Singer to raise Tk 250cr through preference shares

STAR BUSINESS REPORT

Singer Bangladesh Limited, a subsidiary of Beko, the flagship brand of Türkiye's Koç Holding, plans to raise up to Tk 250 crore by issuing preference shares to refinance existing debt, lower its debt burden, and fund working capital.

The multinational home appliance maker will issue up to 25 crore preference shares at Tk 10 per share, the company said in a press statement yesterday.

The shares will be issued at the discretion of the issuer via private placement to the sponsor shareholder, subject to approval from the Bangladesh Securities and Exchange Commission, Singer said.

The decision comes as the company reported an increased loss of Tk 77 crore for the July-September quarter of 2026, up from nearly Tk 48 crore in the same period a year ago. With the third-quarter earnings, Singer's overall loss in the financial year 2026 stood at over Tk 119 crore, up 5 percent year-on-year, according to its financial statements.

Singer Bangladesh's revenue, however, increased in the third quarter to Tk 440 crore, a 6.5 percent rise from the same period a year ago. In the first nine months of the year, it reported Tk 1,854 crore in sales, up from Tk 1,780 crore a year ago.

Singer said there was a gap between expectations and actual sales due to a stagnant consumer electronics market.

"Gross profit margins improved marginally, but increased cost of sales could not be fully passed on to consumers due to intense market price sensitivity," said the company.

Singer said it began investing in a green factory at the Bangladesh Special Economic Zone in 2022. The facility spans more than 135,000 square metres and is designed to enable over 90 percent local manufacturing, strengthen domestic supply chains, reduce import dependency and improve production efficiency.

However, during the implementation phase, project costs escalated due to significant local currency depreciation.

Furthermore, ongoing geopolitical tensions across the Middle East and Eastern Europe, combined with domestic political transitions, have constrained local economic activity, which is yet to stabilise, it added.

"Though the unforeseen external and domestic factors have temporarily delayed expected returns, management remains committed to navigating these temporary headwinds," it said.

Square Pharma recommends 130% cash dividend

STAR BUSINESS REPORT

Square Pharmaceuticals has recommended a 130 percent cash dividend for the fiscal year 2025-26 (FY26), backed by higher sales and profits.

The company made the decision at a board meeting yesterday.

Its sales rose around 13 percent to Tk 8,606 crore in FY26, while profit increased 18 percent to Tk 2,770 crore.

The company paid cash dividends of 120 percent, 110 percent and 105 percent in the previous three financial years. Before that, it paid 100 percent and 60 percent dividends.

Square Pharmaceuticals, the country's largest pharmaceutical company, began its journey in 1958 under the leadership of the late Samson H Chowdhury.

It now exports to more than 40 countries and aims to boost overseas sales by making better use of its existing facilities.

Shares of the blue-chip company have remained relatively stable over the years. Over the past year, its share price ranged from Tk 198 to Tk 236. Yesterday, it traded at Tk 218.

Japanese companies compensate users as cyberattacks buffet economy

REUTERS, *Tokyo*

Japanese companies are moving to pay compensation to users following waves of cyberattacks that have disrupted internet services and raised concerns about economic stability.

GMO Internet Group, a leading provider of online financial services, said customers would be compensated for losses stemming from unauthorised access following a cyberattack on its foreign exchange trading service, and all customers would receive 5,000 yen ($32) as a gesture of goodwill, CEO Masatoshi Kumagai said in a blog post on Sunday.

"The internet itself is now starting to break down," said Kumagai, whose sprawling group includes internet infrastructure and cryptocurrency trading.

On Monday evening, Japanese Prime Minister Sanae Takaichi said the government plans to compile an emergency package of cybersecurity measures against cyberattacks by sometime next week.

Japan said on Friday it would set up a team to simulate cyberattacks using AI to identify weaknesses in technology systems as organisations [illegible]scrambled to curtail risks from flaws in the PHP programming language that underpins much of the internet.

More broadly, Japanese companies are being roiled by attacks, with experts saying AI is helping automate tasks from scanning for software vulnerabilities to crafting phishing campaigns, making cybercrime faster, cheaper and harder to detect.

"The internet is increasingly being transformed into a tool that malicious actors use to threaten and rob people," said Kumagai.



PHOTO: REUTERS

Shares of GMO, which had a market value of $2.6 billion as of Friday's close, slumped almost 16 percent to a four-month low against a 0.2 percent rise in Tokyo's benchmark index.

Government and company websites in Japan, Europe and elsewhere went offline last week after the disclosure of critical vulnerabilities in the PHP programming language prompted millions of hacking attempts. Kumagai has urged the Japanese government to apply cyberdefence measures in response to the cyberattack, after the introduction of a cyberdefence system this month. The system could involve steps such as attacking hostile servers to neutralise threats.

How exposed

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DIVERSIFYING OVERSEAS JOBS IS BECOMING URGENT

The latest disruption shows Bangladesh's heavy reliance on a handful of overseas labour markets, leaving migrant workers and the economy exposed to regional crises.

Since FY2014-15, Saudi Arabia has employed around half of the 96 lakh Bangladeshis who went abroad for work. Workers in the kingdom have sent home an average of $5 billion a year.

The pressure on migration is already evident. Overseas employment fell 36 percent year-on-year to 134,000 in the July-August period this year, following a decline to around 969,000 workers in FY26, the lowest level in five years, according to Bureau of Manpower, Employment and Training data.

Tasneem Siddiqui, executive director of the Refugee and Migratory Movements Research Unit (RMMRU), a local think tank, said the crisis exposed the structural weaknesses of the country's migration sector.

"Therefore, rather than relying on piecemeal decisions, we must completely overhaul and diversify the manpower market. Otherwise, one crisis after another will emerge, leaving us perpetually vulnerable," said Tasneem, also a political science professor at Dhaka University.

She said the government needs a long-term strategy to develop skills suited to specific overseas markets and expand employment opportunities beyond traditional destinations.

"Long-term strategic planning is essential. Particularly, allocating a mere 0.08 percent of the budget for a $35 billion remittance sector is grossly insufficient to accomplish meaningful interventions," she said.

Meanwhile, economist Zahid said Bangladesh should target countries facing ageing populations and labour shortages, including Japan and countries in eastern Europe, where demand for workers in nursing, caregiving and manufacturing could offer alternatives to Middle Eastern markets.

Sayema Haque Bidisha, an economics professor at Dhaka University, also called for greater diversification of migration destinations, stronger diplomatic engagement and better support for expatriates through overseas missions.

She said Bangladesh needs to improve its international image by demonstrating that its workers can fill skilled jobs, rather than being seen primarily as a source of manual labour.

Shariful Hasan, associate director of BRAC's Migration Programme and Youth Platform, said earlier this month that many Bangladeshi workers in Saudi Arabia depend on daily or weekly employment and that security concerns have reduced work opportunities.

PAKISTAN FACES GREATER EXPOSURE THAN INDIA

Bangladesh is not the only country with a significant reliance on remittances from Saudi Arabia.

Its neighbour India and Pakistan also depend on money sent home by their citizens working in the kingdom, although the potential impact varies.

Saudi Arabia is Pakistan's largest source of remittances, contributing $9.78 billion in the last fiscal year, according to State Bank of Pakistan data.

Meanwhile, around 7 percent of India's international remittance inflows originate from Saudi Arabia. The country receives about $8 billion annually from the kingdom, according to the Reserve Bank of India.

A prolonged crisis that affects employment and earnings in Saudi Arabia could therefore have a greater impact on Pakistan than on India, given Pakistan's substantial reliance on the kingdom as a source of remittances.

Foreign loan

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Bank Group, provided the highest amount at $196 million. The Asian Development Bank followed with $118 million, while India provided $105 million, according to the ERD.

Foreign financing inflows to Bangladesh, a least developed country that relies partly on foreign sources to meet its financing needs, declined for the third consecutive month.

Despite the fall in inflows, loan repayments rose 5.6 percent year on year to $1.35 billion in July-September of this fiscal year.

ERD data showed that Bangladesh received $8 billion in foreign financing in FY2025-26, down from $8.57 billion in the previous fiscal year. The country repaid $4.49 billion during the same period, nearly 11 percent more than a year earlier.

AI lifts US growth, but no turning point yet

RETUERS, *Washington*

In his 2025 inaugural address, President Donald Trump said his return to the White House heralded the start of a new golden age for the US, especially for the economy.

He and his advisers contend his plans to slap tariffs on imports, deport some immigrants and curtail the arrival of others, cut personal and corporate taxes and slash regulations would unleash growth, reshore manufacturing, and lead to a boom in the economy's productive capacity.

The US economy may indeed be undergoing profound change, though it is unclear how much of the transformation stems from Trump's policies and how much from the rapid development of artificial intelligence technologies whose impact on jobs, prices and output remains to be seen.

The picture is somewhat mixed.

Gross domestic product measures the total output of goods and services in an economy, and the rate it expands year to year is often cited as a benchmark for economic success.

But there are natural constraints. At a basic level GDP represents the number of people working multiplied by the average output per worker. All things equal an aging society with a low natural population increase and a low immigration level -- as in the US right now -- can only grow so fast.

Economists see the underlying US trend growth rate -- the pace at which the economy could expand with full employment and stable, low inflation -- at around 2 percent.

Trump has said his policies could double that pace or do even better, but so far quarter-to-quarter growth doesn't look that much different than it did in prior years.

Some things just haven't turned out as the administration expected. Steep tariffs imposed in the spring of 2025 and expanded since then were in Trump's view going to cut US dependence on imports and bring manufacturing jobs back to US shores.

The US Supreme Court has since tossed out some of the levies as unconstitutional, though the administration has plans to replace them with taxes imposed under other regulations. "We have very durable tariff authorities," Treasury Secretary Scott Bessent said last week.

Evidence on how much reshoring is in train has been mixed. Meanwhile imports have continued to climb in no small part because of demand for components to build data centers to accommodate AI firms.

Yet at the same time all that imported stuff has helped fuel what has been a big upside surprise. Business investment has boomed from the race to build data centers and establish AI capacity as fast as possible. It has been aided as well by corporate tax changes under Trump's signature One Big Beautiful Bill Act that provide an incentive to invest in capital projects.

The estimates of what's in the AI-sector pipeline are staggering -- several trillion dollars of capital -- but local blowback against data center projects has also emerged as an important campaign issue.

The local dynamics have made for uncomfortable politics for Republicans, with Trump arguing data centers should be built as fast as possible and criticizing opponents, while local candidates face voters genuinely unnerved by the potential impact on their communities -- and their electricity bills.

But for now, business investment has been a major prop to GDP growth that would otherwise seem laggard.

The potential for the AI boom to usher in an era of profound productivity gains has become a touchpoint of optimism throughout the Trump administration.

Trump has tried rebranding AI as "super intelligence" and taken a direct interest in the industry, which has important security and defense applications, along with carrying immense potential risks. Bessent has argued that productivity-enhanced growth can fix the country's fiscal problems without the full pain of hefty cutbacks, and Fed Chairman Kevin Warsh has said rising productivity may temper inflation and allow the Fed to lower interest rates.

Yet it's not clear much has happened yet.

There have been some strong recent jumps in labor output per hour, and many economists and business leaders are convinced that the deployment of AI at scale will change much about how companies and people work.

But the data are notoriously volatile and hard to anticipate, and some officials argue that the recent productivity increases are too early to be attributable to the new technology -- as opposed to changes spurred by the demands of the pandemic, like mobile ordering.

Govt's one-stop

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announcement, however, did not provide details into the upgrades.

Speaking to The Daily Star, Muhammad Anwar Uddin, project director at a2i, which runs myGov, said the platform needed upgrades.

"We need some upgrades. That is why we want to carry out the updates," he said.

Asked whether the shutdown was linked to vulnerabilities in PHP, a programming language widely used to build websites, he said some such issues had emerged.

"Yes, there are some issues like that. Some issues have come up that are PHP-based, and some of our systems are outside PHP," he said.

He said the updates were being made for protection.

An official of the Bangladesh e-Government Computer Incident Response Team (BGD e-GOV CIRT), the government's cyber security agency, also said the agency had flagged PHP-related issues on some websites run by a2i.

"We have raised some issues regarding PHP in some websites run by a2i, and they are working on it," the CIRT official said.

CIRT issued an advisory on October 22 about PHP2Shell, a set of vulnerabilities that could allow attackers to run malicious code on servers remotely without logging in.

In a high-severity alert issued recently, it warned that several government and private organisations were still using outdated or unsupported PHP versions and urged them to apply verified patches or restrict public access.

The vulnerability has already disrupted digital services.

The Bangladesh Bank restored its website at 8am yesterday after keeping it offline for two and a half days.

On Saturday, the websites of six banks, including Agrani, Janata and Bengal Commercial Bank, went offline, with some remaining down until Sunday. The land ministry also suspended services on land.gov.bd for about 36 hours from midnight on October 22.

CIRT has cautioned that running an outdated PHP version does not necessarily mean a system has been attacked, as the actual risk depends on the version in use, whether patches have been applied and how exposed the system is to the internet.

myGov brings government-to-citizen, government-to-business and government-to-government services together online. Users apply for services from different ministries, track applications in real time and pay fees. Services include certificate attestation, land-related applications, allowances, and business licences and permits.

A prolonged shutdown is therefore likely to affect people with pending applications, including those seeking attestation for study or travel abroad, and businesses waiting for licences or permits.

First round

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Bangladesh exports textiles and apparel, leather and leather goods, jute and jute products, fish and seafood, and pharmaceuticals to Malaysia.

Its imports from the country include electrical and electronic equipment, palm oil, machinery and mechanical appliances, rubber products and chemicals.

In fiscal year 2024-25, Bangladesh exported goods worth $282 million to Malaysia and imported goods worth $2.29 billion, according to data from the Export Promotion Bureau and Bangladesh Bank.

The trade gap partly reflects Bangladesh's substantial imports of palm oil from Malaysia.

'MALAYSIA COULD BE A GATEWAY TO ASEAN'

M Masrur Reaz, chairman and chief executive officer of Policy Exchange of Bangladesh, also stressed the importance of securing market access and diversifying export destinations ahead of LDC graduation.

He said 84 percent of Bangladesh's exports were concentrated in the garment sector, while a similar proportion went to just three destinations — the United Kingdom, the United States and the European Union.

Masrur said Bangladesh's export concentration had been supported by duty-free market access linked to its LDC status, making it important to pursue new trade arrangements as those preferences change.

Asian markets could play a greater role in expanding trade and business after graduation, he said, adding that agreements with Malaysia, Japan, South Korea and other countries would be important in that effort.

He also noted that Malaysia could potentially serve as a gateway for Bangladesh to access the wider Association of Southeast Asian Nations (ASEAN) market.

Despite the region's growth potential, Bangladesh's exports to ASEAN remain low, he said.

The PEB chief also said major trading nations were increasingly focusing on regional markets, partly amid geopolitical uncertainties, making closer trade ties within Asia more important.

Like Anwar, he too suggested that Bangladesh include manpower exports in the FTA negotiations with Malaysia to broaden the scope of bilateral economic cooperation.

Govt wants $1b

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As per the proposal, the loan would support three broad reform areas -- adopting a renewable energy policy, enabling government non-bank financial institutions to invest in alternative energy, and improving the financial management of state-owned energy companies.

The Finance Division expects the programme to strengthen the sector's financial sustainability and improve preparedness for energy-price volatility and supply disruptions. It also aims to address environmental concerns.

The financing is intended to help restore a more stable and affordable energy supply while improving the financial position of state-owned energy companies.

The delegation is expected to meet officials of KEXIM, Korea's export-import bank, which is relevant to the proposal because of its role in the country's development finance framework, including EDCF.

The Bangladeshi team is also scheduled to meet SK Gas to discuss the energy sector.

The agenda does not specify whether the meeting will cover fuel supply, investment or the proposed budget-support programme.

The draft programme also includes a Bangladesh-Korea investment promotion initiative. It will focus on infrastructure, logistics, industrial development, urban services, digital solutions and public-private partnerships.

Alongside the energy-sector proposal, the Finance Division has outlined a separate capacity-building initiative with support from the Korea International Cooperation Agency (KOICA).

The initiative aims to strengthen Bangladesh's capacity in budget management, macro-fiscal forecasting and public debt management. Proposed support includes specialised training, technical assistance, study visits and upgraded analytical tools.

The areas of support would include fiscal-risk analysis, debt sustainability assessments, medium-term debt strategy, borrowing plans and negotiations over policy-based loans. Expected outcomes include stronger fiscal projections, more effective debt-risk assessments and greater transparency in public debt and fiscal reporting.

Dollar edges up

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Despite some volatility in the foreign exchange market, the country's reserves remained at a comfortable level. The central bank data showed that reserves stood at $31.54 billion under the BPM6 method on October 19, up from $26.34 billion a year earlier.

State banks

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decided to terminate the remaining tenures of the contractual MDs and chief executive officers of Sonali, Janata and Rupali banks.

The appointments of the heads of Agrani Bank, Bangladesh Development Bank Limited (BDBL) and BASIC Bank had also been cancelled last month.

Following the cancellations, the government revised the eligibility policy on October 19 for appointing MDs and CEOs at six state-owned commercial banks: Sonali, Janata, Agrani, Rupali, BDBL and BASIC.

Under the revised policy, candidates must have at least 20 years of experience in banks or financial institutions.

However, the requirement for two years of experience in the position immediately below that of MD or CEO may be waived for candidates with special skills, professional qualifications, leadership ability and a good reputation.