



PHOTO: ICC-B

Top business leaders, alongside senior BNP leaders, attend a memorial and prayer event, jointly organised by 18 leading trade bodies, at InterContinental Dhaka yesterday.

# Khaleda Zia laid foundations of private sector-led growth

Say business leaders, party members

**STAR BUSINESS REPORT**

Business leaders yesterday credited former prime minister Khaleda Zia with laying the foundation for private sector-led growth through market-oriented reforms introduced during her first term in office.

After becoming the premier in 1991, she undertook many economic reform initiatives, encouraging entrepreneurs to invest in the private sector, they said at a memorial and prayer session (do mahfil) jointly organised by 18 leading trade bodies in Dhaka.

Khaleda Zia, the country's first female premier, died on December 30 in a Dhaka hospital after prolonged illness.

Delivering the inaugural speech at the event, Mahbubur Rahman, president of International Chamber of Commerce-Bangladesh (ICC-B), said Khaleda Zia's leadership was instrumental in re-establishing parliamentary democracy and strengthening democratic institutions in Bangladesh.

"Her administration also pursued policies to encourage private sector development, expand trade and investment, and integrate Bangladesh more actively into the global economy, contributing to the foundations of long-term growth," said Rahman.

Khaleda Zia's leadership earned wide international recognition, he said, adding that her journey also involved significant personal hardship, including periods of imprisonment, legal challenges and long-term health struggles.

Abdur Rahim Khan, administrator to the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said she knew how to unite people from all walks of life and would be remembered for

her contributions.

Also speaking at the event, Amir Khosru Mahmud Chowdhury, former commerce minister and BNP Standing Committee member, said Khaleda Zia did not pursue a country-specific foreign policy but instead based it on multilateralism.

He said the private sector in Bangladesh was able to thrive because of her reform initiatives.

Taskeen Ahmed, president of Dhaka Chamber of Commerce and Industry (DCCI), said when she assumed office in 1991, the economy was stagnant and constrained by structural limitations.

"With remarkable foresight, she introduced an open-market approach, private sector-led development and entrepreneurial policies to revitalise economic activity," he said.

Through landmark reforms, including the enactment of VAT, banks and financial institutions laws, and the establishment of the privatisation board and the Securities and Exchange Commission, she significantly strengthened revenue mobilisation, the financial sector and the capital market, Ahmed added.

Kamran T Rahman, president of Metropolitan Chamber of Commerce and Industry (MCCI), said the economy transformed during Khaleda Zia's tenure due to policy-driven industrialisation, remittance and export growth.

"Employment also grew a lot, and she was bold and determined about democracy," he said.

A representative of the Foreign Investors' Chamber of Commerce and Industry (FICCI) noted that during Khaleda's tenure, Lafarge Surma Cement made a half a billion dollars of investment and she had inaugurated the

cement plant.

He also praised the VAT system that was adopted in 1991.

Anwar-Ul-Alam Chowdhury (Parvez), president of Bangladesh Chamber of Industries (BCI), said under her leadership, democracy and economic progress made a permanent footprint in Bangladesh, which were vital for the private sector. "Entrepreneurship and investment flourished during her time."

Abdul Hai Sarker, chairman of Bangladesh Association of Banks, said Khaleda Zia used to talk less but listen more. Industrialisation and development bloomed during her tenure.

**DCCI President Taskeen Ahmed said: "With remarkable foresight, Khaleda Zia introduced an open-market approach, private sector-led development and entrepreneurial policies to revitalise economic activities."**

Meanwhile, Mohammad Hatem, president of Bangladesh Knitwear Manufacturers and Exporters Association, recalled a meeting with Khaleda Zia in 2002, when he was the vice-president of the association.

"After listening to the sector's challenges, she took key decisions that helped the industry grow into the world's second-largest knitwear exporter after China," he said.

Inamul Haq Khan, senior vice-president of Bangladesh Garment Manufacturers and Exporters Association, said Khaleda

Zia was an uncompromising leader and she would be remembered for her contribution to the garment sector.

"We are indebted to her as she contributed a lot to the garment industry such as free market economy, economic development and female empowerment," he said.

Syed Ishtiaq Ahmed, vice-president of Bangladesh Association of Publicly Listed Companies, said Khaleda Zia's journey was difficult, but she stood firm and made sacrifices for democracy.

She governed the country during a defining moment of Bangladesh, he said, adding that her silence spoke more than words.

Abdul Muktadir, president of Bangladesh Association of Pharmaceuticals Industries, said the pharmaceutical sector was indebted to her for a landmark decision taken in 1994, which reduced government control on drugs pricing.

"Other countries such as India and Pakistan adopted similar moves much later. The decision helped the sector grow," he said.

MA Jabbar, president of Bangladesh Semiconductor Industry Association, defined the tenure of Khaleda Zia as a period of leadership and sacrifice.

Bangladesh Cement Manufacturers Association President Amirul Haque said Khaleda Zia made Chattogram the country's commercial capital.

He added that her husband, former president Ziaur Rahman, established the Export Processing Zone, and that the business community was indebted to the family.

BNP Standing Committee member Abdul Moyeen Khan said Khaleda Zia

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## 2025 was a testing year for RMG sector

MOHIUDDIN RUBEL

Bangladesh's export engine, long powered by the ready-made garment (RMG) sector, slowed in 2025 amid overlapping domestic and external shocks. After a strong rebound in 2024, when RMG exports reached \$38.48 billion, a 7.23 percent year-on-year increase, exports in 2025 edged up to \$38.82 billion, marking growth of just 0.89 percent.

Several interlinked factors explain this slowdown. Externally, trade tensions played a critical role. Tariff threats and order suspensions from major markets, especially the United States, created deep uncertainty. Buyers became cautious in placing orders and, in some cases, temporarily shifted sourcing to other suppliers. For an industry dependent on stable, long-term relationships with global brands, such volatility disrupts planning, investment, and production.

Last year, India withdrew the long-standing transshipment facility it had provided to Bangladesh for exports to third countries. As a result, export lead times have increased, deliveries have been delayed, and some foreign buyers have moved orders to alternative suppliers.

Domestically, political instability weakened business confidence and disrupted normal trade flows. Political tensions frequently triggered logistical bottlenecks, further exposing the fragility of the overall business climate. In such conditions, both local and foreign investors delayed decisions, while exporters became more cautious in importing raw materials or expanding capacity.

Labour unrest intensified in 2025, with serious consequences for the RMG sector. Road blockades, factory shutdowns, and repeated production disruptions directly reduced output and damaged Bangladesh's reputation as a reliable sourcing hub. Since global buyers value timeliness alongside low cost, recurring delays or sudden stoppages encourage them to diversify away from a country.

An extraordinary shock came from the complete shutdown of the customs house, an event almost unheard of globally. In a country where most export earnings come from

RMG, such a shutdown was unprecedented and deeply damaging. On top of this, despite the huge financial losses suffered by factories, exporters, and insurers due to a major cargo fire at the airport, the incident further undermined buyer confidence.

The withdrawal of export incentives and persistent domestic inflation raised

production costs and eroded price competitiveness. These pressures further constrained export growth in 2025, preventing it from matching the previous year's performance. Structural challenges and global competition added to the strain. Tougher competition in Europe squeezed Bangladesh's share in a key market, while weak performance in non-traditional markets highlighted the risks of relying heavily on a few destinations such as the European Union and the United States. Limited product diversification remains evident, particularly when compared with rivals like Vietnam, which is moving faster into higher value-added products and broader market coverage.

Even so, important positive developments emerged. Recent labour law amendments aim to strengthen workers' rights and align the RMG sector with international standards, a vital step for long-term sustainability, although they also raise compliance costs and responsibilities for factory owners. In 2025, Bangladesh's RMG industry set a global benchmark in sustainable manufacturing by adding 38 new LEED-certified green factories. This reinforced its leadership in environmentally responsible apparel production and signalled a shift from basic compliance to an excellence-driven green transformation.

Bangladesh's competitiveness will depend on how quickly it can close infrastructure gaps, ease internal bottlenecks, and move up the value chain. Stronger logistics, political and social stability, higher factory-level efficiency, and greater investment in research, innovation, and marketing are essential. The country must address the root causes of factory closures and strengthen the financial sector capacity to support both distressed firms and viable enterprises with growth potential. At the same time, it needs a critical assessment of least developed country graduation prospects and implications, alongside effective monitoring to ensure new factories contribute to broader industrial development goals.

Despite current headwinds, Bangladesh retains strong advantages in scale, capacity, and buyer relationships, and has emerged as a pioneer in sustainable apparel. With a coherent strategy, coordinated action, and sustained policy commitment, it can restore export momentum and reinforce its position in global trade.

The writer is a former director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA)

PHOTO: AFP/FILE

# Samsung to double AI mobile devices to 800m units this year

**REUTERS, Seoul**

Samsung Electronics plans to double this year the number of its mobile devices with "Galaxy AI" features largely powered by Google's Gemini, its co-CEO said, which would give the US firm an edge over rivals as the global race in artificial intelligence heats up.

The South Korean company, which had rolled out Gemini-backed AI features to about 400 million mobile products, including smartphones and tablets, by last year, plans to boost that figure to 800 million in 2026.

"We will apply AI to all products, all functions, and all services as quickly as possible," T M Roh told Reuters in his first interview since becoming Samsung Electronics co-CEO in November.

The plan by the world's largest backer of Google's Android mobile platform is set to give a major boost to its developer Google, which is locked in a race with OpenAI and others to attract more consumer users to their AI model.

Samsung seeks to reclaim its lost

crown from Apple in the smartphone market and fend off competition from Chinese rivals not only in mobile telephones, but televisions and home appliances, all overseen by Roh.

It will offer integrated AI services across consumer products to widen its lead over Apple in such features, though the latter was set to be the top smartphone maker last year, according to market researcher Counterpoint.

Alphabet's Google launched the latest version of Gemini in November, highlighting Gemini 3's lead on several popular industry measures of AI model performance.

In response to Gemini 3, OpenAI CEO Sam Altman reportedly issued an internal "code red," pausing non-core projects and redirecting teams to accelerate development. The ChatGPT maker launched its GPT-5.2 AI model a few weeks later.

Roh expects the adoption of AI to accelerate, as Samsung's surveys on awareness of its Galaxy AI brand jumped to a level of 80 percent from about 30 percent in just one year.

"Even though the AI technology might seem a bit doubtful right now, within six months to a year, these technologies will become more widespread," he said.

While search is the most used AI feature on phones, consumers also frequently use a range of generative AI editing and productivity tools for images and others, as well as

translation and summary features, he said.

Galaxy AI is Samsung's term for its suite of AI features, including those powered by both Google's Gemini model and Samsung's own Bixby for different tasks.

Samsung shares ended up 7.5 percent on Monday, as the company is set to flag a profit jump for the fourth quarter later this week, fueled by a global chip shortage.

**"NOT IMMUNE" TO MEMORY CHIP SHORTAGE**

A global shortage of memory chips is a boon to Samsung's mainstay semiconductor business, but pressures margins on the smartphone business, its second largest revenue source.

"As this situation is unprecedented, no company is immune to its impact," Roh said, adding that the crisis affects not only mobile phones but other consumer electronics, from TVs to home appliances.

He did not rule out raising product prices, saying some impact was "inevitable" from a surge in memory chip prices, but Samsung, the world's No.1 TV maker, is working with

partners on longer term strategies to minimise the impact.

Market researchers such as IDC and Counterpoint predict the global smartphone market will shrink next year, as the memory chip shortage threatens to drive up phone prices.

Roh said the market for foldable phones that Samsung pioneered in 2019 has been growing slower than expected.

He attributed this to the engineering complexities and lack of applications suitable for the hardware design, but expected the segment to go mainstream in the next two or three years.

A "very high" rate of foldable phone users opt for the same segment for their next purchase, he said, but gave no details.

Samsung controlled nearly two-thirds of the foldable smartphone market in the third quarter of 2025, according to Counterpoint.

But it faces competition from Chinese companies such as Huawei, as well as Apple, which is expected to launch its first foldable phone this year.



Promoters show Samsung Galaxy Z TriFold smartphones during a launch event at a Samsung store in Seoul. Samsung rolled out Gemini-backed AI features to about 400 million mobile products by last year and plans to boost that figure to 800 million in 2026.

PHOTO: AFP/FILE