Business

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More than RMG needed to tap Japan market

Industry insiders say

REFAYET ULLAH MIRDHA

Bangladesh is missing opportunities to boost export earnings from Japan by relying heavily on garment shipments while struggling to tap demand for products such as footwear, leather goods and food items, industry insiders say.

Garments account for more than 80 percent of Bangladesh's exports to Japan, leaving considerable scope to diversify into higher-value products. However, exporters need to address energy shortages and meet Japan's stringent quality and compliance requirements to turn that potential into higher export earnings.

Bangladesh already exports jute and jute goods, leather products, fish and shrimp, plastic goods, and information technology and IT-enabled services to Japan, according to the Export Promotion Bureau (EPB). Sector leaders say exports could be expanded by shipping more agricultural products, higher-value garments and man-made fibre apparel.

Food and vegetable products offer another potential avenue for growth, particularly given demand among Japanese consumers and expatriate Bangladeshis. However, Bangladesh has struggled to capitalise on this opportunity because exporters have difficulty meeting Japanese quality and compliance standards.

Mostafa Abid Khan, chief executive officer of the Bangladesh Foreign Trade Institute (BFTI), said Bangladesh needed to diversify its exports to Japan, including within the garment sector.

Garments account for more than 80 percent of Bangladesh's exports to Japan, leaving considerable scope to diversify into higher-value products

The country should increase shipments of man-made fibre garments, while footwear and leather goods also hold significant potential in the Japanese market, he said.

Bangladesh could substantially increase earnings from these sectors over the next few years if exporters diversified their products and improved quality and compliance with Japanese standards, Mostafa said.

However, energy shortages in the domestic industrial sector could constrain production and limit the country's ability to tap the market, he added.

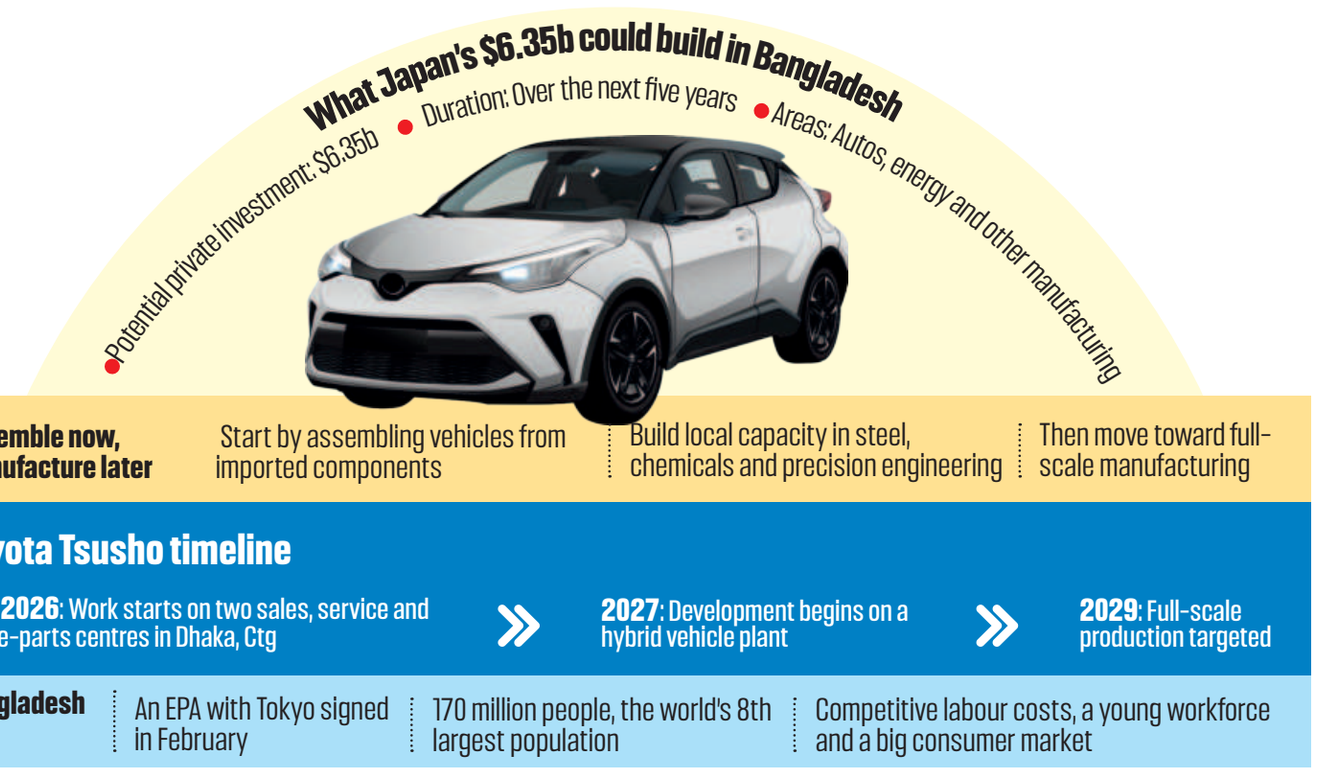
Attracting more Japanese investment could also create opportunities for export diversification. More than 350 Japanese companies currently operate in Bangladesh across various sectors, including trading, manufacturing and infrastructure development, according to business leaders.

Japanese manufacturers, ranging from motorcycle producers to apparel companies, contribute to employment generation and industrial development through technological upgrading.

Japanese small and medium-sized enterprises are also exploring opportunities in Bangladesh's IT, logistics and other service sectors, industry insiders have said.

Business leaders in both countries expect more Japanese companies to enter Bangladesh following the implementation of the Economic Partnership Agreement (EPA). The two countries signed the agreement on February 6 this year, but it has yet to come into force.

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Japan eyes Bangladesh as a place to make cars

JETRO Bangladesh chief says part of the potential $6.35 billion Japanese investment could fund auto and parts production, starting with local assembly

JAGARAN CHAKMA

Japanese companies could invest in manufacturing cars and parts in Bangladesh for the local market, which currently relies entirely on imports for Japanese brands such as Toyota, Honda and Nissan.

Ahead of Prime Minister Tarique Rahman's visit to Japan on October 26, and amid reports of $6.35 billion in potential Japanese private investment, Kazuiki Kataoka, country representative of the Japan External Trade Organization (JETRO) in Bangladesh, said vehicle manufacturing could become an important area for Japanese investors.

Bangladesh would, however, need to begin by assembling vehicles using imported components before moving towards full-scale manufacturing.

"Building a competitive industry would require stronger local supply chains and access to high-quality steel," Kazuiki said.

He identified steel quality as a major constraint, adding that the automotive industry would eventually need stronger domestic capabilities in steel, chemicals and precision engineering.

"Without these, local assembly could create jobs and technical expertise, but much of the value generated by manufacturing would remain dependent on imports," he added.

Reports that Japan is preparing to facilitate ¥1 trillion, or about $6.35 billion, in private-sector investment in Bangladesh over five years come as the island nation looks to deepen industrial ties with Bangladesh under Tokyo's "China Plus One" policy.

Over the past decade, trade between the two countries has grown steadily due mainly to rising demand for competitively priced Bangladeshi garments in Japan. Bangladesh's exports to the Japanese market have more than tripled during this period.

Recently, senior executives from three major Japanese companies, Toyota, Mitsui and Marubeni, have visited Bangladesh and met top government officials. Representatives of Marubeni and Toyota have discussed investment opportunities.

In February this year, Japan and Bangladesh signed an economic partnership agreement. Bangladesh has relatively low labour costs and a favourable environment for manufacturing. With a population of about 170 million, it is the world's eighth-most populous country and offers a large consumer market with a sizable young population.

On the eve of the prime minister's visit, Kazuiki said Toyota Tsusho Corporation is planning to invest $40 million in two sales, servicing and spare-parts centres in Dhaka and Chattogram, with construction scheduled to begin in November 2026.

Separately, he said the company is planning a hybrid electric vehicle manufacturing facility in the National Special Economic Zone. Development is expected to begin in 2027, with full-scale production targeted for 2029.

The service centres in Dhaka and Chattogram would strengthen Toyota's sales and after-sales network, while the proposed plant could provide a base for local vehicle production.

However, Kazuiki said the plant's investment value, capacity, location and model line-up have not yet been finalised.

ENERGY COULD ATTRACT MORE INVESTMENT THAN CARS

Prime Minister Tarique Rahman will visit Japan from October 26 to 29. During the stay, he will hold a meeting and lunch with Japanese Prime Minister Takaichi Sanae. The visit is expected to provide an opportunity to advance economic cooperation alongside efforts to strengthen strategic ties.

Kazuiki said the potential $6.35 billion in Japanese investment reflects the interests and plans of Japanese companies, especially those already operating in Bangladesh.

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Bangladesh retains EU's top denim supplier spot

STAR BUSINESS REPORT

Bangladesh retained its position as the EU's largest denim supplier in the first eight months of 2026, supported by competitive prices and a diverse product range, even as its exports to the bloc declined.

One in every three pairs of denim trousers worn in the EU is made in Bangladesh, highlighting the country's strong position in the market. Eurostat data show that Bangladesh continued to lead other major denim-producing countries, including China.

Bangladesh exported €869.13 million worth of denim products to the EU in January-August, accounting for 29.40 percent of the bloc's total denim imports. Pakistan ranked second with €525.49 million, followed by Turkey with €438.25 million.

However, Bangladesh's denim exports to the EU fell 5.85 percent year-on-year during the period, slightly more than the overall market decline. Its share of the market also slipped from 29.85 percent a year earlier.

The picture improved in August, when EU imports of denim products from Bangladesh rose 12.71 percent year-on-year to €134.08 million.

Overall, the EU imported €2,956.21 million worth of denim products in January-August, down 4.40 percent from €3,092.27 million a year earlier. In August, however, imports rose 11.23 percent year-on-year to €430.16 million, signalling a pickup in demand.

Turkey recorded the steepest decline among major suppliers, with its denim exports to the EU falling by €117 million, or 21.08 percent, during the eight months. This accounted for most of the overall decline in EU denim imports.

Imports from Morocco

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SPOTLIGHT

IDRA wants to move HQ to Agargaon despite cheaper Motijheel option

SUKANTA HALDER

The Insurance Development and Regulatory Authority (IDRA) is seeking approval to relocate its headquarters to IDB Bhaban in Agargaon, Dhaka, despite an increase of nearly Tk 2 crore in annual office costs and the greater concentration of insurance companies around its current location in Motijheel.

In a letter to the secretary of the Financial Institutions Division (FID) on September 20, the insurance regulator cited inadequate natural light and ventilation, security constraints and an unsuitable working environment at its existing office in SBC Tower in Motijheel as reasons for the proposed relocation.

IDRA said it had operated from SBC Tower, at 37/A Dilkusha Commercial Area, since 2014, but necessary renovation work had yet to be completed.

The authority said its existing office space, working environment and future requirements, alongside its expanding responsibilities, had created a need for more suitable premises with adequate security, natural light and ventilation to ensure smooth and uninterrupted operations.

An IDRA official, speaking on condition of anonymity, said the regulator had inspected six buildings as part of its search for new headquarters.

Following the inspections, it shortlisted two buildings -- Sunmoon Star Tower in Motijheel's Dilkusha area and IDB Bhaban in Agargaon.

IDRA currently spends Tk 5.95 crore a year on its current office at SBC Tower, excluding VAT. The cost would rise to Tk 7.76 crore if it moves to IDB Bhaban

However, IDRA has sought no-objection approval from the division only for renting space at IDB Bhaban, where the annual cost would be substantially higher than at either its current office or the alternative in Motijheel.

According to the proposal, IDRA currently spends Tk 5.95 crore a year on its office at SBC Tower, excluding value-added tax. The annual cost would fall to Tk 5.71 crore if it moved to Sunmoon

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BSEC reopens direct listing route to private companies

Eligible firms can list existing shares without an IPO

STAR BUSINESS REPORT

Large companies can now list their existing shares directly on the main boards of the country's stock exchanges without going through the traditional initial public offering (IPO) process, following the introduction of new rules by the Bangladesh Securities and Exchange Commission (BSEC).

The regulator gazetted the Bangladesh Securities and Exchange Commission (Direct Listing of Securities on the Stock Exchange) Rules, 2026, last week, replacing the previous provisions under the Dhaka and Chittagong stock exchanges' 2015 listing regulations.

The move reopens a route to the stock market that was introduced in 2006 but subsequently restricted following concerns over pricing and trading practices.

Under direct listing, a company makes its existing shares available for public trading on a stock exchange without issuing new shares.

An IPO, by contrast, involves offering shares to the public as part of a company's entry into the stock market, typically to raise fresh capital.

Direct listing therefore offers companies that do not need additional funds a way to bring their shares to the market, while giving investors access to businesses that might otherwise remain privately held.

The new rules allow specified categories of companies to apply, including government enterprises, entities in which the government holds at least 51 percent of the shares, companies with government ownership of at least 10 percent, and enterprises wholly or majority-owned by foreign shareholders.

Large financial institutions, scheduled banks and insurance companies with a net worth of at least Tk 500 crore are also eligible, as are companies with annual turnover of at least Tk 1,000 crore.

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Apple's foldable iPhone hits stores

RETUERS, *Sydney/Shanghai/London*

Apple's first folding phone, the iPhone Duo, hit stores around the world on Friday with a price tag of about $2,000 and less of the fanfare that accompanied previous iPhone launches.

From Singapore and Shanghai to London and San Francisco, demand was strong but with sales rationed, there were fewer of the round-the-block queues and overnight camp-outs that once marked new iPhone days.

Competitors such as Samsung Electronics and Huawei Technologies have sold premium foldable phones for years and the Duo is a test of whether Apple can reinvent the small foldable mobile market the way the iPhone did for smartphones.

It is also an early challenge for Apple's new CEO John Ternus, the former hardware chief who unveiled the phone barely a week after taking charge in September.

Apple's estimated delivery dates for the Duo had slipped to late January within minutes of pre-orders opening a week ago, as demand outpaced supply. The US company called the response "nothing short of extraordinary".

Apple capped pre-orders at two handsets per customer and limited sales to walk-in shoppers. In China, France, Hong Kong, India and Japan they were only available to those who had ordered online.

In Sydney, where the first Apple store began selling the new passport-shaped phones on Friday, a queue formed outside before opening at 8 a.m. local time (2100 GMT).

"This is a bit of a luxury item for me, because it's so expensive, but I just think, you know what? Life's too short," said Simon Krishnan, a 48-year-old engineer who paid A$3,899 ($2,734) for a 512GB Duo.

CEO Ternus played greeter at a store in Austin, Texas, throwing open the doors and high-fiving customers as they streamed in, a video posted on X by CBS Austin showed.



The new foldable iPhone Duo is on display during Apple's event at the Steve Jobs Theater in Cupertino, California, US on September 9, 2026. PHOTO: **REUTERS**

A known car enthusiast, Ternus's Austin visit coincides with this weekend's Formula 1 US Grand Prix in the city, with Apple holding exclusive US broadcast and streaming rights to the racing series.

At Apple's Fifth Avenue store in New York, marketing head Greg Joswiak opened the doors to a crowd of customers, social media posts showed. Some posts said people had camped outside the store since as early as 4am local time.

Mohit Chandel, a 32-year-old San Francisco resident and consultant, had promised his father in Singapore an iPhone Duo for his retirement but forgot to pre-order one.

So when he spotted a dozen people lining up outside an Apple store around 11pm Thursday, he joined them, ordered a bench and pillow from Walgreens and settled in for the night.

"He doesn't know that. All the pre-orders are gone. He's expecting a Duo sometime in the mail so now I have to buy it," Chandel said.

In China, a soft consumer market and rising memory costs have led to six straight quarters of declining smartphone shipments, although Apple's market share has rebounded as some buyers trade up to premium devices.

Liu Wei, a 26-year-old healthcare professional, already has a foldable phone from Xiaomi, but still queued outside a Shanghai store from 6 a.m. for Apple's first foldable.

"I've used Apple products for many years and I have more trust (in the brand), so I bought one on launch day to try it out," he said.

Many queued to pick up pre-orders, while others hoped for limited stock or to browse display models.

Others were resellers.

In Hong Kong, May, 38, who declined to give his full name, bought a 256GB iPhone Duo, priced at HK$17,499 ($2,231.73), in an online pre-sale and planned to resell it for a profit of around HK$4,000. "A few meals' worth of money," he joked.

Paul Francis, 53, was one of several dozen fans who queued overnight outside London's Regent Street store in pouring rain.

"Some people think it was mad. Including myself," the charity manager said.

Early reviews have praised the Duo's design as well as its sturdy and barely visible hinge, a major feat for phones whose prominent creased screen has long been a drawback and potential deterrent for buyers.



Nahreen Quayyum, senior vice-president and head of priority banking at Prime Bank PLC, and Nurfat Yasmin Shova, director of marketing at LE D'OR, pose for a photograph after signing the agreement at the bank's head office in Gulshan, Dhaka recently. PHOTO: **PRIME BANK**

Prime Bank partners with LE D'OR to offer benefits to priority banking customers

STAR BUSINESS DESK

Prime Bank PLC has signed an agreement with LE D'OR, a French bakery, patisserie and café chain operating in Dhaka, to offer privileges to its priority banking customers.

Nahreen Quayyum, senior vice-president and head of priority banking at the bank, and Nurfat Yasmin Shova, director of marketing at the company, signed the agreement at the bank's head office in Gulshan, Dhaka recently, according to a press release.

Under the partnership, Prime Bank's priority banking customers will enjoy special offers from LE D'OR, adding value to their banking relationship and enhancing their lifestyle experience.

The collaboration reflects Prime Bank PLC's continued focus on building strategic partnerships with reputed brands to offer exclusive privileges and value-added services to its priority banking customers, the release added.

Through such initiatives, the bank aims to enhance the overall banking experience by offering benefits beyond traditional financial services.

The partnership reinforces the bank's commitment to enhancing customer experience through tailored benefits and strategic collaborations with leading brands, the release added further.

Hossain Mohammad Zakaria, head of customer propositions at the bank, and Ashiqur Rahman, director of operations at the company, along with other officials from both organisations, were also present at the signing ceremony.



PHOTO: **MIDLAND BANK**

Rezaul Karim, chairman of the executive committee of Midland Bank PLC, presides over the bank's 200th executive committee meeting (ECM) at its head office in Dhaka.

Midland Bank holds 200th executive committee meeting

STAR BUSINESS DESK

Midland Bank PLC has held its 200th executive committee meeting (ECM) at its head office in Dhaka.

Rezaul Karim, chairman of the bank's executive committee, presided over the meeting, according to a press release.

The committee discussed key strategic and operational issues, focusing on improving the bank's overall performance, strengthening corporate governance and promoting sustainable business growth.

The 200th meeting marks a significant milestone in the bank's efforts to achieve its strategic objectives and maintain operational excellence.

Master Abul Kashem, a member of the executive committee and sponsor director of the bank, attended the meeting.

Among others, Imtiaz U Ahmed, managing director and chief executive officer (CEO) of the bank; Md Zahid Hossain, deputy managing director and chief risk officer; and Md Nazmul Huda Sarkar, deputy managing director and chief technology officer, were also present.

NCC Bank provides free agri inputs to 3,000 farmers

STAR BUSINESS DESK

NCC Bank PLC has distributed free agricultural inputs among 3,000 marginal farmers in three areas of Bogura under a special corporate social responsibility (CSR) programme to boost production and strengthen food security.

The inputs, distributed among farmers in Bagbari, Padmapara and Mahasthangarh, included vegetable and mustard seeds, fertilisers and pesticides, according to a press release.

Morshed Milton, a member of parliament from the Bogura-7 constituency, distributed the inputs as the chief guest at a ceremony held recently at Government Shaheed Zia Degree College in Bagbari, Gabtali.

Speaking at the event, Morshed praised the bank's initiative, saying the support would enhance farmers' production capacity and contribute to agricultural development and food security in the region.

Referring to Prime Minister Tarique Rahman's initiatives for farmers' welfare, he stressed the importance of continuing such programmes.

Mohammed Nurun Newaz Salim, chairman of NCC Bank, said agriculture remained a key driving force of Bangladesh's economy and that the bank was committed to socioeconomic development alongside business growth.

"Responding to the prime minister's call to boost agricultural production and improve farmers' livelihoods, we have undertaken this initiative to distribute seeds, fertilisers and pesticides free of cost among marginal farmers in Bogura," he said.

He added that the bank planned to extend similar support to farmers in other districts while exploring ways to improve agricultural storage facilities and promote modern farming technologies.



Morshed Milton, the member of parliament from the Bogura-7 constituency, poses for a photograph with farmers and NCC Bank officials at a distribution ceremony, organised by the bank, at Government Shaheed Zia Degree College in Bagbari, Gabtali recently. Mohammed Nurun Newaz Salim, chairman of the bank, was present. PHOTO: **NCC BANK**

M Shamsul Arefin, managing director of the bank, said supporting food security and sustainable agricultural growth was among its key priorities. The initiative would help farmers increase productivity, reduce cultivation costs and encourage mustard and vegetable farming in Bogura, he added.

The programme was presided over by Md Taufiqur Rahman, deputy commissioner of Bogura.

Abdus Salam, vice-chairman of the bank; Khairul Alam Chaklader, chairman of its executive committee; Md Zakir Anam, additional managing director; Md Abdul Majid Pramanik, director general of Rural Development Academy; Sohel Md Shamsuddin Firoz, deputy director of the Department of Agricultural Extension; and Mohammad Hafizur Rahman, upazila nirbahi officer of Gabtali, also attended.

Why AI data centres are powering a boom in fuel-cell demand

REUTERS

Fuel cells are gaining traction among US hyperscalers racing to build data centers for the AI boom but struggling with grid constraints to secure quick and reliable power.

Energy research firm Rystad Energy projects investments in fuel cells for data centers to rise to about $30 billion by 2030 from $2.8 billion in 2025.

WHAT ARE FUEL CELLS?

A fuel cell generates electricity through a chemical reaction between a fuel, such as natural gas or hydrogen, and oxygen, converting the fuel's energy directly into electricity rather than burning it.

Bloom Energy operates solid-oxide technology ready for 100 percent pure hydrogen, while FuelCell Energy uses molten carbonate technology capped at 40 percent hydrogen blends, even as both systems are fuel-flexible.

WHY IS DEMAND GROWING?

Data centers require massive amounts of reliable electricity to run computing equipment and cooling systems around the clock.

Linking large electricity loads to the US grid can take three to six years, according to Rystad estimates, prodding developers to explore on-site power sources.

"We announced our first project with Oracle and delivered power to their Utah site in less than two months," Bloom CEO KR Sridhar said on a post-earnings call on Thursday.

"We are achieving the same thing with Nebius in New Jersey. We were able to get planning board approvals for our fuel cells within three months of signing the contract."

Rystad predicts that about 40 percent of projected US data-center capacity in 2030 could pursue dedicated on-site power rather than rely entirely on the grid.

Fuel cells also produce lower local emissions than conventional gas-fired generation, as they avoid combustion within the stack.

WHICH COMPANIES STAND TO BENEFIT?

Bloom's third-quarter revenue surged 138 percent to $1.24 billion. The company posted net profit of $250.3 million, compared to a year-earlier loss of $23.1 million.

It raised its 2026 revenue forecast to $4.4 billion to $4.6 billion.

US cloud computing giant Oracle intends to procure up to 2.8 gigawatts (GW) of Bloom fuel-cell systems, of which 1.2 GW has been contracted.

FuelCell is also targeting data centers. CEO Jason Few told Reuters that "Time to power has really become as important as cost of power."

The company expects data centers and related business to account for 75 percent -85 percent of its business within two to three years, up from 25 percent -30 percent currently.

Rystad estimates the industry's order book at roughly 9 GW, including framework agreements involving Oracle, AEP, Equinix and Brookfield.

Such agreements do not necessarily represent firm orders for the full stated capacity.

CAN THE INDUSTRY SCALE FAST ENOUGH?

Rystad expects annual fuel-cell manufacturing capacity to rise to 4 GW by 2030 from about 1.8 GW currently.

"For 100 MW-plus projects, the biggest determinants of timeline are typically site readiness, permitting, and supporting infrastructure, not the fuel-cell technology itself," Bloom Chief Commercial Officer Aman Joshi told Reuters.

Projects still need gas connections, permits, transformers and switchgear, which can delay deployment.

Fuel cells can complement grid power, even as they compete with other on-site generation technologies.

Growth depends on whether suppliers can deliver systems at competitive costs and developers can build projects and secure fuel.



A technician works at an Amazon Web Services AI data centre in New Carlisle, Indiana, US. PHOTO: **REUTERS/FILE**

Creative economy to be part of economic growth: Khosru

STAR BUSINESS REPORT

Finance and Planning Minister Amir Khosru Mahmud Chowdhury yesterday said the government wants to bring art and culture into mainstream economic activity, making the creative economy a new component of Bangladesh's development.

He was speaking as chief guest at the launch of a book titled "Creative Footprints: Modern and Contemporary Art in Bangladesh" in Dhaka. Standard Chartered Bangladesh published the book in partnership with Bengal Foundation.

"We all love arts. We like theatres. We like music. But we never monetised it," the minister said.

He said spending around London's theatre district, from tickets to nearby galleries and shops, adds to British GDP. "Why don't we create the same environment in Bangladesh?" he said.

The minister said the government is working with the private sector and nongovernmental organisations, since "government is not always in a position to deliver". Funding has been earmarked in the budget, and more is expected from private partners, he said.

He cited an artist from the hills who sold him paintings at Tk 5,000 each. After an exhibition arranged with Bengal Foundation, similar works sold for Tk 50,000 to Tk 100,000 apiece, he said.

Artisans will get financial, design, branding and marketing support, including online sales through platforms such as Amazon, eBay and Alibaba, he said, adding that this could double the prices they receive.

He said this would create jobs and bring in foreign currency.

"This is a soft power for Bangladesh," he said.

British High Commissioner Sarah Cooke was the special guest. They jointly unveiled the book with Enamul Huque, chief executive officer of Standard Chartered Bangladesh; Abul Khair, founder and chair of Bengal Foundation; and Luva Nahid Choudhury, the foundation's director general.

Finance and Planning Minister Amir Khosru Mahmud Chowdhury said artisans will get financial, design, branding and marketing support, including online sales through platforms such as Amazon, eBay and Alibaba

The book documents the movements and creative voices that have shaped the country's art over more than a century, featuring 32 artists.

"Art offers a unique way of understanding a nation: its identity, its evolution and the imagination of its people," said Enamul Huque.



Finance and Planning Minister Amir Khosru Mahmud Chowdhury and British High Commissioner Sarah Cooke unveil the book titled "Creative Footprints: Modern and Contemporary Art in Bangladesh" in Dhaka yesterday. PHOTO: FINANCE MINISTRY



Potters make clay moulds for chitoi pitha, a traditional rice cake commonly prepared in Bangladesh during winter. They sell 100 moulds wholesale for Tk 1,500 to traders in Dhaka and other parts of the country. The photo was taken from Bakerganj upazila in Barishal recently. PHOTO: TITU DAS

Biman doubles Dhaka-Narita flights

BSS

Biman Bangladesh Airlines will double its weekly flights between Dhaka and Japan's Narita from October 29, coinciding with Prime Minister Tarique Rahman's official visit to Japan, a senior airline official said yesterday. "We are increasing the frequency on the Dhaka-Narita-Dhaka route from one to two flights a week, with the additional service beginning on October 29," Md Ashraful Alam, Biman's director of marketing and sales, told BSS.

The national flag carrier will operate flights on the route every Monday and Thursday, strengthening direct air connectivity between Bangladesh and Japan, he said.

Prime Minister Tarique Rahman is scheduled to travel to Japan on Biman's regular commercial flight for a four-day official visit beginning October 26.

"The Prime Minister will also return home on October 29 aboard Biman's newly introduced Thursday flight from Narita," Alam said.

The decision to increase flight frequency comes nearly three months after Biman resumed its direct Dhaka-Narita-Dhaka service on July 27, restoring Bangladesh's only nonstop air connection with Japan following a suspension of more than a year.

The airline initially relaunched the route with one weekly flight using a Boeing 787-8 Dreamliner, with plans to increase frequencies depending on passenger demand, commercial performance and aircraft availability.

Biman officials had earlier said the resumed service received an encouraging response from passengers, particularly Bangladeshis living in Japan.

More than 40,000 Bangladeshi students and workers are estimated to live in Japan, contributing to demand for direct air travel between the two countries.

The route is also considered important for expanding bilateral trade, investment, tourism and people-to-people exchanges.

IDRA wants

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Star Tower, while relocating to IDB Bhaban would raise it to Tk 7.76 crore.

The proposed move to Agargaon would therefore increase the regulator's annual office costs by Tk 1.81 crore compared with its current expenditure and by Tk 2.05 crore compared with the Sunmoon Star Tower option.

WHY IDB

During its search for new premises, IDB Bhaban initially offered office space with associated facilities at Tk 151.25 per square foot a month, according to IDRA's letter.

The regulator countered with an offer for around 31,989 square feet across the 11th, 15th, 16th and 17th floors, along with part of the ground floor, at Tk 118 per square foot a month. The proposed rate comprised Tk 75 in rent and Tk 43 in utility charges and service fees.

After negotiations, IDB Bhaban offered a final rate of Tk 130 per square foot a month, inclusive of all charges.

IDRA said it had assessed the rate based on the floor area, location, facilities and overall operating costs. The proposed rent covers security, parking, water and sewerage, central air conditioning, and generator operation and repairs, all of which are billed separately at its current office.

The authority said these inclusions, along with the building's security arrangements and adequate natural light and ventilation, made the proposal worthy of consideration.

WHY NOT SUNMOON?

IDRA's proposal highlighted the concentration of insurance companies around its existing location as a potential disadvantage of moving to Agargaon.

Of the country's 81 insurance companies, 45 have their head offices in Motijheel, Paltan, Kakrail, the Daily Bangla intersection and nearby areas, according to the proposal.

No insurance company has its head office in Agargaon itself, although around six have head offices or offices in nearby areas.

The proposal also raised concerns about the impact of relocation on employees, noting that many had organised their housing, children's schooling and other family and social arrangements around the authority's current location.

A move to Agargaon could require employees to change their homes and their children's schools and reorganise their family lives, it said.

Despite these considerations, IDRA did not seek no-objection approval for Sunmoon Star Tower, the less expensive option that would keep it closer to most insurance companies, an official familiar with the matter confirmed to The Daily Star. The official, however, was unable to explain the reasoning behind the choice.

The Daily Star contacted IDRA Chairman Mir Nadia Nivin by phone and text message to ask why the authority had sought approval for IDB Bhaban but not for Sunmoon Star Tower. She did not respond immediately.

Sadique Arman, public relations consultant at IDRA, said the primary objective of relocating the office was to provide a better working environment and more spacious, suitable facilities.

"We are optimistic that the improved working environment will enhance the efficiency, productivity and motivation of IDRA officials and employees," he told The Daily Star.

He added that the authority had received no official update on its request for no-objection approval to relocate to Agargaon.

The Daily Star also tried to contact Nazma Mobarek, secretary of the Financial Institutions Division, but she did not respond immediately.

Japan eyes Bangladesh

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He said energy infrastructure could attract even more investment than the auto sector.

Bangladesh's energy shortages, particularly liquefied natural gas (LNG), could create opportunities for Japanese companies to expand their operations, Kazuiki said.

JERA, Japan's largest power generation company, already runs an LNG-based power plant in Meghnaghat and is interested in energy supply and other energy-related businesses in Bangladesh, he said.

Kazuiki said the proposed Matarbari deep-sea port in Cox's Bazar could offer another avenue for investment.

The port is being developed with support from the Japan International Cooperation Agency (JICA). The construction is expected to be completed around 2030.

Kazuiki said energy-related businesses, including an LNG terminal, could form part of those operations, although specific investment decisions have yet to be finalised.

'BANGLADESH MUST OFFER POLICY PREDICTABILITY'

Kazuiki said low labour costs alone will not secure long-term industrial investment as wages rise. Manufacturers need predictable regulations, reliable energy supplies, efficient customs clearance, access to foreign exchange and the ability to repatriate profits.

Tareq Rafi Bhuiyan (Jun), immediate past president of the Japan-Bangladesh Chamber of Commerce and Industry (JBCCI), said manufacturing, particularly automobiles and components, electrical appliances and light engineering, could attract significant Japanese investment, alongside energy and logistics.

Higher-value textiles, agro-processing and healthcare also offered promising opportunities, he said.

"The proposed $6.35 billion investment over five years is achievable if Bangladesh ensured policy stability, reliable utilities and commercially viable projects."

Tareq said uncertainty over tax and customs rules, slow approvals, unreliable energy supplies, and difficulties with foreign exchange and profit repatriation weaken Bangladesh's competitiveness.

"Japanese investors need predictability," he said.

To compete with Vietnam and Thailand, Bangladesh must offer reliable infrastructure and efficient administration alongside competitive costs, he added.

Tareq called for a joint Bangladesh-Japan mechanism with named investors, commercially viable projects and clear deadlines for approvals, land, utilities and financing.

Nahian Rahman Rochi, member (Investment Development) of Invest Bangladesh, said they are very encouraged by the Japanese private sector's intent to invest.

He said recent investments by Japanese household and personal care giant Lion and Toyota Tsusho reflect a clear shift from a traditionally official development assistance-led relationship towards deeper commercial engagement.

"Invest Bangladesh will work closely with our Japanese counterparts to identify this estimated pipeline companies and convert these opportunities into actual investments as quickly as possible," he added.

More than RMG needed

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Japan is already a significant destination for Bangladeshi exports. Bangladesh's annual exports to Japan have exceeded $1 billion since fiscal year 2015-16 (FY16). Two-way trade between the countries crossed $3 billion in FY18, according to the EPB.

Japan also supplies Bangladesh with a wide range of products, including iron and steel, vehicles and accessories, ships, machinery, mineral fuels, medical and surgical instruments, plastics and electrical machinery, according to Bangladesh Bank data.

Prime Minister Tarique Rahman is expected to visit Japan from October 26 to 29. During the visit, the two countries are expected to elevate their existing strategic partnership to a comprehensive strategic partnership (CSP), The Daily Star has learnt from officials involved with the proceedings.

Bangladesh retains EU's top denim

FROM PAGE B1

fell 14.48 percent to €63.87 million, while those from Pakistan declined 7.88 percent to €525.49 million. Cambodia and Tunisia also recorded declines of 6.47 percent and 6.44 percent, to €144.83 million and €219.94 million, respectively.

Several suppliers, however, recorded growth. Egypt's denim exports to the EU rose 31.46 percent year-on-year to €188.14 million, while China's increased 17.70 percent to €197.13 million. Vietnam posted the strongest growth, with exports rising 45.38 percent to €53.98 million.

BSEC reopens direct listing route

FROM PAGE B1

Iftekhar Alam, president of the Bangladesh Merchant Bankers Association (BMBA), welcomed the initiative, saying it would give large companies that do not need fresh capital an opportunity to enter the stock market.

"This is a positive step. There needed to be an opportunity for direct listing, particularly to help expand the market," he said.

Iftekhar is optimistic that the eligibility criteria would help bring fundamentally sound companies to the market. Companies with annual turnover of Tk 1,000 crore or more, in particular, could be valuable additions, he said.

He also expects the prescribed valuation methods to reduce the risk of companies entering the market at excessively high prices, provided the institutions involved perform their roles professionally.

"As the valuation methodology has been specified, there should be no repetition of the previous instances of inflated valuations. I hope valuation will no longer be a problem if the institutions concerned act professionally," he said.

STRICT ENTRY REQUIREMENTS

Companies seeking to use the direct listing route must meet a series of operational, financial and governance requirements.

An applicant must be a public limited company that has been in continuous operation for at least five years. It must also have earned a profit from its core operations in each of the preceding two financial years, have no accumulated losses and report positive operating cash flow in its latest financial year.

Its financial statements must comply with International Financial Reporting Standards (IFRS) and International Standards on Auditing (ISA), and it must have an investment-grade credit rating.

Neither the company nor its sponsors or directors can be classified as loan defaulters in the Credit Information Bureau (CIB) of Bangladesh Bank.

However, meeting the eligibility criteria alone may not guarantee that a company's shares will be fairly priced or that its business will grow after listing.

Prof Al Amin, acting dean of the University of Dhaka's Faculty of Business Studies, said the benefits of direct listing would depend on the objectives of the companies entering the market and whether their shares were valued appropriately.

Investors could suffer losses if shares were overpriced, while listing would offer limited benefits if a company had no plans to expand its business, he said.

Many companies that previously entered the market through direct listing failed to sustain even their indicative prices. The route would benefit investors and the market if it attracted sound businesses with growth potential, he added.

PRICING AND TRADING SAFEGUARDS

The new rules set out a valuation framework intended to reduce the risk of inflated share prices.

The rules mandate that a company's equity must be valued independently using at least two approaches, including one absolute valuation method and one relative valuation method. The company must also set a minimum asking price at least 25 percent below the reference price determined through the prescribed process.

The rules also introduce a price discovery period during the first two hours of trading on the first day. During this period, buy orders cannot be placed below the minimum asking price, while sellers cannot place sell orders. No circuit breakers apply on the first trading day.

Circuit breakers are mechanisms that temporarily halt or restrict trading when share prices move beyond specified limits. Their absence on the first day means the usual price-movement restrictions will not apply, making the initial trading process particularly important.

The rules also prescribe limits on share sales and purchases to regulate the supply of shares entering the market and curb potential trading abuses.

Sponsors, directors and primary shareholders must collectively offload at least 10 percent of the company's paid-up equity within 30 trading days of the first trading day.

Sponsors and directors cannot buy shares of the company for one year after listing. They are also barred from selling more than 50 percent of their holdings until the conclusion of the first annual general meeting held after a full financial year.

Individual and institutional investors, meanwhile, cannot purchase more than 1 percent of the total shares being offloaded during the initial 30-day period.

A RETURN AFTER PAST CONTROVERSIES

Bangladesh introduced direct listing in 2006. Several major state-owned power and energy companies, including Dhaka Electric Supply Company (DESCO), Power Grid Company of Bangladesh, Jamuna Oil, Meghna Petroleum and Titas Gas, entered the market through the mechanism.

Private companies, including ACI Formulations, Shinepukur Ceramics and Navana CNG, also used the route.

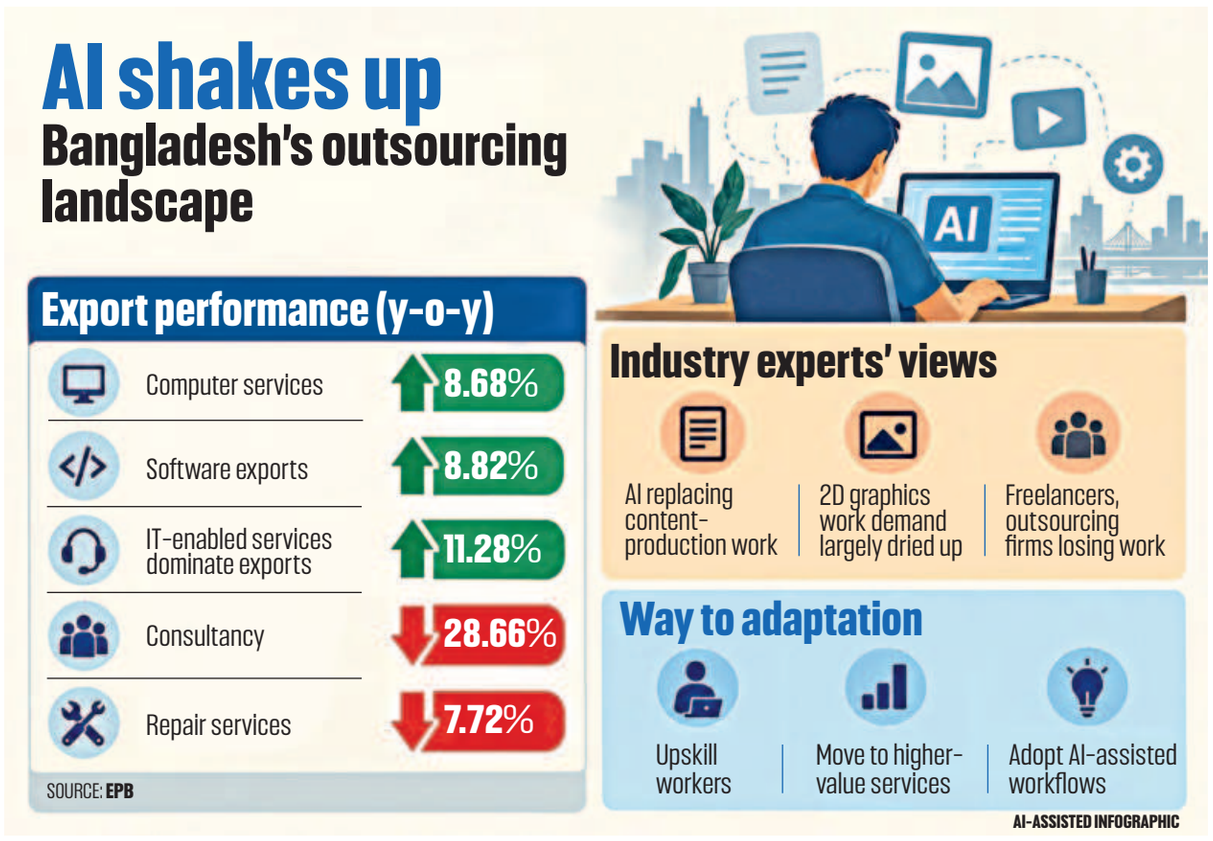
However, concerns over aggressive price discovery and irregular trading prompted regulatory investigations and led the authorities to impose restrictions in 2010.

By 2016, direct listing provisions had been restricted to state-owned enterprises. The new rules reopen the route to eligible private companies as well.

IT exports grew 9% in FY26, but AI concerns mount

Industry leaders warn the pace will be hard to sustain as AI takes over work that Bangladesh has long supplied to developed economies

MAHMUDUL HASAN



Bangladesh's IT exports grew moderately in FY2025-26, but industry leaders warn that artificial intelligence (AI) could make the gains harder to sustain as it automates work traditionally outsourced to countries such as Bangladesh.

Data from the Export Promotion Bureau (EPB) show that computer services exports rose 8.68 percent year-on-year to $684.15 million in July-June of FY2025-26, up from $629.51 million in the previous fiscal year.

Computer software exports increased 8.82 percent to $48.38 million from $44.46 million a year earlier, but fell 12.04 percent short of the $55 million target.

Rashad Kabir, chief executive officer of Dream71 Bangladesh Ltd, described the increase as a promising sign but warned that sustaining the momentum would be difficult.

"Our exports have increased in the last fiscal year, which is a very hopeful sign, and there is growth. But continuing this growth will be very difficult," he said.

AI is making software development easier, but its full impact on the industry has yet to be felt, Rashad said. He expects sustaining export growth in the current fiscal year to be considerably more challenging.

Raisul Kabir, co-founder and chief executive officer of Brain Station 23 Ltd, said software export growth reflects a shift in demand rather than a straightforward increase or decline in business.

Demand for traditional staff augmentation is declining. Foreign companies that previously hired five external professionals, such as software engineers, may now need only three, Raisul said.

To help local firms expand overseas, he suggested that the EPB replicate aspects of the Japan External Trade Organization's approach, which provides businesses with support to establish operations abroad, including legal and consultancy services. Bangladeshi firms often lack such support when entering foreign markets, he said.

IT-ENABLED SERVICES EARN BIG

IT-enabled services, including computer data processing, business process outsourcing (BPO) and hosting, accounted for nearly 88 percent of computer services exports.

The segment earned $604.97 million in FY2025-26, up 11.28 percent from $543.66 million a year earlier, but fell 14.19 percent short of the $705 million target.

Industry leaders say the growth masks mounting pressure on businesses as AI changes client expectations and intensifies competition.

Apel Mahmud Khan, managing director of BZM Graphics Limited, said AI was allowing companies to complete work faster while making price negotiations tougher and increasing competition in international markets.

Businesses dependent on routine tasks face growing pressure, while quality control, complex assignments, reliability and client trust are becoming more important, he said.

"Those who can change their skills and processes with time will move ahead. Those who ignore the change may find it hard to survive," Apel added.

Kowser Ahmed Nirob, co-founder and chief executive officer of The KOW Company Ltd, a Dhaka-based content post-production and BPO firm, said businesses focused solely on content production were seeing much of their work shift to AI.

Companies providing AI-enabled services, including running, maintaining and ensuring the quality of AI systems, are more likely to remain viable in the short term, he said.

His company's workforce, which once exceeded 600, has fallen to fewer than 400. The company now hires only people who can work with AI-assisted workflows.

"In my opinion and personal experience, AI has already done damage to us. The sad part is that we still do not understand how much," he said.

The company has since launched a cybersecurity firm and is preparing to introduce a virtual try-on system to diversify its business.

UNEVEN, SLUGGISH GROWTH

Not all segments of computer services exports shared in the growth.

Computer consultancy exports fell 28.66 percent to $25.19 million from $35.31 million a year earlier, missing the $50 million target by 49.62 percent.

Exports of computer installation, maintenance and repair services declined 7.72 percent to $5.62 million from $6.09 million, falling 19.71 percent short of the $7 million target.

Syed Almas Kabir, president of the Bangladesh Association of Software and Information Services (BASIS), said the growth in computer services exports was welcome but insufficient to achieve the industry's long-standing ambition of reaching $5 billion in IT exports.

"The growth is there, but this 8 or 10 percent should have been a bit higher," he said, adding that the industry needed to accelerate growth to reach its target.

AI disruption is weighing on the sector as freelancers and outsourcing firms lose assignments that can now be completed using the technology, Syed Almas said.

Bangladesh's large volume of two-dimensional graphics work has largely dried up, he added.

Workers engaged in such activities must upgrade their skills, move to higher-value work and learn to use AI to remain competitive, he said.

The industry must also adopt emerging technologies, particularly AI and data analytics, while developing the skills needed to use them to accelerate export growth.

Bangladesh's shallow capital market

MAMUN RASHID

A stock market can rise without helping businesses raise a single additional taka. In the first half of this year, the Dhaka Stock Exchange's benchmark index rose nearly 19 percent and average daily turnover increased by more than half. By October 17, the DSEX had fallen to around 5,433 points, while turnover dropped to Tk 317 crore, its lowest level in more than nine months. The deeper question is why price movements have not translated into stronger investment financing.

At end-June, market capitalisation stood at 11.42 percent of GDP, compared with 10.82 percent a year earlier. Rising share prices can lift market value without bringing new companies to market or generating fresh capital. A deeper market should be judged by new listings, fresh equity, tradable securities and liquidity. Stock-market size is not the same as the capacity to fund growth across the economy.

That is what shallow water looks like. Bangladesh has savings, but too few channels to direct long-term capital towards productive enterprises. Businesses remain heavily dependent on bank loans. Corporate bonds could finance expansion without adding to bank-credit concentration. But a functioning bond market needs credible issuers, transparent credit assessment, diverse maturities and reliable secondary trading, not merely securities listed on an exchange.

The Bangladesh Bank publishes a daily secondary-market yield curve for government treasury bonds. Trading, price discovery and market-making must deepen. A benchmark is useful, but cannot substitute for a liquid market. Without reliable reference rates and investors able to exit positions, corporate bond pricing will remain difficult and issuance costly.

Retirement savings offer another opportunity. Industry estimates suggest provident, gratuity and pension funds may exceed $15 billion, though data are limited. Much of these savings is held in bank deposits and government securities. A stronger framework for employer-sponsored funds, with prudent investment rules, independent trustees, disclosure and professional management, could diversify investment options and support long-term finance. The objective must be to protect employees' retirement security, not direct their savings into equities simply to support share prices.



Bangladesh needs deeper markets that convert savings into productive investment, give businesses alternatives to bank loans and offer investors a market they can trust

The gap is between recognising problems and implementing trusted changes. The Direct Listing of Securities Rules, 2026, gazetted on October 18, creates additional routes for companies to enter the market. Yet direct listing may broaden public ownership without raising fresh capital for the company. To reduce dependence on bank borrowing, policy must also support new equity issuance, rights offerings and corporate bond financing.

Faster approvals cannot restore confidence. Financial statements must be reliable; related-party transactions and ownership structures transparent; disclosures timely; and manipulation met with consequences. Admitting more securities without enforcing standards could increase investor risk rather than productive finance.

Responsibility extends beyond the securities regulator. The National Board of Revenue should ensure tax treatment makes listing worthwhile relative to compliance costs. The Bangladesh Bank and the Ministry of Finance should improve government-securities liquidity and market access. The Finance Division should establish a sound framework for retirement funds, while insurers and mutual funds need well-governed products to attract long-term investors.

The most useful step is accountability. A public scoreboard should identify each accepted reform, the responsible institution, its deadline, progress and measurable outcome. Updated quarterly, it would show whether equity raising, bond trading and investor protection had improved.

Shallow water does not always sink a boat; it leaves it stranded, often without warning. Bangladesh needs more than another rally. It needs deeper markets that convert savings into productive investment, give businesses alternatives to bank loans and offer investors a market they can trust. The test of reform is not what is announced, but what changes.

The writer is an economic analyst

Trump lifts some Canada tariffs ahead of midterms

AFP, *Washington*

President Donald Trump's administration lifted some tariffs on Canadian imports Friday, two weeks ahead of midterm elections, after a vulnerable Republican candidate said she'd lobbied for the change.

The easing of tariffs will apply to products including "plywood sheets, some paper products, certain machinery and refrigeration equipment," the White House said in a statement.

The change could help Senator Susan Collins, who faces a strong challenge from a Democrat in the US-Canada border state of Maine, which has been hit hard by Trump's trade war.

She posted on social media that she had "secured" the exemptions for "products crucial to Maine's agricultural industries, including blueberry, potato, apple, and seaweed producers."

Democrats are targeting Collins's seat in their attempt to win control of Congress from the Republicans in the November 3 midterms.

- US-Canada trade -

The economies of the United States and Canada are heavily inter-connected, with roughly 70 percent of all Canadian exports heading to the United States.

Tensions between the North American neighbors have been high since trade talks broke down in August, with Trump imposing a slew of new tariffs in response.

Friday's action lifts tariffs on certain goods, but imposes levies on new ones, including carpets, certain valves and waste products, the White House said. The new measures will take effect on October 30.

Trump's diesel price relief efforts grow costlier as election nears

REUTERS

With the November midterm elections fast approaching, President Donald Trump is throwing an array of costly and politically fraught solutions at one stubborn problem: the price of diesel.

His administration has offered billions of dollars to farmers, relaxed rules for truckers, eased sanctions on Russian fuel and pressured European allies to release emergency stocks. Yet diesel prices rose again last week, leaving Trump spending political and financial capital without delivering the relief his party wants as voters go to the polls.

Republicans are defending narrow majorities in Congress, and high costs are a major concern for voters. Nearly 80 percent of Americans blame Trump for higher costs, according to an October Reuters/Ipsos poll.

US diesel prices rose nearly 10 cents a gallon in the latest week to an average of $6.28, reversing two weeks of declines and remaining near record highs, according to the Energy Information Administration.

Diesel in the last two months has become a central issue not only in the midterms but as a catalyst driving up already-elevated US inflation. The fuel is critical for farmers, construction companies, freight operators and more, and government data last week showed its rise was partly behind hefty increases in delivery costs, early-stage food production costs and even toy prices.

The political pressure is particularly acute in traditionally Republican Farm Belt states like Iowa and Kansas, where rising fuel and fertiliser costs, trade disruptions and weak farm economics have fueled discontent among some of Trump's core supporters.

Trump has promoted his diesel measures at campaign rallies across the region. He signed an executive order onstage in Nebraska allowing red-dyed diesel to be used in highway vehicles and announced $8 billion in new farm aid during a rally in Kansas on Monday.

The measures illustrate the trade-offs Trump is accepting in pursuit of near-term relief. The new aid adds fresh strain on federal spending, while the Russian fuel move risks helping Moscow finance its war in Ukraine. Pressure on European allies to release emergency stocks, backed by a threat to restrict US diesel exports, has created diplomatic friction.

"The president tends to discount long-term losses over short-term gain, and I am skeptical if there is any short gain to be had here," said Chris Borick, a pollster and political scientist at Muhlenberg College in Pennsylvania.

NEWS ANALYSIS

The White House attributed high diesel prices to "pre-existing issues," including years of refinery closures and damage from Russia's war in Ukraine, while defending Trump's efforts to ease costs.

"The President wants diesel prices to fall, which is why he has taken historic actions to save American farmers, truckers, and workers every hard-earned penny," White House spokeswoman Taylor Rogers said.

One of Trump's most direct attempts to lower diesel costs has struggled to gain traction.

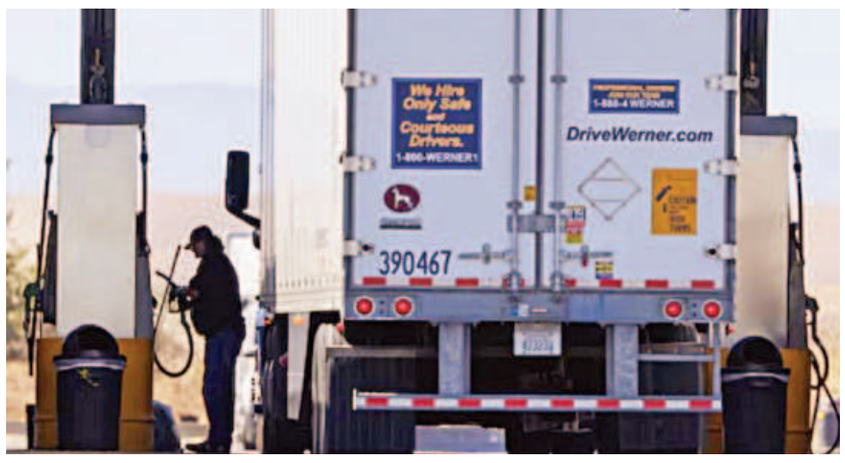
Trump signed an executive order this month allowing truckers to use red-dyed diesel, typically intended for off-road use such as farm equipment, for highway driving while temporarily avoiding certain federal tax reporting and record-keeping requirements.

But the IRS has not eliminated the federal diesel tax, instead temporarily waiving related reporting, opens new tab requirements and penalties through year-end, leaving uncertainty for truck stops and fuel sellers.

David Fialkov, top lobbyist at NATSO, a trade group representing the largest US truck stop operators, said members appreciate Trump's effort to tackle diesel costs but that the guidance remains "murky" and carries too much risk.

"I really don't see any of these dyed diesel announcements making a meaningful dent in diesel prices," Fialkov said.

Trump is also turning to federal payments to cushion some of the constituencies feeling the pain.



A driver operates the diesel pump at a truck stop in Dunnigan, California. Diesel in the last two months has become a central issue not only in the midterms but as a catalyst driving up already-elevated US inflation. PHOTO: REUTERS/FILE

Indonesia cuts gas exports to Singapore

AFP, *Jakarta*

Indonesia cut exports of natural gas to Singapore on Saturday to prioritise domestic demand, an official said, with the two countries at loggerheads over regional air pollution emanating from wildfires on the vast archipelago.

The head of SKK Migas, a state agency supervising the oil and gas sector, told AFP Indonesia would cut a total of 31 million standard cubic feet per day from its supply to Singapore.

Fifteen million standard cubic feet per day was being cut from Natuna in Indonesia's Riau island, and 16 million from Sumatra, SKK Migas chief Djoko Siswanto said in a statement. He said the move was "to maintain the reliability of domestic gas supply for electricity".

"We will continue to monitor developments on a daily basis," he added.

Only Singapore is affected for now.

Indonesia is one of Singapore's main sources of natural gas, providing it with 145.3 billion cubic feet in 2024, according to data from the US Energy Information Administration.

The cut represents about eight percent of that total. The Singapore government has not commented on the development.

The move comes amid a diplomatic spat between Indonesia and countries in the region over haze from wildfires on Borneo and Sumatra islands choking cities in neighbouring states.

On Thursday, Indonesian energy minister Bahlil Lahadalia said he was mulling curbing gas exports to prioritise domestic consumption, while warning Jakarta would act against countries that "do not respect" Indonesia.

Indonesian President Prabowo Subianto on Wednesday berated "countries that like to insult" his nation over the haze crisis. He did not name specific countries.

The Southeast Asian giant has for months struggled to contain fires that deforestation monitor Nusantara Atlas said have consumed more than 1.9 million hectares in the nine months to September.

The haze has sent air pollution levels surging to dangerous levels not only in Indonesia, but also in Malaysia, Singapore and East Timor, prompting the ASEAN regional bloc to call a meeting over the crisis.