DHAKA TUESDAY OCTOBER 14, 2025, ASHWIN 29, 1432 BS ● starbusiness@thedailystar.net

Star BUSINESS

Cross-platform MFS transfers from Nov

Sending Tk 1,000 from an MFS account to another to cost Tk 8.50

STAR BUSINESS REPORT

Transferring money is set to become easier from November as customers will be able to send and withdraw funds between different mobile financial services (MFS) such as bKash, Nagad and Rocket.

They will also be able to transfer money from a mobile financial service account to a bank or a payment service provider (PSP) account.

Regarding this, the Bangladesh Bank (BB) issued a circular yesterday as part of its efforts to promote a cashless economy. The new circular will come into effect from November 1.

According to it, the maximum transaction fees, including value-added tax (VAT), have been fixed at 0.15 percent for banks, 0.20 percent for PSPs, and 0.85 percent for MFS providers.

This means sending Tk 1,000 from an MFS account such as bKash, Rocket or Nagad to another MFS, bank or PSP account will cost Tk 8.50.

A customer sending Tk 1,000 from a bank account to any bank, MFS or PSP will pay Tk 1.50. Transferring the same amount from a PSP account to a bank or MFS will cost Tk 2.

The central bank says service providers must display the applicable charge before a transaction begins, adding that the fee will be collected only from the sender.

According to the circular, no charge can be imposed on the receiver.

The existing transaction limits for each account type will remain unchanged under the new interoperable system.

This latest move by the BB will revive interoperable digital transactions through the National Payment Switch Bangladesh (NPSB), connecting banks, MFS providers and PSPs.

The Bangladesh Bank had first launched such a facility in 2020 through the NPSB, but it was suspended within hours.

Central bank officials said the ICT Division under the previous government ordered the suspension at the time.

Two years later, the ICT Division developed a new

READ MORE ON B3

Private firms can now sell renewable power directly to customers

New policy removes PDB as sole buyer and seller

Drugmaker Renata PLC has installed solar panels on the open premises at its Bhaluka site in Mymensingh. The pharmaceutical company's move towards solar power aims to reduce reliance on grid electricity and cut its carbon footprint. PHOTO: RENATA

ASIFUR RAHMAN

Private investors can now set up renewable energy-based power plants, choose their customers, negotiate prices and use the national grid to deliver electricity -- removing the state-run Power Development Board (PDB) as the sole buyer and seller from the process, according to a new policy.

State-owned power distribution companies will also be allowed to buy electricity from these plants if they wish. But unlike previously, the government will not now guarantee that these agencies will purchase 20 percent of the electricity produced.

Approved recently, the policy, titled "Enhancement of Private Participation in the Renewable Energy-based Power Generation", is the first of its kind to allow private firms to produce and sell power independently.

Sustainable energy advocates call it a "landmark" move to increase competition, transparency and investor confidence. Meanwhile, large businesses say it would draw local and foreign investment into clean energy as the government targets 20 percent of its electricity generation from renewable sources by 2030.

To tap the full benefits of the policy, analysts said the entire market operation should be ensured on competitive terms, and grid stability should also be maintained.

At present, solar and wind plants connected to the national grid account for only about 3 percent of total capacity.

According to the policy, local or foreign investors may form special purpose vehicles (SPVs) -- separate firms created by parent companies to isolate financial risk -- to develop and operate one or more Merchant Power Plants (MPPs) while complying with national laws and grid standards.

An MPP is a privately owned power generation facility that sells electricity in the open market rather than under a fixed Power Purchase Agreement (PPA).

READ MORE ON B3

Grant bond licence to seafood exporters

Mida proposes

STAR BUSINESS REPORT

Completely export-oriented seafood processors should be allowed to avail bond licence facilities, which enable duty-free raw material imports, to unlock the full potential of Bangladesh's blue economy, the Maheshkhali Integrated Development Authority (Mida) has proposed.

The proposal came during a high-level stakeholder consultation convened by Mida at Biniyog Bhaban in the city's Agargaon area yesterday, reads a press statement.

Senior officials from key government agencies attended the event to formulate an integrated action plan for the development of deep-sea fishing, mariculture, seafood processing, aquaculture, and marine fisheries research, it added.

Chaired by Mida Executive Chairman Ashik Chowdhury, the meeting identified urgent regulatory and infrastructural interventions to attract investment and facilitate sustainable growth across blue economy value chains.

"This sector is now receiving due importance as a national priority. Following consultations with the chief adviser, we have added deep-sea fishing as the fourth pillar of Maheshkhali's development, alongside industrialisation, energy hub expansion, and the deep-sea port," Chowdhury said.

He noted that while Mida would coordinate and catalyse progress,

READ MORE ON B3

Bhutan wants to upgrade PTA with Bangladesh to FTA

Hydropower, trade on agenda

STAR BUSINESS REPORT

Bhutan is looking to transform its existing Preferential Trade Agreement (PTA) with Bangladesh, signed in December 2020, into a full-fledged Free Trade Agreement (FTA) to utilise the untapped business potential between the two countries, Bhutanese Ambassador Dasho Karma Hamu Dorjee said yesterday.

"I believe that despite current challenges, both countries can overcome them and realise the full potential of an FTA," Dorjee said at a discussion on Bangladesh-Bhutan bilateral trade relations organised by the Bangladesh Institute of International and Strategic Studies (BIISS) in Dhaka.

"These mechanisms, whether Safta (South Asian Free Trade Area) or a future FTA, provide valuable platforms to deepen trade relations and unlock opportunities that are yet to be fully utilised," she added.

Highlighting Bhutan's hydropower potential, the envoy said it is a critical resource for the country, and they are keen to explore how it can benefit the region

Highlighting Bhutan's hydropower potential, Dorjee said it is a critical resource for the country, and they are keen to explore how it can benefit the region.

She continued that Bangladesh is also interested in investing in hydropower projects and power generation infrastructure. Both governments are also engaging with Indian authorities to advance cooperation in this sector.

With changes in Bhutan's energy policy, the country is now more open to private sector investments, both domestic and foreign, including from Bangladesh and India. "The potential here is immense, and with mutual effort, we can move forward quickly," she said.

Speaking about connectivity and tourism, Dorjee noted that Bhutan's geographical constraints currently limit connectivity. Paro, the country's only international airport, operates only during daylight.

However, a new airport under development at Gelephu is expected to be ready by 2029, which will serve as a regional aviation hub and allow more frequent flights and people-to-people exchanges between Bhutan and Bangladesh, she added.

READ MORE ON B3

Refiners hike edible oil prices by up to Tk 13 a litre

STAR BUSINESS REPORT

Refiners have increased the retail prices of soybean and palm oil by Tk 6 and Tk 13 per litre, respectively, effective from today.

The price of bottled soybean oil has been set at Tk 195 per litre, up 3 percent from Tk 189 per litre.

They will sell bottled palm oil, the most consumed edible oil in Bangladesh, at Tk 163 per litre, which is 8.66 percent higher than the previously fixed Tk 150, according to a press release issued by the Bangladesh Vegetable Oil Refiners and Vanaspati Manufacturers Association yesterday.

The price of a 5-litre bottle of soybean oil has been hiked by Tk 25, or 2.71 percent, to Tk 945, said the association, adding that the new rates have been fixed in consultation with the commerce ministry, in line with international prices.

However, Kamal Hossain, public relations officer of the Ministry of Commerce, told The Daily Star that, so far, the government has not granted any permission to the refiners to increase the prices.

He said a meeting was held at the Ministry of Commerce with edible oil refiners yesterday. In the meeting, new prices for soybean and palm oil were discussed. "However, the ministry has not yet approved the price hike."

A senior official of a leading edible oil importer and processor, requesting anonymity, however, claimed that the announcement regarding the price hike was made on the basis of approval from the ministry.

According to Hossain, earlier on September 22, the commerce ministry held another meeting, chaired by Commerce Adviser Sk Bashir Uddin, with the refiners. In that meeting, the ministry, based on the proposals from the refiners, agreed that edible oil prices should be increased. Traders had proposed raising the prices of soybean and palm oil by Tk 10 per litre, citing the increased international price. However, no decision was reached on the amount.

The latest hike comes at a time when the prices of loose soybean and palm oil were already seeing an upward trend at the retail level.

Yesterday, loose or unpackaged palm oil sold at Tk 155-Tk 160 per litre in Dhaka's kitchen markets, up 1.29 percent from a month ago. During the same period, loose soybean oil prices rose 2.3 percent to reach Tk 172-Tk 178 per litre, according to market price data compiled by the Trading Corporation of Bangladesh.

AHM Shafiquzzaman, president of the Consumers Association of Bangladesh, said any price increase for essential products must comply with the procedures outlined in the Essential Commodities Act or the Distribution Act of 2011, including proper official notification.

He expressed concern that these procedures appear to have been overlooked.

Shafiquzzaman said arbitrary price hikes could lead to significant problems.

"However, if the increase is warranted due to rising international prices, the government should implement measures to protect consumers," he added.

READ MORE ON B3

PRICE HIKE

Soybean oil price rose by Tk 6 to Tk 195 per litre

Price of five-litre bottled soybean oil increased by Tk 25 to Tk 945

Palm oil price up by Tk 13 to Tk 163 a litre

Loose soybean oil price rose by Tk 8 to Tk 177 per litre

OFFICIAL RESPONSES

Refiners say the price hike followed discussions with the commerce ministry

The commerce ministry says no official approval was given for the increase

Context

Last edible oil price hike was on Apr 13 this year

On Sept 22, govt agreed in principle to a price adjustment

"Any price increase for essential products must comply with procedures outlined in Essential Commodities Act or Distribution Act of 2011

AHM Shafiquzzaman
President of CAB

Anwar Landmark offers discounts to Prime Bank clients

STAR BUSINESS DESK

Prime Bank PLC has signed a strategic partnership agreement with Anwar Landmark Limited, one of the leading real estate developers in Bangladesh, to offer exclusive discounts on flat purchases for its customers.

Under the agreement, Prime Bank customers will enjoy special price benefits from Anwar Landmark, allowing them to access premium residential properties with enhanced financial convenience.

M Nazeem A Choudhury, deputy managing director of Prime Bank PLC, and Mohammed Fasiul Mowla, chief executive officer of Anwar Landmark Limited, signed the agreement at the bank's corporate office in Gulshan, Dhaka recently, according to a press release.

Through this partnership, Prime Bank reaffirms its commitment to providing lifestyle-oriented financial solutions that enrich customers' aspirations and elevate their overall banking experience.

Mamur Ahmed, senior executive vice-president and head of branch distribution at Prime Bank, and AZM Tanvir Ahad, general manager of sales and marketing at Anwar Landmark, along with other senior officials from both organisations, were also present.

Mohammed Fasiul Mowla, chief executive officer of Anwar Landmark Limited, and M Nazeem A Choudhury, deputy managing director of Prime Bank PLC, pose for photographs after signing the agreement at the bank's corporate office in Gulshan, Dhaka recently. PHOTO: PRIME BANK

Bangladesh China Chamber gets new office bearers

STAR BUSINESS DESK

Mohd Khorshed Alam, managing director of Intimate International Limited (Little Group), has been elected president of the Bangladesh China Chamber of Commerce and Industry (BCCCI) for a two-year term (2025-2027).

Han Jingchao, managing director (China) of Goldview Resource Co Ltd; AZM Azizur Rahman, chairman of Investors Services Co Ltd; and Brig Gen (retd) GM Quamrul Islam, managing director of Shield Pro Integrated Security, were elected senior vice-presidents of the chamber, according to a press release.

Other elected office bearers include Mohd Hafizur Rahman Khan, managing director of Univentures Ltd; Chao Chongchong, managing director of Huisida International BD Ltd; Khandaker Atiqur Rahman, managing director of ARK Consultant & Engineering Ltd; and Masud Ali Khan, proprietor of M3 Group, as vice-presidents.

Jamilur Rahman, managing director of Extol Bangladesh Ltd, has been elected secretary general, while Nasima Jahan Bijly (Binty), chairperson and managing director of NAZABI Business Solutions, has been elected joint secretary general.

Md Mohiuddin, chief financial officer of ACI Godrej Agrovet Private Limited, and Md Abdullah Al Mamun, deputy managing director of Al-Arafah Islami Bank, pose for photographs after signing the memorandum of understanding at the bank's head office in Dhaka on Sunday. PHOTO: AL-ARAFAH ISLAMI BANK

ACI Godrej Agrovet to collect sales proceeds thru Al-Arafah Islami Bank

STAR BUSINESS DESK

Al-Arafah Islami Bank PLC has signed a memorandum of understanding (MoU) with ACI Godrej Agrovet Private Limited.

Md Abdullah Al Mamun, deputy managing director of Al-Arafah Islami Bank, and Md Mohiuddin, chief financial officer of ACI Godrej Agrovet Private Limited, signed the MoU at the bank's head office in Dhaka on Sunday, according to a press release.

Under the agreement, ACI Godrej will collect sales proceeds from its distributors through the bank's branches, sub-branches, and other distribution channels connected via an application programming interface (API).

The partnership aims to ensure more efficient and secure collection management for corporate clients through the innovative use of banking technology, the release added.

Mohammed Hossain, deputy managing director of the bank; Md Zahid Hossain, vice-president; Md Emdadul Haque, senior assistant vice-president; and Abu Kawsar, assistant vice-president, along with other senior officials from both organisations, were also present.

Dollar cuts losses

REUTERS, *Singapore/London*

The dollar clawed steadily higher on Monday, as investors hoped the US would temper its latest escalation of the trade war with China after Friday's selloff, while political developments in France and Japan undermined the euro and the yen.

The dollar index, which measures the US currency's performance against a basket of six others, was last up 0.2 percent at 99.2, recovering from declines late last week after US President Donald Trump announced 100 percent tariffs on China.

The broadside revived bad memories of Trump's Liberation Day rollout of sweeping tariffs in April and sparked a selloff in stocks and cryptocurrencies on Friday.

"Certainly it's pretty nervous out there," said Tim Kelleher, head of institutional FX Sales at Commonwealth Bank in Auckland.

"If you look at the US and China stuff, it looks like Trump has done a bit of a TACO again and softened his tone," he added, referring to a trading adage that "Trump always chickens out."

After announcing the 100 percent tariffs on Friday, Trump said on Sunday: "Don't worry about China, it will all be fine!

Highly respected President Xi just had a bad moment," he posted on the Truth Social network. "He doesn't want Depression for his country, and neither do I. The U.S.A. wants to help China, not hurt it!!!"

Premier Bank holds 26th annual general meeting

STAR BUSINESS DESK

Premier Bank PLC yesterday organised its 26th annual general meeting (AGM).

Arifur Rahman, chairman of Premier Bank PLC, presided over the meeting, which was held virtually, according to a press release.

In his address, Rahman expressed his heartfelt gratitude to the bank's customers, shareholders, the Bangladesh Securities and Exchange Commission, and officials at all levels for their continued trust and support.

"Since the inception of the bank, our depositors and shareholders have been our greatest strength, and my responsibility towards them is immense."

"The new board of directors is committed to establishing Premier Bank as a well-governed, transparent, and responsible financial institution through good governance, accountability, and sustainable banking practices," he added.

Mohammad Abu Jafar, managing director and CEO, presented the key highlights and statistics from the Annual Report 2024 and urged all employees to continue contributing meaningfully in their respective areas to achieve greater success in the days ahead.

Independent directors -- Md Forkan Hossain, chairman of the audit committee; Syed Faridul Islam, chairman of the executive committee; Md Sazzad Hossain, chairman of the risk management committee; Prof Sheikh Morshed Jahan; and M Nurul Alam, chairman of Premier Bank Securities Limited -- attended the meeting.

Arifur Rahman, chairman of Premier Bank PLC, presides over the bank's 26th annual general meeting, which was held virtually yesterday. PHOTO: PREMIER BANK

Pubali Bank donates two buses to Buet

Prof Abu Borhan Mohammad Badruzzaman, vice-chancellor of the Bangladesh University of Engineering and Technology, and Mohammad Ali, managing director and CEO of Pubali Bank PLC, attend the keys handover ceremony on the university campus in Dhaka recently. PHOTO: PUBALI BANK

STAR BUSINESS DESK

Pubali Bank PLC has donated two buses to the Bangladesh University of Engineering and Technology (Buet) as part of its corporate social responsibility (CSR) initiatives.

Mohammad Ali, managing director and CEO of Pubali Bank PLC, handed over the keys to Prof Abu Borhan Mohammad Badruzzaman, vice-chancellor of the Bangladesh University of Engineering and Technology, on the university campus in Dhaka recently, according to a press release.

Speaking on the occasion, Ali said, "Pubali Bank is not only a profit-oriented organisation; it also embraces social responsibility. As part of this commitment, we have donated two buses to Buet." He added that such initiatives would continue in the future.

Prof NM Golam Zakaria, registrar of the university; Prof AKM Masud, director of the Directorate of Buet Students' Welfare; and Md Shahnewaz Khan, deputy managing director of the bank, were also present.

Masuma Khatun, deputy general manager and head of Shahbagh Avenue Branch, and Mohammad Mizanur Rahman, assistant general manager and head of public relations department, along with other senior officials from both organisations, attended the event.

US set to charge fees on Chinese ships

AFP, *New York*

An escalating trade war between China and the United States faces another flashpoint Tuesday when Chinese ships will be required to start paying a special fee to dock at US ports.

The move announced by the US Trade Representative (USTR) in April triggered reciprocal measures from Beijing, which will impose similar costs on US ships starting the same day.

The tit-for-tat levies are just the latest in a series of disputes between the world's two largest economic powers that have roiled financial markets and heightened fears of major disruption to the global economy.

President Donald Trump massively upped the ante last week when he announced an additional 100 percent tariff on China and threatened to cancel a summit with Xi Jinping in retaliation for Chinese export curbs on rare earth minerals.

The stated purpose of the US port fees is to address Chinese dominance of the global shipping sector and provide an incentive for building more ships in the United States.

The non-partisan Alliance for American Manufacturing has called for the funds raised through the fees to be used in building up a new Maritime Security Fund.

"The unfair economic practices of China present a sizeable obstacle to revitalizing shipbuilding in the United States," the alliance said in a petition supporting proposed legislation aimed at developing the sector.

According to the USTR, the port fee will be charged for each visit to the United States, a maximum of five times per ship per year.

Chinese-made ships will pay $18 per net ton -- or $120 per container -- with an increase of $5 per year for the following three years.

Vessels owned or operated by Chinese citizens, but not manufactured in China, will be charged $50 per net ton, with an annual increase of an additional $30 for the next three years.

The United States is trying to boost a domestic industry that now represents only 0.1 percent of global shipbuilding.

The Trump administration also sees US shipbuilding as tied to national security, given that China leads the world in ship manufacturing.

In 2024, former president Joe Biden had tasked the USTR with an investigation to identify "China's unfair practices in the shipbuilding, shipping, and logistics sectors."

His successor has kept up that focus. In March, Trump announced the creation of a White House Office of Shipbuilding with the aim of reviving that sector of US manufacturing.

On Friday, Beijing fired back. As of Tuesday, the Chinese government announced, all ships manufactured in the United States or linked to an American company would have to pay "special" duties to dock at ports in China.

They would be required to pay 400 yuan (56 dollars) per net ton, then 640 yuan (90 dollars) in April 2026, before further annual increases.

"That's a problem when you're beholden to a global supply chain that you have no control over, that's a national security risk," Matt Paxton, president of the Shipbuilders Council of America (SCA), which represents more than 150 US shipbuilding companies, told AFP.

"We don't want to be wholly dependent on communist-controlled state enterprises," Paxton said, alluding to China.

Southeast Bank unveils nine agent banking outlets

STAR BUSINESS DESK

Southeast Bank PLC recently launched nine agent banking outlets, branded "Shagotom", in rural and semi-urban areas across six districts -- Feni, Tangail, Cumilla, Noakhali, Dhaka and Manikganj -- to provide banking access to people outside the formal financial system.

The initiative aims to promote financial inclusion and expand banking services to every corner of the country. Abidur Rahman Chowdhury, managing director (current charge) of Southeast Bank, inaugurated the outlets' operations virtually from the bank's head office in Dhaka, according to a press release.

Southeast Bank Agent Banking, under the "Shagotom" brand, offers a comprehensive range of modern, technology-driven conventional and "Tijarah" (Islamic) banking services.

Customers can avail themselves of various facilities, including savings and current account opening, cash deposits and withdrawals, fund transfers, cash transfers via BEFTN and RTGS, receiving foreign remittances, and processing cheque books, debit cards, and credit cards.

Additional services include beneficiary owners' (BO) account opening, share transactions, micro, medium, and krishi loans with insurance benefits, utility bill payments, loan installment collection, government allowances, regular customer loans, and internet banking facilities.

Abidur Rahman Chowdhury, managing director (current charge) of Southeast Bank PLC, inaugurates operations of nine agent banking outlets across six different districts -- Feni, Tangail, Cumilla, Noakhali, Dhaka and Manikganj-- from the bank's head office in Dhaka recently. PHOTO: SOUTHEAST BANK

Provisioning rules eased for farm, small loans

STAR BUSINESS REPORT

The Bangladesh Bank (BB) yesterday relaxed loan classification rules to encourage banks to finance the farm sector and micro and small businesses.

Banks will maintain provisions at the rate of 1 percent in their Standard and Special Mention Accounts (SMAs) against all unclassified short-term agricultural loans and cottage, micro, and small enterprise credits until December 31, 2026, said the BB in a circular.

The central bank had earlier asked banks to maintain provisions at the rate of 1 percent on Standard accounts and 5 percent on SMAs. In its circular, it said the rule has been relaxed to encourage banks to disburse short-term agricultural credit and micro and small loans.

The directive becomes effective immediately.

The BB earlier set a target for banks to disburse Tk 39,000 crore during the current fiscal year (FY) 2025-26, which is 4.48 percent higher than the actual lending of Tk 37,326 crore in the previous fiscal year.

In July of FY26, banks disbursed Tk 2,154 crore, up 20 percent from Tk 1,790 crore a year ago. The amount was, however, lower than the disbursement in June.

The report said that at the end of July, outstanding loans given by the scheduled banks increased by 4.5 percent year-on-year to Tk 59,470 crore. This increase was mainly driven by a rise in the outstanding balance of foreign banks and state-owned banks.

Govt dismisses rumours over merger of Islamic banks

STAR BUSINESS REPORT

The finance ministry has rejected "baseless rumours" circulating on social media that investors would be harmed by the planned merger of five shariah-based commercial banks.

In a press release yesterday, the ministry said no decision has been taken that would undermine investor interests.

"The matter is completely baseless and a rumour. Everyone is requested to be careful about such misleading rumours," it said.

The government has already approved the consolidation of First Security Islami Bank, Union Bank, Global Islami Bank, Social Islami Bank, and Exim Bank into a new state-run Islamic lender named Sammilito Islami Bank Limited.

Under the merger, all assets and liabilities of the five listed banks will be transferred to the new entity.

The Bangladesh Bank said the lender will have an authorised capital of Tk 40,000 crore and a paid-up capital requirement of Tk 35,000 crore.

Monno Ceramic sponsor director to transfer Tk 20cr shares

STAR BUSINESS REPORT

Afroza Khanam, a sponsor director of Monno Ceramic Industries, will transfer shares worth more than Tk 20 crore to her husband.

According to disclosures posted on the Dhaka Stock Exchange (DSE) website yesterday, Khanam intends to transfer a combined 26 lakh shares of the company to her husband, Moynul Islam, a general shareholder, by way of gift outside the trading system of the exchange.

Based on Sunday's closing price of Tk 78.7 per share, the transaction is valued at Tk 20.46 crore. The transfer is expected to be completed by October 31.

Monno Ceramic, one of the country's leading ceramics producers, has faced earnings pressure in 2025 as higher finance costs eroded profitability.

The company reported a 43 percent year-on-year decline in profit for the financial year ending on June 30, with earnings per share falling to Tk 0.22 from Tk 0.39 a year earlier.

As of September 30, sponsors and directors held 37.43 percent of the company's shares, institutions 14.29 percent, foreign investors 0.10 percent, and general shareholders 47.89 percent, according to DSE data.

Bhutan wants

FROM PAGE B1

Regarding Saarc, the ambassador acknowledged that regional cooperation has been slow but said she remains optimistic. "South Asia is home to nearly 1.5 billion people, and trade potential remains largely untapped."

Meanwhile, moderating the discussion, Mustafizur Rahman, distinguished fellow of the Centre for Policy Dialogue (CPD), said importing power from Bhutan will have to be transmitted through the Indian grid before reaching Bangladesh, so a tripartite agreement will be very important. "That's indeed a very encouraging development."

The distinguished CPD fellow also highlighted lessons from the Saarc Motor Vehicle Agreement (SA MVA), which eventually became the Bangladesh-Bhutan-India-Nepal (BBIN) MVA after Pakistan raised legal concerns over cross-border incidents.

"At the last moment, Pakistan raised a question: if a truck travels from Lahore to Dhaka via India and meets an accident, which country's law would adjudicate the dispute? That became a major sticking point," he stated.

Nevertheless, Rahman noted that even the BBIN framework will be very important for the region.

"A motor vehicle agreement could significantly boost regional competitiveness by reducing lead time and costs," Rahman said, acknowledging Bhutan's environmental concerns and noting that the country wants to limit vehicular movement.

Speaking about Safta, he said, "Unfortunately, it has not seen much progress. But it is worth remembering that there is still an LDC scheme under Safta through which India provides duty-free and quota-free access to all LDCs."

Although Bhutan is no longer an LDC, Nepal, Bangladesh, and Afghanistan continue to benefit from India's duty-free access under this scheme since 2011, he further noted.

"Someone asked why our exports to India are increasing despite non-tariff barriers. One reason is that the zero-tariff benefit gives us a competitive advantage even when costs have gone up due to non-tariff barriers," Rahman stated.

Mashfee Binte Shams, former secretary (East) at Bangladesh's Ministry of Foreign Affairs, drew comparisons with other regions, highlighting the importance of regional integration.

"Looking at Asean or the European Union, we see that their colonial experiences differ. Asean countries were colonised by three different powers — the British, French, and Portuguese — while Europeans were colonisers themselves.

"Yet both regions have moved toward integration. Africa too is coming together despite its colonial diversity."

Private firms can now sell

FROM PAGE B1

Previously, all plants had to sign PPAs with the PDB, which acted as the sole authority to buy all electricity generated and sell it to consumers through six state-owned distributors.

Those agreements guaranteed that the government would buy a minimum portion of electricity from each plant.

The new merchant model aims to promote competition across power generation, transmission and distribution, improve efficiency, and reduce dependence on fossil fuels.

"As the requirement for reducing the carbon footprint of consumer products, especially in the garments and textiles sector, is increasing, international buyers and local export-oriented industries have to comply with such requirements to remain in the business by using green energy from reliable sources at a competitive tariff, the policy is initiated," added the policy.

The policy follows the Renewable Energy Policy introduced in June this year. It sets the goal of generating 20 percent of electricity from renewable sources by 2030.

Currently, grid-connected solar and wind plants produce around 829 megawatts (MW), which is roughly 3 percent of the country's total capacity of 27,742 MW.

According to the new policy, merchant plants and their customers will negotiate power prices, while tariffs for state distributors will be determined by the Bangladesh Energy Regulatory Commission (BERC).

WHAT'S IN THE NEW POLICY

- Private renewable plants can sell power directly to customers
- State firms may also buy from them
- PDB no longer the sole buyer
- One investor can set up multiple projects
- There will be no govt intake guarantee
- Govt targets 20% power from renewables by 2030
- Current renewable capacity is just 3% of total national capacity

"The BERC would determine the technical standards of grid connectivity and the transmission-distribution charges on a non-discriminatory basis," the policy said.

It also allows merchant plants to supply multiple customers and permits large consumers, such as industries and factories, to source electricity from more than one producer.

State-run distributors will be allowed to purchase up to 20 percent of an MPP's declared monthly output.

However, the policy says that this will not constitute a government guarantee. The terms will instead be set through "Service Level Agreements" among the MPPs, PDB, Power Grid Bangladesh and relevant distributors.

At the Bangladesh Investment Summit in April, Swedish fashion retailer H&M, Pran-RFL Group and the International Finance Corporation (IFC) signed a memorandum of understanding to build a solar power plant under the MPP model.

Kamruzzaman Kamal, director (Marketing) of the Pran-RFL Group, said they have already selected land in Moulvibazar for the project and are now waiting for a land reclassification approval from local authorities.

"Once that is done, we will start work on the ground. We have already advanced quite a bit," he told The Daily Star yesterday, adding that the site will be used for multiple purposes, including fish farming during the monsoon and crop cultivation when dry.

Kamal said H&M would buy the electricity to supply its factories.

"Suppose we will generate around 100 MW of electricity and supply it to the national grid. The factories located in different areas of the country will get 100 MW from the national grid, and we will get payment from H&M," he added.

Kamal said the deals to use the national grid are yet to begin as they were waiting for the policy to be approved. "Many investors will be interested in entering the electricity business through the new system. It will also help address the government's power shortage and ensure better use of plants."

Mostafa Al Mahmud, president of the Bangladesh Sustainable and Renewable Energy Association (BSREA), an association of business houses and NGOs working for promoting clean energy, described the MPP policy as "a landmark and visionary initiative" that would open new opportunities for private and foreign investment in the power sector.

"It will help enhance competition, transparency and investor confidence in the market," he said, adding that the policy will ensure a green, reliable and affordable electricity supply for industrial zones, export-oriented factories and economic zones.

Mahmud recommended swift formulation of implementation guidelines, stronger coordination among agencies, incentives for local production and technology transfer, and better access to green finance to make the policy effective.

Khondaker Golam Moazzem, research director at local think tank Centre for Policy Dialogue (CPD), welcomed the policy.

He, however, said that its effective implementation will need additional rules, regulations, and clearer guidance.

Moazzem said industrial companies seeking renewable electricity quickly, without navigating lengthy bureaucratic procedures, will now be able to achieve their goals with private sector support.

"The government is not providing any sovereign guarantee in this case to maintain competitiveness, but the effectiveness of market competition depends on a fair, speedy, and transparent dispute management system," said the CPD research director.

"The question is, can we ensure that in Bangladesh? If not, investors will lose interest," he commented.

Grant bond licence

FROM PAGE B1

implementation would rest with the relevant ministries and agencies.

According to the Mida proposal, the bond licence facility, one of the key discussion topics at the meeting, will significantly improve seafood processors' competitiveness in global markets.

The move aims to strengthen Bangladesh's position as an emerging hub for marine exports, particularly in value-added products such as scallops, vannamei shrimp, tuna, and salmon.

Tanzim Faruq, executive member of Mida, presented a detailed framework outlining regulatory, logistical, and investment reforms.

Other key measures discussed include fast-tracking approvals for longliners and support vessels, issuing deep-sea fishing licences to attract anchor investors, and streamlining clearance procedures for jetty development in Khurushkul, Cox's Bazar, to facilitate deep-sea trawler operations.

An online approval system was proposed to speed up the import, processing, and re-export of high-value seafood species, while regulatory permits were recommended for the processing and export of local bycatch.

Participants also proposed allocating coastal land to support the expansion of mariculture ventures.

To further incentivise investment, the meeting endorsed special schemes such as reduced electricity tariffs for shrimp and seafood industries to lower operating costs and enhance export competitiveness.

Mandatory registration of all seagoing fishing boats and trawlers was also recommended to curb illegal, unreported, and unregulated fishing.

Mida said it will compile the recommendations into a comprehensive implementation roadmap, with periodic follow-ups to ensure coordination among stakeholders.

Senior officials from the ministries of fisheries and livestock, commerce, and environment, the National Board of Revenue, the Bangladesh Economic Zones Authority, and the Cox's Bazar district administration also attended the meeting.

Cross-platform MFS

FROM PAGE B1

interoperable digital platform called "Binimoy" at a cost of Tk 65 crore and instructed the central bank to operate it.

However, the regulator recently scrapped the platform, citing "irregularities and breaches of contract".

"We suspended the services of the platform as we were forced to introduce it," Arief Hossain Khan, executive director and spokesperson of the central bank, told The Daily Star recently.

He said the previous government had handed the Bangladesh Bank a readymade system and pressed it to sign an agreement without a proper review of its terms.

Industry insiders said Binimoy, which was modelled after India's Unified Payments Interface, failed to attract users due to its poor interface, limited publicity and the reluctance of banks to participate.

Now, despite launching the new interoperable digital transaction system through NPSB from November, the central bank is also preparing to launch a new interoperable digital payment platform.

It is being developed in partnership with Mojaloop, a United States-based open-source initiative supported by the Gates Foundation. Officials said they expect to roll it out later this year.

Refiners hike

FROM PAGE B1

Bangladesh imports most of its soybean and palm oil from abroad in the absence of adequate domestic production.

The country's domestic consumption of soybean and palm oil was 28.6 lakh tonnes, including 11.35 lakh tonnes of soybeans, in the marketing year 2024-25 beginning in October, according to an estimate by the US Department of Agriculture.

Some 85 percent of the edible oil was imported.

Baroness Rosie Winterton

More British investment coming to Bangladesh

Potential sectors include agro-processing and renewables, says UK trade envoy

PORIMOL PALMA

British businesses are increasingly optimistic about Bangladesh's investment climate and are planning to expand their footprint in the country in the coming years, said Baroness Rosie Winterton of Doncaster, the UK trade envoy for Bangladesh.

"What I'm hearing from companies is that they are certainly looking to increase investment and have future plans to do so," she told The Daily Star in an exclusive interview during her visit to Bangladesh last week. "It will take a lot of partnership work."

The envoy said the UK sees strong potential to expand trade in agro-processing, renewable energy, and the creative industries -- areas that Bangladesh can capitalise on to reduce its dependence on readymade garments.

According to official data, UK-Bangladesh bilateral trade in the fiscal year 2024-25 totalled £3.9 billion, of which Bangladesh's exports stood at £3.4 billion and the UK's exports to Bangladesh at around £500 million.

The UK also remains one of the top foreign direct investors in Bangladesh, with a cumulative investment of about £3 billion by 2024.

Under the UK's Developing Countries Trading Scheme, Bangladesh continues to enjoy full duty-free access to the UK market until 2029, a support measure aimed at maintaining Bangladesh's export competitiveness as the country transitions from Least Developed Country status.

During the visit, Baroness Winterton met Chief Adviser Prof Muhammad Yunus, as well as advisers to the ministries of commerce and education, and the Chief Adviser's Special Envoy on International Affairs, Lutfey Siddiqi, to discuss the Bangladesh-UK partnership on economic reform, trade, and investment.

The trade envoy also held meetings with stakeholders from various sectors, including aviation, higher education, renewable energy, and defence industries. She visited UK-linked investment sites in Chattogram and met leaders of major political parties to discuss Britain's commitment as a long-term growth partner of Bangladesh.

"I am here to build on the strong partnerships that have existed for so many years. We've done good business together over the years, and I want to see that continuing and strengthening in partnership," said Baroness Winterton, who also attended an investment summit in Dhaka in April this year.

She noted that the UK government has been working closely with the commerce ministry, Bangladesh Bank, and the Bangladesh Investment Development Authority to simplify business regulations and make it easier for British companies to invest and operate.

"We feel there has been good progress, and that means there is now a very positive environment for us to take forward and further strengthen the partnerships that have already been created," she said. "I'm very hopeful that these partnerships will continue well beyond the transition period."

Baroness Winterton identified education as another area of rapid progress. "We have built a strong partnership between BRAC University and SOAS University of London to offer PhD programmes here in Bangladesh. That's a big move forward," she said, adding that more such collaborations are in the pipeline.

She also pointed to recent improvements in regulatory procedures, saying these have made it easier for British companies to invest.

"These are all very good signs, and the message we're getting back is that there is growing optimism from British businesses in terms of investing in Bangladesh and exporting to the UK," she said.

When asked about potential products beyond readymade garments that Bangladesh could export to the UK, she said British and Bangladeshi businesses are already exploring opportunities in agro-processed foods, mangoes, traditional arts, ceramics, leather goods, and other creative industries.

"These are areas that could be expanded in the future because that is the way the world is going," she explained.

British companies are also investing in garment factories to help the industry become more sustainable and resilient to climate change. British International Investment, the UK's development finance institution, is investing up to £450 million in Bangladesh between 2022 and 2026.

Speaking about aviation, Baroness Winterton said, "There are a range of opportunities that we will be exploring in the coming months and years."

She emphasised that historic ties and the contribution of the Bangladeshi diaspora form the backbone of the bilateral relationship.

"The diaspora is a very important part of UK society," she said. "So, there is naturally an interest in strengthening those partnerships, not only on the economic front but also through cultural links."

Skills for SMEs to diversify exports

MAMUNUR RAHMAN

Bangladesh's economic success over the past two decades is remarkable, yet its foundation remains precariously narrow. The story of growth is largely the story of the ready-made garment (RMG) sector, which contributes over 80 percent of total merchandise exports. As the nation approaches its LDC graduation in 2026 and prepares to lose crucial preferential trade access, this concentration poses a serious threat. The key to building a resilient, diversified export economy lies in unlocking the potential of small and medium enterprises (SMEs), which form the industrial backbone but whose capacity to expand non-RMG exports remains largely untapped.

SMEs are the economic engine, accounting for 90 percent of industrial units and contributing about 45 percent of manufacturing value added. Promising non-RMG sectors such as leather goods, light engineering, processed foods, and pharmaceuticals are driven by SMEs. Yet export diversification has remained stagnant: the share of non-RMG products in total exports has barely shifted from 16.6 percent in FY 2016-17 to around 15.9 percent in FY 2024-25. This is not due to a lack of entrepreneurial spirit, but a systemic failure to address core constraints.

The long-standing issue of access to finance often dominates policy discussions. The SME sector still faces a funding deficit estimated in billions of dollars. While essential, loans alone are not enough. Export competitiveness, especially in the post-LDC era, requires more than capital. It depends on innovation, quality, and productivity -- all outcomes of capacity development. SMEs face a serious skills gap and limited investment in research and development, which hinders their ability to meet international compliance, quality, and design standards, particularly in markets like the EU. Many lack basic technological literacy and market insight, preventing them from evolving from low-cost subcontractors into high-value global suppliers.

Institutional support has also been inadequate. Government policies, financial incentives, and bureaucratic processes have long favoured the RMG sector, depriving emerging industries of the tailored assistance they need.

While numerous state-led initiatives exist, they often fail to deliver real impact. Lending institutions frequently act as mere money dispensers, focusing on quick loan recovery rather than genuine development partnerships. This leads to stringent collateral requirements and short repayment windows that do not align with the time required to establish new export markets or build complex supply chains.

To navigate LDC graduation and achieve genuine diversification, Bangladesh must make a decisive policy shift by prioritising skills over subsidies and transforming its financial institutions into true capacity builders.

First, the government should implement mandatory, subsidised upskilling and reskilling programmes focused on specific export demands -- advanced product design for leather, rigorous food safety and quality assurance for agro-processing, and high-end technical skills for light engineering. Investing in human capital is the fastest way to foster innovation and productivity, enabling SMEs to create distinctive, value-added products that can command premium prices in global markets.

Second, the financial sector should adopt a Development-Focused Credit model. Loan approvals for export-oriented SMEs should be linked to participation in a Capacity Enhancement Programme facilitated by the lending institution. Bank officers themselves need training in development banking, allowing them to assess credit based on business potential rather than fixed collateral. This approach should be supported by new central bank guidelines that permit longer-tenure financing and align loan recovery with realistic market-building cycles for diversified exports.

Finally, the government must cut bureaucratic red tape through full formalisation and invest in infrastructure such as accredited domestic testing laboratories to ensure compliance. By investing in its people and shifting from an RMG-centric to a skill and innovation-focused mindset, Bangladesh can unlock the full export potential of its SMEs and secure a more diverse, resilient, and sustainable economic future.

The writer is coordinator of Ella Alliance and founder of Ella Pad

JMI Hospital Requisite to invest Tk 11.5cr in subsidiary

STAR BUSINESS REPORT

JMI Hospital Requisite Manufacturing Ltd (JHRML) will inject Tk 11.50 crore into its subsidiary, JMI Specialized Hospital Limited, to complete an ongoing project, purchase machinery, and strengthen working capital.

According to a disclosure posted on the Dhaka Stock Exchange (DSE) website yesterday, the board-approved investment is aimed at supporting the hospital's expansion and related requirements.

JHRML, a manufacturer of medical devices and components, reported a 14 percent year-on-year decline in net profit to Tk 6.24 crore in the January-March quarter of 2025.

Founded in 2008 through a joint venture with South Korea, the company produces a wide range of products, including IV cannulas, bulk needles, blood transfusion sets, and urine drainage bags. Its products are sold both domestically and internationally, according to its website.

As of September 30, 2025, the company's shareholding structure stood at: sponsors and directors 32.30 percent, institutions 43.05 percent, and public shareholders 24.65 percent, DSE data shows.

China's rare earth exports fall sharply

REUTERS, *Beijing*

China's rare earth exports fell 31 percent in September from August, customs data showed on Monday, the third straight month of declines.

New controls that were introduced by China last week have threatened a trade truce with Washington and the three months of declines are expected to raise questions about its agreements with Europe and the US to ramp up exports after China's decision to restrict shipments in April triggered shortages worldwide.

China, the world's largest exporter of rare earths, sold 4,000.3 tonnes of rare earths in September, down 30.9 percent from August, marking the lowest level since February, figures from the General Administration of Customs of China showed.

Gold, silver hit record highs

REUTERS

Gold prices scaled to another record high on Monday as investors revved up their safe-haven bets after US President Donald Trump renewed tariff threats against China, while expectations of US interest rate cuts added to the metal's allure.

Silver also jumped to an all-time peak, tracking gold's rally.

Spot gold was up 1.4 percent to $4,074.02 per ounce, as of 0825 GMT, after hitting a record $4,078.05/oz.

US gold futures for December delivery surged 2.3 percent to $4,093.50.

Trump on Friday reignited the US trade war with China, threatening 100 percent tariffs on Chinese goods imports into the United States and announcing new export controls on critical software by November 1 in a reprisal against Beijing curbing critical mineral exports. However, Trump, posting on Truth Social on Sunday, wrote: "Don't worry about China, it will all be fine!"

Trade tensions remain a focus for markets, said UBS analyst Giovanni Staunovo, adding that "while they have eased again between the US and China, the 100 percent additional tariff threat remains."

"Ongoing strong investment and central bank demand should further support gold. We target a move to $4,200/oz," he added.

Spot silver jumped 2.2 percent to $51.37/oz, after hitting $51.70/oz, driven by similar factors as gold alongside tightness in the spot market. Goldman Sachs said on Sunday that silver prices were expected to rise in the medium term due to private investment flows, but warned of heightened near-term volatility and downside risks compared to gold.

On a technical basis, gold's and silver's Relative Strength Index stands at 80 and 83, respectively, indicating the metals are overbought.

Non-yielding bullion has gained 53 percent year-to-date, driven by geopolitical risks, alongside strong central bank gold buying, exchange-traded funds inflows, Fed rate cut expectations and economic uncertainties stemming from tariffs.

How the US is eating Trump's tariffs

REUTERS

US companies and consumers are bearing the brunt of the country's new import tariffs, early indications show, contradicting assertions by President Donald Trump and complicating the Federal Reserve's fight against inflation.

Trump famously predicted that foreign countries would pay the price of his protectionist policies, wagering that exporters would absorb that cost just to keep a foothold in the world's largest consumer market.

But academic studies, surveys and comments from businesses show that through the first months of Trump's new trade regime, it is US companies that are footing the bill and passing on some of it to the consumer - with more price hikes likely.

"Most of the cost seems to be borne by US firms," Harvard University professor Alberto Cavallo said in an interview to discuss his findings. "We have seen a gradual pass through to consumer prices and there's a clear upward pressure."

A White House spokesperson said "Americans may face a transition period from tariffs" but the cost would "ultimately be borne by foreign exporters." Companies were diversifying supply chains and bringing production to the United States, the spokesperson added.

Cavallo and researchers Paola Llamas and Franco Vasquez have been tracking the price of 359,148 goods, from carpets to coffee, at major online and brick-and-mortar retailers in the United States.

They found that imported goods have become 4 percent more expensive since Trump started imposing tariffs in early March, while the price of domestic products rose by 2 percent.

The biggest increases for imports were seen in goods that the United States cannot produce domestically, such as coffee, or that come from highly penalised countries, like Turkey.

These price hikes, while material, have been generally far smaller than the tariff rate on the products in question - implying that sellers were absorbing some of the cost as well.

People shop along the Magnificent Mile retail strip in Chicago, Illinois. Through the first months of Trump's new trade regime, it is US companies that are footing the bill and passing on some of it to the consumers - with more price hikes likely. PHOTO: AFP/FILE

Yet US import prices, which don't include tariffs, showed foreign exporters have been raising their prices in dollars and passing on to their US buyers part of the greenback's depreciation against their currencies.

"This suggests foreign producers are not absorbing much if any of the US tariffs, consistent with prior economic research," researchers at Yale University's Budget Lab think-tank said in a blog post.

National indices of export prices paint the same picture. The cost of goods exported by China, Germany, Mexico, Turkey and India have all risen, with Japan the only exception.

Adapting to Trump's tariffs - a still-incomplete set of levies that pushed import taxes from an average of around 2 percent to an estimated 17 percent - is still underway. It is seen taking months longer as exporters, importers and consumers jostle over who pays duties worth round $30 billion per month.

"We shouldn't expect this to be a one-time jump but rather firms are trying to find ways to soften the blow," and stretch price increases out over time, Cavallo added.