Business

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FIVE YEARS ON, SYLHET HI-TECH PARK STRUGGLES TO TAKE OFF

Govt eases experience rules for state bank CEOs

STAR BUSINESS REPORT

The government has revised its policy for appointing chief executives of state-owned commercial banks, allowing an experience requirement to be waived in exceptional cases.

The amendment, issued by the Financial Institutions Division (FID) on October 19, applies to the appointment of managing directors (MDs) and CEOs at six banks: Sonali, Janata, Agrani, Rupali, BDBL and BASIC.

The move comes after the government cancelled the remaining tenures of the contractual MDs and CEOs of Sonali, Janata and Rupali banks.

Under the previous rules, candidates had to be serving or former bank officers with at least 20 years of experience. An amendment in July this year added a requirement for at least two years of experience in the position immediately below that of MD or CEO.

The change comes as the government has cancelled the remaining tenure of the contractual MDs and CEOs of three banks: Sonali, Janata and Rupali

Both requirements remain in place, but the latest amendment allows the two-year requirement to be waived for candidates with special skills, professional qualifications, leadership ability and a good reputation.

The age requirement of 45 to 65 years, the three-year contract term and the nomination process remain unchanged.

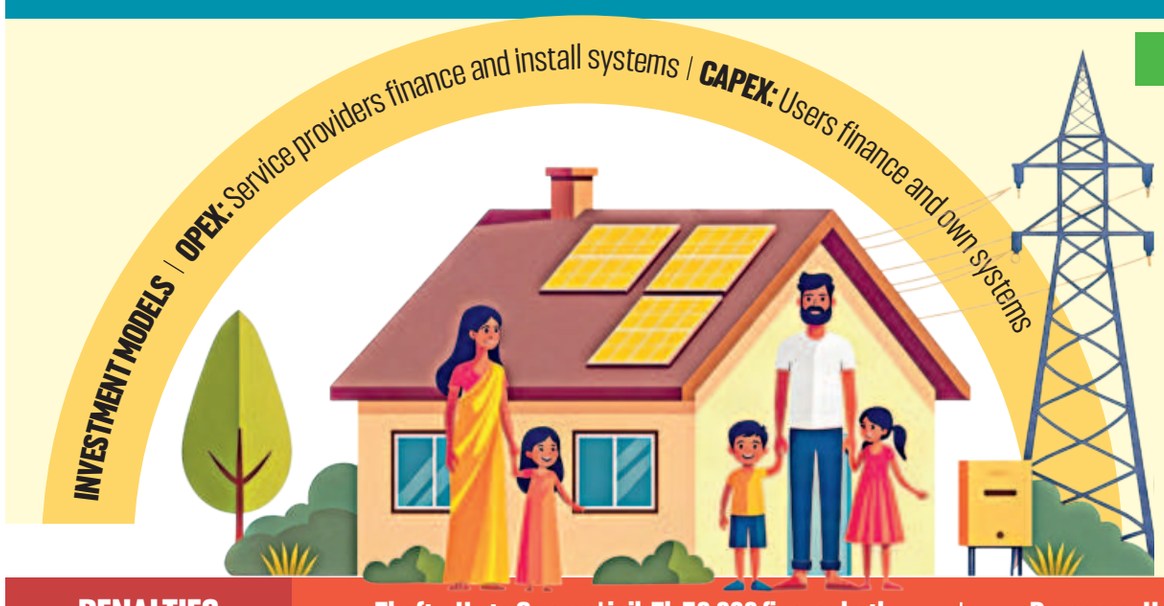
The revised policy replaces the July 2026 version, although actions taken under the previous version remain valid. This is the third time the government has revised the policy this year. The version before that was issued in January 2023.Under the policy, the government nominates MDs, while the respective bank boards finalise their appointments after receiving a no-objection from Bangladesh Bank.

The government directly appoints the heads of six specialised banks, as well as the Bangladesh House Building Finance Corporation and the Investment Corporation of Bangladesh.

Under the revised policy, promotions will prioritise performance, leadership

READ MORE ON B3

CONTEXT | **Govt targets up to 4,000MW of solar power before next summer**
- Incentives for systems installed by 28 February 2027
- Tk 10.50 per unit of surplus power fed to the grid for three years



KEY TAKEAWAYS

Special Solar Power Installation Ordinance, 2026

Oversight: National Policy Council, led by the prime minister

Sites: Rooftops, courtyards, unused land, tea gardens and water bodies

Agreements: Three-party deals for installations up to 5MW

E-waste: Proper disposal of obsolete solar equipment

PENALTIES — **Theft:** Up to 3 years' jail, Tk 50,000 fine, or both | **Damage:** Up to 5 years' jail or Tk 5 lakh fine

Rooftops, water bodies and tea gardens now open to private solar investors

New ordinance sets rules for solar projects up to 5 megawatts, covering contracts, financing, e-waste and penalties for theft

MD ASADUZ ZAMAN

If you own a rooftop, you can now put solar panels on it under a clear set of government rules, with or without your own money.

The rules come from a new ordinance the government issued on Monday. Titled the "Special Solar Power Installation Ordinance, 2026", it covers solar projects of up to 5 megawatts on rooftops, courtyards, unused land, tea gardens and water bodies.

It also covers floating solar panels and "agrivoltaics", a setup where crops grow beneath or beside the panels.

Large ground-mounted solar farms are not covered in the rules.

As the war in the Middle East keeps global energy prices volatile and exposes the country's heavy dependence on imported fuel, the authorities are pushing to ramp up cleaner power generation.

To cut its dependence on imported fuel, the government wants 3,000-4,000 megawatts of renewable capacity before next summer. Small, scattered projects across the country are meant to deliver a large share of it.

To pay for renewable power, the ordinance offers two models.

In the first, called OPEX, a solar company pays for the installation, runs it and is paid back through the electricity the panels produce. The building owner puts up no money upfront. In the second model, called CAPEX, the owner pays for the system and keeps it.

Either way, customers on net metering can send surplus power to the national grid. The electricity is credited against their bills, and they may also be paid for it at rates the government sets.

Every project under the OPEX model must be backed by an agreement signed by the customer, the solar company and a government authority.

It will have to follow a standard government template and specify who can use the roof or land, the quality of equipment, the price of electricity, net-metering terms, and what happens to equipment when it is thrown away.

Under the new rules, the contract must include e-waste management and "take-back" schemes, under which manufacturers collect their discarded equipment.

Energy specialists say the provision is important because the country still struggles to manage electronic waste, a problem that has grown with the boom in battery-run auto-rickshaws and rising demand for electric vehicles (EVs).

On the other hand, for CAPEX projects, the ordinance allows buyers to purchase goods and services worth up to Tk 5 crore through "limited tendering".

Limited tendering means inviting a select group of suppliers rather than the open market. The government's online procurement system e-GP will not be compulsory for such purchases as it aims to move quickly.

Shafiqul Alam, lead energy analyst at the Institute for Energy Economics and Financial Analysis, said the ordinance reflects the government's commitment to expanding renewable energy, particularly rooftop solar.

But he called for clarification of the procurement provisions, particularly whether limited tendering requirements would apply to private industries installing solar panels on their own premises.

"Your industry, on your roof, what will you use, what specification? It matches with the Bangladesh standard, that's it," he said. "Now, you can take it through tender, or you can give it directly."

He also noted that three-party agreements already existed under net metering, so the ordinance mainly streamlines the process.

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SPOTLIGHT

Govt suspends betel leaf exporters' association

STAR BUSINESS REPORT

The commerce ministry has declared the Betel Leaf Exporters' Association a dormant trade organisation, citing irregularities, including extortion and obstruction of shipments.

The association can no longer carry out any activities following the decision, according to a ministry letter issued on October 18.



PHOTO: HABIBUR RAHMAN

The ministry cited several reasons for the move, including hindering exports and contributing to a decline in betel leaf shipments, causing unnecessary delays during exports, inflating export costs through syndicate-led extortion, depriving growers of fair prices and shrinking the export market.

It also said the association had been working against the very purpose for which it was established.

A hearing on the matter was held at the Secretariat on October 7, chaired by Mohammad Jamal Haider, director general of the trade organisations wing of the commerce ministry.

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Bangladesh-Japan trade passes $3.3b on garment demand

REFAYET ULLAH MIRDHA

Trade between Bangladesh and Japan has grown steadily over the past decade, mainly due to rising demand for competitively priced Bangladeshi garments. Bangladesh's exports to Japan have more than tripled during this period, according to data from the Export Promotion Bureau (EPB) and Bangladesh Bank (BB).

In the past, Bangladesh's exports to Japan were worth only a few hundred million dollars. Shipments of ready-made garments (RMG) began to grow rapidly in 2011, when Japan relaxed its rules of origin for knitwear imports from least developed countries (LDCs).

As an LDC, Bangladesh benefited from duty-free access for its knitwear in the Japanese market, helping boost exports.

Annual exports to Japan have exceeded $1 billion since fiscal year 2015-16 (FY16). Meanwhile, two-way trade between the countries crossed $3 billion in FY18.

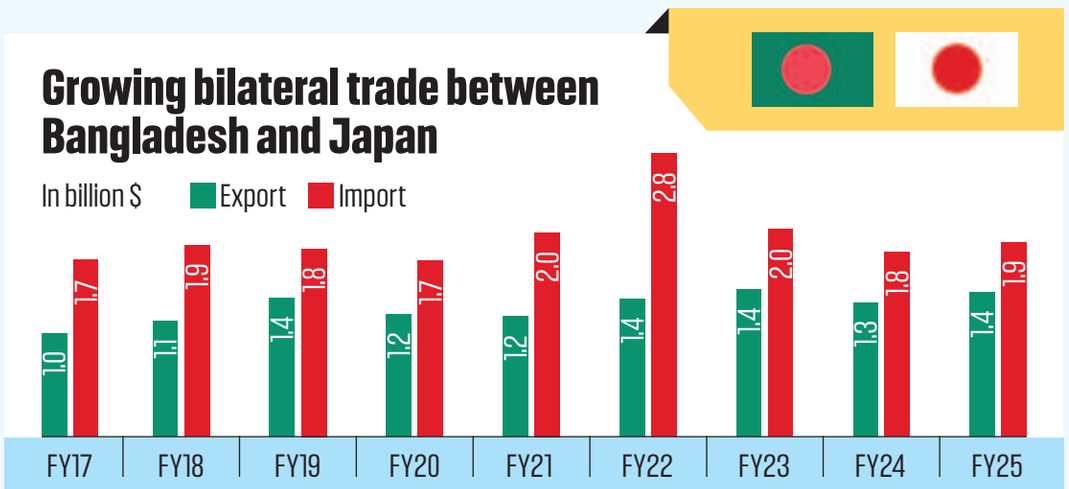
Bangladesh's exports to Japan grew by 20.74 percent in FY19 but declined over the next two fiscal years amid the Covid-19 pandemic.

According to EPB data, exports returned to pre-pandemic levels in FY22. They then rose sharply in FY23, reaching $1.9 billion. Two-way trade between Bangladesh and Japan increased to more than $3.31 billion in FY25, up from $3.12 billion in the previous fiscal year, the data showed.

Japan is now Bangladesh's ninth-largest export destination globally and its second-largest in Asia. It is also an important source of foreign direct investment (FDI) for Bangladesh.

Tareq Rafi Bhuiyan Jun, immediate past president of the Japan-Bangladesh Chamber of Commerce and Industry (JBCCI), said Bangladesh has significant potential to increase exports to Japan as demand for Bangladeshi products is growing in the country.

He said Japan can become one of Bangladesh's most promising export destinations, alongside Europe and the United States.



Business leaders want PM's Tokyo trip to bring investment

They also urge faster EPA rollout as garment exports to Japan target $3 billion

REFAYET ULLAH MIRDHA

Business leaders and trade officials say Bangladesh should use Prime Minister Tarique Rahman's upcoming Tokyo visit to attract more Japanese investment and press for swift implementation of the Economic Partnership Agreement (EPA) signed in February this year.

The PM will visit the island nation from October 26 to 29.

Japan is already an important export market and a major source of investment for Bangladesh. Recently, several leading Japanese companies have expressed interest in investing in Bangladesh or expanding their operations here.

Japanese businesses are also looking at new markets, including Bangladesh and its neighbours, under Tokyo's "China Plus One" policy, which aims to diversify investment beyond China and reduce dependence on a single country.

"We should seize this opportunity to attract Japanese investment to Bangladesh, as several major Japanese companies have already shown interest in investing here," said Tareq Rafi Bhuiyan Jun, immediate past president of the Japan-Bangladesh Chamber of Commerce and Industry (JBCCI).

Senior executives from three major Japanese business groups, Toyota, Mitsui and Marubeni, have recently visited Bangladesh and met senior government officials, Tareq told The Daily Star over the phone.

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Industrial development is path to country's economic progress: Muktadir

BSS

Industries Minister Khandakar Abdul Muktadir has said industrial development is the path to economic progress of the country.

"In the reality of Bangladesh's large population and limited land, the development of labour-intensive manufacturing industries is one of the most effective ways for the country's economic progress," he said while exchanging views with the plot owners of the BSCIC Industrial Estate on Tuesday in the conference room of the Rajshahi BSCIC Regional Office.

The minister said the government will give priority in the future to industrial sectors that can create more jobs with low capital investment.

Mentioning that creating skilled human resources is one of the government's priorities, he said, "The more the scope of manufacturing industries increases in the country, the more the demand for skilled and trained manpower will increase."

The minister said that to establish a direct link between investment and employment, it is essential to ensure a productive sector and a favourable environment.

To create sustainable employment, small, cottage and medium enterprises can create the most employment in the country. Therefore, steps are being taken to ensure easy-term loans and market facilities for these institutions, he added.

He said that instead of traditional or conventional education, young people need to be given technical training and their skills need to be enhanced in line with the demands of industrial factories and the service-oriented sector.

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The exchange-of-views meeting was moderated by Zafar Bayezid, regional director of the BSCIC Regional Office. Anawarul Azim, officer of the Industrial Estate, made a brief presentation on the activities of BSCIC Industrial Estate, Rajshahi.

The meeting was presided over by Rafiqul Islam, deputy general manager, BSCIC District Office, Rajshahi.

Other guests present were Abul Kalam Azad, MP, President of Rajshahi Chamber of Commerce and Industry Hasen Ali, and social worker and entrepreneur Liakat Ali.

The speakers included Shakilur Rahman Shakil, plot owner and entrepreneur of Rajshahi BSCIC-1 and BSCIC-2, freedom fighter Abdul Malek and businessmen Akhtaruzzaman, Kamrunnahar, Abdul Gani, Ziaur Rahman, Shamshul Alam, Abdus Sattar Karim, Rafiq Hasan, Ashraful Islam, Saifuzzaman Jacky and others.

They raised the issues of gas and electricity in Rajshahi BSCIC-1 and BSCIC-2 before the minister.

They said that due to the absence of a boundary wall around Rajshahi BSCIC-1, they have to live in insecurity. Theft and mugging are taking place. They said there is an urgent need for security guards.

The speakers also appealed to the minister for arrangement of loans on easy terms and for stopping raw VAT.

They requested drainage facilities, road surfacing and a fire service station in the BSCIC area.

At the end, the minister expressed the hope that he would take overall initiatives and effective steps to solve the problems of Rajshahi BSCIC-1 and BSCIC-2.



Md Ziaur Rahman, additional managing director and chief risk officer of Prime Bank PLC, and Mohd Abdul Mannan, executive director (in charge) and director, programme and innovations of UCEP Bangladesh, pose with the documents after signing, alongside senior officials from both organisations, at Prime Bank's head office in Dhaka, recently. PHOTO: PRIME BANK PLC

Prime Bank partners with UCEP Bangladesh to support vocational education

STAR BUSINESS DESK

Prime Bank has signed a memorandum of understanding (MoU) with UCEP Bangladesh for a one-year corporate social responsibility (CSR) partnership to support vocational education for underprivileged children.

Under the partnership, Prime Bank will fully subsidise the operational costs and vocational education of underprivileged children at two technical schools operated by UCEP Bangladesh in Khulna and Rajshahi, according to a press release.

The MoU was signed recently at Prime Bank's head office in Dhaka by Md Ziaur Rahman, additional managing director and chief risk officer of Prime Bank PLC, and Mohd Abdul Mannan, executive director (in charge) and director, programme and innovations of UCEP Bangladesh, in the presence of senior officials from both organisations.

The partnership supports broader national priorities, including skills development, promoting gender equality and sustainable youth empowerment across the country.

Speaking on the partnership, Ziaur Rahman said investing in technical education was an investment in the nation's economic future, aligning with sustainable banking goals and community welfare.

The initiative reiterates the bank's commitment to corporate social responsibility, poverty alleviation and building a skilled workforce for a modern Bangladesh.

Through the partnership, Prime Bank and UCEP Bangladesh aim to create pathways to employment and financial independence for hundreds of young learners in Khulna and Rajshahi.

NRBC Bank reviews agriculture and CMSME financing

STAR BUSINESS DESK

NRBC Bank PLC held a business review meeting in Bogura on October 15, to expand financing for farmers and small entrepreneurs, review the progress of refinancing schemes and strengthen the agriculture-based economy in northern Bangladesh.

Titled "NRBC Sufola and NRBC Goti: SME Refinance Business Penetration and Review Meeting", the meeting was organised by the bank, with Md. Shaheen Howlader, deputy managing director and chief business officer of NRBC Bank, attending as the chief guest, according to a press release.

Md Ramjan Ali Bhuiyan, head of the SME-Agri Business Department; Mohammad Shafiqul Islam, head of CRMD-SME; Asim Kumar Das, head of the Rajshahi zone; Himadri Shekhar Dube, head of the Rangpur zone; and managers of branches and sub-branches also attended the meeting.

Discussions focused on expanding access to refinancing facilities under NRBC Sufola and NRBC Goti, identifying business opportunities and ensuring that financing reaches farmers and entrepreneurs effectively.

The meeting highlighted three major refinancing initiatives of Bangladesh Bank: a Tk 10,000 crore refinancing scheme for the agriculture and rural sectors, a Tk 5,000 crore working capital refinancing fund for cottage, micro, small and medium enterprises (CMSMEs), and a Tk 3,000 crore special refinancing fund aimed at developing a specialised agriculture-based economic hub in northern Bangladesh.

Participants discussed opportunities to expand financing for agricultural production, storage, transportation, marketing and processing of farm produce, particularly in the northern region. The initiatives are expected to create opportunities for agricultural development, entrepreneurship and rural economic growth.

Speaking at the meeting, Howlader said effective implementation of Bangladesh Bank's refinancing programmes could help increase agricultural production, improve the business capacity of small and medium entrepreneurs, generate employment and strengthen financial inclusion.

He emphasised the need to advance Bangladesh Bank's initiatives to create local employment through the development of agriculture and small businesses. He also stressed the importance of selecting eligible borrowers, ensuring effective loan disbursement and strengthening loan recovery monitoring to maximise business opportunities while supporting farmers and entrepreneurs.



Md Ramjan Ali Bhuiyan, head of the SME-Agri Business Department of NRBC Bank; Mohammad Shafiqul Islam, head of CRMD-SME; Asim Kumar Das, head of the Rajshahi zone; Himadri Shekhar Dube, head of the Rangpur zone; and managers of branches and sub-branches pose for photographs at the bank's business review meeting in Bogura on October 15. PHOTO: NRBC BANK



REDX Logistics Limited receives the Excellence Award at Syngenta Bangladesh Limited's Distribution Safety & DG Handling Workshop 2026 on October 18 in recognition of its distribution safety performance. PHOTO: REDX

REDX Logistics wins award for distribution safety

STAR BUSINESS REPORT

REDX Logistics Limited has received the Excellence Award at Syngenta Bangladesh Limited's Distribution Safety & DG Handling Workshop 2026 in recognition of its performance in distribution safety.

The award recognises REDX's efforts to ensure safe and reliable logistics operations, particularly in handling and transporting regulated goods, according to a press release.

REDX is the logistics arm of ShopUp, a business-to-business commerce platform that provides integrated commerce, logistics and digital services to manufacturers, distributors and retailers across Bangladesh.

The recognition reflects the companies' focus on operational efficiency, safety and reliable logistics services, the press release said.

ShopUp's business ecosystem includes REDX and Mokam. In 2025, ShopUp merged with Saudi Arabia-based Sary to form SILQ, a business-to-business commerce and financial infrastructure platform.

Jio IPO subscribed within hours

AFP, *Mumbai*

Billionaire Mukesh Ambani's Jio Platforms attracted enough investor bids to fully subscribe its initial public offering within two hours of opening Wednesday, putting India's likely biggest-ever listing on track.

Jio Platforms, which houses the country's biggest wireless operator and is the digital services arm of Ambani's Reliance Industries, is looking to raise up to $3.2 billion in India's most anticipated IPO this year.

Bids placed by investors exceeded the 197.5 million shares on offer within 100 minutes of opening, according to BSE stock exchange data, with local media calling it the "fastest-ever subscribed IPO" in India. Most analysts expect gains when the stock debuts in Mumbai next week -- likely October 28 -- despite the weak performance of Indian equities this year.

Launched a decade ago, Jio's wireless service disrupted the market with steep discounts that helped it rapidly win customers from rival telecom firms Bharti Airtel and Vodafone.

The company's 533 million subscribers provide a "strong foundation for future growth", analysts at financial services firm Motilal Oswal said in a note.

But they also cautioned that "monetisation of newer digital services" still needs to be "demonstrated at scale".

While the massive IPO is seven years in the making, it comes at a challenging time for Reliance -- India's most valuable listed company, which still depends heavily on its traditional oil business to make money.

Reliance's refining empire drew the anger of the United States last year after White House adviser Peter Navarro accused Indian tycoons of profiting off the Ukraine war by buying discounted Russian crude.

Samsung, SK Hynix upgrading China plants to make more advanced chips, people say

REUTERS, *Seoul/Beijing/New York*

Samsung Electronics and SK Hynix are upgrading their China factories to produce more advanced memory chips, four people familiar with the plans said, aiming to fend off competition from a fast-growing Chinese rival and meet huge AI demand.

How much to invest in their Chinese operations has become a tricky question for the South Korean semiconductor giants ever since the US began imposing export controls on some chip-making equipment in 2022 amid an effort to slow China's technological progress.

Both companies are now required to seek US licenses annually if they want to install US-made equipment such as etching machines in China. The US Commerce Department's Bureau of Industry and Security also said in 2025 it did not intend to grant licenses to upgrade technology and expand capacity at the foreign chipmakers' factories in China.

The regulatory headaches have limited their ability to refit their factories and contributed to loss of market share to Yangtze Memory Technologies Co (YMTC). Executives at the South Korean chipmakers have publicly warned that geopolitical tensions are undermining their Chinese operations.

Samsung confirmed in a statement to Reuters that upgrades were underway and were being done in close consultation with Washington. SK Hynix said it has been installing equipment at its Dalian factory in northeastern China, in consultation with the US government. Neither firm disclosed details of production plans that are being reported here for the first time. Reuters could not, however, determine to what extent US authorities have granted export licences for equipment that Samsung and SK Hynix need for their planned upgrades.



Visitors look at a model of SK hynix's high-bandwidth memory technology during the 2025 World IT Show in Seoul. PHOTO: AFP/FILE

According to the people, the two companies are working to manufacture flash NAND memory chips with more than 200 layers at their Chinese plants, whose products are currently not as advanced as chips being produced in South Korea. NAND, a type of memory chip that retains data without power, is widely used in smartphones, PCs and solid-state drives for AI data centres. More layers per chip means more storage density and lower costs.

Shares in Samsung and SK Hynix both ended 6 percent higher on Wednesday after publication of this article.

SAMSUNG SETS SIGHTS ON 286-LAYER CHIPS

Samsung's plant in Xian in northwestern China, which accounts for about 40 percent of the company's global NAND output, currently makes chips that have about 200 layers, according to two of the people. As part of a project known internally as "Monami" — from the French for "my friend" — Samsung is converting the facility to make 286-layer V9 NAND chips, aiming for monthly output of 5,000 wafers in December this year and then a jump to 40,000 wafers by December 2027, one of the people said.

Govt inherited a fragile economy: Titumir

BSS

The government inherited a fragile economy and Bangladesh is now at a critical stage of economic transition, said Rashed Al Mahmud Titumir, the prime minister's adviser on finance and planning.

"As a result, low- and middle-income people are under considerable pressure," he said at a meeting with journalists at the Rajbari Poura Milonayatan yesterday.

The adviser said the investment situation, particularly the decline in private-sector investment, had worsened the employment crisis.

The crisis in the Middle East and rising energy prices had also created fresh pressure on the country's economy.

Against this backdrop, various organisations have presented different projections regarding Bangladesh's gross domestic product (GDP) growth, he said.

Referring to the International Monetary Fund's (IMF) GDP growth projections, Titumir said a fundamental issue had been overlooked in some discussions circulating on social media.

Without the necessary reforms, economic growth would decline further, he added.



Rashed Al Mahmud Titumir

Highlighting the government's reform initiatives, the adviser said restoring discipline in the banking sector and increasing revenue collection were urgent priorities.

The government had undertaken several social protection programmes to prevent people from falling below the poverty line amid mounting inflationary pressure, he added.

Rajbari Deputy Commissioner Abdus Salam, District Information Officer Rekha Islam and journalists from print and electronic media outlets in the district attended the meeting.

Global diesel prices seen staying high despite Trump's deal with Russia

REUTERS, *New York*

President Donald Trump's deal with Russia to supply diesel to US and global markets is unlikely to meaningfully lower diesel prices, market watchers and analysts said, noting that the promised volumes are too small to ease a global supply squeeze.

Diesel prices have shot to record highs during the US-Israeli war on Iran, creating a political liability for Trump and his Republican Party as they campaign to maintain thin majorities in the US Congress in the November 3 midterm elections.

Critics of Trump's move said lifting sanctions on Russian diesel could help Moscow fund further attacks on Ukraine, undermining years of efforts to curb Russian energy revenues and raising the risk the Kremlin could profit while consumers get little relief from high fuel prices.

Trump said Russia would immediately export 300,000 metric tons, or 2.25 million barrels, followed by 500,000 tons in November and 1 million tons "immediately thereafter".

Analysts have said it may not be possible for Russia to produce enough excess diesel in the near-term to meet those ambitious goals, while a strained global tanker market may also make timely shipments difficult.

Analysts also said the announced volumes are unlikely to meaningfully lower diesel prices. US retail diesel prices topped $6 a gallon in September for the first time ever and have remained above that level since.

Michelle Brouhard, head of policy and geopolitical risk at Kpler, said it would take an additional 400,000 barrels per day of diesel supply to materially ease prices in the current market.

But the initial shipment of roughly 2.2 million barrels would amount to only about 73,000 bpd if distributed over a month. She said that volume on its own would probably not significantly affect global diesel prices.

Caspian Conran, lead economist at consulting firm Baringa, estimated that the market would require an additional 850,000 bpd of supply to produce an immediate softening in prices.

Trump initially said Russia would immediately supply diesel to the US and global markets to help bring down fuel prices, but later said the Russian cargoes would be released to global markets rather than shipped to the US.

This raised questions about whether the deal will deliver the domestic supply relief the president promised.



In an aerial view, oil storage tanks are seen at the rail-fed diesel base, Exxon/Mobil Wink Transloading facility in Wink, Texas. PHOTO: AFP/FILE

The diesel that Putin was going to sell, they were going to make it available to the global market one way or the other, Secretary of State Marco Rubio said over the weekend. The only difference is how much of it the US was going to get.

White House spokeswoman Taylor Rogers said Trump announced that "massive amounts" of Russian diesel will supply the global markets and will lower prices at home and abroad.

President Trump continues to secure good deals, not just for the United States, but for the world, Rogers said. It was unclear whether Russia can substantially increase diesel exports in the near term due to limited Russian export availability and elevated freight costs.

Shipping data on Tuesday showed some Russian diesel cargoes were returning to their traditional destinations after the US suspended sanctions and secured the lifting of an export ban. At least two tankers were signaling trips to Turkey and Brazil.

Data also showed Russia has resumed diesel export loadings from the Baltic port of Primorsk following an agreement between Washington and Moscow to supply fuel to global markets.

Disruptions to diesel exports from Russia, the world's second-largest diesel exporter after the US, and the Middle East reached 1.3 million barrels per day in September, about 4.5 percent of global diesel and gasoil demand.

The International Energy Agency has warned shortages could persist into 2027.

We question whether Russia's refineries could even support an increase in exports with, by some estimates, up to 45 percent of Russia's refining capacity currently offline, said Mary Melton, an analyst with tanker company Braemar.

Delivering the announced volumes in addition to existing exports would require Russia to produce roughly 384,000 to 509,000 barrels per day of diesel, the Energy Policy Research Foundation said in a note.

Russia currently produces about 1.4 million barrels per day and consumes roughly 1.2 million barrels per day domestically, leaving little surplus available for export. Traders noted the country is currently importing distillates and lacks sufficient production and surplus volumes.

While an end to attacks could allow damaged facilities to begin repairs and eventually return to international markets, sources said that is unlikely to happen before the end of the year, a view widely shared across the market.

Gold extends losses to near one-week low on elevated oil prices

REUTERS

Gold steadied after touching its lowest level in nearly a week on Wednesday, as a rally in oil prices reignited inflation concerns while investors braced for next week's Federal Reserve meeting for clues on the interest rate outlook.

Spot gold fell for a fourth straight session, down 0.1 percent at $4,121.27 per ounce by 0910 GMT, hitting its lowest level since October 15 in earlier trade. US gold futures for December delivery fell 0.1 percent to $4,139.50 per ounce.

"Gold has adhered to the downtrend that began 2 months ago on persistent expectations that more Fed rate hikes are in store," said Han Tan, chief market analyst at Bybit. Gold is traditionally seen as an inflation hedge, but loses appeal as a non-yielding asset in a high-interest-rate environment.

The Fed will skip raising interest rates this month and deliver a hike in December, according to nearly all economists polled by Reuters, as policymakers signal patience even as stubborn inflation argues for a tougher response.

"Despite the expected pause at next week's FOMC meeting, Fed funds futures are fully pricing in one more 25-bps hike before the year comes to a close, with two more hikes expected by mid-2027," Tan added.

Markets are also waiting for US Personal Consumption Expenditures data next week, the Fed's preferred gauge to monitor its 2 percent inflation target. Hotter-than-expected consumer and producer inflation data last week showed that US price pressures remained elevated on soaring energy prices.

Oil prices gained more than $1, with Brent futures holding above $110 a barrel, as escalating Middle East tensions fuelled fears of supply disruptions.

EU probes Booking.com over fraud risks

AFP, *Brussels*

The European Union opened an investigation into online travel agent Booking.com on Wednesday over alleged failures to tackle fake listings and phishing scams.

The EU fears Booking.com has underestimated the impact of fraud and unlicensed accommodation, and is not sufficiently protecting users' data from being misused for scams.

The probe is the first into Booking.com under the Digital Services Act (DSA), a mammoth online content law that covers a wide array of platforms including social media and digital marketplaces.

"Europeans should be able to book their holidays without fear of being scammed," EU tech chief Henna Virkkunen said in a statement.

The EU said it was also looking into whether the Netherlands-based firm breached rules "because it did not clearly label as ads those listings whose providers paid for a higher ranking in search results shown to users".

The DSA "sets clear responsibilities" and "we must ensure that the leading booking platform in Europe takes those responsibilities seriously", Virkkunen added.

Booking.com said that it was "cooperating fully" and that "security, trust and the protection of personal information are top priorities".

"We remain committed to working with relevant governments, regulators, law enforcement and industry partners to combat cybercrime and online fraud and protect travellers and partners," it added.

Booking.com is among over 20 very large online platforms that must comply with the DSA's stricter rules or risk fines that could go as high as six percent of their global turnover, or even a ban for serious and repeated breaches.

There is no legal deadline for the completion of the probe but the targeted company can offer commitments to address the European Commission's concerns.

A senior EU official was critical of Booking.com and its risk assessment efforts since 2023.

"We feel that what they have done is absolutely substandard," the official said on condition of anonymity.

The commission -- the EU's digital watchdog -- said it would assess whether the online platform "properly identified" risks linked to the spread of illegal content such as non-existent properties and fraudsters portraying themselves as the owner of a property and putting it up for rent.

In some cases, customers discover on arrival that the property they thought they had booked does not exist, or more often, photographs or property descriptions do not accurately reflect reality.

The EU will also investigate whether Booking.com is doing enough to address the risks that phishing scams pose to European consumers.

Business leaders

FROM PAGE B1

Commerce Minister Khandakar Abdul Muktadir also said representatives of Marubeni and Toyota have visited and discussed investment opportunities.

Tareq expects the visit to focus on implementing the EPA, launching the third terminal at Hazrat Shahjalal International Airport in Dhaka and attracting more Japanese investment.

Mahmud Hasan Khan, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said investment should be a priority too.

Last month, the BGMEA opened a dedicated desk for the Japanese market at its Uttara office to attract more Japanese textile and garment businesses, as part of its strategy to expand into Asian markets.

The association will also hold a roadshow in Hong Kong next month to attract Asian garment retailers and brands. Japanese retailers are expected to attend, as the association has been working closely with them, Mahmud said.

Bangladesh exports more than $1.4 billion worth of garments to Japan annually, benefiting from duty-free access under its Least Developed Country (LDC) status, according to the Export Promotion Bureau (EPB).

Garments account for about 80 percent of its exports to Japan. The BGMEA aims to raise garment exports to Japan to $3 billion in the near future. Japan has committed to continuing LDC-related duty-free access for three years after Bangladesh graduates from the category.

Md Fazlul Hoque, administrator of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), called for swift ratification of the EPA to boost trade and investment between the two countries.

"However, I would like to see a greater focus on investment during the prime minister's visit," Fazlul said.

Kazuaki Kataoka, country representative of the Japan External Trade Organization (JETRO) in Bangladesh and current president of the JBCCI, also expects economic issues to feature in the talks.

He said Japanese investors are showing greater interest in Bangladesh since the country's political situation stabilised after the general election in February this year. Commerce Minister Muktadir said he hopes both countries will soon ratify the EPA in their national parliaments, paving the way for implementation and stronger bilateral trade.

Japan's Ministry of Foreign Affairs said in a statement on Tuesday that Prime Minister Sanae Takaichi would hold a meeting and lunch with Tarique Rahman during his visit.

"The visit of Prime Minister Rahman is expected to further strengthen the 'Strategic Partnership' between Japan and Bangladesh, a key regional partner that shares values and principles such as freedom, democracy and the rule of law, and enhance coordination towards realising the updated 'Free and Open Indo-Pacific (FOIP)'," the statement said.

Foreign Secretary Asad Alam Siam said on Tuesday that the visit would build on the EPA to expand trade and investment.

Bangladesh is also discussing about eight memorandums of understanding (MoUs) with Japan, and three or four are expected to be signed during the visit. The proposed agreements cover agriculture, fisheries, skills development, civil aviation, trade, environmental protection and the modernisation of local government.

Business surveys also support Bangladesh's prospects for attracting Japanese investments.

Bangladesh has ranked among the top 20 promising destinations for overseas business in surveys by the Japan Bank for International Cooperation (JBIC) for the past three years, and a recent JETRO survey found that 71.5 percent of Japanese companies want to expand their businesses in Bangladesh.

To attract more Japanese foreign direct investment, Bangladesh is developing the Japan Economic Zone in Araihazar, Narayanganj.

Govt eases experience rules for state bank CEOs

FROM PAGE B1

ability, service records and experience in key banking departments. Seniority alone will not determine promotions.

The scoring tables for promotions to deputy managing director and general manager positions remain unchanged.

Candidates must hold at least a master's degree from a recognised university and must not have obtained a third division or class at any stage of their education.

The selection committee's recommendations, along with candidates' intelligence reports and reports from the Anti-Corruption Commission, will be reviewed during the selection process.

Fahmida Khatun, distinguished fellow at the Centre for Policy Dialogue (CPD), said skilled and competent personnel were essential for banks, particularly state-owned ones.

She said the banks needed to be kept free from political influence while ensuring that competent professionals were recruited.

"State-owned banks can be turned around only if rules and policies are followed. The boards of banks must be kept free from political influence, and transparent and professional people must be appointed."

"But I do not understand why this policy was amended at this particular moment," she said.

Govt suspends betel leaf exporters' association

FROM PAGE B1

Mohammad Mansur, general secretary of the Bangladesh Fruits, Vegetables and Allied Products Exporters' Association (BFVAPEA), said exporters would now be able to ship betel leaf as they had before.

"The government has taken a positive decision to boost betel leaf exports, even though it took a long time," he told The Daily Star.

He added that betel leaf had been exported under the BFVAPEA for four decades and that there was no need for a separate association for the purpose.

"The licence of the Betel Leaf Exporters' Association was cancelled twice before," he added.

Bangladesh earned $32.5 million from betel leaf exports in fiscal year 2023-24, before earnings fell 34 percent to $21.4 million in FY2024-25. Export earnings subsequently recovered 6 percent to $22.7 million in FY2025-26, according to figures cited in the draft from the Export Promotion Bureau.

Saudi Arabia is a major destination for Bangladeshi betel leaves, according to commercial shipment data.

Rooftops

FROM PAGE B1

On e-waste, he welcomed the inclusion of the issue but said further frameworks will be needed to make the provisions effective.

Mostafa Al Mahmud, president of the Bangladesh Sustainable and Renewable Energy Association (BSREA), said solar panel waste will grow as installations spread, and the country will need proper systems for collecting, recycling and disposing of it.

"If e-waste is generated and there is no proper process for disposing of it, and if it harms the environment, then there is no benefit to the initiative," he told The Daily Star.

He added that recycling could create investment opportunities and employment if managed properly.

CONCERN OVER FINANCING, PROCUREMENT

Mostafa raised two other concerns about the new rules.

He said expensive loans could push up the cost of the electricity produced. He also said that if procurement is not transparent, genuine investors or genuine businesspeople could be pushed out by political favouritism.

Therefore, he called for a broader law covering all renewable technologies and project sizes, which he said would draw more local and foreign investment.

Meanwhile, Shafiqul said the government will need to build further frameworks to make the e-waste rules work.

Under the ordinance, stealing solar electricity or equipment carries up to three years in prison, a fine of Tk 50,000, or both. Buying, selling or holding stolen equipment draws the same punishment.

Damaging panels or equipment can bring up to five years in prison or a fine of up to Tk 5 lakh. Making illegal connections, or obstructing workers who install, inspect or maintain systems, carries up to three years or a Tk 5 lakh fine.

Cases will go to first-class or metropolitan magistrates, and some can be heard in mobile courts.

A National Policy Council headed by the prime minister will guide policy. District and upazila committees will coordinate on the ground, and the Sustainable and Renewable Energy Development Authority (SREDA) will keep records of installed systems and check that they are working.

AI, greener economy help weather energy shock: ECB

REUTERS, *Frankfurt*

The euro zone economy has weathered this year's energy shock better than expected, with lower dependence on fossil fuels, stronger fiscal support and an AI investment boom helping sustain growth, European Central Bank economists said on Wednesday.

The assessment, published in an ECB blog, adds to a growing debate among policymakers about whether structural changes in the global economy are raising growth, investment and interest rates after an era of relative weakness.

The euro area has been hit by a surge in oil and gas prices after the Iran war disrupted energy markets, rekindling inflation concerns and contributing to a global bond selloff. But the currency bloc has continued to grow and business surveys indicate expansion remains intact.

Five years on, Sylhet Hi-Tech Park struggles to take off

Creates just 400 jobs, attracts only 2 investors

DWOHA CHOWDHURY



PHOTO: SHEIKH NASIR

The Hi-Tech Park in Sylhet remains largely underutilised nearly five years after its inauguration, with unfinished facilities and limited business activity reflecting the challenges facing the project.

Nearly five years after its inauguration, Hi-Tech Park, Sylhet, has created just 400 jobs against a target of 20,000 and attracted around Tk 300 crore in investment against a target of Tk 1,500 crore.

Only two of the 14 companies allotted land or space at the 171.07-acre park are operational, with gas shortages, unreliable electricity and unfulfilled commitments undermining business expansion.

Approved by the Executive Committee of the National Economic Council (Ecnec) in March 2016 at an estimated cost of Tk 336 crore, the park is located in Companiganj upazila, 22 kilometres north of Sylhet city.

It was inaugurated as Bangabandhu Sheikh Mujib Hi-Tech Park on December 12, 2021, and later renamed Hi-Tech Park, Sylhet.

The project was expected to industrialise Sylhet's economy, create jobs for young people and capitalise on the region's proximity to India's seven northeastern states. The authorities promised gas connections, uninterrupted electricity, tax holidays, duty-free imports of machinery and raw materials, and the freedom to repatriate profits and capital.

Several commitments, however, remain unfulfilled.

According to the Bangladesh Hi-Tech Park Authority (BHTPA), around 44 acres of land have been allotted, leaving more than 76 acres available.

Of the 21,576 square feet of allocable space in the administrative building, 19,062 square feet has been allotted, but four of the five companies allocated space there are yet to become operational.

Among companies allocated land, Rangs Electronics Limited began operations on its 32-acre plot in 2025. One company is still constructing its facility, three halted construction after starting work, and four have yet to begin construction.

GAS SHORTAGE, POWER DISRUPTIONS

Rangs, the park's flagship tenant, has struggled with infrastructure gaps for years.

The company applied for an industrial gas connection in 2022 but was denied one by the Ministry of Energy and Mineral Resources, according to Rangs. The BHTPA applied on its behalf in November 2025, but the request was rejected. The authority reapplied in April this year and is awaiting a decision.

Electricity is supplied through a 33/11 kV line operated by the Rural Electrification Board. Heavy rainfall in Sylhet frequently triggers prolonged load-shedding, according to the park authority.

Md Rafiqul Islam, senior general manager of Rangs Electronics, said the company moved to the park despite having factories on its own land, hoping to benefit from the promised facilities.

"However, commitments such as one-stop services for government documentation were not fulfilled from the outset, and we had to obtain all the required licences by approaching the relevant offices individually, just as we did for our other projects," he said.

"The promise was that there would be no rent during the three-year construction period and that the rent would be reasonable until we reached the break-even point.

However, we have been paying rent since day one. Besides, there is no backup electricity, and during maintenance work, we are forced to stop production for days," he said.

"The biggest obstacle is the gas connection, which the ministry has continued to deny since we began construction. We had plans to launch our television, air-conditioner and other production lines, but we are now operating at only 30 percent of capacity, producing refrigerators alone. All these setbacks are causing us losses of Tk 60 crore a year, along with higher production costs," he added.

UpSkill Bangladesh, the park's other operational tenant, also faces connectivity and security problems.

Muminur Rahman Tamal, lead HR at the company, said the New York-based firm had expanded into Bangladesh to offer advanced IT courses.

"However, because of communication problems, we are struggling to attract students and retain employees. There are also serious security concerns in the evening," he said.

In November 2024, a The Daily Star investigation found that 15 ICT-related projects nationwide, worth Tk 8,500 crore combined, had been undermined by faulty planning, corruption and poor execution under the previous government's Digital Bangladesh programme.

REVIVAL PLAN AWAITS ACTION

After the Bangladesh Nationalist Party came to power in February 2026, the current administration formed a committee to develop recommendations for reviving the park. Local lawmaker Ariful Haque Choudhury, also the minister for expatriates' welfare and overseas employment, inspected the park in June and expressed concern.

He said the government would decide on a way forward after consultations between the ministry and the prime minister. However, no public outcome had emerged by the time of writing.

MD Fazlur Rahman, managing director of the Bangladesh Hi-Tech Park Authority, said the park's distance from the city and lack of gas connectivity were major obstacles to attracting investors. These problems were preventing factories from becoming fully operational, he said, adding that several other issues also needed to be resolved.

The authority is working to attract new investors, he added.

"Our secretary recently visited the park with local business chamber leaders, and we will work to attract new investors. We have a high-level meeting scheduled for November 4, where we will discuss all the issues concerning the park. We are working to make the hi-tech park fully operational by overcoming all the barriers," he said.

How to boost investment and curb inflation

SAYEMA HAQUE BIDISHA

Recent forecasts by development partners paint a bleak picture of Bangladesh's economy. Sluggish GDP growth, weak private investment, rising poverty, banking sector weaknesses and high inflation are major concerns. The two immediate challenges are persistent inflation and slowing investment. Addressing both requires structural reforms.

Private sector credit growth, a key investment indicator, stood at only 4.8 percent in August, despite ample banking sector liquidity. This reflects weak investment prospects, with the investment-to-GDP ratio stuck at 22 percent.

Five areas need attention to accelerate investment. First, reliable energy supplies are essential. Although the immediate crisis linked to the Middle East has been managed to some extent, short, medium and long-term plans are needed. Alongside securing liquefied natural gas supplies, Bangladesh must increase extraction from existing reserves, particularly offshore. Over the longer term, large-scale investment in solar and other alternative energy sources should be assessed.

Second, interest rates pose a complex policy challenge. Cutting rates risks fuelling inflation, while high rates hinder business activity. Given current conditions, lowering rates in the short term could be risky. In May, the central bank announced a Tk 62,000 crore stimulus package to restart closed industrial units and revive investment. However, the response remains limited. Factories closed for long periods may find it difficult to meet lending conditions. Eligibility requirements could be reconsidered, while keeping disbursement guidelines transparent.

Third, administrative and bureaucratic hurdles cause delays. Procedural bottlenecks at land ports also impede trade. Although the national budget proposed measures to improve efficiency, implementation remains slow. These must be implemented without delay.



Bangladesh must prioritise structural reforms, stronger financial governance and better market management

Fourth, investment requires confidence and certainty. Political instability, policy discontinuity, corruption and local strongmen discourage new investment. Businesses need an environment in which they can operate freely.

Fifth, financial sector governance must improve. Banking reforms require a stronger legal framework, effective resolution of non-performing loans, transparent lending oversight and solutions for weaker banks drawing on stronger institutions' experience. Export diversification is also essential. Time-bound plans should address challenges facing key industries and services, including nursing and care services.

While reviving private investment is a priority, controlling inflation must remain central to economic policy. Monetary and fiscal measures alone are insufficient without better market management. Supply chain weaknesses must be addressed, with firm action against artificial shortages and practices that undermine competition. Authorities need organised monitoring teams, clear guidelines, coordination with local administrations and law enforcement, action against transport sector corruption, measures to reduce delays, tighter oversight of middlemen and better storage facilities.

The commerce, agriculture and food ministries must coordinate closely. A unified, independent policy committee focused on inflation control could help. Although monetary policy has had limited success in controlling inflation, keeping the policy rate unchanged at 9.5 percent appears reasonable in the short term. Lower import duties on essential food items and avoiding short-term fuel price adjustments, particularly for diesel, could also help.

The Trading Corporation of Bangladesh (TCB) should expand operations, widen its product range, sell food at subsidised prices and use registration systems to improve transparency. Weak revenue mobilisation constrains development spending and limits subsidies and incentives for critical sectors. Economic policy must prioritise domestic revenue by expanding the tax net, strengthening direct taxation and accelerating digitalisation.

Bangladesh faces a difficult task: curbing inflation and reviving investment amid geopolitical uncertainty. However, healthy foreign exchange reserves, steady remittance inflows and robust agricultural output offer support. Time-bound reforms in revenue mobilisation, public expenditure management and the financial sector, prioritising structural solutions over short-term fixes, can put the economy on a stronger footing.

The writer is an economics professor at Dhaka University

Brent oil prices near 5-month high

REUTERS, *London*

Oil prices rose by more than $1 on Wednesday as attacks on Gulf shipping and no signs of diplomatic progress to end the Iran war fuelled supply disruption fears, with the Brent benchmark hovering near 5-month highs, while falling US crude and product inventories also lent support to the market.

Brent crude futures rose $1.32, or 1.2 percent, to $110.11 per barrel by 0747 GMT. US West Texas Intermediate (WTI) crude gained $1.18, or 1.2 percent, to $99.00 per barrel.

In the previous session, Brent hit its highest in five months and WTI in six months but prices fell after Iran's president discussed mediation efforts in a meeting with Pakistan's army chief in Tehran.

"Even tentative signs of additional supply or diplomatic progress were enough to tempt traders with a bullish bias to bank some profits," PVM analysts said.

"Whether this was justified is debatable, as neither of the two geopolitical conflicts underpinning the market's bullish sentiment has shown any signs of de-escalation," they added.

Iran told Pakistan's army chief there would be no talks with Washington until its demands were met, adding that a Qatari delegation had arrived in Tehran.

Shiptracker Kpler said at least 18 vessel attacks were recorded over the past two weeks, while LSEG analysts warned Iran was targeting tankers well beyond the Strait of Hormuz, reaching into the Gulf of Oman and jeopardising Gulf crude loadings and the ship-to-ship transfers supporting regional loadings.

Ballooning global imbalances risk amplifying messy AI unwind

REUTERS, *Orlando*

Global imbalances are expanding, with the US trade deficit on one side and outsized Asian surpluses on the other posing growing risks to economies and markets worldwide. AI lies at the heart of it.

The US trade deficit widened in August to $105.6 billion, a 17-month high. This was thanks to a 4.3 percent surge in imports to an all-time high of $420.8 billion as companies sucked in the computer chips, equipment and materials needed for the record-busting AI buildout. A Federal Reserve Bank of Minneapolis paper in August estimated that around 70 percent of US firms' AI-related capital spending is on imported goods.

Many of these shipments are coming from a handful of countries in Asia, such as South Korea, Taiwan and China, whose trade surpluses have exploded to historic heights in recent months. China's exports this year have leapt by 22 percent. Economists at Barclays estimate that semiconductors and automatic data-processing equipment and parts account for almost two-thirds of that. The contribution of AI-related goods to South Korea and Taiwan's export boom is even greater. South Korea's exports jumped 83.5 percent in September from a year earlier as semiconductor shipments more than tripled, while Taiwan's surplus in September hit $23.6 billion, a monthly record.

Given these unrelenting flows, China is well on course to record a second consecutive annual trade surplus of over $1 trillion this year, while South Korea and Taiwan could post a combined $1 trillion current account surplus next year, according to Brad Setser at the Council on Foreign Relations. The combined Asian surpluses are, for the most part, being recycled into US assets, mostly stocks, as overseas investors chase the pots of gold at the end of the American AI rainbow.

These widening external balances are ringing alarm bells. Officials from the International Monetary Fund and other international institutions warn that imbalances can distort asset prices and inflate financial bubbles, a dynamic that many analysts argue is already playing out. The consequences of a rapid, disorderly unwind could be extreme, potentially including a sharp depreciation of the US dollar, huge volatility on Wall Street, and a sudden spike in global interest rates. Last week's ructions in global equities may have been a sneak peek.

FLOWING TO THE STREET

US trade deficits and sky-high Asian exports are nothing new, but what's changed in recent years is where the surpluses are flowing. In years gone by, Asia's surpluses were typically reinvested into US Treasuries as Asian central banks sought to build their foreign currency reserves. As a result, US bond yields were capped, US consumer demand was propped up, and economies on both sides of the divide kept growing.

But those surpluses are now flowing into Wall Street. Treasury International Capital (TIC) data on Friday showed that foreign investors' net purchases of US securities in August jumped to $279.2 billion, a record amount for a single month. The vast majority of that came from the private sector, with more than half of it plowed into equities, with the overseas private sector buying $131.9 billion of stocks, the second-biggest inflow on record behind June's $144.7 billion. Foreign private-sector net inflows into US stocks in the 12 months through August stood at $844 billion, up more than 30 percent from a year earlier. Investment is also flooding into the US corporate debt market, where issuance from hyperscalers and others involved in the AI buildout has rocketed. Foreign purchases of US corporate bonds in the 12 months through August totaled $464 billion, also up more than 30 percent on the year. Everyone, it seems, wants in on the AI mania.

Of course, this concentration heightens the risk of a disorderly exit when these markets turn. We already got glimpses of that last week. The Philadelphia chip index fell on Friday for the eighth straight day, marking its longest losing streak since October 2008. The index shed 11.5 percent last week. Meanwhile, many of the bonds issued to fund the construction of data centers have recently dipped into distressed territory below 80 cents on the dollar.

In a severe scenario, we could see a market correction that cascades through the highly leveraged and circular AI ecosystem. Given the sizable cross-border holdings of AI assets, the losses could spread around the world, IMF chief Kristalina Georgieva wrote last week. If she's right, the AI unwind could get ugly.



Visitors look at Wiwynn's AI data centre reference architecture display during Computex in Taipei. PHOTO: AFP/FILE

Merz says EU ready to defend industry against 'unfair' Chinese trade

AFP, *Berlin*

German Chancellor Friedrich Merz vowed Wednesday that the European Union would defend itself against what he called "unfair" Chinese trade practices that could threaten German industry.

The leader of Europe's biggest economy, who is set to travel next week to Singapore, Japan and South Korea, criticised Chinese industrial overcapacities, subsidies for products and export advantages that he said came from an artificially cheap currency.

"We want to have fair trade with China in our joint and mutual interest. That is our goal," Merz said at a Berlin conference.

"But at the same time, we have to be ready to defend ourselves, to defend our industry."

Germany -- home to industrial giants in the auto, chemicals and electronics sectors -- long prided itself on a massive trade surplus with the rest of the world, including booming sales to China.

That has turned in recent years, however, as Chinese firms have become increasingly competitive and German exporters have been hit by rising production costs and US tariffs.

In recent months, EU leaders including Merz and French President Emmanuel Macron have seriously weighed new policy moves to protect EU-based industry from Chinese competition.

Merz said recent talks by EU officials with China had made some progress, including an agreement to reduce the number of cars exported to the European market.