

BGMEA seeks Chinese investment in man-made fibre

STAR BUSINESS REPORT

Leaders of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday sought cooperation from the Chinese investors for joint-venture investment in manmade fibre (MMF), chemical and renewable energy.

The request was made during a meeting between the BGMEA officials and a visiting Chinese delegation held at the BGMEA office in Dhaka.

China, the largest garment exporter globally, currently holds over 30 percent of the international garment market, though its share has declined in recent years.

The country is also the largest supplier of MMF products and is exploring alternative production destinations in other countries to reduce costs.

At the meeting, Inamul Haq Khan, senior vice-president of BGMEA, said Bangladesh is focusing on technology upgrades, advanced machinery, and MMF-based production to remain competitive in global markets.

He urged Chinese investors to explore joint ventures in MMF textiles, chemicals, and renewable energy, which he said would reduce costs and shorten lead times for apparel exporters.

Khan also highlighted cooperation opportunities in AI-driven manufacturing, integrated supply



PHOTO: STAR/FILE

chain systems, 3D photo production, and digital product passports as critical for Bangladesh's post-LDC graduation challenges.

BGMEA Director Faisal Samad emphasised the need for frequent engagement between businesses of both countries, proposing a coordination meeting in January supported by Bettex Industries.

He also suggested signing a memorandum of understanding

(MoU) with the Cheung Kong Graduate School of Business (CKGSB) to enhance collaboration in education and research.

Samad noted that since Bangladesh imports a significant volume of fabrics from China, business disputes occasionally arise.

Having a Chinese law firm available for dispute resolution, he said, would benefit companies on both sides by providing a reliable platform for settling commercial issues.

The Chinese delegation expressed interest in joint investments in renewable energy and other emerging sectors.

They also invited BGMEA leaders to visit major fabric-manufacturing hubs in China and agreed to meet again in January.

Key members of the Chinese delegation included information technology (IT) and supply chain specialists Yi Shanwei, chairman of Weihai Bettex, and Yi Ran, project manager; Luo Fei, chairman of Beijing Mofeng Technology; and Gao Bin, president of Nanjing Zhiyi Network Technology.

From the textile and fabrics sector, attendees included Shen Hanxin, CEO of Fast Powder; Luan Rundong, executive director of Changzhou Jinhe Investment; and Quan Shouli, general manager of Suzhou Youwo Rui New Materials Technology.

Currently, China remains Bangladesh's largest source of imported raw materials, including fabrics, chemicals, and accessories for export-oriented garment items.

Many Chinese investors are exploring opportunities in Bangladesh due to higher US tariffs on Chinese products, while global brands are increasingly relocating some work orders from China to countries such as Bangladesh, Vietnam, Thailand, and Myanmar to reduce production costs and mitigate supply chain risks.

Gold prices drop in int'l market

REUTERS

Gold eased on Thursday, pulling back from a near one-week high, after the US Federal Reserve delivered a divided interest rate cut that left investors uncertain about the pace of easing next year, while silver notched another record high.

Spot gold fell 0.4 percent to \$4,210.88 per ounce, as of 0707 GMT, after touching its highest since December 5 earlier in the session. US gold futures for February delivery gained 0.3 percent to \$4,238.10 per ounce.

"Gold has been unable to kick on with things today... because the Fed's message was essentially that any further rate cuts could be few and far between," KCM Trade Chief Market Analyst Tim Waterer said.

The Fed delivered a 25-basis-point rate cut in a divided vote on Wednesday but signalled that borrowing costs may not fall further as it waits for clearer signs of a cooling labour market and inflation that "remains somewhat elevated."

While most policymakers expect they will need to cut rates again next year, an unprecedented six officials opposed even Wednesday's quarter-point move. Fed Chair Jerome Powell also declined to offer guidance on the timing of any further cuts.

Lower interest rates typically benefit non-yielding assets such as gold.

Investors now await US jobs and inflation data for November next week, followed by a detailed third-quarter economic growth report.

Spot silver added 0.2 percent to \$61.90 per ounce after hitting a record high of \$62.88 earlier in the session, bringing its year-to-date gain to 113 percent on strong industrial demand, falling inventories and its addition to the US critical minerals list.

A promise on paper without depositor protection

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conduct," he added. "Why did we end up with NPLs at this level? Let us create a taxonomy. I would love to see some research on the different ways NPLs accumulated."

Zaidi Sattar, chairman of PRI and chair of the event, said the recent rise in non-performing loans (NPLs) to nearly 35 percent is unprecedented and requires careful analysis.

"In advanced economies, we talk about institutions being 'too big to fail'. In Bangladesh, many distressed banks are instead 'too toxic to fail', because letting them collapse would trigger severe contagion across the economy," Sattar said. He added that Bangladesh's unique environment demands its own framework for resolving banking sector problems.

ECONOMIC IMPACT OF HIGH NPLS

Mohammad Akhtar Hossain, chief economist at Bangladesh Bank and a special guest, highlighted the broader economic impact. "Our FDI to GDP ratio is already very low, and the combination of

high NPLs and ongoing political uncertainty is making it extremely difficult to attract foreign direct investment," he said.

Tanjil Chowdhury, chairman of Prime Bank, stressed that wilful defaulters should not be allowed back into the economy.

"They should not receive any fresh financing. The 2 percent shareholding requirement for becoming a director should be abolished and replaced with a cap on family shareholding," he said.

Mashrur Arefin, chairman of the Association of Bankers Bangladesh (ABB) and managing director of City Bank, said no bank in Bangladesh should be allowed to fail.

"The initiative to merge the five banks is appropriate. As the economy grows, it needs more banks. Many banks that once struggled are now strong institutions. City Bank is one such example. Bismillah Group had badly affected Prime Bank, yet the bank is on track to make Tk 1,000

crore in profit this year," he said.

Ahmed Rashid Joy, deputy managing director of BRAC Bank, highlighted the importance of clarity in restructuring plans.

"The success will depend on what percentage of customers will get their money back and what percentage will receive shares," he said. Mohammad Zahir Hussain, executive director of the Bank Resolution Department at Bangladesh Bank, also spoke at the discussion.

Deadlock over Ctg chamber polls eases

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directed the HC to dispose of the original writ during that period. The HC yesterday disposed of that original writ, said Advocate Farzana Khan, who represented the two categories.

Advocate Farzana said the court, after extensive hearings, discharged the earlier rule. According to her, the decision means the commerce ministry order allowing the two categories in the polls now faces no legal obstacle.

AI's \$400b problem: Are chips getting old too fast?

AFP, New York

In pursuit of the AI dream, the tech industry this year has plunked down about \$400 billion on specialized chips and data centers, but questions are mounting about the wisdom of such unprecedented levels of investment.

At the heart of the doubts: overly optimistic estimates about how long these specialized chips will last before becoming obsolete.

With persistent worries of an AI bubble and so much of the US economy now riding on the boom in artificial intelligence, analysts warn that the wake-up call could be brutal and costly.

"Fraud" is how renowned investor Michael Burry, made famous by the movie "The Big Short," described the situation on X in early November.

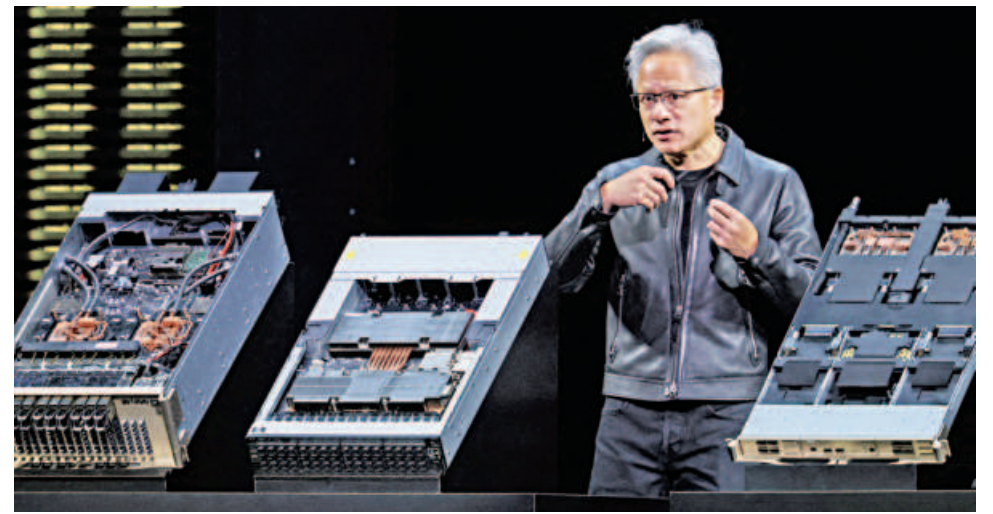
Before the AI wave unleashed by ChatGPT, cloud computing giants typically assumed that their chips and servers would last about six years.

But Mihir Kshirsagar of Princeton University's Center for Information Technology Policy says the "combination of wear and tear along with technological obsolescence makes the six-year assumption hard to sustain."

One problem: chip makers -- with Nvidia the unquestioned leader -- are releasing new, more powerful processors much faster than before.

Less than a year after launching its flagship Blackwell chip, Nvidia announced that Rubin would arrive in 2026 with performance 7.5 times greater.

At this pace, chips lose 85 to 90 percent of their market value within three to four years, warned Gil Luria of financial advisory firm D.A. Davidson.



Nvidia President and CEO Jensen Huang delivers the keynote address during the Nvidia GPU Technology Conference in Washington, DC. Companies are doubting how long AI specialised chips will last before becoming obsolete.

PHOTO: AFP/FILE

Nvidia CEO Jensen Huang made the point himself in March, explaining that when Blackwell was released, nobody wanted the previous generation of chip anymore.

"There are circumstances where Hopper is fine," he added, referring to the older chip. "Not many."

AI processors are also failing more often than in the past, Luria noted.

"They run so hot that sometimes the equipment just burns out," he said.

A recent Meta study on its Llama AI model found an annual failure rate of 9 percent.

For Kshirsagar and Burry alike, the realistic lifespan of these AI chips is just two or three years.

Nvidia pushed back in an unusual November statement, defending the industry's four-to-six-year estimate as based

on real-world evidence and usage trends. But Kshirsagar believes these optimistic assumptions mean the AI boom rests on "artificially low" costs -- and consequences are inevitable.

If companies were forced to shorten their depreciation timelines, "it would immediately impact the bottom line" and slash profits, warned Jon Peddie of Jon Peddie Research.

"This is where companies get in trouble with creative bookkeeping."

The fallout could ripple through an economy increasingly dependent on AI, analysts warn.

Luria isn't worried about giants like Amazon, Google, or Microsoft, which have diverse revenue streams. His concern focuses on AI specialists like Oracle and CoreWeave.

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e-GP Tender Notice

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the procurement of the following

| Tender ID No. | Package No. | Name of work | Publishing date | Last date & time of selling | Opening date and time |
|---------------|--------------------------------|--|----------------------|-----------------------------|-----------------------|
| 1189063 | e-GP-12/Works-12/JHERD/2025-26 | Repairing work with DBS-Wearing Course & necessary repair work at Ch. 7+700m to Ch. 7+970m under of Jhenaidah-Kushtia-Paksey Ferry-Dasuria Road (N-704) Road under Road Division, Jhenaidah during the year 2025-2026. | 07-Dec-2025 12:00 | 21-Dec-2025 17:00 | 22-Dec-2025 12:00 |

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender documents from the National e-GP System Portal have to be deposited online through any Member of Schedule Bank for e-GP. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (<http://www.helpdesk@eprocure.gov.bd>).

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Grey handset market

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According to the Mobile Phone Industry Owners' Association and Bangladesh Telecommunication Regulatory Commission (BTRC) data, grey smartphones now account for 40 percent to 50 percent of the market.

Meanwhile, Samsung's figures show grey-market imports rose from 24 percent in 2022 to 40 percent in 2024. The overall market is valued at \$1.7 billion, with over \$0.7 billion captured by unofficial devices.

According to industry insiders, the grey market alone is estimated at around \$0.8 billion in 2025.

TRADERS RESIST NEIR

BTRC data show 4.6 crore handsets were added to the network last year. Of these, 2.7 crore were locally manufactured, one-third of them smartphones, while around 1.9 crore entered through unofficial channels.

However, the breakdown of how many handsets were bought by Bangladeshi

expatriates and how many by grey-market traders remains unclear.

Shamim Mollah, acting president of the Mobile Business Community Bangladesh, whose members protested against the NEIR system, denied claims that traders bring in phones illegally.

He said devices are sourced from foreign travellers, bypassing official procedures. NEIR and high taxes, he argued, disproportionately threaten small traders, while local assemblers benefit.

"NEIR needs restructuring. We want to pay tax, but the regulator must remove barriers to legal imports," he said.

Meanwhile, BTRC Chairman Major General (Retd) Md Emdad ul Bari said the commission is working to simplify import and vendor-enlistment processes.

He said certificates will require fewer documents and faster approval, and unsold devices in the market will be regularised. Inter-ministerial discussions are ongoing.

Advertorial

Deepal Abeywickrema, Chairman and MD of Nestlé Bangladesh PLC, elected Senior Vice President of FICCI



Mr. Deepal Abeywickrema, Chairman and Managing Director of Nestlé Bangladesh PLC, has been elected as the Senior Vice President of the Foreign Investors' Chamber of Commerce & Industry (FICCI). This marks his second tenure in this leadership role, following his impactful service in the same position in 2022-2023.

FICCI is the apex body representing foreign investors in Bangladesh, playing a crucial role in shaping policies that foster a conducive investment climate, drive innovation, and create job opportunities. Its influence is vital in promoting foreign investors' interests and significantly contributing to the country's economic development.

Mr. Abeywickrema has served as an ambassador for foreign investors in Bangladesh for the last seven years, and his appointment to this strategic leadership role underscores his credentials as a visionary leader. His leadership is expected to enhance FICCI's efforts in representing the foreign investment community and ensuring that their contributions to Bangladesh's economy are recognized and supported.