Govt may allow onion imports if prices don't drop this week

STAR BUSINESS REPORT

The government will consider permitting onion imports if prices of the widely consumed vegetable do not come down to a desired level within this week, Commerce Adviser Sk Bashir Uddin said yesterday.

Retail prices of the essential cooking item have surged 53 percent to Tk 110-Tk 120 per kilogramme (kg) in Dhaka markets yesterday, up from Tk 70-Tk 80 per kg a week ago, according to Trading Corporation of Bangladesh (TCB) data.

Briefing journalists at the commerce ministry in Dhaka, the adviser said the latest price hike was "illogical."

He said the country saw a bumper onion harvest this year, and there is no shortage. New onions are expected to arrive in the market within the next two weeks.

The adviser informed that the ministry has received around 2,800 applications for onion imports.

Bashir, however, said the government is cautious on permitting the applications as the market could be flooded with onions even if only 10 percent of the applications are approved, and potentially harming local farmers. "Therefore, we are closely monitoring the situation before making any decision."

Commenting on whether there is a role of alleged hoarding or a market syndicate behind the hike, he said, "I have no information about hoarding or any syndicate. This seems to be a temporary disruption, and I expect the situation to normalise soon."

He suggested that several factors may have contributed to the latest price hike, such as the end of the local harvesting season, sudden heavy rains, and weight loss due to drying during storage.

Commerce Secretary Mahbubur Rahman was also present at the briefing.

Farmers have already started harvesting Aman, which accounts for roughly two-fifths of total annual rice production. PHOTO: MOSTAFA SHABUJ

Govt slashes Aman paddy procurement target

STAR BUSINESS REPORT

The government has drastically cut its Aman paddy procurement target for the current harvesting season, citing an insignificant purchase last year due to a lack of supply from growers.

The food ministry plans to buy 50,000 tonnes of Aman paddy from the current season, which is one-seventh of the 350,000-tonne procurement target it set last year.

However, the targeted amount is 46 percent higher than the actual purchase of 27,000 tonnes, said Md Mahbubur Rahman, director general of the Food Planning and Monitoring Unit, after a meeting of the Food Planning and Monitoring Committee (FPMC) yesterday.

"We have found that the marketable surplus from the Aman harvest is low and farmers mainly consume the staple," he said in response to a query from this correspondent.

Rahman said the government could only procure 24,000 tonnes of paddy from growers in the fiscal year 2023-24.

M Asaduzzaman, former research director at the Bangladesh Institute of Development Studies (BIDS), said farmers are often reluctant to take their produce to procurement centres as these are not located close to their homes.

Furthermore, large farmers hold their produce for a longer period to profit during the lean period, he added.

At yesterday's meeting, the FPMC decided to increase the parboiled rice procurement target to 600,000 tonnes, up from the previous year's target of 550,000 tonnes and the actual procurement of 519,000 tonnes.

The food ministry plans to buy 50,000 tonnes of Aman paddy from the current season, which is one-seventh of the 350,000-tonne procurement target it set last year

It slashed the sunned rice procurement goal by half to 50,000 tonnes for the current Aman season.

Farmers have already started harvesting Aman, which accounts for roughly two-fifths of total annual rice production. The government estimates the production cost of Aman paddy, excluding profits and transport costs, at Tk 30.03 per kilogramme, up 4 percent year-on-year.

The government also hiked the procurement prices of both paddy and milled rice, as decided at the meeting of the FPMC, an inter-ministerial committee responsible for monitoring the country's overall food situation and advising on food security policies.

It will pay 3 percent more than last year's price to buy Aman paddy at Tk 34 per kg this season. Accordingly, the government will also buy parboiled rice at a higher price this year.

The food ministry will buy parboiled rice from millers at Tk 50 per kg, which is 6 percent higher than the previous year. It also increased the procurement price of sunned rice to be harvested during the current Aman season.

The procurement will start on November 20 and continue until February 28.

Briefing journalists after the FPMC meeting, Food Adviser Ali Imam Majumdar said, "We will try to achieve the Aman rice procurement target. If we get more supply, we will buy."

He said they considered the farmers' interests when fixing the procurement price.

Finance Adviser Salehuddin Ahmed said the government buys grains from farmers to support them, ensuring that rice traders do not gain an advantage over growers.

Independence of BB: the next big economic reform

DH CHOUDHURY

In a capitalist economy, an independent central bank isn't just something to argue for—it's essential for a country's growth and economic stability.

The Daily Star recently ran a business story about the concept of making Bangladesh Bank independent. It reminded me of something I learned almost 50 years ago, and I thought it would be worth sharing that experience.

I first came across the idea of central bank independence in 1976, during a small group session at the Deutsche Bundesbank in West Germany, the country's central bank. The key takeaway from that discussion was this: a central bank is not independent from the government, but independent within the government.

The idea of a central bank being "independent within the government" is like how engineers or doctors work. They make professional decisions independently, based on science and rules set by the government. Similarly, a central bank designs monetary policies using economic logic while following the country's overall financial goals. It works freely, but within set policies.

Nearly five decades ago, I learned that in West Germany, the Bundesbank and the Ministry of Finance had distinct roles—the central bank managed monetary policy, while the ministry handled fiscal policy. Both respected each other's mandates of independence while remaining institutionally accountable to the legislature. Despite being a war-torn nation divided by the Berlin Wall, West Germany's remarkable recovery—driven by an independent central bank—stood in sharp contrast to the stagnation of socialist East Germany. The lesson was clear: central bank independence is a necessity for stable and sustainable growth.

At a later date, during my years with an international bank in the City of London, I witnessed how closely the Bank of England, business houses, financial institutions, and the media interact to support one another to make the Bank of England's independence meaningful and sustainable.

"The City of London" does not refer to the entire capital city. It is a small, historic area of about one square mile in the eastern part of London—often called simply "The City." It stands as a symbol of Britain's financial strength, much like Wall Street in New York. Within this square mile sit the Bank of England, the London Stock Exchange, headquarters of major banks, insurance firms, investment companies, and The Financial Times.

In the United Kingdom, the rights and duties of citizens are guided by unwritten Common Law. Similarly, a set of unwritten practices binds the country's business community and media to act responsibly within the bounds of The City. Businesses regularly share genuine data on production, investment, and costs, helping the Bank of England assess real economic trends. This cooperation makes monetary policy more grounded and effective. The media, in turn, explains policy decisions clearly to the public, building trust in the Bank's independence and professionalism.

The Bank of England shows how a central bank can remain independent while being accountable to both Parliament and the public. Its core responsibilities are to maintain price stability and safeguard the financial system. By law, it has full authority over monetary policy, particularly in setting interest rates.

For Bangladesh Bank, the models of the Bundesbank and the Bank of England offer a vital lesson. Real independence cannot be achieved by law alone—it must develop from within the institution and be reinforced by the trust of businesses and the media. When business bodies act responsibly and the media covers monetary issues fairly, public trust in Bangladesh Bank will naturally grow.

The proposed legal reform of the Bangladesh Bank Act is a positive step. But an institution that has lacked autonomy for more than fifty years cannot transform overnight to match its global counterparts. True independence of Bangladesh Bank will come only when legal changes are supported by a new institutional mindset—when central bank officials can make professional decisions freely, much like engineers or doctors applying their expertise in their own fields.

The writer is a former banker

Include workers in climate decisions: trade unions

STAR BUSINESS REPORT

As the world prepares for the upcoming COP30, Bangladeshi labour rights bodies have urged the government to include worker representatives at every stage of climate-related decision-making.

They also called for a clear roadmap to ensure decent work and job security for workers across both the formal and informal sectors. The demands were made at a press briefing at the National Press Club in Dhaka, organised by the National Alliance for Just Transition Bangladesh (NAJTB) yesterday.

The platform of trade unions and labour right advocates called for a worker-centred climate action plan that guarantees decent work, social protection, and inclusion in policymaking.

Bangladesh, one of the world's most climate-vulnerable countries, is already witnessing the livelihood impacts of floods, cyclones, and heatwaves, but workers' voices remain largely absent from national and global climate policies, reads a statement from NAJTB.

"Workers must have a voice in shaping policies that directly affect their jobs and lives," said Shakil Akhter Chowdhury, general secretary of the Bangladesh Labour Foundation.

The alliance placed 10 key demands, including the inclusion of workers at every stage of climate policymaking, from formulation and implementation to monitoring.

It called for a tripartite 'Just Transition Plan' involving the government, employers, and workers, focusing on job security, reskilling, income protection, and rehabilitation for displaced labourers.

The group also urged that climate finance, including the Loss and Damage Fund, prioritise affected workers through allocations for training, social safety nets, and livelihood support.

Gender equality was another major concern. The NAJTB called for a gender-sensitive budget to support women workers in climate-resilient sectors and to ensure equal pay, safe workplaces, and women's leadership in the green transition.

Vietnam's garment industry rebounds, but challenges loom

ANN/VIETNAM NEWS

Vietnam's textile and garment industry has shown clear signs of recovery in 2025, bouncing back after a difficult period of stagnation.

However, businesses in the sector continue to face mounting challenges, from high capital and logistics costs to growing pressure to green their operations and navigate shifting trade policies.

According to Vũ Đức Giang, chairman of the Vietnam Textile and Apparel Association (VITAS), the industry's export turnover reached US$34.75 billion in the first nine months of 2025, an increase of 7.7 percent year-on-year. This marks a robust comeback and highlights the resilience of Vietnam's textile exports in the global market.

Despite the gains, the industry remains heavily reliant on imported raw materials, with import turnover totalling $16 billion, including $11 billion for fabric alone. This dependency poses significant risks, particularly as global trade dynamics shift.

Vietnam has now climbed to third place globally in textile and garment exports, a major leap from its earlier role as a low-cost processing hub.

Giang said high-value-added products were becoming a larger share of exports, signalling the industry's move beyond contract manufacturing to brand-building and innovation.

Vietnamese textile and garment products are now exported to 138 countries, boosted by 16 free trade agreements (FTAs), with that number expected to grow to 22 by 2027.

Emerging markets like the Middle East and Africa offer new growth opportunities, according to Giang. Once overlooked, these regions have become more prominent.

In 2024, exports to Islamic countries alone reached $1 billion, and by July 2025, revenue from the Middle East had already hit $700 million.

Vietnamese firms are also targeting premium segments, offering products with higher design and technological content – a move that supports long-term competitiveness.

One of the biggest hurdles is production costs, which are about 40-45 percent higher in Vietnam compared to Indonesia, Malaysia and Myanmar – despite Vietnamese labour being around 40 percent more productive.

On the upside, the industry is rapidly embracing automation and green technologies, becoming second only to China in regional supply chain modernisation.

However, logistics remain a bottleneck.

According to Đặng Thị Minh Phương, chairwoman of the HCM City Logistics Association, shipping and warehousing costs have surged. Despite salaries of VND35-40 million ($1,300-1,500) per month, businesses are struggling to recruit container drivers.

She urged firms to restructure supply chains and invest in logistics technology to improve competitiveness.

Besides that, the shift from traditional processing models to FOB (Free on Board) and DDP (Delivered Duty Paid) purchasing methods has changed the financial landscape.

Giang stressed the need for stronger cooperation between banks and exporters, urging banks to offer tailored credit packages aligned with modern contract terms.

"Banks must understand the nature of today's export contracts and build trust with businesses through transparency," Giang said.

READ MORE ON B2

Workers stitch garments at a factory in Vietnam's Thai Nguyen Province. Value-added products are becoming a larger share of exports, signalling the industry's move beyond contract manufacturing to brand-building and innovation. PHOTO: AFP/FILE

US holiday sales set to top $1tn for first time

REUTERS

US holiday sales are expected to surpass $1 trillion for the first time, the National Retail Federation said on Thursday, though growth is forecast to slow as economic pressures weigh on consumer sentiment.

The holiday season includes major shopping days such as Thanksgiving, Black Friday, Cyber Monday and Christmas, and accounts for a significant portion of major retailers' revenues.

Persistent inflation, the fallout from the Trump administration's tariffs and the federal government shutdown pose risks, as shoppers think twice about buying extravagant gifts.

"American consumers may be cautious in sentiment, yet remain fundamentally strong," NRF CEO Matthew Shay said. NRF chief economist Mark Mathews said lower-income consumers are shifting toward essentials.

"More of the non-essentials that they're cutting out are in the services side of the economy, like recreation, travel, and eating out. They're not doing that, but they're continuing to spend on goods."

The economic stress on spending had led to multiple forecasts of a subdued holiday shopping season this year as well as muted forecasts for the period from companies including Tapestry, Under Armour and Canada Goose on Thursday.

"Consumers are highly promotional right now. They're looking for deals," Mathews told Reuters.

"Most retailers recognize that," he added, saying companies will take a hit to stay competitive in the market.