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Star BUSINESS

BB rejects Janata Bank's request to adjust Tk 27cr loss at Italian subsidiary

MD MEHEDI HASAN

The Bangladesh Bank (BB) has turned down Janata Bank's request to adjust four years of losses at its Italian subsidiary, Janata Exchange Company (JEC) SRL, by dissolving the state-run lender's maintained provision.

In a recent letter to Janata Bank's managing director, the central bank said the matter would instead be reviewed based on whether the subsidiary can achieve profitability by June 2026, after which appropriate measures may be considered.

Earlier, the scam-hit bank had sought approval from the regulator to offset total losses of €1,962,902.43 incurred by JEC during 2021-2024, equivalent to around Tk 27.66 crore. The central bank, however, stated that approval cannot be granted to replenish the full amount of losses over this period.

JEC, which started operations in Rome in 2002 and later opened a branch in Milan, remained profitable until 2008 but has not reported a profit since 2009. In 2024, it recorded a loss of €495,023, following a loss of €509,083 in 2023.

Company data shows that in 2024, the JEC spent €810,029 on salaries, social security, retirement provisions, and administrative costs, while earning €363,682 from commission income, financing activities, gains on non-current assets, and other operations.

Janata Bank previously shut another overseas subsidiary, Janata Exchange Company INC (JECI) in the USA, in November 2021, after authorities discovered financial discrepancies of about $603,947 (approximately Tk 5.13 crore) in February 2020.

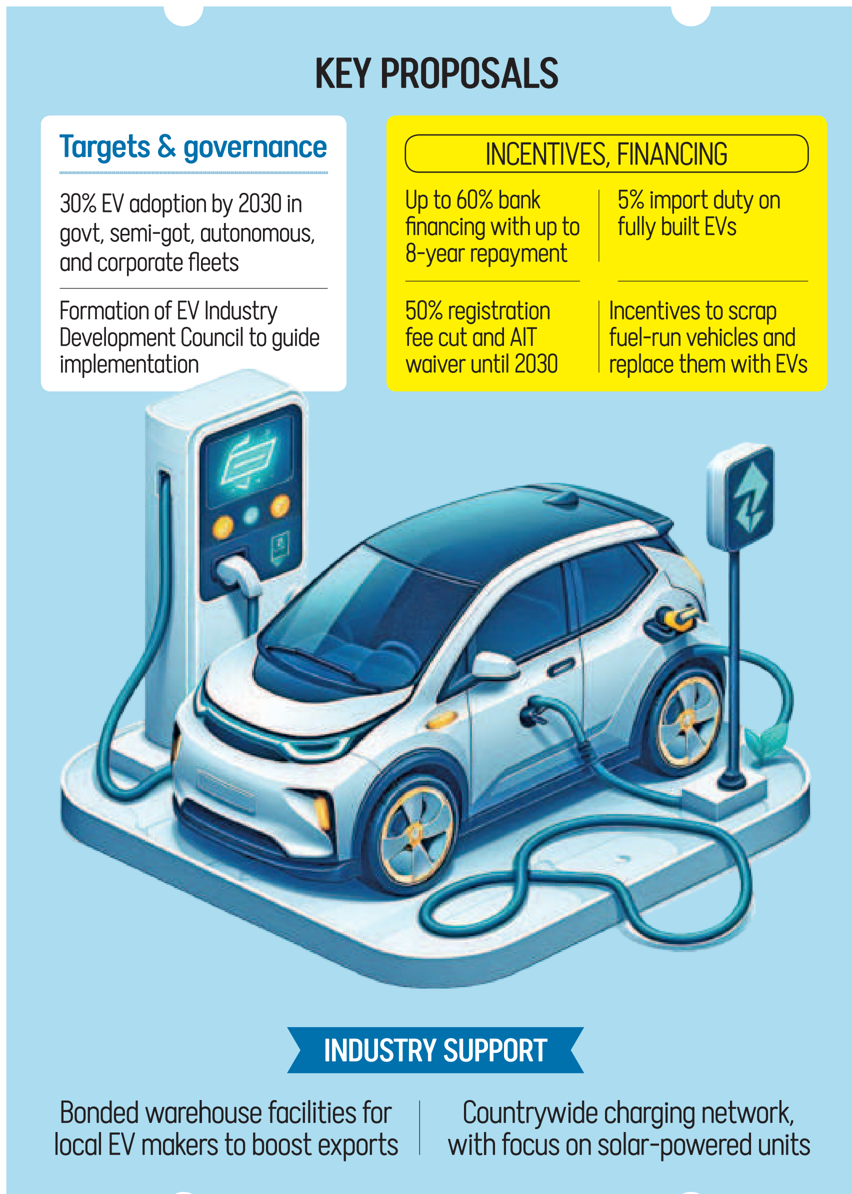
Contacted, Md Mazibur Rahman, managing director of Janata Bank, told The Daily Star that he was unable to respond to any questions at the moment.

Janata Bank is not the only state-run bank to have its subsidiary shut down. In 2022, Sonali Bank (UK) Ltd, an overseas branch of Sonali Bank, also closed its operations.

READ MORE ON B3

30% of govt vehicles to go electric by 2030

Draft national EV policy sets the ambitious target



JAGARAN CHAKMA

With a dozen incentives for manufacturers, importers and users, the government plans to mandate that at least 30 percent of all vehicles procured by government, semi-government, autonomous and corporations be electric by 2030.

The draft National Electric Vehicle (EV) Policy 2025, led by the Ministry of Industries, sets out a roadmap to cut transport-sector emissions, reduce dependence on fossil fuels and promote cleaner mobility.

A discussion on the draft took place yesterday at the Ministry of Industries, where officials from other ministries, industry leaders and experts shared feedback.

However, meeting sources said no concrete decision was made regarding several concerns raised there.

To encourage wider adoption, the government has proposed a series of financial incentives.

These include up to 60 percent bank financing for new EV purchases, with repayment periods of up to eight years.

Customs duty on fully built EVs could be reduced to 5 percent, while bonded warehouse facilities would be extended to local manufacturers to support exports.

Other incentives include a 50 percent cut in registration fees and full exemption from advance income tax (AIT) on EV registration, tax tokens and fitness certificates until 2030.

To phase out conventional fuel vehicles, the draft also proposes benefits on scrapping fossil fuel cars.

The policy also proposes developing a nationwide EV charging network under the Electric Vehicle Charging Guideline 2022.

Charging stations will be set up in both urban and rural areas, with an emphasis on solar-powered facilities.

To oversee implementation, the policy suggests creating an Electric Vehicle Industry Development Council, chaired by the industries adviser and comprising 32 members.

Other recommendations include setting operational lifetime limits for conventional vehicles, formalising unregistered electric three-wheelers such as "battery

READ MORE ON B3

Bangladesh wants study, data-based trade deal with EU

Commerce adviser says

STAR BUSINESS REPORT

Bangladesh wants to sign an Economic Partnership Agreement (EPA) with the European Union (EU), albeit after conducting a feasibility study and reviewing bilateral trade data, Commerce Adviser Sk Bashir Uddin said yesterday.

The adviser made the statement following a meeting with Michael Miller, ambassador and head of the delegation of the EU in Bangladesh, at the commerce ministry in Dhaka.

Miller said that signing an EPA with the EU could offer significant benefits for Bangladesh, as the EU remains the country's largest trading partner.

He also noted that there is a significant gap in bilateral trade between Bangladesh and the EU, as the former exports more goods than it imports.

Both Bangladesh and the EU have the opportunity to grow together by increasing trade and investment, he said.

Bangladesh has been negotiating with major trading partners to sign preferential trade deals such as EPAs, Comprehensive Economic Partnership Agreements (CEPAs), and Free Trade Agreements (FTAs).

The deals are aimed at securing zero-duty trade benefits once Bangladesh graduates from the least developed country (LDC) category to a developing one in November next year.

The EU is the largest trading bloc for Bangladesh, where goods worth more than $25 billion are exported annually — accounting for over 60 percent of the country's total merchandise exports.

Concurrently, Bangladesh has also been negotiating with the EU to secure GSP Plus status to enjoy zero-duty trade benefits after LDC graduation.

This is because the current tenure of the GSP status enjoyed by Bangladesh under the LDC category will come to an end in 2029.

The EU provides duty-free trade benefits for an additional three years after a country graduates, allowing a grace period to ensure a smooth transition.

If Bangladesh, however, wants to avail itself of the GSP Plus status, it will have to sign 32 international

READ MORE ON B3

Foreign investment rises 11% in Apr-Jun

STAR BUSINESS REPORT

Foreign investment in Bangladesh rose by 11 percent year-on-year to $303 million in the April-June quarter of the 2024-25 fiscal year, powered by a sharp spike in reinvested earnings by existing investors as the flow of equity capital dipped.

Reinvested earnings surged by 600 percent year-on-year to $168 million in the fourth quarter of the previous fiscal year, according to the latest data from the Bangladesh Bank (BB).

Equity capital flow slumped to $81 million in the April-June period this year, down 62 percent year-on-year, while intra-company loans also declined.

During the fourth quarter of FY25, areas outside the export processing zones (EPZs) and economic zones (EZs) received three-quarters of the $303 million in foreign investment.

Of the remaining 25 percent, EPZs logged 22 percent of the investment, and the rest went to the EZs, BB data show.

With the fourth-quarter figure, Bangladesh recorded $1.68 billion in foreign investment in FY25, the highest in three years.

The South Asian nation, seeking to lure foreign investment to bolster its economic development, received $1.46 billion in foreign investment in FY24.

M Masrur Reaz, chairman and CEO of Policy Exchange of Bangladesh, said that while the 11 percent year-on-year increase in FDI appears encouraging, a closer look at the composition tells a more cautious story.

"Nearly 72 percent of this FDI comprises

READ MORE ON B3

BTRC prepares for next spectrum auction by Jan

Operators push for full 700 MHz sale at lower rates to increase 4G-5G coverage

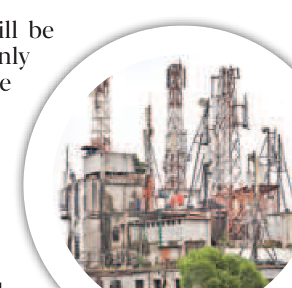
MAHMUDUL HASAN

With the last auction held nearly three years ago, the telecom regulator is now preparing to sell spectrum in the 700 MHz band, a key resource for strengthening 4G and expanding 5G coverage nationwide.

In the upcoming auction, only about half the available capacity may be put on sale because of an ongoing legal dispute now pending with the Supreme Court.

Mobile operators, however, are demanding that the entire band be auctioned together, saying smaller allocations raise costs, reduce efficiency and weaken service quality.

The Bangladesh Telecommunication Regulatory Commission (BTRC) has said that if the dispute is resolved before the auction, the full spectrum will be offered. Otherwise, only half will go under the hammer.



The regulator has already sought approval from the posts and telecommunications ministry to proceed.

In a recent letter, the BTRC informed the ministry that preparations are complete.

BTRC Chairman Maj Gen (retd) Md Emdad ul Bari said that if approval arrives by early November, the auction could take place by January.

"We have already sent a letter to the ministry to hold an auction with the available 25 MHz. The rest can be added if it becomes available before the auction takes place," he told The Daily Star.

Spectrum refers to the range of radio frequencies that carry mobile voice and data signals. Lower frequencies travel farther and penetrate buildings better, while higher ones carry more data but over shorter distances.

In Bangladesh, 45 MHz within the 703 to 803 MHz range is reserved for mobile use. The rest of the band is allocated to broadcasting services and state agencies.

READ MORE ON B2

'Fed should tread with caution on rate cuts'

REUTERS

St Louis Federal Reserve President Alberto Musalem on Friday said he sees possible room for one more interest rate cut to shore up the labor market, but urged caution because inflation remains "materially" above the US central bank's 2 percent target.

"I am open-minded about a potential further reduction in interest rates to provide further insurance against labor market weakening," Musalem said at the Springfield Area Chamber of Commerce in Missouri.

But, he added, "I believe that we have to tread with caution because there's limited room for further easing before monetary policy could become overly accommodative, and I believe that monetary policy should continue to lean against persistence in inflation."

ICC Bangladesh President Mahbubur Rahman and its members hold a meeting with Carla Haddad Mardini, director of the Private Fundraising and Partnerships at Unicef Geneva, and Rana Flowers, Unicef representative in Bangladesh, at ICCB Secretariat in Gulshan, Dhaka recently. PHOTO: ICC BANGLADESH

Midland Bank signs deal with Shamadhan Services to facilitate money transfers

Mohammad Anwar Hossain, chief operating officer of Shamadhan Services Limited, and Maruf Haider, executive vice-president of Midland Bank PLC, exchange signed documents of the agreement at the bank's head office in Gulshan-2, Dhaka recently. PHOTO: MIDLAND BANK

STAR BUSINESS DESK

Midland Bank PLC has signed an agreement with Shamadhan Services Limited, an emerging digital financial service provider, to facilitate seamless money transfers between Shamadhan and Midland Bank accounts.

Md Zahid Hossain, deputy managing director of Midland Bank PLC, and Mohammad Anwar Hossain, chief operating officer of Shamadhan Services Limited, signed the agreement at the bank's head office in Gulshan-2, Dhaka recently, according to a press release.

Under the partnership, customers of both institutions will be able to transfer funds in real time between Shamadhan mobile wallets and Midland Bank accounts, ensuring greater flexibility, speed, and accessibility.

Nazmul Huda Sarkar, chief technology officer of the bank; Maruf Haider, executive vice-president; Ashrafur Rahman, relationship manager; Md Salah Uddin Tanvir, head of product and pricing at Shamadhan Services; and ABM Saiful Bari, head of business and strategy, were also present at the event, along with other senior officials from both organisations.

AB Bank unveils collection booth at NIDCH

STAR BUSINESS DESK

AB Bank PLC has opened a collection booth at the National Institute of Diseases of the Chest & Hospital (NIDCH), popularly known as TB Hospital in Mohakhali, offering comprehensive modern banking services.

The booth, under the bank's Mohakhali branch, will facilitate all collections of the NIDCH and provide payroll services to doctors, nurses, and hospital staff.

Syed Mizanur Rahman, managing director and CEO of AB Bank PLC, and Prof Md Delwar Hossain, director (acting) of the NIDCH, jointly inaugurated the booth on the hospital premises recently, according to a press release.

Golam Sarwar, assistant professor of NIDCH; Mohammad Abdullah Al Mehedi, medical supervisor; Tania Sattar, head of brand communication at the bank; and Chowdhury ANM Mosharaf Ali Beg, manager of the Mohakhali branch, along with other senior officials from both organisations, were also present.

Prof Md Delwar Hossain, director (acting) of the National Institute of Diseases of the Chest & Hospital, and Syed Mizanur Rahman, managing director and CEO of AB Bank PLC, jointly inaugurate the collection booth on the hospital premises in Mohakhali, Dhaka recently. PHOTO: AB BANK

China accuses US of 'double standards' over new tariff threat

AFP, *Beijing*

China accused the United States of "double standards" on Sunday, after President Donald Trump threatened an additional 100 percent tariff on the world's second-largest economy.

Trump reignited his trade war with China on Friday, accusing Beijing of imposing "extraordinarily aggressive" new export curbs relating to rare earths.

He announced extra levies -- plus export controls on "critical software" -- due to take effect from November 1, and threatened to cancel a meeting with Chinese President Xi Jinping.

On Sunday, China's Ministry of Commerce called Trump's tariff threat a "typical example of 'double standards'".

The ministry said Washington had ratcheted up economic measures against Beijing since September.

"Threatening high tariffs at every turn is not the right approach to engaging with China," it said in an online statement.

Chinese goods currently face US tariffs of 30 percent under levies that Trump brought in while accusing Beijing of aiding in the fentanyl trade, and over alleged unfair practices.

China's retaliatory tariffs are currently at 10 percent.

Trump reignited his trade war with China on Friday, accusing Beijing of imposing "extraordinarily aggressive" new export curbs relating to rare earths

Rare earths have been a major sticking point in recent trade negotiations between the two superpowers.

They are critical to manufacturing everything from smartphones and electric vehicles to military hardware and renewable energy technology.

China dominates global production and processing of these materials, and on Thurday announced new controls on the export of technologies used for the mining and processing of critical minerals.

In response, Trump said on his Truth Social platform that China had taken a "very hostile" stance and should not be "allowed to hold the World 'captive'".

The US leader also threatened to pull out of a mooted meeting with Xi at the Asia-Pacific Economic Cooperation summit in South Korea later this month.

It would have been the first face-to-face encounter between the leaders of the world's two largest economies since Trump returned to power in January.

A few months ago, Beijing and Washington agreed an uneasy truce in their tit-for-tat trade war that started earlier this year and threw bilateral trade into serious jeopardy.

But tensions have boiled up again in recent days.

China said on Friday that it would impose "special port fees" on ships operated by and built in the US, calling it a "defensive action".

Health scare taints Indonesia's export reputation

ANN/THE JAKARTA POST

Industry players have warned that Indonesia's export reputation is on the line, as delays in addressing recent radioactive and toxic material contamination could undermine the credibility of local goods abroad. They cautioned that such fallout could lead to financial losses and mass layoffs, urging the government to act swiftly and implement stronger safeguards to prevent future incidents.

The Indonesian Employers Association (Apindo) has called for urgent measures to restore global market confidence and prevent stigma on Indonesian goods surfacing, as negative perceptions toward one export commodity can spill over to related industries.

"Such reputational risks can also affect other sectors such as fisheries, processed foods and agribusiness [...] impacting Indonesia's exports as a whole," Apindo's head of the fisheries and livestock division, Hendra Sugandhi, told The Jakarta Post on Tuesday.

Hendra noted that the recall of Indonesian shrimp exports to the United States by the US Food and Drug Administration (FDA) has prompted many foreign buyers to be more cautious, tightening inspections or even delaying contracts with local suppliers.

He emphasized that recent contamination cases must be handled promptly and transparently through proper recalls and investigations into the root causes, while ensuring that businesses adhering to safety standards are not unfairly penalized.

"A thorough investigation from upstream to downstream must be carried out by the government or competent authorities responsible for the case, ensuring effective corrective actions to prevent the same problem from recurring," he said.

Shrimp Club Indonesia (SCI) chairman Andi Tamsil revealed that around 400 containers had been returned so far, representing a loss of over Rp 1 trillion (US$60 million), with many other buyers reportedly postponing purchases. He added that shrimp farms in various regions have suffered price drops of up to 30 percent.

"[This incident] has hurt more than 600 small-scale farmers in Aceh, North Sumatra, West Sumatra and surrounding areas," Andi told the Post on Wednesday.

He explained that farms suffering such losses are now unable to pay workers or purchase raw materials such as shrimp larvae and feed, creating cash flow strain across the entire supply chain.

"The entire shrimp industry employs over 1 million workers. So far, layoffs have already occurred at PT Bahari Makmur Sejahtera (BMS) [whose goods were recalled by the FDA over radioactive contamination], affecting approximately 7,000 employees. If purchase delays continue, other exporters could soon be affected as well," Andi claimed.

Outside the US, he said that importers from several other countries, including China and European Union markets, had contacted Indonesian authorities seeking clarification regarding the radioactive contamination.

Local sales, meanwhile, cannot absorb the excess supply amid the export downturn, according to Andi. Domestic demand is estimated at only 15,000 tonnes per year, compared to 270,000 to 280,000 tonnes exported annually.

Indonesia's food export industry has faced a series of contamination cases in recent months, spanning various commodities from shrimp and spices to instant noodles. The incidents have drawn heightened scrutiny from key markets toward the "Made in Indonesia" brand.

In August, the US FDA detected traces of cesium-137 (Cs-137), a radioactive isotope, in a container linked to BMS' facilities in Cikande, Banten. Investigations later revealed contamination at a nearby scrap metal facility, PT Peter Metal Technology, located roughly two kilometers away.

Authorities have not yet made a direct connection between the findings, but nine residents of the area tested positive for internal radiation exposure through whole body counter (WBC) detection in late September.

An aerial photo shows cargo containers stacked at the Jakarta International Container Terminal in Tanjung Priok Port. PHOTO: AFP

BTRC prepares for next spectrum auction

FROM PAGE B1

The 700 MHz band is especially prized for its broad coverage and stable connectivity, making it very important for bridging the digital divide and expanding affordable broadband access.

The draft auction guidelines give the BTRC the option to sell either the currently available 25 MHz or the full 45 MHz, depending on whether the court case involving a broadband provider is resolved before the auction.

Back in 2007, the BTRC allocated 12 MHz from the 700 MHz band to the broadband provider Always On Network Bangladesh Ltd.

At the time, the band had not yet been recognised locally for mobile use, though it was later assigned globally for telecom services. The commission later said the allocation was made in error and offered replacement spectrum in the 5 GHz band.

But the company challenged the BTRC cancellation in the High Court, which issued a ruling that is now under appeal before the Appellate Division. Until the appeal is resolved, the 12 MHz thus remains unavailable.

Officials said the hearing date is yet to be confirmed, as the Supreme Court is currently on vacation until mid-October.

According to them, if the appeal is settled before the auction, the BTRC will offer the full 45 MHz. Otherwise, it will go ahead with 25 MHz.

OPERATORS PUSH FOR FULL AUCTION AND LOWER RATES

In March, Telenor, Axiata and VEON, the foreign investors in Grameenphone, Robi and Banglalink, submitted letters to the ministry asking for the release of the entire 45 MHz at once.

They say that larger, contiguous blocks are essential for efficient 5G rollout. Fragmented or smaller allocations, they say, increase costs, reduce efficiency and limit network performance.

Shahed Alam, chief corporate and regulatory officer at Robi Axiata PLC, said selling only part of the spectrum could hurt market competition.

"Rushing to sell fragments without first resolving the remaining 20 MHz sends a negative signal to ongoing litigations and undermines investor confidence," he said.

Alam added that low-band spectrum like 700 MHz is too valuable to be sold in pieces. Fragmented sales, according to him, could lead to slower rural coverage, higher prices for users and weaker digital inclusion.

Meanwhile, spectrum pricing remains another flashpoint. The BTRC initially proposed a base price of Tk 263 crore per MHz, but operators and foreign investors have called for a reduction.

They say excessive spectrum costs could slow their network expansion and upgrades.

Taimur Rahman, chief corporate and regulatory affairs officer of Banglalink, said spectrum prices in Bangladesh are very high compared with countries of similar size and demographics.

He referred to a recent GSMA study that highlighted how lower spectrum prices could accelerate digital adoption nationwide.

In May, Special Assistant to the Chief Adviser Faiz Ahmad Taiyeb recommended a 10 percent cut in the reserve price, according to commission documents.

Acknowledging the sensitivity of the issue, the BTRC said the final price should be determined through consultation with the finance and telecom ministries.

Rahman said they hope the government would consider the GSMA study and its call for lower spectrum costs.

"The 700 MHz band is globally recognised as the digital dividend band and should therefore be priced significantly lower than other bands to maximise its impact on ensuring digital penetration across the country," he added.

BB's merger decision prompts SIBL founder director to resign

STAR BUSINESS REPORT

Major (retd) Md Rezaul Haque, one of the founder and sponsor directors of Social Islami Bank PLC (SIBL), resigned yesterday, citing "dissatisfaction" over Bangladesh Bank's (BB) recent decision to merge it with four other similarly troubled Islamic banks.

Three days ago, the advisory council of the interim government approved the merger proposal to establish a new state-run Islamic lender named "Sammilito Islami Bank Ltd" owing to their deteriorating financial condition.

Haque sent his resignation letter to the SIBL chairman yesterday. He was the only sponsor director on the five-member board of directors of SIBL.

The BB had formed this board by dissolving the previous one, which was dominated by family members of controversial businessman Mohammed Saiful Alam, following the fall of the Sheikh Hasina-led government on August 5 last year.

In the letter, Haque said he had served as SIBL chairman from June 30, 2013, to October 30, 2017, with honesty and efficiency while seeking to ensure the bank's overall development.

He claimed that he was forced to resign as chairman.

Haque said SIBL suffered from corruption and mismanagement in the years leading up to the political changeover in August last year, leaving the bank on the brink of collapse.

He termed the appointment of four independent directors to the existing board by the BB an "ineffective decision."

Citing that an uncertain future awaits depositors, shareholders, and employees, Haque, in his resignation, said he was "compelled with deep sorrow" to resign this time around.

Earlier, SIBL's founding shareholders, including Haque, had urged the BB and the finance ministry not to include SIBL in the plan to merge ailing banks.

Contacted, SIBL Managing Director Shafiuzzaman said yesterday he was unaware of Haque's resignation. "There is a scheduled board meeting at 2:30pm today, and the issue is likely to be discussed there," he added.

Lovello Ice-cream declares 16% dividend

STAR BUSINESS REPORT

The ice-cream maker's board has also proposed doubling its authorised capital to Tk 200 crore from Tk 100 crore, subject to approval from regulators and shareholders

Taufika Foods and Lovello Ice-cream PLC has recommended a 16 percent dividend for the year that ended on June 30 this year, comprising 11 percent cash and 5 percent stock, the company said in a price-sensitive information disclosure.

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

This year's stock portion is aimed at converting retained earnings into paid-up capital to strengthen the company's capital adequacy, according to the disclosure.

The ice-cream maker's board has also proposed doubling its authorised capital to Tk 200 crore from Tk 100 crore, subject to approval from regulators and shareholders.

For FY25, Lovello reported a profit of Tk 15.39 crore.

In a separate disclosure, Lovello reported EPS of Tk 1.02 for July-September 2025, up from Tk 0.91 in the same period a year earlier.

The company said its net profit after tax rose 24 percent on the back of a 15 percent increase in sales.

As of September 30, 2025, sponsors and directors jointly held 38.66 percent of Taufika Foods and Lovello Ice-cream shares, while institutional investors owned 20.35 percent and the general public 40.99 percent, Dhaka Stock Exchange data shows.

Taufika Foods and Lovello Ice-cream, which markets its products under the Lovello brand, was incorporated as a private limited company on August 7, 2011, and its Lovello ice cream was commercially launched in 2016.

Bangladesh wants

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conventions, including four core ones covering human rights, environmental protection, labour rights, and good governance.

So, Bangladesh prefers signing a trade deal to avail itself of GSP Plus status for the long term alongside sustainable trade benefits.

However, Bangladesh's record of signing trade deals is poor. So far, the country has managed to sign only one preferential trade agreement — with Bhutan in December 2020.

"We want to sign the EPA with the EU, and we are ready to start negotiations if the EU responds to our call for the EPA," Commerce Secretary Mahbubur Rahman told The Daily Star over the phone after the meeting.

During yesterday's meeting, the EU ambassador also mentioned some non-tariff issues, including those involving Chattogram port and the sourcing of pharmaceutical products from Bangladesh, the secretary said.

Almost all the issues raised by the EU ambassador and ambassadors of a few other EU countries accompanying Miller to the meeting are related to other ministries, Rahman added.

At present, Bangladesh enjoys duty-free access to the EU. The EU has already granted the country a three-year extension of zero-duty facilities until 2029.

After that, exporters will face tariffs of about 12 percent in the absence of an agreement. The country's major competitors in exports, such as India and Vietnam, have already signed FTAs with the bloc.

Garments are the main export item to the EU. Currently, around 64 percent of Bangladesh's annual garment exports are destined for the EU.

If the country cannot secure either GSP Plus status or an EPA, the garment sector will face serious challenges after LDC graduation.

Foreign investment rises 11%

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reinvested earnings and intra-company loans," said Reaz. "This suggests a stagnation in fresh equity inflows — investment that is most critical for creating new capacities, jobs, and export potential."

According to Reaz, the dominance of reinvestment over new equity points to deeper structural issues in the investment ecosystem.

These include regulatory unpredictability, infrastructure inefficiencies, and persistent challenges in energy reliability — especially gas and power, key inputs for industrial growth.

"The country has, for years, struggled with an FDI climate that lacks the consistency and competitiveness needed to attract new investors," he added.

Political uncertainty has also played a role.

Over the past year, investor sentiment has weakened due to electoral transitions and a general 'wait-and-see' approach by both domestic and international players. "When elections are uncertain and reform momentum stalls, investors tend to pause," Reaz noted.

While the modest growth in quarterly FDI may be viewed as a sign of resilience, he emphasised that Bangladesh must do more to attract greenfield and strategic investments.

"To move beyond incremental growth, the country needs bold reforms and a focused effort to restore investor confidence."

30% of govt vehicles

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rickshaws" and "easy bikes", and introducing EV technology into technical education programmes.

Manufacturers will be required to meet international safety and performance standards for batteries, braking, lighting and other components.

The safe disposal and recycling of lithium-ion and lead-acid batteries will be mandatory under the Department of Environment rules.

The draft also stresses promoting local innovation and developing backward linkage industries through research and development, aiming to build a skilled workforce and attract both local and foreign investment.

Yet, stakeholders raised a number of issues in the current version.

Mir Masud Kabir, managing director of Bangladesh Auto Industries Ltd, a subsidiary of Mango Teleservices, voiced concerns during the meeting.

He said that although feedback was gathered from 12 institutions, including the National Board of Revenue (NBR) and private investors, several parts of the policy had been included directly from the Cabinet Division without scope for revision.

Kabir criticised the proposed reduction in customs duty from 25 percent to 5 percent on finished EVs. "This undermines local manufacturing," he said. "If battery imports are taxed at just 1 percent, why would anyone invest in local production?"

He also called for direct consumer incentives, similar to those offered in India, China and the United States, to increase adoption.

Highlighting the lack of clarity in key definitions, Kabir warned that vague distinctions between "manufacturer" and "assembler" could discourage genuine investors.

He also urged the government to align its environmental ambitions with employment priorities.

"If we want zero carbon, we must also aim for zero unemployment. Imports alone will not build an industry; we must create jobs through local manufacturing," said Kabir.

Rashidul Hassan, additional secretary at the Ministry of Industries, acknowledged that industry representatives had raised concerns about the policy's import-heavy approach.

He said the government aims to protect local industries but added that domestic capacity is not yet sufficient to meet expected EV demand.

"The policy is still in draft form," he said. "More inputs came from the Cabinet Division in this version. The policy will be revised based on stakeholder feedback and then sent to the Ministry of Law and the Cabinet for final approval."

BB rejects

FROM PAGE B1

Currently, around 20 state-run and private commercial banks operate overseas branches, exchange houses, and other subsidiaries across 22 countries. However, several are closing their international operations due to sustained losses.

Industry insiders cite high operating costs, lack of in-depth market surveys, competition from hundi channels, and inadequate technological investment as the main reasons behind the declining performance of local banks' overseas exchange houses.

The 'boat village' of Barguna

Keeping a 200-year tradition afloat

SOHRAB HOSSAIN, *Patuakhali*

In the remote village of East Chunakhali in Barguna, the day doesn't start with an announcement from overenthusiastic roosters, but with the cling-clang of hammers and chisels. Walk through the alleys any time of the year, and you'll find house after house busy shaping timber and sealing planks – men bending over raw logs, trimming them into smooth, curving ribs. The air smells of freshly cut wood mixed with the tang of tar and marine paint.

The village, located in Kukua union under Amtali upazila, houses some 900 families. Over 250 of them are directly involved in the craft of boatmaking, earning it the nickname "boat village."

For nearly 200 years, crafting boats has been the lifeblood of this riverside village. Every year, the artisans of Chunakhali build boats worth nearly Tk 2 crore, sustaining a centuries-old heritage while keeping the local economy afloat.

"People from faraway places know this as a boatmaking village," said Borhan Uddin Ahmed Masum Talukder, chairman of Kukua Union Parishad. "The trade has not only preserved our tradition but also improved the livelihoods of villagers."

A visit to the village reveals yards filled with small sheds made of tin or polythene, where groups of carpenters work side by side. Each pair of craftsmen can make one small boat, known locally as a "dingi," in a single day, earning about Tk 800 to Tk 900 each.

These light wooden boats are in high demand across the coastal belt. They are easy to maneuver in shallow waters and are used for fishing, carrying harvested paddy, or transporting goods to local markets.

For nearly every artisan, the craft is a generational inheritance. Elderly craftsman Barek Mistri, who has been building boats for 50 years, says it all began with Lalu Mistri.

"About two centuries ago, a man named Lalu Mistri started making boats here," he said. "Other villagers learned the skill from him. Many families followed his lead, and it became our main occupation."

Standing nearby, Muzammel Mistri described the costs involved. "A small boat costs about Tk 2,000 to Tk 2,500 to make and sells for Tk 3,000 to Tk 3,500. Bigger ones cost around Tk 9,000 and sell for Tk 12,000 to Tk 15,000."

The boats made in Chunakhali are sold in markets across Amtali, Kalapara, Galachipa, Gazipur, and Patuakhali. Since most of the timber is sourced locally, production costs remain low and profits higher.

"I came all the way from Lalua in Kalapara upazila to buy boats here," said Sattar, a fisherman. "The boats made in this village are durable and last longer than others."

Amtali Upazila Nirbahi Officer Mohammad Rokonuzzaman Khan acknowledged the economic potential of the village's craftsmanship. "Boats made in Chunakhali are in high demand," he said. "We're considering ways to support the artisans, including easy-term loans to help them expand their work."

Over 250 families, out of some 900, of East Chunakhali village in Barguna are directly involved with the craft of boatmaking, earning it the nickname of "boat village". PHOTO: SOHRAB HOSSAIN

Succession gap in Bangladeshi companies

MASUD KHAN

Succession planning remains one of the weakest aspects of corporate governance in Bangladesh. While multinationals operating here view salaries as long-term investments in leadership pipelines, most local firms continue to treat them as costs. This difference explains why professionals in multinational corporations thrive in structured, merit-based environments, while many of their counterparts in local businesses remain underutilised and frustrated.

Over the past two decades, family-owned conglomerates in garments, cement and trading have experimented with hiring professional managers. Yet genuine success stories are rare. The main reason is the dominance of owners in daily operations. On paper, professionals may appear empowered, but in practice, most significant decisions still flow back to the owner or the family. This stifles initiative, limits professional growth, and reinforces the belief that only the owner can run the business effectively. The result is predictable: talented managers leave, often for multinationals, where decision-making structures are clearer and career progression more systematic.

The contrast with multinational joint ventures is striking. In sectors such as fast-moving consumer goods, telecommunications and cement, professionals typically run operations, while foreign or institutional shareholders focus on governance and strategic oversight. Because ownership and management are clearly separated, managers are trusted to lead and are held accountable for performance. These firms consistently attract top graduates, develop leadership talent internally and maintain competitiveness in fast-changing markets.

The role of the first generation of Bangladeshi entrepreneurs is central to understanding this dynamic. Many of today's business leaders began from modest positions — some as traders of raw materials, others on factory floors or in small tailoring shops. Through resilience and effort, they built enterprises that came to dominate their sectors. Their strength lay in hands-on experience and instinctive market knowledge. Yet this history also created a structural challenge: when such entrepreneurs employ professionals, they often expect them to display the same level of intuition and resilience that they themselves developed over decades. For most managers, this is an impossible benchmark to meet, fuelling mistrust and disappointment. For them, it is baptism through fire.

The issue becomes sharper when businesses move to the second and third generations. In many family-run firms, successors have studied abroad at leading universities. While this education offers valuable exposure, some heirs return reluctant to join their family businesses at all, while others attempt to impose foreign management styles directly. These models often clash with local realities, whether in garments, trading or manufacturing, creating friction with long-serving employees and undermining performance.

The broader pattern is clear. Family-dominated conglomerates often struggle with succession because authority remains concentrated in founders or heirs, leaving little scope for professional managers to develop. Listed firms and multinational joint ventures, by contrast, institutionalise leadership development and maintain a clearer separation between governance and management. They are better placed to attract and retain talent, adapt to change and sustain competitiveness across generations.

For Bangladesh's private sector to sustain its momentum, a change in mindset is essential. Professional managers must be given time and freedom to grow, without being judged against the lifetime of experience of founders. Owners should focus on strategy and governance, allowing managers to handle operations. Likewise, second- and third-generation successors should not be parachuted into boardrooms but should earn their positions by working through the ranks. Global education can enrich their vision, but only when blended with local experience.

Bangladesh's first-generation entrepreneurs have already shown what can be achieved through resilience and hard work. The next challenge is to ensure these businesses endure and thrive beyond their founders. By learning from the governance practices of listed companies and joint ventures, family-owned firms can institutionalise succession planning, build leadership pipelines and preserve their legacy for future generations. Without these changes, many risk stagnation. With them, Bangladesh's homegrown firms can continue their entrepreneurial journey with greater stability and confidence.

The writer is chairman of Unilever Consumer Care Ltd

Desco posts Tk 125cr loss, skips dividend

STAR BUSINESS REPORT

Dhaka Electric Supply Company (Desco) reported a loss of Tk 125 crore for the 2024-25 fiscal year, as the state-run utility provider did not recommend any dividend.

Its loss per share stood at Tk 3.15, narrowing from Tk 12.72 in the previous year, according to a price-sensitive information disclosure.

The company's net operating cash flow per share rose slightly to Tk 15.93 from Tk 15.49 a year earlier.

The board of directors of the company recommended no dividend for FY25, citing negative retained earnings.

"The company incurred a loss in the current year, and its retained earnings are negative; as such, the board of directors could not recommend any dividend," Desco said.

As of September 30, 2025, the government held a 67.66 percent stake in the company, according to a regulatory filing.

In the company, institutional investors owned 23.65 percent, the general public 8.65 percent, and foreign investors 0.04 percent.

Stocks fall 1.53% amid bank, NBFI losses

STAR BUSINESS REPORT

Shares at the Dhaka Stock Exchange (DSE) ended the first trading day of the week on a lower note yesterday, dragged down by losses in bank and non-bank financial institutions shares.

The DSEX, the benchmark index of the bourse, shed 81.25 points, or 1.53 percent, to close at 5,202.46, according to DSE data.

It was the fifth straight session of decline, signifying persistently weak investor sentiment, as the DSEX lost 245 points during this period.

Other indices followed the pattern of negative performance, as the Shariah-based DSES and the blue-chip DS30 also slipped into negative territory.

The market closed in the red as all large-cap sectors posted negative performances, BRAC EPL Stock Brokerage Ltd said in its daily market update.

Turnover, a key gauge of investor activity, stood at Tk 542.55 crore, up from Tk 530.18 crore in the previous session, reflecting slightly higher participation despite the market slump.

Block trades — high-volume transactions involving large numbers of securities — contributed 2.6 percent of the overall market turnover.

Market breadth was firmly negative, with 47 issues advancing against 311 declining, while 38 remained unchanged.

Among the major sectors, NBFIs suffered the steepest decline of 2.40 percent, followed by the engineering sector with a 1.98 percent drop.

Bank shares lost 1.94 percent, food and allied shares fell 1.56 percent, fuel and power 1.30 percent, telecommunications 0.51 percent, and pharmaceuticals 0.47 percent.

CVO Petrochemical Refinery emerged as the most traded stock, posting a turnover of Tk 23.9 crore, said BRAC EPL.

On the performance table, Simtex Industries surged 9.88 percent to top the gainers' list, while Bangladesh Industrial Fin Co slumped 9.38 percent, making it the worst performer of the session.

AI GENERATED IMAGE

Trump's crackdown on EVs hits home in the Battery Belt

REUTERS, *Stanton*

Stanton, Tennessee - population 450 - welcomed a massive new neighbor a few years ago: a Ford electric-truck factory and a joint-venture battery plant slated to employ 6,000 workers.

Ford's 2022 groundbreaking triggered an influx of construction activity into the former cotton-and-soybean farmlands outside of Memphis. Hard-hatted workers filled local diners. Developers scrambled to build homes and fire stations.

Stanton is quieter these days. Ford over the past 18 months repeatedly delayed phases of the project. The EV truck plant is slated to begin initial production in 2027 and start sending deliveries the next year, a timeline delayed several times from the original plan of coming online in 2025.

Ford said it "will be nimble in adjusting our product launch timing to meet market needs and customer demand while targeting improved profitability."

The Ford complex is part of the so-called Battery Belt, a swath of factories stretching across the US heartland that spans from Georgia to Indiana. Roughly two dozen battery projects worth tens of billions in investment have been announced this decade, promising to inject tens of thousands of jobs in Republican-dominated states like Georgia and Kentucky.

By last year, though, Americans' waning enthusiasm for electric cars led automakers to delay or scrap some factory projects. Now, the additional fallout from US President Donald Trump's recent policy changes is descending on the Battery Belt.

Ford CEO Jim Farley last week offered the prediction that electric-car sales could fall by around 50 percent following the Sept. 30 expiration of a $7,500 tax credit for buyers, echoing other gloomy forecasts for the EV market.

The uncertain fate of these massive, high-tech factories and their employment has rattled the small rural communities that spent years hitching their economic futures to these projects.

"That's on everybody's mind, quite frankly," said Allan Sterbinsky, who retired as mayor of Stanton in December and advocated for the site for years before Ford came to town. Some residents worry that Ford will never follow through on the plant, the former mayor says. Others hope the company will repurpose the 3,600-acre site if demand doesn't increase for EVs.

A Ford spokesperson pointed to the automaker's community work in Stanton, including grants to public safety organizations as part of a broader $9 million commitment to the area. A Reuters review of US battery-investment plans shows those worries are justified. The industry appears headed toward a huge glut of factory capacity, if all those projects were to move ahead as planned.

By 2030, the planned battery plants would provide the capacity to produce 13 million to 15 million EVs annually, according to figures provided to Reuters by research firm Benchmark Mineral Intelligence. But the industry now might only need about one-quarter of that factory space. S&P Global Mobility predicts only around 3 million EVs will be produced that year, and some would likely use batteries imported from other countries.

Ford Mustang Mach E electric vehicles are offered for sale at a dealership in Chicago, Illinois. Ford CEO Jim Farley predicted that electric car sales could fall by around 50 percent following the September 30 expiration of a $7,500 tax credit. PHOTO: AFP/FILE

Some of that excess roughly 10 million-EV worth of battery capacity would likely be used for hybrids and extended-range EVs as well as the booming energy storage industry, but there is still a sizable gulf, said Stephanie Brinley, S&P Global Mobility automotive analyst.

The demise of the $7,500 tax credit – which had been in place for more than 15 years to persuade Americans to try green cars – is only the highest profile of several anti-EV measures put forth by the Trump administration. Combined, they further jeopardize battery projects and other electric-car-related investments, experts say. In the last few months several automakers have canceled, delayed or downsized EV projects.

Meanwhile, a pot of tens of billions of dollars available to companies that make EV batteries domestically has tighter restrictions that will likely reduce the amount of federal money that flows to the battery sites.

"All of a sudden, much of what was originally going to benefit from these credits now no longer can to a large degree," said Jennifer Stafeil, tax auto sector lead for KPMG.

Trump has said he is not anti-EV, but prefers that consumers decide what cars to buy, without government influence. He also has criticized EV-friendly regulations implemented under former President Joe Biden, which Trump has said were costly and threatened American auto jobs.

One of the nation's largest EV projects, Hyundai Motor's $12.6 billion assembly plant and joint-venture battery factory near Savannah, Georgia, is moving ahead. Last month the project suffered a setback when federal law enforcement raided it. Hyundai has said the fallout would delay the battery plant by at least two to three months.

In the three years since Hyundai announced the megasite, 21 suppliers have opened operations near the site.

"Hyundai is committed to offering a diverse product lineup, including internal combustion, hybrid, plug-in hybrid, and EV models. We understand that every customer is unique, and we strive to meet a wide range of needs," a spokesperson said.

The complex is gearing up to hire 8,500 employees by 2031, and is paying wages 25 percent above the county average, said Trip Tollison, president of the Savannah Economic Development Authority.

Tollison acknowledged that some in the community worry about the uncertain future of the nascent EV industry that underpins all that development. He is hopeful Hyundai can flexibly shift to hybrid production if the EV market doesn't take off.