DHAKA SUNDAY SEPTEMBER 28, 2025, ASHWIN 13, 1432 BS ● starbusiness@thedailystar.net

Star BUSINESS

Costs of trade with India rise 20% amid non-tariff measures

REFAYET ULLAH MIRDHA

Bangladeshi businesses are paying higher costs when sending goods to India and bringing in industrial inputs from the neighbouring country amid retaliatory non-tariff measures imposed by Dhaka and New Delhi.

Annual trade between the two countries crosses $15 billion. India, after China, is the second largest source of commodities and raw materials for Bangladesh.

Businessmen say costs have soared by as much as 20 percent, mainly because goods are now being rerouted through Chattogram port, as non-tariff restrictions have choked movement through nearly a dozen land ports.

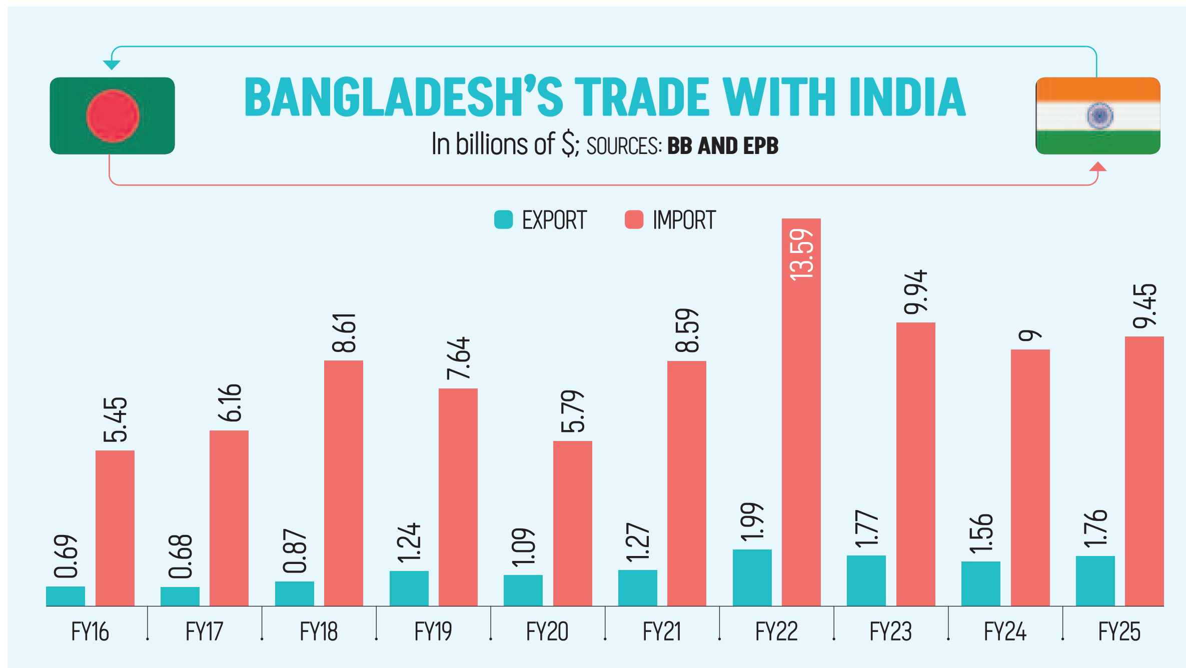
The commerce ministry said it has urged New Delhi to hold talks on the barriers, which are measures other than customs tariffs regulating imports or exports, but it is yet to receive a reply.

The current trade strain began in early April this year when India suspended transshipment facilities for Bangladeshi exports to third countries.

A week later, Dhaka suspended yarn imports from India through 11 land ports. New Delhi then introduced fresh restrictions on Bangladeshi exports, including garments, processed food, plastics, yarn, furniture and, more recently, raw jute and jute products.

Still, sea routes remain open for the businesses, but they are slower and cost more.

Humayun Rashid, chairman of Energypac Fashions Ltd, said his company sends $7 million worth of garments to India annually, mainly through land ports. Rerouting through Chattogram has pushed up transport costs by up to 20 percent.



He said Indian importers often complain about long lead times and rising transport charges. "So, my Indian importer met the Bangladeshi high commissioner in New Delhi for a solution through discussion. However, any meeting is yet to take place," he said.

Despite the extra costs, Rashid told The Daily Star that his company's trade volume with India has held steady.

Bangladeshi Commerce Secretary Mahbubur Rahman said he has written to his Indian counterpart three times seeking meetings to discuss rising non-tariff barriers and strained bilateral ties, but has received no response.

The commerce adviser also wrote to the Indian commerce minister requesting talks, Rahman told The Daily Star over the phone.

"The Indian side is also not saying why they are not interested in the meetings for removing the trade barriers," he added. "Because of the non-tariff barriers, the cost of business operations rose by 20 percent."

According to Rahman, no secretary-level meeting has been held between the two countries for one and a half years, although major trade issues are normally discussed at such forums each year.

Similar to Energypac Fashions, another local garment exporter, who asked not to be named, complained about the non-tariff measures.

He said disruptions at land ports had prompted his Indian partner to stop importing $2 million worth of garments from his company and instead source from Indian suppliers for its markets in Thailand and Malaysia.

READ MORE ON B3

Flawed NBR split risks severe fallout

Says reform committee member

STAR BUSINESS REPORT

The ordinance abolishing the National Board of Revenue (NBR) and splitting it into two entities—Revenue Policy and Revenue Management—does not adequately reflect the recommendations of the advisory committee, according to one of its members.

"The government's ordinance has not reflected this separation in the way we recommended; in my personal view, it has not been done accordingly," said Farid Uddin, a member of the NBR reform committee.

The committee member warned that since the NBR staff had protested against the ordinance demanding its cancellation, if the institution is now split out of "resentment," it could create a "disastrous" situation for the nation.

"If the adjustment of the total reform process is not properly conducted, it would be disastrous for the nation. I told this to the government," he said.

"At least now, everything is under one roof. But if the institution is split in the wrong way, the consequences could be far more severe," he said.

He made these observations at a roundtable on the NBR reforms organised by the Metropolitan Chamber of Commerce and Industry (MCCI) and Policy Exchange Bangladesh (PEB) at the MCCI yesterday.

The committee recommended that some representatives from the private sector must be included in the policymaking committee. Furthermore, any policy adopted should be continued for at least five years, he said.

On May 12, the government issued an ordinance to abolish the NBR and create two new divisions—Revenue Policy and Revenue Management.

Following this, the NBR officials and employees staged a one-and-a-half-month-long movement demanding rational reforms based on opinions from all stakeholders.

Later, on June 29, a committee led by Dr M Fouzul Kabir Khan, adviser to the Ministry of Power, Energy, and Mineral Resources, was formed to review the ordinance.

READ MORE ON B3

62% of households spend half of their income on food: BBS

The data of the BBS study were collected in June 2023

STAR BUSINESS REPORT

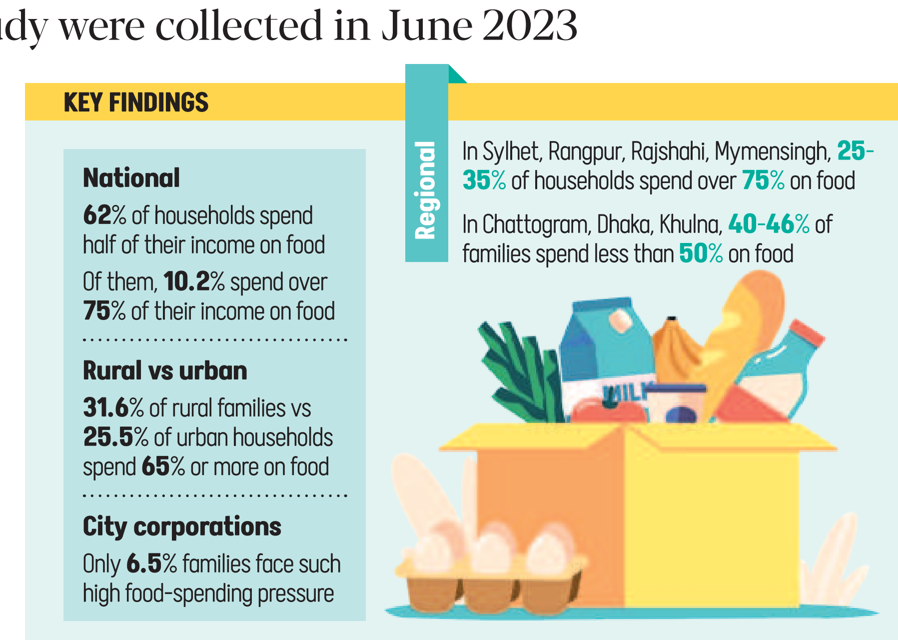
More than 60 percent of households in Bangladesh spend at least half of their total income on food, according to a new study by the Bangladesh Bureau of Statistics (BBS).

Of them, around one in ten families allocate more than three-quarters of their budget just to put meals on the table, highlighting the high vulnerability, according to the report.

The findings on food security and coping mechanisms were unveiled at an internal BBS meeting on Thursday.

The data of the study were collected in June 2023 and published in December of the same year. BBS conducted the latest analysis with support from the United Nations World Food Programme (WFP).

Analysts say the data is still relevant as the food security outlook did not improve significantly compared to the period just after the pandemic.



Aleya Akter, secretary of the statistics and informatics division, attended the meeting as the chief guest, while BBS Director General Mohammed Mizanur Rahman chaired the session. The study showed a sharp rural-urban divide for food spending.

In rural areas, 31.6 percent of households spend 65 percent or more of their income on food, compared with 25.5 percent in urban areas.

READ MORE ON B3

'Political govt essential for discipline in financial sector'

STAR BUSINESS REPORT

Prolonging a short-term government is detrimental to the economy, as it hampers investment and employment, said Fahmida Khatun, executive director of the Centre for Policy Dialogue (CPD).

To establish discipline in the financial sector, a political government formed through elections is needed, the economist said at a shadow parliament debate on bank mergers organised by Debate for Democracy at the Bangladesh Film Development Corporation on Saturday.

Khatun stated that the economy and politics run side by side, complementing each other. "Without proper politics, there can be no sound economy."

Speaking on freezing bank accounts, she said it is not right to indiscriminately freeze business people's bank accounts.

She suggested releasing the frozen accounts unless there are major irregularities, warning that otherwise the move could have a severe impact on trade, employment, and poverty levels.

The CPD executive director also noted that while some decline in economic indicators was prevented over the past year, the crisis has not been overcome, and poverty is not falling.

While discussing the banking sector, she said that there was no good governance in the banking

READ MORE ON B3

Why is BSEC being sidelined in critical decisions?

AHSAN HABIB

The Bangladesh Bank has decided to merge five struggling Shariah-based banks into a single entity, after their vulnerabilities became starkly visible following the political transition after the ouster of the Awami League-led government last year.

It has also opted to liquidate nine non-bank financial institutions (NBFIs) that have been in distress for years.

These are bold and necessary decisions. However, they also expose an institutional gap.

Most of the 14 affected firms are publicly listed, meaning thousands of ordinary investors are directly exposed. Yet the central bank acted without consulting the Bangladesh Securities and Exchange Commission (BSEC), the very body responsible for safeguarding shareholder interests.

ANALYSIS

The Financial Institutions Division has set up an eight-member working committee to implement the bank merger, but not a single representative from the BSEC has been included. The listed firms themselves were not informed about the planned mergers or liquidations either, leaving them unable to make price-sensitive disclosures to their investors through the stock exchanges.

As a result, thousands of small investors, who put their hard-earned savings into these banks and financial institutions, remain in the dark about the future of their investments.

Unsurprisingly, share prices of the affected firms have collapsed to rock bottom, triggering a fresh confidence crisis. The scale of the decline may have been predictable, but its uniformity has unsettled the market.

For years, investors and analysts have urged regulators to coordinate with each other – and with the BSEC in particular – when decisions affect listed companies. The BSEC's involvement is crucial in decisions that affect the earnings, sustainability, or very existence of listed companies. Without its voice, who will protect the interests of small investors?

READ MORE ON B3

Bank Asia cardholders to enjoy privileges at Concord Entertainment

STAR BUSINESS DESK

Bank Asia PLC has signed a partnership agreement with Concord Entertainment Company Limited, a concern of Concord Group, to provide exclusive privileges for its credit cardholders.

Zishan Ahammad, executive vice-president and head of cards, ADC and internet banking at Bank Asia PLC, and Md Abdul Karim, chief financial officer of Concord Entertainment Company Limited, signed the agreement at the Bank Asia Cards Department office in the capital's Sukrabad recently, according to a press release.

Under the collaboration, Bank Asia credit cardholders will enjoy a "Buy One Get One" free entry at Sea World Water Park, along with a 25 percent discount on room rents at Foy's Lake Resort and on daylong packages at Foy's Lake Basecamp.

The offers will remain valid from September 25 to November 30 this year. Senior officials from both organisations were also present.

Md Abdul Karim, chief financial officer of Concord Entertainment Company Limited, and Zishan Ahammad, executive vice-president and head of cards, ADC and internet banking at Bank Asia PLC, pose for photographs after signing the agreement at the Bank Asia Cards Department office in Sukrabad, Dhaka recently. PHOTO: BANK ASIA

Easy Payment System brings EMI benefits to Prime Bank cardholders

Md Delwar Hossain Khan Rajib, general manager of Easy Payment System, and Joarder Tanvir Faisal, executive vice-president and head of cards and retail assets at Prime Bank PLC, pose for photographs after signing the agreement at the bank's head office in Gulshan, Dhaka recently. PHOTO: PRIME BANK

STAR BUSINESS DESK

Prime Bank PLC has entered into a strategic partnership agreement with Easy Payment System, a payment solutions provider in Bangladesh, to introduce an EMI (Equated Monthly Installment) facility for its credit cardholders.

Joarder Tanvir Faisal, executive vice-president and head of cards and retail assets at Prime Bank PLC, and Md Delwar Hossain Khan Rajib, general manager of Easy Payment System, signed the agreement at the bank's head office in Gulshan, Dhaka, recently, according to a press release.

Under the collaboration, Prime Bank credit cardholders will enjoy EMI benefits at more than 200 merchant outlets affiliated with Easy Payment System, making purchases more flexible and convenient.

The partnership will allow customers to convert their purchases into easy monthly instalments, ensuring greater financial comfort without straining their budgets, the release added.

AZM Fouz Ullah Chowdhury, senior vice-president and head of digital channels at the bank; Md Fahim Zawad Sakib, lead-strategic partnership at the payment solutions provider; along with other senior officials from both organisations, were also present.

Prime Bank organises seminar on financial inclusion at SAU

STAR BUSINESS DESK

Prime Bank PLC, in collaboration with Sher-e-Bangla Agricultural University (SAU) and its Outreach Programme Department, recently organised a seminar titled "Financial Inclusion: Engaging & Inspiring Youth in Banking" under its PrimeAcademia initiative.

The event brought together faculty members, students, and senior bank officials, aiming to inspire young minds to align their future with financial inclusion and national progress.

Prof Md Abdul Latif, vice-chancellor of SAU, attended the seminar as chief guest and emphasised that financial inclusion is vital for sustainable development and youth empowerment, according to a press release.

In his keynote address, Ziaur Rahman, deputy managing director and head of human resources at Prime Bank PLC, highlighted the bank's role in youth career development, women's empowerment, and financial inclusion through innovative initiatives.

The seminar also underscored the importance of industry-academia collaboration, with both Prime Bank and SAU reaffirming their commitment to strengthening partnerships through student-focused initiatives, research collaborations, and skill development programmes.

As part of its PrimeAcademia platform, Prime Bank is empowering educational institutions nationwide with a comprehensive suite of financial solutions, including institutional banking, digital fee collection systems, payroll services, school banking, and customised student accounts, all integrated under a single umbrella.

Prof Md Belal Hossain, pro-vice-chancellor of SAU; Prof Md Abul Bashar, treasurer; Prof Mohammad Zamshed Alam, director of the outreach programme; Shaila Abedin, senior executive vice-president and head of liability at the bank; and MM Mahbub Hasan, senior vice-president and head of financial inclusion and school banking, along with other senior officials from both organisations, were also present.

Dhaka Bank launches AI-driven 'eRin Device App'

STAR BUSINESS DESK

Dhaka Bank PLC has launched an AI-driven digital loan, titled "eRin Device App", for smartphones and smart devices, aimed at making technology more affordable and accessible for service professionals, micro-entrepreneurs, and underserved communities.

eRin Device Financing is Bangladesh's first AI-driven digital loan for smartphones and smart devices, designed to empower service professionals, micro-entrepreneurs, and underserved and unserved communities.

Customers can own devices with a small down payment and easy monthly installments, completing a fast, paperless, and fully digital process through Dhaka Bank's app or any of its nationwide branches.

AKM Shahnawaj, managing director (current charge) of Dhaka Bank, and Jungmin Jung, head of Samsung Electronics Bangladesh Branch, jointly inaugurated the service at a ceremony held in Dhaka recently, according to a press release.

Shahnawaj stated, "The eRin Device is more than just a loan; it is a gateway to digital empowerment, enabling connectivity, education, and entrepreneurship for the unbanked and underserved."

Jung noted that the collaboration removes barriers to traditional credit, and the service will soon be available at selected Samsung authorised stores.

The event brought together leaders from Bangladesh's financial and telecom sectors.

Md Iqbal Mohasin, director of the Financial Inclusion Department of Bangladesh Bank; Mahmud Hossain, commissioner of the Bangladesh Telecommunication Regulatory Commission; Taimur Rahman, chief corporate and regulatory affairs officer of Banglalink; Mohammad Syfuddin Tipu, executive director of Excel Telecom Pvt Limited; and Sarwar Jahan Morshed, managing director of Infinia Tech Limited, attended the event.

Jungmin Jung, head of Samsung Electronics Bangladesh branch, and AKM Shahnawaj, managing director (current charge) of Dhaka Bank PLC, inaugurate the AI-driven eRin Device App for smartphones in Dhaka recently. PHOTO: DHAKA BANK

NRBC Bank signs MoU with May International to enhance trade services

Syed Aminul Kabir, managing director and CEO of May International Trade Services Limited, and Md Touhidul Alam Khan, managing director and CEO of NRBC Bank PLC, exchange signed documents of the agreement at the bank's head office in Dhaka recently. PHOTO: NRBC BANK

STAR BUSINESS DESK

NRBC Bank PLC has signed a memorandum of understanding (MoU) with May International Trade Services Limited, a technology-driven platform specialising in maritime data and product price analytics in Bangladesh, to modernise its foreign trade banking services, making them faster, more efficient, and more secure.

Md Touhidul Alam Khan, managing director and CEO of NRBC Bank, and Syed Aminul Kabir, managing director and CEO of May International, signed the agreement at the bank's head office in Dhaka recently, according to a press release.

Under the MoU, NRBC Bank will adopt advanced technology to access real-time vessel movements, container tracking, and verification of imported goods' prices.

This initiative is expected to strengthen the bank's due diligence process and reduce risks associated with foreign trade transactions.

Through the partnership, NRBC Bank aims to enhance its international banking services and deliver greater value to clients engaged in foreign trade.

Mohammad Abdul Qaium Khan, deputy managing director and chief operating officer of the bank; Hasnat Reza Mohibbul Alam, head of the international division; and Layla Kowkain Ara, deputy managing director of the financial advisory firm, along with other senior officials from both organisations, were also present.

BRAC Bank presents Royal Enfield to top remittance customer

Tareq Refat Ullah Khan, managing director and CEO of BRAC Bank, hands over a Royal Enfield motorcycle to Mohammad Naser, a winner of the bank's three-month-long foreign remittance campaign, at an award ceremony in Dhaka yesterday. PHOTO: BRAC BANK

STAR BUSINESS DESK

BRAC Bank PLC has named the winner of its three-month-long foreign remittance campaign and awarded him a Royal Enfield motorcycle as the first prize.

Tareq Refat Ullah Khan, managing director and CEO of BRAC Bank, handed over the prize to Mohammad Naser, a customer of the Muradpur Branch in Chattogram and the campaign's top remittance customer, at an award ceremony held in the capital, according to a press release.

Commenting on the initiative, Khan said, "At BRAC Bank, we place strong strategic focus on facilitating the flow of foreign remittances. By broadening remittance-receiving accounts and strengthening cash pick-up facilities through our extensive network of branches, sub-branches, and agent banking outlets, we are working to channel greater volumes of foreign currency into the country."

He added, "This initiative not only enhances the bank's liquidity and supports vital sectors such as international trade, but also contributes to strengthening Bangladesh's foreign exchange reserves, while raising public awareness on the importance of sending remittances through secure and legal channels."

The bank launched the campaign to encourage expatriate Bangladeshis to channel their hard-earned money through legal and secure channels. Through this customer engagement, BRAC Bank aims to reinforce its position as a leading player in Bangladesh's international remittance market.

Md Shaheen Iqbal, deputy managing director and head of treasury and financial institutions at the bank, and Shahrear Zamil, head of remittance and probashi banking, along with other senior officials, were also present.

Homebuyers to get MTB loans under deal with Credence Housing

STAR BUSINESS DESK

Mutual Trust Bank PLC (MTB) has signed a memorandum of understanding (MoU) with Credence Housing Limited, a real estate developer in Dhaka.

Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank PLC, and Zillul Karim, managing director of Credence Housing Limited, signed the MoU at the bank's corporate head office in the capital recently, according to a press release.

Under the MoU, clients of Credence Housing will be able to access home loans from Mutual Trust Bank at competitive interest rates with faster loan processing, making home ownership more convenient and accessible.

This collaboration underscores the bank's commitment to offering innovative, customer-centric financial solutions while supporting the country's growing housing sector, the release added.

Md Shafquat Hossain, deputy managing director and head of retail banking at the bank, and SA Asgar Mohiuddin, director (finance) of the real estate developer, along with other senior officials of both organisations, were also present.

Zillul Karim, managing director of Credence Housing Limited, and Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank PLC, pose for photographs after signing the memorandum of understanding at the bank's corporate head office in Dhaka recently. PHOTO: MUTUAL TRUST BANK

Betel leaves put up for sale at wholesale in Mochmoil Haat of Rajshahi's Bagmara upazila. Each bundle, called "bira" in Bangla, of 80 large leaves now cost Tk 40 to Tk 50. Farmers say prices have fallen as exports slowed amid restrictions. The photo was taken recently.

PHOTO: AZAHAR UDDIN

Biotech key to food security

Finance adviser stresses scientific innovation, expresses concern over poor utilisation of research funds

STAR BUSINESS REPORT

Stressing the urgent need for scientific innovation to secure Bangladesh's food future, Finance Adviser Salehuddin Ahmed yesterday highlighted the critical role of biotechnology in advancing the country's agricultural economy.

"Without the advancement of biotechnology, Bangladesh cannot move forward. It is one of the most vital branches of modern science, especially in ensuring food security for our growing population," he said.

Praising the country's agricultural scientists, Ahmed said, "When we were 75 million, we struggled. Today we are over 170 million people, and yet we can feed ourselves. That's a testimony to the contribution of our scientists—whether in rice, fisheries, or livestock."

The adviser made the comments at the closing session of the International Conference on Biotechnology in Health and Agriculture, hosted by the Global Network of Bangladeshi Biotechnologists at Sher-e-Bangla Agricultural University in the capital.

However, he expressed concern over the poor utilisation of research funds.

"Despite limited resources, even the funds we allocate aren't always used effectively. Many researchers focus more on publications or pursuing multiple postdocs abroad rather than solving real problems at home."

He called for stronger collaboration among scientists, policymakers, and communities. "Scientific research must go beyond labs and journals. It must be communicated in a way the public and policymakers can understand. Only then will we see real impact," he said.

Ahmed also pointed to the issue of brain drain, noting that more than half of scholarship recipients do not return to Bangladesh.

"I don't blame them for seeking better opportunities, but we need a stronger sense of commitment to national development."

To drive innovation, he proposed forming a national platform or network connecting scientists, decision-makers, and end-users.

"This could be led by the Ministry of Science and Technology or institutions like the Institute of Biotechnology. I will personally support such an initiative."

He also lamented the stalled progress of the National Gene Bank project, a Bangladeshi government initiative led by the National Institute of Biotechnology (NIB), citing bureaucratic delays. "We initiated it, but it was halted beyond my control. Meanwhile, countries like Pakistan are moving ahead."

Referring to Nobel Laureate Michael Kremer's development innovation model, Ahmed stressed the importance of translating research into field-level solutions.

"Kremer's model focuses on getting agricultural knowledge directly to farmers. We can adopt similar strategies."

He lauded young researchers and poster presenters at the event, urging continued investment in local talent.

To drive innovation, Salehuddin proposes forming a national platform or network connecting scientists, decision-makers, and end-users

"Bangladesh has great scientific minds. The challenge is to retain and support them so their work addresses real-world needs."

In a parallel session, Ahmed Abdullah Azad, distinguished professor at Bangladesh University of Health Sciences, projected that pharmaceutical exports could reach $1 billion within five years, driven by high-quality generics and competitive pricing.

"Bangladeshi pharma companies are already exporting world-class generic medicines. We're now ready to do the same with biosimilars," he said.

While most biosimilars in Bangladesh currently use imported active pharmaceutical ingredients (APIs), companies like Incepta have begun producing key biosimilar APIs—such as insulin and interferon—using seed clones from global biotech institutes.

"This is a golden opportunity. We must now focus on producing seed clones for patented biologics like monoclonal antibodies (MAbs) and Fc-fusion proteins," Azad said.

These treatments, essential for cancer and autoimmune diseases, remain unaffordable for many in low-income countries.

Bangladesh enjoys a significant advantage under TRIPS patent exemptions until at least 2026, giving it the freedom to replicate high-cost biologics for domestic and international markets.

"Countries like China and India are bound by patents—Bangladesh can act now, before the window closes," he said.

Azad stressed that biosimilars also have strong demand in developed nations looking for cost-effective healthcare solutions. "This isn't just about access—it's also about wealth creation and industrial competitiveness."

Among others, Sher-e-Bangla Agricultural University Vice-Chancellor Md Abdul Latif, BRAC University Registrar Dave Dowland, and BNOBB Vice-President Haseena Khan also addressed the event.

WEEKLY STOCKS

Indices fall amid weak momentum

STAR BUSINESS REPORT

Equities on the Dhaka Stock Exchange (DSE) fell for a third consecutive week, as bargain hunters picked up select shares after the recent slump, but weak momentum kept the market in the red.

The capital bourse endured another challenging week as broad-based selloffs in the absence of a reviving catalyst for the ailing market pushed the indices to decline further, said EBL Securities in its weekly market review.

The DSEX, the key index of the premier bourse, declined 34.8 points, or 0.64 percent, to close at 5,415.13.

Other indices performed similarly, with the DS30, which tracks blue-chip stocks, and the DSES, comprising Shariah-compliant companies, both dropping, according to DSE data.

Although bargain hunters are turning back to the market as opportunistic investors targeted a handful of stocks trading at lucrative price levels, the weak market momentum kept equity indices anchored in negative territory, said EBL Securities.

Turnover, a key indicator of investor activity, fell sharply to Tk 2,918.83 crore, down from Tk 3,505.32 crore in the previous week.

On a daily average, turnover stood at Tk 580 crore, down 16.7 percent week-on-week.

"Investor sentiment mostly remained cautious ahead of the upcoming earnings season, with many participants opting to secure short-term gains and closely monitor market trends," EBL Securities said.

Most sectors closed lower, with banks losing the most at 1.9 percent, while services gained the most at 3.7 percent. Market breadth was largely negative as 219 issues declined, 139 advanced, and 37 remained unchanged.

Among individual issues, GQ Ball Pen Industries was the top gainer, soaring 17.8 percent, while Baraka Power Limited endured the sharpest fall, plunging 20.7 percent during the week.

Oil prices rise

REUTERS, *Houston*

Oil prices rose on Friday as Ukraine's drone attacks on Russia's energy infrastructure cut the country's fuel exports.

Brent futures settled at $70.13 a barrel, up 71 cents, or 1.02 percent. US West Texas Intermediate (WTI) crude finished at $65.72 a barrel, gaining 74 cents, or 1.14 percent.

Both benchmarks are set to register their biggest increases since mid-June.

"Markets continued to be focused on the situation between Russia and Ukraine," said John Kilduff, partner with Again Capital. "These drone attacks by Ukraine are beginning to add up."

Russia will introduce a partial ban on diesel exports until the end of the year and extend an existing ban on gasoline exports, Deputy Prime Minister Alexander Novak said on Thursday.

The drop in refining capacity has left several Russian regions facing shortages of certain grades of fuel.

62% of households spend

FROM PAGE B1

In city corporations, only 6.5 percent of households face such high food expenditure, reflecting better income opportunities and greater purchasing power.

Regional differences are equally striking. In Chattogram, Dhaka, and Khulna divisions, 40-46 percent of households spend less than half of their income on food.

By contrast, in Sylhet, Rangpur, Rajshahi, and Mymensingh, 25-35 percent of households allocate more than 75 percent of their budget to food, underlining widespread vulnerability in these regions.

"It cannot be claimed that the current situation has improved a lot compared to the Covid period," said Selim Raihan, an economics professor at Dhaka University and also the executive director at South Asian Network on Economic Modeling (Sanem).

The report also highlights nutritional concerns.

Only 15 percent of families regularly consumed iron-rich foods, while 9 percent had not consumed any iron-rich foods in the week before the study.

Barisal showed the highest rate of zero iron-rich food consumption, as 19 percent of families in the region did not consume any iron-rich foods in the week before the study.

Protein intake also varies by region. In Rajshahi, 26 percent of households reported consuming protein-rich foods. Raihan said, "Instead of improving, some risk factors, such as persistent higher inflation and eroding purchasing power, have been added. This has resulted in low protein and nutritional intakes."

Across the country, nearly three in ten households fall into the poor to borderline category of the Food Consumption Score (FCS), a key indicator of dietary diversity and nutritional security.

Urban areas show particular stress, with 28 percent of households recording poor to borderline FCS.

By contrast, city corporations fare better, with only 15 percent of households classified as vulnerable.

The most concerning situation is in Rajshahi division, where almost half of all households have poor to borderline FCS, making it the worst-affected region nationally.

Costs of trade with India

FROM PAGE B1

Md Abdul Wahed, honorary joint secretary general of the India-Bangladesh Chamber of Commerce and Industry (IBCCI), said imports from India at some land ports have fallen by more than 50 percent in terms of volume since the retaliatory measures began in April.

"For instance, in some land ports, nearly 400 goods-laden trucks used to arrive from India in a day, but now the number has fallen to 150 a day," he said.

"The trade relations between Bangladesh and India are not normal now, and the governments of both countries need to solve the trade barriers. In many cases of bilateral trade, the cost has risen to Tk 10 in place of the previous Tk 1."

Before the latest non-tariff measures, long-standing non-tariff barriers had already hampered trade between the two neighbours.

The timeline of the latest retaliatory measures dates back to early April, when India revoked transshipment for Bangladesh export cargo to third countries via its land borders and ports.

In mid-April, Bangladesh suspended yarn imports from India through all land ports, including Benapole, Bhomra, Sonamasjid, Banglabandha and Burimari, though imports through Chattogram were allowed.

In May, India restricted the import of garments, agro-processed foods, furniture and other goods from Bangladesh through land ports.

India Directorate General of Foreign Trade (DGFT) said garments, the single largest Bangladeshi export to India, would only be allowed entry through Kolkata port and Mumbai's Nhava Sheva port.

While Chattogram has so far absorbed much of the redirected flow, shipments to India through the 11 land ports as well as Mongla and Pangaon have fallen by nearly 15 percent in value and 19 percent in volume, according to official data.

Exports to India via Chattogram port rose 139 percent year-on-year in the first eight months of this year to $338.2 million, up from $141.4 million a year earlier, according to National Board of Revenue (NBR) data.

Why is BSEC being

FROM PAGE B1

So far, the central bank has largely excluded the BSEC from critical decisions such as mergers and liquidations. The only notable exception was some cooperation between the two regulators on bond-related initiatives, which is commendable.

Similar consultations were urgently needed in the case of the ongoing bank merger and NBFI liquidation. Such dialogue could have reassured the market by signalling that investor interests were being considered.

Other regulators also appear unwilling to recognise that the stock market is highly sensitive, where any decision affecting a listed company can sharply move share prices and investor confidence.

The finance ministry could play a crucial role here by directing all regulators to consult with the BSEC before taking steps that affect listed companies.

If listed firms are bound to disclose price-sensitive information, then regulators should also be obliged to engage in consultations and ensure timely disclosures.

As of now, no official disclosures on the merger of the five banks and the liquidation of the nine NBFIs have appeared on the Dhaka Stock Exchange (DSE) platform. Only after newspapers reported the developments did the DSE inquire about them. Some firms responded that they were trying to halt the process, while others said they had not been informed by the central bank.

The actions raise crucial questions. If listed firms are legally required to disclose such matters, why are regulators not doing the same? Why are they speaking to the media instead of officially informing lenders and investors?

This regulatory blind spot is not new. It reflects a long-standing legacy of regulators bypassing the BSEC. The stock market has suffered repeated blows due to this neglect.

In 2015, the Bangladesh Energy Regulatory Commission slashed distribution charges for Titas Gas without consultation, erasing more than Tk 3,000 crore in market value within months. In 2019, the telecom regulator branded Grameenphone a significant market power; in 2022, it went further, imposing a seven-month ban on new SIM sales. Neither decision involved the BSEC, yet both sent shockwaves through the market.

Despite many reforms in the financial sector, one crucial reform is still missing: a binding mechanism that ensures all regulators consult the BSEC before making decisions that could affect the earnings or survival of listed companies.

Until that happens, investors will continue to ask: How long will the BSEC be kept out of the decision-making process for listed firms?

Flawed NBR split risks

FROM PAGE B1

Based on its recommendations, the Advisory Council approved amendments to the ordinance. The two divisions are expected to start operations by December.

At the roundtable, Farid Uddin said the reform committee prepared its recommendations by evaluating the demands and opinions raised by businesses and stakeholders over the past 10–15 years regarding the NBR.

To gather feedback, the report was sent to 75 organisations, institutions, associations, and chambers, including several political parties such as BNP and Bangladesh Jamaat-e-Islami.

"Unfortunately, only the foreign chamber gave a somewhat complete response. Dhaka Chamber, MCCI, and ICMAB provided partial feedback. Apart from that, we received nothing," he said.

In this context, he stressed the need for a national consensus on the NBR reform.

"Without consensus, there will be no pressure on the government to implement reforms. My request to businesses is that they raise this issue in different forums and discussions," he added. Former NBR chairman Abdul Mazid said, "The recommendations of the business community and stakeholders must be taken into account."

"It is not enough to prepare a report or issue an ordinance. Without political commitment, implementation remains doubtful," he said.

Dividing the NBR into "Revenue Policy" and "Revenue Management" departments will not solve all the problems, said BGMEA Senior Vice-President Inamul Haque Khan.

Political govt essential for discipline

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sector during the previous government. "The situation was very poor in every indicator."

"More banks were approved based on political considerations rather than the actual size of the economy—something not seen anywhere else in the world. Banks were often used as tools for personal gain," she explained.

However, she opined that the interim government's efforts to merge weak banks are complex and risky. "There is a lack of clarity among people regarding this process."

Meanwhile, presiding over the event, Debate for Democracy's Chairman Hasan Ahmed Chowdhury Kiran said during the tenure of the Awami League-led government, some officials of Bangladesh Bank abused their power to provide unethical benefits to financial-sector mafias.

"At that time, the country was effectively under a 'mafia economy'. Several banks, including Islami Bank, were looted in front of everyone's eyes. Financial-sector mafias not only embezzled depositors' money but also laundered funds abroad," he said.

This has caused bank clients to live in anxiety, restlessness, and fear, he said, adding that it still remains uncertain when they will get their deposited money back. "Many depositors are even unable to withdraw funds kept in banks to cover medical expenses, and some have died in the meantime."

Kiran further stated that politically approved bank owners under the Awami League regime embezzled funds and looted all bank assets, both movable and immovable. "Currently, defaulted loans amount to Tk 6–7 lakh crore, which cannot be recovered. The mortgaged properties are so encumbered and complex that they cannot be auctioned or sold."

Moreover, since many of these properties belong to influential people, no one is interested in buying them, he pointed out.

The Government Teachers Training College, Dhaka won the shadow parliament debate, defeating the team from Southeast University.

The judges of the competition were Professor Tajul Islam Chowdhury Tuhin, senior journalist Mainul Alam, professional accountant Abul Bashir Khan, journalist Md Alamgir Hossain, and journalist Refayet Ullah Mirdha.

Hossain Khaled

After Tk 1,000cr profit, City Bank now eyes digital-first future

Chairman Hossain Khaled says in an interview with The Daily Star

FEDA AL HOSSAIN

City Bank reached a profit milestone and posted a strong deposit growth last year, thanks to its careful fund management, solid asset quality and strict cost control, according to the bank's Chairman Hossain Khaled.

The commercial lender crossed the Tk 1,000 crore profit mark in 2024, for which Khaled credited digital innovation through platforms such as Citytouch and financial inclusion initiatives that extend from rural agent banking to specialised SME financing.

In an interview with The Daily Star, he said the bank is creating a truly digital-first ecosystem where millions can access financial services without visiting a branch.

In 2024, the bank recorded a 31 percent rise in deposits. Khaled said this reflected the confidence of customers, shareholders and partners.

Building on its reputation as a technology pioneer, the bank is now looking ahead to the next decade.

The bank chairman described a plan to develop a highly personalised banking platform able to anticipate customer needs in real time.

"Our goal is to merge innovation with trust and operational excellence to redefine the future of banking in Bangladesh," he said.

According to the chairman, City Bank is strengthening its resilience with tighter lending discipline, stronger credit governance and advanced tools such as automated Expected Credit Loss models, AI-powered credit assessments and regular stress tests.

Khaled said Bangladesh Bank's preliminary approval for City Bank to set up a credit bureau was a key step towards greater market transparency.

As customer expectations change in the digital era, City Bank is turning its platforms into lifestyle-enabling ecosystems. Khaled said the bank is investing in technology-driven personalisation and digital loyalty programmes while remaining anchored in its core values of security, reliability and real-time support.

"Our goal is to make banking both effortless and empowering, seamlessly woven into the customer's everyday experience," he said.

The upcoming launch of City Credit Bureau PLC is central to this strategy. The bureau will use advanced analytics and alternative data to strengthen credit assessments and reduce default risks, improving the efficiency of retail and SME lending.

Khaled said the long-term vision is to capture a significant share of the market and position City Bank as a leader in the country's next-generation credit information ecosystem.

Discussing challenges facing the sector, Khaled said the industry is at a critical juncture, with high levels of non-performing loans (NPLs) and potential consolidation looming large.

On the government's plan to merge several Shariah-based banks, he described the initiative as both positive and necessary. Consolidation, he said, would enhance governance, improve regulatory oversight and ensure better risk management.

"With proper implementation, it can play a pivotal role in restoring public confidence and supporting the sector's recovery," he said.

While mergers could help stabilise weaker institutions, the chairman said such processes must be transparent and not provide a shield for defaulters.

On governance reforms, Khaled welcomed Bangladesh Bank's efforts to strengthen oversight but urged caution over the proposal to limit family members on bank boards. He said the wide legal definition of "family" could unintentionally exclude experienced, independent-minded directors and lead to unintended consequences.

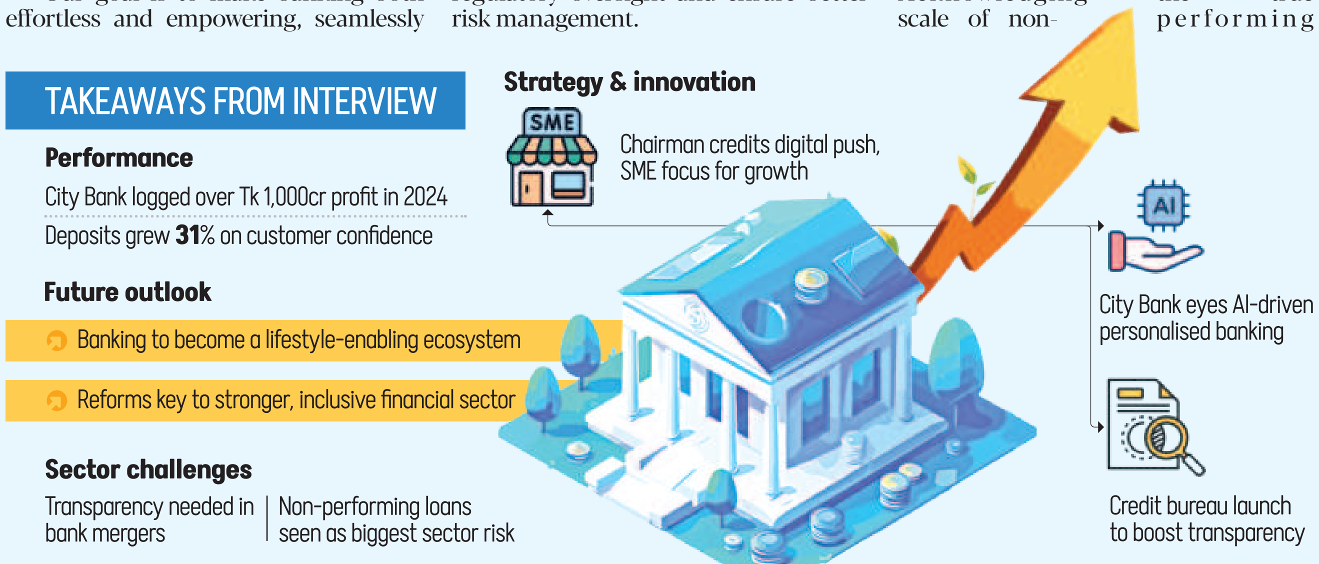
He called for evidence-based policies to ensure such measures deliver stronger governance without adverse effects.

Assessing the wider economy, Khaled said the financial sector was undergoing a difficult but necessary transition. Acknowledging the true scale of non-performing loans, though painful, is a healthy step towards transparency and discipline.

While liquidity remains tight and credit growth subdued, he pointed to stabilising factors such as regulatory reforms, IMF support and the move towards a flexible exchange rate.

The priorities now, he said, are governance, capital strengthening and risk-based lending. At the same time, digital finance and agent banking are expanding reach and resilience.

"If reforms are sustained, I am confident the sector will emerge stronger, more transparent, and more inclusive," said Khaled.



How to take a company from red to black

MAMUN RASHID

When the numbers turn red, you feel it before you see it. The office grows quieter. Conversations stop when you walk by. Suppliers begin asking for payment upfront, and employees update their LinkedIn profiles after hours. This is what a company in crisis looks like: not just bleeding spreadsheets but real people facing real uncertainty.

I have watched businesses fight their way back from the brink, and there is no magic formula. Instead, it is a series of hard choices that test everyone involved.

The first fight is always about cutting costs. Every expense gets scrutinised. That unused software subscription? Gone. The expensive office space? Time for something smaller. But here is where leaders make or break their companies: they either panic and cut everything, or they cut strategically. I have seen chief executives slash marketing budgets to zero, only to watch their sales pipeline dry up six months later. The companies that survive know the difference between fat and muscle. They protect what drives revenue, even when it hurts to spend money they do not have.

While cutting costs, you also scramble for every penny. You call customers who owe you money, sometimes swallowing your pride to ask when that overdue invoice might be paid. You negotiate with suppliers for an extra 15 days while promising you are good for it. I have watched business owners personally deliver products to speed up payments or work weekends in their warehouses to avoid hiring help.

Then comes the bigger question: borrow more money or sell part of your company to investors? Debt feels cleaner because you keep control, but monthly payments can strangle you when cash is tight. Bringing in investors means giving up ownership, but it can give you breathing space to actually fix the business. The smartest leaders choose the option that gives them time to recover, not just a quick fix.

None of these matters if your best people leave. When word spreads that your company is struggling, recruiters start circling. Keeping talent during tough times is not about retention bonuses you cannot afford. It is about brutal honesty combined with genuine respect. People can handle bad news if you tell them straight. What they cannot handle is being misled.

Turning a company around is not about motivational speeches. It is about sleepless nights reviewing cash flow projections. It is sitting across from your banker, explaining why this month will be different. It is looking your team in the eye and asking them to believe in something that feels uncertain.

When the numbers finally turn from red to black, the victory is not just financial. It is proof that a group of people refused to give up on something they believed in. That is what real business turnarounds look like: not just better numbers but better people who proved they could handle whatever comes next.

Readers may assume I have a story of corporate America in mind. But what happens if you want to turn a local company from red to black? Much depends on the character of the owners or promoters, their management behaviour and expertise, and clear communication with wider stakeholders. Support from financiers is also critical.

If the company is majority state-owned and loss-making, you are looking at a complete overhaul. Bring in capable people and professional directors, instil confidence in staff, optimise costs and resources, promote core businesses and shed tail-end operations without fuelling unrest. Senior staff used to one style of management, and those performing below average will resist change and may try to block success or damage reputations.

You therefore need a committed, hands-on board that stands behind change and optimisation, and above all, shows courage. Owners must unite to encourage the change drivers, regulators should keep their cool, and financiers should offer steady support.

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

Gold gains

REUTERS

Gold gained on Friday after US inflation data came in line with expectations, reinforcing bets that the Federal Reserve may continue with interest rate cuts later this year.

Spot gold rose 0.8 percent to $3,778.62 per ounce as of 01:30 p.m. EDT (1730 GMT), after hitting a record $3,790.82 earlier in the week. The metal has risen about 2.5 percent this week. US gold futures for December delivery settled 1 percent higher at $3,809.

"Monthly PCE data is in line, though personal income and spending were a tenth above expectations. Nothing from this data will prevent the Fed from carrying on with another cautious rate cut at the October meeting," said Tai Wong, an independent metals trader.

Data showed that US Personal Consumption Expenditures (PCE) price index rose 2.7 percent year-on-year in August, in line with economists' expectations in a Reuters poll. Investors now see an 88 percent probability of a rate cut in October and a 65 percent chance of another in December, according to the CME FedWatch Tool.

Markets will also watch remarks from Richmond Fed President Thomas Barkin and Fed Vice Chair Michelle Bowman later in the day for clues on the Fed's stance.

Gold, a traditional safe haven, typically benefits from lower interest rates.

Trump signals financial aid for US farmers hit by trade wars

AFP, *Washington*

President Donald Trump signaled Thursday that he could funnel aid to American farmers -- a big political support base -- hit by fallout from his trade wars.

Trump's aggressive trade policies and resulting fallout have weighed on US farmers, including hitting export markets like China.

Facing turmoil in a core part of his political coalition, the 79-year-old Republican said at the White House that he would be using revenue from tariffs on imports to bail out the farmers.

"We're going to take some of that tariff money that we've made, we're going to give it to our farmers," Trump said. He conceded that farming communities are "for a little while, going to be hurt" until the tariffs "kick in to their benefit."

The agriculture sector has come under pressure this year with export markets hit by trade disputes while farmers also grapple with lower commodity prices.

Trump's aggressive trade policies and resulting fallout have weighed on US farmers, including hitting export markets like China

Since returning to the presidency, Trump has imposed a sweeping 10-percent tariff on goods from almost all trading partners while raising this rate for dozens of economies. His moves have added to business costs for many companies, which are in turn feeling a squeeze on their margins.

Trump's latest comments also bring echoes of his first presidency, when retaliatory tariffs on the United States caused more than $27 billion in US agricultural export losses from mid-2018 to late-2019.

At the time, the United States engaged in a tit-for-tat tariffs war with China, among other issues.

The first Trump administration provided aid to farmers too as the trade war gutted exports to what had been a massive market for US soybeans and pork, among other products.

As trade tensions continue to simmer, China -- a top global buyer of soybeans -- has continued diversifying its purchases and pivoting to countries beyond the United States like Brazil.

Canada signs free trade agreement with Indonesia

AFP, *Montreal*

Canada has signed a bilateral free trade agreement with Indonesia, which aims to eliminate or reduce tariffs on over 95 percent of Ottawa's exports to its largest market in Southeast Asia.

Several experts told AFP the strategic agreement is being made in the context of global economic turmoil, exacerbated by the protectionist policies of the United States.

"This is the right deal at the right time with the right partner," Canada's Prime Minister Mark Carney said, adding Indonesia is "Canada's largest export market in Southeast Asia." Indonesian President Prabowo Subianto called it a "historic moment" during a visit to Ottawa, as the agreement is the first of its kind with an Association of Southeast Asian Nations (ASEAN) member country.

"I'm very lucky to be the Indonesian president who brings this back to Indonesia," Prabowo said Wednesday.

Canada's exports include wheat, potash, timber and soybeans.

The Comprehensive Economic Partnership Agreement (CEPA) allows Canada to strengthen its presence in the Pacific region, in line with the strategy that was unveiled by the previous administration under Justin Trudeau.

The deal also provides for the elimination of more than 90 percent of tariffs on Indonesian imports, a boon to the export of garments and leather goods to the North American market.

Simultaneously, a defense cooperation accord was signed aimed at strengthening collaboration in military training, maritime security, cyber defense and peacekeeping.

Big Pharma's tariff win leaves lingering aches

REUTERS, *Dublin*

Big Pharma is proving the mantra that prevention is better than cure. Late on Thursday, President Donald Trump announced 100 percent tariffs on imports of branded drugs into the US but also carved out exemptions for companies who are building big factories stateside. The likes of Roche, Novartis and AstraZeneca were right to take Trump's threats seriously by promising big investments. But their valuations don't exactly radiate confidence they can ward off tariff sickness forever.

Since Trump's "Liberation Day" global drugmakers have been at pains to show they are moving jobs and factories to the US In April, Swiss pharma group Roche announced a $50 billion investment plan, which was matched by Britain's AstraZeneca in July. Earlier this month, fellow UK drugmaker GSK said it would invest $30 billion over the next five years.

Drugmakers have been hammering the local manufacturing mantra home to an almost comical degree. Biogen, a $20 billion US drugmaker specialising in new treatments for neurological diseases, released a video on its social media page this week showing shovel-toting executives literally digging up dirt for a new headquarters in Massachusetts. Not to be outdone Mike Doustdar, CEO of Danish group Novo Nordisk, recently declared that "right now, cranes are rising" at the Ozempic-maker's site in North Carolina.

These announcements and performances had their desired effect. Thanks to Trump's exemptions, the majority of pharma groups will only be subject to the specific tariffs of the country in which they make drugs and ship to the US In such a scenario, French drugmaker Sanofi would only get a 15 percent charge as part of the European tariff agreement with the US, and Britain's GSK receives a 10 percent tariff as agreed by Prime Minister Keir Starmer.

Yet Trump's tariff announcement hasn't exactly sparked a relief rally. Most of the main pharma stocks have been trading at lower valuations since the threat of pharma-specific thwacks was first mooted in April.

AstraZeneca, the perennial bellwether of European pharma growth, was trading at over 12 times its expected EBITDA in April but now only manages 11 times. On Friday, the $228 billion pharma group's shares were flat.

Part of that may be pricing in the impact from wider national tariffs, as opposed to pharma-specific ones. But it may also reflect lingering concern that the sector could yet get hit in other ways – perhaps via some sort of pain for makers of generic drugs, which are yet to be targeted. It's too early for bosses to lay down their shovels.

President Donald Trump on September 25 unveiled 100 percent duties on branded pharmaceuticals, which will come into force October 1.

A pharmacy is seen at a chain store in Manhattan, New York City. President Donald Trump on September 25 unveiled 100 percent duties on branded pharmaceuticals, which will come into force on October 1. PHOTO: AFP/FILE