Star BUSINESS

Machinery imports rise on hopes of political stability

STAR BUSINESS REPORT

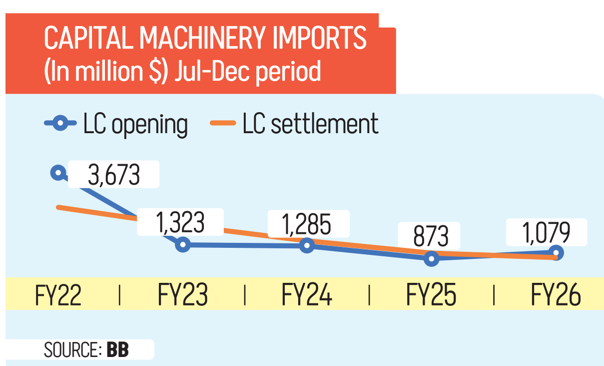
Imports of capital machinery are picking up, showing signs of renewed business interest on expectations of greater stability in both politics and the economy.

In the first half of the fiscal year 2025-26, the opening of letters of credit (LCs) to import capital machinery increased by 24 percent year-on-year, reaching $1,079 million, according to Bangladesh Bank (BB) data.

This is the highest level in two years.

The rebound comes after three years of decline and sluggish private-sector credit growth, which stood at 6.10 percent in December, among the lowest in recent years.

"Businesses took such decisions hoping that the situation will improve after a political government comes to power following the election. This has triggered investment decisions as it takes months to bring machinery," said Mir Nasir Hossain, former president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).



He added that a major portion of the machinery may have been imported for BMRE (Balancing, Modernisation, Rehabilitation and Expansion), as new factories are not being set up amid the ongoing gas crisis.

BB data show that LC openings for machinery imports in the leather, pharmaceutical, packaging, and other sectors rose during the July-November period of FY26.

By contrast, imports of capital goods for the textiles and garment sector, the country's main export earner, continued to decline.

Md Fazlul Hoque, former president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), expressed hope that the trend would reverse as

READ MORE ON B3

Interim govt stopped macro bleeding but couldn't reignite growth

Inflation remains high and private investment subdued, even as foreign reserves recover and financial sector panic eases

AHSAN HABIB

When the interim government assumed office around 18 months ago, it inherited an economy under severe strain.

All major economic indicators were flashing red. Foreign exchange reserves were depleting fast, the balance of payments (BoP) was in deficit, inflation was painfully high, debt was rising, GDP growth was slowing, and the financial sector was fragile.

Besides, the true state of the banking sector remained unclear. Several banks and non-bank financial institutions were bouncing cheques, while some repaid depositors using borrowed funds.

Insurance companies were also struggling to meet client demands. And, an ailing stock market added to investor anxiety.

Over the past one and a half years, the economic situation has improved, especially in the external sector. Remittance and export earnings have grown, while imports remained subdued during the early months.

With better dollar liquidity, the Bangladesh Bank (BB) began purchasing foreign exchange from commercial banks, acquiring $4.15 billion so far. This marked a reversal from previous years, when the central bank had to sell more than $25 billion from its dollar reserves to manage crises.

As a result, foreign exchange reserves, which had fallen to $25.90 billion in August 2024 from $48 billion in 2021, rebounded to $34.3 billion by February 2026. The exchange rate, which had depreciated nearly 40 percent over three

COMPARISON OF MAJOR ECONOMIC INDICATORS

IN AUGUST 2024		IN FEBRUARY 2026
$25.9b	Gross forex reserves	$34.3b
-$4.3b	BoP (overall balance)	$0.76b
Tk 118	Exchange rate	Tk 122
9.73%	Inflation	8.66% (Avg Jan)
5,229	DSEX (stock)	5,570
Tk 18.9 lakh crore	Govt's debt stock	Tk 21.49 lakh crore
3.91% (Q4 FY24)	GDP growth rate	4.50% (Q1 FY26)
$1.91b (Jul)	Remittance	$3.5b (Jan)
$3.81b (Jul)	Export	$4.4b (Jan)

years, stabilised at Tk 123.

The balance of payments returned to positive territory at $0.76 billion in February, compared with a deficit of $4.3 billion when the previous government fell in August 2024.

Following the political changeover, new BB Governor Ahsan H Mansur reported that a pending $2.5 billion payment from the former government had been settled.

"Any abrupt political changeover often disrupts the economy," said Zaidi Sattar, chairman of the Policy Research Institute of Bangladesh (PRI).

He described the financial condition as "catastrophic" when the interim government took office. Although GDP had grown under the previous government, he said, underlying vulnerabilities remained.

"On balance, the interim government has stabilised key macroeconomic indicators, though inflation remains high and the financial sector, while restructured, is still fragile," added the economist.

Fahmida Khatun, executive director of local think tank Centre for Policy Dialogue (CPD), expressed similar views.

"The economy was weak and vulnerable when the interim government assumed office. Almost all macroeconomic indicators were in decline," she said.

"That downward trend has now stopped, but the economy is not yet comfortable. Inflation has begun to ease, but investment remains weak, unemployment has risen, and the tax-to-GDP ratio has fallen," said Fahmida.

Some relief has come in the external sector, and banking reforms have clarified the real health of financial institutions. Yet Fahmida said that several reforms remain incomplete and will require attention from the new government.

Although the policy rate was high and monetary policy contractionary during the period of the interim government, inflation did not ease to the desired level.

The country experienced above 9 percent inflation for most of 2023, with consumer prices staying above that threshold from March onwards. During the interim government's tenure, inflation fell slightly below 9 percent but remained above 8 percent. Lowering tariffs on essential imports provided only limited relief.

Debt stock continued to rise amid a low tax-to-GDP ratio. By February 2026, total government debt reached Tk 21.49 lakh crore, up from Tk 18.9 lakh crore in August 2024.

READ MORE ON B3

NBR revises LPG tax structure

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has restructured the VAT on liquefied petroleum gas (LPG) to reduce the tax burden on consumers and stabilise the domestic fuel market.

The NBR has withdrawn the 7.5 percent VAT at the production and trading stages of LPG, as well as the 2 percent advance tax on imports.

Instead, it has imposed 7.5 percent VAT at the import stage of LPG, according to two separate notifications issued on Monday.

As a result of the restructuring, VAT on LPG will be applicable only at the import stage.

The NBR said the VAT burden on consumers will decline by one-fifth due to the restructuring.

"Due to this decision, the overall VAT burden will decline, as VAT will now be effectively collected at the import stage," said Bodruzzaman Munshi, second secretary (VAT Policy) at the NBR.

Explaining the mechanism, he said that at the import stage, VAT of 7.5 percent (Tk 7.5) would be paid on a base value of Tk 100. At the production or trading stage, VAT would be imposed on the value addition.

"For instance, if Tk 20 is added to the original value, bringing the total to Tk 120, VAT would be calculated on the full amount, and the net payable VAT would stand at around Tk 9," he said.

He added that the measure would also help curb VAT evasion by streamlining collection at the initial stage of the supply chain.

The revenue authority said it has decided in the public interest to stabilise the market and keep LPG --

READ MORE ON B3

IT exports up 14% in Jul-Nov on AI-driven demand

MAHMUDUL HASAN

Bangladesh's information technology (IT) exports grew 13.54 percent in the first five months of fiscal year 2025-26, buoyed by accelerating global artificial intelligence (AI) adoption and the widening digitalisation of services, according to government data.

Between July and November, the sector's exports reached $269.84 million, up from $237.67 million in the same period a year earlier, shows Export Promotion Bureau (EPB) data. IT service exports stood at nearly $629 million in fiscal year 2024-25.

The gains were broad-based across the sector, which encompasses software development, IT-enabled services, computer consultancy, and hardware support, though the composition of growth reveals a market in transition.

SOFTWARE GETS BOOST, CONSULTANCY STUMBLES

Installation and hardware support posted the sharpest growth, nearly tripling to $3.09 million, a 136 percent year-on-year jump, reflecting rising demand for physical infrastructure alongside digital transformation.

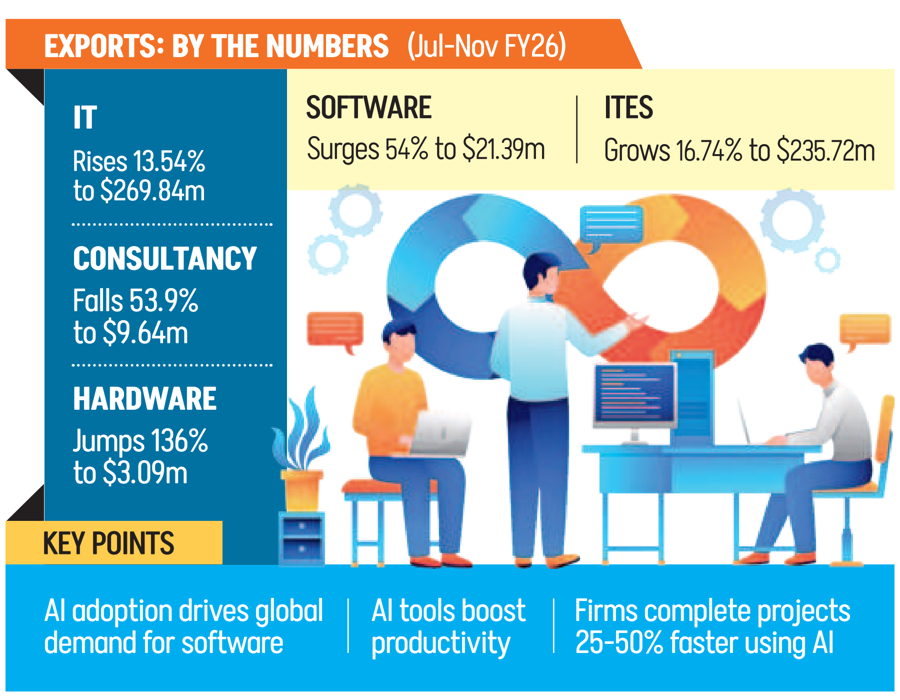
Software exports also surged strongly, climbing 54 percent to $21.39 million, as global clients ramped up demand for custom solutions, automation tools and AI-integrated applications.

IT-enabled services, including business process outsourcing, expanded more steadily, rising 16.74 percent to $235.72 million.

Computer consultancy, however, contracted sharply, falling 53.9 percent to $9.64 million, suggesting clients increasingly prefer bundled service packages over standalone advisory engagements.

According to industry executives, AI is simultaneously expanding the market and compressing the workforce needed to serve it.

Ferdous Mahmud Shaon, managing director (MD) of Cefalo, a Dhaka-based software firm with around 300 employees, said his company has seen a substantial rise in orders as businesses worldwide race to embed AI into their operations.



"AI is not replacing software, it is actually increasing the need for new types of software," Shaon said. "Many processes still require customised solutions, integration and ongoing development."

At the same time, productivity gains are reshaping how companies hire. The Cefalo MD noted that AI tools are enabling companies to produce software faster and at lower cost.

"Previously a task might require ten engineers; now five can deliver the same output using AI tools," Shaon said.

Cefalo has invested heavily in AI-assisted development tools, enabling teams to complete projects 25-50 percent faster.

While this improves competitiveness and delivery speed, it also creates pressure on employment, leading to downsizing in some cases, a trend visible across global tech companies as well.

"Companies must adopt these technologies or risk being pushed out of the market," Shaon said, noting that AI is reducing routine work. "In the future, we will need to focus on more complex and sophisticated tasks that machines cannot easily handle."

He also cautioned that the growth trajectory may remain moderate in the short term due to broader global uncertainties.

Despite the solid headline figure, Shaon flagged three structural risks to sustained growth: the global economic slowdown dampening client budgets, domestic instability undermining Bangladesh's appeal as an outsourcing destination, and AI-driven workforce disruption requiring rapid reskilling.

Sponsors, directors of Asiatic Lab barred from selling shares

STAR BUSINESS REPORT

The stock market regulator has barred the sponsors, directors, and placement shareholders of Asiatic Laboratories Limited from selling their shares after irregularities were found in the use of funds from the initial public offering (IPO) and inconsistencies in the company's expansion plans.

At a meeting of the Bangladesh Securities and Exchange Commission (BSEC) held at its office in the capital yesterday, the commission decided to extend the lock-in period on these shares.

According to a press release issued by the regulator, Asiatic Laboratories had earlier received approval to raise Tk 95 crore through an IPO in 2022.

As per its IPO prospectus, the company planned to use the funds for business expansion, including procurement and installation of machinery, construction of a factory building, repayment of bank loans, and meeting IPO expenses.

However, the company has not yet completed the utilisation of the IPO proceeds.

Despite failing to implement the declared IPO projects, Asiatic Laboratories disclosed price-sensitive information (PSI) on September 28, 2025, announcing an ambitious plan to construct a 32-storey building.

According to the BSEC, the company made the announcement without conducting proper project evaluation, feasibility studies, or obtaining necessary approvals from regulatory authorities, including Rajdhani

READ MORE ON B3

Magistrates' courts to hear cheque bounce cases under Tk 5 lakh

STAR BUSINESS REPORT

First-class magistrates or metropolitan magistrates' courts will now resolve cheque dishonour cases involving amounts below Tk 5 lakh, offering quicker access to justice for small creditors.

In this regard, the government issued an ordinance titled "Negotiable Instrument (Amendments) Ordinance, 2026" on Monday. It will come into effect immediately, it said.

However, if the cheque amount exceeds Tk 5 lakh, the case must be tried by a court not inferior to that of a Metropolitan Joint Sessions Judge or a Joint Sessions Judge, as applicable.

The jurisdictional distinction is designed to streamline the trial process and ensure that higher-value financial disputes are handled at a more senior judicial level, while smaller claims remain within the magistracy.

For small creditors -- including traders, suppliers and individual lenders -- the provision means their cases can be heard at magistrates' courts without escalation to higher sessions courts, potentially reducing procedural delays.

Semiconductor association inks SICIP deal to train 3,500 professionals

STAR BUSINESS DESK

The Bangladesh Semiconductor Industry Association (BSIA) yesterday signed an agreement with the Skills for Industry Competitiveness and Innovation Program (SICIP) to implement a large-scale, industry-oriented semiconductor workforce development programme.

Mohammed Walid Hossain, executive project director of the SICIP at Finance Division, and MA Jabbar, president of Bangladesh Semiconductor Industry Association, signed the agreement at the former's Dhaka office, according to a press release.

Hossain highlighted the importance of high-quality training, strong monitoring, and achieving at least 65 percent job placement for certified trainees.

He expressed confidence that the partnership, supported by robust oversight and industry linkages, will produce professionals ready to contribute to Bangladesh's growing semiconductor ecosystem and compete in the global market.

Jabbar said the agreement marks a milestone for the country's semiconductor sector, creating a critical mass of skilled manpower to support advanced electronics, strengthen industry readiness, and enhance global competitiveness.

Under the agreement, BSIA will train 3,500 graduates in electrical and electronics engineering (EEE), electronics and communication engineering (ECE), computer science and engineering (CSE), applied physics, and related disciplines through six specialised three-month courses (240 hours each).

MA Jabbar, president of Bangladesh Semiconductor Industry Association, and Mohammed Walid Hossain, executive project director of the Skills for Industry Competitiveness and Innovation Program at Finance Division, pose for a photograph after signing the agreement at the latter's office in Dhaka yesterday. PHOTO: BSIA

National Finance signs MoU with Toyota Bangladesh

STAR BUSINESS DESK

National Finance PLC has signed a memorandum of understanding (MoU) with Toyota Bangladesh Limited (TBL), a subsidiary of Toyota Tsusho Asia Pacific and Toyota Tsusho Japan, to extend auto loans to customers purchasing brand-new Toyota vehicles.

Irteza Ahmed Khan, managing director of National Finance PLC, and Premmit Singh, managing director of Toyota Bangladesh Limited, signed the MoU at the automobile company's showroom in Tejgaon, Dhaka recently, according to a press release.

Through the partnership, National Finance PLC and Toyota Bangladesh aim to enhance the brand-new Toyota ownership experience by offering convenient and tailored financing solutions.

Other senior officials and members of the management teams from both organisations were also present.

PHOTO: NATIONAL FINANCE

Premmit Singh, managing director of Toyota Bangladesh Limited, and Irteza Ahmed Khan, managing director of National Finance PLC, pose for a photograph after signing the memorandum of understanding at the automobile company's showroom in Tejgaon, Dhaka recently.

Bank Asia cardholders to enjoy Ramadan benefits at Sheraton Dhaka

Zishan Ahammad, head of cards, alternative delivery channels (ADC), and internet banking at Bank Asia PLC, and Mamunur Rahman Shumon, in-charge of sales and marketing at Sheraton Dhaka, pose for a photograph after signing the agreement at The Westin Dhaka recently. PHOTO: BANK ASIA

STAR BUSINESS DESK

Bank Asia PLC has recently signed a partnership agreement with Sheraton Dhaka to offer Ramadan privileges to its credit cardholders.

Mamunur Rahman Shumon, in-charge of sales and marketing at Sheraton Dhaka, and Zishan Ahammad, head of cards, alternative delivery channels (ADC), and internet banking at Bank Asia PLC, signed the agreement at The Westin Dhaka, according to a press release.

Under the agreement, the bank's cardholders will enjoy a special buffet iftar offer, attractive discounts on takeaway iftar, and a range of additional benefits at Sheraton Dhaka throughout the holy month of Ramadan.

The partnership reaffirms Bank Asia's commitment to enriching the customer experience through exclusive value-added and premium services during Ramadan, the release added.

Other senior officials from both organisations were also present.

Midland Bank opens relocated Bheramara branch in Kushtia

STAR BUSINESS DESK

Midland Bank PLC (MDB) has launched its relocated Bheramara branch at Babor Ali Super Market on Bheramara-Pragpur highway in Kushtia on Monday.

Md Ahsan-uz Zaman, managing director and CEO of Midland Bank PLC, inaugurated the branch as the chief guest, according to a press release.

In his speech, Zaman thanked the audience for attending the programme and encouraged them to strengthen their relationship with the bank by opening accounts.

He also instructed branch officials to provide the best service to customers and urged them to use Midland Online, the bank's free internet banking application, to enjoy safe, secure, and modern banking services from anywhere, at any time.

PHOTO: MIDLAND BANK

Md Ahsan-uz Zaman, managing director and chief executive officer of Midland Bank PLC, inaugurates the relocated Bheramara branch at Babor Ali Super Market on Bheramara-Pragpur highway in Kushtia on Monday.

UK jobless rate rises to five-year high

AFP, *London*

Britain's unemployment rate rose to a five-year high of 5.2 percent in the final quarter of 2025, official data showed Tuesday, as the country's economy struggled to grow.

It was a slight increase from the 5.1 percent jobless rate seen in the three months to end-November, the Office for National Statistics (ONS) said.

It was the highest level since January 2021, which coincided with the Covid pandemic.

"The number of workers on payroll fell further in the final quarter of the year, reflecting weak hiring activity," ONS director of economic statistics Liz McKeown said in a statement.

Pubali Bank opens 518th branch in Ishwarganj

STAR BUSINESS DESK

Pubali Bank PLC has recently launched a new branch in Ishwarganj, Mymensingh, aimed at providing modern banking services to its clients.

This is the bank's 518th branch.

Md Shahnewaz Khan, deputy managing director of Pubali Bank PLC, inaugurated the branch as the chief guest, according to a press release.

Mohammad Homayun Miah, deputy general manager and regional manager for Mymensingh, presided over the inaugural ceremony, where Md Faizul Hoque Sharif, general manager of the general banking and operations division, was present as the special guest.

In his speech, Khan said the expansion of banking services is vital for Bangladesh's economic development, the growth of trade and commerce, and the advancement of people's savings and investment activities.

"By opening a new branch of Pubali Bank in the Ishwarganj region, local residents will have the opportunity to access modern and convenient banking services," he said.

"This branch will provide new impetus to savings, loans, remittances, and other financial services, and will play an important role in the economic development of the area," he added.

Md Shahnewaz Khan, deputy managing director of Pubali Bank PLC, inaugurates the new branch of the bank in Ishwarganj, Mymensingh recently. PHOTO: PUBALI BANK

Islami Bank launches remittance campaign for Ramadan

STAR BUSINESS DESK

Islami Bank Bangladesh PLC yesterday launched a campaign, titled "Islami Bank-Ria Money Transfer Remittance Fiesta", at Islami Bank Tower in Motijheel, Dhaka.

Under the campaign, the bank will offer a motorcycle through a digital raffle draw on each banking day (Sunday to Thursday) for customers sending cash remittances through Ria Money Transfer. A total of 20 motorcycles will be awarded during the campaign period.

The offer will begin on February 19 and continue until March 18, 2026, during the holy month of Ramadan.

PHOTO: ISLAMI BANK BANGLADESH

Md Omar Faruk Khan, managing director of Islami Bank Bangladesh PLC, inaugurates the campaign titled "Islami Bank-Ria Money Transfer Remittance Fiesta" at Islami Bank Tower in Motijheel, Dhaka yesterday.

Community Bank, Tiger New Energy tie up for green finance

STAR BUSINESS DESK

Community Bank Bangladesh PLC has signed a memorandum of understanding (MoU) with Tiger New Energy and Xpert Solutions Limited to promote an SME and green finance programme framework for battery-swapping stations across the country.

Kimiwa Saddat, managing director (current charge) of Community Bank Bangladesh PLC; Nicole Mao, chief executive officer (CEO) of Tiger New Energy; and Md Abdul Mannan, CEO of Xpert Solutions Limited, signed the tripartite MoU at the bank's head office in Gulshan, Dhaka recently, according to a press release.

Under the agreement, Tiger New Energy and Xpert Solutions Limited will act as strategic advisory business partners for Community Bank Bangladesh PLC to leverage the cottage, micro, small and medium enterprise (CMSME) segment.

Nafiur Rahman, country director of Tiger New Energy; Md Tarequl Kabir, head of operations; Ajoy Kumar Paul, director; Md Feroz Al Mozahid Khan, technical director of Xpert Solutions Limited; Chowdhury Manarat Mahfuza, managing director of Green Engine Bangladesh Pvt Ltd; Hasi Rani Bepari, head of CRM and SAM; and Md Tanjim Morshed Bhuiyan, head of digital financial services and deputy head of RMD, attended the event.

PHOTO: COMMUNITY BANK

Nicole Mao, chief executive officer (CEO) of Tiger New Energy, and Kimiwa Saddat, managing director (current charge) of Community Bank Bangladesh PLC, pose for a photograph after signing the memorandum of understanding at the bank's head office in Gulshan, Dhaka recently.

AI, circular economy must align with national priorities

Say experts at Bangladesh Chamber of Industries seminar

STAR BUSINESS REPORT

Bangladesh must strategically align artificial intelligence (AI), circular economy practices, and sustainability goals to remain competitive in a changing global landscape, experts said yesterday.

They warned that technology alone will not ensure sustainability without strong institutions, research-driven reforms, and effective implementation.

"We have strong local data and research, but we fail to use them effectively. Instead of copying foreign models and adding more laws, we need context-specific, evidence-based policymaking," said AK Enamul Haque, director general of the Bangladesh Institute of Development Studies (BIDS).

He was addressing a seminar titled "Integrating Artificial Intelligence, Circular Economy and Sustainability" organised by the Bangladesh Chamber of Industries at its office in Tejgaon, Dhaka.

Haque said Bangladesh already has strong data on waste management, but policymakers often fail to use or integrate it effectively.

"Laws alone will not solve problems," he said, pointing to dysfunctional traffic systems in Dhaka despite regulations.

Instead, he argued for behavioural solutions, such as redesigning buses with platform-level doors to reduce unsafe roadside stops.

On AI, Haque urged caution, noting that many AI firms remain unprofitable and energy-intensive. He emphasised that AI cannot replace human values or consciousness and should be applied strategically for efficiency.

Md Moniruzzaman, professor at the Bangladesh Institute of Governance and Management, underscored the urgency of integrating economic growth with sustainability to design a resilient future.

He highlighted the relationship between the environment, society, and business, stressing that circular economy principles must guide policy and practice.

He pointed to a growing mismatch between education and employment, citing his experience on a Public Service Commission viva board, where he

encountered an engineering graduate from the Bangladesh University of Engineering and Technology who had extensively prepared for the foreign service, reflecting broader questions about the effective use of specialised expertise.

Moniruzzaman stressed viewing waste as a resource, ensuring safe disposal throughout a product's life cycle, and strengthening oversight of industrial pollution.

Nawshad Mustafa, director of the SME and Special Programmes Department at Bangladesh Bank, highlighted how a mix of regulatory pressure and financial incentives is helping drive sustainable practices in industry.

Mustafa emphasised that businesses are primarily profit-driven. "Without enforcement on one side and financial incentives on the other, good practices will not be adopted," he said.

Since 2020, banks have also been assessed through sustainability ratings integrated into supervisory evaluations, he added.

However, implementation gaps remain. He cited delays in operationalising the Secure Transactions (Movable Assets) Act, passed in 2023 to support small entrepreneurs, as an example.

SM Zulfiqur Ali, research director at BIDS, highlighted serious mismatches in Bangladesh's labour market, drawing on recent tracer studies.

He said nearly 30 percent of National University graduates remain unemployed, while many others work in jobs unrelated to their academic training.

India looks to new steel export markets

REUTERS, *New Delhi*

India is seeking new steel export markets in the Middle East and Asia to offset the impact of the European Union's carbon tax that took effect in January, a government source said.

India, the world's second-biggest producer of crude steel, ships roughly two-thirds of its steel exports to Europe, where flows have come under pressure following the EU's Carbon Border Adjustment Mechanism.

Last week, Steel Secretary Sandeep Poundrik said the government would have to take action to support exports hit by Europe's carbon tax.

"For exports, we are looking at new markets and we are trying to get agreements with countries in the Middle East where a lot of infrastructure is coming up, and also in Asia," said the source directly involved in decision-making, declining to be identified as the deliberations are confidential.

"Till now, our exports were focussed on Europe but we are trying to diversify," the source added.

India's federal Ministry of Steel did not respond to an email seeking comment.

Mills are looking for government support to help them compete in non-EU markets where China has been dominant, a senior executive at a major steel firm said.

Interim govt stopped

FROM PAGE B1

GDP growth, which had slowed to 3.91 percent in mid-2024, recovered to 4.5 percent by, according to the Bangladesh Bureau of Statistics (BBS). However, private investment has remained subdued over the past several years.

"Austerity measures, including reduced public investment, also restrained private investment, muting GDP growth," said PRI Chairman Sattar. "The new government now inherits a comfortable reserve position and a more stable macroeconomic environment. Its focus should shift to growth, job creation, and reducing income inequality."

Zahid Hussain, former lead economist at the World Bank's Dhaka office, described the economy as having been on the edge of collapse when the interim government took office.

"From that position, the economy has moved to a relatively comfortable state. Reserves have risen by $8-$9 billion, the exchange rate has stabilised, and the negative BoP has been eliminated. Financial sector panic has eased, though some distress remains," he said.

Hussain added that beyond the five banks already identified, several institutions are effectively on life support. Inflation has eased but is above tolerable levels, and confidence in a sharp decline is limited.

As for economic revitalisation, he said little progress was expected from an interim government given its short tenure.

"Which investor would commit when there is no guarantee that decisions will remain under the next administration?"

However, the economist said the interim government hit a "big six" in the last ball through a smooth transfer of power.

"Despite many uncertainties, the election was held, and after the polls, there was no significant disagreement among the major parties. This is the government's major success. It will send a strong message to investors and entrepreneurs."

Whether this big hit ultimately wins the match will depend on the performance of the next government, Hussain concluded.

Dollar holds gains in thin trading

REUTERS

The dollar held gains on Tuesday as markets awaited signals, expected later this week, about the potential timing of rate cuts by the Federal Reserve.

The yen trimmed losses from a day earlier when worse-than-expected Japanese economic data stirred expectations that the government would ramp up stimulus. The Aussie dollar edged lower after minutes from the Reserve Bank of Australia showed policymakers were in no rush to raise rates.

Trading was thin with many markets in Asia closed for the Lunar New Year holiday and following the President's Day holiday in the US Key economic events lie later in the week, with minutes from the Fed's last meeting and advance figures on US gross domestic product.

"We're quite positive on the US economy," said Kristina Clifton, senior currency strategist at Commonwealth Bank of Australia in Sydney. "The market is currently pricing a high chance of a June interest rate cut, which is also our view. However, we differ from the market in that we expect a follow-up cut in July."

"We judge that the most important driver of the dollar through 2026 will be the narrative of US exceptionalism," she added.

The dollar index , which measures the greenback against a basket of currencies, inched up to 97.12 after a 0.2 percent gain in the previous session. The euro slid 0.1 percent to $1.184.

The yen strengthened 0.3 percent to 153.04 per dollar. Sterling weakened 0.11 percent to $1.3607.

Data on Friday showed US consumer prices increased less than expected in January, giving the Fed additional leeway for policy easing this year. Money market traders are pricing about 59 basis points of easing for the rest of this year.

The Fed's Open Market Committee issues minutes from its January meeting on Wednesday. Other key data points this week include inflation readings for Britain, Canada and Japan, as well as preliminary readings of global business activity on Friday.

A recent rally in the yen stalled on Monday when official figures showed Japan's economy barely grew last quarter. Japan's currency remains about 4 percent weaker against the dollar since fiscal dove Sanae Takaichi became prime minister last year.

Money flowing into Japan's ebullient stock market along with expected rate hikes by the Bank of Japan are starting to turn the tide on yen weakness, said Bart Wakabayashi, the Tokyo branch manager at State Street.

Oil prices fall back

AFP, *London*

Shares dipped and oil prices dropped back Tuesday as Tehran gave an encouraging response during talks with US officials in Geneva on Iran's nuclear programme, after days of escalating rhetoric from President Donald Trump.

Oil prices had earlier risen after Trump ramped up threats towards Iran, a large crude producer, but Iranian Foreign Minister Abbas Araghchi "a new window of opportunity has opened".

"We are hopeful that negotiation will lead to a sustainable and negotiated solution," he said, though he said "Iran remains fully prepared to defend itself against any threat or act of aggression".

West Texas Intermediate was down 0.2 percent at $62.75 per barrel after earlier jumping 1.5 percent, while international benchmark Brent North Sea Crude slipped 1.4 percent to $67.64. "There's speculation that Iran could agree to dilute its most highly enriched uranium in exchange for the full lifting of financial sanctions, but it's not clear if that will be enough to seal a deal between the two parties," said Aarin Chiekrie, analyst at Hargreaves Lansdown.

Wall Street was off in early trading with the tech-heavy Nasdaq giving up one percent and the Dow sliding around 0.3 percent and the broader-based S&P 500 was off 0.2 percent.

Sponsors, directors

FROM PAGE B1

Unnayan Kartripakkha's (Rajuk) building plan approval and environmental clearance.

The regulator further observed that the company lacks prior experience and technical expertise in undertaking such a large-scale construction project.

Moreover, entering into the real estate or hotel business through the proposed 32-storey building does not align with the company's Memorandum of Association.

The Dhaka Stock Exchange (DSE) conducted an inspection into the matter, the BSEC said.

The inspection report identified the same inconsistencies and irregularities regarding the company's project planning and deviation from declared objectives.

Based on the DSE's recommendations, prevailing market conditions, and in consideration of protecting general investors' interests, the BSEC took a strict stance.

The commission decided to extend the lock-in period on shares held by the company's sponsors, directors, and placement shareholders -- 183 individuals and institutions named in the prospectus.

Under the new decision, the lock-in will remain effective for an additional three years from the date of expiry of the existing lock-in period, or until the completion of construction and commercial operation of the proposed 32-storey building -- including obtaining the occupancy certificate from Rajuk -- whichever occurs later.

Stocks of the pharma company dropped slightly to Tk 68.20 yesterday at the DSE.

Machinery imports rise

FROM PAGE B1

the newly elected government took office yesterday.

Despite the increase in LC openings, settlements for machinery imports fell 16 percent year-on-year to $904 million during July-December. Openings and settlements of intermediate goods also declined, according to BB data.

M Masrur Reaz, chairman of Policy Exchange Bangladesh, said businesses began regaining confidence after the interim government announced parliamentary elections on August 5 last year.

He said the Election Commission's announcement of the poll date in the second week of December gave the private sector further clarity. "Since then, some orders for the import of capital machinery have started to be placed," he said.

Reaz described the election as a key milestone in restoring confidence. "A political and elected government has come to power, and it will be in power for five years. It gives predictability, which is important for businesses."

"The sustainability of the confidence boost will depend on government actions and the carrying out of reforms," said the economist.

NBR revises

FROM PAGE B1

widely used in households and industry -- within consumers' purchasing power.

The new measures will remain in force until June 30, 2026.

The revenue administration's move came following an application from the LPG Operators Association of Bangladesh and recommendations from the Ministry of Power, Energy and Mineral Resources.

Ramadan supplies adequate, but Ctg feels port backlog impact

Traders in Dhaka claim that prices are stable

MOHAMMAD SUMAN *and* SUKANTA HALDER

With Ramadan at the doorstep, price movements in the essential commodities market present a mixed picture. Analysis of import data and market visits suggests that while overall import volumes of major Ramadan essentials are higher than last year, temporary logistical constraints have influenced price trends in certain wholesale hubs.

In Chattogram, the country's main port city and wholesale nerve centre, traders are reporting price increases of chickpeas, sugar and lentils. They blame a short-lived strike at Chattogram port, which handles some 90 percent of the country's external trade, and election-related holidays for creating a supply bottleneck precisely when pre-Ramadan demand was building.

In Dhaka, traders say prices of edible oil, sugar and pulses are stable or returned to normal after a brief spike. Fruit and dates importers in the capital report no upward pressure whatsoever.

PORT BACKLOG BITES

A visit to Chattogram's Khatunganj, one of the country's largest wholesale commodity markets, yesterday showed lively trading activity. Trucks were unloading items as traders prepared for the seasonal spike in demand.

According to data from the National Board of Revenue (NBR), imports of most Ramadan essentials have increased over the past two and a half months compared to the same period last year.

Importers also say there are no shortages. "Every item, including sugar, oil, salt, flour and pulses, is available. There is no shortage of any fast-moving consumer goods products," said SM Mujibur Rahman, head of accounts of Meghna Group of Industries, a major commodity processor and importer.

NBR data shows that edible oil supply has been particularly robust. Between December 1 and February 16, combined soybean and palm oil imports were 5.84 lakh tonnes, up by about 27,500 tonnes year-on-year. Soybean seed imports also rose 16 percent to 6.86 lakh tonnes, which can yield around 1.21 lakh tonnes of oil after crushing.

With and estimated Ramadan demand for edible oil ranging between 3 lakh and 3.5 lakh tonnes, import volumes appear more than adequate.

Sugar imports during the same period reached 4.85 lakh tonnes, nearly 40 percent higher year-on-year, against an estimated Ramadan demand of around 3 lakh tonnes.

PHOTO: RAJIB RAIHAN

Ahead of Ramadan, demand for dates has increased at Chattogram's wholesale fruit market. However, due to supply constraints and political factors, prices have increased recently, with wholesale rates ranging from Tk 200 to Tk 2,000 per kilogramme.

Revenue board data also shows that lentil imports totalled 2.29 lakh tonnes over the past two and a half months, about 43 percent higher than in the corresponding period last year. Chickpea imports stood at 1.59 lakh tonnes, exceeding the typical Ramadan demand of roughly 1 lakh tonnes.

Yet, wholesale prices have edged up in recent days due to the port strike earlier this month and later amid holidays during the national parliamentary elections, claim traders.

Ehsan Ullah Zahedi, owner of Al Madina at Khatunganj, said delayed unloading during the port disruption tightened short-term supply. "Chickpea prices increased by Tk 5 to Tk 8 per kg depending on quality. Supply has resumed now, and we expect prices to stabilise soon."

At the beginning of February, standard-quality chickpeas were selling at Tk 74-Tk 78 per kg at the wholesale level. Prices have now increased to Tk 78-Tk 87 per kg, depending on quality. Retail prices range between Tk 82 and Tk 95 per kg.

Meanwhile, traders say imports of dates, another Ramadan staple, dipped slightly to 39,000 tonnes year-on-year but were supplemented by carryover cold storage stocks. Earlier imports had peaked at 47,073 tonnes under a reduced-duty window.

Nurul Azim Munna, proprietor of Amena Traders at Khatunganj, said dates are now selling between Tk 250 and Tk 1,600 per kg, depending on quality, marking a 5 to 7 percent increase over the past week.

"Imports increased after the duty cut, and more consignments are in the pipeline. Once those are cleared, supply will improve further," he said.

Wholesale sugar prices have increased by about Tk 5 per kg in the past week to Tk 110, while onions are selling at Tk 45-Tk 50 per kg. Lentils have risen by Tk 5 per kg to Tk 75-Tk 77.

Retailers say consumers are already feeling the pressure.

Ehsanul Haque, owner of Mohammadiya Store in the Muradpur area, said retail traders have adjusted prices in line with the wholesale market.

"When wholesale prices go up, we have to follow. Customers are complaining, especially about chickpeas, sugar and oil. Demand is rising every day as Ramadan approaches," he said.

DHAKA: TCB SHOWS HIKE, TRADERS CLAIM STABILITY

An analysis of data from Trading Corporation of Bangladesh (TCB), which keeps track of essential commodity prices in the capital, shows that over the past week, the price of loose soybean oil has increased by 0.28 percent, and the price of lentils has risen by 2.70 percent.

Traders, however, claim that prices are stable. At Dhaka's Moulvibazar, a major wholesale hub for sugar and edible oil, trader Abul Hashem said prices of most Ramadan-linked items are generally stable and supply remains normal. "Sugar prices had increased earlier but have since returned to normal."

Retailers at Karwan Bazar, one of the largest kitchen markets in the capital, echoed similar trends.

Mohammad Bablu, a retailer there, said prices of edible oil and red lentils had ticked up slightly a few days ago but have since stabilised. "The prices of products that typically see higher demand during Ramadan are fairly stable."

Mohammad Sohail, a Dhaka-based fruit importer, said the price of dates has remained steady over the past week, as supply is sufficient. "No price hike is expected in the coming days."

The unsolved math of population

AHMED HUMAYUN MURSHED

The election dust has finally settled. People now look to the new prime minister for results. Tarique Rahman stands at the helm of a nation of nearly 200 million. The campaign was won on trust and hope for change, but success will be measured by something far less poetic: the quiet, heavy weight of expectation carried by those same people.

We often discuss the challenges facing Bangladesh, job scarcity, stubborn inflation, healthcare shortages, declining education standards, deterioration in law and order, lack of infrastructure, as if they are separate fires to be extinguished.

In reality, they are branches of the same tree, fed by a single root: the size of our population. It is not about who we are. It is about how many we are.

Bangladesh's economy currently sits at roughly $460 billion to $470 billion. It is an impressive figure. But when the national cake is divided among nearly 200 million people, the slices become thin.

Our per capita income stands at around $2,800. Vietnam has an economy of similar size, yet with about 100 million people its per capita income exceeds $4,000. The Philippines, with 115 million people, is near $3,500. Malaysia, home to just 34 million, crosses $12,000. This is not simply a matter of leadership or smarter policy. It is basic arithmetic. When wealth is shared among fewer people, quality of life rises.

The pressure is most visible in the job market. Each year millions of young people enter the workforce, but jobs do not expand at the same pace. The informal sector grows. Delivery riders multiply and battery rickshaws crowd intersections. When too many compete in low entry sectors, earnings fall and stability fades. Families delay better housing or quality education because their financial base feels uncertain.

Our infrastructure tells the same story of strain. Roads and bridges wear out ahead of schedule. Drainage systems fail during heavy rain because urban growth has outpaced municipal planning. Classrooms and hospitals are overwhelmed. Teachers struggle to maintain standards when numbers exceed capacity, and doctors are pushed beyond safe limits. Quality of life is not only about income. It is about the air we breathe, the hours lost in traffic and whether a hospital bed is available when needed.

While educated and financially secure families increasingly choose smaller families, less privileged communities often have larger ones. The gap widens inequality and deepens social frustration.

Supporting 200 million people requires vast public investment, yet the tax base remains narrow. Only about 3 million individuals file tax returns. A small group carries the burden for the nation, while others pay mainly through indirect taxes such as higher VAT. High rates on a limited base discourage compliance.

There is also an upside to this population. The tax net can be broadened with lower rates, reducing non-compliance and corruption.

There is more. Remittances of roughly $20 billion to $22 billion a year provide a vital lifeline, yet most migrants work in low-skilled roles. With sustained investment in technical training, the workforce abroad could move into higher-skilled professions. A large population could then become a stronger, more sophisticated remittance engine.

These 200 million people can become the force behind national transformation. Remittances and taxes will grow if the population is skilled, productive and better supported. But time is limited. The arithmetic of 200 million will not wait. No equation will balance until this one does.

The writer is co-founder and chief executive of Accfintax and associate director at Hoda Vasi Chowdhury and Co

Adani Group to invest $100b in AI data centres by 2035

AFP, *Mumbai*

India's Adani Group said Tuesday it plans to invest $100 billion by 2035 to develop "hyperscale AI-ready data centres", a boost to New Delhi's push to become a global artificial intelligence hub.

The announcement comes as India hosts a five-day global AI summit that will see deliberations over issues ranging from job disruption to child safety.

The summit will gather 20 national leaders and 45 ministerial-level delegations -- with the key day on Thursday -- who will rub shoulders with tech CEOs including Sam Altman of OpenAI and Google's Sundar Pichai.

The $100 billion investment would catalyse an additional $150 billion in spending across "server manufacturing, advanced electrical infrastructure, sovereign cloud platforms and supporting industries", the Adani Group said in a statement.

"Together, this is projected to create a $250 billion AI infrastructure ecosystem in India over the decade," the statement noted.

The sprawling ports-to-power conglomerate said its vision is "anchored" by key partnerships with Google -- which aims to establish a massive data centre campus in the coastal city of Visakhapatnam -- and Microsoft.

'Made in Europe' or 'Made with Europe'? Buy European push splits bloc

AFP, *Brussels*

Everyone in Europe agrees the EU needs to rescue its industry but the bloc is split over how far it should push a 'Buy European' approach in order to do so.

The European Commission, the EU's executive arm, will next week propose new rules that are expected to include a requirement for companies in strategic sectors to produce in Europe if they want to receive public money.

But the definition of "European preference" has triggered debate, with calls especially from France for more "Made in Europe", while other EU states such as Germany call for "Made with Europe".

PROTECTING EUROPE OR EUROPEAN PROTECTIONISM

French President Emmanuel Macron insisted the new rules would be about "protecting our industry" without "being protectionist", by defending "certain strategic sectors, such as cleantech, chemicals, steel, cars or defence".

Otherwise, he warned, "Europeans will be swept aside".

But other EU countries, which are proponents of free trade, oppose the plans.

Swedish Prime Minister Ulf Kristersson said Europe should compete based on quality and innovation, not because it wanted to protect European markets.

"We do not want to protect European businesses that are basically not competitive," Kristersson told the Financial Times newspaper last week.

But EU leaders during talks Thursday appeared to reach a consensus on the issue, pushing for the measure in certain specific sectors since they say Europe faces unfair competition from China and other countries.

"We are in favour of open markets," German Finance Minister Lars Klingbeil said Monday. "But I also want to be very clear: if China changes the rules of the game, if we are confronted with overcapacity, subsidies, and the fact that markets in Europe are flooded, then Europe must defend itself."

IN EUROPE OR WITH EUROPE

Supporters want "Made in Europe" to be strictly defined, and only for industrial goods made from components manufactured in the European Economic Area, made of the EU's 27 states as well as Iceland, Liechtenstein and Norway.

Critics say this definition would be too restrictive and instead call for a more flexible measure, like Germany's Merz, who calls for "Made with Europe" not "Made in Europe". They also argue it would be difficult to apply in practice and risks destabilising European supply chains.

"Typically, even a vehicle assembled in Europe incorporates hundreds of specialised components sourced from all over the world. Many critical inputs cannot be competitively produced at scale in Europe," Japanese carmaker Honda said.

Britain and Turkey, for whom the EU is an important trading partner, have also privately expressed concern to Brussels about keeping their countries out.

Some EU capitals are worried about potential retaliatory measures from supplier countries, which would drag Europe into showdowns at a moment when it needs to strengthen its exports.

WHAT WILL THE RULES LOOK LIKE

The EU executive insists it has balanced the need to be open and protect firms.

The measure will be "targeted in three ways", said the office of EU industry chief Stephane Sejourne -- who is spearheading the push.

It will affect:

-- a limited number of critical components

-- a limited number of strategic sectors

-- only when public funding is involved.

The final proposal, which will be announced on February 25, could end up only touching a handful of sectors: the auto industry and those playing an essential role in the green transition and confronted by what the EU says unfair Chinese competition, such as solar panels, wind turbines and batteries.

Sejourne's office insisted companies producing in the EU would be considered European and there will be "reciprocal commitments" with trusted partners.

A draft document seen by AFP says products made in countries outside the EU with rules similar to the bloc will be treated like those made in Europe. Non-EU countries however remain watchful until the real proposal lands.

For example, there are still many unknowns including what the percentages of European or equivalent components will be required from manufacturers if they wish to continue accessing public money.

Model paints, which are made in Europe, are seen for sale at Game Kastle in Maryland. The European Commission will next week propose new rules that are expected to include a requirement for companies to produce in Europe if they want to receive public money. PHOTO: AFP/FILE

Gold slides over 2% on strong dollar

REUTERS

Gold dropped more than 2 percent on Tuesday, as holidays in major markets hit liquidity, while a stronger dollar and easing geopolitical tensions added to the pressure.

Spot gold dropped 1.5 percent to $4,917.90 per ounce by 0800 GMT after hitting $4,862 per ounce, its lowest level in more than a week. US gold futures for April delivery lost 2.2 percent to $4,936.60 per ounce.

"Thin liquidity with the holidays in the last 24 hours, especially in China and Asia, but also obviously in the United States too, means we just lacked a bid in the market," said Kyle Rodda, senior market analyst at Capital.com.

Mainland Chinese, Hong Kong, Singapore, Taiwan and South Korea markets are closed for the Lunar New Year holidays. US markets were shut on Monday for Presidents' Day.

The US dollar index rose 0.3 percent against a basket of currencies, making greenback-priced bullion more expensive for holders of other currencies.

The minutes of the Federal Reserve's January meeting, due Wednesday, could give investors further clues about the central bank's future monetary policy path. The market currently expects the first of three interest rate cuts for the year to be in June, according to CME's FedWatch Tool.

"Now it's going to be interesting to see what these FOMC minutes say in the sense that the markets want many more rate cuts now than what the Fed said that it would do," said Ilya Spivak, head of global macro at Tastylive.

Non-yielding bullion tends to do well in low-interest-rate environments.

On the geopolitical front, US President Donald Trump said Monday he would be "indirectly" involved in US-Iran nuclear talks in Geneva on Tuesday, while Ukrainian and Russian representatives will also meet there this week for US-mediated peace discussions.