



# BUSINESS

## Govt raises safety net allowances for FY27

Experts question timing

STAR BUSINESS REPORT

The government has increased monthly allowances and expanded beneficiary coverage for 15 social safety net programmes (SSNPs) for the upcoming fiscal year 2026-27 (FY27), which begins in July.

The Finance Division announced the decisions in a press statement yesterday following the 32nd meeting of the Advisory Council Committee on SSNPs, chaired by the finance adviser.

However, the move has drawn criticism from policy experts, who questioned the timing as the interim government has less than a month remaining in office. They also noted that implementation will fall to the next elected government, which is likely to follow its own manifesto commitments.

### WHO GETS HOW MUCH

Under the Ministry of Social Welfare's old age allowance programme, the number of beneficiaries has been increased by 1 lakh to 62 lakh. Of them, 59.95 lakh elderly citizens will receive Tk 700 per month, up from Tk 650, while 2.05 lakh people aged over 90 will receive Tk 1,000.

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## NBR to fully automate VAT, income tax refunds

STAR BUSINESS REPORT

The National Board of Revenue (NBR) is moving to fully automate value-added tax (VAT) and income tax refunds to make the process faster, more transparent, and less burdensome for taxpayers, NBR Chairman Md Abdur Rahman Khan said yesterday.

"Automated VAT refunds have already been introduced, and income tax refunds will follow the same path," Khan said at a press briefing at NBR headquarters in Agargaon, held for International Customs Day.

He acknowledged that minor glitches might occur initially, saying such issues are inevitable when launching a new system. Similar problems were faced and resolved when e-return filing was introduced.

Refund disbursement has already started, which Khan called a "major development." He added that automation will gradually extend to income tax refunds as well.

The main goal is to reduce direct interaction between taxpayers and officials. "The greater the distance, the greater the transparency," Khan said.

According to him, the system would significantly reduce complaints, allow real-time tracking and ensure refunds are issued within a much shorter timeframe. If necessary, the law will be amended in the future to further strengthen the system.

Khan also said the government is working to rationalise overall tariff structure ahead of the country's graduation from least developed country (LDC) status.

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## Higher imports raise hopes of stable food prices in Ramadan

SUKANTA HALDER and MOHAMMAD SUMAN

Traders imported more food items during the July-December period last year than in the same period a year earlier, raising expectations of a stable market during Ramadan, which begins in the third week of February.

During the fasting month, demand for several food items, such as lentils, edible oil, chickpeas, onions, ginger, dates and sugar, usually rises.

Imports of these items totalled 26.64 lakh tonnes in the first six months of the current fiscal year (FY) 2025-26, according to the National Board of Revenue (NBR). This was up by 1.04 lakh tonnes, or 4.1 percent, from 25.6 lakh tonnes in the same period last fiscal year.

The figures include goods cleared through sea and land ports, while additional consignments remain in the import pipeline ahead of Ramadan.

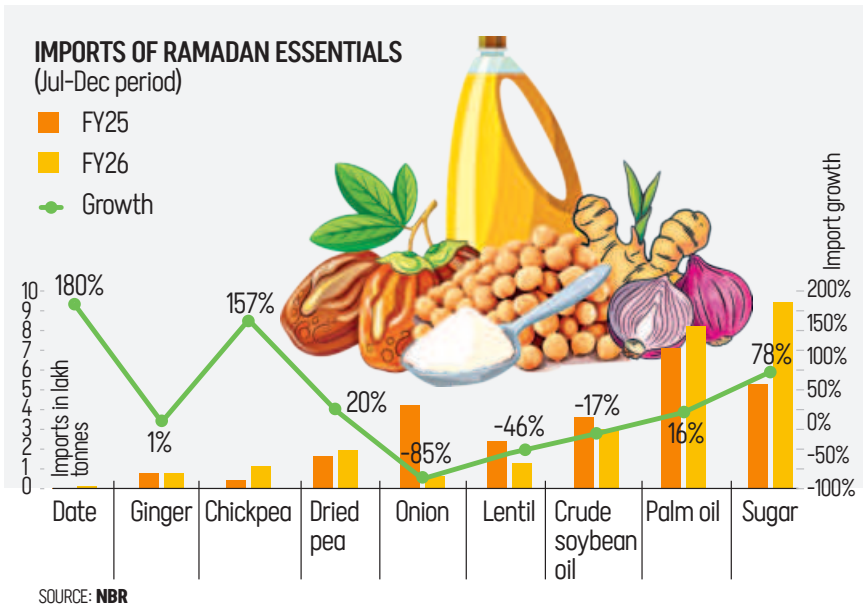
SM Muzibur Rahman, head of accounts at Meghna Group of Industries, one of the largest commodity importers and processors, said the company has sufficient stocks of soybean oil and wheat, with steady supplies continuing to arrive.

Rahman said Meghna has not faced any import shortages, ensuring adequate supply to the market.

He added that the company expects no shortages during Ramadan.

Meanwhile, wholesale and retail traders say prices of most essential commodities have remained stable so far. If supply conditions hold, prices of certain items may ease further.

Over the past week, prices of soybean



SOURCE: NBR

oil, palm oil, onions and turmeric have fallen, while several other commodities have remained steady, according to an analysis of state-run Trading Corporation of Bangladesh (TCB) data.

Mohammad Bablu, a retailer at Karwan Bazar, one of the largest kitchen markets in Dhaka, said prices of most Ramadan essentials have declined compared with three months ago, while overall supply remains strong.

He said chickpeas that sold for Tk 110 three months ago are now at Tk 80 to Tk 90. Sugar prices have also eased, falling from Tk 105 to Tk 95.

Lentil prices have dropped to Tk 80 to Tk 85, down from Tk 100 to Tk 110 three months ago, he said.

Bablu added that edible oil remains

the only concern due to highly volatile prices. However, there are no supply shortages.

Abul Hashem, a trader at Moulvibazar, a wholesale hub for sugar and edible oil in the capital, said the market is stable ahead of Ramadan, with no major supply disruptions so far.

He said stability in the coming weeks will depend on refiners and companies maintaining sufficient stock to meet higher Ramadan demand.

Mohammad Sohail, a fruit importer in Dhaka, said imports of dates are progressing smoothly, supported by lower import duties and better dollar availability compared to the previous year.

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## No excuse for Ramadan price hikes

Bashir says

STAR BUSINESS REPORT

Prices of essential commodities are expected to remain stable this Ramadan, and could even be lower than last year, thanks to higher supply and stability in domestic markets, Commerce Adviser Sk Bashir Uddin said yesterday.

Imports of essential commodities this year were on average 40 percent higher than last year, the adviser said at a press conference, citing Bangladesh Bank data on imports of widely consumed goods such as rice, wheat, edible oil, sugar, lentils, onion, garlic, grams, and dates.

He also mentioned government efforts to diversify the supply of edible oil, including the provision of 500,000 tonnes of rice bran oil sourced domestically, which is expected to positively affect local prices.

Other factors supporting price stability include improved gas supply for manufacturing units, a stable exchange rate, and healthy availability of US dollars in banking channels, he added. "Traders will have no excuse to increase commodity prices."

The adviser said on top of these, the commerce ministry will continue to monitor the market

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## Draft AI policy targets innovation, better public services

MAHMUDUL HASAN

Bangladesh has drafted a national artificial intelligence (AI) policy to guide the use of AI across all sectors, aiming to become a producer of homegrown innovation, modernise public services, and promote inclusive economic growth.

The draft National AI Policy Bangladesh 2026-2030 provides a formal framework for these goals, aligning the country's technological ambitions with Vision 2041 and the United Nations' sustainable development goals (SDGs).

The policy follows an earlier 2024 draft that was not finalised. After the fall of the Awami League-led government and the socio-political changes following the July 2024 uprising, the new draft emphasises digital sovereignty, aiming to safeguard critical data,



**A strong regulatory framework without sufficient technical capacity could unintentionally slow innovation**

Md Ashraf Goni  
A faculty member at  
Stony Brook  
University

infrastructure, and citizens' rights.

**DEVELOPING NATIONAL BANGLA LLM**

A cornerstone of the draft policy is the development of a Bangla-based advanced



contextually relevant and inclusive, while safeguarding intellectual property from foreign exploitation.

To support such large-scale innovation, the government intends to adopt a "National AI Compute Strategy", under which centralised graphics processing units (GPUs) will be procured and hosted at the National Data Center for use by various agencies and researchers.

Funding will come from an "AI Innovation Fund", projected to provide Tk 200 to Tk 250 crore through 2030 for research, development, and commercialisation. Startups and academic institutions will also benefit from targeted tax and customs incentives for importing essential hardware such as servers and accelerators.

READ MORE ON B2

## 3-day election holiday could hurt exports

Garment, EPZ investors seek govt review

STAR BUSINESS REPORT

Garment manufacturers and investors in export processing zones (EPZs) have warned that a three-day general holiday around the upcoming national election could disrupt production and hurt exports.

The government has already declared February 10 to 12 as general holidays in industrial areas in connection with the national parliamentary election and referendum scheduled for February 12.

In response, the Bangladesh EPZ Investors Association has written to the Bangladesh Export Processing Zones Authority (Bepza), urging it to reconsider the plan. Bepza has said it is reviewing the matter in consultation with relevant stakeholders.

Khorshed Alam, executive director

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**EBL SKY BANKING**

নতুন সেবা এলো সেটা আপনার আয়নাতে আজই আয়নাতে করুন

16230

FASTEST GROWING Banking App in Bangladesh

**২৬-এ**

২০২৬ এর শুরুতেই আরও ২৬টি নতুন সেবা নিয়ে এলো ইবিএল স্কাইব্যাংকিং

**Eastern Bank PLC.**

আস-সুন্নাহ ফাউন্ডেশন	কোয়ালিটি ফাউন্ডেশন	বেসকো গ্রিনেইড	বেসকো পোস্টনেইড	ওয়েস্ট জোন পোস্টনেইড	বাস্তুরাবাদ গ্যাস	জালালাবাদ গ্যাস
কর্ণফুলী গ্যাস	পশ্চিমাঞ্চল গ্যাস	ডট ইন্টারনেট	এফ আর কমিউনিকেশন	ইনফোলিক লিমিটেড	কাজী নেটওয়ার্কস	কে এস নেটওয়ার্কস
রেইনবো নেটওয়ার্ক	স্যাম অবলাইন	টেকলাইন নেটওয়ার্ক	উদায়	বঙ্গ	দীপ্ত রে	মূলনা ওয়াশা
রাজশাহী ওয়াশা	কারেলি কনজার্নল সার্ভিসেস	ব্যালেন্স সার্ভিসেস (এফসিওয়াই)	এফডি টায়ার সার্ভিসেস	ডিপিএস টায়ার সার্ভিসেস		

আমাদের সেবা সম্পর্কে জানতে স্ক্যান করুন





**Mahbubur Rahman, chairman of Eastland Insurance PLC, inaugurates the non-life insurer's 40th founding anniversary celebration at its head office in Dhaka on Saturday.**  
PHOTO: EASTLAND INSURANCE

## DBH Finance opens branch in Bogura

STAR BUSINESS DESK

DBH Finance PLC, the specialist housing finance of the country, has recently launched a new branch at Bitu Tower on Rangpur Road in Bogura city.

This is the non-bank financial institution's (NBFI) 17th branch, according to a press release.

Nasimul Baten, managing director and chief executive officer of DBH Finance PLC, inaugurated the branch as the chief

guest.

The new branch has been opened with the objective of offering home loans and deposit services to people living in this region, the release added.

The finance company with prime focus in housing finance provides financing under both conventional home loans and shariah compliant Islamic housing finance.

Other high officials of the NBFI were also present during the opening ceremony.



**Nasimul Baten, managing director and CEO of DBH Finance PLC, inaugurates the non-bank financial institution's new branch in Bogura city recently.**  
PHOTO: DBH FINANCE

## Southeast Bank organises annual business conference

STAR BUSINESS DESK

Southeast Bank PLC organised its "Annual Business Conference-2026" at the United Convention Centre in Dhaka on Saturday.

MA Kashem, chairman of Southeast Bank PLC, inaugurated the conference as the chief guest, according to a press release.

Md Khalid Mahmood Khan, managing director of the bank, presided over the conference. During the conference, the bank's overall performance in 2025 was reviewed, and satisfaction was expressed over the results.

Discussions focused on developing a well-organised strategic business policy and planning for 2026.

Participants explored potential growth areas and provided necessary guidelines to further advance the bank.

Rehana Rahman, vice chairperson of the bank, and Jusna Ara Kashem, Duluma Ahmed, Nasir Uddin Ahmed, Khandker Badrul Hassan, Nur Nahar Tarin and Md Rafiqul Islam, directors, attended the event.



**MA Kashem, chairman of Southeast Bank PLC, poses for a group photograph with participants of the bank's "Annual Business Conference-2026" at the United Convention Centre in Dhaka on Saturday.**  
PHOTO: SOUTHEAST BANK

Among others, additional managing directors, deputy managing directors, senior executives from the head office, divisional heads, heads of branches, managers (operations) and departmental heads of the relevant branches, sub-branch heads, and heads of offshore banking units were also present.

## Draft AI policy targets innovation

FROM PAGE B1  
**RISK-BASED REGULATION OF AI SYSTEMS**

The policy introduces a risk-based regulatory framework, categorising AI systems as prohibited, high-risk, limited-risk, or low-risk.

Prohibited applications include social scoring, indiscriminate biometric surveillance, and deepfakes intended to disrupt democracy or elections. High-risk uses, such as in healthcare, law enforcement, and credit assessments, will require Algorithmic Impact Assessments and strict human oversight.

An Independent Oversight Committee, established through an act of Parliament, will audit AI systems for bias and recommend suspension of applications that violate ethical standards or human rights.

The policy also introduces strict liability for high-risk AI, ensuring deployers are accountable for harm regardless of intent.

**STEPS TO SAVE JOBS FROM AI THREAT**

While AI could increase productivity by 4.3 percent, automation may threaten up to 60.8 percent of garment sector jobs, affecting around 2.7 million workers, and put a total of 5.38 million low-skilled roles across sectors at risk by 2041.

To prepare the workforce, AI

education will be introduced from grades 8 and 9, alongside upskilling programmes.

The draft prioritises high-impact sectors such as agriculture and healthcare. AI applications in agriculture will support precision irrigation, pest detection, and localised weather forecasting for Bangladesh's 16 million farming households.

In healthcare, AI will assist in public health management and crisis prediction, but life-altering clinical decisions will remain under certified medical professionals.

The policy is designed to remain in effect until 2030, when it will be replaced by a permanent Artificial Intelligence Act.

**ADDRESSING PRACTICAL PROBLEMS**

Faiz Ahmad Taiyeb, special assistant to the chief adviser for the Ministry of Posts, Telecommunications, and Information Technology, said the draft has three primary goals – strengthening AI readiness in institutions, academia, and industry, improving government efficiency through AI, and enhancing service delivery to citizens.

"Additionally, we have tackled risks highlighted in UNESCO's AI readiness assessment, such as gaps in data protection, interoperability, and cybersecurity. Many of

these issues are being addressed through the Cyber Security Act, Data Protection Act, and other initiatives," he said.

Taiyeb added, "We are improving data access for academia and industry, developing a Bangla LLM to make local knowledge searchable, and creating national interoperability and responsible data exchanges so AI can solve real-life problems effectively."

He explained that the new policy was needed just a year and a half after the previous draft because the earlier version focused mainly on infrastructure, while the current policy addresses practical problems centred on service delivery.

Md Ashraf Goni, a faculty member at Stony Brook University in New York, praised the draft for positioning Bangladesh as a rights-based, human-centred, and sovereignty-conscious AI nation prioritising ethical governance over rapid commercialisation.

However, he cautioned, "A strong regulatory framework without sufficient technical capacity could unintentionally slow innovation. Risk-based regulation, mandatory algorithmic impact assessments, and centralised oversight could increase compliance burdens for early-stage innovators. AI evolves rapidly, and policy must keep pace."

## NBR to fully

FROM PAGE B1

"A report on tariff transformation has been submitted to the chief adviser, including recommendations for reducing duties," he said, adding that Bangladesh cannot maintain high tariffs after LDC graduation.

However, he said duties had been increased in some areas to protect domestic industries, while rejecting claims of frequent duty hikes.

"In the past one and a half years, we have not increased tariffs to raise revenue. Instead, in the public interest, we reduced duties on imports of rice, onions, potatoes, and soybeans," he added.

Addressing concerns about rising fruit and import-dependent goods prices, Khan said the main reason is the sharp depreciation of the taka against the US dollar, not taxes or customs duties.

"The dollar has risen about 40 percent – from Tk 80 to Tk 85 two years ago to around Tk 126 to Tk 127 now – raising import costs significantly," he said.

He added that no new duties were imposed on fruit imports during this period. "In fact, income tax on fruit imports was cut from 10 percent to 5 percent, and duties on date imports were reduced significantly," he said.

On the planned restructuring of the NBR into two separate divisions, Khan said the matter will be finalised after a secretaries' committee meeting.

## Trust Bank arranges managers' conference

STAR BUSINESS DESK

Trust Bank PLC organised its "Managers' Conference 2026" at a resort in Sylhet recently.

Chief of Army Staff General Waker-Uz-Zaman, chairman of Trust Bank PLC, inaugurated the conference as the chief guest, according to a press release.

The Trust Bank chairman shared his views and guided the participants in formulating strategies to accelerate business growth and become the people's bank through a digital-first culture.

Major General Md Hakimuzzaman, vice-chairman of the bank and adjutant general of the Bangladesh Army, attended the event.

During the conference, key issues related to business performance, strategy, digital transformation and customer service were discussed.

Ahsan Zaman Chowdhury, managing director and CEO of the bank, along with other board members, divisional and department heads, senior officials of the head office and branch managers from across the country, were present.



**Chief of Army Staff General Waker-Uz-Zaman, chairman of Trust Bank PLC, poses for a group photograph with participants of the bank's "Managers' Conference 2026" at a resort in Sylhet recently.**  
PHOTO: TRUST BANK

## SBAC Bank holds annual business development conference

STAR BUSINESS DESK

SBAC Bank PLC organised a two-day "Annual Business Development Conference-2026" at Sarah Resort in Gazipur recently.

Md Moklesur Rahman, chairman of SBAC Bank PLC, inaugurated the conference as the chief guest, according to a press release.

SM Mainul Kabir, managing director and chief executive officer of SBAC Bank, presided over the event.

By the end of 2025, the bank's deposits stood at Tk 10,800 crore, while loans amounted to Tk 9,445 crore. At present, its paid-up capital stands at Tk 824 crore, it was informed at the programme.

Mohammed Ayub, AKM Delwer Hussain and Maj Gen (ret'd) Shahedul Haque, directors of the bank, along with Prof Md Maksudur Rahman Sarkar and Ziaur Rahman Zia, independent directors, attended the conference.

Md Rabiul Islam, additional managing director, and Md Altaf Hossain Bhuyan, deputy managing director, conducted the business session.



**Md Moklesur Rahman, chairman of SBAC Bank PLC, poses for a group photograph with participants of the bank's "Annual Business Development Conference-2026" at Sarah Resort in Gazipur recently.**  
PHOTO: SBAC BANK

# গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

নির্বাহী প্রকৌশলী, সওজ এর কার্যালয়

সড়ক বিভাগ, খুলনা

টেলিফোন নং-০২-৪৪১১০৮৬৮

মোবাইল নং-০১৭৩০-৭৮২৭৫৬

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তারিখঃ ২৫-০১-২০২৬খ্রিঃ

## ফেরীঘাট ইজারা কোটেশন আহবান বিজ্ঞপ্তি

(৬ষ্ঠ আহবান)

সড়ক ও জনপথ অধিদপ্তরের তালিকাভুক্ত ঠিকাদার/ঠিকাদারী প্রতিষ্ঠান এবং ইজারাদার/ ইজারাদারী প্রতিষ্ঠানের নিকট হতে স্ব-স্ব লাইসেন্স-এর ক্ষমতা/অভিজ্ঞতা অনুযায়ী সীলমোহিতকৃত খামে বাংলাদেশ ফরম নং-২৯১১-তে কোটেশন আহবান করা যাচ্ছে।

- ০১। ইজারা কোটেশন নং : ০৩/ইজারা/কেআরডি/২০২৪-২০২৫ (৬ষ্ঠ আহবান)।
- ২। ইজারার বিবরণ : ২০২৫-২০২৬, ২০২৬-২০২৭ ও ২০২৭-২০২৮ অর্থ বৎসরের জন্য সড়ক বিভাগ, খুলনা-এর অধীন শ্রীফলতলা-সেনেরবাজার (জেড-৭০৪২) জেলা মহাসড়কের ১ম কিলোমিটারে অবস্থিত জেলখানা ফেরীঘাট হতে পারাপারকারী যানবাহনের টোল আদায়ের নিমিত্তে ইজারাদার নিয়োগ।
- ৩। ইজারা চুক্তির মেয়াদ : ০৩ (তিন) অর্থ বৎসর।
- ৪। ইজারা কোটেশনের সিডিউল মূল্য : টাঃ ৫,০০০/- (পাঁচ হাজার টাকা) মাত্র।
- ৫। জামানতের টাকার পরিমাণ : উদ্ধৃত দরের ১০% টাকা মাত্র (ব্যাংক ড্রাফট/পে-অর্ডার/মনি রিসিট আকারে)।
- ৬। ইজারা কোটেশন বিক্রয়ের শেষ তারিখ ও সময় : ২২-০২-২০২৬খ্রিঃ তারিখঃ বিকাল ৪:০০ পর্যন্ত।
- ৭। মুখবন্ধ অবস্থায় ইজারা কোটেশন গ্রহণের শেষ তারিখ ও সময় : ২৩-০২-২০২৬খ্রিঃ তারিখঃ দুপুর ১২:০০ পর্যন্ত।
- ৮। ইজারা ডাকে অংশগ্রহণের যোগ্যতা : ট্রেড লাইসেন্স, ভ্যাট ও আয়কর সনদধারী প্রতিষ্ঠান/নাগরিক, সরকারী/বেসরকারী/স্বায়ত্বশাসিত সকল প্রতিষ্ঠানের ঠিকাদার।
- ৯। যে সকল কার্যালয়ে ইজারা কোটেশন ক্রয়ের জন্য পাওয়া যাবে : জেলা প্রশাসক, খুলনা/পুলিশ সুপার, খুলনা/নির্বাহী প্রকৌশলী, সওজ, সড়ক বিভাগ, বাগেরহাট/সাতক্ষীরা/খুলনা, উপ-বিভাগীয় প্রকৌশলী, সওজ, সড়ক উপ-বিভাগ-১/২/১ম সারি কারখানা উপ-বিভাগ, খুলনা।
- ১০। যে সকল কার্যালয়ে ইজারা কোটেশন মুখবন্ধ অবস্থায় গ্রহণ করা হবে : (ক) তত্ত্বাবধায়ক প্রকৌশলী, সওজ, সড়ক সার্কেল, বররা, খুলনা।  
(খ) জেলা প্রশাসক, খুলনা।  
(গ) পুলিশ সুপার, খুলনা।  
(ঘ) নির্বাহী প্রকৌশলী, সওজ, সড়ক বিভাগ, খুলনা।
- ১১। ইজারা কোটেশন খোলার স্থান, তারিখ ও সময় : স্থানঃ নির্বাহী প্রকৌশলীর কার্যালয়, সওজ, সড়ক বিভাগ, খুলনা।  
তারিখঃ ২৩-০২-২০২৬খ্রিঃ।  
সময়ঃ ১:০০ ঘটিকা।
- ১২। ইজারা কোটেশন আহবানকারী যে কোন সময় কোন কারণ দর্শানো ব্যতিরেকে যে কোন কোটেশন/সকল কোটেশন বাতিলের ক্ষমতা সংরক্ষণ করেন।


  
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মোঃ জাহিদুর রহমান

পরিচিতি নং-১০০৯১১

উপ-সরকারী প্রকৌশলী (চরপাড়া), সওজ

সড়ক বিভাগ, খুলনা

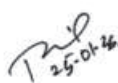
  
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প্রকৃতি হাওলাদার

পরিচিতি নং-৭০০২২৭

সহকারী প্রকৌশলী (অঃদাঃ), সওজ

সড়ক বিভাগ, খুলনা

  
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মোঃ তানবীরুল হক

পরিচিতি নং-৬০২২৩১

নির্বাহী প্রকৌশলী, সওজ

সড়ক বিভাগ, খুলনা

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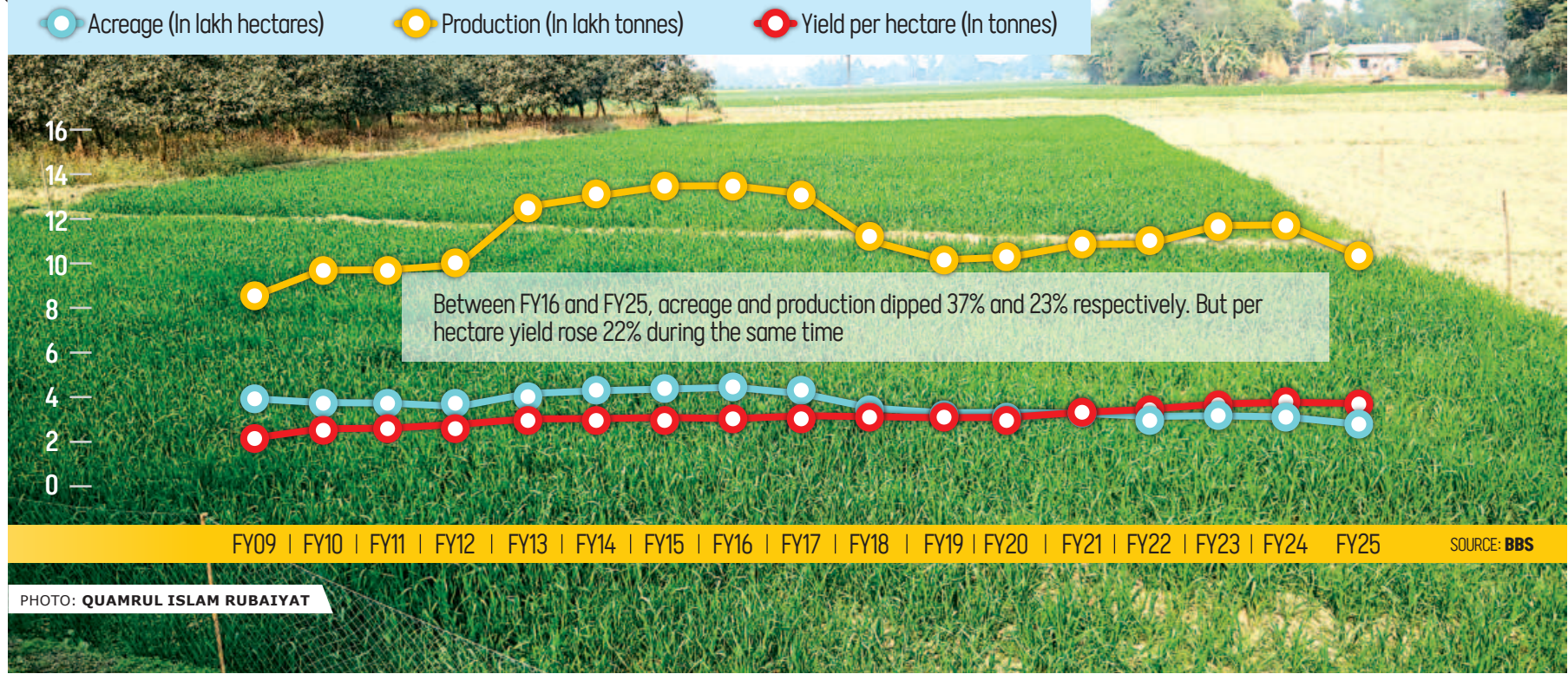




# Wheat output largely steady despite drop in acreage

Production remains over 10 lakh tonnes thanks to improved varieties

## TREND OF WHEAT PRODUCTION AND ACREAGE



SOHEL PARVEZ

Over the past decade, wheat acreage has fallen, giving way to more profitable crops. Yet farmers kept bagging over 10 lakh tonnes of the cereal annually as rising yields per hectare, driven by the spread of improved, heat- and disease-tolerant varieties, helped cushion total production losses.

Data from the Bangladesh Bureau of Statistics (BBS) shows that the area under wheat declined from 4.44 lakh hectares in fiscal year 2014-15 (FY15) to 2.8 lakh hectares in FY25, a drop of nearly 37 percent.

Over the same period, total output fell by about 23 percent, from 13.48 lakh tonnes to 10.41 lakh tonnes, remaining above 10 lakh tonnes a year despite the sharp reduction in cultivated area.

The divergence between acreage and output reflects a steady improvement in productivity with average wheat yield rising from 3.04 tonnes per hectare in FY15 to 3.72 tonnes per hectare in FY25, an increase of 22 percent over the decade.

Scientists attribute the gains to the growing adoption of improved wheat varieties suited to Bangladesh's short winter and rising temperatures.

Wheat requires an optimum temperature of 20°C to 25°C and can tolerate up to 35°C. Sowing typically begins in early December, with harvesting in March and April, leaving farmers little room to adjust to heat stress late in the season.

In the short winter of Bangladesh, farmers have been shifting to varieties that mature early and can tolerate higher temperatures while giving better yields.

For example, with a yield potential of up to 5.5 tonnes per hectare, early-maturing and heat-tolerant Bari Gom-33 is cultivated extensively by farmers, mainly in the north-west region. The Bangladesh Agricultural Research Institute (BARI) released the

blast-resistant variety in 2017, after the outbreak of the fungal disease severely damaged the wheat crop in Bangladesh in 2016.

"The variety covered 35 percent of the wheat area two years ago. Its area has expanded further," said Mohammad Rezaul Kabir, principal scientific officer at the Bangladesh Wheat and Maize Research Institute (BWMRI).

"Bari Gom-33 has gained popularity for two reasons: it is heat-tolerant and blast-resistant. At the same time, it has enabled farmers to bag higher yields," he said.

Aside from this popular variety, Bari Gom-30 and Bari Gom-32 are grown, along with four varieties developed by BWMRI. The research institute is

Farmers are cultivating crops that offer them higher returns."

"Wheat farmers in Chuadanga Sadar Upazila rarely use any variety other than Bari Gom-33, because they want to avoid the risk of wheat blast," said Md Anisur Rahman, Chuadanga Sadar Upazila Agriculture Officer.

Wheat blast disease first emerged in six southwestern districts in 2016. Research conducted by the Cereal Systems Initiative for South Asia in collaboration with BARI estimates average yield losses of 25-30 percent, with severely infected fields suffering total crop failure. The prospect of suffering such severe losses makes wheat farmers steer clear of varieties that may be susceptible to the disease.

in 37 years.

In its Grain and Feed Update on Bangladesh, released in December 2025, the US Department of Agriculture (USDA) predicted that wheat acreage could be 2.90 lakh hectares and production 10.5 lakh tonnes.

It blamed the lack of improved varieties, saying this has led to a gradual decline in both wheat acreage and production over time. "Wheat blast disease reduces yields significantly, and farmers are earning higher profits cultivating fruits and vegetables during the Rabi season."

Local production currently meets only about 13 percent of Bangladesh's total wheat demand, according to the USDA. The Food and Agriculture Organisation of the United Nations estimates that imports cover the rest – roughly 80 percent of national consumption.

Md Abdul Hakim, director of administration and finance and chief scientific officer at the BWMRI, said despite comparatively lower profit, farmers are still growing wheat because yields are increasing.

The scientist said wheat could be expanded in the southern coastal regions if more salinity- and heat-tolerant varieties are developed, pointing out that farmland remains fallow for nearly eight months in the region.

Currently, farmers in Patuakhali, a southern coastal district, are growing BWMRI Gom-4 in some areas as demonstration plots. The variety can withstand salinity of 8-10 deci siemens (dS/m), a unit of electrical conductivity primarily used in agriculture and soil science to measure salinity levels in soil or water.

"We are working on developing more salinity-tolerant inbreds that can tolerate up to 12 dS/m of salinity," he said. "Wheat cultivation can be expanded to 2 lakh hectares in the southern region."

**The divergence between acreage and output reflects a steady improvement in productivity with average wheat yield rising from 3.04 tonnes per hectare in FY15 to 3.72 tonnes per hectare in FY25, an increase of 22 percent over the decade**

working on developing another heat-tolerant and blast-resistant variety.

"We are targeting increased yields to above 6 tonnes, keeping in mind the short duration of winter in our country," he said.

At present, the yield potential of the improved varieties of wheat is 4.5-5.5 tonnes per hectare.

"We could boost production further if we could reduce the yield gap," he said.

Kabir said wheat has been losing out to other crops – maize, potato and vegetables – because it generates lower profits for farmers than maize, potato and vegetables.

"The situation of wheat is worsening day by day. The main problem is ensuring fair prices for the grain during the harvesting season. If we could do this, cultivation would have increased.

Rana Biswas, a wheat farmer in Monirampur village under Chuadanga Sadar Upazila who grows wheat in five-and-a-half bigha of land, echoed the sentiment.

"I have been growing wheat since 1977, and now I only grow Bari Gom-33," he said.

While Rana has stuck to wheat cultivation all his life, fellow farmers in the upazila have moved onto more profitable options like papaya.

During the current sowing season, farmers sowed wheat on 2.84 lakh hectares as of January 11. The figure rose marginally from 2.8 lakh hectares the previous year, the lowest on record, according to a provisional estimate by the Department of Agricultural Extension.

Bangladesh cultivated the cereal on 8.88 lakh hectares in FY99, the highest

## When dividend rules hurt investors

SHUVA SAHA

Open-end mutual funds are gaining popularity in Bangladesh as retail investors look for diversification, liquidity and professional management. However, the current dividend and tax framework creates distortions, complicates fund operations, encourages inefficient investor behaviour, and ultimately undermines fairness, market efficiency and long-term investor confidence, although it was designed with good intentions.

An open-end mutual fund allows investors to buy and redeem units directly from the fund at its net asset value (NAV). Unlike closed-end funds, the number of units is not fixed and adjusts as investors enter or exit, providing built-in liquidity. Investors can convert their holdings into cash at any time by redeeming units at NAV.

Because of this feature, mandatory cash dividends are not economically essential for open-end funds. Redeeming units effectively serves the same purpose as receiving a dividend. When a fund distributes a dividend, its NAV falls by the same amount. No new wealth is created; value is simply converted into cash.

Take a simple example. An investor holds 1,000 units at Tk 10 each, worth Tk 10,000. If a 10 percent dividend is paid, the investor receives Tk 1,000 in cash, and the NAV falls to Tk 9. The total value remains Tk 10,000, only in a different form.

Despite this economic neutrality, Bangladesh's regulatory and tax policies treat dividends and capital gains very differently. Mutual funds must distribute at least 70 percent of annual income as dividends, which are taxed at the investor's personal rate, up to 30 percent. Capital gains receive more favourable treatment. Gains of up to Tk 50 lakh from mutual fund units are tax-exempt, while amounts above that are taxed at a flat 15 percent. Crucially, dividend tax applies even when the investor suffers an economic loss.

Consider an investor who buys 41,667 units at Tk 12 each on December 1, investing Tk 500,000. By December 31, the NAV falls to Tk 11.90, reducing the investment value to Tk 495,833. The fund then declares a Tk 1.50 dividend per unit, lowering the NAV to Tk 10.40. The dividend of Tk 62,500 is taxable. At 30 percent, the investor pays Tk 18,750 in tax, leaving a post-tax value of Tk 477,083. The investor incurs a net loss while still paying tax.

Faced with this mismatch, informed investors often redeem units just before the dividend record date, avoiding taxable dividends and converting returns into lightly taxed or exempt capital gains. While rational at an individual level, this behaviour creates systemic problems.

Pre-record-date redemptions force funds to sell assets, often at unfavourable prices, depressing NAV and harming long-term investors. Fewer outstanding units raise dividend amounts and tax burdens for those who remain, effectively transferring value to more tax-aware investors without improving fund performance. Fund managers are also distracted from long-term strategy as they manage liquidity, dividend timing and redemption risks.

The problem becomes more acute when asset management companies raise funds late in the year. With little time to deploy capital productively before dividend declarations, late investors may suffer capital losses yet still face dividend tax. Even when performance is reasonable, investors often feel cheated when taxed despite seeing no real gain. Trust in funds and in the industry erodes.

Asset managers face an uncomfortable choice: accept new inflows and risk harming investors, or refuse investments and constrain growth.

Two reforms could ease these distortions. First, regulators could introduce a capped tax exemption for mutual fund dividends, similar to the capital gains threshold. This would protect small, long-term investors and reduce tax-driven redemptions. Second, the requirement for mandatory dividend payouts in open-end funds should be reconsidered. Allowing earnings to remain invested and reflected in NAV would better align taxation with real wealth creation.

Bangladesh's current framework, which mandates dividends while taxing them heavily and largely exempting capital gains, creates inefficient incentives and weakens investor confidence. Revisiting these rules is essential to build a fairer, more efficient and more resilient mutual fund industry.

The writer is director and chief strategy officer at Ekush Wealth Management Limited

## Trump threatens 100% tariff if Canada seals China deal

AFP, Washington

US President Donald Trump on Saturday warned Canada that if it concludes a trade deal with China, he will impose a 100 percent tariff on all goods coming over the border.

Relations between the United States and its northern neighbor have been rocky since Trump returned to the White House a year ago, with spats over trade and Canadian Prime Minister Mark Carney decrying a "rupture" in the US-led global order.

During a visit to Beijing last week, Carney hailed a "new strategic partnership" with China that resulted in a "preliminary but landmark trade agreement" to reduce tariffs – but Trump warned of serious consequences should that deal be realized.

If Carney "thinks he is going to make Canada a 'Drop Off Port' for China to send goods and products into the United States, he is sorely mistaken," Trump wrote on his Truth Social platform.

"China will eat Canada alive, completely devour it, including the destruction of their businesses, social fabric, and general way of life," he said.

"If Canada makes a deal with China, it will immediately be hit with a 100 percent Tariff against all Canadian goods and products coming into the USA."

Trump insulted Carney by calling him "Governor" – a swipe referring to the US president's repeated insistence that Canada should be the 51st US state.

Trump this week posted an image on social media of a map with Canada – as well as Greenland and Venezuela – covered by the American flag.

Canada's minister responsible for trade with the United States, Dominic LeBlanc, pushed back against Trump's latest threat. "There is no pursuit of a free trade deal with China. What was achieved was resolution on several important tariff issues," he wrote on X.

The two leaders have sharpened their rhetorical knives in recent days, beginning with Carney's speech on Tuesday at the World Economic Forum in Davos, where he earned a standing ovation for his frank assessment of a "rupture" in the US-led global order.

His comment was widely viewed as a reference to Trump's disruptive influence on international affairs, although Carney did not mention the US leader by name.

## EU suspends India's GSP benefits: report

STAR BUSINESS REPORT

The European Union has suspended its Generalised Scheme of Preferences (GSP) tariff benefits for a wide range of Indian exports from January 1, a move expected to significantly raise duties on shipments to the 27-nation bloc and weaken India's price competitiveness in key sectors, according to a report by The Hindu.

Citing a regulation adopted by the European Commission on September 25, 2025, the Official Journal of the European Union said the suspension applies to the 2026-2028 period and covers India, Indonesia and Kenya.

The decision comes at a sensitive time, as India and the EU are expected to announce the conclusion of negotiations for a free trade agreement (FTA) on January 27.

According to trade think tank Global Trade Research Initiative (GTRI), about 87 percent of India's exports to the EU will now face higher most-favoured-

nation (MFN) tariffs following the withdrawal of GSP concessions. Only around 13 percent of exports, mainly agriculture and leather products, will continue to enjoy preferential access.

Under the GSP, Indian exporters

were able to ship goods to the EU at duties below MFN rates. For example, an apparel item attracting a 12 percent tariff paid only 9.6 percent under the scheme. From January 1, exporters must pay the full duty.



PHOTO: AFP/FILE

In this photograph taken on September 23, 2025, employees work at a garment factory in Tiruppur, in India's southern state of Tamil Nadu.

The EU has removed GSP benefits across almost all major industrial sectors, including textiles and garments, plastics and rubber, chemicals, iron and steel, machinery, electrical goods and transport equipment – together forming the backbone of India's exports to Europe.

While the EU has periodically reduced preferences in the past, this marks a complete withdrawal for three years.

GTRI Founder Ajay Srivastava said Indian exporters will face higher trade barriers in the near term, compounded by rising compliance costs and the rollout of the EU's Carbon Border Adjustment Mechanism. He warned that in price-sensitive sectors such as garments, the loss of GSP could divert EU buyers toward duty-free suppliers like Bangladesh and Vietnam.

India's goods trade with the EU stood at \$136.53 billion in 2024-25, with the bloc accounting for about 17 percent of India's total exports.