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Star BUSINESS

BB receives 13 applications for digital bank

Applicants include bKash, Robi, and Akij

STAR BUSINESS REPORT

Thirteen entities, including mobile financial service providers, telecom operators, commercial banks, and large conglomerates, have applied to the Bangladesh Bank (BB) for a digital bank licence.

Several applicants have foreign partnerships, while some have prior experience operating digital banks abroad. The list includes entities formed in collaboration with bKash, Robi, Banglalink's parent company VEON, and Akij Resource.

bKash, one of the country's leading mobile financial service providers, applied for "bKash Digital Bank".

VEON and Square have jointly applied for "Nova Digital Bank". Telecom operator Robi submitted an application for "Boost", while conglomerate Akij Resource applied for "Munafa Islami Digital Bank".

Other applicants include Japan-Bangla Digital Bank by DBL Group, British Bangla Digital Bank PLC, Digital Banking of Bhutan by DK Bank, Amar Digital Bank by 22 microfinance institutions, 36 Digital Bank PLC by 16 individuals, Amar Bank by a group of NGOs, App Bank by a UK-based investor, Moitri Digital Bank PLC by microfinance institution ASA, and Upokari Digital Bank by IT Solutions Ltd.

Digital banks will be an internet and entirely app-based service. Customers will not be able to use services from physical branches.

These banks will provide services 24 hours a day, seven days a week. To facilitate transactions, they may offer virtual cards, QR codes, and other technology-based solutions. However, they will not be allowed to issue physical cards.

Customers will be able to use ATMs and agents of other banks. Digital banks, however, will not be able to open letters of credit or provide loans to medium and large-scale industries. They may offer only small loans.

In a statement, VEON highlighted its experience serving more than 40.7 million monthly users across Pakistan, Kazakhstan, and Uzbekistan, and said it has a strong record of promoting financial inclusion through simple, secure, and accessible digital solutions.

In Bangladesh, the company intends to replicate this model by supporting small businesses, advancing digital payment innovation, and ensuring underserved

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Exports fall for third consecutive month

Merchandise shipments slide 7.43% in October, with apparel exports hit by softer US and EU demand and tariff uncertainty

REFAYET ULLAH MIRDHA

The country's merchandise shipments declined for a third month in a row in October, dropping 7.43 percent year-on-year to $3.82 billion, according to official data.

The slowdown comes as global economic headwinds and uncertainty over United States trade policy weigh on the country's crucial garment sector.

The fall in October followed a 4.61 percent drop in September and a 2.93 percent decline in August owing to a continued fall in the shipments of both knitwear and woven garments to Western markets, according to the Export Promotion Bureau (EPB).

In October, garment exports fell 8.39 percent year-on-year to $3.01 billion, the sharpest drop seen so far in the first four months of this fiscal year. In September, the decline stood at 5.66 percent.

Exports of frozen and live fish, shrimp, agricultural and processed goods, pharmaceuticals, headgear and plastic products also fell in October compared to the same month last year.

Mohammad Abdur Razzaque, chairman of Research and Policy Integration for Development (RAPID), a private research organization, said the downturn reflected both external and domestic pressures.

He pointed to a tougher global trading environment, coupled with uncertainty over US trade decisions.

The economist said reciprocal tariffs imposed by the US administration had added uncertainty to global value chains. At the same time, higher interest rates and inflation in key markets such as the European Union had slowed retail demand, meaning fewer import orders.

In August, the US imposed additional tariffs on dozens of countries under President Donald Trump's reciprocal tariff policy. Bangladesh has faced an additional 20 percent tariff on exports to the US market, which accounts for around one-fifth of its total earnings.

Razzaque said these developments were weighing on export-oriented industries, particularly garments, which rely heavily on discretionary consumer spending in advanced economies.

In October, knitwear, Bangladesh's main export item, declined by 11 percent year-on-year, while woven garment shipments fell by 5 percent, according to the EPB.

Domestic factors have also added pressure. Razzaque said rising production costs, higher prices of raw materials, and persistent inflation were eroding competitiveness.

He said the continued slowdown over three months reflected weaker global demand and shrinking price advantages, suggesting external challenges were likely to continue in the short term.

Some sectors, however, bucked the trend. Leather goods, footwear and engineering products reported growth in October, helping to keep overall exports positive since July.

In the July-October period, total exports rose 2.22 percent year-on-year to $16.13 billion, according to EPB. Garment shipments grew 1.4 percent during the first four months of the fiscal year.

Faisal Samad, director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said demand for apparel slowed as US retailers and brands built up stocks between April and August to avoid higher tariff rates.

He said domestic issues, including gas supply shortages in factories, high bank interest rates and the recent fire at Dhaka airport, had affected the shipments.

Global demand for clothing has softened further as retailers and brands wait to see how US tariffs on China and India unfold, Samad said.

"There is total uncertainty over tariff rates. Work orders are stuck. Buyers are making inquiries about work orders but not confirming them yet because they do not know what tariff the US will finally set," he told The Daily Star.

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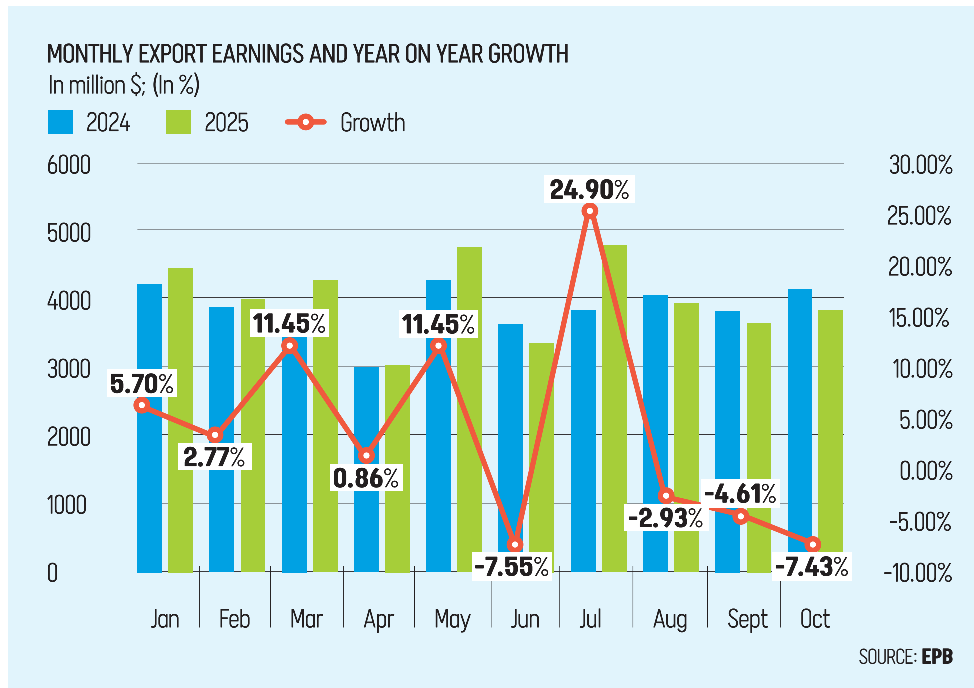

Internet prices may rise under proposed guideline

STAR BUSINESS REPORT

The proposed regulatory and licensing guidelines for broadband service providers could increase internet costs for users by at least 20 percent due to new fees and charges.

The Internet Service Providers Association of Bangladesh (ISPAB) made the comment yesterday at a press conference at a city hotel.

The trade body organised the event to express its views on the draft guideline for issuing licences for Fixed Telecom Service Providers (FTSPs), recently prepared by the Bangladesh Telecommunication Regulatory Commission (BTRC).

The ISPAB opposed the proposed guideline.

Under the guideline, FTSPs would have to share 5.5 percent of their revenue with the government and contribute another 1 percent to the Social Obligation Fund.

The cost of purchasing bandwidth for FTSP operators is also expected to rise by around 14 percent, said the ISPAB.

The government is moving in the wrong direction, said ISPAB President Aminul Hakim.

He said the BTRC currently receives 21.45 percent of the sector's revenue, including from submarine cables, international internet gateways, and international terrestrial cable operators, under revenue-sharing arrangements and social obligation contributions.

READ MORE ON B2

FDI grows 19% in FY25, defying global post-uprising trend

STAR BUSINESS REPORT

Despite a fiscal year (FY) that opened with a mass uprising and a change of government, Bangladesh's foreign direct investment (FDI) increased 19.13 percent in FY2024-25.

Net FDI inflow reached $1.69 billion, up from $1.42 billion in FY2023-24, the Bangladesh Investment Development Authority (Bida) said in a press release yesterday.

Commenting on the figures, Bida Executive Chairman Ashik Chowdhury said, "FDI usually decreases after political unrests. In this case, the opposite has occurred."

"From policy formulation to institutional coordination involving the Bangladesh Bank, National Board of Revenue, and other agencies, along with engagement from the private sector, this result reflects combined efforts," he said.

"All problems have not been resolved, but steps have been taken to assist investors. Bida will soon publish a full-year performance report," he added.

World Bank data from

READ MORE ON B2

Next govt must commit to time-bound business reforms

Industrialists want short-term timeline, not just 5-yr promises

STAR BUSINESS REPORT

The next elected government must make a clear, time-bound commitment to implementing reforms aimed at improving the business climate and reducing the cost of doing business, said top business leaders.

At a roundtable at a hotel in Dhaka yesterday, they also urged the interim government to seek a deferment of Bangladesh's scheduled graduation from the least developed country (LDC) status in November 2026 by at least three years.

"Whoever comes to power in the next election, and the election must happen, they must come with a clear commitment," Abul Kasem Khan, chairperson of Business Initiative Leading Development (BUILD), a public-private dialogue platform, told the event organised by The Financial Express.

"Their reforms and deregulation must be time-bound. We want to know what they will do in one month, in three months, in six months, not in five years," he said.

"We no longer want vague promises; we want to know what will be done within the next year," he said.

At the event presided over by The Financial Express Editor Shamsul Huq Zahid, Inamul Haq Khan, senior vice-president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said Bangladesh must secure at least a three-year deferment of the LDC graduation.

"This extension is essential to ensure the economy's sustainability, competitiveness, and resilience in the post-graduation era," he said.

> "Whoever comes to power in the next election, and the election must happen, they must come with a clear commitment."
>
> Abul Kasem Khan
> Chairperson, BUILD

Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), urged the government to formally apply for a deferral.

"Let us request that the United Nations review the current situation, to analyse and investigate," Hatem said.

"If, after that, they conclude Bangladesh is ready for graduation, then fine, we will accept it and move forward. But at least let us make the request," he added.

"I firmly believe that if the UN reviews the situation, they will conclude Bangladesh is not ready to graduate for another 10 years," he said.

At the programme, Taskeen Ahmed, president of the Dhaka Chamber of Commerce and Industry (DCCI), expressed deep concern over the ongoing energy shortage at production units.

"We talk about energy security, but there is no predictability or consistency," he said.

"Even when our officials go abroad to attract investment, they keep saying 'my country has this, my country has that'," he said.

"But no matter how much you say, when someone actually comes to invest, the first thing they will do is ask two private sector businessmen, 'What's your situation?'," said Ahmed.

"So how long will we keep telling lies?" he asked.

Showkat Aziz Russell, president of Bangladesh Textile Mills Association (BTMA), said, "You are desperate for foreign investment, but you already have domestic investors like us, we generate revenue and employment."

"Right now, we do not see an environment conducive to investment. Even foreigners are losing confidence.

READ MORE ON B2

Regulatory coordination vital to revive banking sector: experts

STAR BUSINESS REPORT

Reviving the banking sector requires coordinated action among all relevant government bodies and data-driven resolution of weak banks to rebuild investor trust without relying on government support, experts said yesterday.

Speaking at a roundtable on the issue, organised by Policy Exchange Bangladesh (PEB) in Dhaka, they underscored the need for a unified approach involving the Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), National Board of Revenue (NBR), Ministry of Finance, and Ministry of Law.

Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank, said strong coordination between the central bank and the BSEC is essential for transparent restructuring and called for a clear roadmap.

"Transparency in all actions will improve confidence," he said, adding that while recapitalisation is vital for financial stability, improving governance is equally important.

"Independent directors have become dependent. This should be changed," he added.

Md Mahbubur Rahman, additional managing director of City Bank, suggested adopting different strategies for banks based on their financial health.

"The revival of some banks is questionable. They should not be treated the same as others," he said, stressing the need to follow international best practices.

Hassan O Rashid, CEO of Prime Bank, warned that rising non-performing loans (NPLs), governance lapses, and poor coordination among regulators, including Bangladesh Bank, the BSEC, and the NBR, are deterring investment and undermining market confidence.

He called for restoring governance, ensuring realistic

READ MORE ON B3

ACI Renewable partners with GoodWe to advance smart, sustainable power solutions

STAR BUSINESS DESK

GoodWe Bangladesh, a subsidiary of GoodWe Technologies Co Ltd -- a globally recognised solar inverter and energy storage solutions provider -- has partnered with ACI Renewable Energy to advance smart and sustainable power solutions in Bangladesh.

The partnership was struck recently at the ACI Centre in Dhaka, marking the beginning of a new chapter in the country's renewable energy landscape, according to a press release.

Subrata Ranjan Das, managing director of ACI Renewable Energy, and James Hou, head of sales for Asia and the Pacific region at GoodWe Technologies Co Ltd, attended the event at the ACI Centre.

Asif Uddin, chief business officer of ACI Renewable Energy; Asif Faisal Rumy, deputy business director; Tanvir Ahmed Tanim, senior product manager at GoodWe Technologies; Jing Liu, product manager (C&I Energy Storage); Brad, senior solution manager; and Mahir Shahriar, country manager for Bangladesh, were also present.

Speaking at the event, the guests highlighted how GoodWe's advanced technologies would support Bangladesh's vision of achieving energy independence and a Smart Bangladesh by ensuring stable, efficient, and eco-friendly energy solutions.

Through this collaboration, ACI Renewable Energy and GoodWe aim to empower industries, households, and communities with smarter, more sustainable power alternatives, driving Bangladesh closer to a greener future.

James Hou, head of sales for Asia and the Pacific region at GoodWe Technologies Co Ltd, and Subrata Ranjan Das, managing director of ACI Renewable Energy, attend the programme at the ACI Centre in Dhaka recently. PHOTO: ACI LIMITED

Saiful Islam re-elected president of DSE Brokers' Association

STAR BUSINESS REPORT

Saiful Islam, director of BRAC EPL Stock Brokerage Ltd, has been re-elected president of the DSE Brokers' Association of Bangladesh (DBA) for a two-year term covering 2026 and 2027.

Md Moniruzzaman, managing director and CEO of Prime Bank Securities Ltd, was elected senior vice-president, while Md Nafeez Al Tarik, managing director of Dhaka Bank Securities Ltd, was elected vice-president of the association.

The DBA announced the results through a press release yesterday.

The election schedule was announced on August 28, with October 19 set as the last date for submission of nomination papers.

On that day, 15 candidates -- one each for the posts of president, senior vice-president, and vice-president, and 12 for director posts -- submitted their nominations.

After scrutiny, the election board declared all 15 nominations valid on November 1. The last date for withdrawal of candidacy was November 3.

As no one withdrew and the number of valid candidates equalled the number of available posts, the board declared all of them elected unopposed, in accordance with the Trade Organisation Rules 2025.

The newly elected members will formally assume office at the upcoming annual general meeting of the DBA.

United Commercial Bank opens new branch in Hajiganj

PHOTO: UCB

Mohammad Mamdudur Rashid, managing director and CEO of United Commercial Bank PLC, inaugurates the bank's new branch in Hajiganj, Chandpur yesterday.

STAR BUSINESS DESK

United Commercial Bank PLC (UCB) opened a new branch in Hajiganj, Chandpur yesterday.

This is the bank's 232nd branch, according to a press release.

Mohammad Mamdudur Rashid, managing director and CEO of United Commercial Bank PLC, inaugurated the branch as the chief guest.

In his address, Rashid said, "In the history of UCB, not a single cheque has ever bounced, and not a single transaction has been delayed even for a moment; this stands as a testament to our professionalism and service excellence."

"In the first nine months of this year alone, UCB achieved more than Tk 10,100 crore in net deposit growth and added over 5.5 lakh new accounts. This reflects the unwavering trust and confidence of our valued customers."

He introduced the entire Hajiganj Branch team and expressed his gratitude for their dedication.

"I am truly delighted to be in the historic district of Chandpur, and especially in Hajiganj," he said.

"Once, this was one of the major trading hubs of the region. Even today, Chandpur ranks as the ninth-largest remittance-receiving district in Bangladesh. For the people of this heritage-rich and promising area, UCB is committed to delivering the finest banking services, ensuring that the people of Hajiganj receive the service, dignity, and trust they deserve."

Gold gains

REUTERS

Gold prices rose on Monday, helped by expectations of further US interest rate cuts after comments from the US Federal Reserve Board's Christopher Waller, though a stronger dollar and easing trade tensions kept gains in check.

Spot gold was up 0.5 percent at $4,020.45 an ounce by 0905 GMT. US gold futures for December delivery rose 0.9 percent to $4,031.50.

"We are still in a consolidation mode. The lack of US economic data makes it a bit more difficult, but weaker US economic data should support further Fed rate cuts and allow gold to move to $4,200 per ounce by the end of the year," said UBS analyst Giovanni Staunovo.

The Fed should cut the policy interest rate again in December, Fed's Waller said on Friday, citing weakness in the labour market.

Traders are now pricing in about a 70 percent chance of a Fed rate cut in December, according to CME's FedWatch Tool. Non-yielding gold thrives when interest rates are low and in times of economic uncertainty.

Investors have their eyes on other news, including ADP US employment data and ISM PMIs this week, for indicators that could alter the Fed's hawkish stance.

Dhaka Bank unveils collection booth at DSCC Zone

STAR BUSINESS DESK

Dhaka Bank PLC has opened a booth to collect holding tax and trade licence fees from residents and business owners under the Dhaka South City Corporation (DSCC) at its zonal office in Dhaka.

Sheikh Abdul Bakir, deputy managing director of Dhaka Bank PLC, and Akther Unnisa Shiuly, zonal executive officer of Zones 8-10 under DSCC, jointly inaugurated the collection booth, according to a press release.

From now on, residents and business owners under DSCC Zones 6-10 will be able to pay their holding tax and trade licence fees in person at the newly established booth.

Additionally, holding taxes and fees of DSCC can be paid in real time from any branch of Dhaka Bank.

The bank has also enabled DSCC residents to pay taxes and fees online in real time through the Dhaka Bank mobile app and internet banking since January 2025.

Earlier, the bank launched its first collection booth for DSCC holding tax and trade licence fees at Nagar Bhaban on July 2 this year.

Sheikh Abdul Bakir, deputy managing director of Dhaka Bank PLC, and Akther Unnisa Shiuly, zonal executive officer of Zones 8-10 under the Dhaka South City Corporation, jointly inaugurate the collection booth at DSCC zonal office in Dhaka recently. PHOTO: DHAKA BANK

Bay terminal to go into operation by 2030

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not only transform Chattogram but also strengthen Bangladesh's position on South Asia's trade map.

"With the launch of the Bay Terminal, the country's export capacity will significantly expand, ship turnaround time will be dramatically reduced, and the overall economy will experience a major boost," he added.

The CPA chairman further said design and preparatory work for the Bay Terminal construction project are nearing completion.

The government and the port authority have already held preliminary discussions with several domestic and international construction firms.

Commodore Kaosar Rashid, member (engineering) of the CPA, said the Bay Terminal project has become essential to ease the growing pressure on the Chattogram port.

"All port stakeholders are eager to see the terminal (project) implemented without delay," he said.

The previous government had approved establishing the Bay Terminal, comprising four terminals, on around 2,500 acres of land in the Anandabazar area of North Halishahar, Chattogram.

The project involves construction of breakwaters and navigation channels and development of port facilities such as road and rail links, container yards and jetties.

The terminal is expected to enable the berthing of vessels with a draft of up to 12 metres and of up to 280 metres in length.

Currently, the Chittagong port, the maritime gateway for over 90 percent of the country's international trade volume and 98 percent of its container traffic, can only receive small feeder vessels during limited hours of the day.

The conference was attended by representatives of potential local and foreign contractors, leaders of port user associations, engineers, and officials from the Planning Commission.

Next govt must

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There was a fire at the airport, who will invest in a country where such incidents occur at modern facilities?"

"Every international terminal and port should have state-of-the-art firefighting systems, but the system failed. It's tragic," he said.

Lutfey Siddiqi, special envoy on international affairs to the chief adviser, called for a complete redesign of the administrative and governance structure, noting that piecemeal reforms would not be enough to ensure long-term efficiency and growth.

He advised businesses not to delay in engaging with the next elected government to take advantage of reform opportunities, something which had been missed after the student-led uprising in Bangladesh.

"We had worked on a consensus commission aimed at bringing reforms; however, economic reforms never took place," he said.

The envoy also stressed the role of the private sector in driving change. "The private sector must put pressure to accelerate economic reforms," he said.

Internet prices may rise under proposed guideline

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However, under the new policy, the regulator's total share in revenue from the sector would rise to 40.25 percent, he added.

"The proposed policy will widen the digital divide between urban and rural areas," he said. "On one hand, they talk about reducing internet prices; on the other, their policy decisions are making it more expensive."

"For Starlink, the government has set a licence fee of only $10,000 (around Tk 12 lakh), while local ISPs are required to pay Tk 25 lakh. Why is such a global company being given preferential treatment?" he asked.

The ISPAB said the draft guideline explicitly allows mobile operators to provide fixed connectivity through fixed wireless access and last-mile fibre connections.

"This will create unfair competition for local ISPs who have built their networks with their own investment," the association said, warning that consumers would ultimately bear the consequences.

FDI grows 19% in FY25, defying global

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the past two decades show that countries experiencing major uprisings typically face a sharp fall in FDI the following year.

For instance, Sri Lanka recorded a 19.49 percent decline after 2022, Chile 15.68 percent after 2019, Sudan 27.60 percent after 2019, Ukraine 81.21 percent after 2014, Egypt 107.55 percent after 2011, and Indonesia 151.45 percent after 1998.

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Bangladesh imports 1.17 lakh tonnes of US wheat so far

STAR BUSINESS REPORT

Bangladesh yesterday received the second consignment of wheat it purchased from the United States under a government-to-government (G2G) contract, according to a press release from the food ministry.

A ship carrying around 61,000 tonnes of wheat from the US has arrived at the outer anchorage of Chattogram Port, just over a week after another vessel with about 57,000 tonnes of US grain reached the country's largest seaport.

Testing of wheat samples has already begun, with arrangements in place for prompt unloading once clearance is granted, the food ministry said.

With the latest shipment, the total arrival of US wheat purchased by the government now stands at more than 1.17 lakh tonnes.

Earlier, the food ministry signed two contracts with a US agency to buy a total of 4.40 lakh tonnes of wheat to help protect Bangladesh's exports to the US and reduce the trade deficit, which currently favours Bangladesh.

This ship arrived at the Chattogram port yesterday carrying the second consignment of wheat purchased by Bangladesh from the United States under a government-to-government (G2G) contract. PHOTO: MINISTRY OF FOOD

Under the first contract, the ministry agreed to import 2.20 lakh tonnes of wheat at $302.75 per tonne, including cost, insurance, freight, and port-related charges, referred to as the CIF Liner Out price.

It later signed another deal to import an additional 2.20 lakh tonnes at $308 per tonne, also on a CIF Liner Out basis, the ministry said earlier.

Of the total 15.22 lakh tonnes of wheat imported during the July-October period of the current fiscal year, the government imported nearly 57,000 tonnes, while the private sector brought in the rest.

In the fiscal year 2024-25, the food ministry imported 4.66 lakh tonnes of the grain for various social protection programmes.

Enamul Haque Khan becomes president of Bajus

STAR BUSINESS REPORT

Enamul Haque Khan

Enamul Haque Khan, owner of Diamond & Divas, has been elected as the president of the Bangladesh Jewellers' Association (Bajus) for a two-year term, covering 2025-2027.

Ranjit Ghosh, owner of Sananda Jewellers Ltd, has been elected senior vice-president.

Nasreen Fatema Awal, chairman of the election board, announced the results at Bajus's central office in Dhaka yesterday, according to a press release.

Bajus finalised its new executive committee through mutual understanding, without requiring votes from general members, continuing its previous practice. In this process, the president, senior vice-president, three vice-presidents, treasurer, and 29 directors were elected unopposed.

Enamul Haque Khan said Bajus has grown into a family of nearly 40,000 members. "We will work to resolve the problems in the jewellery business. We'll prioritise the issues and work together," he said.

Big manufacturing economies struggle as US tariffs hit order books

REUTERS, *London*

The world's big manufacturing economies struggled to fire up in October, business surveys showed on Monday, as weak US demand and President Donald Trump's tariffs hit factory orders.

Euro zone factory activity stagnated as new orders flatlined and headcount fell, its purchasing managers' index (PMI) showed, and its exporting powerhouse Germany showed little sign of recovery with production growth slowing again.

German engineering orders plummeted in September, the VDMA engineering association said earlier on Monday.

France's manufacturing sector remained weak, while Italy's contracted marginally. Spain stood out among the bloc's big four economies as its factories expanded at a faster pace than in September.

"The final release of the euro zone manufacturing PMIs confirmed the sector remains stagnant," said Paolo Grignani at Oxford Economics.

"Details indicate growth is mainly due to solid domestic demand, while new foreign orders continue to send warning signals, with reports of weak demand from France and the US."

In Britain, outside the European Union, factories had their strongest month in a year, but the recovery was driven by a one-off bounce from the restart of production at carmaker Jaguar Land Rover after it was hit by a cyberattack.

While Trump's visit to Asia last week led to some progress in trade negotiations with the region's large manufacturing economies such as China and South Korea, exporters remain cautious about US demand.

Manufacturing activity in China grew at a slower pace last month while it fell in South Korea, with export orders in both countries declining, private-sector PMIs for October showed on Monday.

Friday's official PMI survey showed China's factory activity fell for the seventh straight month, confirming suspicions that the earlier export rush to get ahead of US tariffs had well and truly ended.

"The PMIs suggest that China's economy lost some momentum in October, with slower growth across manufacturing and construction," said Zichun Huang, China economist at Capital Economics. "Some of this weakness may reverse in the near term, but any boost to exports from the latest US-China trade 'deal' is likely to be modest and weaker headwinds to growth will persist."

In a meeting in South Korea last week, Trump and Chinese President Xi Jinping agreed to de-escalate tensions, including through a one-year delay in reciprocal tariffs, but the agreement does little to address a deeper divide between the world's two economic superpowers.

Policymakers in Beijing are looking to see whether China's $19 trillion economy is on track to hit its official 2025 growth target of around 5 percent without needing to reach for further stimulus.

Trade data for September showed China's exports rising faster than expected, although this was mostly due to growth in new markets as US-bound shipments tumbled 27 percent year-on-year.

Similarly, Seoul's trade deal with Trump announced last week secured lower US tariffs on Korean goods, but was seen at best as a compromise that prevents Asia's fourth-largest economy from falling behind in global trade.

In stark contrast to its northeast Asian peers, India's factory activity sped up, driven by brisk domestic demand that helped offset the hit to exports.

Elsewhere in Asia, continued manufacturing declines were seen in Malaysia and Taiwan, while Vietnam and Indonesia saw growth in their manufacturing sectors pick up.

Exports fall

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He said larger factories are still processing earlier orders, but smaller and medium-sized units are facing a shortage of new work.

During the July-October period, frozen and live fish exports rose 12 percent to $171 million. Leather and leather goods increased 11 percent to $413 million. Jute and jute goods shipments continued to recover, rising 5 percent to $277 million. Home textiles and headgear also posted growth.

Agricultural exports fell 2 percent to $378 million in the same period. Plastic exports dropped 4 percent to $98 million, while cotton and cotton yarn declined 10 percent to $190 million.

"We are observing a downward trend across most segments in the plastic industry, except for plastic bags, which show some positive growth," said Shamim Ahmed, president of the Bangladesh Plastic Goods Manufacturers and Exporters Association.

"When global demand drops, it directly affects our export orders. On top of that, we are struggling to stay competitive due to higher interest rates at home," he said.

Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said garment exports may fall again over the next two or three months as orders from foreign buyers remain slow.

"The gas supply situation in industrial units needs to be improved in the meantime," he said.

Regulatory

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provisioning, undertaking legal and regulatory reforms, developing a functional bond market, establishing coordinated oversight, and pursuing data-driven resolution of weak banks.

Meanwhile, AF Nesaruddin, senior partner at Hoda Vasi Chowdhury & Co, held the central bank partly responsible for the sector's current challenges.

"The Bangladesh Bank allowed banks to keep lower provisions than required through tripartite meetings," he said.

M Masrur Reaz, chairman and CEO of PEB, moderated the session.

Saiful Islam, president of the DSE Brokers Association of Bangladesh, Abdul Wadud, independent director of Al-Arafah Islami Bank, and Syed Afzal Hasan Uddin, managing partner of Syed Ishtiaq Ahmed & Associates, also spoke at the event.

BB receives 13 applications for digital bank

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communities can participate fully in the digital economy.

Kaan Terzioglu, group chief executive officer of VEON, told The Daily Star, "VEON is a consumer and enterprise services company, with telecom licence. Our target is to be number 1 or number 2 in financial services, entertainment, healthcare, education and IT services including AI and cloud for enterprises in all countries we operate. Bangladesh is no different."

Md Firoz Kabir, chief digital and innovation officer of Akij Resource, said the company is ready to enter digital banking with an initiative designed to support the Bangladesh Bank's Digital Bank Framework and the national Smart Bangladesh 2030 Vision.

"Users will experience seamless financial services, all without transaction charges," he added.

The central bank approved guidelines for digital banks in 2023. Under the framework, branchless, end-to-end virtual banks are expected to extend financial services to the country's most remote areas.

Sponsors of digital banks must provide a minimum paid-up capital and launch an initial public offering (IPO) within five years of licence issuance. The IPO amount cannot be less than the sponsors' initial paid-up capital.

Under the guidelines, approval was granted to Nagad Digital Bank and Kori Digital Bank. This, however, was suspended after the fall of the Awami League government in August 2024.

In August this year, the Bangladesh Bank reopened applications from investors interested in establishing digital banks. The original deadline of September 30 was later extended to November 2 following requests from applicants.

The central bank has also raised the minimum paid-up capital requirement for digital banks from Tk 125 crore to Tk 300 crore.

DSE cancels licences of two brokerages

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) has moved to cancel the Trading Right Entitlement Certificates (TREC) of Mahid Securities and Al Haramain Securities Ltd for violating securities rules.

In separate disclosures on its website yesterday, the bourse said Al Haramain Securities breached the Bangladesh Securities and Exchange Commission (TREC) Rules, 2020 by keeping its net assets below 75 percent of its paid-up capital.

Under the rules, every primary shareholder of the stock exchange is entitled to own a TREC. But non-primary shareholders, like Al Haramain, must maintain net assets of at least 75 percent of their paid-up capital to retain TREC eligibility, a condition the firm failed to meet.

The DSE also cancelled the TREC issued to Mahid Securities Ltd for failing to begin operations within the stipulated timeframe.

After receiving a TREC, a firm must secure stock-dealer approval and start operations within six months of obtaining that approval. Mahid Securities did not commence operations within the deadline, the DSE disclosure said.

The Daily Star could not immediately reach officials of either firm for comment.

Global commodity prices are expected to reach a six-year low next year. Bangladesh could also benefit if the dollar remains stable and global supply chains are not disrupted.

PHOTO: ANISUR RAHMAN

Groceries may cost less next year if dollar stays stable

World Bank says global commodity prices will hit six-year low in 2026

SUKANTA HALDER

Households in Bangladesh could spend less on everyday essentials such as sugar, wheat, lentils and edible oil next year, as the World Bank forecasts global prices to fall to their lowest level in six years.

The relief, however, depends on a stable dollar rate within Tk 122 to Tk 123 and no major disruptions such as war or natural disasters affecting supply chains, importers said.

The World Bank Group's latest Commodity Markets Outlook predicts global commodity prices will fall for a fourth consecutive year in 2026, with a 7 percent decline expected in both 2025 and 2026.

The drop is being driven by weak global growth, rising oil supplies and ongoing policy uncertainty, it added.

Falling energy costs are helping to ease global inflation, while lower rice and wheat prices have made food more affordable in some developing countries, it said.

Inflation in Bangladesh has remained high for three years. In the fiscal year 2024-25, average inflation stood at 10.03 percent. It has eased slightly in recent months, reaching 8.36 percent in September from 8.29 percent in August.

Even so, consumers continue to face higher prices for goods and services, and local importers say there is no guarantee that the cost of daily necessities will surely decline next year.

Despite recent falls, commodity prices remain above pre-pandemic levels, the World Bank said. Prices in 2025 and 2026 are projected to be 23 percent and 14 percent higher, respectively, than in 2019.

According to the multilateral lender, oil markets are expected to see a significant surplus in 2025, which could expand further next year to 65 percent above the most recent high in 2020. Slower growth in oil demand, rising popularity of electric and hybrid vehicles and stagnating consumption in China are contributing to the surplus.

Brent crude is forecast to fall from an average of $68 a barrel in 2025 to $60 in 2026, reaching a five-year low. Overall energy prices are projected to fall by 12 percent in 2025 and a further 10 percent in 2026.

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Food prices are also easing. The World Bank predicts a 6.1 percent decline in 2025 and a 0.3 percent drop in 2026. Soybean prices are falling this year due to record production and trade tensions, but are expected to stabilise over the next two years. Coffee and cocoa prices could also fall in 2026 as supply improves.

Fertiliser prices, however, are projected to surge by 21 percent in 2025 because of higher input costs and trade restrictions, before easing by 5 percent in 2026. This may further squeeze the profit margins of farmers and raise concerns over future harvests.

Taslim Shahriar, senior assistant general manager at Meghna Group of Industries, a big commodity importer and processor, said soybean prices have risen by about 18 to 20 percent because of trade tensions between the United States and China.

He said some commodities have seen slight declines. Sugar prices have dropped, while edible oil and wheat have remained steady.

According to him, wheat prices have fallen slightly, from around $280 to $270 per tonne, while sugar has dropped from roughly $450 to $398 per tonne.

He expects some relief for consumers next year, provided there are no major natural disasters or global supply chain disruptions.

"If oil prices remain stable, inflation is likely to fall further," he said. "A stable dollar exchange rate within Tk 122 to Tk 123 would help ease inflation even more, given international prices have already come down."

Abul Bashar Chowdhury, chairman of Chittagong-based grain importer BSM Group, said market prices are likely to decrease for large businesses, but this does not guarantee retail prices will fall.

"The global market is just one factor. Other factors, such as dollar rates and higher bank interest rates, must also be considered," he added.

Biswajit Saha, director of corporate and regulatory affairs at City Group, another major importer and processor, said, "The main point is that if prices fall in the global market, it will also have an impact in Bangladesh, and consumers will benefit as well."

Preferring anonymity, an official of the Bangladesh Trade and Tariff Commission said if the World Bank forecast holds and other conditions remain stable, its impact will be reflected in the local market.

Given the current state of the balance of payments, the official expects the dollar rate to remain stable in the coming days.

SMEs need digital tools, not just credit

MAMUNUR RAHMAN

The interim government's new SME reform package, though well intentioned, misunderstands the challenges facing genuine small businesses. One of the measures removes the rule requiring entrepreneurs to keep 10 percent of export proceeds in banks. While this may ease cash flow for established exporters, it obscures the reality for small businesses such as street-side artisans, tech startup founders and women running food processing units from home.

Recent Bangladesh Bank measures reflect this misdirection. Importers can now make advance payments of up to $20,000 without guarantees, up from $10,000, while Exporters Retention Quota limits increased from $25,000 to $50,000. These changes benefit firms already engaged in significant cross-border trade, not the millions of micro-enterprises struggling with basic operations. For genuine small entrepreneurs, who represent 11.8 million SMEs, the main barriers remain regulatory hurdles at every stage, including complex registration processes, limited digital payment access, weak marketing capacity and disconnection from innovation networks.

The proposed reforms reflect 20th-century thinking for 21st-century challenges. While regional competitors invest in digital transformation and green manufacturing, Bangladesh policy remains focused on adjusting financial limits. This incremental approach overlooks three major shifts reshaping global business: the digital marketplace, the green transition and artificial intelligence. International markets increasingly demand digital skills and sustainable practices, requirements the current reforms ignore.

Consider digital transformation. The ability of an SME to sell on Amazon, manage supply chains on cloud platforms and accept mobile payments matters more than its advance payment ceiling. The government's planned digital portal risks becoming another online version of the existing bureaucracy, as seen in previous attempts at e-governance.

The green transition is now a trade necessity. European markets are introducing carbon border taxes, and global consumers expect sustainable sourcing. Bangladesh is behind in developing product passports. A reform package that does not include green certification and climate resilience undermines future export prospects.

Artificial intelligence is no longer futuristic. It is already used for inventory management, customer service and market prediction. Ignoring AI adoption risks leaving SMEs competing with outdated tools in an Industry 4.0 world.

What is needed is a bolder vision, such as the proposed Bangladesh 2.0 or a real smart framework. This kind of strategy would replace fragmented financial adjustments with systematic capacity building. Instead of only increasing payment limits for existing traders, it could introduce an SME growth fund to support digital marketing, digital payment integration and legal aid for business registration.

The framework could introduce a true single submission system to end registration delays by sharing data across government agencies. It could launch "AI for All" vouchers to widen access to artificial intelligence tools. It could also create Green SME Certification with tax incentives and procurement preferences to prepare businesses for environmental standards.

The choice is clear. Bangladesh can continue minor adjustments that benefit established enterprises, or it can support a real revolution that empowers small businesses. It can maintain a system that keeps grassroots entrepreneurs invisible or build an ecosystem that helps them compete globally.

The government's proposals represent incremental thinking when a transformative vision is needed. Adjusting financial limits while overlooking digitalisation, sustainability, and technological disruption is like rearranging deck chairs on the Titanic. Bangladesh's entrepreneurial spirit deserves more than survival. It deserves momentum. For the sake of 80 per cent of the industrial workforce and the country's economic future, a complete rethinking of SME policy is essential. The revolution cannot wait.

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

Bay terminal to go into operation by 2030: CPA chairman

STAR BUSINESS REPORT, *Ctg*

The much-anticipated Bay Terminal of the Chattogram port is expected to go into operation by 2030, said Rear Admiral SM Moniruzzaman, chairman of Chittagong Port Authority (CPA).

Once operational, the terminal will usher in a new era for Bangladesh's economy, trade, and import-export sectors, he said.

He made the comments yesterday while addressing as chief guest the "General Market Engagement Conference for the Bay Terminal Marine Infrastructure Development Project" at the port auditorium.

Moniruzzaman said the Bay Terminal would

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India's Russian oil imports rise in October

REUTERS, *New Delhi*

India's crude oil imports from Russia are expected to have risen slightly in October from a month earlier, according to preliminary ship-tracking data from Kpler and OilX, in spite of pressure from Washington to cut purchases.

India's Russian oil imports rose to about 1.48 million barrels per day (bpd) in October from 1.44 million bpd in September, Kpler data showed. OilX pegged October imports at the same level and said September imports were 1.43 million bpd. The data excluded oil from Kazakhstan that was exported from Russia.

But India's Russian oil shipments are expected to slow starting in November after the US sanctioned two major suppliers last month in an effort to end Moscow's war in Ukraine. This prompted Indian refiners to pause new orders and look for alternatives in spot markets.

India's Reliance Industries, Mangalore Refineries and Petrochemicals and HPCL-Mittal Energy have stopped purchases of Russian oil, while other refiners are considering buying oil produced by non-sanctioned Russian producers.

"Russian oil imports will not fall until November 21, but definitely after that," Kpler analyst Sumit Ritolia said.

Fresh US sanctions targeted Russia's two top oil producers, Lukoil and Rosneft. The US has given companies until November 21 to stop their transactions with these Russian oil producers.

"We see higher imports in the first three weeks (of November)," Ritolia said.

Trump's global tariffs to face challenge before Supreme Court

AFP, *Washington*

The US Supreme Court is set to hear arguments Wednesday on the legality of Donald Trump's unprecedented use of powers for sweeping global tariffs in a case striking at the heart of the president's economic agenda.

Since returning to the White House, Trump has invoked emergency economic powers to impose "reciprocal" tariffs over trade practices Washington deemed unfair, alongside separate duties targeting his country's biggest trading partners: Mexico, Canada and China.

But these tariffs, a key prong of his "America First" trade policy aimed at protecting and boosting US industries, swiftly faced legal challenges.

A lower court ruled in May that Trump exceeded his authority in imposing the duties, although the administration's appeal allowed them to temporarily stay in place.

The US Court of Appeals for the Federal Circuit ruled 7-4 in August that the levies were illegal -- affirming the lower court's finding -- prompting Trump to take the fight to the Supreme Court. The top court's decision will have major ramifications, but this could take months.

The conservative-majority Supreme Court could find the tariffs illegal, blocking duties imposed on goods from countries worldwide. Or judges could affirm Trump's actions, opening the door to further levies.

Also at stake are billions of dollars in customs revenue already collected and Trump's efforts to leverage tariffs for favorable trade deals -- or other political priorities.

The Supreme Court's ruling, however, would not directly affect sector-specific tariffs Trump imposed, including on steel, aluminum and automobiles.

An aerial view shows a container ship being guided to its berth by tugboats at Qingdao port, in China's eastern Shandong province. Since returning to the White House, Trump has invoked emergency economic powers to impose "reciprocal" tariffs over trade practices, targeting his country's biggest trading partners including China.

PHOTO: AFP/FILE

But even as Trump's tariffs have not sparked widespread inflation, US companies -- especially small businesses -- say they are bearing the brunt of additional costs.

"These tariffs threaten the very existence of small businesses like mine, making it difficult to survive, let alone grow," said Victor Schwartz, a lead plaintiff in this week's hearing.

"I was shocked that those with much more power and money did not step up," added Schwartz, the founder of a family-run New York wine company called VOS Selections.

Pointing to Trump's fast-changing tariff policies, Schwartz told reporters ahead of the hearing that small firms were "gambling with our livelihoods, trying to predict the unpredictable" as they set retail prices and stocked up on inventory.

Another New York-based business owner, Mike Gracie, who imports hand-painted wallpaper from China, said Trump's steep tariffs meant "hundreds of thousands of dollars" in new costs.

As Washington and Beijing engaged in a tit-for-tat tariff fight in April, US duties rocketed to 145 percent, an added bill that Gracie had to absorb.