BB relaxes rules for fruit imports

STAR BUSINESS REPORT

Bangladesh Bank (BB) has relaxed rules for fruit imports, withdrawing the requirement for a 100 percent cash margin as stability returns to the foreign exchange market.

In a circular issued yesterday, the central bank asked banks to determine the cash margin for opening letters of credit (LCs) for fruit imports based on their relationship with customers.

The move comes nearly two years after BB imposed a mandatory 100 percent cash margin on imports of luxury goods and domestically produced import-substitute items, including fruits. The measure was introduced to stabilise the foreign exchange market and slow the depletion of foreign exchange reserves.

The rule reduced fruit imports but also pushed up prices.

In its latest circular, BB said fruits are an essential part of the daily diet, particularly for children, patients, elderly people and pregnant women.

The central bank said the foreign exchange market and transactions have gradually improved. As a result, the need for a 100 percent cash margin on fruit imports has decreased.

Fruit imports, measured by the opening of LCs, rose 21 percent year-on-year to $317 million during the July-May period of fiscal year 2025-26, according to BB data.



Bangladesh meets a portion of its fruit demand through imports. A vendor displaying imported fruits waits for customers.

PHOTO: STAR

Gold retreats after hitting two-month peak

REUTERS

Gold fell more than 1 percent on Thursday as investors locked in gains after prices climbed to two-month highs following US inflation data that was in line with expectations, tempering expectations for a Federal Reserve rate hike next month.

Spot gold fell 1.2 percent to $4,354.58 per ounce by 12:58 a.m EDT (1658 GMT). Prices touched their highest level since June 5 earlier in the session at $4,449.39.

US gold futures dipped 1.1 percent to settle at $4,420.40.

"4,500 is a big resistance point for gold. We touched it twice and gold tumbled from that point, with traders being jittery close to the 4,500-level at the moment," said Bob Haberkorn, senior market strategist at StoneX.

The US Producer Price Index was unchanged in July as a decline in goods prices offset a rise in services costs, indicating that inflationary pressures may persist.

The data followed Wednesday's consumer price report, which showed US inflation rose 3.4 percent in the 12 months through July, down from 3.5 percent in June and in line with economists' expectations.

Foreign investment

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He said even MSCI (Morgan Stanley Capital International) had paused regular index reviews of Bangladesh after the floor price. It has now announced that it will resume regular index reviews from November this year following the withdrawal of the floor price.

The repeated intervention also damaged confidence because foreign investors compare Bangladesh with other markets when deciding where to put their money.

"Foreign investors invest in a country compared with other countries, so, if they find any country more suitable than Bangladesh, they shift," said Monirul.

He said the country's macro situation has improved and policy problems are no longer on the table, but it will take time to rebuild investor confidence. "Once investors burn their finger in a place, they cannot forget it easily."

The banking sector has also weighed on sentiment. Previously, there were rate caps both on deposits and borrowing. The interest-rate caps raised concerns among investors about banks' profitability and the predictability of financial-sector policy.

The cap has been lifted. But currently many banks have been under visible stress, while private-sector credit growth has weakened sharply, raising concerns about corporate investment, profitability and asset quality.

Both Monirul and Saiful pointed to banking-sector problems as another reason for the decline in foreign portfolio investment.

Regulatory decisions affecting individual companies have added to those concerns. One example was the Bangladesh Telecommunication Regulatory Commission's (BTRC) decision to designate Grameenphone as a significant market power, a status that curtailed the company's earning capacity in several ways.

"Following GP's SMP categorisation, foreign investors started selling in the Bangladesh market heavily," said Saiful.

Weak liquidity is another problem. There are relatively few large, liquid companies with strong governance and consistent earnings that global funds can invest in comfortably.

Foreign investors also have to weigh returns against currency risk. A weakening taka can reduce the value of their returns when they convert their investments back into dollars or other hard currencies.

Saiful said the sharp depreciation of the taka had been a problem for foreign investors.

Tax and repatriation concerns have also reduced the appeal of the market, as capital-gains taxes, transaction costs and uncertainty over taking money out of the country can affect overall returns.

Yet the market is not completely off the radar of foreign funds.

"Although net foreign investment is in the negative, new investors are interested in the Bangladesh market," said Saiful.

He said positive developments, including a credible national election, the reconstitution of the BSEC and the new leadership's quick decision to lift the floor price, have attracted some interest.

"Now, the market needs to ensure governance and bring investable stocks. Without these, foreign investors will not come to the market."

The Dhaka Stock Exchange has 395 listed companies, of which 195 are in the A category, 74 in the B category and 126 in the Z category, according to DSE data.

"A collective responsibility is necessary to ensure governance in all spheres of the market and listing good stocks," Saiful added.

New panel

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The taskforce, headed by Mamun Rashid, chairman of publicly traded National Tea Company Limited, submitted its report to the commerce ministry on July 12.

One key problem identified by the taskforce is the classification of tea estates as an industry rather than agriculture, forcing owners to borrow at more than double the rate available to farmers.

Bangladesh is the world's eighth-largest tea producer, with 172 estates producing 9.49 crore kg of tea in 2025, according to Bangladesh Tea Association data cited in the report. The sector directly employs 102,000 permanent and 40,000 temporary workers, while around 5 lakh people live within estate boundaries.

Yet tea gardens have been selling tea below production costs every year since 2019, as per the Tea Association data. In 2024, production costs stood at Tk 260 per kg against an average auction price of Tk 208.88, leaving a gap of Tk 51.12 per kg.

Exports have fallen 79 percent since 2002, while production costs have risen 78.31 percent over the past decade, with auction prices failing to keep pace.

The committee comprises representatives from government bodies, regulatory agencies and tea sector stakeholders.

Garment industry

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Asif also backed operating expense, or OPEX-based, models in which third parties install and operate renewable energy systems while factories pay for the service, reducing the need for large upfront investments.

Fazle Shamim Ehsan, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, said European decarbonisation requirements leave Bangladesh with little room for delay.

He noted that Bangladesh is already behind several competing garment-producing countries in renewable energy use.

He said incentives often look better on paper than they work in practice. Even his LEED-certified platinum factory has not received the full benefit of a promised tax incentive because of how income tax is collected and adjusted.

"If the incentive does not reduce the actual tax burden, then what is the point of giving it?" he asked.

He also cautioned against assuming every industrial process can simply be electrified. New industrial zones should instead be planned around shared energy infrastructure, including steam generated as a by-product of power plants.

For existing factories, rooftop solar and efficient machinery offer quicker options, but both require financing and regulatory changes. "Funds are available, but they are not accessible enough," Fazle Shamim said.

Mostafa Al Mahmud, president of the Bangladesh Solar and Renewable Energy Association, also criticised taxes on solar panels, batteries and other equipment.

Bangladesh now needs an emergency response in the energy sector, said Khondaker Golam Moazzem, research director at CPD.

Gas reserves are nearing depletion, while new exploration has not kept pace with demand. Industries will therefore need alternatives for gas-dependent boilers, diesel-based transport and irrigation.

The challenge extends beyond factories and financiers, pointed out Shamim Munir Uddin, director of the Ethical Trading Initiative.

Workers should also be involved in improving energy and resource efficiency through training and greater awareness at the factory level, he said, calling for closer scrutiny of how automation is affecting energy consumption.

Policy remains a critical piece of the puzzle. Shamim Munir Uddin pointed out that factories importing renewable energy equipment are subject to around 15 percent VAT and 2 percent advance tax, creating a combined burden of roughly 17 percent.

Such measures can work against the government's own renewable energy goals, he said.

Vidiya Amrit Khan, vice-president of BGMEA, said Bangladesh's garment industry risks losing competitiveness if it fails to become more sustainable.

European regulations increasingly require detailed reporting on carbon emissions, energy use, water consumption and chemical discharge. Such requirements are expected to become more consequential for exporters by 2030, she said.

The biggest obstacle may be policy rather than technology, Vidiya said, with high financing costs, collateral requirements and proposed charges on open-access renewable power potentially making clean energy more expensive than conventional power. That could discourage investment, she added.

Govt launches Tk 400cr

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Stating that Startup Bangladesh has already invested around Tk 111 crore in 36 technology-based startups, he said the private sector must also come forward to invest in startups rather than relying only on government financing.

Initiatives must not remain limited to paper, and their benefits must be ensured through practical implementation, the minister added.

Through the Fund of Funds, more private and international capital will be brought into the country while creating opportunities for Bangladeshi startups to enter international markets, he said.

Md Mamunur Rashid Bhuiyan, chairman of Startup Bangladesh and secretary of ICT Division, said the government wants to ensure an environment where venture capital and innovation can develop naturally.

If successfully implemented, the Bangladesh Fund of Funds will not only increase investment in startups but also build a strong investment infrastructure for the country's future economy, he said.

GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
OFFICE OF THE PROJECT DIRECTOR
JAMUNA RAIL BRIDGE PROJECT
BANGLADESH RAILWAY, RAIL BHABAN
4/3, ABDUL GANI ROAD, DHAKA

Invitation for Bids

Date	:	13 August 2026
IFB No.	:	54.01.0000.630.07.398.26-9982
Employer	:	Bangladesh Railway (BR)
Country	:	Bangladesh
JICA Loan No.	:	BD-P127
Project Name	:	Jamuna Rail Bridge Project

Contract Name: Construction of Internal Roads, Drains and Related Works near Soydabad Station Area under Jamuna Rail Bridge Project (Package-WD5).

1. The Government of the People's Republic of Bangladesh has received a loan from the Japan International Cooperation Agency (JICA) towards the cost of the Jamuna Rail Bridge Project and intends to apply part of the proceeds towards payments under the contract for Construction of Internal Roads, Drains and Related Works near Soydabad Station Area under Jamuna Rail Bridge Project.

2. The Government of the People's Republic of Bangladesh, Ministry of Railways, Bangladesh Railway (BR), now invites sealed Bids from eligible Bidders for the Construction and completion of Internal Roads, Drains, and Related Works near Soydabad Station Area under Jamuna Rail Bridge Project ("the Works).

The Project Site is located near the Soydabad Station Area, approximately 120 km from the capital city, Dhaka. The area is surrounded by RCC road on West and North, Agricultural land/ previously proposed Stock Yard on the East and ROW of Dhaka-Ishurdi Railway track (in between Ch. 284+089.266 km to Ch. 284+511.534 km) in South. The area is under the Village of College Para, Union of Soydabad, Upazila of Sirajganj Sadar and District of Sirajganj.

The Bidder should have continuous experience under construction contracts in the role of prime contractor (single firm or JV member) or subcontractor between 1st January 2021 and the Bid submission deadline. A minimum number of 2 (two) similar contracts, each of minimum value of USD 1.75 million that have been satisfactorily completed as a prime contractor (single entity or JV member) or subcontractor or management contractor between 1st January 2021 and Bid submission deadline.

The similarity of the contracts shall be based on the following: A and Related Works.
For the above or other contracts completed and under implementation as prime contractor (single entity or JV member) or subcontractor between 1st January 2021 and Bid submission deadline, a minimum experience in the following key activities successfully completed: Construction of at least 1.5 km Internal Road (Bituminous Road) and 0.5 km Drain.

Renovation or Improvement Works shall not be considered.

The Bidder should have financial capability of Minimum average annual Turnover of USD 6.6 million Calculated as total certified payments received for Contracts in progress and/or completed, within the last 5 (five) years, divided by 5 years. The Bidder shall demonstrate, to the satisfaction of the Employer that it currently (as of the Bid submission deadline), it has access to, or has available, liquid assets, unencumbered real assets, lines of credit, and other financial means (independent of any contractual advance payment) sufficient to meet the construction cash flow requirements estimated as USD 1.1 million for the subject contract(s) net of the Bidder's all other commitments, both current and future.

3. Bidding will be conducted through procedures in accordance with the applicable Guidelines for Procurement under Japanese ODA Loans, and is open to all Bidders from eligible source countries, as defined in the Bidding Document.

4. Interested Bidders may obtain further information from Employer and inspect the Bidding Document during office hours at (from 9:00 AM to 4:00 PM local time) on all working days (Sunday to Thursday except public holidays).

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5. The Bidding Document may be purchased by interested Bidders on the submission of a written application to the address above during office hours until 4:00 PM, 04 October 2026 and upon payment of a non-refundable fee of BDT 20,000 (Bangladeshi Taka Twenty Thousand only) by A-Chalan [Code No. 1422328 (Tender Document Fee) against Director General Office, Bangladesh Railway] through any Schedule bank in Bangladesh.

6. Bids must be delivered to the address above on or before 11:00 AM local time on 05 October 2026 and must be accompanied by a Bid Security of BDT 4,000,000 (Bangladeshi Taka Four Million only) in favor of FA&CAO (Project), Bangladesh Railway, Kamalapur, Dhaka.

7. Bids will be opened in the presence of Bidders' representatives who choose to attend as specified in the Bidding Document.

13/8/26

Al Fattah Md. Masudur Rahman
Project Director.

GD-1980