

# Star BUSINESS

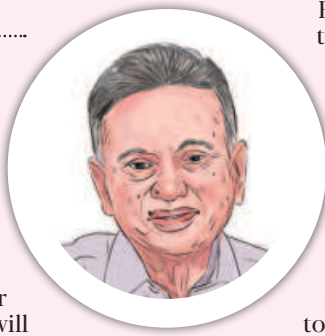


## Promising export sectors to get RMG-style support: Amir Khosru

STAR BUSINESS REPORT

The government will provide all promising export sectors with the same facilities currently available to the readymade garment (RMG) industry, Finance Minister Amir Khosru Mahmud Chowdhury said yesterday at a meeting with business leaders.

"If any promising export sector comes to us with a proposal, we will extend to that sector the same facilities that are available to the garment industry," he said at the pre-budget meeting organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and the revenue board at the Pan Pacific Sonargaon.



Bonded warehouse facilities, back-to-back arrangements, and all other relevant support will be provided, he added, citing the gold and diamond sectors as examples of industries held back by the absence of such support.

Goldsmiths, he noted, were leaving the country for a lack of opportunities.

Bonded warehouse facilities allow export-oriented industries to import raw materials duty-free, on the condition that finished goods are not sold domestically. Currently, only the RMG sector enjoys the facility in full; the leather goods sector receives it partially.

The National Board of Revenue (NBR) had long resisted broader extension, citing fears of

duty-free materials being diverted to the local market, despite calls from economists to extend the facilities across the board.

The minister acknowledged those concerns but said they could not justify inaction. "It cannot be the case that we do nothing out of fear of theft," he said, adding that preventing misuse is a separate issue, and solutions will be addressed accordingly.

On taxation, he said the government could not offer broad incentives at present but would work to lower the cost of doing business.

"Wherever you are facing obstacles, let us know, and we will remove them. Tell us where your costs are increasing, and we will directly address those issues within the next three months," he told businessmen at the meeting.

This is already part of the ruling BNP's

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## Novo Nordisk eyes Bangladesh as an insulin hub

TUHIN SHUBHRA ADHIKARY and JAGARAN CHAKMA



Bangladesh is stepping into high-end pharmaceutical manufacturing as Novo Nordisk begins producing modern insulin locally in partnership with Eskayef Pharmaceuticals Ltd, a concern of Transcom Group.

The move promises to expand access for millions of people with diabetes while positioning the country as a future export hub for advanced biologic medicines.

The Danish drugmaker's transfer of advanced manufacturing technology marks a "milestone" for Bangladesh, said Jay Thyagarajan, the company's senior vice president for Asia Pacific, as it signals a shift from import dependence to building sophisticated biopharmaceutical capability at home.

"This is not just about manufacturing," Thyagarajan told The Daily Star. "It is about building sustainable capability in Bangladesh and demonstrating that the country can produce biologic medicines at the highest global standards."

LIMITED ACCESS

The urgency behind the move is stark. Bangladesh has around 15 million diabetic patients, yet only a small fraction receives insulin therapy due to high costs, inconsistent supply and limited access to treatment facilities.

Globally, more than 600 million people live with diabetes, but in countries like Bangladesh, access gaps remain acute.

"Given the scale of unmet demand, we felt the need to ensure a sustainable local supply," Thyagarajan said.

Local manufacturing is expected to play a critical role in narrowing this gap, particularly as diabetes cases continue to rise alongside urbanisation and lifestyle changes.

## Listed MNCs struggle as inflation, weak demand hit profits

AHSAN HABIB

Listed multinational companies (MNCs) in Bangladesh had another difficult year in 2025, with most failing to claw back profits eroded by inflation and shrinking consumer demand.

Of the 13 MNCs listed in the stock market, 11 follow a December fiscal year end. Ten have published results so far.

As per the published data, three saw profits rise in 2025 but remain below the previous year's level, four hit five-year lows, and two incurred the highest losses in their operational history in the country. Only one, Robi Axiata, posted record profits.

"The economic situation was the main factor," said Shahidul Islam, CEO of VIPB Asset Management Company, who has tracked the companies' performances for years as a major shareholder with billions of taka invested.

Inflationary pressure raised raw material costs, but companies could not pass them on to consumers whose demand had already shrunk, he said.

Analysis of financial reports shows that the damage was broad. Most companies saw sales growth slow last year. Four -- Grameenphone, Bata Shoe, Heidelberg Cement, and Linde BD -- saw sales fall outright.

Among the companies, British American Tobacco's (BATBC) profit fell 67 percent to Tk 584 crore in 2025, from Tk 1,788 crore in 2023, the highest level in the last five years. The figure was Tk 1,750.68 crore in 2024.

The tobacco company said, "2025 was marked by a challenging socioeconomic and geopolitical landscape characterised by inflationary pressures, currency devaluation, and constrained consumer purchasing power."

The global economic slowdown and rising raw material costs added further complexity to the operating environment. The top two segments of the company recorded a volume decline of approximately 10 percent, it added.

### EARNINGS OF LISTED MULTINATIONAL COMPANIES

(In crore taka)

YEAR	2021	2022	2023	2024	2025
Singer	51	7	52	-48	-224
RAK Ceramics	90	67	61	-2	-39
Bata Shoe	-6	41	40	29	1.2
Heidelberg	47	-23	45	46	20
Linde BD	122	88	22	642	34
Unilever	52	73	96	67	79
LafargeHolcim	388	444	594	381	510
BATBC	1,497	1,787	1,788	1,751	584
Robi	180	182	320	702	937
GP	3,412	3,009	3,307	3,630	2,957

SOURCE: FINANCIAL STATEMENTS OF COMPANIES

RAK Ceramics posted its highest-ever loss of Tk 39 crore last year, a reversal from Tk 90 crore in profit in 2021.

Singer Bangladesh also incurred a huge loss of Tk 224 crore, the largest in its recent history.

Heidelberg Cement's profit more than halved from its 2021 peak of Tk 47 crore.

The country's largest telecom operator, Grameenphone's profit dropped 18.5 percent year-on-year. The company attributed the decline to economic weakness and political uncertainty following the July 2024 uprising.

"The prolonged political uncertainty weakened business and investor confidence, while persistent inflation subdued job creation, and declining household purchasing power collectively constrained overall market demand," it said.

Unilever Consumer Care and LafargeHolcim remained profitable but 18 percent and 14 percent below their 2023 levels, respectively.

Linde BD's profit collapsed to Tk 34 crore after an anomalous Tk 642 crore in 2024, which was inflated by a one-off asset sale.

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WHY BANGLADESH -- AND WHY ESKAYEF

Novo Nordisk's decision to localise production was driven by both market need and manufacturing potential. A key part of that strategy is its partnership with Eskayef, a concern of Transcom Group.

Thyagarajan said the choice was based on trust and proven capability. "Eskayef and Transcom have demonstrated over the years that they can maintain high-quality production standards comparable to global benchmarks," he said.

Insulin production is among the most complex processes in pharmaceuticals, requiring precision, consistency and strict regulatory compliance. Novo Nordisk was confident that its Bangladeshi partner could meet those standards.

Equally important was institutional support. Coordination among regulators, policymakers and the medical community helped enable the technology transfer.

"Technology transfer of this scale requires alignment across stakeholders. In Bangladesh, that alignment was there," he said.

A COMPLEX LEAP INTO BIOTECHNOLOGY

Unlike conventional drugs, insulin is a biological product that demands advanced processes such as fermentation, sterile manufacturing and highly controlled environments.

"It is not a simple molecule," Thyagarajan said. "It requires extremely high levels of control and quality."

Novo Nordisk has transferred proprietary technology from Denmark and ensured that production in Bangladesh adheres to European Union standards. Each batch is tested to match global benchmarks.

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## FBCCI calls for tax reforms to reduce business costs

STAR BUSINESS REPORT

Businesses yesterday called for structural reforms in the tax system to reduce the cost of doing business, ease compliance burdens, and improve investment competitiveness.

In this regard, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) placed a set of proposals for the upcoming national budget before the National Board of Revenue (NBR) at a pre-budget discussion held in Dhaka.

FBCCI Administrator Md Abdur Rahim Khan presented the major proposals at the discussion.

The apex trade body called for reducing the minimum tax from 1 percent to 0.25 percent on annual gross turnover, with a long-term plan to phase it out. It said the current rate forces firms to pay tax even in loss-making periods amid high inflation, elevated interest rates, dollar shortages, and rising input costs.

The FBCCI also proposed zero minimum tax for businesses operating at a loss with zero or negative taxable income based on audited accounts, newly established firms



for the first three years, and businesses affected by natural disasters, epidemics, or government-declared economic crises.

The trade body termed the turnover-based minimum tax system unfair, saying it undermines equity in taxation, and urged a more realistic framework reflecting actual business performance.

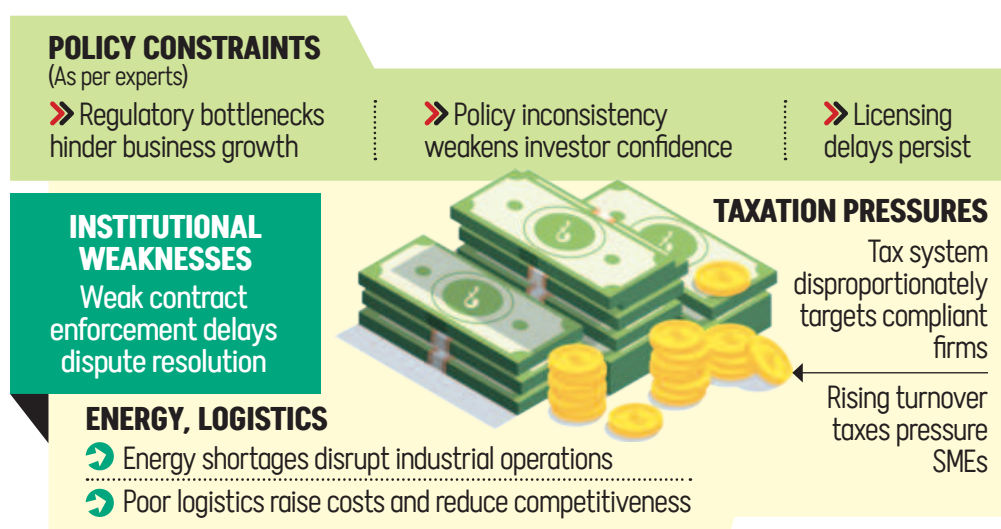
It also demanded raising the personal tax-free income threshold to Tk 500,000 and reducing corporate tax rates to ease pressure on individuals and firms.

The FBCCI called for a gradual reduction of advance income tax (AIT) at the import stage, saying it raises upfront costs and strains liquidity for import-dependent industries.

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## Policy uncertainty, weak trust weigh on investment

Experts say regulatory bottlenecks take a toll on confidence



STAR BUSINESS REPORT

Bangladesh's business climate is being held back by regulatory bottlenecks, inconsistent policies, weak trust, and institutional inefficiencies, which are reducing investment

potential and weakening long-term investor confidence, experts said at a dialogue yesterday.

The remarks were made at a discussion titled "Business climate dialogue on improving the investment climate: why it is critical for the new government priorities the

upcoming national budget", organised by the Metropolitan Chamber of Commerce & Industry, Dhaka (MCCI) at its auditorium at Police Plaza in Gulshan.

"The real challenge is not competition but entering the market itself. Firms must be ready for a long-term commitment because operational hurdles -- from licensing delays to compliance burdens -- can discourage even established companies," said Zinnia Hug, chief financial officer of Unilever Bangladesh.

She said regulatory approvals often take months due to weak coordination among agencies, which leads to conflicting requirements, such as dividend remittance rules clashing with tax approvals.

She added that legal risks remain high as cases move through multiple channels, reducing predictability.

Hug further said that labour regulations are uncertain because interpretations often change and are sometimes applied retrospectively, making business planning difficult.

Tax administration, she added, sometimes raises large initial claims against compliant firms, which are later adjusted after review.

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