

Star BUSINESS



One-third of listed firms saw sales decline in FY25

Companies faced high inflation, political uncertainty and rising borrowing costs, while weak demand and supply disruptions hit sales and profits

AHSAN HABIB

Listed companies endured another difficult year as macroeconomic stress and political headwinds weighed on sales and profits in fiscal year 2024-25, according to their financial disclosures.

So far, 158 listed firms, excluding banks, non-bank financial institutions and insurers, have published their financial reports.

An analysis by The Daily Star shows that overall sales growth of the companies slowed, while one-third of the companies, or 61 firms, reported a fall in sales in FY25.

Many of these firms were already under pressure from stubbornly high inflation and rising import costs due to a weaker taka.

Those strains did not ease last fiscal year. Instead, a nationwide mass uprising that ultimately ousted the Awami League government in August 2024 and subsequent political uncertainty added further stress.

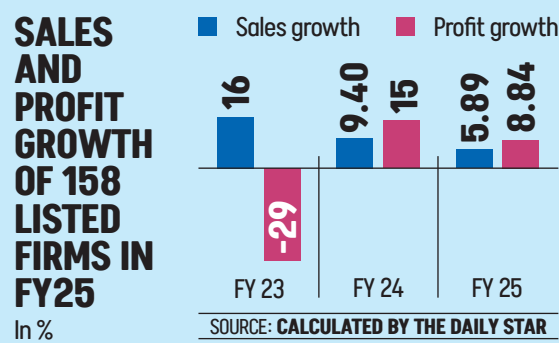
Business leaders now see little improvement ahead. With the US-Israel war on Iran spilling across the Middle East, they say conditions could deteriorate sharply. Some say the fallout could rival the disruption seen during the Covid pandemic if the war drags on and energy supplies are hit.

In FY25, combined sales growth for the 158 firms stood at 5.89 percent, down from 9.4 percent a year earlier. It was 16 percent in FY23.

Profit growth also slowed to 8.8 percent from 15 percent the previous year. In FY23, overall profit growth was dragged into negative territory by huge losses at state-owned Titas Gas and Dhaka Electric Supply Company (DESCO).

Companies that saw sales declining in FY25 said disruptions during the July-September quarter due to the nationwide protests were a key factor. In an effort to contain the unrest, the then Awami League government imposed an internet blackout lasting at least ten days, alongside curfews and factory closures. Production suffered, and supply chains were shaken.

After the government fell, an interim administration took charge. But labour unrest in industrial belts seeking pay hikes and other perks, weak law and order, and fragile business confidence continued to squeeze company earnings.



SOURCE: CALCULATED BY THE DAILY STAR

AT A GLANCE (Number of companies)

Returned to profit	5
Profit rose	26
Profit fell	42
Remained in losses	30
Incurred loss for first time	13

In a bid to curb inflation and restore macroeconomic stability, the interim government raised lending rates and shelved development projects. Tighter monetary policy pushed up borrowing costs, while reduced public investment damped demand for many businesses.

"For good business, a conducive environment is necessary. But there were several headwinds in the entire last fiscal year. Those impacted the business," said Taskeen Ahmed, president of the Dhaka Chamber of Commerce & Industry (DCCI). He added that the strain was widespread. "Law and order situation was at its lowest level last fiscal year, while foreign investors hesitated to run businesses amid political uncertainty."

"So, the overall business condition was under severe pressure," he said. Ahmed said that although borrowing costs surged, companies were unable to pass these on to consumers. It squeezed their margins.

The analysis of the financial reports shows that combined finance costs for listed firms rose by about 26 percent in FY25, even as their borrowing increased only marginally.

Throughout 2025, weak confidence and macroeconomic stress kept credit

demand subdued.

Private sector credit growth slowed to 6.5 percent by June 2025, down from 9.84 percent a year earlier, according to the Bangladesh Bank. By December 2025, it slipped further to 6.10 percent, the lowest in at least four years.

Alongside supply-side pressures, demand remained weak in FY25, said Ahmed, also the vice-chairman of IFAD Group.

With inflation averaging 10.03 percent last fiscal year, according to the Bangladesh Bureau of Statistics (BBS), consumers cut back on non-essential spending.

"As a result, demand for construction-related products and other sectors that are relatively not immediately necessary dropped. It hit the overall businesses of the firms," he added.

LARGE FIRMS SHOW RESILIENCE

Among the 158 companies, five returned to profit in FY25 after posting losses the previous year, while 26 recorded higher profits.

In contrast, profits fell at 42 firms, 30 remained in the red, and 13 newly slipped into losses.

Riad Mahmud, president of the Bangladesh Association of Publicly Listed

Companies, said reduced government development spending hit many firms directly and indirectly.

He said smaller companies were more exposed to falling sales, while larger, well-governed firms proved more resilient.

"It was a testing year for companies in terms of risk management and governance, and those that lacked these were hit hardest," said Ali Imam, founder and chief executive of EDGE Asset Management.

Highly leveraged firms, those relying heavily on borrowed funds, were particularly vulnerable during the downturn, he further said.

"In Bangladesh, many local companies are highly leveraged, so higher interest rates and lower sales hit them hard. By contrast, the impact was comparatively low for firms with lower leverage," he said.

Firms with strong governance and risk management performed better, he added, as larger companies were able to capture market share and exert pricing power.

The CEO of the asset management firm cited BSRM Steels, BSRM Ltd and Square Pharmaceuticals, along with most multinationals, as outperformers.

He also pointed to stricter auditing

Govt buys LNG at lower rates as global prices cool

REJAUL KARIM BYRON and JAGARAN CHAKMA

Bangladesh will import two liquefied natural gas (LNG) cargoes from the spot market at prices lower than its recent purchases, as global fuel rates ease amid diplomatic efforts to de-escalate the US-Israel war on Iran.

The Cabinet Committee on Government Purchase yesterday approved the procurement for delivery in late April.

UK-based TotalEnergies Gas & Power Ltd offered \$19.77 per MMBtu (metric million British thermal unit) for both cargoes, down from over \$20 per MMBtu in deals struck earlier this month. The total cost is estimated at Tk 1,667 crore.

Officials at the Ministry of Power, Energy and Mineral Resources said the lower rate reflects a recent dip in global energy prices, driven by expectations of a negotiated end to the Middle East conflict, which has outweighed concerns over supply disruptions in the Gulf.

Oil prices have softened in recent days, creating a window for cheaper spot purchases.

According to US media reports, prices fell as a diplomatic push by the US to end the war gathered pace, eclipsing news of more troops being sent to the region and the Strait of Hormuz remaining largely shut.

Brent sank as much as 7 percent toward \$97 a barrel before paring the drop, while West Texas Intermediate was near \$88.

The US drafted a 15-point plan to help bring the conflict to a close, according to news reports. The proposal was delivered to Iran via Pakistan.

On March 17, the government approved two LNG cargoes from Aramco Trading Singapore at \$20.96 and \$20.92 per MMBtu.

Prior to that, three cargoes were secured at above \$20, including one from TotalEnergies at \$21.58 and two from South Korea's Posco International at \$20.76. The three shipments are expected to arrive between April 5 and April 13.

Immediately after the war began on February 28, Petrobangla, the state-owned agency responsible for managing gas, bought two emergency cargoes at significantly higher rates - \$28.28 per MMBtu from US-based Gunvor and \$23.08 from Vitol.

READ MORE ON B3

Gold prices drop by Tk 36,000 per bhoari in three weeks



SUKANTA HALDER

Domestic gold prices have fallen by nearly Tk 36,000 per bhoari over the past 23 days, driven by a sharp decline in global rates amid shifting geopolitical tensions in the Middle East.

The price of gold per bhoari stood at around Tk 2.41 lakh yesterday, down from around Tk 2.77 lakh on March 3, according to data from the Bangladesh Jeweller's Association (Bajus).

The domestic market has adjusted prices 12 times between March 1 and March 25, with 10 of those changes reflecting downward revisions.

The decline comes after a month-long rally that saw gold prices more than double in just over a year. In January 2025, 22-carat gold was priced at around Tk 1.40 lakh per bhoari. By the start of this year, it had risen to Tk 2.22 lakh, and peaked at Tk 2.86 lakh on January 29, 2026.

The recent drop mirrors volatility in international markets, where gold prices have fallen by \$757.43 per ounce over the past 30 days.

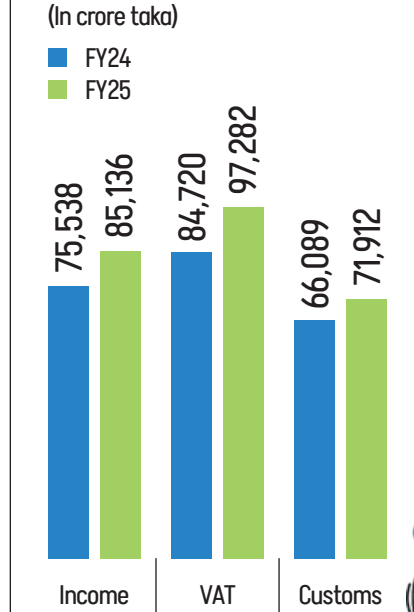
On Monday, spot gold briefly touched \$4,100 per ounce, its lowest level since December 11, before recovering to \$4,545.34 by yesterday, buoyed by a weaker dollar and falling oil prices.

The rebound followed US President Donald Trump's announcement of a five-day delay in planned strikes

READ MORE ON B3

NBR misses Jul-Feb revenue target by 28% despite growth

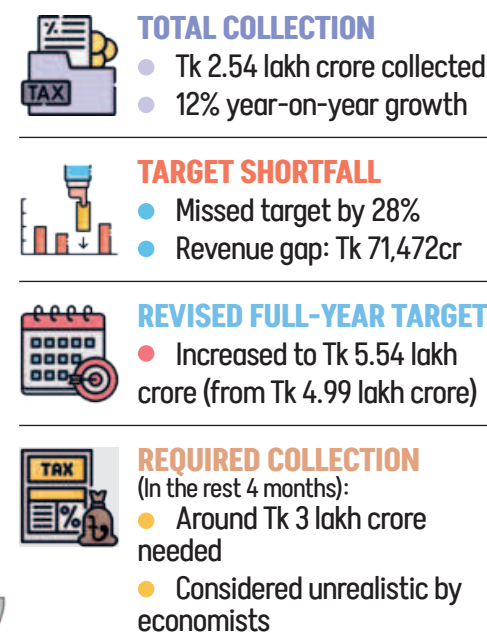
REVENUE COLLECTION IN JUL-FEB PERIOD (In crore taka)



If the annual growth target is to be met, tax collection will need to increase by 59.4 percent during February to July of FY26

Fahmida Khatun
Executive director of CPD

REVENUE PERFORMANCE (FY26: Jul-Feb)



MD ASADUZ ZAMAN

The National Board of Revenue (NBR) fell short of its revenue target by 28 percent during July-February of fiscal year 2025-26 (FY26), leaving a gap of Tk 71,472 crore.

As per provisional data released yesterday, the shortfall came despite a 12 percent year-on-year rise in collections to Tk 2.54 lakh crore, buoyed largely by robust VAT (value-added tax) receipts from domestic trade and economic activity.

The deficit underscores the widening

gap between the tax authority's ambitions and ground reality. The board has consistently missed its target over the last decade.

Yet, in late November, the previous interim government had revised the NBR's full-year target upward to Tk 5.54 lakh crore from Tk 4.99 lakh crore, following strong first-quarter collections.

Meeting that goal would now require mobilising around Tk 3 lakh crore over the remaining four months of the fiscal year, an outcome economists say is highly unrealistic given persistent inflation,

sluggish development spending, and broader economic weakness.

Amid this sluggish revenue performance, the government is increasingly turning to borrowing to finance its expenditures.

According to provisional data from Bangladesh Bank, net borrowing from the banking sector crossed Tk 48,800 crore by January 25, nearly five times higher than the Tk 10,558 crore borrowed during the same period a year earlier, highlighting the growing fiscal strain.

READ MORE ON B3

Veon eyes satellite-based call service in Bangladesh

MAHMUDUL HASAN

Global telecom investor Veon plans to introduce direct-to-cell satellite connectivity in Bangladesh, allowing smartphones to connect straight to satellites through a partnership with Starlink and its subsidiary, Banglalink.

Kaan Terzioglu, chief executive officer of Veon, told The Daily Star recently that the company aims to replicate the same technology it is already using in Ukraine and Kazakhstan.

"We want to provide direct-to-device connectivity like in Ukraine, so every 4G-capable phone can link to satellites orbiting more than 400 kilometres above," Terzioglu said.

Unlike traditional mobile networks that rely on ground-based towers, Starlink's direct-to-cell technology uses satellites as cell towers in space. This allows ordinary mobile phones to connect directly, expanding coverage to areas with little or no ground infrastructure.

Terzioglu told Reuters that Veon is Starlink's largest partner by customer base for direct-to-cell services.

In Ukraine, the technology has already served nearly five million users in just four months, sending more than seven million messages through the network.

Ukraine's top operator, Kyivstar, also owned by Veon, signed an agreement with Starlink in 2024 to launch the satellite-to-phone service. In December, Veon said its operator Beeline had successfully trialled the service in Kazakhstan.

"Bangladesh will be next for the rollout, followed by Uzbekistan and Pakistan," Terzioglu added.

Officials at Banglalink said the company is progressing in discussions to finalise a partnership with Starlink for Bangladesh.

READ MORE ON B3

German business morale falls amid war

AFP, Frankfurt

German business morale fell in March as the war in the Middle East puts hopes of a recovery in Europe's struggling top economy "on ice", a key survey showed Wednesday.

The Ifo institute confidence barometer dropped from 88.4 in February to 86.4 in March as the energy price surge triggered by the conflict raises fears of higher inflation.

It was in line with forecasts, and came after the biggest rise in the indicator in almost a year last month — before the outbreak of the war pitting allies the United States and Israel against Iran.

"Sentiment among companies in Germany has dropped by a considerable degree," said Ifo president Clemens Fuest.

"The war in Iran has put any hope of a recovery on ice for the time being."

The news will be a heavy blow to the government of Chancellor Friedrich Merz, which has been seeking to spark a turnaround in the eurozone's industrial powerhouse after a long period of decline.

The drop in the Ifo survey was driven in particular by more pessimistic expectations among the roughly 9,000 companies surveyed.

Morale in the crucial manufacturing sector fell sharply, the survey showed, noting that "energy-intensive industries are most affected".

There were also falls in the service sector, with tourism and logistics firms all far more pessimistic, as well as in trade and construction, it said.

Capital Economics senior Europe economist Franziska Palmas said the survey and other recent indicators suggest "the renewed rise in energy prices could derail the tentative recovery in the German economy seen in recent months".

But she added Germany will likely weather this energy shock better than the one unleashed by Russia's 2022 invasion of Ukraine.

"The rise in energy prices has been much smaller (so far) and... a lot of the least profitable energy-intensive production has already been permanently lost," she added.

In its last official forecast in January, the German government said it expected the economy to expand one percent this year, although economic institutes now expect the figure to come in significantly lower.



Employees for Japanese knife manufacturer Sumikama Cutlery working at their factory in Seki of Gifu prefecture. In Japan, the flash composite PMI combining manufacturing and services activities dropped to 52.5 in March from 53.9 in February, its slowest rise in three months.

PHOTO: AFP/FILE

Iran war starts to hit global economy, surveys show

REUTERS, Frankfurt/Washington

The Iran war is already taking a toll on major economies around the world, according to business surveys on Tuesday which showed how a surge in energy prices and rising uncertainty were dampening activity and pushing inflation expectations higher.

The initial findings of questionnaires sent to purchasing managers at companies in the United States, Europe and Japan are the most comprehensive snapshot yet of the economic impact of the near four-week conflict that has shut off indefinitely a large chunk of the world's energy supplies.

The ensuing leap in the price of oil, gas and other related products is a potential double whammy for economies around the world, feeding through into wider inflation and stunting growth.

Beyond the trouble that spells for leaders of those economies — including US President Donald Trump himself — it has already prompted many of the world's central banks to envisage tighter policy to keep a lid on price pressures.

Among the 21 economies that share the euro currency, private sector growth all but stalled this month as companies signalled an increase in delivery times and expectations of rising costs that they in turn would be trying to pass on.

S&P Global said its flash euro zone composite Purchasing Managers' Index fell to a 10-month low of 50.5 in March, below expectations, from 51.9 in February. A reading above 50 indicates expansion in

the private sector.

Measures for both input and output prices in euro area manufacturing showed much sharper moves. Within the national readouts, business confidence dropped markedly among French firms while German private sector growth slowed to a 3-month low.

Chris Williamson, chief business economist at S&P Global Market Intelligence, said the euro area numbers were "ringing stagflation alarm bells", referring to the risk of a painful combination of stagnation amid rising prices.

S&P Global's US survey painted a similar picture of the world's largest economy, with higher energy prices raising inflation fears amid weaker business sentiment that pointed to weaker private sector employment prospects.

"President Trump may have delayed strikes on Iran's power grid, talking up diplomacy, but investors aren't buying a quick path to peace."

"President Trump may have delayed strikes on Iran's power grid, talking up diplomacy, but investors aren't buying a quick path to peace."

Its flash US Composite PMI Output Index fell to 51.4 this month. That was the lowest level since last April and followed a 51.9 reading in February and marked two straight monthly falls. The drop this month was in the services sector.

Other Group of Seven (G7) economies fared little better. In Britain, S&P Global's survey showed business activity growing at the slowest pace in six months while

manufacturers' input costs accelerated at the fastest rate since 1992.

In Japan, the flash composite PMI combining manufacturing and services activities dropped to 52.5 in March from 53.9 in February, its slowest rise in three months.

Outside the G7, India — which sources roughly 90 percent of its crude and nearly half its natural gas from abroad — saw its private sector growth hit a three-year low in March with input costs rising at their fastest pace since June 2022, in part passed on by firms who also saw their margins compressed.

So far, few economists are talking about the war plunging the global economy into outright recession, even as the energy shock from the de facto closure of the Strait of Hormuz — through which around a fifth of the world's oil passes — deepens.

"The scenario is very dependent on the duration of the conflict and on the outlook for energy prices," said Nicola Nobile of Oxford Economics, commenting on the euro area impact.

That said, there is a growing realisation that the economic consequences will not be short-lived, given the damage to energy infrastructure in the Gulf region inflicted by Iranian strikes in retaliation for US and Israeli missile attacks.

The Organization for Economic Co-operation and Development think tank said last week it was too early to quantify the impact of the conflict on global growth but cited a "significant level of downside risk" for the global economy.

ECB won't be 'paralysed' in face of energy shock: Lagarde

AFP, Frankfurt

The European Central Bank has several options for dealing with the Middle East war energy shock, its chief Christine Lagarde said Wednesday, vowing policymakers would not be "paralysed by hesitation".

The conflict, which began at the end of February with US-Israeli strikes on Iran, has sent oil and gas prices surging due to the near total closure of the Strait of Hormuz and attacks on Gulf energy targets.

Saying the world was facing "profound uncertainty", Lagarde insisted the ECB was well positioned to deal with the turmoil, with inflation currently close to its two-percent target and the eurozone economy on a sound footing.

"We have a graduated set of options for responding," she said in a speech in Frankfurt, where the ECB has its headquarters.

She stressed that policymakers "will not act before we have sufficient information on the size and persistence of the shock."

"But we will not be paralysed by hesitation: our commitment to delivering two percent inflation over the medium term is unconditional."

At its most recent meeting last week, the ECB kept interest rates on hold as expected, while warning of higher inflation and lower growth due to the war.

But analysts have raised their bets on the central bank hiking borrowing costs as soon as next month in a bid to keep the lid on an expected surge in consumer prices.

UK annual inflation steady before oil price surge

AFP, London

Britain's annual inflation rate was unchanged at 3.0 percent in February, official data showed Wednesday ahead of an expected jump as the Middle East war has sent oil prices surging.

At 3.0 percent, unchanged from January, the latest Consumer Prices Index (CPI) reading remains above the Bank of England's two-percent target.

Market expectations are meanwhile for the BoE to raise interest rates this year to combat the predicted jump to inflation as the US-Israel war with Iran hits key oil and gas supplies.

Reacting to February's UK inflation reading, Grant Fitzner, chief economist at the Office for National Statistics, said rising clothes prices last month were "offset by falls in petrol costs, with prices collected before the start of the conflict in the Middle East and subsequent rise in crude oil prices".

Lindsay James, investment strategist at Quilter, called February's CPI print "old news".

"It shows an economy where inflation appeared to be stabilising and was expected to drift towards 2.1 percent in the second quarter."

James added that "February is likely to represent the low point for UK inflation for some time".

Shimanto Bank signs MoU with Astha Life Ins for cardholders' protection

STAR BUSINESS DESK

Shimanto Bank PLC has recently signed a memorandum of understanding (MoU) with Astha Life Insurance Company Ltd.

Md Nurul Azim, managing director and chief executive officer of Shimanto Bank PLC, and Brig Gen (ret'd) Shah Sagirul Islam, chief executive officer of Astha Life Insurance Company Ltd, signed the MoU at the bank's head office in Dhaka, according to a press release.

Under the agreement, the bank's credit cardholders will be covered by the protection benefits of Astha Life Insurance Company Ltd. The Credit Shield Insurance ensures that the financial security of cardholders' families is maintained even in unforeseen circumstances.

Md Sahidul Islam, head of business at the bank; Mohammad Azizul Hoque, head of operations; and Sharif Zahirul Islam, head of cards and alternative delivery channels (ADC), attended the event.

Samira Yunus, additional managing director and divisional head of sales and marketing at the life insurer, and Lt Col (ret'd) Md Khairul Bashar, senior executive vice-president of administration and general services, along with other senior officials from both institutions, were also present at the signing ceremony.



Brig Gen (ret'd) Shah Sagirul Islam, chief executive officer of Astha Life Insurance Company Ltd, and Md Nurul Azim, managing director and chief executive officer of Shimanto Bank PLC, pose for a photograph after signing the memorandum of understanding at the bank's head office in Dhaka recently.

PHOTO: SHIMANTO BANK

Asia looks to Covid-era playbook

FROM PAGE B4

COST-OF-LIVING RELIEF

Some countries have turned to stimulus measures as rising fuel costs bite into household budgets.

The Japanese government said on Tuesday it plans to tap 800 billion yen (\$5 billion) in reserve funds to finance subsidies aimed at keeping gasoline prices at about 170 yen per litre on average. The measure would cost as much as 300 billion yen per month.

New Zealand said on Tuesday that it would

provide temporary financial support of NZ\$50 (\$29.30) every week from April for low-income families.

"We know these families will be hit particularly hard by the global fuel price shock."

We are delivering them timely relief," New Zealand Finance Minister Nicola Willis said.

In neighbouring Australia hundreds of petrol stations are running dry from panic buying and shortages, which are acutely hitting the remote regional areas of the vast

continent.

The centre-left government introduced legislation in the parliament to double penalties for fuel price gouging.

Several Asian countries have also released petrol and diesel from domestic reserves and temporarily loosened gasoline and diesel quality standards to increase supply.

POLICY DILEMMA

The glaring contrast with the pandemic, however, is that central banks are not rushing to cut interest rates. In fact,

they are considering hikes.

During the pandemic, demand collapsed as many economies were essentially shuttered for health reasons, so policymakers responded with massive stimulus.

Now, the Reserve Bank of Australia has already hiked rates twice this year. It cited energy risks as a material risk to inflation and a reason for raising rates to a 10-month high last week.

Investors expect Japan, Britain and Europe will all raise rates in coming months, and pressure on

Asian economies may be even more acute as their currencies slip against the dollar.

"Central banks face a classic policy dilemma when oil prices surge — inflation rises but growth might weaken," Jennifer McKeown, chief global economist at Capital Economics, said in a note last week.

"The right response depends crucially on why oil prices are rising, how persistent the shock is, and whether inflation expectations are at risk," she added.

Red Sea failure casts

FROM PAGE B4

become more acute, threatening higher costs for energy, food and numerous other products worldwide.

"There is no substitute for the Strait of Hormuz," Kuwait Petroleum CEO Sheikh Nawaf Saud Al-Sabah said in a fiery video call streamed to the CERWeek energy conference in Houston on Tuesday. "It is the world's strait, under international law and practical reality."

UN Security Council members on Tuesday were negotiating resolutions

for protecting the strait, with some nations, such as Bahrain, taking a forceful stance that would authorise the use of "all necessary means" to protect the strait — which could mean the use of force.

Reuters interviewed 19 security and maritime experts who described the myriad challenges facing the US and its allies in protecting the strait. Iran has far more advanced military forces than the Houthis, an arsenal of cheap drones, floating mines, and missiles, and easy access from its steep mountainous coast to the narrow waterway.

"Defending convoy operations in the Strait of Hormuz is significantly more challenging than in the Red Sea," said retired Rear Admiral Mark Montgomery, who in 1988 was involved in US tanker escorts through the Strait of Hormuz during the Iran-Iraq war.

That's a big concern for US President Donald Trump as he seeks to justify the Iran war ahead of the November midterm elections to

inflation-weary American voters now facing gasoline at nearly \$4 a gallon. The spike in energy prices is not expected to fully reverse until the waterway opens, analysts said.

Trump has been noncommittal about US involvement, first saying the US Navy will escort ships when needed, then more recently saying other nations should lead the effort. Iran has blocked most ships from the maritime chokepoint since joint US-Israeli attacks on Iran began February 28.

Iran is considering a proposal to levy fees on vessels that want to use the strait, an Iranian lawmaker told state media last week.

THE HORMUZ QUAGMIRE

The US mission to protect Red Sea shipping from the Houthis launched in December 2023, with European nations joining in with their own operation a few months later. The allies shot down hundreds of drones and missiles, but the Houthis still sank four ships between 2024 and 2025. Shippers now largely avoid the passageway, once home to 12 percent of world trade, opting for a much longer voyage around the Horn of Africa.

"It was a tactical and operational victory and a strategic draw, if not a strategic defeat," said retired Rear Admiral Mark Montgomery, who in 1988 was involved in US tanker escorts through the Strait of Hormuz during the Iran-Iraq war.

The danger zone around the Strait of Hormuz is up to five times bigger than the Houthis' attack area around the Bab el-Mandeb Strait that flows into the Red Sea. Unlike the Houthis, Iran's Islamic Revolutionary Guard Corps

(IRGC) is a professional military with its own weapons factories and access to funding.

Providing escorts for the strait would require as many as a dozen large warships such as destroyers, backed up by jets, drones and helicopters to account for the limitations created by the lack of space to maneuver, some military experts said. Overhead air cover would be critical to protect against flying drones as well as explosive-laden manned or unmanned vessels that can easily blend into sea traffic.

"A destroyer can intercept missiles but cannot simultaneously sweep mines, counter drone-boat swarms from multiple bearings, and manage GPS disruption," SSSY analysts said.

The chart shows the daily shipping trade volume from the Red Sea chokepoints of the Bab-el-Mandab strait and Suez Canal with daily volume being lower by around 60 percent since November 2023 Houthi attacks.

The chart shows the daily shipping trade volume from the Red Sea chokepoints of the Bab-el-Mandab strait and Suez Canal with daily volume being lower by around 60 percent since November 2023 Houthi attacks.

Analysts believe Iran's IRGC fighters have missile and drone stockpiles hidden in buildings and caves along the hundreds of miles of steep and mountainous coastline. In some places, the shore comes so close to ships that drones could swarm a vessel in as little as five to 10 minutes, experts said.



Farm workers are manually pollinating onion flowers at Gobindapur under Faridpur Sadar upazila, as natural pollination by bees is inadequate and the artificial method boosts yields. Faridpur exceeded its onion seed target this year, covering 1,865 hectares against the 1,854-hectare goal. The photo was taken recently. PHOTO: SUZIT KUMAR DAS

Akij Food gets nod to raise Tk 500cr through bonds

STAR BUSINESS REPORT

Akij Food & Beverage Ltd secured approval from the capital market regulatory body to raise Tk 500 crore through issuing bonds, aiming to strengthen its financing base.

The Bangladesh Securities and Exchange Commission (BSEC) gave the approval yesterday at a commission meeting at its office in the capital.

According to an official BSEC press release, the company will raise the fund through floating an unsecured, non-convertible, fully redeemable zero coupon bond with a tenure ranging from six months to a maximum of five years.

A zero coupon bond is a debt instrument that does not pay interim coupons but instead trades at a deep discount, rendering profit at maturity, when the security is redeemed for its full face value.

The bond will be issued to banks, non-bank financial institutions, insurance companies, institutional investors, and high-net-worth individuals through private placement. Each unit of the bond will carry a face value of Tk 10 lakh.

Sena Insurance PLC will act as the trustee for the bond, while North Star Investments (BD) Limited has been appointed as the fund arranger.

According to the company's website, Akij Food started its journey in 2006. It exports its products to over 40 countries in Asia and Africa. The company holds several popular brands including Mojo, Frutika, and Speed.

External debt rose slightly to \$113.5b in Q4 of 2025

STAR BUSINESS REPORT

Bangladesh's external debt remained largely stable in the last quarter of 2025, with a slight increase mainly driven by public sector borrowing.

According to Bangladesh Bank (BB) data, the country's gross external debt rose to \$113.52 billion in October-December, from \$112.22 billion in July-September – an increase by \$1.3 billion or over 1 percent compared to the previous quarter.

This reflects a relatively slow growth in debt in the final quarter, following fluctuations earlier in the year.

Public sector external debt grew from \$92.56 billion in September to \$93.46 billion in December, an increase of about \$900 million, according to central bank data.

Within this, general government

debt edged up to \$80.94 billion from \$80.48 billion, while government loans rose slightly to \$80.36 billion from \$79.86 billion, as spending on development projects remained flat.

As a result, foreign aid for development projects has not been disbursed despite a large pipeline of assistance, so overall foreign debt has not grown significantly.

Liabilities of other public corporations also increased, reaching \$12.52 billion from \$12.08 billion, highlighting the government's ongoing reliance on external financing to support public spending and development projects.

Private sector external debt showed more variation. It fell in the September quarter to \$19.66 billion from \$19.84 billion in June, reflecting businesses' cautious approach amid tighter external

financing. However, the trend reversed in the final quarter, with private debt rising to \$20.06 billion in December.

The increase was mainly due to short-term borrowing, as long-term debt remained flat, and investment activity has yet to pick up.

Short-term liabilities grew to \$10.19 billion from \$9.66 billion, with short-term loans rising sharply to \$3.11 billion from \$2.71 billion. Exposure through offshore banking units also rose during this period.

Meanwhile, long-term private sector debt edged down slightly to \$9.87 billion from \$10 billion, showing low demand for longer-term external financing.

In the public sector, long-term external liabilities remained concentrated in the central bank and state-owned enterprises.

IEA chief says 'ready' to release more oil reserves if needed

AFP, Tokyo

The head of the International Energy Agency (IEA) said Wednesday that he was "ready" to approve the release of more oil reserves if needed to cushion the impact of the Middle East war on global supplies.

Fatih Birol made the comments on a visit to Tokyo, where Japanese Prime Minister Sanae Takaichi asked the IEA to carry out an additional release "in case the situation drags on".

Since last month, US-Israeli attacks on Iran and Tehran's subsequent responses, including its de facto closure of the Strait of Hormuz, have severely disrupted global oil supplies, causing concern over rising prices in Japan and other import-dependent Asian economies.

The IEA previously said member countries would unlock 400 million barrels of oil from their reserves to ease the impact of the Middle East war, the biggest such release ever.

Birol said Wednesday that the amount was only 20 percent of the agency's stocks and there was "still a significant amount of oil" left over.

"If and when necessary we are ready to move forward (with another release), but I very much hope that it will not be necessary," he said.

"The world is facing a serious energy security threat, but the International Energy Agency is ready to play its core role of being a guardian of global energy security."

Currencies pause amid uncertainty

REUTERS, London/Singapore

Currency markets took a breather on Wednesday, with traders cautious over US President Donald Trump's efforts to bring an end to the war with Iran.

While Trump told reporters at the White House the US was making progress in talks with Iran, Tehran denied that direct negotiations have taken place, keeping investors on edge.

The US dollar index, which measures the greenback's strength against a basket of six currencies, was last 0.13 percent higher at 99.317, with the euro little changed at \$1.603.

The British pound was 0.16 percent weaker at \$1.3388 as data showed that British consumer price inflation held at an annual rate of 3.0 percent in February, unchanged from January's rate. However, inflation is broadly expected to pick up as the war in the Middle East pushes up prices.

The subdued volatility contrasted with a pickup in equities and a fall in crude oil prices after Trump said on Tuesday the US was making progress in its efforts to negotiate an end to the war.

"For those reacting to every breaking headline around dialogue between the US and its allies and Iran, including speculation of high-level talks and temporary ceasefire proposals, an element of fatigue is now firmly setting in," said Chris Weston, head of research at Pepperstone Group Ltd in Melbourne.

Veon eyes satellite-based call service

FROM PAGE B1

"We are working on an agreement with Starlink to bring direct-to-cell connectivity to Bangladesh," a Banglalink official said. "This technology could greatly improve coverage, especially in underserved and disaster-prone areas."

CHALLENGES FOR BANGLALINK IN THE MARKET

The development comes as Banglalink struggles to strengthen its market position, despite conducting business in the country for over two decades and investing around \$2.5 billion.

Bangladesh's third-largest telecom operator has yet to reap profits, while market leader Grameenphone continues to dominate earnings, and Robi Axiata has started turning profitable in recent years.

Banglalink serves about 3.75 crore subscribers, holding a 20.18 percent market share, but has lost roughly 60 lakh users over the past three years.

According to Bangladesh Telecommunication Regulatory Commission data, as of December 2025, Grameenphone led the market with 8.41 crore subscribers (45.27 percent), followed by Robi Axiata with 5.74 crore subscribers (30.86 percent) and state-owned Teletalk Bangladesh with 68 lakh subscribers (3.66 percent).

Despite these challenges, Terzioğlu has repeatedly told The Daily Star that Veon will continue investing in Bangladesh, in both telecommunications and the digital sector.

Veon recently partnered with Bangladeshi conglomerate Square and applied for a digital banking licence, following the example of Malaysia's Axiata, which holds a majority stake in Robi Axiata.

Industry experts say rolling out satellite-to-phone services in Bangladesh would face major hurdles due to strict centralised telecom regulations.

Current rules limit public use of satellite telephony, require traffic to pass through local gateways, and impose conditions on lawful interception, shutdown authority, spectrum licensing, and device approval.

The framework also protects existing mobile operators with heavy licensing requirements, creating significant barriers.

However, experts add that the service could revolutionise connectivity in Bangladesh, particularly in rural and disaster-prone coastal areas, where floods and cyclones often cut off networks, leaving entire regions disconnected for days.

Govt buys LNG

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In December, LNG had cost just \$9.99 per MMBtu.

Since the onset of the war, the government has approved at least nine spot LNG cargoes to avoid supply shortages.

Bangladesh's growing reliance on LNG reflects structural shifts in its energy sector.

Domestic gas output has stagnated, prompting imports

since 2018 through floating storage and regasification units at Moheshkhali.

In 2025, Bangladesh imported 109 LNG cargoes worth \$3.88 billion, up from 86 cargoes costing \$3.02 billion in 2024, according to LightCastle Partners.

Qatar remained the largest supplier, followed by Oman's OQ Trading, while the rest were sourced from the spot market.

Gold prices drop

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on Iran's power plants, which also sent crude oil prices down 13 percent. However, the recovery has not offset the broader monthly decline.

Bajus said the prices of pure gold in the country's bullion market have fallen, prompting adjustments in gold rates. However, the main reason behind the decline is the continued drop in global gold prices.

Dewan Aminul Islam Shahin, chairman of Bajus' standing committee on pricing and price monitoring, told The Daily Star that local gold prices depend on multiple factors – international benchmark, import costs, and demand.

He explained that local prices reflect a lag tied to import cycles. Gold imported into Bangladesh undergoes 12 to 15 days of processing before reaching retail outlets, which delays the transmission of international price movements.

"International gold markets have been highly volatile, with prices swinging sharply within hours," Shahin said. "Gold tends to rise during global crises, such

as wars or energy shortages, and falls when there are signs of peace."

Industry insiders say renewed conflict could reverse the downward trend, and if the war drags on with rising damages, gold may once again appeal to investors.

Meanwhile, international analysts expect gold's real yields to continue moving higher, according to a Reuters report.

With hopes of de-escalation in the Middle East conflict, and "as USD strength eases, safe-haven demand starts to reassert. This reinforces the view that gold didn't lose its safe-haven appeal. It was briefly crowded out by the USD, and now that pressure is easing," Christopher Wong, a strategist at Singapore-based OCBC, told Reuters.

He also said gold remains sensitive to US Federal Reserve policy expectations, dollar strength, and geopolitical developments. "The rebound suggests dips may continue to find support unless real yields move meaningfully higher."

One-third of listed firms

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and regulatory requirements, which have favoured fundamentally stronger firms.

OUTLOOK CLOUDED BY WAR FALLOUT

At the beginning of the year, companies expected a recovery after the national election in February. That optimism has since faded.

The US-Israel war on Iran has cast a shadow over the outlook, Imam said, with the duration and intensity of the conflict now the key variables.

The turmoil has already disrupted regional energy markets. The government is scrambling to secure fuel and liquefied natural gas (LNG) supplies even at higher prices.

Although retail fuel prices have not yet been raised, a prolonged war could force an increase.

"If fuel prices rise, it will impact almost all the firms. Only the financial sector has a positive outlook amid a high-interest rate regime," Imam said.

Mahmud, president of the Bangladesh Association of Publicly Listed Companies and also the managing director of National Polymer Industries PLC, echoed the concern.

He said the fallout from the Middle East war could exceed that of the prolonged Russia-Ukraine war.

"It could even be as serious as Covid," he said.

NBR misses

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The Centre for Policy Dialogue (CPD) has warned that Bangladesh's revenue targets for the current fiscal year are getting increasingly out of reach, urging a shift toward more realistic planning and stronger domestic resource mobilisation.

According to a paper by Towfiqul Islam Khan, additional director (research) at CPD, the total revenue shortfall for FY26 will likely exceed Tk 1 lakh crore, much like what was recorded in FY25, The Daily Star reported in February.

According to the think tank, the annual revenue growth target for FY26 was set at 34.5 percent over the previous year's actual collection, an ambitious benchmark from the outset. But with collections lagging in the first half, the pressure has now shifted sharply to the remaining months.

"If the annual growth target is to be met, tax collection will need to increase by 59.4 percent during February to July of FY26," said Fahmida Khatun, executive director of CPD, at a briefing on FY27 budget recommendations this month.

"This appears highly unlikely given the current pace of revenue collection."

Against this backdrop, CPD has emphasised the need to strengthen domestic resource mobilisation without placing an excessive burden on citizens. The call comes as the current ruling party has set an ambitious goal of raising the country's tax-to-GDP ratio to 15 percent by 2035, up from 6.8 percent in FY25.

However, CPD cautioned that such a target must be backed by a comprehensive and well-sequenced action plan, alongside consistent implementation and strong political commitment – areas where Bangladesh has historically struggled.

To expand the revenue base, the

think tank suggested exploring new avenues of taxation, including meaningful levies on wealth and property, as well as capturing revenue from the rapidly growing digital economy.

The government's manifesto also includes proposals to introduce a modern property and wealth tax regime, which CPD sees as a step in the right direction if properly designed and enforced.

At the same time, CPD called for a rationalisation of tax incentives.

"Starting in FY27, all ad hoc provisions of tax incentives should be discontinued," Khatun said, stressing the need for transparency and predictability in the tax system.

Yet, the think tank acknowledged the political and economic realities ahead. With businesses facing a challenging environment, demand for incentives is likely to rise in FY27.

In this context, CPD urged the NBR to exercise greater caution and selectivity in granting tax breaks.

A medium-term strategy to gradually phase out existing tax exemptions should also be put in place, it added, to avoid sudden shocks while improving revenue efficiency over time.

Another critical area highlighted by CPD is the large volume of disputed tax claims stuck in the system. Accelerating their resolution through the Alternative Dispute Resolution (ADR) mechanism could unlock significant revenue, the think tank noted.

Within the July-February tax receipts, VAT from domestic activity was the largest contributor, accounting for 38 percent of total collection, rising 14.83 percent year on year to Tk 97,281 crore.

Direct taxes – income and corporate – accounted for 33.5 percent, climbing 13 percent to Tk 85,136 crore. Import tariffs grew more modestly, up 8.8 percent to Tk 71,912 crore.

Top WTO official warns of fertiliser risks over war

AFP, Yaoundé

Disruptions to fertiliser supplies caused by the Middle East war pose a double threat to global food security through scarcity and high prices, a top World Trade Organization official has warned.

Iran has virtually shut the Strait of Hormuz, choking a vital transit route for oil and gas -- as well as fertilisers.

A third of the world's fertilisers normally transit the strait, and the disruption has prompted multiple warnings about the impact on food production.

"Fertilisers are the number one issue of concern today. If there is no more fertiliser, there is an impact on quantities but also on prices," WTO Deputy Director-General Jean-Marie Paugam told AFP in an interview in Yaoundé.

"The effect compounds the following year: harvests shrink and prices rise."

"The effect compounds the following year: harvests shrink and prices rise."

The Gulf's ample supplies of natural gas, a key ingredient in artificial fertilisers, have made the region a major manufacturer.

But production has been severely impeded by the war, with some major facilities forced to shut down.

Major food exporters such as India, Thailand and Brazil depend on the Gulf for urea, a nitrogen-based fertiliser, making them vulnerable.

Because the war is only a few weeks old, there is currently no fertiliser shortage, Paugam said.

"But if fertilisers from the Gulf do not circulate, we will feel a direct impact on supplies to major producer countries just as planting seasons begin for the crops that will be harvested next year," he said.

"If the Strait of Hormuz is blocked for three months, the impact will be significant."

Risk of stockpiling - Net food-importing countries would be in a very bad position, including "a large part of west Africa and north Africa", Paugam noted.

This effect can be amplified if countries start stockpiling, as happened during disruptions to international trade at the height of the Covid-19 pandemic.



Crocodiles crawl around a small pool at Reptiles Farm Ltd in Bhaluka, Mymensingh. The country's first commercial crocodile farm is now struggling to survive after years of neglect, ownership changes, and stalled exports.

PHOTO: MD AMINUL ISLAM

First commercial crocodile farm gasping for survival

MD AMINUL ISLAM, Mymensingh

The country's first-ever commercial crocodile farm, established around 22 years ago, is on the verge of closing due to frequent changes in ownership and a long and persistent history of neglect.

At present, the Reptiles Farm Ltd is as good as abandoned, farm sources say.

Established on 15 acres of land at Hatibeer of Mymensingh's Bhaluka upazila, the farm has been handled by four different managements since 2004, failing to achieve any significant growth over the two decades.

During the pandemic years, the farm suffered a heavy blow. Many crocodiles died from neglect, and the export of crocodile skins came to a standstill.

"The pandemic was a nightmare, especially for businesses around the world, and we were also affected," said Dr Abu Syem Muhammad Arif, the farm's manager.

The number of crocodiles at the farm is around 4,000, including 100 at the breeding stage. Around 300 of them can be harvested for skin, he said. A crocodile reaches maturity for skins in three years, while 10 to 12 years are needed to reach its breeding stage.

However, the present stock of crocodiles is far below the farm's capacity.

"The farm has a capacity of stocking around 40,000 crocodiles," Dr Arif said.

"We had a target to enrich the farm with a stock of 20,000 crocodiles, but it has yet to be fulfilled."

The farm could not fulfil its pending order to export 400 skins in 2022, and also failed to export 500 skins early in 2023, farm sources said. The last shipment was made in 2019, before the pandemic hit.

The farm made its maiden skin export to Japan in 2014 when it shipped 430 crocodile skins for around \$200,000, said farm sources.

Until 2019, the farm exported a total of 1,507 pieces of skin. This falls way below the farm's initial target to export 1,000 per year, hoping to expand the volume gradually. Instead, the number of annual exports has fallen to zero, Dr Arif said.

On average, each piece of skin fetches \$600 to \$700 in the international market. Crocodile leather is used for making luxury handbags, wallets, belts, boots and so on, Dr Arif explained.

A TURBULENT JOURNEY

Mushtaq Ahmed, a late writer, and Mesbahul Hoque, an entrepreneur, started working on crocodile farming in 2002. They jointly launched the farm, investing Tk 5 crore with 49 percent financial support from the Equity and Entrepreneur Fund (EEF) of the government in the form of an interest-free loan after getting approval from the Forest and Environment Ministry in May 2004.

The farm was later sold to PK Halder in 2012. In 2020, Halder's involvement in graft came to light, following which his ownership was cancelled.

The number of crocodiles at the farm is around 4,000, including 100 at the breeding stage. However, the present stock is far below the farm's capacity.

Amid the legal debacle, the farm remained abandoned for nearly two years. Then, the High Court formed a committee to run the farm in 2022.

International Leasing and Financial Service Ltd (ILFSL), to which the farm owed more than Tk 100 crore, sold the farm at auction in 2023 to recover the money.

The farm is now owned by Uddipan, a non-governmental organisation. The new owner has so far been unable to get the farm's business rolling anew, yet continues to incur losses as the farm's operational costs remain high.

Mir Khairul Alam, adviser (Programme Development and Resources Management) of Uddipan, spoke of several obstructions in the way of resuming the farm's business.

As the ownership of the farm has changed hands, the new owners need to acquire fresh

certification for crocodile skin export from the authorities concerned. They need to secure approval from the Forest and Environment Ministry.

Uddipan is also working towards registering the farm as a joint-stock company, he said.

"The farm remains stagnant," the adviser added. "We are also bearing the extra maintenance costs for the crocodiles as we are unable to do business without the proper certification and approvals at present."

POTENTIAL OVERLOOKED

Prof Dr Md Rafiqul Alam of the Department of Surgery and Obstetrics of the Faculty of Veterinary Science at Bangladesh Agricultural University (BAU) said the sector has great prospects. However, it needs to be handled with proper management to achieve the desired goals.

The professor stressed the need to focus not only on the major export product -- skin -- but also on the by-products, and even crocodile meat.

By-products such as skull, bones, nails, and scrap leather could be sold in both domestic and international markets, potentially fetching an additional \$700 to \$800 from each crocodile. Charcoal made from crocodile bones is used in manufacturing perfumes throughout the world, the expert said.

The reptile's meat shouldn't be overlooked, he said. It is consumed widely in Australia, Japan, Singapore, China and the US, where each kilogram of crocodile meat is sold between \$30 to \$35, he added.

As the export of crocodile meat is not allowed in Bangladesh, it is simply dumped after harvesting the skin. In this situation, the meat could be supplied to the country's high-end hotels, which can prepare meals for foreign visitors. The farm will benefit well from selling five to six metric tonnes of meat per year, he said.

The estimated cost for rearing a crocodile for three years until its maturity is \$300, and it is expected to bring in \$600 to \$700 in revenue from the export of its skin, Dr Alam added.

Job interviews work both ways

PARVEZ MURSHED

"Tell me about yourself" is the most common opening question in a job interview. By asking this, an interviewer may inadvertently signal they have not fully gone through the candidate's CV. In reality, while the interviewer asks the questions, the candidate is quietly conducting a reverse interview. They are asking themselves, "Do I really want to work for this organisation, this person or in this role?"

The truth is, top talent has choices. They also need to be convinced that this is the right organisation, the right role and the right manager to support their career growth.

Very few organisations coach employees on how to conduct interviews. Yet the process leaves a lasting impression on candidates. It begins when they submit their CV, whether through LinkedIn or a company portal, and continues with how quickly HR responds. For entry-level roles, there may be competency tests, including case studies and team presentations, to assess both group and individual performance.

I have often found that candidates who stand out are unconventional. They may be bold in their thinking or positively provocative in how they approach problems. Hiring, however, is complex. There is no perfect formula.

Organisations invest significant time and money in recruitment, yet even then, the selected candidate may not be the right fit. Sometimes the candidate decides the role is not what they expected. At other times, the organisation concludes the individual is not working out.



A common mistake among hiring managers is to be overly impressed by fluency in English and personal flair. Even Jack Welch admitted in his autobiography that he made early hiring mistakes by favouring style over substance. Sandy Weill, former chief executive

of Citigroup, took a different approach. He would invite senior candidates to dinner with their spouses and later seek his wife's opinion on whether they would fit the organisation's culture.

Candidates, for their part, should research the company before the interview. This may include preparing a short presentation outlining their understanding of the role, what they can bring and how they would approach the first 90 days. Interviewers, meanwhile, can seek feedback on candidates through professional networks or previous employers.

When Michael Carrick interviewed for the interim coach role at Manchester United, he reportedly presented a match-by-match strategy for the rest of the season. He secured the job and quickly improved the team's performance, delivering one of the more notable coaching spells since Sir Alex Ferguson.

Organisations have a professional responsibility to treat candidates with respect, regardless of the position. One basic courtesy is to inform candidates of the outcome at the end of the process. Preparing for interviews requires significant time and effort, and candidates deserve closure.

Global organisations with strong human resource practices often call candidates and provide feedback. Others rely on automated emails to inform them they have not been selected. Less professional organisations do not respond at all. This "ghosting" has become common, and candidates are often better off moving on to other opportunities. As the saying goes, "When one door closes, another opens".

The writer is a senior consultant for banks and financial institutions

Red Sea failure casts long shadow over Hormuz security efforts

REUTERS, Los Angeles/London

The Western allies trying to negotiate a way to protect the Strait of Hormuz for energy shipping face a stark reality: a similar effort in the Red Sea that started years earlier cost billions of dollars and ultimately failed against Yemen's Houthis.

The costly Red Sea experience - four ships sunk, more than \$1 billion in weapons expended, and a route that the shipping industry still largely avoids - looms over the more complex Strait of Hormuz, the shipping artery



used by roughly a fifth of global oil and liquefied natural gas supply and now blocked by Iran, a more formidable adversary than the Houthis.

Driver Joseph Orinon says gas prices have doubled in recent months due to the crisis in the Middle East.

Iran's threats to the strait and its attacks on energy infrastructure in nearby Gulf nations have sent oil prices soaring in the worst disruption to oil and gas supplies in history. Absent the strait's reopening, shortages will

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Asia looks to Covid-era playbook to tackle fuel crisis

REUTERS

Countries across Asia are weighing up work-from-home policies and stimulus measures enforced during the Covid pandemic, as they scramble to respond to global fuel shortages triggered by the Iran war.

Asia is at the frontline of the fuel crisis, buying more than 80 percent of the crude that transits the Strait of Hormuz, which has been almost totally blocked by Iran since the war broke out on February 28.

Driver Joseph Orinon says gas prices have doubled in recent months due to the crisis in the Middle East.

No country in the region has enforced work-from-home measures yet, but some have said they are on the table.

"I think it is a good idea," South Korean Energy Minister Kim Sung-whan said on Tuesday when asked about an International Energy Agency recommendation for people to work from home.

The IEA, which agreed a record release of around 400 million barrels of oil from strategic stockpiles to deal with the crisis, has outlined proposals to ease oil price pressures such as working from home and avoiding air travel.

IEA Executive Director Fatih Birol repeated those calls at a conference in

Sydney this week.

"There were real-life tests, such as after the Russian invasion of Ukraine, European countries adopted these measures, and it was announced by the European governments. It helped them

a lot to go through these difficult times without Russian energy ... but keeping the lights on," Birol said.

Industrial powerhouse South Korea on Tuesday launched a public campaign asking people to cut shower time, charge



An oil tanker is docked unloading crude oil at the port in Qingdao, in China's eastern Shandong province, yesterday.

PHOTO: AFP

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