



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 \$1.1603.

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

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"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.