With TCB sales halted, the poor left in limbo

Another subsidised food programme for 1cr families struggles with incomplete list

SUKANTA HALDER

Sales of essential food items from trucks have been suspended since the second week of September, while another subsidised food programme for one crore families is facing difficulties with an incomplete list of beneficiaries.

This comes as more people slip below the poverty line and many struggle to put three meals a day on the table.

Although officials say it is not feasible to keep selling subsidised food from open trucks year-round, economists said high inflation and falling purchasing power are threatening food security for a large section of the population.

The mobile truck sales scheme is run by the state-owned Trading Corporation of Bangladesh (TCB). Under this programme, TCB sends out trucks loaded with essential goods at subsidised rates for low-income people.

In 2022, TCB shifted its focus from truck sales to distributing food at affordable prices to one crore families through special cards. But allegations of irregularities and politically influenced selection of beneficiaries marred the programme. After the political changeover in August last year, the interim government began reviewing the list of recipients, which is still incomplete.

Apart from the card scheme, TCB continued limited truck sales during Ramadan or when prices became too high for the poor to bear. The most recent round ended on September 13 after running for a month.

TCB Chairman Brigadier General Mohammad Foyshol Azad said the next phase of truck sales would resume in November due to continued public demand and high market prices.

During the latest rounds of sales, long queues of poor people behind the trucks became a familiar sight. In Dhaka alone, essential items were sold through 60 trucks, helping low-income families cope with the soaring cost of living.

According to TCB, each truck carried goods for 500 people. From these trucks, a buyer can purchase 2 kg of lentils, 2 litres of soybean oil and 1 kg of sugar for Tk 450. The same items cost Tk 620-650 in the regular market.

Although officials say it is not feasible to keep selling subsidised food from open trucks year-round, economists say high inflation and falling purchasing power are threatening food security for a large section of the population. PHOTO: STAR/FILE

For truck sales, the government allocated Tk 1,181 crore in subsidies to TCB in the fiscal year 2022-23. As the programme expanded nationwide, the subsidy rose to nearly Tk 3,500 crore last fiscal year.

Brig Gen Azad said the subsidy burden had eased slightly because purchasing prices were lower. "However, as the government needs to balance funding across many issues, a continuous truck sales programme is not feasible," he said, citing subsidy constraints.

According to a recent report by policy think tank Power and Participation Research Centre, poverty in Bangladesh has risen over the past three years. Nearly 28 percent of the population now lives in poverty, up from 18.7 percent in 2022.

The share of people living in extreme poverty has also risen to 9.35 percent this year from 5.6 percent three years ago, the report said. Another survey by the same organisation found that about 70 percent of the population is worried about rising prices.

On a positive note, inflation has been easing in recent months. It stood at 8.29 percent in August, down from 8.55 percent in July, according to the Bangladesh Bureau of Statistics. August inflation was the lowest in more than three years.

After the interim government took office in August last year, about 43 lakh TCB family cards were cancelled due to irregularities.

Brig Gen Azad said more than 65 lakh TCB cards have now been distributed. Of these, about 3.5 lakh are awaiting activation. Additional cards are also ready for activation, taking the overall total to 70 lakh.

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Strengthening reserves with gold and new currencies

MANWAR HOSSAIN

Bangladesh has achieved remarkable progress over recent decades, driven by exports, remittances and a dynamic private sector. Yet in a world of growing volatility from geopolitical shifts, energy price shocks and currency swings, resilience alone is no longer enough. Safeguarding our economic stability must begin with how we manage foreign exchange reserves.

By mid-2025, Bangladesh held about $31 billion in gross reserves, equal to roughly three months of import cover. On paper, this may seem adequate, but for an import-dependent country, it is a slim margin. With 85 percent of our fuel, most industrial machinery and a large share of food staples sourced from abroad, even a brief external shock could stretch our economic defences.

Two policy priorities stand out: increasing gold reserves and diversifying the currency composition of our foreign exchange holdings.

Gold has long served as a store of value in uncertain times. Yet, Bangladesh holds only 14.3 tonnes, or about 7 percent of total reserves. This is far below many peers. Turkey, for example, holds over 500 tonnes, about 30 percent of its reserves. During periods of lira volatility, this gold buffer helped the Turkish central bank avert deeper crises.

Global trends strengthen the case for a higher gold allocation. In 2023, central banks bought more than 1,000 tonnes of gold, a record high. China, Russia and India have all expanded their holdings amid shifting financial dynamics and concerns about dollar dependence.

History shows gold outperforming most fiat currencies. In 1990, it was about $400 an ounce. Today, it is close to $3,753, an almost ninefold rise. Over the same period, the US dollar lost nearly half its purchasing power. With US debt projected to exceed 130 percent of GDP by 2030, doubts about long-term dollar strength are mounting.

Raising Bangladesh's gold share to 15 percent of reserves would offer a dependable hedge against currency depreciation, oil price spikes and global uncertainty. It would also signal prudence to international markets.

A second concern is our reliance on the US dollar in trade and reserves. In FY2024, China was our top import source with 27 percent of total imports, the EU followed with 20 percent and the Middle East, mainly fuel, with 18 percent. Yet most of these transactions are still invoiced and settled in dollars, imposing hidden costs.

Using dollars for non-dollar trade exposes us to conversion charges, exchange-rate volatility and overdependence on one currency. Moving to direct settlements in yuan, euro, or other partner currencies could save Bangladesh hundreds of millions of dollars each year -- savings that would benefit businesses and consumers.

The yuan's global acceptance is rising. Its share of international trade settlements has climbed from 1 percent in 2012 to nearly 5 percent today. Russia, Brazil and several African nations already use it widely in trade with China. Bangladesh, with its growing trade ties to China, should not lag behind.

Other countries offer lessons. Vietnam maintains a diversified and transparent reserve structure, boosting investor confidence. Kazakhstan, after repeated currency crises, raised its gold share to more than 60 percent, insulating itself from further turmoil. Turkey used gold swaps to shield its economy during foreign currency outflows. These examples highlight the value of proactive, data-driven reserve management.

Bangladesh has reached a stage where small mistakes in financial strategy could bring large consequences. Our ambition to become a trillion-dollar economy needs strong foundations, including a modern and resilient reserve structure.

The time to act is now. We must build a reserve composition that reflects our trade realities, shields us from external shocks and positions us for strength in a fast-changing global order. Gold and smarter currency diversification are not simply tactics; they are economic necessities.

The writer is chairman of Anwar Group of Industries

Apex Footwear's profit falls 23%

STAR BUSINESS REPORT

Apex Footwear Ltd has reported a sharp decline in annual profit, prompting the company to recommend a lower cash dividend compared with the previous year.

Its net profit dropped by 23 percent year-on-year to Tk 13.55 crore for the year ended June 30, 2025.

The shoemaker's earnings per share fell to Tk 8.62 from Tk 11.22 a year earlier, the company said in a recent price-sensitive information disclosure.

Its operating cash flow also weakened significantly, with net operating cash flow per share sliding to Tk 56.48 from Tk 165.88 in the previous financial year.

In light of the results, the board of directors recommended a 25 percent cash dividend and a 25 percent stock dividend for the year ended June 30, 2025.

Last year, the company declared a 35 percent cash dividend and a 10 percent stock dividend.

The company said the stock dividend was aimed at converting retained earnings into paid-up capital to strengthen its capital base.

As of August 31, 2025, sponsors and directors held 31.54 percent of Apex Footwear's shares, institutional investors 27.45 percent, and the general public 41.01 percent, according to Dhaka Stock Exchange data.

Taiwan seeks bigger tech presence in India

REUTERS, *New Delhi*

Taiwan is seeking to double its exports of chips and electronics to India over the next five to seven years as smartphone shipments from the country ramp up thanks to demand from the US, the head of the island's main trade body said.

India's smartphone exports to the US, which are currently exempt from elevated tariffs, jumped nearly 40 percent from a year earlier to $8.43 billion in the first five months of the fiscal year that started in April, according to industry estimates, driven largely by demand for Apple's iPhones.

"Electronic industries are driving the growth of trade between our two countries," said James C. F. Huang, chairman of the Taiwan External Trade Development Council, in an interview on the sidelines of the Taiwan Expo trade fair on Thursday. Huang is a former Taiwanese foreign minister.

"I believe in the next five to seven years, the trade and investment which we have in India can double."

> **"Electronic industries are driving the growth of trade between our two countries," said James CF Huang, chairman of Taiwan External Trade Development Council**

Major Taiwanese firms have to date invested about $5 billion in Indian manufacturing, according to Taiwanese officials. Last year, Powerchip Semiconductor joined with Tata Electronics in an $11 billion venture to build India's first chip plant to be driven by artificial intelligence. The plant, in Gujarat state, was part of a $10 billion government incentive scheme.

And earlier this year, Apple supplier Foxconn unveiled a $1.5 billion investment in its India unit as it shifted more production out of tariff-plagued China.

Huang downplayed concerns that higher US tariffs on Indian goods could hurt Taiwanese businesses.

"I don't think it's going to affect Taiwan-India trade relations or investment relations," he said, pointing to India's large domestic market and growing opportunities in petrochemicals, textiles and electronics.

Huang said several Taiwanese companies are investing in India, bringing in more components from Taiwan and building a local supply chain to support operations in the country.

Asiatic Laboratories to build 32-storey tower in Dhaka

STAR BUSINESS REPORT

Asiatic Laboratories Ltd, a Dhaka-based pharmaceutical company, has approved the construction of a 32-storey building in Dhaka's Tejgaon commercial area.

The project, Time Square -- Dhaka, will be built on 20 kathas of land at 159/A Tejgaon, according to a disclosure on the Dhaka Stock Exchange (DSE) website yesterday.

The company's board also approved a joint venture agreement between Asiatic Laboratories, which owns the land; Headroom Ltd of Bangladesh, the consultant for the project; and China State Construction Engineering Corporation, the construction partner.

Asiatic Laboratories operates a manufacturing facility in Tongi, about 15 kilometres north of the capital.

Its portfolio covers 80 generic molecules across therapeutic classes, including antibiotics, antihistamines, bronchodilators, vitamins, and minerals, according to its website.

As of August 31, sponsors and directors held 40.71 percent of the company's shares, institutions 18.88 percent, and the public 40.41 percent, DSE data showed.

Free-market US tested as Trump takes stakes in private companies

AFP, *New York*

The Trump administration is in talks to take an equity stake in Lithium Americas, which would insert the government into another private enterprise in the latest challenge to American free-market traditions.

The move comes on the heels of Trump announcements establishing government holdings in struggling semiconductor giant Intel and the rare earth company MP Materials. Trump also secured a "golden share" for Washington in United States Steel as a condition of its sale to Japan's Nippon Steel.

Talks are still ongoing on the Lithium Americas stake, part of a renegotiation of a US Department of Energy loan held by the Canadian mining company and General Motors, said a Trump administration official. The White House has characterized the stock holding arrangements as a boon for taxpayers that points to Trump's prowess as a dealmaker, while asserting that day-to-day management will be left to companies.

But free-market advocates have reacted with various degrees of alarm to a trend they see as undermining the strength of the US system and stoking crony capitalism.

In the US system, the government sets up the rules governing the private sector but generally stays out of it thereafter as firms respond to market signals.

"It undermines competition," said Fred Ashton, director of competition policy at American Action Forum, who believes inserting the state into private enterprise leads to inefficiency and benefits politically favored firms over those less connected.

"We know the president likes to win so there's no way the government lets these firms fail," Ashton said.

US President Donald Trump arrives for the Pennsylvania Energy and Innovation Summit on the campus of Carnegie Mellon University in Pittsburgh, Pennsylvania. Trump has announced establishing government holdings in Intel and the rare earth company MP Materials. PHOTO: AFP/FILE

Trump administration officials recently made use of the US Steel golden share. The company had planned to keep paying 800 workers while idling an Illinois factory, but decided to keep the plant running after Commerce Secretary Howard Lutnick invoked the golden share, according to a Wall Street Journal report.

"You need to let an executive of the company conclude the best use of the capital," said governance expert Charles Elson of the University of Delaware, who criticized the White House intervention.

"The government is not in the business of picking winners and losers in the capital system," he said. "That's why we have a capital system."

It is not unprecedented for the US government to hold equity stakes. In response to the 2008 financial crisis, the US government amassed holdings in insurer AIG, General Motors and fellow automaker Chrysler as a condition of government support packages.

But the Treasury Department sold off the shares after the crisis ended, reflecting a bipartisan consensus, according to Michael Strain of the American Enterprise Institute think tank, who said presidents from Ronald Reagan to Barack Obama embraced the free market.

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