last year. The photo was taken recently.

PHOTO: TITU DAS

Stocks drop for second day

STAR BUSINESS REPORT

Dhaka stocks slipped yesterday, on the final trading day of the week, weighed down by losses in non-bank financial institutions (NBFI) and engineering shares, extending its losing streak to a second session.

The DSEX, the benchmark index of the bourse, declined 42.41 points, or 0.77 percent, to close at 5,449.92, according to Dhaka Stock Exchange data.

Other indices followed the performance of the main index. The Shariah-based DSES decreased 1.09 percent to 1,178.19 while the blue-chip DS30 went down by 0.93 percent to 2,107.13.

Turnover, a key indicator of investor activity, stood at Tk 654.72 crore, down from Tk 737.57 crore in the previous session, signifying lower investor participation in line with the market downturn.

The market closed in red as all the large-cap sectors posted negative performance, said BRAC EPL Stock

Brokerage Ltd in its daily market update. Block trades, high-volume transactions involving large numbers of securities, contributed 4.6 percent of the overall market turnover.

Market breadth was overwhelmingly negative, with 44 issues advancing against 303 declining, while 50 remained unchanged.

Among the major sectors, NBFI experienced the highest loss of 1.96 percent followed by engineering 1.11 percent, telecommunication 0.91 percent, pharmaceutical 0.68 percent, food & allied 0.60 percent, bank 0.46 percent, and fuel & power 0.08 percent, respectively.

Khan Brothers PP Woven Bag Industries Limited was the most traded share with a turnover of Tk 30 crore, BRAC EPL said.

On the day's performance table, United Commercial Bank surged 5.71 percent to top the gainers' list, while Bay Leasing & Investment dropped 9.09 percent, becoming the worst performer of the session.

Int'l security expo kicks off in Dhaka

STAR BUSINESS REPORT

A three-day International Security and Safety Expo 2025 began yesterday at the International Convention City Bashundhara (ICCB), bringing together global and local companies under one roof to showcase the latest advancements in safety and security technology.

Jointly organised by i-Station Limited, Bangladesh Computer Samity (BCS), and Dubai-based GPE Expo, the exhibition has drawn participation from more than 50 local and international companies, over 100 brands, and 500 security experts and representatives.

The expo is hosting a wide range of displays, including cybersecurity innovations, advanced surveillance systems, fire and occupational safety solutions, personal protective equipment (PPE), smart monitoring technology, and health and safety products.

The BCS, in a statement, said the event is designed to serve as a meeting point for entrepreneurs, technology providers, policymakers, and industry leaders.

Alongside the security exhibition, the International Occupational Safety, Health,

and Fire Expo is also being held, featuring global companies presenting the latest in fire safety systems, workplace security, and health protection technologies.

In his keynote message at the event, Faiz Ahmad Taiyeb, special assistant to the chief adviser on Posts, Telecommunications and ICT, noted that the initiative would enhance awareness and partnerships across the public and private sectors. He emphasised the importance of strengthening Bangladesh's cybersecurity and safety landscape in line with global practices.

Speakers from the Bangladesh Hi-Tech Park Authority and BCS highlighted the country's growing demand for surveillance cameras, RFID (radio frequency identification) solutions, and ATM security systems, urging international investors to take advantage of Bangladesh's hi-tech parks and facilities.

The expo will run until September 20, offering visitors an opportunity to explore cutting-edge security solutions, foster partnerships, and discuss strategies for addressing emerging safety challenges in both physical and digital domains, according to the statement.

Vietnam sees rising European investment inflows

ANN/VIETNAM NEWS

Vietnam is witnessing a steady rise in foreign direct investment (FDI) from Europe, with increasing businesses viewing the country as a strategic destination, particularly in clean energy, high technology, semiconductors and infrastructure.

Figures show that European investors channelled \$2.5 billion of FDI into Vietnam in 2022, climbing to \$3.25 billion two years later.

The continent now accounts for nearly 2,500 projects in the Southeast Asian country, with the Netherlands, France, Luxembourg and Germany together contributing around \$20 billion.

The bulk of European capital has been directed towards processing and manufacturing (36.3 percent), energy and gas (20.7 percent), real estate (11 percent) and information and communications (6.6 percent).

Although European businesses are present in almost all provinces and cities, the largest concentrations are found in metropolises and industrial hubs such as HCM City, Đồng Nai, Hà Nội, Bắc Ninh and Quảng Ninh.

Dollar firms after post-Fed rollercoaster ride

REUTERS, Tokyo

The US dollar ticked higher on Thursday following its plunge to a 3 1/2 year low and then forceful rebound as traders grappled with the ramifications of the Federal Reserve's measured stance on further interest rate cuts.

New Zealand's dollar tumbled after data showed the country's economy shrank far more than expected in the second quarter, fuelling bets of steeper rate cuts this year. The Aussie dollar also weakened after the Australian employment unexpectedly declined in August.

The Fed reduced rates by a quarter point on Wednesday, as expected, and indicated it will steadily lower borrowing costs for the rest of this year. Fed Chair Jerome Powell characterised the day's policy action as a risk-management cushion in response to the weakening labour market, but said the central bank does not need to rush easing.

Imports hit three-year high

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were marked by unrest and operational disruptions, including port closures, which distorted import clearance and customs figures.

Anwar-Ul-Alam Chowdhury, president of the Bangladesh Chamber of Industries (BCI), echoed similar views.

Usually, any comparison between this July and the same period last year may show a sharp increase, said the BCI president. "But that does not necessarily indicate real growth. It simply reflects a return to regular operations."

He added that private sector investment and letter of credit (LC) openings remain weak and that capital machinery imports have been declining for several fiscal years.

Credit to businesses grew 6.52 percent in July, a slight rise from the previous

month. Still, this was the second lowest growth in private sector credit, which accounts for two-thirds of national investment, in at least one and a half years.

"Credit growth figures tell a cautious story, showing limited investment appetite. So, while the numbers may look positive at first glance, we must recognise that the economy is still in a phase of stabilisation, not expansion," he added.

Mir Nasir Hossain, former president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said the spike in imports reflects renewed industrial momentum, pointing to the increase in RMG-related and capital goods.

Data show that imports of intermediate goods, including RMG inputs, rose 21 percent year on year to \$3.84 billion in July. Capital

machinery imports, which had been in decline, rose 71 percent to \$456 million.

RMG-related imports grew 10.3 percent to \$1.52 billion in July this year compared to the month a year ago.

A key factor behind this recovery is that some factories have finally received gas connections after years of waiting, enabling them to start production, said Hossain.

At the same time, Bangladesh is under pressure to maintain employment and meet growing domestic demand across sectors. However, infrastructure challenges, particularly in power and energy, remain a barrier, added the former FBCCI president.

Ashraf Ahmed, a former president of the Dhaka Chamber of Commerce & Industry (DCCI), said the import data indicates a weaker demand for

investment, alliances, multilateralism, balancing growth, protection, innovation, consumer trust, and sustainability.

Bangladeshi exporters have been facing a lot of difficulties in the shipment of goods to India, and the trade should be looked at in a positive way although there are political differences among the leaders, said Showkat Aziz Russell, president of the Bangladesh Textile Mills Association.

Atif Ikram Sheikh, president of the Federation of Pakistan Chambers of Commerce and Industry, and Anwar-Ul-Alam Chowdhury (Parvez), president of the Bangladesh Chamber of Industries, also spoke.

consumer goods, including food, possibly due to persistent inflation.

On the other hand, the rising import of capital machinery and intermediates signals an easing of the import regime as well as recovery from political instability and shutdowns in July 2024, he said.

Ahmed added that one worrying trend is the fall in raw cotton imports alongside a rise in yarn imports, which points to a loss of market share by local manufacturers.

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The letter clarified that the earlier circular made raw jute exports conditional. However, consignments with shipping bills submitted before September 8 would not be covered by that circular.

On August 25, the Bangladesh Jute Mills Association and the Bangladesh Jute Spinners Association had requested the ministry to ban raw jute exports.

Based on that request, the ministry imposed the approval requirement for raw jute exports.

According to the Department of Jute, Bangladesh exported 13.44 lakh bales of raw jute to 13 countries in the 2023-24 fiscal year, including India, Pakistan, Nepal, and China. The export value that year was \$160 million.

Automobile, farm machinery fair to begin tomorrow

STAR BUSINESS REPORT

A two-day exhibition showcasing automobiles and agricultural machinery will begin in Dhaka on Saturday.

The event will feature 26 stalls from the automobile, agricultural machinery and light engineering sectors, along with 12 stalls from supporting industrial organisations, according to the organisers.

The Bangladesh Chamber of Industries (BCI) is organising the event in association with the Bangladesh Automobile Assemblers and Manufacturers Association and the Agricultural Machinery Manufacturers Association of Bangladesh. The expo will be held at the BCI office in Dhaka's Tejgaon industrial area.

Spaking at a press conference yesterday at the BCI office, Anwar-ul-Alam Chowdhury, president of the chamber, said Bangladesh has 50,000 small and large enterprises in the light engineering sector, employing nearly one million people.

Despite a local market valued at \$12 billion, domestic manufacturers meet only half of the demand.

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He added that the global market for light engineering is estimated at nearly \$8 trillion.

"While the readymade garment sector has limited scope for further value addition, our economy's sustainability depends on diversifying into other sectors," he said.

"In this regard, the light engineering sector holds significant potential," he added.

Alimul Ahsan Chowdhury, president of the Agricultural Machinery Manufacturers Association of Bangladesh, highlighted the decline in agricultural land and the aging farming population, which he attributed to the decreasing involvement of youth in agriculture.

"In many countries, less than 10 percent of the population is engaged in farming, yet they provide food for the remaining 90 percent. Consequently, the use of machinery is rising globally and in Bangladesh as well," he said.

However, a large portion of agricultural machinery is still imported, he added.

He also said Bangladesh's agricultural machinery market is valued between Tk 1,200 crore and Tk 1,500 crore, with domestic companies supplying only Tk 400 crore to Tk 450 crore worth of parts.

"With proper policy support, the capacity of local manufacturers can be significantly enhanced," he concluded.

Internet subscriber

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This surge was overwhelmingly dominated by the mobile internet sector. Mobile subscriptions grew by 22.4 lakh to reach 12.15 crore, a 1.88 percent increase compared to June.

The rebound comes after a prolonged period of decline that began following the fall of the government last year.

The decline was driven solely by a drop in mobile internet users.

Shahed Alam, Chief Corporate and Regulatory Affairs Officer, noted that rising data consumption contributed significantly to the recent growth in mobile subscribers.

Broadband connections also recorded gains. The number of broadband subscribers rose by 1.4 lakh in July, reaching 1.44 crore.

Industry experts attribute this decline to several factors: a 50 percent hike in SIM tax, reduced subsidies on SIM sales by operators, and mounting economic pressures on consumers.

With the government raising the SIM tax to Tk 300 at the start of the last fiscal year, smaller operators such as Banglalink and Robi significantly cut back on subsidies, making it harder to attract new users.

Previously, operators often sold SIM cards at heavy discounts or even distributed them free to

expand their customer base.

However, the overall internet subscriber base started to recover gradually from January to March this year. From April to July, the recovery accelerated, with the total subscriber base increasing by 52 lakh during the four months.

Industry insiders say Grameenphone and Robi have been particularly active in efforts to retain and grow their user base.

In June last year, the total number of internet subscribers peaked at 14.21 crore. Since then, mobile subscriptions have continued to fall sharply.

Between July last year and January this year, mobile internet subscribers dropped by 1.31 crore, falling from 12.91 crore to 11.60 crore.

As per BRTC's definition, an internet subscriber refers to any user who has accessed the internet at least once in the past 90 days.

The regulator updates ISP and PSTN subscriber data quarterly, based on market analysis, consultations, and reports from operators.

Year on year, mobile internet subscriptions decreased by 4.69 percent in July, while broadband subscriptions increased by 6.78 percent.

Overall, the country's total internet subscriber base shrank by 4.35 percent year-on-year in July.

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