Dhaka, Ctg draw four-fifths of Jul-Sept remittances

STAR BUSINESS REPORT

Dhaka and Chattogram, two major divisions of Bangladesh, received 80 percent of the total remittance of the first quarter of fiscal year 2025-26, reflecting a regional disparity.

The remaining six divisions received only one-fifth of the $7.58 billion in remittances during the July-September period of the current year, according to the latest monthly report on workers' remittance inflows by Bangladesh Bank (BB).

During the period, the South Asian country, which is highly reliant on remittances to meet its external obligations, recorded a 16 percent year-on-year growth in inflows, rising from $6.54 billion in the same period a year ago.

Dhaka division received $4.22 billion during the July-September quarter of FY26, which was 33 percent higher year-on-year.

Chattogram division registered only a 5 percent growth in remittance inflows to $1.89 billion in the first three months of this fiscal year.

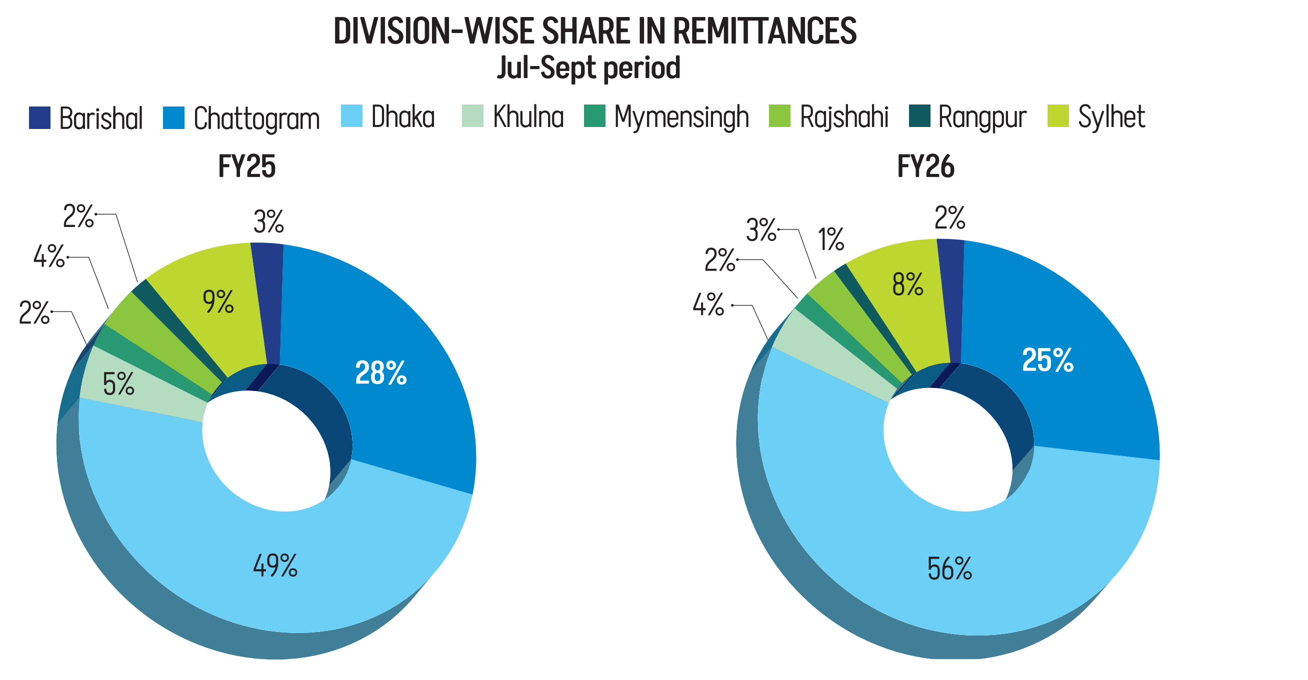
In other words, Dhaka accounted for more than half of the inflows, while Chattogram received one-fourth of total remittances, according to BB data.

Towfiqul Islam Khan, additional director (research) at the Centre for Policy Dialogue, said Dhaka and Chattogram have remained the main recipients of remittances for many years.

"People usually get jobs and go abroad based on family links. So, we see inflows are high in certain districts such as Madaripur and Noakhali," he said.

The BB data showed that during the first quarter of FY26, remittance inflows to all divisions except Dhaka and Chattogram declined. However, the share of remittance receipts increased only in Dhaka and Mymensingh.

Rangpur division received the lowest amount, followed by Mymensingh, Barishal and Rajshahi divisions during the July–September period.



Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank PLC, said the outflow of migrant workers is high from Chattogram. "But it appears that the beneficiaries of many migrant workers live in Dhaka," he said.

"Another possible reason could be the ticket size (the monetary value of a single transaction) of remittances. It may be that the average ticket size is higher in Dhaka than in other divisions," he added.

Mohammad Ali, managing director and CEO of Pubali Bank PLC, said mobile financial services (MFS) have become a medium for remittance transfers. "We transfer most of the remittances coming to our bank through mobile financial services," he said.

"This could be one reason," he added.

The BB data showed that Saudi Arabia, which employs more than 20 lakh Bangladeshi migrant workers, was the main source of remittances, followed by the United Kingdom, the United Arab Emirates, and Malaysia.

Migrant workers sent the highest amount of their earnings to Bangladesh through Islami Bank Bangladesh PLC.

The BB said in recent years, workers' remittance inflows have been crucial in enabling Bangladesh to maintain economic stability, particularly in the face of global economic uncertainties and domestic challenges.

"In the current political and economic landscape, marked by inflationary pressures, exchange rate fluctuations, and rising import costs, remittances have provided much-needed relief by bolstering foreign currency reserves and supporting millions of households across the country," it said.

The report said as a stabilising factor, the steady flow of remittances has been contributing to poverty reduction, improving living standards, and regional development.

"In the context of the ongoing post-pandemic economic recovery, coupled with political transitions, remittances are even more decisive in sustaining economic growth, ensuring liquidity in the banking sector, and reducing reliance on external borrowing," it said.

The BB, citing the Bureau of Manpower, Employment and Training (BMET), said 1.58 crore people have obtained BMET licences for overseas work from 1976 to September 2025.

Pharma industry at a crossroads

SAZZADUL HASSAN

The country's pharmaceutical industry has achieved remarkable growth over the past four decades. Meeting 98 percent of the domestic demand for medicines worth more than $3 billion and exporting to over 150 countries, including highly regulated markets such as the UK, the US and the EU, it has become a sector of immense strategic importance.

This success has been largely underpinned by a key World Trade Organization (WTO) provision: the TRIPS (Trade-Related Aspects of Intellectual Property Rights) waiver for least developed countries (LDCs). This exemption, due to expire when Bangladesh graduates from LDC status in 2026, has allowed local companies to legally produce and sell patented medicines without authorisation. It has ensured affordable healthcare and encouraged industrial growth. The withdrawal of this waiver will pose a significant challenge, demanding immediate and strategic responses from policymakers and industry stakeholders.

The most immediate consequence will be the loss of the ability to reverse-engineer new patented drugs, restricting the production of generic versions of newly patented medicines. This could increase dependence on imports and drive up treatment costs. In addition, medicines patented after 2005 may face legal constraints, putting part of the existing product portfolio at risk. To stay competitive, particularly in regulated markets, pharmaceutical firms will also need to invest heavily in research and development (R&D) to create novel drugs, biosimilars or complex generics, which require significant capital. Without timely adaptation and investment, the industry risks losing its competitive edge both at home and abroad.

India's post-2005 TRIPS experience offers valuable lessons. India amended its patent law in 2005 with a strategic approach. A key instrument was Section 3(d) of its Patents Act, which prevents "evergreening", the practice of obtaining new patents on minor modifications of existing drugs to extend market exclusivity. This ensured that only genuinely innovative drugs received patents, protecting the generic industry. India also used compulsory licensing to maintain access to essential medicines. At the same time, Indian pharmaceutical companies invested heavily in R&D and advanced manufacturing, transforming themselves from pure generic producers into global players.

To navigate this critical transition, Bangladesh needs a multi-pronged strategy. The first step is policy and legal preparedness. The government must proactively amend the Patent and Designs Act to incorporate TRIPS-compliant flexibilities. This should include provisions for compulsory licensing, allowing the state to authorise the generic production of patented drugs in the public interest. In addition, adopting Bolar-type provisions would permit generic companies to conduct research and seek regulatory approval before a patent expires, ensuring immediate market entry once it does.

A shift in mindset from imitation to innovation is equally vital. The government should encourage a supportive ecosystem through tax incentives for R&D, research grants, and public-private partnerships to establish advanced pharmaceutical research centres.

Bangladeshi companies must also raise their quality standards beyond WHO-GMP to the more stringent EU-GMP and US-FDA benchmarks to compete globally. Government assistance in technology transfer and upgrading production facilities will be essential.

Bangladesh should collaborate with neighbouring countries and regional blocs to share manufacturing capacity, technology and negotiating leverage with multinational firms. Policymakers should also prepare targeted subsidies, reimbursement mechanisms or negotiation strategies for high-cost patented medicines to protect public health budgets.

With foresight, strategic policymaking and a united effort to strengthen innovation capacity, the pharmaceutical industry can turn this looming challenge into an opportunity for sustainable, value-driven growth. Bangladesh can surely safeguard its healthcare achievements and secure a competitive position in the global pharmaceutical landscape.

The writer is chairman and managing director of BASF Bangladesh Limited

India announces $5b to cushion US tariff impact

AFP, *New Delhi*

India has unveiled a $5 billion plan to boost export competitiveness as it reels under punishing US tariffs.

Washington has tied issues of war and peace to trade, slapping 50 percent duties on New Delhi in retaliation for its continued purchases of Russian oil.

Prime Minister Narendra Modi said in a statement on Thursday that the government had approved an "Export Promotion Mission (EPM)" to "improve export competitiveness".

That nearly $3 billion programme will run until 2030–31, replacing several older schemes with a single framework aimed at helping small manufacturers access cheaper trade finance and meet global quality standards.

"Priority support will be extended to sectors impacted by recent global tariff escalations," said a Ministry of Commerce statement issued late Wednesday.

"The mission is designed to directly address structural challenges that constrain Indian export."

Minister of Information Ashwini Vaishnaw announced a further $2.3 billion "credit guarantee scheme for exporters", saying it was needed due to the "current global environment... where the policies of some countries are causing hardship to others".

Efforts are intended to boost exports of labour-intensive goods such as textiles, leather, gems and jewellery, engineering and marine products, it added.

India's inflation tanks to record low

Customers buy fruits and vegetables at an open air evening market in Ahmedabad. PHOTO: REUTERS/FILE

REUTERS, *New Delhi*

India's retail inflation slumped to a record low of 0.25 percent in October, driven by a sharp fall in food prices and tax cuts on consumer goods, paving the way for a rate cut by the central bank in December.

Low inflation, declining interest rates and consumer tax cuts are seen offsetting pressure on Asia's third-largest economy after the US imposed punitive tariffs on Indian exports. The economy, which grew at 7.8 percent in the April-June period is seen slowing over the second half of this year.

Inflation in October was below the Reserve Bank of India's 2 percent-6 percent tolerance band for a second month in a row. The central bank is mandated to ensure that inflation does not remain outside of its tolerance range for more than three consecutive quarters. Inflation for September was also revised marginally lower to 1.44 percent.

A Reuters poll had projected October inflation at 0.48 percent.

"We see FY26 CPI below 2 percent paving way for a December 2025 rate cut by the RBI and see another 25-basis-point cut in February 2026," said Garima Kapoor of Elara Securities.

The decline in headline inflation and food inflation during the month is mainly due to the full impact of consumer tax cuts, the government said in a statement.

India in late September slashed goods and services tax (GST) on hundreds of mass consumption items, including dairy and personal care products, to spur domestic demand amid trade-related uncertainties due to 50 percent punitive tariffs by the US.

Food prices fell a record 5.02 percent year-on-year in October against a revised fall of 2.33 percent in September. Vegetable prices declined 27.57 percent after a 21.38 percent fall in the prior month.

Renewables outpace fossil fuels despite US policy shift: IEA

AFP, *Paris*

Renewable energy is still expanding faster than fossil fuels around the world despite policy changes in the United States, with oil demand possibly peaking "around 2030", the International Energy Agency said Wednesday.

The Paris-based IEA presented different scenarios for the future of energy in its annual World Energy Outlook -- the first since coming under fire from the government of US President Donald Trump over its oil forecasts.

"The pace varies, but renewables grow faster than any other major energy source in all scenarios, led by solar photovoltaics," the agency, which advises mostly developed nations, said in its 518-page report.

In one scenario, "policy changes mean that the United States has 30 percent less renewables capacity installed in 2035 than in last year's Outlook, but at the global level renewables continue their rapid expansion".

The report comes as world leaders meet at the UN's COP30 climate conference in Belem, Brazil, which Trump and his government have shunned.

Trump, who has pulled out of the Paris climate accord, wants to expand oil and gas production and roll back the clean energy policies of his predecessor, Joe Biden.

The IEA had to walk a fine line when drafting its latest outlook as it has faced criticism from the Trump administration for projecting dwindling demand for fossil fuels.

US Energy Secretary Chris Wright threatened in July to pull out of the IEA if it did not reform how it operates.

The IEA used three scenarios for its World Energy Outlook: one takes into account policies that are currently in place, another looks at "stated" government policies including measures that have yet to be adopted, and a third considers a world that reaches net zero emissions by 2050.

Under the Current Policies Scenario (CPS), oil and natural gas demand would increase by 16 percent to 2035 and rise further through to 2050.

The IEA had dropped such scenarios from its reports in 2020.

"That (CPS) scenario is entirely politically motivated," Rachel Cleetus, senior policy director at the Union of Concerned Scientists, told reporters at COP30 in Belem.

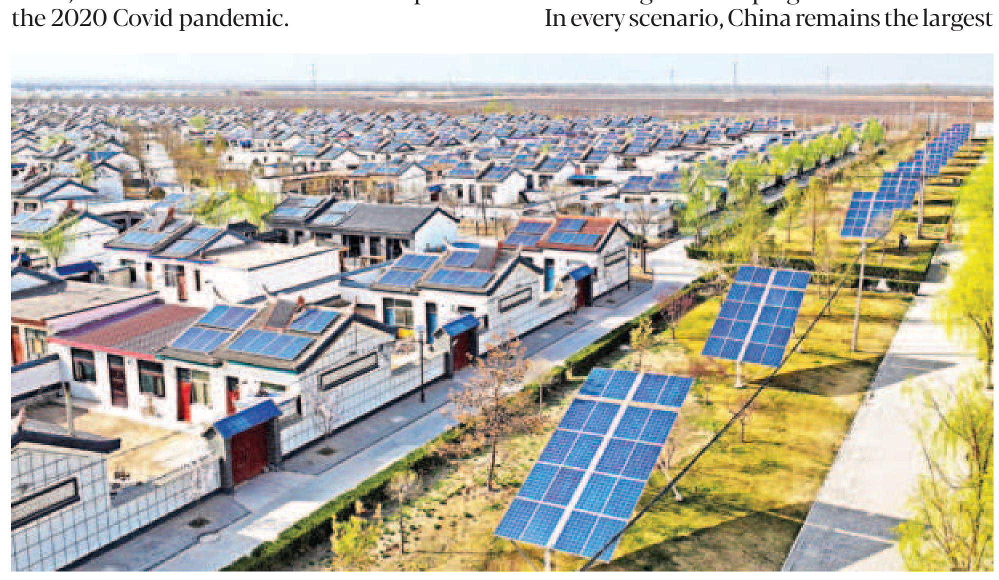
"The Trump administration, unfortunately, has been setting bad policy in the United States and trying to undermine policy around the world."

In the IEA's Stated Policies Scenario (STEPS), oil demand would peak "around 2030" and decline to 100 million barrels per day by 2035 before falling in subsequent years.

In a report in June, the IEA had forecast that global oil demand would fall slightly in 2030, which would mark the first drop since the 2020 Covid pandemic.

The World Energy Outlook said demand for electricity is rising, fuelled by data centres and artificial intelligence in advanced economies and China, along with increasing use of air conditioning in developing countries.

In every scenario, China remains the largest market for renewable energy, accounting for 45 to 60 percent of their global deployment over the next 10 years.



The photo shows residential buildings with roof-mounted photovoltaic solar panels in Yinchuan, in northwestern China's Ningxia region. In every scenario, China remains the largest market for renewable energy, accounting for 45 to 60 percent of their global deployment over the next 10 years. PHOTO: AFP/FILE

Under every scenario, however, the IEA said the world would exceed 1.5C of warming above pre-industrial levels -- the most ambitious goal of the 2015 Paris climate agreement.

"There is less momentum than before behind national and international efforts to reduce emissions, yet climate risks are rising," the report said.

Under the CPS, warming would exceed 2C around 2050 and 2.9C in 2100 -- and then keep rising from there.

In STEPS, warming would exceed 2C by around 2060 and 2.5C by 2100.

But in the net-zero scenario, it would peak at about 1.65C around 2050 and decline slowly after that, before dropping back below 1.5C by 2100, according to the IEA.

The IEA has "confirmed that no single country can stop the energy transition, with oil and coal demand to peak by 2030 in its business-as-usual scenario", said David Tong, global industry campaign manager at Oil Change International, a non-profit advocacy group.

"But this year's report also shows Donald Trump's dystopian future, bringing back the old, fossil-fuel intense, high pollution Current Policies Scenario," he said.