

Furnace oil price cut by 18%

STAR BUSINESS REPORT

The Bangladesh Energy Regulatory Commission (BERC) has cut furnace oil prices for public and private power producers and industries by 18 percent, from Tk 86 to Tk 70.10 per litre.

The commission set the rate for the first time yesterday, following a public hearing last month. Previously, the Bangladesh Petroleum Corporation (BPC) used to determine the price on its own.

BPC sells around 8.9 lakh tonnes of furnace oil annually, mainly to public power generation companies, as well as to some private power producers and industries.

At a hearing on January 29, the Bangladesh Power Development Board (BPDB) alleged that BPC had charged up to Tk 644 crore more than the actual supply cost over the past one and a half years.

BPDB officials said BPC maintained a fixed price of Tk 86 per litre during the period, although its procurement cost ranged between Tk 57 and Tk 83 per litre in different months.

The BPDB proposed setting the price at Tk 50.83 per litre.

In contrast, BPC proposed cutting the price by Tk 1 to fix it at Tk 85 per litre.

According to the BERC decision, the margin and transmission charges for oil companies Padma, Meghna, Jamuna and Standard Asiatic Oil Company Limited are Tk 0.71 and Tk 1.20, respectively.

The new rate comes into effect from 12am today.

Trump to remove Vietnam from restricted tech list

Hanoi says

AFP, Hanoi

US President Donald Trump told Vietnam's top leader To Lam he would "instruct the relevant agencies" to remove the country from a list restricted from accessing advanced US technologies, Vietnam's government announced Saturday.

The two leaders met in person for the first time at the White House on Friday, after Lam attended the inaugural meeting of Trump's "Board of Peace" in Washington.

"Donald Trump said he would instruct the relevant agencies to soon remove Vietnam from the strategic export control list," Hanoi's Government News website said.

The two countries were locked in protracted trade negotiations when the US Supreme Court ruled many of Trump's sweeping tariffs were illegal.

Three Vietnamese airlines announced nearly \$37 billion in purchases this week, in a series of contracts signed with US aerospace companies.

Fledgling airline Sun PhuQuoc Airways placed an order for 40 of Boeing's 787 Dreamliners, a long-haul aircraft, with an estimated total value of \$22.5 billion, while national carrier Vietnam Airlines placed an \$8.1 billion order for around 50 Boeing 737-8 aircraft.

When Trump announced his "Liberation Day" tariffs in April, Vietnam had the third-largest trade surplus with the US of any country after China and Mexico, and was targeted with one of the highest rates in Trump's tariff blitz.



High home loan interest rates, along with political and economic instability, significantly impacted Bangladesh's real estate sector in 2025, industry insiders say.

PHOTO: STAR/FILE

Rising borrowing costs stall mid-segment housing market

JAGARAN CHAKMA

Surging home loan interest rates have brought Bangladesh's mid-segment housing market to a near standstill in 2025, squeezing salaried buyers who depend heavily on bank financing and sharply raising monthly instalments beyond affordability.

Combined with political and economic uncertainty, the spike in borrowing costs has slashed sales, triggered cancellations and shaken investor confidence across the real estate sector.

According to Bangladesh Bank data, the interest rate on housing loans rose to as high as 17 percent in January 2024, up from a maximum of 9 percent in January 2022, and remained elevated through January 2026.

"High home loan interest rates, along with political and economic instability, have significantly impacted Bangladesh's real estate sector in 2025, particularly the mid-market segment," said Anup Kumar Sarker, senior executive director of Concord Group.

He noted that the sharp rise in borrowing costs last year dealt the biggest blow to the industry, as mid-market buyers largely depend on bank loans. Typically, buyers finance about 70 percent of an apartment's value through loans and pay the remaining 30 percent as a down payment.

When rates were in single digits, instalments were manageable for salaried individuals. But as rates climbed to 14-16 percent amid inflationary pressure, monthly repayments rose sharply.

"Many service holders plan to replace rent payments with loan instalments to own a home," Sarker said. "But with higher interest rates, that calculation no longer works."

He added that sales have declined by at least 30 percent industry-wide, with even relatively stable developers reporting 20-25 percent de-growth.

Under normal conditions, Concord sells 40-50 units per month, but volumes have fallen since August 5, 2024. Rising financing costs have also dampened investor interest, making property returns less attractive in a volatile market.

A senior official at a leading private-sector bank who oversees home loans echoed those concerns, saying unusually high rates have significantly affected the mortgage market since most salaried buyers rely heavily on bank financing.

He said stricter apartment registration rules also had a notable impact on loan disbursement and overall demand, though some of those regulations have recently been eased.

A senior official at a bank said that high interest rates have significantly affected the mortgage market since most salaried buyers rely heavily on bank financing

The maximum home loan limit has been raised to Tk 4 crore from Tk 2 crore, a move he believes could offer some relief to prospective buyers and support a gradual recovery.

The rise in borrowing costs was not accidental. The central bank dismantled a fixed 9 percent lending rate cap and shifted to a market-driven regime as part of a broader effort to manage inflation and stabilise liquidity in the banking system.

"The transition to a market-aligned system was a necessary step to stabilise the economy," said M Nazeem A Choudhury, deputy managing director of Prime Bank.

Market rates now typically range between 11.5 and 13.5 percent, noted Choudhury.

Under the circumstances, his bank worked to undercut that range, offering home loans at 10.5 to 11.5 percent, which

he said has resulted in an uptick in borrowers transferring existing loans from competitors seeking better terms.

Developers, meanwhile, have felt the pressure from multiple directions.

Md Bahauddin Mia, director of corporate affairs and public relations at Asset Developments & Holdings Ltd, said falling apartment prices and rising construction material costs have squeezed margins.

"We witnessed a tough time. Apartment prices have declined, while material costs have increased. This imbalance has created ongoing difficulties," he said.

He attributed part of the price decline to capital outflow among affluent buyers.

"Those who usually purchase apartments worth Tk 2 to Tk 3 crore are now investing abroad. For others, buying property in that range has become difficult," Mia said.

Asset Developments, which focuses on the upper-middle-income segment in areas such as Uttara and Bashundhara, typically sells 150-200 units annually. Sales have slowed recently, compounded by a rise in cancellations.

"Several clients who booked apartments before August 5 later sought cancellations, citing business closures and financial constraints," he said.

M Hoque Faisal, director of sales and marketing at Tropical Homes Limited, described 2025 as a challenging year, citing amendments to Dhaka's Detailed Area Plan (DAP), prolonged policy revisions, banking sector instability and broader economic and political uncertainty.

He said repeated regulatory changes since 2023 created uncertainty among developers. It took nearly three years for the government to finalise the policy framework, discouraging new land acquisitions amid fears of reduced allowable space and potential losses.

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Commercial courts open a new chapter in reform

MASUD KHAN

The establishment of commercial courts marks a significant and timely reform in the justice delivery system of Bangladesh. For years, businesses have struggled with prolonged litigation, mounting backlogs and systemic inefficiencies in resolving commercial disputes. The creation of specialised commercial courts under the Commercial Court Ordinance, 2026 reflects a growing recognition that economic growth and judicial efficiency are closely linked. Under a recent notification, three commercial courts have been established in the Dhaka Metropolitan and two in the Chattogram Metropolitan. In addition, 70 more courts have been set up in other metropolitan areas and at district level across the country. In total, 75 commercial courts will commence operations nationwide.

One of the most pressing challenges facing the business community is delay in adjudicating cheque dishonour cases under Section 138 of the Negotiable Instruments Act. Although cheque dishonour is a criminal offence, cases often take years to conclude. A dishonoured cheque frequently represents unpaid invoices, resulting in working capital shortages. When enforcement is slow, it undermines trust in commercial transactions and weakens confidence in the use of cheques as reliable instruments of payment.

Beyond cheque dishonour cases, enforcement of commercial contracts in Bangladesh has historically been slow and unpredictable. Civil courts handle a wide range of disputes, and commercial matters compete for limited judicial time and resources. As a result, complex contractual disputes involving supply agreements, shareholder arrangements, construction contracts or banking transactions may take years to reach final resolution. Such delays increase the cost of doing business and create uncertainty in the commercial environment.

The introduction of commercial courts is therefore a welcome initiative. By dedicating specific courts exclusively to commercial matters, the judiciary can streamline case management, prioritise business disputes and reduce backlog. Separating commercial cases from general civil and criminal dockets should allow more focused adjudication, faster hearings and greater consistency in decisions.

The establishment of commercial courts is also likely to improve ease of doing business in Bangladesh. One of the most important indicators in global business assessments is the time and cost involved in enforcing contracts. International investors have long expressed concern about delay and unpredictability in the legal system. The perception that disputes may remain unresolved for years has often influenced investment decisions. A specialised and time-bound forum for resolving commercial disputes can address these concerns directly, improving investor confidence and enhancing competitiveness as an investment destination.

However, the effectiveness of commercial courts will depend on the availability of trained and commercially knowledgeable judges. Commercial disputes may involve corporate governance principles, financial instruments, cross-border transactions, insolvency issues and detailed contractual frameworks. Judges assigned to these courts must possess not only legal expertise but also a sound understanding of commercial realities. Judicial training must therefore be central to this reform. Structured programmes in commercial law, banking law, company law and modern case management practices are essential. Continuous professional development should ensure that judges remain informed about evolving business practices and financial systems. Procedural efficiency is equally important. Commercial courts should adhere to strict timelines, limit unnecessary adjournments and adopt technology for filing and case tracking.

Ultimately, the establishment of 75 commercial courts nationwide has the potential to transform the commercial legal landscape of Bangladesh. By expediting cheque dishonour cases and strengthening enforcement of contracts, these courts can restore confidence in financial transactions, improve the ease of doing business and reassure international investors that Bangladesh is committed to an efficient, reliable and investment-friendly legal system.

The writer is chairman of Unilever Consumer Care Ltd

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US trade partners cautiously welcome tariff ruling

AFP, Washington

US trading partners on Friday cautiously welcomed a Supreme Court ruling striking down US President Donald Trump's sweeping global tariffs, with hard-hit Canada saying the levies were always "unjustified."

But soon after the decision was announced, Trump vowed to impose a 10 percent tariff on all imports into the United States under a separate authority.

While the conservative-majority Supreme Court ruled that Trump was not authorized by the International Emergency Economic Powers Act (IEEPA) to impose tariffs, the ruling does not impact sector-specific duties that Trump has imposed on imports of steel, aluminum and various other goods.

Governments were weighing how all this this would impact commerce with the world's largest economy, which has been transformed through Trump's use of executive authority since he took office a year ago.

Here is a look at how governments around the world have reacted:

CANADA

Canadian International Trade Minister Dominic LeBlanc said the ruling reinforces Ottawa's position that the levies were "unjustified."

But he noted that the tariffs causing the most pain in Canada -- sector-specific measures affecting the steel, aluminum and auto industries -- remained in force.

The Canadian Chamber of Commerce cautioned against viewing the court's decision as "a reset of US

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AI agent invasion has people trying to pick winners

AFP, New York

An onslaught of artificial intelligence agents that handle tasks from writing code to dispensing tax advice has the tech world and financial markets scrambling to pick winners and shed losers.

Gone are the days of being satisfied with OpenAI's ChatGPT simply creating responses to text prompts.

Makers of leading AI models have embraced "agentic" capabilities that provide software assistants capable of independently tending to tasks, such as creating software applications, based on simple descriptions.

Futurum chief strategist Shay Bloor sees the moment as an "inflection point" where millions of AI agents will soon be routinely handling tasks long tended to by people. "We've never had a tech disruption at this scale before," Bloor told AFP.

"It's extreme. The market is underwriting that future uncertainty in a doom-based scenario."

The turning point has been marked by rapid-fire releases of ever-improving AI models, including recent new versions from OpenAI and Anthropic.

Add to that the November debut of autonomous AI agent OpenClaw that some have equated to the fictional "Jarvis" AI assistant from the "Iron Man"

superhero films.

The creator of OpenClaw was snapped up by ChatGPT-maker OpenAI, signaling that the San Francisco-based startup has even more ambitious agentic aspirations.

FUTURE OR FICTION?

Investors quickly saw AI agents as a threat to software publishers, particularly

those serving businesses.

Monday.com, which specializes in workplace collaboration, along with Salesforce and Thomson Reuters with its tax, accounting and trade software arms saw their stock value plummet 30 percent or more on Wall Street in a matter of days.

Georgetown University management



Microsoft CEO Satya Nadella speaks during an event highlighting Microsoft Copilot agents, the company's AI tool, in Redmond, Washington. Makers of leading AI tools have embraced "agentic" capabilities that provide software assistants capable of independently tending to tasks.

PHOTO: AFP/FILE