Bangladesh now eighth-largest market for US wheat: envoy

STAFF CORRESPONDENT, *Ctg*

Bangladesh has become the eighth-largest market for US wheat in 2025, following last year's contracts to purchase the staple from the American market, US Ambassador to Bangladesh Brent T Christensen said yesterday.

Bangladesh's import of US wheat is an important step toward narrowing the trade imbalance between the two countries, he said at an event marking the arrival of around 60,000 tonnes of high-quality US wheat at Chattogram port.

A vessel named MV Clipper Isadora carrying 57,203 tonnes of wheat arrived at the outer anchorage of the port on January 19 under a government-to-government (G2G) memorandum of understanding (MoU) signed between the two countries.

Unloading of 5,400 tonnes of wheat began yesterday at the Directorate General of Food's silo jetty at the port using two lighterage vessels.

"Bangladesh has long been a valued partner and beneficiary of US agricultural exports, and today's shipment marks a milestone in our growing trade relationship," the US ambassador said.

Following the five-year G2G deal signing with US Wheat Associates in July last year, Bangladesh, which was earlier a rare customer of US wheat farmers, has become their eighth-largest market in 2025, he said.

Wheat is Bangladesh's second-most important staple food after rice, but domestic production meets only 13 percent of national demand. The ambassador said American farmers are ideally positioned to meet that remaining demand.

Also speaking at the event, Food Secretary Md Firoz Sarker said Bangladesh will import 700,000 tonnes of US wheat under the MoU.

US Ambassador to Bangladesh Brent T Christensen, along with Bangladeshi officials, inspects a consignment of US wheat at the Directorate General of Food's silo jetty at Chattogram port yesterday as unloading of a 57,000-tonne shipment began. PHOTO: RAJIB RAIHAN

The quality of the US wheat received so far has been very good, with a protein content of around 14 percent, he noted.

This will not only strengthen food security but also boost the national economy due to reduced tariffs on Bangladesh's readymade garments sector, playing an important role in strengthening bilateral relations and long-term friendship, said the secretary.

According to a US embassy press release, under the G2G deal, Bangladesh has so far purchased approximately 660,000 tonnes of wheat through three sales contracts facilitated by leading international commodity trading firm Agrocorp. Of this, more than 350,000 tonnes have already been delivered.

Out of the three sales contracts, around 220,000 tonnes of wheat under the first contract have already been delivered, according to Directorate General of Food officials.

Under the second contract, a vessel with 56,891 tonnes arrived earlier, while Clipper Isadora is the second vessel that brought another 57,203 tonnes.

Two more vessels, each carrying 57,588 tonnes and 58,359 tonnes, will be arriving within a few days.

Samsung to make HBM4 chips for Nvidia

REUTERS, *Seoul*

Samsung Electronics plans to start production of its next-generation high-bandwidth memory (HBM) chips, or HBM4, next month and supply them to Nvidia, a person familiar with the matter told Reuters on Monday.

Samsung has been trying to catch up with cross-town rival SK Hynix, a primary supplier for advanced memory chips crucial for Nvidia's AI accelerators, after supply delays had hit its earnings and share prices earlier last year.

Samsung shares climbed 2.2 percent while rival Hynix shares were down 2.9 percent in morning trade.

The person declined to give details such as how many chips it plans to supply to Nvidia.

A Samsung spokesperson declined to comment, while Nvidia was not immediately available for comment.

South Korean newspaper Korea Economic Daily reported on Monday that Samsung passed HBM4 qualification tests for Nvidia and AMD and will start shipping to Nvidia next month, citing chip industry sources.

SK Hynix said in October it has completed HBM supply talks with major customers for next year.

What banks must get right in 2026

SALEKEEN IBRAHIM

In 2026, the message from the Bangladesh Bank is blunt. The year will reward prepared banks and punish complacent ones. The introduction of risk-based supervision from January 2026, supported by a new supervisory structure, stricter loan classification, prompt corrective action and a roadmap towards IFRS 9-aligned expected credit loss provisioning, marks the most serious regulatory reset in the financial system in decades.

For bank owners, managing directors and senior executives, the key question is no longer what the regulator will do, but how prepared each bank is to survive and grow under the new framework. The days of business as usual are over.

The first and most significant step for bank management in 2026 must be radical honesty. The Bangladesh Bank's comprehensive loan classification and provisioning guidelines, introduced in 2025, have already exposed hidden stress. The era of masking weakness through repeated rescheduling is effectively over. Research by the Centre for Policy Dialogue (CPD) and the World Bank financial sector review shows that prolonged rescheduling and evergreening disguised true asset quality for years. Balance sheet strength was overstated, and investor confidence was misled.

Internal asset quality reviews must now move beyond regulatory paperwork and become a strategic tool. Banks that acknowledge losses early are more likely to earn regulatory trust, investor support and depositor confidence. Pain delayed becomes pain multiplied.

Weak governance remains the core disease of the banking industry. Studies by Transparency International Bangladesh (TIB) repeatedly show that political influence, related party lending and ineffective boards have driven reckless credit decisions. In 2026, banks will be forced to empower independent directors and risk committees, give chief risk officers real authority and enforce zero tolerance for related party transactions. Under risk-based supervision, poor governance leads to closer scrutiny, growth restrictions and reputational damage. Governance is no longer about image. It is about regulatory survival.

Past mistakes also show that balance sheet growth without proper risk pricing destroys value. The Bangladesh Bank's revised core risk management guidelines call for credit growth that reflects risk capacity rather than ambition. Banks must reprice loans based on sector and borrower risk, exit politically exposed and structurally weak segments, and focus on small and medium-sized enterprises, supply chains and cash flow-based lending where risk can be monitored. Research by the IFC and ADB consistently shows that diversified SME portfolios, when properly supervised, perform better over time than concentrated corporate loan books. The future belongs to smarter lending, not bigger lending.

The shift towards expected credit loss provisioning under IFRS 9 is not merely an accounting change. It is a cultural transformation. Banks must move from backwards-looking loss recognition to forward-looking risk anticipation. In 2026, this means investing in data infrastructure and credit analytics, building historical default and recovery databases, and training finance, risk and business teams together rather than in silos.

The formation of new central bank divisions for technology risk, digital banking and supervisory analytics sends a clear signal. Banks must respond by strengthening core banking systems and management information systems, integrating credit, liquidity and operational risk dashboards, and stress testing liquidity under deposit withdrawal scenarios. The planned emergency liquidity assistance framework will support banks in distress, but only those with sound governance and transparency will qualify. Liquidity support is not a bailout. It is a test of trust.

With rising non-performing loans eroding capital adequacy, capital planning must become a strategic priority, not a year-end formality. IMF-supported financial stability assessments show that undercapitalised banks lose lending capacity, credibility and regulatory flexibility. Balance sheet repair through asset sales, mergers or structured resolution of weaker institutions will therefore remain on the table.

The banking crisis is painful, but it is also an opportunity to rebuild trust, discipline and competence. The banks that succeed in 2026 will be the most honest, disciplined and prepared. In the new era of Bangladeshi banking, ignored risk disrupts growth, while managed risk restores confidence.

The writer is a senior banker

BB to push private firms to capital market: governor

Experts stress strengthening bond market, easing purchase

STAR BUSINESS REPORT

The Bangladesh Bank (BB) will push private firms to the capital market to ease the economy's dependence on the banking sector and reduce non-performing loans (NPL), said the central bank's governor, Ahsan H Mansur. He also called attention to improving the bond market as a financing source.

"They [firms] will not be pushed out of the banking sector fully. However, after a certain level of lending, they should not remain in the banking sector," said Mansur yesterday at an event on bond market development held at the Renaissance Dhaka, organised by the BB and the Bangladesh Securities and Exchange Commission (BSEC).

He said measures will be taken to ensure that no one can exceed a bank's single borrower limit. If more financing is required beyond this limit, firms can raise funds from the capital market, issue bonds to mobilise funds, or even borrow from abroad.

Mansur suggested making it easier and faster to raise funds through bond issuance. Tax incentives may also be provided, he said.

However, work must also be done on the demand side so that when the private sector comes to raise funds, investors are ready to invest. To make the bond market vibrant, the government bonds must first be made attractive in the market. A stable macroeconomic environment is essential to strengthen the bond market, particularly with low inflation and low interest rates, the central bank governor said.

At the same time, regulators must be strict to ensure that no company defaults or delays payment of bond coupons. "Trust is extremely important for the bond market, and it must not be allowed to erode under any circumstances," he stressed.

If projects can be financed through bonds, it will reduce unnecessary pressure on the private sector. At present, if a project has a lifespan of 10 years, but financing is provided for only five years, it creates "impossible tension" and, in many cases, leads to NPLs, Mansur added.

BSEC Chairman Khondoker Rashed Maqsood said, "As long as entrepreneurs can easily obtain loans from the banking sector, they will not go to raise funds through the capital market or other channels."

The capital market regulator already has several "colour bonds" in hand, and once approved, these will bring some diversification to the market, he said.

Dhaka Stock Exchange Chairman Mominul Islam said that the real-time gross settlement accommodation needs to be updated so that settlement time for bond transactions can be reduced. He also urged bond auctions to be conducted through the stock exchange to increase investor participation.

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Mashrur Arefin, chairman of the Association of Bankers, Bangladesh, said that before pushing the private sector to reduce its dependence on banks, the bond market must be fixed first. Costs must be reduced, and the bond issuance process must be expedited.

He recommended providing capital treatment for proceeds of zero-coupon bonds for banks. To attract investors to the bond market, he also called for the introduction of a yield curve and dynamic valuation that investors can easily understand.

BB and the BSEC must work together to make the bond market vibrant, said Mahbubur Rahman, president of the International Chamber of Commerce Bangladesh (ICCB). A vibrant bond market would reduce pressure on banks and also provide capital market investors with a new supply of securities, he added.

The government could establish an institution to provide guarantees for bonds, if necessary, with support from the Asian Development Bank, said Mahmood Osman Imam, a professor of Dhaka University. This step would reduce issuance costs for bond issuers. Overall, government support is needed to put the bond market on a solid footing, he added.

BB and the BSEC have researched to develop the bond market at both the public and private levels in Bangladesh. Based on the findings of the research report, BB official Ejazul Islam recommended that a "one-stop" service desk could be established at the central bank for purchasing government bonds, allowing anyone to buy bonds directly, both in person and online.

China says Canada deal not aimed at US

AFP, *Beijing*

China said on Monday that a preliminary trade deal with Canada "does not target any third parties" after the United States threatened to impose 100-percent tariffs on Canadian products if the agreements were finalised.

Under the deal, announced this month, Beijing is expected to reduce tariffs on Canadian canola imports and grant Canadians visa-free travel to China.

But over the weekend, the United States -- Canada's traditional ally -- threatened to impose 100-percent tariffs on Canadian products if the deal were to go ahead, saying it would allow China to "dump goods".

China's foreign ministry spokesman Guo Jiakun said on Monday that the trade deal was not aimed at Washington.

"China and Canada have established a new type of strategic partnership... it does not target any third party," China's foreign ministry spokesman Guo Jiakun told a regular press conference.

"China advocates that nations should approach state-to-state relations with a win-win rather than zero-sum mindset, and through cooperation rather than confrontation," he added.

The deal was announced during Canadian Prime Minister Mark Carney's visit to Beijing this month, as he seeks to distance himself from a volatile United States under President Donald Trump.

Canada and the United States have been caught in a trade war since the Trump administration imposed import duties on its northern neighbour.

On Sunday, Trump wrote on social media that negotiations between Ottawa and Beijing amounted to China "successfully and completely taking over the once Great Country of Canada".

India to slash tariffs on cars to 40% in trade deal with EU

REUTERS, *New Delhi/Brussels*

India plans to slash tariffs on cars imported from the European Union to 40 percent from as high as 110 percent, sources said, in the biggest opening yet of the country's vast market as the two sides close in on a free trade pact that could come as early as Tuesday.

Prime Minister Narendra Modi's government has agreed to immediately reduce the tax on a limited number of cars from the 27-nation bloc with an import price of more than 15,000 euros ($17,739), two sources briefed on the talks told Reuters.

This will be further lowered to 10 percent over time, they added, easing access to the Indian market for European automakers such as Volkswagen, Mercedes-Benz and BMW.

The sources declined to be identified as the talks are confidential and could be subject to last-minute changes. India's commerce ministry and the European Commission declined to comment.

PACT ALREADY DUBBED 'MOTHER OF ALL DEALS'

India and the EU are expected to announce on Tuesday the conclusion of protracted negotiations for the free trade pact, after which the two sides will finalise the details and ratify what is being called "the mother of all deals".

The pact could expand bilateral trade and lift Indian exports of goods such as textiles and jewellery, which have been hit by 50 percent US tariffs since late August.

India is the world's third-largest car market by sales after the US and China, but its domestic auto industry has been one of the most protected. New Delhi currently levies tariffs of 70 percent and 110 percent on imported cars, a level often criticised by executives, including Tesla chief Elon Musk.

BMW cars are displayed at the Bharat Mobility Global Expo 2025 in New Delhi. India has agreed to immediately reduce the tax on a limited number of imported cars from the European Union, easing access for European automakers such as Volkswagen, Mercedes-Benz and BMW. PHOTO: AFP/FILE

New Delhi has proposed slashing import duties to 40 percent immediately for about 200,000 combustion-engine cars a year, one of the sources said, its most aggressive move yet to open up the sector. This quota could be subject to last-minute changes, the source added.

Battery electric vehicles will be excluded from import duty reductions for the first five years to protect investments by domestic players like Mahindra & Mahindra and Tata Motors in the nascent sector, the two sources said. After five years EVs will follow similar duty cuts.

Lower import taxes will be a boost for European automakers such as Volkswagen, Renault and Stellantis, as well as luxury players Mercedes-Benz and BMW which locally manufacture cars in India but have struggled to grow beyond a point in part due to high tariffs.

Lower taxes will allow carmakers to sell imported vehicles for a cheaper price and test the market with a broader portfolio before committing to manufacturing more cars locally, said one of the two sources.

European carmakers currently hold a less than 4 percent share of India's 4.4-million units a year car market, which is dominated by Japan's Suzuki Motor as well as homegrown brands Mahindra and Tata that together hold two-thirds.