

Envoy Textiles signs \$30m loan deal with ADB

STAR BUSINESS REPORT

The Asian Development Bank (ADB) has signed a \$30 million sustainability-linked loan facility with Envoy Textiles Limited, marking its first such financing in Bangladesh.

The agreement builds on ADB's earlier engagement with Envoy in 2022 and underscores the lender's push to align industrial growth with environmental targets, according to a press release.

Sustainability-linked loans are performance-based instruments tied to measurable indicators, in this case, rooftop solar capacity and greenhouse gas emissions reduction.

The proceeds of the loan will be used to fund the design and construction of a new spinning unit for Envoy to expand its annual yarn production capacity at Envoy's manufacturing plant in Jamirdia, Bangladesh, install 3.5 MWp of rooftop solar panels at the factory, and refinance short-term local working capital loans.

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The new unit will be automated and more energy-efficient, and will have an annual yarn production capacity of 4,550 tonnes, mainly used for in-house production of denim fabrics, it said.

"The ready-made garment industry is a key driver of Bangladesh's economy, accounting for over 80 percent of total export earnings, and Envoy is the leading denim fabric manufacturer," said ADB Country Director for Bangladesh Hoe Yun Jeong. "This first sustainability-linked loan advances environmental sustainability and industrial modernisation, setting a new standard for the garment sector."

Envoy Chairman Kutubuddin Ahmed said it would expand production capacity, accelerate renewable energy adoption, and reduce the company's environmental footprint.

"Envoy remains dedicated to upholding the highest standards in quality, inclusivity, and sustainability," he said.

Envoy is one of Bangladesh's leading denim fabric producers with an annual capacity of 54 million yards, representing about 10 percent of the country's total.



PHOTO: PRABIR DAS

Bangladesh produced 1.15 crore tonnes of potatoes in the last harvesting season, far more than the country's demand for 90 lakh tonnes a year.

Potato price dips below Tk 20/kg amid oversupply

SUKANTA HALDER and SHAHEEN MOLLAH

Potato prices across Bangladesh have plunged below Tk 20 per kilogramme from Tk 25 a month ago, leaving farmers reeling from losses even as the government struggles to contain the market glut.

Stakeholders blame the government for failing to implement its announced measures, including a minimum cold storage gate price of Tk 22 per kg and a planned procurement of 50,000 tonnes. The fixed cold storage price is not followed, and the procurement of the promised amount was never carried out, leading to oversupply.

According to traders and data from the Trading Corporation of Bangladesh (TCB), potatoes were sold yesterday at Tk 18-Tk 25 per kg at the retail level, down from Tk 20-Tk 25 last week and Tk 25-Tk 30 a month ago. Compared with last year's Tk 50-Tk 60 per kg, prices have collapsed nearly 61 percent.

At the wholesale level, traders report that prices have fallen to Tk 11-Tk 12 per kg.

Delwar Hossain, a wholesaler at Karwan Bazar, one of the largest kitchen markets in the capital, said, "Potato supply has overrun the market, which is why prices have started to fall.

"For instance, I need one truck of potatoes. But I already have two trucks waiting in front of my shop to take the goods," he explained, adding that he is selling the staple vegetable at Tk 12 per kg.

Mohammad Sabuj, another wholesaler at the same market, said he has been buying potatoes from middlemen in Munshiganj at Tk 11 per kg over the past few days and selling them at Tk 11.66 per kg.

However, his purchase from traders in Bogura, Rajshahi, and Rangpur regions

cost Tk 12-Tk 15 per kg.

Bangladesh produced a historic high of 1.15 crore tonnes of potatoes in the last harvesting season, according to estimates by the Bangladesh Bureau of Statistics (BBS), far more than the nationwide demand of 90 lakh tonnes.

According to estimates by the Tuber Crop Research Centre and the Bangladesh Cold Storage Association, direct consumption accounts for most of it, while 10 lakh tonnes are used for seed and a portion goes into processing chips and crackers. Exports added another 62,000 tonnes in fiscal 2024-25, leaving a surplus piling up in cold storage.

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At the beginning of the last season, many farmers were forced to sell their produce for as low as Tk 11 per kg, far lower than the government's estimated average production cost of Tk 14. For farmers in the northern region, however, it was Tk 20 per kg, according to government data. For some, it was even more.

Ashraf Sarker, a farmer in Munshiganj who cultivated potatoes on six bighas of land last season, said, "Last month, I sold potatoes at Tk 9 per kg, even though my production cost was Tk 31 per kg."

He has stopped selling potatoes recently as prices continue to fall day by day. "I still have 12,500 kg of potatoes in cold storage." "I spent nearly Tk 500,000 last season,

but so far have only been able to sell potatoes worth Tk 80,000," Sarker said, highlighting the loss he faces.

To contain the prices and safeguard farmers' interests, the government on August 27 announced it would procure 50,000 tonnes of potatoes in a bid to protect farmers amid falling market prices.

In addition, a minimum selling price for potatoes at the cold storage gate was set at Tk 22 per kg.

However, traders say none of these steps worked.

Mostofa Azad Chowdhury Babu, president of the Bangladesh Cold Storage Association, said, "Currently, around 12 lakh tonnes of potatoes remain in storage, with only about two and a half months left to sell them."

"At present, potatoes are selling for Tk 10-Tk 11 per kg at the cold storage level, far below the government-fixed price," he said.

He noted that although the government had set a cold storage gate price and announced a planned procurement, those promises were not fulfilled.

"Farmers held back potatoes expecting government procurement, but when that didn't happen, stocks piled up. Now, with limited time left, everyone is releasing their potatoes into the market, which has caused prices to fall sharply," he added.

"You can't control prices just by fixing them. When supply is high, prices naturally fall," Babu noted.

Agriculture Secretary Mohammad Emdad Ullah Mian couldn't be reached for a comment on the matter over the phone.

However, TCB Chairman Brig Gen Mohammad Foysol Azad said the government will start buying potatoes from the end of this month.

Purpose beyond profit

MAHTAB UDDIN AHMED

A CEO in Dhaka once gathered his managers and declared with great seriousness, "Our company has only one purpose: to maximise profit." A young executive raised his hand and asked, "Sir, then why does your wife run the CSR committee with a bigger budget than my sales team?" The room burst into laughter, but behind the joke lay a bitter truth: many Bangladeshi companies treat purpose as either a fancy poster on the wall or a side hustle for family members. Meanwhile, the real engine of the business continues to be fuelled by short-term profits and cost-cutting, often at the expense of employees.

This is exactly the trap that one of my favourite Harvard professors, Ranjay Gulati, warns against in his research on "deep purpose." Companies that thrive in today's volatile world are those that anchor themselves in something beyond profit. And for Bangladesh, a country navigating everything from political heatwaves to climate change, discovering and living that deeper purpose is not a luxury; it's a matter of survival.

Global research shows that purpose-driven companies significantly outperform others: consumers are 4 to 6 times more likely to trust and buy from them (Zeno, 2020), 58 percent report more than 10 percent growth compared to 42 percent of non-purpose firms (EVERFI), and employee turnover can drop by 25 percent to 50 percent (MovingWorlds). Moreover, 70 percent of employees wouldn't work without a strong purpose (HBSS), yet only 42 percent of firms translate purpose into action (McKinsey), exposing a persistent "purpose gap."

Let's start with our readymade garments (RMG) sector. For decades, it has been our pride and our biggest export earner. However, when the purpose narrowed to just producing cheaper and faster, we ended up with disasters like the Rana Plaza collapse. The world doesn't forget those cracks in the foundation. Since then, factories that embraced a purpose of worker safety, dignity, and sustainability have not only won back orders but also earned reputational dividends that no marketing budget could buy. It turns out that buyers trust a factory that values life more than one that



only values the dollar.

The digital economy offers another lesson. Mobile financial services didn't win the trust of rickshaw pullers and garment workers because they plastered the city with billboards. Their real purpose was to bring financial services to the unbanked, and that human-centred mission turned them from a mobile wallet into a national habit. The same is true for health-tech startups connecting rural patients with doctors online or ed-tech platforms teaching coding to village kids. Profit followed because purpose led.

The problem, however, is what I like to call purpose-washing. Too many Bangladeshi corporations are experts in mission statement poetry: "empowering people," "building a better tomorrow," "serving the nation." Beautiful words, but when employees see the boss siphoning off funds, avoiding taxes, or throwing staff under the bus during a downturn, those words sound hollower than an empty ATM on Eid night.

True purpose is not a Facebook post on Independence Day; it is a guiding principle for how you hire, reward, invest, and lead. When a conglomerate decides to go green even at higher costs, or when a CEO keeps workers on payroll during political unrest instead of mass layoffs, that's purpose in action. Many MNCs love to showcase their ESG credentials, but few are willing to bear even a modest incremental cost, often spending more on publicising their brand image than on doing the actual work.

Bangladesh stands at a critical juncture. Cheap labour and borrowed capital may have carried us this far, but they won't carry us into the next chapter. To compete with Vietnam or India, our businesses must become trusted institutions, not just profit factories. Purpose is not charity; it is our best bet for resilience, investment, and long-term success.

Otherwise, we will keep filling plates with "shingaras" of short-term gains, while our neighbours sit comfortably at the feast of purposeful growth, leaving us with oily fingers and empty stomachs. Let's do what is right, not what is easy!

The writer is the president of the Institute of Cost and Management Accountants of Bangladesh and founder of BuildCon Consultancies Ltd

OpenAI valuation soars to \$500b

AFP, Paris

The valuation of ChatGPT developer OpenAI soared to a chart-topping \$500 billion in a deal for employees to sell a limited number of shares, financial media reported Thursday.

If confirmed, OpenAI workers' sale of a reported \$6.6 billion in shares to investors would make the company the world's most valuable startup, overtaking Elon Musk's rocket company SpaceX - valued at around \$400 billion, according to Bloomberg.

A gaggle of investors snapping up the shares included Japanese investment giant SoftBank, the Financial Times and Bloomberg reported, citing people familiar with the transaction.

OpenAI's French spokespeople declined to comment on the reports when contacted by AFP, while its US press office did not immediately respond to a request for comment. Softbank declined to comment on the reports.

Known for making high-stakes bets on tech, SoftBank had already committed to ploughing \$40 billion into OpenAI by the end of 2025 if the startup met certain conditions.

That March deal valued the US company at \$300 billion, less than three years after its flagship chatbot ChatGPT wowed the public with its ability to generate convincing text responses.

Other investors cited by the FT and Bloomberg Thursday included venture capital firms Thrive Capital and Dragoneer and Abu Dhabi's AI investment company MGX.

In the first six months of 2025, OpenAI pulled in around \$4.3 billion in revenue, specialist outlet The Information reported this week.

REUTERS, New York

Investors have anticipated for weeks the risks of a US government shutdown to markets. Now that it is here, they are hoping it will be brief.

A shutdown that lasts at least several weeks could cause confusion about the Federal Reserve's monetary policy path as the central bank will be without government data that helps guide its decisions, while also posing a possible drag on economic growth the longer it extends.

"We have the markets trading at extended valuations at all-time highs with an economy that seems to be showing some pretty clear signs of slowing," said Eric Kubly, chief investment officer at North Star Investment Management.

"That slowness in the economy is going to be exacerbated by the lack of government spending, and the longer it goes on, the more difficult it is to overcome those challenges."

The shutdown, impacting a wide swath of government operations, is leading to the furlough of federal workers, while US President Donald Trump, whose campaign to reshape the government is on track to push out some 300,000 workers

by December, has warned congressional Democrats that a shutdown could lead to more job cuts.

Shutdowns in the past have typically had limited impact on the markets, with

the S&P 500 stock index roughly flat on average during shutdowns since 1976, according to LPL Financial. More recently, since 1995, the S&P 500 finished higher during every shutdown, according to



Traders work on the floor of the New York Stock Exchange in New York City. Shutdowns in the past have typically had limited impact on the markets, with the S&P 500 stock index roughly flat on average during shutdowns since 1976.

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