DHAKA SUNDAY FEBRUARY 15, 2026, FALGUN 2, 1432 BS • starbusiness@thedailystar.net

Star BUSINESS

WHAT THE NEW GOVT MUST FIX IN ITS FIRST 100 DAYS

MAJOR DEMANDS

- Restore law and order
- Stop extortion and muscle power
- Ensure uninterrupted energy for industries
- Restructure troubled banks with credible professionals
- Maintain currency stability and fiscal discipline

Rebuilding business confidence cannot wait

Private sector leaders urge swift action as inflation, fragile banks and inconsistent energy supplies risk derailing investment

JAGARAN CHAKMA

Although the BNP swept to a landslide victory in the February 12 national election, business leaders say the new government will inherit an economy that allows little time for celebration.

According to them, the first 100 days will decide whether the private sector regains its footing or sinks deeper into paralysis after months of political and economic drift.

Inflation has been stubborn for years and is showing signs of rising again. Investment has slowed since the 2024 uprising that toppled the Awami League government. Tight monetary policy under the interim government has left small factories gasping for credit. Import-dependent industries are struggling under a weaker taka. And bank balance sheets are still fragile.

Against this backdrop, executives point to three urgent priorities. Those are restoring law and order, shoring up the banking system and ensuring an uninterrupted energy supply for industries.

"The incoming government must prioritise restoring business confidence within its first 100 days," said Anwar-Ul-Alam Chowdhury Parvez, president of the Bangladesh Chamber of Industries.

READ MORE ON B3

Cool prices, create new jobs

Economists urge the next government

AHSAN HABIB

After assuming office, the new government should focus immediately on taming red-hot prices, restoring law and order, and creating a favourable environment for investment to generate new jobs, say economists.

They came up with the call as BNP prepares to form the new administration this week after a landslide victory in the February 12 national election.

Experts say the incoming government will inherit an economy that, despite showing signs of recovery, struggles with stubbornly high inflation, slowing private investment, a vulnerable financial sector, and declining exports.

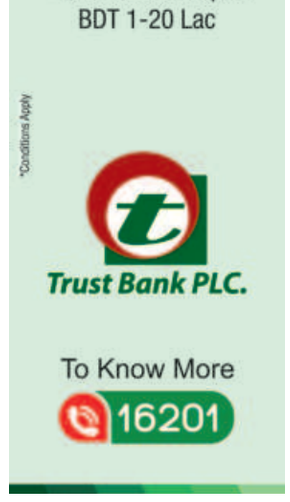
The economy grew only 3.97 percent in fiscal year 2024-25, the lowest in five years, and subdued growth is expected to continue in 2026.

Economists highlighted supply-side constraints as a major driver of the rising cost of living. The tight monetary policy maintained by the Bangladesh Bank has so far failed to curb inflation.

They recommended keeping import tariffs low on essential goods, ensuring sufficient supply, and strengthening market monitoring. Monetary policy alone, such as maintaining high interest rates, will not be enough to rein in prices.

"Inflation is impacting all amid the erosion of their real wages.

READ MORE ON B3



Garment exports to EU rise 6% in 2025

STAR BUSINESS REPORT

Bangladesh's apparel exports to the European Union (EU), the largest export destination in terms of trade bloc, grew 5.97 percent year-on-year to €19.41 billion in 2025.

Readymade garment (RMG) exports to the block stood at €18.32 billion in 2024.

The 2025 growth was driven by a 10.20 percent surge in volume despite a 3.84 percent decline in unit prices, according to data released by Eurostat, the official statistical office of the EU.

Bangladesh maintained its position as the EU's second-largest clothing supplier after China, benefiting from increased demand across the bloc.

However, December 2025 figures revealed emerging challenges, with year-on-year declines of

READ MORE ON B3

BTRC to seek govt nod for Starlink's bandwidth export

MAHMUDUL HASAN

Bangladesh Telecommunication Regulatory Commission (BTRC), the country's internet regulator, is taking a cautious approach to Starlink Services Bangladesh Ltd's proposal to export unfiltered internet bandwidth to neighbouring countries via local cable providers, and will seek the government's opinion before approval.

After extensive internal discussions, technical reviews, and exchanges of letters with the company and international terrestrial cable companies that operate in the country, the BTRC will submit the matter to the Posts and Telecommunications Division, according to official documents.

Unfiltered bandwidth, unlike filtered connections, bypasses network controls like firewalls, deep packet inspection, or application blocking, which governments or operators use to restrict access, slow traffic, or monitor data. Industry experts say such unfiltered Internet Protocol (IP) transit is essential for exporting data internationally.

Two international terrestrial cable licensees, Summit Communications Limited and Fiber@Home Global Limited, have applied to the commission for permission to provide Starlink with unfiltered IP transit, which the company plans to use exclusively for customers outside Bangladesh.

Starlink has requested 40 Gbps of committed bandwidth, scalable up to 400 Gbps as needed.

Technology expert Sumon Ahmed Sabir told The Daily Star, "If approved, the arrangement could make Bangladesh a

READ MORE ON B2

USDA raises Bangladesh's wheat import forecast

STAR BUSINESS REPORT

The United States Department of Agriculture (USDA) has raised its forecast for Bangladesh's wheat imports by 7.4 percent to 72 lakh tonnes for the 2025-26 trade year ending in June, citing higher demand for food, seed and industrial use.

Earlier, the agency had projected wheat imports at 67 lakh tonnes. Bangladesh produces about 10 lakh tonnes of wheat annually, which meets only around 13 percent of the country's estimated yearly consumption of 77 lakh tonnes.

In its latest Grain: World Markets and Trade report, released late last week, the USDA said global wheat trade has increased due to higher imports by the European Union, Indonesia, Vietnam, and Bangladesh, offsetting a decline in imports by Mexico.

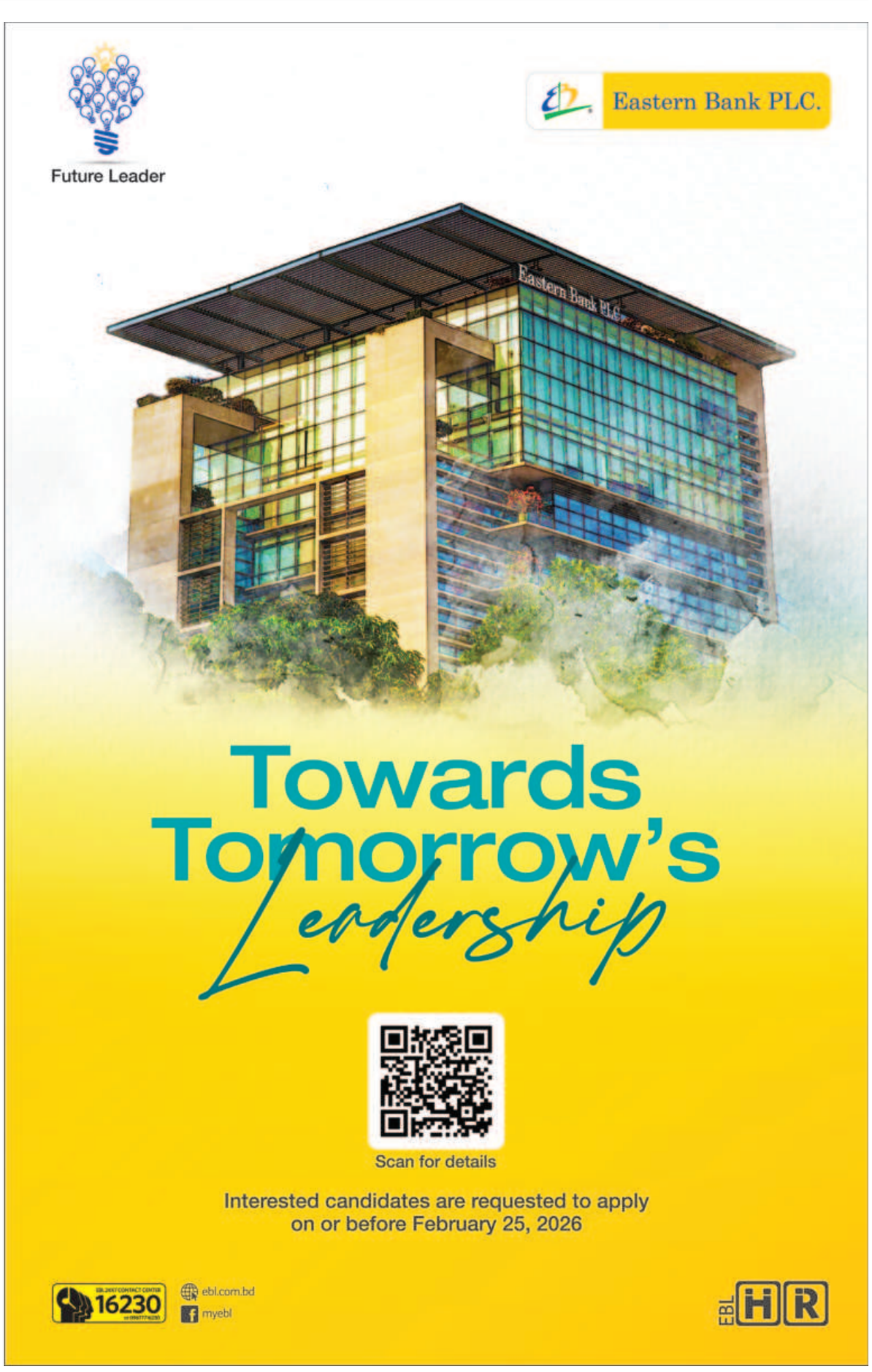
"It is likely. Wheat prices have fallen in the international market, while rice prices remain high in the domestic market. As a result, wheat consumption is increasing," said Taslim Shahriar, deputy general manager of Meghna Group of Industries, a major commodity processor and importer.

Global wheat prices have declined over the past two years. For example, US hard red wheat fell 42 percent to $219.6 per tonne in 2025 from $340.4 two years earlier, according to the latest commodity price data from the World Bank.

Shahriar said wheat prices may fall further after India eased export restrictions, which could encourage higher domestic consumption.

On Friday, India allowed the export of 25 lakh tonnes of wheat, along with an additional 500,000 tonnes each of wheat products and sugar, to support local growers amid protests over a trade deal between New Delhi and Washington, reports Reuters.

READ MORE ON B3



Prime Bank, RS Gold partner to offer EV benefits for Neera customers

STAR BUSINESS DESK

Prime Bank PLC yesterday signed a memorandum of understanding (MoU) with RS Gold Limited to offer benefits on electric two-wheelers for its women's banking customers, Neera.

Shaila Abedin, head of liability and wealth management, consumer banking division of Prime Bank PLC, and Musray Alam Iraj, director of RS Gold Limited, signed the MoU at the bank's corporate office in Dhaka, according to a press release.

Under this partnership, Neera, the women's banking wing of Prime Bank PLC, will provide customers with special offers and value-added benefits on eco-friendly electric vehicles supplied by RS Gold Limited, encouraging sustainable mobility solutions and financial empowerment for women.

Through this collaboration, Prime Bank continues to strengthen its commitment to women's financial empowerment by offering innovative, lifestyle-oriented financial solutions that promote sustainability and independence.

Fatema Akter Naz, business development and proposition manager of Women Banking (Neera) at the bank, and Tanvir Ahmed Shanto, head of operations of RS Gold Ltd, along with other senior officials from both organisations, were also present at the signing ceremony.

Musray Alam Iraj, director of RS Gold Limited, and Shaila Abedin, head of liability and wealth management, consumer banking division of Prime Bank PLC, pose for a group photograph at the bank's corporate office in Dhaka yesterday. PHOTO: PRIME BANK

Standard Bank rolls out 'Smart Banking and Remittance Service' campaign

Siddiqur Rahman, managing director (acting) of Standard Bank PLC, inaugurates the campaign, titled "Smart Banking and Remittance Service", at the bank's head office in Dhaka recently. PHOTO: STANDARD BANK

STAR BUSINESS DESK

Standard Bank PLC has launched a month-long campaign, titled "Smart Banking and Remittance Service", across all its branches throughout the country.

This time, the slogan of the campaign was "Sincere Service Bridging Shariah & Modernity".

Siddiqur Rahman, managing director (acting) of Standard Bank PLC, inaugurated the campaign at a ceremony held at the bank's head office in Dhaka recently, according to a press release.

The main objectives of the campaign are to encourage customers to use digital banking services, expand remittance services for expatriates, and promote Standard Bank's specialised Islamic banking accounts such as Haj, Mohor and Waqf.

Sirajul Kabir, senior executive vice-president and head of the special asset management division of the bank; Mansoor Ahmed, executive vice-president and head of the investment risk management division; and Mohammad Kaiser Alam Mozumder, executive vice-president and head of the human resources division, along with other senior executives at the bank's head office, were also present at the ceremony.

Dollar flat after inflation data

REUTERS, *New York*

The US dollar was mostly flat against peer currencies on Friday after data showed a less-than-expected increase in inflation in January, suggesting the Federal Reserve could continue to hold rates steady in the near term.

The Japanese yen was set for its strongest weekly gain in about 15 months.

US Labor Department data on Friday showed that the consumer price index rose 0.2 percent last month compared with an estimate of 0.3 percent from economists polled by Reuters.

The euro was 0.02 percent higher at $1.1873 against the dollar, but was set to gain 0.5 percent this week. Against the Swiss franc , the dollar weakened 0.22 percent to 0.76785 and was on course for a weekly loss of 1 percent.

The dollar's behavior reflects market positioning as it awaits fresh central bank signals on the direction of interest rates, said Olivier Bellemare, senior derivatives trader at Monex Canada in Montreal.

MARKET REACTION IS 'TIMID'

Earlier this week, data suggested the US labor market was stabilizing with a drop in the US unemployment rate amid strong jobs growth in January and a less-than-expected decrease in the number of Americans filing new applications for unemployment.

Chinese levies on dairy products unjustified: US

AFP, *Brussels*

Chinese levies on certain EU dairy products are "unjustified", Brussels said on Friday after Beijing imposed duties of up to 11.7 percent for five years.

"We consider these measures to be unwarranted and unjustified. We do acknowledge that these duties in the final determination are substantially lower than those proposed at the provisional stage," EU trade spokesman Olof Gill said.

"Nonetheless, we remain firmly of the view that these investigations should not have happened in the first place, because in our assessment, the applications lacked sufficient evidence to justify the opening of such proceedings," he added.

Gill said the EU executive would now assess the duties' implications but vowed Brussels would defend the dairy sector's interests in line with international trade rules.

"We will look at what our options are from here, including the possibility of taking action at the World Trade Organization," Gill told reporters in Brussels.

Beijing said on Thursday the "anti-subsidy levies" will be imposed after an investigation found "certain dairy products originating from the EU were subsidised, causing substantial damage to the dairy industry in China.

The rates will be applied from Friday and range from 7.4 percent to 11.7 percent, down from the 21.9 percent to 42.7 percent China imposed in December.

They hit a range of items, including fresh and processed cheese, curd, blue cheese and some milk and cream, the Chinese commerce ministry said.

US consumer inflation eases more than expected

AFP, *Washington*

Consumer inflation in the United States cooled slightly more than expected in January, government data showed Friday, as energy prices dipped.

Analysts say the figure allows the US central bank to cut interest rates again later this year, but warn that policymakers need to see sustained improvement in order to do so -- despite President Donald Trump's insistence that there is virtually no inflation.

The consumer price index (CPI) rose 2.4 percent year-on-year, the Department of Labor said, down from December's 2.7 percent and slightly below analysts' median forecast.

This was the lowest level since May 2025.

Trump lauded the report, telling reporters that inflation was "way down, and we have it back on track."

Yet, affordability worries have come to the fore in recent months as price increases in areas like food weighed on households, and as Trump's tariffs flowed through the world's biggest economy.

Although tariffs have not triggered a broad inflation surge, firms have reported higher business costs. Many companies have tried to soften the blow by stocking up on inventory ahead of planned levy hikes and avoided passing on additional costs in full to consumers.

The consumer price index (CPI) rose 2.4 percent year-on-year, the Department of Labor said, down from December's 2.7 percent

Late last year, Trump also broadened a slate of tariff exemptions, particularly on agriculture imports, as he came under pressure from voters grappling with soaring costs of living.

For now, CPI was up 0.2 percent on a month-on-month basis in January, inching down from December's 0.3 percent rise.

This was helped by a 1.5 percent month-on-month slide in overall energy costs, in part due to gasoline.

But food costs remained 0.2 percent higher than in December, and were up 2.9 percent from a year ago.

Still, "this is encouraging news for many American families that have been struggling," said Navy Federal Credit Union chief economist Heather Long in a note.

US consumers in lower income groups have shown reluctance to spend on non-essentials, the Federal Reserve noted last month.

"The tariffs have had a clear impact on products such as furniture and appliances, but the key items in many family budgets are cooling off," Long said.

"Gas prices, used cars and medical care all declined in January," she added.

But Diane Swonk of KPMG warned that disruptions from a recent government shutdown are likely suppressing year-over-year inflation measures.

"What's important is that goods prices still increased," she told AFP.

BTRC to seek govt nod

FROM PAGE B1

a regional data hub and earn foreign currency for local operators."

"No country would accept bandwidth that has already been filtered by another country," he said, adding that neighbouring countries like Bhutan and Nepal require unfiltered connectivity for quality service.

Starlink received its licence from the BTRC on April 29, 2025, to provide non-geostationary satellite orbit services. The company launched in May and officially began operations on August 8, currently sourcing 80 Gbps of bandwidth from two international internet gateway operators for domestic use.

STRICT CONDITIONS FOR EXPORTING BANDWIDTH

In mid-August, Starlink applied to use international private leased circuit connections and unfiltered IP transit from Bangladeshi operators to carry internet traffic for users in neighbouring countries.

The BTRC instructed the company to ensure that this bandwidth serves only foreign customers, not Bangladeshi users or foreigners in Bangladesh.

The commission also required Starlink to demonstrate, through strong technical measures, full separation of domestic and foreign data traffic, including detailed network diagrams and monitoring tools for real-time verification.

Starlink said foreign traffic could pass between its points of presence (PoPs) in Bangladesh and overseas locations like Singapore and Oman via leased circuit links without carrying Bangladeshi data.

At a later meeting, the BTRC set conditions clarifying whether roaming foreign users in Bangladesh would be served through local ground stations, ensuring strict traffic separation and effective monitoring systems as regulatory safeguards.

On December 15, 2025, the BTRC held a high-level technical meeting with Starlink, the National Telecommunication Monitoring Centre (NTMC), and senior officials to review Starlink's operations, monitoring, reporting, and on-site inspections, especially at its Kaliakoir PoP.

In a January 13 letter, Starlink informed the commission that it had submitted updated network diagrams, responded to queries, applied to Summit Communications and Fiber@Home for unfiltered IP transit, and met NTMC's lawful interception requirements.

The company also provided a "Compliance API (application programming interface)" giving the regulator direct access to Bangladeshi customer data.

Before seeking government approval, the BTRC noted past precedent: between 2020 and 2025, Bangladesh Submarine Cable Company PLC supplied up to 20 Gbps of unfiltered IP transit to India's BSNL under various arrangements, showing that exporting unfiltered bandwidth across borders is not entirely unprecedented, according to the BTRC document.

Oil prices settle slightly higher

REUTERS, *Houston*

Oil prices settled marginally higher on Friday after data showed an overall slowdown in US inflation, helping offset supply concerns as OPEC+ is leaning towards a resumption in production increases.

Brent crude futures closed 23 cents, or 0.3 percent, higher at $67.75 a barrel, while US West Texas Intermediate crude settled 5 cents, or 0.08 percent higher at $62.89.

Both benchmarks posted weekly declines after incurring near 3 percent losses on Thursday. Brent settled down about 0.5 percent, while WTI lost 1 percent in the week.

India allows wheat and sugar exports

FROM PAGE B4

India banned wheat exports in 2022 and extended the prohibition after extreme heat shrivelled crops again in 2023 and 2024, draining reserves, pushing domestic prices to record highs and fuelling speculation that it might need to import wheat for the first time since 2017.

However, conditions improved last year, with better weather, higher-yielding climate-resilient seeds and adequate soil moisture from two consecutive monsoons, raising the chance of another strong harvest this year.

In 2025, India produced a record 117.9 million metric tons of wheat.

SUGAR EXPORTS

Of the 1.5 million tons allowed for export this season, Indian sugar mills have shipped around 197,000 tons as of January 31, and have contracted an additional 272,000 tons tons, the government said.

An extra 500,000-ton export quota will be made available to willing mills, provided they ship at least 70 percent of their previously allocated quantity by June 30, it said.

Mills are struggling to ship their already allocated export quotas due to weak global prices, Deepak Ballani, director general of the Indian Sugar & Bio-Energy Manufacturers Association (ISMA), told Reuters.

In this context, the additional 500,000-ton allowance is unlikely to materially change the industry's outlook, though it may slightly ease domestic supply pressures, Ballani said.

Indian sugar is now being offered at around $445 per ton on a free-on-board (FOB) basis, or nearly $50 per ton above benchmark London futures , dealers said.

China's trade surplus

FROM PAGE B4

on the trade surplus to prop up its economy following Xi's bursting of a property bubble five years ago, which has led to weak household spending. Yet this subdued consumption hasn't harmed the US and European economies much: unlike in the 2010s, both now have supportive fiscal policy and low unemployment. What hurts them are China's supply-side policies, not its demand-side weakness.

To be sure, the cheap yuan has played a role in both. But it's only about 17 percent undervalued, per International Monetary Fund estimates. Weijian Shan of Asia-focused private equity firm PAG, who believes, Beijing could live with a 50 percent exchange-rate appreciation over five years, recently estimated Chinese manufacturing to be twice as productive as the US's in terms of physical output. High-tech exports are especially insensitive to currency prices.

Ultimately, China's surplus is confounding Western thinking. For decades, economists warned that East Asia's state-directed investment and overcapacity would eventually hit a Soviet-style wall and choke off innovation. Yet, while wasteful spending has abounded, it has also generated clear technological advantages for what is now the world's second largest economy.

Replicating these advantages is the best way to fight back. Economist Luca Fornaro and his co-authors in a paper published last month argue for public research and subsidising private innovation. A version of this is the Netherlands' "Project Beethoven," which is attempting to support chip leader ASML and a semiconductor ecosystem by funding universities, housing, transport links and energy infrastructure.

Still, "buy local" rules, which France has already deployed through its electric vehicle "eco bonus," can also help, for example by giving carmakers the visibility they need to avoid the type of electrification pullback Stellantis just announced. Its CEO, together with Volkswagen chief Oliver Blume, argued last week for expanding such schemes.

But it's telling that the EU's new industrial policy is still struggling to get the backing of exporter countries. They rightly fear that definitions of what counts as "Made in Europe" will be made too strict, blocking imported Chinese industrial parts that ultimately make German products more competitive abroad.

However, China's playbook is about marrying aid to key sectors with promotion of overseas sales. For EU leaders, this should mean eschewing the US approach of blanket tariffs and coerced onshoring in favour of tailoring rules that bring each industry closer to the technological frontier. Once futile obsession with trade balances is cast aside, it's easier to reconcile France's desire to support national champions with Germany's wish to restore export competitiveness.

US waives Venezuela oil sanctions

FROM PAGE B4

Trump and top appointees like Energy Secretary Chris Wright have been blunt in characterizing Washington as a party controlling Venezuela's oil resources for the foreseeable future.

A second OFAC license issued Friday permits companies to negotiate for potential contracts "for certain investment in Venezuela." However, the US agency will continue to bar participation by several countries, including China, Iran and Russia.

"These general licenses invite American and other aligned companies to play a constructive role in supporting economic recovery and responsible investment," said a Trump administration media note that characterized the OFAC move as part of Trump's commitment to "rapidly" reopen the oil industry.

"The United States is committed to restoring Venezuela's prosperity, safety, and security for the benefit of both the American and Venezuelan people."

Separately, the State Department announced Friday that it has sent more than six tons of medical supplies to Venezuela to help stabilize the country.

On Wednesday, Wright became the highest-ranking US official to visit the country since Trump ordered the seizure of socialist leader Nicolas Maduro on January 3 on allegations of drug trafficking and other crimes.

Wright met with interim leader Delcy Rodriguez, who has won high praise from the Trump administration for her cooperation thus far, which has included a quick passage of legal reforms to the Venezuelan oil sector.

Wright said Wednesday that the US oil embargo on Venezuela, in place since 2019, was "essentially over."

Wright called for a "dramatic increase" in Venezuela's production of oil, natural gas and electricity which would improve "the job opportunities, the wages and the quality of life" of all Venezuelans.

"We welcome the recent actions by the Administration," said a spokesperson for Chevron, which has been the only US company to remain in Venezuela after departures by ExxonMobil and ConocoPhillips.

"The new General Licenses, coupled with recent changes in Venezuela's Hydrocarbons Law, are important steps toward enabling the further development of Venezuela's resources for its people and for advancing regional energy security."

Eni is "currently assessing the opportunities it opens up, as part of an ongoing and constructive dialogue with the US Authorities," the Italian company told AFP.

A farm worker inspects Katimon mangoes at an orchard in Porsha upazila, Naogaon. Using top-working grafting techniques, local farmers are converting traditional mango trees to cultivate Katimon and BARI-11 varieties that bear fruit multiple times a year. This cultivation method is rapidly spreading throughout the region. The mangoes, photographed on February 2, will ripen during Ramadan and fetch premium prices.

PHOTO: MOSTAFA SHABUJ

Overdue farm loans surge

STAR BUSINESS REPORT

Agricultural credit disbursement increased strongly in the early months of fiscal year (FY) 2025-26, but a sharp rise in overdue loans raised concerns over credit recovery.

Data from the Bangladesh Bank (BB) showed that at the end of November 2025, overdues of agricultural credit given by banks surged 91.12 percent year-on-year to Tk 22,297 crore from Tk 11,667 crore a year earlier, owing to a rise in overdues of state-owned specialised banks and private banks.

The loan classification criteria that became effective from April 2025 also contributed to this significant rise in overdues, according to BB's latest monthly report on agriculture and rural finance published last week.

During this period, the overdue balance of state commercial banks declined, but the drop was not significant enough to offset the overall increase.

"The rise in overdue loans signals growing concerns over credit recovery and the requirement for stronger oversight and risk management to address credit recovery challenges in the sector," said the report.

Agricultural credit recovery by all banks grew 2.13 percent year-on-year to Tk 3,826 crore in November 2025 from a year earlier. The recovery increased by 11 percent from October, the BB said.

At the end of November, the total outstanding balance, including interest, of agricultural credit for all banks stood at Tk 60,718 crore, reflecting a 10.78 percent increase from a year ago.

In terms of disbursement, all scheduled banks lent 23 percent more loans, amounting to Tk 16,092 crore during July-November of the fiscal year (FY) 2025-26, up from Tk 13,081 crore during the same period a year ago.

The significant rise was primarily driven by higher disbursements of foreign banks and state commercial banks, while specialised banks recorded lower disbursements, according to the report.

During July-November of FY26, the composition of agricultural credit disbursement shifted modestly toward crops, livestock and poultry. In contrast, the share allocated to fisheries and other sectors declined.

"The shift of agricultural credit toward crops, livestock and poultry indicates a stronger focus on core agricultural production."

"Overall, the data reflects a gradual reorientation of agricultural credit toward core production activities from social welfare, suggesting limited progress in expanding targeted financing for vulnerable groups," it added.

For the current FY26, the BB had earlier set a target to disburse Tk 39,000 crore in loans by banks, which is 4.48 percent higher than the actual disbursement of the previous year.

Gold rises over 2%

REUTERS

Gold prices rose more than 2 percent on Friday and were headed for a weekly gain as weaker-than-expected US inflation data reignited hopes for Federal Reserve rate cuts this year, offsetting concerns from stronger-than-expected jobs data earlier in the week.

Spot gold was up 2.1 percent at $5,022.06 per ounce as of 01:30 p.m. ET (1830 GMT), and up 1.2 percent so far this week. Bullion fell about 3 percent on Thursday, hitting its lowest in nearly a week.

US gold futures for April delivery settled about 2 percent higher at $5,046.30 per ounce.

"Gold, and particularly silver, is enjoying a relief rally after a mild January CPI reading eased nerves stoked by Wednesday's strong employment report," said Tai Wong, an independent metals trader.

CPI COMES IN LOWER THAN EXPECTED

Spot silver climbed 3.4 percent to $77.70 per ounce, snapping back from an 11 percent decline in the previous session. It was on track for a weekly loss of 0.3 percent. The US Consumer Price Index rose 0.2 percent in January, below economists' expectations of a 0.3 percent increase, following an unrevised 0.3 percent gain in December, the Labor Department said.

Market participants currently anticipate a total of 63 basis points in rate cuts this year, with the first expected in July, according to data compiled by LSEG.

Non-yielding bullion tends to do well in low-interest-rate environments. Meanwhile, data on Wednesday showed the United States added 130,000 jobs in January, compared with analysts' estimates of 70,000.

China's gold demand stayed strong ahead of the Lunar New Year, while in India, the market flipped to a discount.

LafargeHolcim unveils salinity-resistant cement for coastal areas

STAR BUSINESS DESK

LafargeHolcim Bangladesh PLC (LHB) has launched a new salinity- and sulphate-resistant cement, branded "Holcim Coastal Guard", aiming to capture the 30-lakh-tonne market in the country's south-western and south-eastern coastal regions.

The cement is designed to address the growing environmental challenges in coastal areas, where structures are often exposed to saline and sulphate-rich conditions, according to a press statement issued recently.

The product has been developed through the company's in-house innovation and manufacturing capabilities in collaboration with the Innovation Center of Holcim Group in Lyon, France, leveraging the group's Smart Blend Technology.

Bangladesh's annual cement demand stands at around 4 crore tonnes, of which LafargeHolcim Bangladesh supplies approximately 42 lakh tonnes, said Thuhidul Islam, head of communications, CSR and sustainability at LHB, quoting the company's technical experts.

"We have launched 'Holcim Coastal Guard', targeting an annual demand of three million tonnes across the coastal districts -- Khulna, Satkhira, Bagherhat, Patuakhali, Barguna, Barishal, Jhalakathi, Pirojpur, Chandpur, Bhola, Noakhali, Feni, Lakshmipur, Cox's Bazar and Chattogram," he said.

Chemical factories, government sanitation projects, and effluent and sewage treatment plants (ETPs and STPs) also have demand for this type of cement, he added.

He claimed that LHB is the first in Bangladesh to receive approval and introduce cement in this category.

Holcim Coastal Guard is engineered to combat the rapid deterioration of structures exposed to sulphate- and chloride-rich soils, coastal groundwater and chemical attacks in water and effluent treatment plants, ensuring longer-lasting and more resilient construction.

US and Taiwan sign deal to lower tariffs

AFP, *Washington*

The United States and Taiwan said Thursday they signed a deal to confirm lower US tariffs on the democratic island's goods, alongside Taiwanese spending commitments on American products.

The announcement formalizes an agreement unveiled in January to cut US tariffs on many Taiwanese exports from 20 percent to 15 percent, and boost investment in the US tech industry.

Thursday's trade pact, which needs to be reviewed by Taiwan's opposition-controlled parliament, "will eliminate tariff and non-tariff barriers facing US exports to Taiwan," said US Trade Representative Jamieson Greer.

"This agreement also builds on our longstanding economic and trade relationship with Taiwan and will significantly enhance the resilience of our supply chains, particularly in high-technology sectors," he added in a statement.

Rebuilding business confidence cannot wait

FROM PAGE B1

He said prolonged uncertainty has seriously dampened investment.

Without swift and decisive steps to ensure stability and policy clarity, private sector expansion will remain stalled, he said.

The business leader placed law and order at the top of the agenda. "The government must bring an end to the extortion and muscle culture," he added.

Parvez said confidence had fallen to rock bottom, with investors choosing to sit on the sidelines. A free, fair and credible election would now reassure both domestic and foreign investors.

He argued that monetary policy alone cannot tame price pressures and called for stronger supply-side management to steady markets. Energy security, he added, is equally vital.

He also pressed for implementation of reform pledges, including changes at the National Board of Revenue (NBR), greater transparency in trade agreements and preparation for LDC graduation. Similarly, Kamran T Rahman, president of the Metropolitan Chamber of Commerce and Industry (MCCI), called for early action.

"Reform must begin at once, even if results take time, starting with efforts to curb inflation and steady the currency through prudent fiscal and monetary management," said the business leader.

Rahman urged the government to tackle weaknesses in the banking sector, reinforce financial discipline and strengthen oversight. He called for employment-led growth, with greater support for SMEs, skills development and productivity gains rather than a narrow focus on GDP figures.

Cutting red tape and ensuring policy continuity would also help rebuild trust, he said. Asif Ibrahim, former president of the Dhaka Chamber of Commerce and Industry (DCCI), described the election outcome as an opportunity to reset the economic agenda.

"This decisive mandate reflects the voice of the people and opens a new chapter for economic stability," he said in a statement.

"For the past few years, investment appetite has been subdued due to uncertainty. A stable and policy-driven administration can unlock fresh capital flows and revive private sector expansion," he said.

He said the business community stands ready to engage and urged the incoming government to reduce the cost of doing business, secure energy supply, maintain macroeconomic stability and strengthen institutions.

"Global headwinds and domestic challenges require partnership over politics," he added.

Taskeen Ahmed, president of the DCCI, also called for a focused reform drive in the first 100 days.

He said the economy faces structural challenges, including weaknesses in the banking system, energy shortages and fragile law and order.

"In the first 100 days, restoring law and order must be the top priority to rebuild business confidence," he said, adding that investment will remain stagnant without a predictable environment.

Manwar Hossain, chairman of Anwar Group of Industries, said the new government should first reassure existing investors before seeking new ones. Many import-dependent firms face working capital strain after taka depreciation.

He proposed temporary regulatory flexibility, including relaxed single-borrower and CIB limits for two years, to prevent otherwise viable firms from collapsing. Reform of 15 troubled banks and non-bank financial institutions, led by credible asset restructuring firms and experienced bankers, is essential, he said.

Hossain also called for swift local government polls, revival of stalled projects, faster construction activity, dependable energy supply and shorter approval times to sustain positive international sentiment.

Ahsan Khan Chowdhury, chairman and chief executive officer of Pran-RFL Group, urged the next government to restore stability, strengthen law enforcement and bring discipline back to the banking system within its first 100 days. He said rebuilding investor trust is critical to driving economic growth.

Chowdhury also stressed the importance of smooth operations at Chittagong Port to support exports and imports, and called for stronger trade ties with neighbouring countries, particularly India, to expand business opportunities.

Garment exports

FROM PAGE B1

12.05 percent in value and 11.50 percent in unit prices, signalling potential headwinds.

The EU's total apparel imports grew 2.10 percent year-on-year to €90 billion in 2025, propelled by a 13.78 percent increase in volume as average unit prices fell 10.27 percent across all suppliers.

China reinforced its dominance with €26.58 billion in year-on-year exports to the EU, up 1.17 percent.

The East Asian country achieved an 11.64 percent volume increase with a 9.38 percent decline in unit prices amid US market uncertainties.

Vietnam recorded 9.66 percent growth, reaching €4.38 billion, with a 4.51 percent increase in unit prices.

India, Pakistan, and Cambodia also posted gains.

Turkey bucked the trend with a 10.73 percent year-on-year drop to €8.34 billion, making it the only major supplier to experience declining exports to the European market during the period.

Cool prices, create new jobs

FROM PAGE B1

So, the new government should pay attention to this problem," said Fahmida Khatun, executive director of the Centre for Policy Dialogue (CPD).

Overall inflation rose to 8.58 percent in January, with the 12-month average at 8.66 percent, remaining elevated for more than three years, according to the Bangladesh Bureau of Statistics (BBS).

Private-sector businesses are also feeling the pinch as rising costs undermine profitability.

Fahmida called for coordinated monetary and fiscal policies, prioritising supply-side issues. Another key task, she said, for the next government is to improve the investment climate.

The economist said that while reforming the business environment is a long-term process, measures such as establishing effective one-stop services for entrepreneurs and reducing bureaucratic red tape could deliver results quickly.

She said the third agenda of the incoming government should be creating fiscal space.

Implementing the interim government's recommendations, including pay scale adjustments, will require a huge expenditure. With the country's debt burden rising, increasing revenue must be a priority. Reform efforts across sectors, especially in taxation and banking, should continue, said Fahmida.

"Improving the environment and building trust are essential to raising private investment," said AK Enamul Haque, director general of the Bangladesh Institute of Development Studies (BIDS).

He urged the incoming government to continue economic reforms initiated by the interim administration and implement key promises from the BNP's election manifesto.

Haque said controlling corruption and extortion must also remain a priority.

Private investment accounted for just 22.48 percent of GDP in 2024-25, the lowest in five years and well short of the 28.2 percent target set under the Eighth Five-Year Plan, according to the government's statistical agency.

Restoring law and order will be crucial to encourage investment, said Prof Mohammed Helal Uddin, member secretary of the Bangladesh Economic Association.

"The government must stop mobocracy and tackle extortion seriously so that people can invest without fear," he added.

He also called for policy clarity, enabling entrepreneurs to anticipate which policies will continue and which will change.

When making administrative replacements, experience, knowledge and intent should take precedence over political ideology, said Prof Helal.

USDA raises Bangladesh's

FROM PAGE B1

Last month, the food ministry's Food Planning and Monitoring Unit (FPMU), in its quarterly Food Situation Report, also projected wheat imports could reach 72 lakh tonnes in the fiscal year 2025-26.

In the first half of the current fiscal year, the private sector imported 32.5 lakh tonnes of wheat, up 31 percent from the same period a year earlier, while public sector imports declined.

"There has been a substantial volume of imports, especially in December, as traders expected stability after the general election held on February 12 and a rise in demand for wheat-based food," said Md Shafiul Ather Taslim, business director at TK Group of Industries, another major commodity processor.

He added that annual wheat imports usually range between 65 lakh tonnes and 70 lakh tonnes and are likely to remain within that range this year.

Including private sector purchases, Bangladesh imported 61.44 lakh tonnes of wheat in the fiscal year 2024-25, according to the FPMU report.

Mofizur Rahman

Private aviation sends SOS amid policy turbulence

Aviation leader blames high taxes, unfair competition

SOHEL PARVEZ *and* **RASHIDUL HASAN**

Over the past three and a half decades, Bangladesh has seen the entry of several dozen private airlines and helicopter operators, driven by the ambition to capture a share of the country's growing passenger and cargo market.

Cumulative investment by entrepreneurs is estimated at Tk 15,000 crore to Tk 20,000 crore, with the airline industry alone accounting for more than Tk 10,000 crore. Much of this investment was eventually lost as nearly 10 passenger airlines were grounded, while cargo carriers and around two-thirds of private helicopter operators were forced to shut down after failing to absorb sustained losses.

Today, only three private passenger airlines and seven to eight helicopter operators remain in operation.

As things stand, according to industry insiders, private operators risk further decline and may fail to tap the country's large diaspora-driven aviation demand. Policy support, particularly a favourable tax regime and a level playing field, is imperative for revival.

In the words of Mofizur Rahman, secretary general of the Aviation Operators Association of Bangladesh (AOAB), which represents 17 local aviation operators, the industry is both at a crossroads and at a cliff. "And it depends on how we take the industry forward."

Speaking to The Daily Star in an interview recently, he said, "If we take the right steps, we can move away from the cliff and go on to develop a viable aviation industry. If we do not take the right steps, it is bound to fail."

Since private aviation began in the early 1990s, the sector has consistently underperformed despite heavy investment. While passenger airlines at least left some imprint, cargo operations largely disappeared without notice.

"Passenger airlines at least made some impact on the national spectrum, but silently, we have seen almost one and a half dozen cargo airlines come and vanish. We do not even know them," said Rahman.

The helicopter segment also once showed promise, with nearly 12 companies operating about 36 helicopters. Several firms maintained fleets of six to eight aircraft. Over time, however, operations dwindled as companies shut down or suspended services. "They are no longer functioning. That is a big concern."

These aviation segments contributed quietly to the economy, but their decline exposed deeper structural weaknesses, particularly in human resource development.

Bangladesh once had three vibrant flying training schools, but output is now negligible. As a result, pilots increasingly seek training abroad, while the domestic supply of qualified technical manpower remains thin.

Rahman also questioned the quality of local technical institutions, noting that many aviation engineering graduates leave the sector altogether.

He noted that more than 30 years after private aviation took off, Bangladesh still lacks a mature and sustainable aviation ecosystem. "The question is: who failed, where we failed, and why we failed? These are the questions we need to address. Unless we address them, we will fall off the cliff."

The AOAB secretary general said there was no shortage of entrepreneurial effort or investment. Instead, he blamed what he described as a longstanding anti-aviation mindset within regulatory and policy circles.

"I am not saying entrepreneurs did not make mistakes. Some who failed did make mistakes, but those mistakes were not of a magnitude that justified failure. We failed mainly because of a general anti-aviation mindset," he said.

At the policy level, he said aviation is often perceived as an elite industry with deep pockets, prompting authorities to impose heavy direct and indirect taxes. "Where a fledgling industry needs support, we see the opposite -- a mentality that says: 'You are an elite business, you have money, so give money.'"

He criticised the National Board of Revenue for aggressively taxing the sector, pointing out that aviation spare parts are largely zero-rated globally due to high capital costs and thin margins.

Even 55 years after independence, Bangladesh lacks a business-friendly aviation policy, he lamented. Existing regulations date back to 1984 and remain fragmented, while global aviation rules are updated every two to five years.

Rahman also criticised the Civil Aviation Authority of Bangladesh for failing to formulate industry-oriented policies. "We had the intention, but our hands were tied due to a lack of policy support. We never asked for financial incentives. We asked only for genuine policy support."

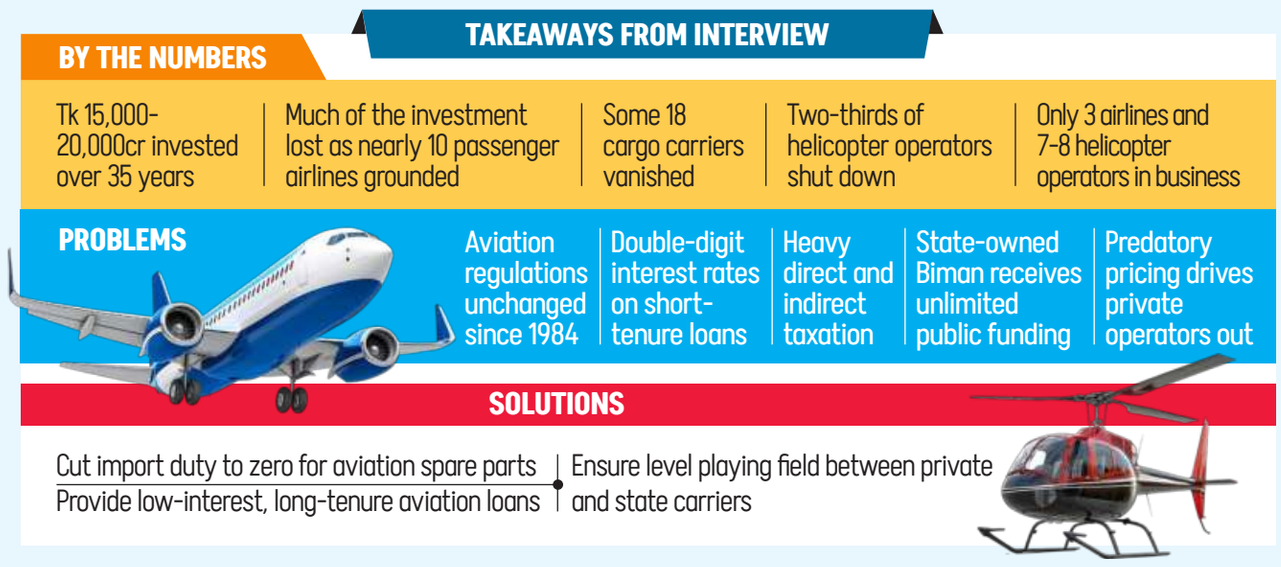
He further alleged that successive governments poured public money into state-owned Biman Bangladesh Airlines, which "benefited certain politicians and bureaucrats" through aircraft leasing and procurement arrangements.

Weak tax policy, limited access to financing, and inadequate human resource development undermined private aviation, he argued. Aviation requires specialised skills, including finance professionals trained specifically for the sector, yet professionals often learn through trial and error -- a risky approach in a safety-sensitive industry.

Financing constraints further compound the problem, as operators borrow at double-digit interest rates for short tenures, unlike in Europe, where aviation loans carry rates of 1-2 percent over 10-15 years.

Citing GMG Airlines, Bangladesh's first private passenger carrier, Rahman said unfair competition from the national airline played a decisive role in its failure.

"When Biman reduced Dhaka-Dubai fares from $300 to $250, that $50 difference was fatal for GMG. So, it was not only the operator's mistake; it was unfair competition. When the national carrier becomes an unreasonable competitor, private aviation cannot survive."



Economic priorities for the new government

MAMUN RASHID

The new government takes office at a time when Bangladesh's banking sector is adrift after years of widespread plunder. The country is burdened with debt. The treasury is short of funds. Revenue collection is weak. Factories are issuing closure notices. High interest rates are stifling investment.

Employment remains stagnant. Citizens are struggling with high inflation. Small and large businesses alike feel neglected and deprived. Over the past year and a half, the business community has reportedly been among the hardest hit. Confidence drained away, and many pulled back from investment and expansion. As a result, the wheels of the economy have not turned at the desired pace. Many were waiting for the return of a political government to restore confidence and allow them to refocus on enterprise and investment.

There is a widespread belief that the new government will prioritise restarting the engine of the economy by rebuilding business confidence, meeting entrepreneurs, consulting them and urging them to join hands in national recovery.

Recent discussions with entrepreneurs across sectors reveal a shared concern. Steering the economy back to a path of sustainable growth will be the biggest challenge for the new government. The accumulated irregularities of the past decade and a half, systemic plunder in the banking sector and institutional corruption have caused severe economic haemorrhage. The government must adopt a transformative and multidimensional strategy to halt this decline.

Conventional reforms will not suffice at this critical juncture. Structural transformation of the state apparatus is required. A major step should be restructuring the banking sector. If the government ensures genuine autonomy for the central bank, discipline in loan disbursement can be restored and the culture of default loans curbed. To ease the liquidity crisis and reduce high interest rates, banks must strengthen capital adequacy and governance so that depositors and small entrepreneurs regain trust in the system.

If the government advances to the next phase of digitalisation, ensuring a paperless economy and full automation, the cost of starting and operating businesses could fall significantly. To attract foreign investors, legal safeguards and rational tax incentives are essential. It is equally important to ensure an uninterrupted energy supply for industrialisation, while reducing import dependence through domestic energy exploration.

The government needs to ensure a competitive market environment where small and medium enterprises can compete fairly with larger firms. If supply increases, prices are more likely to stabilise. Greater transparency in state-owned enterprises and wider use of technology to reduce middlemen dominance in supply chains could also help.

Bangladesh's tax-to-GDP ratio remains among the lowest in South Asia. To raise revenue, many suggest expanding the tax net rather than increasing tax rates. At the same time, strict oversight of mega-project spending amid allegations of waste and corruption, along with expenditure rationalisation, could reduce the budget deficit.

A government committed to accountability and regular dialogue with business leaders, and able to offer swift solutions to real problems, could quickly dispel the cloud of mistrust and set Bangladesh on a path towards stability.

An economic recovery "crash programme" should be prioritised. The greatest emphasis must be placed on tackling unemployment, inflation, energy shortages, foreign currency liquidity constraints and improving the business environment.

The new government should also curb manoeuvring and manipulation in the capital market and ensure credible governance. The tax collection system should be fully digitalised and automated to create a genuinely business-friendly regime. To address post-LDC graduation challenges, export diversification is essential. If special export incentives are extended to sectors such as IT and software, leather and leather goods, light engineering and agro processing, the export basket could expand. The government should set out and begin implementing an Emergency Economic Recovery Roadmap within its first 100 days.

The writer is an economic analyst

India allows wheat and sugar exports

REUTERS, *New Delhi*

India's on Friday allowed the export of 2.5 million metric tons of wheat and an additional 500,000 tons each of wheat products and sugar, as the world's second-biggest producer of both commodities seeks to support local growers amid protests over a trade deal between New Delhi and Washington.

On Thursday, thousands of farmers staged demonstrations, alleging the government had compromised their interests under the interim US-India trade framework, though the trade minister said safeguards were in place.

Announcing the decision in a statement, the federal government said the aim was to stabilise domestic markets and ensure financial returns for farmers, following a review of current supply and price trends.

Last month, the federal government allowed exports of 500,000 tons of wheat flour and other wheat products, after approving exports of 1.5 million tons of sugar in November for the season that began on October 1.

Traders said the permission to export was likely to improve sentiment in the local market, but fulfilling the allocated volumes may be difficult.

Sumit Gupta, CEO of Waseda Global, a Gurugram-based commodity brokerage, said Indian prices' hefty premium over other origins would be a challenge.

Indian wheat is offered at around $280 per ton free-on-board basis, compared with about $200 per ton for Argentine supplies. Bangladesh, a neighbouring buyer, is securing better-quality wheat at around $260 per ton, on a cost-and-freight basis, he said.

READ MORE ON B2

China's trade surplus misleads its Western critics

REUTERS, *London*

When it comes to China's $1.2 trillion record trade surplus, leaders of rich countries are peddling an outdated truth. "The Chinese are killing their own customers, particularly by no longer importing much from us," French President Emmanuel Macron complained in December. In reality, any revival in consumption in the world's second largest economy might bypass foreign high-tech products which the People's Republic no longer needs. Instead of macroeconomic tools, the West's best option is to copy China's mix of "buy local" and export-oriented policies.

European Union leaders are meeting in Belgium on Thursday to discuss this divisive issue. France has adopted the United States' strategy of pressing Beijing to narrow the gap between the country's imports and exports, while also promoting "Made in Europe" policies modelled on American and Chinese industrial strategies. Central to this is the Industrial Accelerator Act the EU will propose later this month, aimed at steering procurement and tax incentives toward strategic domestic industries. But Germany, Italy and the Netherlands are reluctant, stressing the need to restore competitiveness over protectionism.

France has a point: through the Made in China 2025 plan unveiled a decade ago by President Xi Jinping's administration, China has used procurement, subsidies, state-directed lending and strategic M&A to become a manufacturing powerhouse in sophisticated sectors. In industrial robotics, Foshan-based Midea took over Germany's Kuka in 2016, acquiring one of an oligopoly long controlled by Japanese and European firms, as other lower-cost Chinese robot makers rose to dominate the domestic market. Similar patterns appear in biotech, artificial intelligence and autos.

The West is struggling to compete. Morgan Stanley analysts argued last week, for example, that surging Chinese car exports imply long-term operating earnings for European auto makers 29 percent below what the market already expects. But the focus on China's headline surplus is an unhelpful distraction.

Classifying merchandise trade using the Product Complexity Index from Harvard University's Growth Lab which gives each product a score based on the know-how required to make it, confirms that the surge in the country's net exports since the Covid-19 pandemic comes from high-tech goods, which recorded a surplus of 5.2 percent of GDP in 2024. It also shows that China has shifted from being a seller of low-complexity goods — such as live animals, food and precious metals — in the early 2000s to a major buyer: in 2024 its deficit in this category reached $420 billion, or 2.2 percent of GDP.

The upshot: even if Xi's current plan to boost consumption succeeds, it's unlikely to mean much extra demand for European cars and machinery because China is competent at making this stuff. Nor would a stronger yuan sufficiently dull demand for China's innovative products.

Instead, Beijing could narrow its surplus by importing more commodities. Indeed, that is what happened when the US demanded action on global imbalances after the 2008 financial crisis. Beijing then delivered a 28 percent inflation-adjusted appreciation of its currency between 2011 and 2015, and lifted imports of mineral fuels, ores and wood, reducing the trade surplus from 4.2 percent of GDP in 2009 to 2.1 percent in 2014.

A further relocation of factories producing items like toys and apparel from China to lower-wage economies like Vietnam, Cambodia, Bangladesh and India could help too. In this mid-tier manufacturing China has kept a stable surplus of around 2 percent of GDP. But that would still do little for chemical giants such as Dow and BASF, which are shutting plants due in part to Chinese capacity depressing prices.

READ MORE ON B2

A container ship sails at the port in Qingdao, in China's eastern Shandong province. Surge in the country's net exports comes from high-tech goods, which recorded a surplus of 5.2 percent of GDP in 2024. PHOTO: AFP/FILE

US waives Venezuela oil sanctions

AFP, *Washington*

US President Donald Trump said Friday he planned to visit Venezuela and reiterated satisfaction with its interim leader, as his administration authorized five major oil companies to operate in the country.

"I'm going to make a visit to Venezuela," Trump told reporters Friday, while adding that the date had not been decided.

The comments followed a visit to Caracas by Trump's energy secretary earlier this week and came as his administration cleared away additional US sanctions that have blocked oil industry investment in the South American country.

On Friday, the Treasury Department's Office of Foreign Assets Control (OFAC) granted general licenses to BP, Chevron, Eni, Repsol and Shell "authorizing transactions related to oil or gas sector operations in Venezuela," with certain conditions.

The oil industry has expressed interest in the petroleum-rich country, while cautioning that the timeframe for investment depended on having clear rules after expropriations by earlier governments.

The two-page general license issued by OFAC requires any payments in oil and gas royalties go to accounts designated by the US Treasury Department, which is consistent with Trump administration statements that Washington will manage assets in custody for the benefit of Venezuela.

READ MORE ON B2