# Mango exports rebound as quality, production improve

SUKANTA HALDER

Bangladesh has seen a rise in mango exports this year following a slump in the past season. With the current export season drawing to a close this month, shipments have reached 2,194 tonnes, up 66 percent on last year.

Agri officials say the fruit's quality has improved, and a larger share of the crop has met export standards, increasing overseas sales.

Mango export from the country began nearly a decade ago, initially catering mainly to Bangladeshi communities in the UK, Italy and the Middle East. The market has since somewhat expanded, especially after China expressed interest in sourcing more mangoes from Bangladesh a few years ago.

The country produces 2.4-2.5 million tonnes of mangoes annually for a domestic market worth Tk 13,000-14,000 crore. Commercial cultivation now covers 23 districts, with 72 varieties grown nationwide. Exporting, which starts in late May and runs until late September, began in 2015.

Mexico, India, Brazil, the Netherlands and Peru are consistently cited as leading mango exporters. Bangladesh also produces the fruit in abundance, and industry insiders believe exports could rise to 8,000 tonnes with government support.

But farmers and exporters point to weak infrastructure and certification issues as key obstacles.

According to the Department of Agricultural Extension (DAE), Bangladesh exported 1,321 tonnes of mangoes in 2024, and 3,100 tonnes in 2023.

"Improving both the quality and quantity of mango production has significantly contributed to this year's rebound," said Mohammad Arifur Rahman, director of the DAE exportable mango production project.

Of the total 72 varieties, only seven or eight varieties go abroad, with Amrapali alone accounting for about 80 percent of shipments. Other exportable varieties include Himsagar, Langra, BARI-4 and Fajli.

Rahman said, "By promoting advanced techniques and supporting farmers with resources, we have been able to meet growing demand in international markets."

He, however, admitted the export challenges, especially high air freight charges that limit the country's ability to realise its full potential.

Mohammad Mansur, general secretary of the Bangladesh Fruits, Vegetables and Allied Products Exporters Association, said freight costs rose two to three times last year compared with normal rates, causing exports to fall.

He said Bangladesh's fruit and vegetable export sector, including mangoes, has significant potential but faces obstacles that need urgent attention. "High freight costs and inadequate infrastructure, such as the absence of vapour heat treatment facilities, limit our ability to compete in key international markets."

Government support in setting up modern processing and treatment plants is crucial to improve both the quality and quantity of exports, he added.

This year, Bangladeshi mangoes reached 26 countries. The UK imported the largest volume at 686 tonnes, followed by Saudi Arabia with more than 356 tonnes, Italy with over 264 tonnes, Kuwait with over 167 tonnes and Qatar with 163 tonnes. China joined as a new destination with 5 tonnes exported.

Exports to the UK are driven largely by its sizable South Asian community.

"Bangladeshi mangoes may not always look perfect, but their taste is superior; this is why demand is so strong," DAE official Rahman said.

In the Middle East, demand comes from both expatriates and local consumers, with relatively low air freight to Saudi Arabia supporting the trade.

European markets such as Italy show similar demand patterns to those of the UK.

**FUTURE MARKETS AND CHALLENGES**

The Organisation for Economic Co-operation and Development (OECD) estimated that global fresh mango exports reached around 2.1 to 2.2 million tonnes in 2024, with Bangladesh accounting for just 0.1 percent of the market.

Agri experts say the country still lacks a comprehensive export plan.

"Despite producing 24-25 lakh tonnes of mangoes every year, Bangladesh has not built the infrastructure or policies required to raise exports," said Sorof Uddin, principal scientific officer at the Regional Horticulture Research Station in Chapainawabganj, a key mango-producing district in Bangladesh.

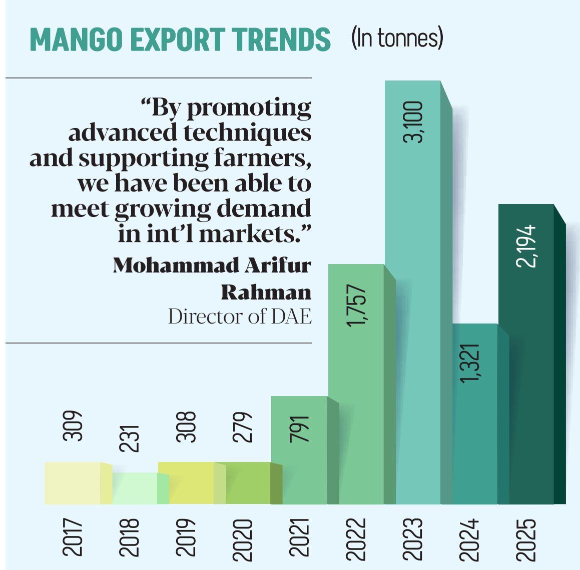
He said current capacity caps mango exports at about 4,000 tonnes, and even with coordinated efforts, it would be difficult to cross the 8,000-tonne mark.

To increase the export, farmers and traders stressed the need for decentralised infrastructure, contract farming and large dedicated exporters.

Agriculture Adviser Lt Gen (Retired) Md Jahangir Alam Chowdhury recently said that although Bangladesh produces mangoes in large quantities, export volumes remain modest compared with potential.

The government, he said, is working to improve quality and expand markets.

China has already begun importing, while Japan and Australia have expressed interest. Officials believe these markets could provide fresh momentum in the coming years.





# A diagnostic review of large loan restructuring

MAMUN RASHID

Thanks to Bangladesh Bank, especially Governor Mansur, I was invited to join the large loan restructuring scrutiny committee set up by the central bank in collaboration with the finance ministry and the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI). Several departments of the central bank also took part regularly.

As a banker with global risk management and portfolio review experience, and the first local senior credit officer (SCO) at Citibank N.A., I found the exercise insightful despite the long hours spent on background checks, revalidating financing structures, reviewing security and collateral, ensuring the cases in review were not under the Anti-Corruption Commission (ACC) or the Bangladesh Financial Intelligence Unit (BFIU) scrutiny, and above all, assessing the repayment capacity of borrowers whose obligations were extended with even partial write-offs.

Out of more than 1,200 applications, we reviewed about 300 over almost four months. Many applicants complained that their credit lines had been discontinued at critical times. Some received project loans, but no working capital. Others suffered from very high interest rates, significant exchange rate fluctuations, energy price hikes or shortages, and even disruptions caused by post-August industrial unrest.

According to many, they were targeted because of their political affiliations. Some were jailed, a few were even sent to "Aynaghar", some were frequently picked up by law enforcement agencies, and in certain cases, businesses were seized by political cronies of the previous government under allegations of belonging to BNP or, in a few cases, Jamaat. Attempts were made by the government, the Bangladesh Securities and Exchange Commission (BSEC) and senior bankers to grab listed companies. I was surprised to see such a large number of businessmen linked to opposition parties or their support groups, possibly unmatched anywhere else. Some were granted large loans, but the money never reached their coffers, instead taken away by the bank owning company or their chosen groups. For many, it was a clear sign of governance failure, lack of accountability and poor financial transparency. Most were family businesses or "pocket companies" of the owners. Many had no CFO or finance professional, even though they had borrowed more than a hundred crore. Some cases showed clear proof of money being siphoned off.

In many cases, banks were at fault. They failed to assess client needs, accepted weak or insufficient security or collateral, lacked specific industry knowledge, did not examine internal cash generation of the businesses and neglected proper monitoring of production, sales, succession planning and financial performance. Through this process, I also came across a few capable central bankers as well as some weak commercial bankers who were found to be highly susceptible to pressure.

Most loans under our review that turned sour were approved and disbursed between 2016 and 2020, concentrated in one state-owned bank, one state agency-owned bank, one shariah-based bank and one third-generation private bank. Their present credit and recovery heads regularly attended our meetings and impressed us with their knowledge. The blemishes, however, lay with the CEOs who led these banks during that period. Their risk management capacity and their susceptibility to board pressure were questionable.

Wrong structuring, weak or inappropriate collateral, and repeated granting of excess over limits often forced us to salvage the banks themselves, not just the distressed clients. It was not always about supporting borrowers; sometimes the priority was saving the banks from acute repayment risk. There was, of course, some pressure. But mostly we saw good intentions to help distressed businesses recover, generate employment and revive exports.

Will those whose loans were restructured be able to stand on their own in five to ten years? Much will depend on whether they focus on fundamentals, optimise resources, strengthen governance, avoid political cronyism and build competitiveness in an increasingly globalised economy. Did we encourage wilful defaulters or money launderers? Thankfully, no. Now that the master circular has been issued in line with other similar countries, outlining future pathways, if banks apply the necessary diligence, we should see fewer distressed assets in future. However, like some peer countries, Bangladesh urgently needs a proper insolvency and bankruptcy law in action.

*The writer is a banker and economic analyst*

# Nvidia to invest up to $100b in OpenAI data centres

AFP, *San Francisco*

Nvidia said Monday it will invest up to $100 billion in OpenAI, building infrastructure for next-generation artificial intelligence.

The strategic partnership aimed at deploying massive data center capacity unites generative AI star OpenAI with the leading maker of chips powering the technology.

"Compute infrastructure will be the basis for the economy of the future," OpenAI chief executive Sam Altman said in a joint release.

"We will utilize what we're building with NVIDIA to both create new AI breakthroughs and empower people and businesses with them at scale."

The partnership will enable San Francisco-based OpenAI to build and deploy AI data centers with Nvidia systems, representing millions of sophisticated graphics processing units (GPUs), according to the companies.

**The Nvidia GB200 NVL72, an integrated supercomputer for generative AI, is on display during Computex 2024 in Taipei.** PHOTO: AFP/FILE

The first Nvidia systems are expected to be operating in the second half of next year.

OpenAI and Nvidia added that they will work together to optimize how the companies' hardware and software complement each other.

No financial details were provided beyond the possible magnitude of Nvidia's investment in OpenAI.

Tech industry rivals Amazon, Google, Meta, Microsoft and Elon Musk's xAI have been pouring billions of dollars into artificial intelligence since the blockbuster launch of the first version of ChatGPT in late 2022.

Nvidia has become a coveted source of high-performance GPUS tailored for generative AI.

Chinese startup DeepSeek shook up the AI sector early this year with a model that delivers high performance using less costly chips.

Silicon Valley-based Nvidia last week announced it would invest $5 billion in struggling chip rival Intel.

# OECD ups world economic outlook as tariffs contained, for now

AFP, *Paris*

The world economy will grow more than previously forecast this year after absorbing the shock of US President Donald Trump's tariffs, but their full impact remains uncertain, the OECD said Tuesday.

In June, the Paris-based organisation had cut its forecast from 3.1 percent to 2.9 percent, warning at the time that Trump's tariffs would stifle the world economy.

But in an updated outlook on Tuesday, it raised the projection to 3.2 percent, saying the economy "proved more resilient than anticipated" in the first half of 2025.

The OECD said "front-loading" -- companies rushing to import goods ahead of Trump's tariffs -- "was an important source of support".

The economy also got a boost from strong AI-related investments in the United States and government spending in China.

The updated figure is still a slight slowdown from 3.3 percent in 2024.

"The full effects of tariff increases have yet to be felt -- with many changes being phased in over time and companies initially absorbing some tariff increases through (profit) margins," the Organisation for Economic Co-operation and Development said.

**The economy also got a boost from strong AI-related investments in the United States and government spending in China**

"But (they) are becoming increasingly visible in spending choices, labour markets and consumer prices," the report.

World growth is due to slow to 2.9 percent in 2026 "as front-loading ceases and higher tariff rates and still-high policy uncertainty dampen investment and trade", the OECD said.

Trump imposed a baseline 10 percent tariff on imports from around the world in April.

He later hit dozens of countries with even higher duties, but the US leader also left the door open for negotiations, striking deals with Britain, Japan and the European Union, among others.

The United States has yet to find a compromise with China, though the world's two biggest economies have temporarily de-escalated their tit-for-tat tariffs while they negotiate.

The overall effective US tariff rate rose to an estimated 19.5 percent in August, the highest level since 1933, the OECD said. "Significant risks to the economic outlook remain," the OECD said.

"Amid ongoing policy uncertainty, a key concern is that bilateral tariff rates could be raised further on merchandise imports," it said.

# H-1B visa war will accelerate AI jobs reckoning

REUTERS, *Hong Kong/Mumbai*

What helps make some American companies exceptional is that they're able to hire the best talent in the world. Donald Trump's decision to slap a $100,000 fee on new applications for H-1B visas - used to bring highly skilled and talented workers into the country to work for Amazon.com, Microsoft, Meta Platforms, Apple and others - poses a risk to that equation. But the US president has allowed himself enough loopholes to avoid such an adverse outcome.

The war on H-1B visas front in Washington's anti-immigration push, but it is not a jolt from the blue. For years, Indian IT outsourcing companies operating in the US have in particular come under fire for using the visas to hire lower-paid foreign technology engineers instead of hiring Americans. That has started to change, though. Tata Consultancy Services, the second-largest user of the program this year, has 5,505 employees on the visas, half its 2021 peak. Yet while Indian nationals hold 71 percent of H-1Bs, US companies dominate the top 10 sponsors.

The short-term financial impact will be limited, especially after the White House hastily clarified over the weekend that the fee only applies to new applications, not existing visas. Even if it were retroactive, the upfront cost for JPMorgan, for example, would be equivalent to 0.4 percent of its full-year profit. Spread the cost over three to five years of an employee's term, and the $100,000 fee is a tolerable cost for hiring the best and brightest. For TCS, it would be up to 10 percent.

In practice, companies are likely to respond to Trump's order in two main ways. First, they will double down on offshoring work, where possible. Absent any move by Washington to tax outsourcing payments, India, the Philippines and Mexico could be top potential beneficiaries. Though companies need a minimum mass of talent in close proximity to their projects to execute them smoothly, there was a massive trend toward offshoring during the COVID-19 pandemic which busted myths about where people need to be to perform certain tasks.

**Employees of Tata Consultancy Services (TCS) work inside the company headquarters in Mumbai. TCS, the second-largest user of the H-1B visa programme this year, has 5,505 employees on the visas, half its 2021 peak.** PHOTO: REUTERS/FILE

Second, companies will aggressively pull forward their adoption of artificial intelligence to optimise their workforce requirements. If a company was using 10 people with H-1B visas on a project, they might hire five and use the latest innovations in AI to see if they can make up for the lack of availability of talent. That would be the opposite outcome to Washington's intention to prod employers to hire American science, technology, engineering and mathematics graduates to tackle domestic unemployment among this cohort.

So the pushback from Tech shareholders would be like, why are you just handing over this company without a premium when it's a lot cheaper?

Trump has taken different sides on H-1B visas over the years, siding at times with his tech advisers or with his Make American Great Again political champions. His own uncertainty may explain why the president's order contains plenty of loopholes. He has allowed the secretary of the Department of Homeland Security to grant fee exemptions if it is in the national interest, and the restrictions only apply for 12 months, unless the programme is extended.